

ANNUAL REPORT 2025



NAVAL
GROUP

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PRESENTATION OF THE GROUP

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I. HISTORY OF THE GROUP

Providing high-technology products has been the group's main objective ever since its foundation:

- 1624: creation of the *Flotte du Levant* and the *Flotte du Ponant*, the French Navy's Mediterranean and Atlantic fleets respectively;
- 1858: launch of *La Gloire*, the world's first ironclad steam frigate;
- 1899: launch of the *Narval*, the ancestor of the modern submarines;
- 1967: launch of the *Redoutable*, the first nuclear ballistic missile submarine (SSBN);
- 1980: design of the stealth frigate *La Fayette*, whose innovative design went on to influence navies worldwide;
- 2000: entry into service of the aircraft carrier *Charles de Gaulle*;
- 2006: delivery of the first Mistral-class amphibious helicopter carrier (PHA), a new warship design capable of performing a wide range of civil, military and humanitarian missions;
- 2007: cutting of the first plate of the multi-mission frigate (FREMM) *Aquitaine*;
- 2008: launch of *Le Terrible*, SSBN equipped with M51 nuclear missiles;
- 2011: the offshore patrol vessel (OPV) *L'Adroit* is delivered to the French Navy for maritime safeguard missions;
- 2012: delivery of the PHA *Dixmude* to the French Navy;
- 2013: the FREMM *Aquitaine* fires its first Aster missile;
- 2014: delivery of the FREMM *Mohammed VI* to the Royal Moroccan Navy;
- 2015: delivery of the FREMM *Tahya Misr* to the Egyptian Navy; the FREMM *Aquitaine* successfully fires its first naval cruise missile;
- 2018: Naval Group completes the mid-life refit of the aircraft carrier *Charles de Gaulle*;
- 2019: Naval Group and Fincantieri sign the joint-venture agreement that in January 2020 would result in the creation of Naviris, a joint-venture equally owned by both companies, which leads European projects;
- 2020: the President of the French Republic announces the launch of design work on the future nuclear-powered aircraft carrier (PA-NG). The choice of the President of the French Republic represents significant support for the French Defence Technological and Industrial Base (DTIB) and the nuclear industry, and in particular for Naval Group;
- 2021: Florence Parly, French Minister of the Armed Forces, announces the launch of the third-generation nuclear ballistic submarines (3G SSBN) program for the French Navy;
- 2022: the first defence and intervention frigate (FDI) ordered by the French National Defence Procurement Agency (DGA) and intended for the French Navy, the *Amiral Ronarc'h*, is launched in Lorient;
- 2023: delivery of the nuclear attack submarine (SSN) *Duguay-Trouin*;
- 2024: launch of the drones and autonomous naval systems product line;
- 2025: delivery of the first FDI to the French Navy.

II. PURPOSE

To promote the sustainable role of a company in society, French law no. 2019-486 of May 22, 2019 on business growth and transformation, known as the PACTE law, allows companies wishing to do so to adopt a corporate purpose. Naval Group took this opportunity to show its contribution to public interest, its usefulness and the meaning of its actions to its stakeholders and all its employees.

The purpose of Naval Group was adopted in November 2022:

“ DELIVER POWER AT SEA

The sea brings us together,

Naval Group is a sovereign industrialist that serves the sailors who protect their country and a key player in the French deterrent force. Drawing on the diversity and engagement of its talents and its centuries-old industrial tradition, Naval Group designs, produces and maintains high-performance, sustainable and reliable ships, systems, equipment and services to ensure the superiority and availability of fleets. Thanks to the excellence of its know-how and its passion for innovation, Naval Group responsibly builds the naval system of tomorrow.”

III. BUSINESS LINES, KNOW-HOW AND PRODUCTS

III.1. GROUP BUSINESS LINES AND KNOW-HOW

THE GROUP'S KNOW-HOW

The group can call on exceptional know-how in five major areas:

- its ability to fulfil highly complex large-scale programs;
- its technical expertise in naval systems throughout their life cycle;
- the development and integration of naval anti-aircraft combat systems, for both surface vessels and submarines, as well as drones, autonomous systems and submarine weapons, which represent a key source of added value for modern warships;
- its role in the assembly and maintenance of nuclear vessels, both as regards the installation of weapons and nuclear propulsion equipment and with respect to ongoing servicing, maintenance and infrastructure management;
- its continuous innovation serving the technological superiority of its customers.

III.2. HIGH-TECH PRODUCTS

One of Naval Group's major strengths is its ability to bring to market some of the world's most complex innovative products, such as the *Le Terrible* class of nuclear ballistic missile submarines (SSBN). Studies carried out on this topic all show that an industrial product of this kind is one of the most complex in the world, there being no other product that requires both the mastery of so many technological fields and the management of numerous partners and subcontractors.

III.3. SPECIFIC PRODUCTS

The group offers the following products in line with the specific requirements of its existing and prospective customers:

- SSBNs, which have ensured the presence of France at sea without interruption for 50 years;
- SSN Barracuda nuclear attack submarines, designed to provide the French Navy with defence equipment at the apex of technology;
- Barracuda-class conventional submarines with expeditionary capabilities, including 4 vessels for the Dutch Navy;
- Scorpène[®]-class conventional submarines, 14 of which have already been sold around the world (to Chile, Malaysia, India, and Brazil). A new contract for two Scorpène[®] submarines for Indonesia came into force in 2025;
- naval surface vessel systems such as the aircraft carrier *Charles de Gaulle*, the FDIs, the FREMMs, the Mistral-class PHAs, the Gowind[®] corvettes, mine warfare systems;
- drones;
- services including the construction of shipbuilding and maintenance infrastructure, maintenance with guaranteed availability and warship upgrading and support;
- submarine armaments such as MU90 lightweight torpedoes, F21 heavyweight torpedoes and Contralto[®] anti-torpedo protection systems;
- Navy crew training simulators.



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I. SHAREHOLDING AND GOVERNANCE

I.1. SHAREHOLDING

SHAREHOLDING

Naval Group [the “company”] is a *société anonyme* (public limited company) incorporated under French law. As at December 31, 2025, 62.25% of its capital was held by the French State, 35% by Thales, 1.57% by current and former members of staff of the company and its subsidiaries through the Fonds commun de placement d’entreprise actionnariat Naval Group (FCPE Actionnariat Naval Group) mutual investment fund, 1.16% by Naval Group Actionnariat (indirectly wholly-owned subsidiary of Naval Group – Treasury Shares) and 0.02% directly by company employees.

TREASURY SHARES

In 2025, 42,354 shares were purchased by Naval Group Actionnariat as part of the share repurchase guarantee granted to employees.

At December 31, 2025, Naval Group Actionnariat holds 655,361 treasury shares.

I.2. BOARD OF DIRECTORS

I.2.1. COMPOSITION AND ACTIVITIES OF THE BOARD OF DIRECTORS

The Board of Directors deliberates on key strategic, economic, financial and technological guidelines in accordance with the corporate interest, taking into consideration the social and environmental challenges of the company’s activity. It upholds the interests of its principal stakeholders, that is, its shareholders, employees and customers.

The composition, powers and rules of the Board of Directors are governed simultaneously by (i) the provisions of the French Commercial Code pertaining to *sociétés anonymes* (public limited companies), (ii) by the provisions of Order no. 2014-948 of August 20, 2014 (the “Order”), (iii) the provisions of law no. 83-675 of July 26, 1983 on the democratisation of the public sector (the “Democratisation Law”) with regard to the election and status of directors representing employees, (iv) the company’s articles of association and (v) the internal regulations of the Board of Directors itself.

The company’s Board of Directors is composed of 18 members.

I.2.2. REPRESENTATIVE OF THE STATE ON THE BOARD OF DIRECTORS

In accordance with the provisions of article 4 of the Order, the French State is represented on the company’s Board of Directors, by Pierre Jeannin.

The term of office of Pierre Jeannin, which expired at the end of the General Meeting held to approve the financial statements for the financial year ended December 31, 2024, was renewed by order of the Minister of the Economy, Finance and Industrial and Digital Sovereignty on March 26, 2025.

I.2.3. DIRECTORS APPOINTED BY THE GENERAL MEETING

The Naval Group directors appointed by the General Meeting are as follows:

- Pierre Éric Pommellet;
- Monique Legrand-Larroche;
- Valérie Champagne;
- Bernard Réat;
- François Geleznikoff;
- Jacques Hardelay;
- Patrice Caine;
- Pascal Bouchiat;
- Nathalie Ravilly;
- Geneviève Mouillerat;
- Guenaëlle Penin de la Raudière.

The terms of office of Pierre Éric Pommellet, Valérie Champagne, François Geleznikoff, Geneviève Mouillerat and Guenaëlle Penin de la Raudière, which expired at the end of the General Meeting held to approve the financial statements for the financial year ended December 31, 2024, were renewed by the General Meeting of March 26, 2025, for a period of five years ending at the end of the General Meeting called in 2030 to approve the financial statements for the financial year ended December 31, 2029.

The terms of office of Monique Legrand-Larroche, Bernard Réat, Jacques Hardelay, Patrice Caine, Pascal Bouchiat and Nathalie Ravilly will expire at the end of the General Meeting to be held in 2027 to approve the financial statements for the financial year ending December 31, 2026.

The qualification of Geneviève Mouillerat and Guenaëlle Penin de la Raudière as independent directors was confirmed by the Board of Directors at its meeting of December 17, 2025, pursuant to article 1.2 of the Board of Directors’ internal regulations.

I.2.4. DIRECTORS ELECTED BY EMPLOYEES

The provisions of article 7 of the Order state that employee representatives must make up one third of the members of the Board of Directors. There are thus six such directors representing the employees. In accordance with article 8 of the Order, they are elected by the employees under the terms set out in title II, chapter II of the Democratisation Law.

The directors representing employees on the Board of Directors have been as follows since December 19, 2024:

- Emmanuel Boscher-Tokarski;
- Amélie Pichon;
- Béatrice Unia;
- Régis Guyot;
- Tony Lecorps;
- Laurent Élie.

Their terms of office, lasting five years in accordance with the provisions of the company's Articles of Association, will expire on December 18, 2029.

I.2.5. OTHER PARTICIPANTS IN BOARD OF DIRECTORS MEETINGS

In addition, pursuant to the legal and regulatory provisions applicable to the company, Phillipe Kearney, General Economic and Financial Controller, Head of the "Space, Armaments and various organisations under the oversight of the economic and financial ministries" mission of the French State's General Economic and Financial Control, Nicolas Chapon, General Controller of the Armed Forces and Government Commissioner for the company, Laurent Bailloux, Secretary of the Central Social and Economic Committee (CSEC), Armel Castets, non-voting Board member, attend the meetings of the Board of Directors as non-voting members.

Frank Le Rebeller, Deputy Chief Financial Officer, and Géraldine Le Maire, group General Secretary, also attend the meetings of the Board of Directors.

The secretariat of the Board of Directors has been held by Fériel Redjouani since October 16, 2020.

I.3. GENERAL MANAGEMENT AND EXECUTIVE COMMITTEE

GENERAL MANAGEMENT

Pursuant to the decision taken by the Board of Directors of the company on June 2, 2003, the Chairperson of the Board of Directors is responsible for the General Management of the company and holds the title of Chairperson and Chief Executive Officer.

The term of office of Pierre Éric Pommelot as Chairperson and Chief Executive Officer of the company was renewed by decree of the President of the French Republic on March 1, 2025 for the duration of his term as director.

EXECUTIVE COMMITTEE

The Executive Committee meets on a bi-monthly basis and as and when necessary, defines the group's objectives and decides on all matters having a major impact on the group's strategy, operations and commercial activities. It comprises the following 14 members: Chairperson and Chief Executive Officer; Deputy Chief Financial Officer; General Secretary; Executive Vice President, Submarines; Executive Vice President, Surface Vessels; Executive Vice President, Services; Executive Vice President, Systems, Equipment and Propulsion; Executive Vice President, Drones, Autonomous Systems and Underwater Weapons; Executive Vice President, Sales and Marketing; Executive Vice President, Operations and Performance; Executive Vice President, Technical; Executive Vice President, Human Resources; Executive Vice President, Strategy, Partnerships and Institutional Affairs; Executive Vice President, Communications.

II. SUBSIDIARIES, CONTROLLED COMPANIES AND COMPANIES OVER WHICH NAVAL GROUP EXERCISES SIGNIFICANT INFLUENCE AT DECEMBER 31, 2025

ACTIVITIES OF SUBSIDIARIES, CONTROLLED COMPANIES AND COMPANIES OVER WHICH NAVAL GROUP EXERCISES SIGNIFICANT INFLUENCE

Naval Group holds direct or indirect shareholdings in the following consolidated group companies (all holdings are 100% unless stated otherwise).

ACCUWATT TECHNOLOGIES

Accuwatt Technologies specialises in the design, development and production of battery packs for use in constrained environments.

ALEXANDRIA NAVAL FOR MAINTENANCE AND INDUSTRY

The purpose of Alexandria Naval for Maintenance and Industry, an Egyptian subsidiary, is to carry out new construction and maintenance activities for the Egyptian customer.

ARMARIS QUATER

Armaris Quater owns Naval Group Actionnariat.

ARMARIS QUINT

Armaris Quint holds a 10.47% stake in the share capital of Delfox.

ARMARIS SIXT

Armaris Sixt holds an interest in the Egyptian subsidiary Alexandria Naval for Maintenance and Industry (one share).

BOUSTEAD DCNS NAVAL CORPORATION SDN BHD (BDNC) (40% HOLDING)

BDNC, owned with BHIC Defence Technologies SDN BHD, is located in Malaysia and its main purpose is to provide the Malaysian Navy with in-service support of Scorpène® submarines.

DCN INTERNATIONAL

DCN International was created to manage export sales contracts for equipment and services provided by DCN (which became a national service in 2000).

Following the transfer of certain assets, rights and obligations of the government agency DCN by the French State to DCN on June 1, 2003, DCN International is responsible for managing all contracts in place at the transfer date (excluding contracts transferred to Armaris, which was absorbed by Naval Group on September 30, 2009). The company has undertaken no new business since then.

DCNS ZAMIL (55% HOLDING)

DCNS Zamil is a joint venture with Zamil Offshore Services Company and its primary purpose is to perform maintenance work on the military vessels of the Saudi Navy's fleet. This company was liquidated at the end of 2025.

DÉFENSE ENVIRONNEMENT SERVICES (DES) (49% HOLDING)

DES, a joint venture created by Naval Group and Veolia Environnement Services, is a leading operator of support services for military sites.

ENERGÍA MARINA SPA (75% OWNED BY NAVAL ENERGIES)

Energía Marina SpA, 75%-owned by Naval Energies and 25%-owned by Enel Green Power (Italy), manages the MERIC Technology Centre (Marine Energy Research and Innovation Centre), which aims to promote the development of the Chilean blue economy in strategic ocean-related sectors, by transforming acquired knowledge into technological services and applied R&D, generating new and innovative business opportunities. In 2025, the shareholders of Energía Marina SpA decided to cease its activities. These transactions are in progress and should lead the partners to decide on the dissolution and liquidation of this company in 2026.

ITAGUÁ CONSTRUÇÕES NAVAIS SA (ICN) (41% HOLDING)

ICN, owned jointly with Novonor Defesa E Tecnologia SA is located in Brazil. The principal activity of the company is the construction of submarines in Brazil, in particular under the Prosub program.

JEUMONT ELECTRIC (31.47%)

Jeumont Electric, a joint venture with Framatome, is an industrial company specialising in the manufacture and maintenance of engines and electrical equipment for the nuclear energy and naval defence sectors.

KERSHIP (45% HOLDING)

Kership, held jointly with Piriou, is a joint venture operating in the field of lightly armed vessels 95 metres or less in length, designed primarily to civilian standards and intended for military or civil administrative bodies.

NAVAL ENERGIES

After the sale of certain assets constituting its “floating wind turbine” activity and the reclassification of all its employees, the discontinuation of Naval Energies activities continued during the 2025 financial year.

NAVAL GROUP ACTIONNARIAT

This company is responsible for providing liquidity of the Naval Group shares acquired by the beneficiaries of both ORS (employee share offers) in 2008 and 2014, as well as the 2019 and 2022 collective shareholding plans and 2019 LTIP.

NAVAL GROUP ARABIA

Naval Group Arabia is the company holding the service contracts with the Saudi Ministry of Defence and is responsible for developing this activity. It aims to apply the 2030 vision of the Kingdom of Saudi Arabia to naval activities. The objective is to develop the Saudi share of in-service support activities on the Sawari fleets in service by being the prime contractor for the Ministry of Defence on in-service support, to cooperate with universities on applied research topics and to develop shipbuilding skills.

NAVAL GROUP AUSTRALIA PTY LTD

Following the closure of the Australian Future Submarine (AFS) program, Naval Group Australia Pty Ltd activity was suspended.

NAVAL GROUP BELGIUM

Naval Group Belgium was created to reflect the group’s desire to develop its activities internationally to combat robotic mines, organised from Belgium. This subsidiary manages research and development (R&D) cooperation in mine counter measure operations and cybersecurity.

NAVAL GROUP BR SISTEMAS DE DEFESA LTDA

Naval Group BR Sistemas de Defesa LTDA is a Brazilian company which participates in the development of the group’s business in Brazil and provides logistical and administrative support to Naval Group expatriates and secondees in Brazil.

NAVAL GROUP COOPÉRATION

The purpose of Naval Group Coopération is to provide external support to the group’s sales staff in export markets. It no longer carries out any operational activities.

NAVAL GROUP FAR EAST PTE LTD

Naval Group Far East Pte Ltd operates in Singapore, delivering logistics, engineering and systems maintenance work in relation to naval activities.

NAVAL GROUP HELLAS

Naval Group Hellas aims to consolidate Naval Group’s presence in Greece by executing the local part of Naval Group’s contract programs with Greek and Eastern Mediterranean region customers and by developing industrial and R&D cooperation with the Greek DTIB.

NAVAL GROUP INDIA PTE LTD

Naval Group India is providing its local support for the P75 construction program, the integration of the Defence Research and Development Organisation (DRDO) Air Independent Propulsion (AIP) system on the Scorpène® as well as the Indian heavy torpedo, and is increasingly supporting the Indian Navy in its in-service support.

NAVAL GROUP MALAYSIA SDN BHD

Naval Group Malaysia SDN BHD provides local support for the Gowind® Malaysia program, its support for technical assistance for the maintenance of Scorpène® submarines in Kota Kinabalu, participates in the development of the group’s activities in Malaysia and provides logistical and administrative support to Naval Group’s expatriates and secondees in Malaysia.

NAVAL GROUP NEDERLAND BV

Naval Group Nederland BV aims to establish long-term strategic partnerships with the Dutch maritime sector. In particular, the subsidiary plays a key role in ensuring the link between Naval Group and its Dutch partners.

NAVAL GROUP NUSANTARA

PT Naval Group Nusantara was registered on April 30, 2025 to give tangible expression to Naval Group’s desire to become a long-term strategic partner for Indonesia.

NAVAL GROUP PACIFIC LTD

Naval Group Pacific Ltd is an Australian company whose purpose is commercial development and R&D activities in Australia and New Zealand. This company is in the process of being liquidated.

NAVAL GROUP PARTICIPATIONS

Naval Group Participations is a holding company. It holds shareholdings in several Naval Group companies created abroad: Naval Group Technologies Canada Inc. (100%), Naval Group Arabia (100%), Alexandria Naval for Maintenance and Industry (99.99%), DCNS Zamil (55%), Naval Group Pacific (100%) and Naval Group Malaysia Sdn Bhd (not significant).

NAVAL GROUP RÉ

Naval Group Ré is a reinsurance captive whose activity is to assume all or part of the risks of Naval Group and/or the companies it controls within the meaning of article L. 233-3 of the French Commercial Code.

NAVAL GROUP SUPPORT

The purpose of Naval Group Support is the design, study, improvement, purchase and sale of all technical assistance services of an industrial nature linked to the supply of all systems, software and munitions used in naval and naval aviation activities, particularly in Saudi Arabia. This company no longer has any operational activity.

NAVIRIS (50% HOLDING)

Naviris is a joint venture with Fincantieri and its purpose is to conduct European projects.

**MO PA2**

MO PA2 has no activity.

MO PORTE-AVIONS (65% HOLDING)

MO Porte-Avions is a joint venture that is 65%-owned by Naval Group and 35%-owned by Chantiers de l'Atlantique. It was created to ensure the management of the PA-NG program through close cooperation between its parent companies and act as prime contractor for the armed vessel that covers the entire design and aircraft carrier manufacturing cycle.

PROJETOS E SISTEMAS NAVAIS SA

Projetos e Sistemas Navais SA (PROSIN) aims to develop the engineering systems business in Brazil. Its operations have been suspended.

SIREHNA

Sirehna specialises in the development of dynamic stabilisation, positioning and landing system solutions for sea, air and land vehicles and drones.

SYSTEMIQUE (20% HOLDING)

Systemique has skills in the field of algorithms, design and software development, particularly in the field of combat systems, in particular submarines with the TITLAT product, and has developed its activities over the last 10 years in the design and integration of on-board naval equipment (tactical tables). In addition to these core businesses, this company also generates part of its revenue *via* service activities (development, software maintenance and functional validation) and the sale of equipment and simulators.

TECHNICATOME (20.32%)

TechnicAtome, owned with the French State and the French Atomic Energy and Alternative Energies Commission (CEA), specialises in the design, construction, commissioning and in-service support of compact nuclear reactors. The results of consolidated companies are presented in note 3.3.

III. EQUITY INVESTMENTS AND CONTROLLING INTERESTS DURING THE 2025 FINANCIAL YEAR

In January 2025, Naval Group completed the acquisition of 100% of the shares of Accuwatt Technologies, a company specializing in the design and manufacture of battery systems. This operation aims in particular to strengthen control of the energy technology component for the benefit of Naval Group's drone activity.

In September 2025, Naval Group SA acquired a 20% stake in Systemique alongside GAIA (parent company of Themys), the majority shareholder on the one hand, and the founders of Systemique on the other. The company, a long-standing partner of Naval Group, with whom it generates most of its revenue, is involved in the design and development of tracking software and on-board systems for both submarines and surface vessels.

IV. OFFICES AND BRANCHES ABROAD AT DECEMBER 31, 2025

Naval Group also has several representative offices or branches abroad whose activity is directly incorporated in the group's results. It has branches in the United Arab Emirates (UAE), Egypt, Chile, Colombia and Greece, and representative offices in Indonesia, the Philippines and the Netherlands (delisted with effect from November 24, 2025).



V. INFORMATION ON CRITICAL INTANGIBLE RESOURCES

Naval Group's growth model is based on essential intangible resources that constitute a source of short, medium and long-term value creation for the group. These resources also play a very important role in the deployment of Naval Group's strategy. These intangible resources considered essential to Naval Group's growth model are detailed below.

HUMAN CAPITAL AND CRITICAL SKILLS

Naval Group's growth model is based primarily on the mastery of highly specialised skills.

As a systems integrator and prime contractor for submarine and heavily armed surface vessel programs, Naval Group has developed rare skills and very high-level expertise, alone or with its partners.

Naval Group has a very high level of expertise and skills in three key areas of activity: the activities of architect and general contractor, the activities of system integrator of complex military systems and activities related to the manufacture and assembly of nuclear reactors, as well as the in-service support of nuclear boiler rooms.

With 125 years of experience in the design and construction of submarines in Cherbourg (conventionally powered submarines, SSN and SSBN), Naval Group implements unique technologies and know-how, inherited from the builders of ships of previous generations, and the skills continuously developed by its employees to constantly adapt to changing threats and meet the expectations of the French Navy, as well as those of other customer navies.

The SSBN is one of the most complex industrial objects built by human beings, which brings together and concentrates, in a very small volume, the largest number of complex and critical technologies ever created and associated with each other. Such a complex project requires very rare and almost unique expertise and know-how in technological and industrial terms, that only five countries in the world possess in complete autonomy. For 60 years, Naval Group has also had very rare expertise and know-how in the design, construction and in-service support of aircraft carriers, which are also highly complex industrial objects. Naval Group contributed to the design, construction and in-service support of the last three aircraft carriers of the French Navy: the *Clemenceau*, the *Foch* and the *Charles de Gaulle*. These vessels have made it possible to assert France's power in the world and its mastery of the most advanced military technologies in theatres of operation.

Naval Group is thus one of a very select group of industrial companies capable of designing and building aircraft carriers with catapults and landing brakes.

In partnership with the CEA and TechnicAtome, Naval Group also built and integrated the two on-board nuclear boiler rooms of the aircraft carrier *Charles de Gaulle*, the first aircraft carrier of the French Navy to be equipped with nuclear propulsion, which gives the latter considerable autonomy at sea and extensive flexibility recognised by the major NATO member navies. Only the United States and France have so far been able to design, build and operate nuclear-powered aircraft carriers.

With the design and construction of the nuclear-powered PA-NG, which is scheduled to be commissioned in 2038, France will have the largest warship in Europe and one of the largest warships in the world. For Naval Group and its two main industrial partners (Chantiers de l'Atlantique and TechnicAtome), the PA-NG represents a major technological and industrial challenge that only a few countries in the world are able to meet. Cutting-edge skills and unique know-how are essential to the completion of such an armaments program. This program thus directly contributes to strengthening the skills developed by Naval Group employees and, more broadly, by those of the entire French defence technological and industrial base.

Mastering the technologies necessary for the construction of industrial objects as complex as those designed and built by Naval Group therefore represents a real collective human and technological challenge. This mastery involves a long process of learning, accumulating, maturing and transmitting skills and know-how from one generation to the next. In this area, Naval Group benefits from the efforts made for more than four centuries by entire generations of employees, which have provided the group with exceptional human capital.

17,170 employees as at December 31, 2025; this constitutes the exceptional human capital that Naval Group has at its disposal. The expertise, commitment and ability of these employees are at the heart of the group's performance and are essential to its success. To maintain a high level of skills and operational excellence, the group invests in the training and development of this human capital, implements dynamic talent management policies, including retention schemes, and maintains and continuously updates succession plans for critical positions.

TECHNOLOGICAL INNOVATION AND INTELLECTUAL PROPERTY

Research and development and technological innovation are also essential components to guarantee the group's commercial success and meet the new needs of its customers, and this is why they are at the heart of the group's strategy.

The Technical Department supports the group's multiple activities on a daily basis in terms of operational excellence and innovation, with more than 800 engineers and technicians. Within the Technical Department, the Development, Innovation and Proposals Department is responsible for building attractive and competitive product lines that create value for the group and its customers, to set in motion internal and external ecosystems in order to develop innovative projects that meet market expectations, manage, implement and ensure overall consistency between proposals and preliminary projects, establish the group's strategic technological vision and drive innovation.

Innovation governance is embodied by a strategic technological plan that includes a 20-year vision of the operational and industrial capabilities requiring development, the strategy undertaken or continued over the next 10 years in terms of scientific work and technical innovation on products and services, on their components and on their design, manufacturing, integration or maintenance processes, and the impacts that should be anticipated in terms of skills.

The portion of R&D studies funded by Naval Group for naval defence included in R&D costs amounted to over €80 million in 2025 [see chapter X of this report].

Academic and scientific research ecosystems in France and abroad are also an essential lever enabling the group to position itself at a high level of technological innovation. The group relies especially on ambitious and multidisciplinary scientific collaborations in the form of framework agreements, joint laboratories and academic or industrial chairs.

Naval Group has also implemented an incentive policy in the field of employee inventions and promotes the conclusion of industrial agreements for training through research [see chapter X of this report].

The results of this innovation give Naval Group a competitive advantage and give customer navies the means to use their power and control their maritime sovereignty. The protection of these essential resources is therefore based on strict intellectual property management policies and more broadly, all data management [protection through secrecy, titles, referencing, seizure, confidentiality], and robust information system security systems, as well as a system to ensure compliance with regulations relating to export control and the protection of sensitive and/or classified information.

BRAND AND REPUTATION

The Naval Group brand enjoys global recognition and a solid reputation in the field of naval defence. This reputation is based on the group's ability to deliver to its customers, in accordance with its commitments, innovative, reliable, first-rate technological solutions that meet their needs and comply with the most stringent regulatory requirements.

It is by designing and developing highly innovative and extremely complex products for the French Navy, by managing major armaments programs for it over very long periods of time and by being a key player in the French nuclear deterrent, that the group has been able to gain this reputation and recognition, and that it is able to remain at the forefront of technological innovation. The group's ability to build these products and manage these programs for one of the largest navies in the world is a strength and a source of pride for the group.

Similarly, the loyalty of foreign naval customers is also a source of immense pride for the group, and a strength enabling it to strengthen its capabilities in terms of technological innovation, by offering them high-quality products and services that meet their own technical and operational requirements.

STRATEGIC RELATIONSHIPS AND PARTNERSHIPS

As an architect, system manufacturer and integrator of naval systems serving both French sovereignty and nuclear deterrence, and the sovereignty of foreign navies, Naval Group relies not only on its skills, talents and industrial resources, but also on a solid defence industrial and technological base, spread throughout France and also present internationally.

Naval Group is at the heart of a strategic industrial fabric that includes hundreds of companies in France and abroad and is required to lead cooperative projects and enter into strategic partnerships, including through joint ventures that are responsible for major programs both in France and internationally.

Similarly, the group creates strategic partnerships with leaders in technology fields that enable it to develop innovative solutions, drive and strengthen its competitive advantage in the field of naval defence systems or in solutions applicable to the naval defence field.

All of these partnerships, as well as all the agreements that Naval Group enters into with a view to holding interests in entities in France and abroad that contribute directly to the achievement of its activities and the reinforcement of its competitive advantage, or the licences and authorisations that enable it to carry out its activities in France and abroad, are essential resources to implement its strategy and ensure value creation in the short, medium and long term.

All of these intangible resources enable the group to maintain its research and development efforts at a resolutely high level, to maintain rare skills and develop new ones, to offer unique expertise and know-how to serve its customers and their technical and operational requirements, build customer loyalty, strengthen its brand image and thereby ensure its long-term growth. All of these intangible resources are therefore essential to the group's value creation in the short, medium and long term, enabling it to secure a leading position in the naval defence industry.

VI. CORPORATE GOVERNANCE REPORT

Drawn up in accordance with the provisions of article L. 225-37-4 of the French Commercial Code.

VI.1. LIST OF OFFICES AND POSITIONS HELD BY EACH CORPORATE OFFICER DURING THE 2025 FINANCIAL YEAR

	Company	Company form	Function or office	Country
Pierre Éric Pommellet	Naval Group	SA	Chairperson and Chief Executive Officer	France
	MD Porte-Avions	SAS	Chairman of the Board of Directors	France
	LISI	SA	Director	France
	Groupe Télégramme Médias	SA	Director	France
	Chantiers de l'Atlantique	SA	Director	France
	Naviris SpA	SpA (Italian company)	Director	Italy
Pierre Jeannin	Naval Group	SA	Representative of the State on the Board of Directors	France
	Ministry of the Economy and Finance	NA	Head of Industry Shareholdings	France
	KNDS	SA	Representative of the State on the Board of Directors	France
Pascal Bouchiat	Naval Group	SA	Director	France
	Thales	SA	General Director, Finance and IT Systems	France
	Thales Alenia Space	SAS	Director	France
	Thales Corporate Venture SAS	SAS	Director	France
	Air France KLM	SA	Director	France
Nathalie Ravilly	Naval Group	SA	Director	France
	Thales	SA	Vice-President, Corporate Strategy and Development	France
	Telespazio SpA	SpA (Italian company)	Chairwoman of the Board of Directors	Italy
	Thales Alenia Space	SAS	Director	France
	Elettronica SpA	SpA (Italian company)	Director	Italy
	Thales Germany	GmbH (German company)	Member of the Supervisory Board	Germany
Bernard Rézat	Naval Group	SA	Director	France
Jacques Hardelay	Naval Group	SA	Director	France
	Chantier naval de Marseille SAS (CNM)	SAS	Honorary Chairman	France
Patrice Caine	Naval Group	SA	Director	France
	Thales	SA	Chairperson and Chief Executive Officer	France
	L'Oréal	SA	Director	France
Monique Legrand-Larroche	Naval Group	SA	Director	France
	Directorate General of the Armed Forces (under the direct orders of MINARM)	NA	Inspector General of the Armed Forces	France
	Défense Conseil International	SA	Director	France
Guenaëlle Penin de la Raudière	Naval Group	SA	Director	France
	Axa Assurance Vie Mutuelle	Mutual insurance company	Independent director and member of the Audit Committee (since June 2025)	France
	Axa Assurance IARD Mutuelle	Mutual insurance company	Independent Director (since June 2025)	France
	GAWEN Conseil	Simplified joint-stock company	Chairwoman (since September 2025)	France
	SCI DE KERAN	Civil property company	Manager	France

	Company	Company form	Function or office	Country
Geneviève Moullierat	Naval Group	SA	Director	France
	BEICIP-FRANLAB (wholly-owned subsidiary of Institut français du pétrole énergies nouvelles [IFPEN])	Société anonyme (public limited company) with an Executive Board	Member of the Supervisory Board	France
Valérie Champagne	Naval Group	SA	Director	France
	Ministry of the Economy, Finance and the Recovery	NA	General Inspector of Finance	France
	SFTRF – Société française du tunnel routier de Fréjus	Semi-public company	Director and Chairwoman of the Audit Committee and the Compensation Committee	France
François Geleznikoff	Naval Group	SA	Director	France
	CEA	National public industrial or commercial institution without a public accountant	Advisor to the Director of Military Applications	France
	FG CONSULTANT	SARL	Manager	France
Laurent Elie	Naval Group	SA	Director	France
	Naval Group	SA	HR Attaché	France
Béatrice Unia	Naval Group	SA	Director	France
	Naval Group	SA	Head of partnerships for naval base and commercial service offers	France
Tony Lecorps	Naval Group	SA	Director	France
	Naval Group	SA	Operational Technical Expertise Officer	France
			Expert in activity sector 24	
Emmanuel Boscher-Tokarski	Naval Group	SA	Director	France
	Naval Group	SA	Contract manager	France
Amélie Pichon	Naval Group	SA	Director	France
	Naval Group	SA	Diesel fuel officer	France
Régis Guyot	Naval Group	SA	Director	France
	Naval Group	SA	Industrial supply manager	France
	Naval Group	SA	Supervisory Board of FCPE Actionariat Naval Group (until December 2, 2025)	France

VI.2. LIST OF AGREEMENTS ENTERED INTO, DIRECTLY OR THROUGH AN INTERMEDIARY, BETWEEN A CORPORATE OFFICER OR SHAREHOLDER HOLDING A FRACTION OF THE VOTING RIGHTS GREATER THAN 10% AND ANOTHER CONTROLLED COMPANY WITHIN THE MEANING OF ARTICLE L. 233-3 OF THE FRENCH COMMERCIAL CODE, EXCLUDING AGREEMENTS RELATING TO CURRENT TRANSACTIONS AND CONCLUDED UNDER NORMAL CONDITIONS

None.

VI.3. LIST OF DELEGATIONS OF POWERS OBTAINED FROM THE GENERAL MEETING IN ACCORDANCE WITH ARTICLES L. 225-129-1 AND L. 225-129-2 OF THE FRENCH COMMERCIAL CODE

None.

VII. GROUP POSITION DURING THE 2025 FINANCIAL YEAR

VII.1. EXAMINATION OF THE FINANCIAL STATEMENTS AND HIGHLIGHTS OF THE PERIOD

The consolidated and separate financial statements of Naval Group for the financial year ended December 31, 2025 were approved by the Board of Directors on February 20, 2026 and will be submitted for approval to the General Meeting to be held on March 19, 2026.

The 2025 financial year was marked by the following significant events:

- almost €19 billion of orders taken, including the "MS2" development and construction contract for the 3G SSBN program, the notification of the MSR1 development and construction contract for the PA-NG, and the implementation of the Scorpène® Evolved contract for Indonesia;
- revenue in the order of €4.7 billion;
- operational successes with the admission to active service of the SSN *Tourville*, the third submarine of the Barracuda series, the delivery of the Brazilian submarine *Toneleiro*, the third unit of the Prosub program, and the delivery of the FDI Kimon for the Greek Navy.

VII.2. GROUP INCOME AND FINANCIAL POSITION

REVENUE

The group's revenue for the 2025 financial year amounted to €4.7 billion, a 7.5% improvement on the revenue of the 2024 financial year.

International revenue made up 33.0% of the total.

ORDER BOOK

Orders with a value of €18.9 billion were received during the financial year. The book-to-bill ratio was 4.0.

As at December 31, 2025, the group's order book stood at €32.0 billion. Its provisional execution schedule is as follows: 13% in 2026, 12% in 2027, 12% in 2028, 10% in 2029 and 53% thereafter.

INCOME

Operating profit/loss of €318.7 million (6.8% of revenue) before amortisation of fair value differences was recorded for the year, compared with €307.4 million (7.1% of revenue) in 2024.

Operating profit/loss after net income from associates was €326.5 million, compared with €297.7 million in 2024.

Net finance income (expense) showed a gain of €42.4 million.

The consolidated income tax expense amounted to (€104.8) million, composed of current tax for (€109.9) million and a positive change in deferred tax of €5.1 million.

Net income from assets held for sale, through the application of International financial reporting Standards (IFRS) 5 was positive, amounting to €3.3 million.

The net profit for the financial year was consequently €267.4 million.

FINANCIAL POSITION AND CHANGES IN NET CASH

Net cash plus investment securities classified under other financial assets as per note 1.3.17 to the consolidated financial statements amounted to €1,794.3 million at December 31, 2025 (compared to €1,043.0 million at December 31, 2024) and is made up as follows:

	12/31/2025	12/31/2024
Non-current investment securities	250.0	342.7
Current investment securities	-	20.0
Cash and cash equivalents	1,544.3	680.3
TOTAL	1,794.3	1,043.0

VIII. NAVAL GROUP SA'S POSITION DURING THE 2025 FINANCIAL YEAR

VIII.1. REVENUE AND INCOME

ORDER INTAKE

Naval Group SA's order intake for 2025 amounted to €18,770 million, compared with €8,094 million in 2024. As at December 31, 2025, Naval Group SA's order book stood at €31,790 million.

REVENUE

Naval Group SA revenue amounted to €4,652 million for the 2025 financial year, compared with €4,310 million in 2024.

INCOME

Operating profit/loss was positive, amounting to €278.4 million, compared with €270.5 million in 2024. Net financial income amounted to a profit of €77.8 million, compared with €125.2 million in 2024. Extraordinary income amounted to a loss of (€1.5) million, compared with (€12.7) million in 2024. The company's net income amounted to a profit of €239.2 million.

VIII.2. TABLE OF RESULTS FOR THE LAST FIVE FINANCIAL YEARS

In accordance with the provisions of article R. 225-102 of the French Commercial Code, details are provided in the following table of Naval Group SA's results for the last five financial years (in €):

Financial year ended	12/31/2025	12/31/2024	12/31/2023	12/31/2022	12/31/2021
Length of accounting period (in months)	12	12	12	12	12
SHARE CAPITAL AT REPORTING DATE					
Share capital	563,000,000	563,000,000	563,000,000	563,000,000	563,000,000
Number of ordinary shares	56,300,000	56,300,000	56,300,000	56,300,000	56,299,700
Number of A preference shares	-	-	-	-	300
Number of B preference shares	-	-	-	-	-
OPERATIONS AND INCOME					
Revenue excluding taxes	4,651,759,545	4,310,157,818	4,223,147,848	4,007,394,057	4,005,535,343
Net profit (loss) before tax, profit-sharing, depreciation, amortisation and provisions	523,321,421	364,602,969	418,929,232	542,948,015	385,629,042
Income tax	76,547,660	19,736,633	34,849,153	60,478,918	15,438,572
Employee profit-sharing	38,885,286	12,972,437	25,266,352	47,287,859	13,500,000
Charges to depreciation and provisions	168,694,442	(18,397,939)	63,412,887	107,336,152	164,230,716
Net profit (loss) after tax, profit-sharing, depreciation, amortisation and provisions	239,194,034	350,291,838	295,400,841	327,845,085	192,469,754
Dividends paid	133,431,000	132,868,000	129,490,000	168,900,000	97,610,050
EARNINGS PER SHARE					
Net profit (loss) after tax, profit-sharing but before depreciation, amortisation and provisions	724	5.9	6.37	773	6.34
Net profit (loss) after tax, profit-sharing, depreciation, amortisation and provisions	4.25	6.22	5.25	5.82	3.42
Dividend allotted to each ordinary share	2.37	2.36	2.30	3.00	1.40
Dividend allocated to each Class A preference share	-	-	-	-	62,633
Dividend allocated to each Class B preference share	-	-	-	-	-
STAFF					
Average number of staff	15,744	15,261	14,823	14,182	13,469
Payroll expenses	1,066,053,542	1,004,830,895	930,269,042	905,366,198	807,965,758
Payroll-related costs (Social Security, staff benefits, etc.)	502,574,657	455,678,554	407,621,983	422,055,999	345,940,518

No interim dividend was paid in 2021.
 No interim dividend was paid in 2022.
 No interim dividend was paid in 2023.
 No interim dividend was paid in 2024.
 No interim dividend was paid in 2025.

VIII.3. MATURITY OF TRADE RECEIVABLES AND TRADE PAYABLES

In accordance with Articles L. 441-14 and D. 441-6 of the French Commercial Code, the schedule of the company's trade receivables is as follows:

INVOICES ISSUED AND OUTSTANDING AT THE REPORTING DATE OF THE FINANCIAL YEAR

Reporting date		Total	Invoices not overdue for payment	Payment overdue by 1 to 30 days	Payment overdue by 31 to 60 days	Payment overdue by 61 to 90 days	Payment overdue by more than 90 days	Total 1 day or more
LENGTH OF TIME OVERDUE								
12/31/2025	Number of invoices concerned	2,572	970	438	135	70	959	1,602
	Total value of invoices concerned excluding tax	1,087.0	501.4	482.6	41.2	5.0	56.8	585.6
	Share of pre-tax revenue for the financial year		10.78%	10.38%	0.89%	0.11%	1.22%	12.59%
12/31/2024	Number of invoices concerned	3,052	919	457	236	90	1,350	2,133
	Total value of invoices concerned excluding tax	1,527.1	882.7	108.0	144.5	201.1	190.8	644.4
	Share of pre-tax revenue for the financial year		20.49%	2.51%	3.35%	4.67%	4.43%	14.96%

INVOICES ISSUED THAT WERE OVERDUE FOR PAYMENT IN THE FINANCIAL YEAR

Reporting date		Total	Invoices not overdue for payment	Payment overdue by 1 to 30 days	Payment overdue by 31 to 60 days	Payment overdue by 61 to 90 days	Payment overdue by more than 90 days	Total 1 day or more
LENGTH OF TIME OVERDUE								
12/31/2025	Cumulative number of invoices concerned	12,145	5,767	3,997	797	260	1,324	6,378
	Total cumulative value of invoices concerned excluding tax	5,722.5	2,881.7	2,024.8	352.9	219.8	243.3	2,840.8
	Share of total value of invoices excluding tax issued during the period		54.55%	38.33%	6.68%	4.16%	4.61%	53.77%
12/31/2024	Cumulative number of invoices concerned	10,403	5,354	3,553	625	229	642	5,049
	Total cumulative value of invoices concerned excluding tax	3,950.9	1,994.5	1,509.0	193.3	119.9	134.2	1,956.3
	Share of total value of invoices excluding tax issued during the period		42.48%	32.14%	4.12%	2.55%	2.86%	41.66%

INVOICES RECEIVED AND OUTSTANDING AT THE CLOSING DATE OF THE FINANCIAL YEAR

Reporting date		Total	Invoices not overdue for payment	Payment overdue by 1 to 30 days	Payment overdue by 31 to 60 days	Payment overdue by 61 to 90 days	Payment overdue by more than 90 days	Total 1 day or more
LENGTH OF TIME OVERDUE								
12/31/2025	Number of invoices concerned	10,101	8,766	429	195	95	616	1,335
	Total value excluding tax of invoices concerned	192.0	1676	10.2	3.8	3.2	72	24.4
	Share of invoices received excluding tax, paid in the financial year		6.78%	0.41%	0.15%	0.13%	0.29%	0.99%
12/31/2024	Number of invoices concerned	21,248	19,786	527	276	125	534	1,462
	Total value excluding tax of invoices concerned	335.7	302.0	170	5.6	3.3	79	33.7
	Share of invoices received excluding tax, paid in the financial year		12.29%	0.69%	0.23%	0.13%	0.32%	1.37%

INVOICES RECEIVED THAT WERE OVERDUE FOR PAYMENT IN THE FINANCIAL YEAR

Reporting date		Total	Invoices not overdue for payment	Payment overdue by 1 to 30 days	Payment overdue by 31 to 60 days	Payment overdue by 61 to 90 days	Payment overdue by more than 90 days	Total 1 day or more
LENGTH OF TIME OVERDUE								
12/31/2025	Cumulative number of invoices concerned	408,263	351,411	29,601	18,343	5,521	3,387	56,852
	Total cumulative value of invoices concerned excluding tax	3,630.2	3,024.6	395.8	95.0	376	772	605.6
	Share of total value of invoices, excluding tax, paid in year		83.91%	10.98%	2.64%	1.04%	2.14%	16.80%
12/31/2024	Cumulative number of invoices concerned	352,074	320,712	20,506	5,229	1,936	3,691	31,362
	Total cumulative value of invoices concerned excluding tax	3,346.1	2,705.9	408.0	143.3	38.7	50.1	640.2
	Share of total value of invoices, excluding tax, paid in year		79.45%	11.98%	4.21%	1.14%	1.47%	18.80%

VIII.4. TOTAL AMOUNT OF CERTAIN NON-DEDUCTIBLE EXPENSES

In its tax filings, Naval Group SA will add back the sum of €714,963 in relation to excess depreciation on private cars.

No expense forming part of overheads was disallowed for tax purposes.

The amount of compensation paid to directors in 2025 in respect of 2024 amounted to €392,400; this compensation remains deductible in accordance with tax rules.

VIII.5. REMINDER OF DIVIDENDS PAID IN RESPECT OF THE LAST THREE FINANCIAL YEARS

The following dividends were paid in respect of the last three financial years:

- in respect of the financial year ended December 31, 2022: €168,900,000;
- in respect of the financial year ended December 31, 2023: €129,490,000;
- in respect of the financial year ended December 31, 2024: €132,868,000.

IX. ORGANISATION AND ACTIVITIES, PRODUCTS AND SERVICES OF NAVAL GROUP DURING THE 2025 FINANCIAL YEAR

IX.1. ORGANISATION

Since January 1, 2023, Naval Group has set up an integrated, matrix-based and customer-oriented organisation of the group. This organisation is based on five products and services divisions (Submarines Division, Surface Vessels Division, Services Division, Systems, Equipment and Propulsion Division, and Drones, Autonomous Systems and Underwater Weapons Division), three cross-functional operational departments (Sales and Marketing Department, Operations and Performance Department, Technical Department) and five functional departments (General Management, Finance and Real Estate, General Secretariat, Human Resources Department, Strategy, Partnerships and Institutional Affairs Department and Communication Department).

IX.2. SUBMARINE ACTIVITY

3G SSBN

As part of the first contract following the development and construction phase of the 3G SSBN, development studies continued, as well as the production activities of the main equipment for the nuclear boiler room and propulsion system, and the manufacture of the first elements of the pressure hull of the first submarine.

2025 was especially marked by the customer's validation of the design choices integrating the reorientation of the deterrent weapon system (SAD), the launch of the section chain, and the notification on November 18, 2025 of subsequent contract No. 2 covering the services required until delivery of the first submarine at the end of 2037.

SSN BARRACUDA

The program is accelerating and is in the second half of its implementation.

The SSN *Tourville*, third submarine of the series, was commissioned for active service by the French Navy on July 4, 2025.

After completing its transfer to the launch dock (DME) on May 27 and 28, 2025, the SSN *De Grasse*, fourth in the series, completed the commissioning of its nuclear reactor in mid-December.

The *Tourville*, is the third of the six Suffren-class SSNs intended for the French Navy are now admitted to active service, in the space of four years. The three other submarines in the program,

the *De Grasse*, the *Rubis* and the *Casabianca*, are currently all under construction at various stages of completion on the Cherbourg site. The *De Grasse* will make its first sailing during the first quarter of 2026 and will continue its sea trials for delivery in mid-2026.

SUBMARINES FOR THE BRAZILIAN NAVY (PROSUB)

The Prosub program covers the design and construction of four Scorpène-class[®] submarines, as part of a technology transfer agreement.

The final acceptance of the *Riachuelo*, the first submarine in the series, was announced on November 25, 2025. The delivery ceremony for the *Toneleira*, the third submarine in the series, was held in Brazil on November 26, 2025. On the same date, the *Amiral Karam*, the fourth and last submarine in the Scorpène[®] series, was launched at the Itaguaí Construções Navais (ICN) shipyard in the presence of senior Brazilian and French authorities. Its sea trials are scheduled for 2026 for delivery expected in 2027.

At the same time, and in accordance with the commitments made as part of the strategic cooperation between France and Brazil, as well as strict compliance with applicable international agreements, in 2025 Naval Group signed and brought into force a first batch of contracts (batch 1) relating to the *Alvaro Alberto* nuclear-powered submarine (excluding boiler room). This first batch will ensure the continuity of detailed design work, the launch of certain critical supplies, in particular those necessary for the construction of the pressure hull, as well as the continued delivery of technical support related to the associated infrastructures.

SUBMARINES FOR THE INDIAN NAVY (P75)

The latest in the series of the P75 Kalvari-class program, the INS *Vagsheer*, has successfully completed its sea trials (torpedo and missile firing) following its official delivery to the Indian Navy in January 2025.

In parallel, detailed design work on the integration of the Air Independent Propulsion (AIP) system on the Kalvari-class submarines continued, with the Naval Materials Research Laboratory (NMRL) of the Defence Research and Development Organisation (DRDO). The current maturity of the design work allows us to envisage the long-term success of this integration, which has prompted the Indian Navy to immediately begin the construction phase with the MDL shipyard, accompanied by Naval Group. In 2025, other design work was started on the integration of a torpedo developed by the DRDO on Kalvari-class submarines.

SUBMARINES FOR THE DUTCH NAVY (RNSC)

The Replacement Netherlands Submarine Capability (RNSC) contract, signed on September 30, 2024 for the acquisition of four Orka-class submarines, is now in full effect. The distribution of engineering and production work identified by the program industrial policy is implemented at each of the Naval Group sites. Strong progress in procurement activities has enabled contracting of the critical and primary equipment required to consolidate the design, while achieving a robust level of involvement of the Dutch defence industrial and technological base. The sustained pace of the design activities conducted by the engineering teams and shared with the Dutch customer made it possible to achieve the contractual milestone of system readiness review (SRR) in June 2025 and the start of activities leading to the next milestone, the system design review (SDR), which is scheduled to be achieved in 2026.

SUBMARINES FOR THE INDOONESIAN NAVY

The contract signed on March 28, 2024 entered into force on July 23, 2025 for the construction of two *Scorpène*® submarines equipped with lithium-ion (LiB) batteries to be built in Indonesia at the PT PAL shipyard. The transfer of skills by Naval Group began with three months of training for a PT PAL team at the Cherbourg site in France.

Investments and developments at the Cherbourg site are continuing to adapt the industrial facilities to the challenges of new national and international programs.

IX.3. SURFACE VESSEL ACTIVITIES

FDI FR

The framework agreement of the FDI contract, signed on April 20, 2017 provides for the development, construction, and delivery to the French Navy of five first-rate digital frigates in the 4,500-tonne range. The first two subsequent contracts, notified in 2017 and 2021 respectively, cover the development and construction of the first three vessels. 2025 was marked by the delivery of the first of series *Amiral Ronarc'h* on October 17, 2025, which set sail for its first long-duration deployment (PLD) in January 2026. Amendment 9 to the framework agreement was contractually notified in September 2025, which postpones the delivery dates of the FR2 and FR3 FDI to late 2027 and late 2029. Amendment 10 to the framework agreement and MS1 was also notified at the end of December 2025, postponing the FR4 and FR5 delivery dates to the end of 2031 and the end of 2032 respectively. Subsequent contract 3 notified on the same date concerns the completion of FR4.

FDI HN

On March 24, 2022, Greece signed contracts for the completion of three FDIs, plus one as an option, and their in-service support. The first FDI for the Greek Navy was delivered on December 18, 2025.

In December 2025, Amendment 1 to the contract entered into effect, which redefines the ship delivery standards and their associated delivery dates. The amendment also confirms the fourth HN frigate on the contract with a delivery date of early 2029.

At the end of 2025, HN2 and HN3 were afloat with first sailings scheduled for February 2026 for HN2 and June 2026 for HN3.

PA-NG

The detailed preliminary design work, notified in April 2023, were completed in 2025. They have made it possible to secure the technical reference data needed to finalise the launch proposal and the reliability of the cost and scheduling assumptions. In line with the pre-DLR contract, the 2025 financial year was marked by the effective start of work on the construction of the nuclear boiler rooms, including the construction of associated containments. These services concern long-term procurement and are carried out with the DGA in the project management role, in coordination with the CEA and TechnicAtome, for a period extending from 2024 to 2029.

The decision to start construction of the PA-NG was confirmed at the end of 2025, with admission to active service expected by 2038. This fundamental project is intended to replace the aircraft carrier *Charles de Gaulle* and remains the construction program for the largest warship ever built in Europe, with the main characteristics unchanged: 310 metres in length, 85 metres in maximum width and a full-load displacement of around 78,000 tonnes.

MINE COUNTER MEASURE VESSELS (RMCM) PROGRAM

The rMCM program was awarded to the consortium Belgium Naval and Robotics formed by Naval Group and Exail in 2019. It provides for the supply of 12 mine counter measure vessels and their integrated drone systems to the Belgian and Dutch navies: USV (surface drones), AUV (underwater drones) and UAVs (aerial drones).

In 2025, the *Oostende* (MCM no. 1) was delivered, confirming the entry into service for Belgium of a first drone-based operational minesweeping capability. The *Vlissingen* (MCM n° 2) and *Tournai* (MCM n° 3) made their first sailings. At the end of 2025, ten of the twelve vessels in the program were at different stages of completion at their respective production sites.

At the end of the year, the vessel in-service support contract was formally transferred by Naval Group to Naval Group Belgium. This milestone is one of the components of the industrial cooperation plan developed to ensure the protection of the essential security interests of Belgium.

GOWIND® UAE

The corvettes *Bani Yas* and *Al Emarat* were delivered on October 21, 2023 and June 27, 2024, respectively.

2025 was marked by the integration of Late Buyer Furnished Equipment (BFE), the warranty activities, as well as the latest crew training.

GOWIND® MALAYSIA

While the five vessels of the Gowind® Malaysia program are being built by the Malaysian Lumut Naval Shipyard (LUNAS) under the design authority of Naval Group, their Combat Management System (CMS) is wholly produced by the teams of Naval Group. The resumption of the Littoral Combat Ship (LCS) contract by the Malaysian government, on May 26, 2023 during the LIMA trade convention, led to the signature of amendments on October 10, 2023 that formalised the resumption of Naval Group's activities. The group has been appointed as the design and technical assistance authority. Finalisation of the detailed design, a key activity for the resumption of vessel production, was also entrusted to it, with successful completion and delivery on April 9, 2025.

Subsequently, on July 15, 2024, the signature of amendments formally signalled the resumption of CMS activities and Combat System Engineering and Integration by Naval Group for LUNAS. The first vessel was launched on May 23, 2024 and the second on May 8, 2025.

LOGISTICS FLEET PROGRAM (FLOTLOG)

The program to renew the French Navy's logistics fleet continued in 2025 with the delivery of the second force supply vessel (BRF), *Jacques Stasskopf*, which took place on November 27, 2025 in Toulon as provided for in the contract, and with the completion of the second technical overhaul of the *Jacques Chevalier* during the summer. The construction of the third BRF continues in Saint-Nazaire on the Chantiers de l'Atlantique site.

OCEAN PATROLLERS (PO)

The French Navy's offshore patrol vessel refit program continues with the construction of the first three patrol boats at the Piriou shipyard in Concarneau, the CMN shipyard in Cherbourg and the Socarenam shipyard in Calais. Naval Group is committed to supplying the combat management system and the platform management system, while monitoring the construction of the patrol vessels [7 ordered from Piriou, CMN and Socarenam] on behalf of the DGA.

IX.4. SERVICES ACTIVITY

In 2025, commercial activity was primarily marked by the award of contracts for:

- the preparation, long-lead supplies for the two periodic unavailability for maintenance and repair (IPER) of the SSBNs *Le Triomphant* and *Le Téméraire*, as well as the completion of the periodic maintenance and repair period (IPER) of *Le Triomphant*;
- the routine maintenance and engineering activities of the four SSBNs;
- the routine maintenance of the aircraft carrier *Charles de Gaulle* and in particular the technical overhaul in 2026;
- the first maintenance contract for the new FDI France *Amiral Ronarc'h*;
- the maintenance of the tripartite minesweeper fleet (CMT);
- the integration of the Indian torpedo on Indian submarines;
- the continued fleet support in Saudi Arabia;
- the signature of an amendment to the contract for the maintenance of the Egyptian Navy fleet.

In France, the main operational achievements of the period are:

- the continuation of maintenance, repair and modernisation work on the SSBN *Le Vigilant* as part of its periodic unavailability for maintenance and repair (IPER);
- the routine maintenance of SSBNs and maintenance of capabilities;
- the routine maintenance of SSNs;
- the routine maintenance of the aircraft carrier *Charles de Gaulle*;
- the routine maintenance and ongoing modernisation of the eight FREMM first-rate frigates;
- the start of deconstruction of the last of the first-generation SSNs *L'Inflexible* at the Cherbourg site, withdrawn from active service in 2008.

Internationally, the main operational achievements of the period are:

- the continuation of the support contract for the Saudi Navy (technical assistance and spare parts);
- the routine maintenance of the Egyptian Navy fleet (FREMM, Gowind® and PHA);
- the routine maintenance of corvettes in the United Arab Emirates;
- the execution of the modernisation contract for the combat system on Horizon frigates;
- the preparation of the reception in Greece of the first Greek FDI for maintenance;
- the modernisation of frigates in Singapore;
- the delivery of spare parts and technical assistance for Indian Navy submarines.

In addition, the Services Division is continuing its work to improve its performance and competitiveness for the benefit of its customers.

IX.5. ACTIVITY IN THE FIELD OF DRONES, AUTONOMOUS SYSTEMS AND UNDERWATER WEAPONS

UNDERWATER WEAPONS

F21 FRANCE

The F21 MK1 torpedo is qualified for all carriers in the French Navy and its integration on vessels continued in 2025 in line with the contractual schedule, with the acceptance of the final MK1 batch at year end. The force support firing trials are taking place normally.

At the same time, the development of developments for the F21 MK2 torpedo has accelerated with the qualification of a new increment on the software at the beginning of the year and the continuation of preparation for the qualification of the new aft section scheduled for 2026.

During the financial year, the DGA notified the second production phase of the MK2 torpedoes as well as additional services.

MU90

Notification of several contracts during the year for the supply of equipment and torpedoes, mainly for export, as well as purchase orders on the France in-service support market.

COUNTERMEASURES

Sustained activity on countermeasures programs for France and export markets, with a first effective delivery to the Greek FDI and the continuation of the Netherlands program.

DRONES, AUTONOMOUS SYSTEMS

SUBMARINES – SEAGENT® XL

On December 28, 2023, the DGA notified Naval Group of a framework agreement for the design, construction and testing of an unmanned combat submarine demonstrator (UCUV for Unmanned Combat Underwater Vehicle) in an operational environment, as well as the first subsequent contract for the design and development of controlled decision-making autonomy (ADC®) and secure autonomous navigation. The short-loop development continues as normal with the completion of the Preliminary Design Review.

SURFACE – SEAQUEST®

Numerous tests and experiments with the Seaquest® S in 2025 as part of operational exercises (French Navy and NATO) which enabled the deployment of new capability increments on the Seaquest® S.

DRONING SYSTEM – STEERIS®

Continued development of the Steeris® On Board and Steeris® Mission System software with successful tests on board Naval Group demonstrators. At the end of the year, Naval Group received several orders for the integration of aerial drones and the Steeris® mission system for France and for export customers.

BATTERIES

Naval Group acquired 100% of the share capital and voting rights of Accuwatt Technologies. This company is now operationally attached to the Drones, Autonomous Systems and Underwater Weapons Division (DSA). Founded in 2004 with the help of the French Ministry of Research, EADS and the CEA, the company specialises in the design, development and production of high-security battery systems for applications in a constrained environment (defence, intelligence, research, special services).

IX.6. SYSTEMS, EQUIPMENT AND PROPULSION (SEP) ACTIVITY

2025 was a pivotal year in the field of systems, equipment and propulsion, marked by a sustained innovation drive, the continuation of fundamental transformations, the beginning of new program and the end of others.

Innovation has been a central focus of the initiatives implemented by the division, with the desire to respond to the urgent

operational requirements of the French Navy. As such, during the first Digital Day organised in Ollioules in December 2025, representatives of the French Navy and the DGA were presented with the foundations for a major transformation of its mission and combat systems, precluding a combat system of the future that is more agile, more open, more scalable and meets the latest standards of cyber protection, thanks to the use of new cloud technologies. Moreover, the work done in near-field warfare, especially during participation in the Wildfire exercise, has demonstrated technological advances in anti-drone capabilities and the ability to quickly embed innovation on ship systems. In the same spirit of near-field warfare, the multipurpose modular launcher (LMP) program successfully completed the “ready to fire” milestone, illustrating Naval Group’s achievement of its commitments and the acceleration of its developments.

To meet the competitiveness and calendar challenges of new programs, and in particular the major 3G SSBN and PA-NG programs, the industrial transformation towards operational excellence remains a major pillar of the department’s growth trajectory. The year was marked by the continuation of industrial investments at the Nantes-Indret site, by the acceleration of the digital transformation through the deployment of the Seenergy software toolbox, as well as the start of construction of a new composite materials plant in Lorient. It also saw the completion of the transfer of activities from Bagneux to the Ollioules site, as well as the delivery and commissioning of new resources at the Angoulême-Ruelle site.

The new programs were launched in 2025 with the first production runs. The workshops received the first parts of the 3G SSBN and PA-NG programs, at the same time as the last parts for the Barracuda program were completed, marking a significant industrial transition.

Division teams have also played a decisive role in the design, delivery, integration, commissioning and maintenance of many complex systems, whether digital, related to energy and propulsion, cybersecurity, etc. or naval equipment, contributing to the completion of milestones and the smooth operation of the running-in and service programs implemented by the group. Lastly, the division’s own activities continued to provide effective support to Naval Group’s partners such as BAE and MBDA. They resulted in the delivery of the T26 shaft lines of boats 4 and 5 for the United Kingdom, the supply of exchangers for the Successor submarines, as well as the delivery of Sylver® (vertical weapon launch system) for the Italian FREMMs.



X. R&D ACTIVITY IN THE 2025 FINANCIAL YEAR

R&D work contributes to several objectives: give navies the means to use their power through technological superiority and the ability to offer capacity increments over the entire life of ships, improve the living conditions of seafarers by contributing to competitiveness and the differentiation of Naval Group products and services compared to the competition.

This work is systematically conducted on the basis of a proactive eco-responsible approach.

Innovation work remains structured around six unifying axes: Smart Naval Force, Smart Ship, Blue Ship, Invulnerable Ship, Smart Availability, Smart Industry. Two major complementary cross-functional areas make it possible to develop the acquisition of upstream knowledge through scientific work applied to the naval industry necessary for the mastery of future technologies, alongside work on the architecture of armed ships and the naval force of the future.

2025 was marked by the continued implementation of the roadmap. To meet the growing and rapidly changing needs explained with the arrival of drones in theatres of operations, and by the urgent need to accelerate cycle times through the use of sea tests, for example.

Naval Group's ability to innovate to respond quickly to the operational challenges of navies facing a changing and tense context where traditional and emerging threats coexist was demonstrated at the 2025 Naval Innovations Days (NID): presentations were made for a panel of concrete, tangible innovations, intended for integration or for the most mature, already tested on-board platforms. All are the result of a collaborative and incremental approach, based on a leading technological and industrial ecosystem.

Work focused in particular on:

- the drones, with the 2025 sea trials of the large oceanic underwater drone (UCUV), the S-USV Seaquest-S® during the NATO exercise Baltic Sentry and the Cormorant amphibious drone;
- the fight against new threats (drones, asymmetric attacks, high-speed missiles, cyberattacks, space observation, etc.) with the achievement in 2025 of a major milestone for the LMP and the testing of new anti-drone solutions in combat situations (gun guidance assistance, integration of jammers);

- the continuation of the digital transformation of Naval Group's products and services, in particular through the use of artificial intelligence (AI) and its application in the field of combat systems, ship operations and maintenance to enhance the operational capabilities of naval forces, with the 2025 launch of a unifying project on the combat system of the future;
- the new key technologies for defence innovations (AI, big data, cloud computing, quantum, connectivity, directed energy weapons, use of sea-space interface, etc.);
- the continuation of work on new industrial technologies for competitiveness, such as additive manufacturing and the use of composites on large parts.

It should be noted that at the Defence Innovation Forum (FID), Naval Group received two Perseus labels from the French Navy and the Director General of the Defence Innovation Agency (AID). They reward the investment of an industrialist in an innovative project that is mature enough to be tested at sea during training or operations. These labels were awarded to the Naval Group teams for the trials carried out in early 2025 on the torpedo handling trolley aboard a FREMM and on the National Interoperable Data Link (NiDL)® tactical data links deployed since November 2024. The portion of R&D studies funded internally by Naval Group for naval defence included in R&D costs amounted to over €80 million in 2025. As in previous years, contracts mainly with the DGA and the European commission, supplemented the self-funded efforts and contributed to the implementation of Naval Group's strategic technological plan.

Academic and scientific research ecosystems, in France and abroad, are an essential lever for maintaining Naval Group at a high level of technological innovation. The group relies on ambitious and multidisciplinary scientific collaborations that result in framework agreements, joint laboratories and academic or industrial chairs. In 2025, Naval Group supported around forty theses, including more than 30 industrial research training agreements (Cifre) and conducted two-thirds of its self-funded studies in S&T through collaborative projects.

XI. SIGNIFICANT EVENTS AFTER THE REPORTING DATE

None.

XII. FORECASTED TRENDS

With the order book reaching an all-time high, Naval Group enters 2026 with confidence, supported by the visibility the group enjoys in the vast majority of its activities.

Revenue expected for the 2026 financial year should be higher than in 2025 due to the execution of order book contracts and a higher EBIT.

In 2026, the group foresees an increase in capital expenditure (Capex, R&D, etc.) as it continues to prepare for the future and the sizeable programs in the order book.



XIII. RISK FACTORS AND THEIR MANAGEMENT

XIII.1. RISK MANAGEMENT SYSTEM

The group faces a number of risks and uncertainties that may impact its financial performance. This is why it has set up an integrated risk management and internal control system:

- supervised by the Audit, Accounts and Risks Committee of the Board of Directors (CACR);
- led by the Audit and Risk Department (DAR) and a network of risk and opportunity managers, under the guidance of the Audit and Risk Internal Committee (CARI), co-chaired by the Chief Financial Officer and the General Secretary.

Inspired by the international framework defined by the Committee of Sponsoring Organisations (COSO), the system is built on the principle of three lines of defence and a common group-wide framework, the main components of which are detailed below:

- a group-level risk mapping is prepared annually and covers strategic, operational, financial, legal and corporate social responsibility (CSR) issues. Risk management, in particular the implementation of resources defined to reduce impacts and the probability of occurrence, and to measure the effectiveness of action plans, is the responsibility of each division. The risks associated with specific issues are also supervised by specific organisations that make up the second line of defence and provide their expertise (compliance, nuclear inspection and pyrotechnics, diving safety, export control, etc.);
- the level of internal control in the group is assessed annually, with the aim of covering all group processes over three years. This assessment is primarily based on a review of the application of the 12 processes of the group's Business Management System (BMS) and on compliance with the associated requirements and standards. It is carried out by the first lines of defence through their self-assessments, and by the second lines of defence through specific verifications. In 2025, following the introduction of a new BMS on January 1, the verifications by the second lines of defence mainly focused on the new standards. 2025 is therefore a year of transition.

Internal audits are carried out each year independently by the Internal Audit Department, which has been certified since 2012 by the French Institute for Audit and Internal Control (IFACI), and which conducts them according to an annual plan based on the main risks, validated by the Executive Committee and reviewed by the CACR. The Internal Audit Department issues its annual conclusions on the level of risk management and internal control. In 2024 and 2025, the audits conducted focused on major programs and their related innovations and industrial transformations (Barracuda, 3G SSBN, FDI, PA-NG, rMCM, RNSC);

- the members of the Executive Committee and the managers of the subsidiaries prepare an annual letter confirming their commitment to risk management and internal control, fraud prevention and respect of regulations, in particular associated with compliance, and on the consideration of environmental, social and societal impacts in their activities.

Internal control helps to achieve the group's objectives, yet it is not an absolute guarantee because of the limitations inherent to any system. The group's business, operating profit/loss or financial position could be materially affected by the risks described below or by other risks and uncertainties of which the group is currently unaware or which it regards, as at the date of this document, as immaterial.

XIII.2. INSURANCE POLICY

The volatility of the insurance markets for the past few years is likely to expose Naval Group not only to uncertainty about the sustainability of its insurance contracts, but also to an increase in the cost of risk through the combined increase in deductibles and premiums.

Based on an analysis of the company's risk profile, Naval Group has strengthened its insurance arsenal by creating a reinsurance captive, Naval Group Ré, dedicated exclusively to covering its own risks and those of its subsidiaries.

This captive enables Naval Group to retain its free will over the long term in controlling the terms and conditions for covering its risks and their cost, by rebalancing its relations with the traditional insurance markets.

Other current, emerging or future risks will benefit from the intervention of the captive, which will offer the group agility in adapting coverage to the right needs that insurance market players cannot guarantee over time.

Their integration will be decided taking into account prudential and regulatory management requirements to benefit the overall risk management of Naval Group and its subsidiaries.

XIII.3. FINANCIAL RISKS

LIQUIDITY RISKS

The risk is currently covered by excess cash; the group occasionally uses short-term credit lines to avoid any strain on its liquidity, particularly to deal with late payments from customers, without sacrificing the long-term performance of its investment portfolio. In addition, Naval Group remains vigilant about the availability of its customers' financial resources (especially the French State), the limitation or decrease of which could result in the emergence of additional requirements.

FOREIGN EXCHANGE RISKS

The euro is the reference currency for the group's transactions (sale and purchase), which naturally limits any exposure to foreign exchange risk.

In accordance with the group's policy, all significant transactions in foreign currencies are hedged.

OFF-STATEMENT OF FINANCIAL POSITION RISKS

The guarantees given by Naval Group have principally been granted on its own account or on behalf of its subsidiaries in connection with commercial contracts. Guarantees and pledges given by the group are managed centrally, which enables risk control to be enhanced by standardising the commitments made and by managing its balances and payment periods on an overall basis.

INFLATION-RELATED RISKS

Naval Group continues to strengthen its competitiveness plans and its vigilance concerning proposals, in particular through price revision conditions to secure its operating margin.

XIII.4. RISKS OF NON-COMPLIANCE WITH LAWS AND REGULATIONS

RISKS OF NON-COMPLIANCE WITH EXPORT CONTROL AND CUSTOMS REGULATIONS

Naval Group is an exporter of military equipment and related materials, as well as dual-use articles, for civil and military markets. The export markets are of capital importance for the group as they contribute to the activity of the production sites, the maintenance of skills and the financing of R&D.

A strengthening of French, European or foreign regulations relating to exports or transfers of military equipment and related materials, or the occurrence of international events, or changes in geopolitical factors, could prevent or restrict the obtaining of export licences, or even affect the execution of signed contracts. Reduced access to military export markets would have significant consequences on the group's activity and financial position. The Export Control and Customs Affairs Department (DCE) carries out its mission of monitoring compliance with regulations, through the production of appropriate export control guidelines, permanent support for the group's Products and Services Departments and operational departments, and with training and awareness-raising programs.

In 2025, Naval Group reviewed and deployed all its training materials, adapting them to the group's business lines (sales, programs, purchasing, engineering). The procedures were reviewed and detailed through operating procedures. An export control review is held every quarter at Executive Committee level. Control procedures have been strengthened, and the compliance control network has been extended within Naval Group's departments conducting export activities. The staff of the DCE have been reinforced at the head office. The tool-based export control method was supplemented by a development dedicated to intangible flows (deployment planned for early 2026). The internal control plan has been strengthened with an increased number of on-site audits.

With regard to customs matters, the DCE is continuing the actions undertaken to guarantee the group's compliance and cross-functional management with a view to preparing the audit for the renewal of the Authorised Economic Operator (AEO) certification. Additional information is available in the sustainability report (see chapter XIV.2.3).

RISKS OF CORRUPTION AND INFLUENCE PEDDLING

Naval Group applies a principle of zero tolerance in the fight against corruption and influence peddling.

Naval Group conducts its activities in France and abroad in strict compliance with the conventions, laws and regulations applicable to it, in particular the provisions of French law no. 2016-1691 of December 9, 2016, "on transparency, the fight against corruption and the modernisation of economic life" (known as the "Sapin II" law). Equipped with a robust anti-corruption system, Naval Group was ISO 37001 certified in April 2021.

Naval Group has set up a whistleblowing system that enables group employees and stakeholders to report the existence of inappropriate conduct that is contrary to Naval Group rules or any legal or regulatory provisions. Naval Group guarantees secure and confidential processing of reports.

Risks of corruption and influence peddling are addressed through dedicated mapping which makes it possible to rank and prioritise the risks identified.

Additional information is available in the sustainability report (see chapter XIV.2.4) and in the vigilance plan (see chapter XV.6).

RISKS OF NON-COMPLIANCE WITH MULTIPLE CORPORATE SOCIAL RESPONSIBILITY (CSR) REGULATIONS

CSR concerns environmental, labour and societal issues; it is a very broad and high-stake area in which Naval Group has been committed for several years. Regulations governing French, European and international CSR are constantly evolving. In accordance with French Law no. 2017-399 on the "Duty of Vigilance of Parent Companies and Ordering Companies", Naval Group has introduced a vigilance plan containing due diligence measures to identify risks and prevent serious violations of human rights and fundamental freedoms, human health and safety and the environment.

With regard to the environment (see chapters XIV.2.1. and XIV.2.2), the industrial activities of Naval Group and the products used throughout the life cycle of vessels and their equipment are likely to impact the environment, notably in the event of accidental failure and through greenhouse gas (GHG) emissions generated. Naval Group is committed to controlling its environmental impacts. The rapid changes in CSR regulations also make it difficult to anticipate future compliance constraints and obligations on various subjects such as production sites and systems, Naval Group's activities and products, the materials and substances used, compliance of suppliers and supplies purchased, reporting on environmental, social and governance (ESG) matters, etc. The risks of non-compliance with CSR regulations therefore concern Naval Group's entire value chain, with potential impacts on program costs and completion times as well as on the group's reputation.



RISKS OF NON-COMPLIANCE WITH THE GENERAL DATA PROTECTION REGULATION (GDPR)

In an increasingly digital world, the protection of personal data is a major concern of people, companies and governments.

Aware of these challenges, Naval Group has adopted a permanent compliance approach, based primarily on:

- a network of privacy correspondents within all group functions and entities;
- an harmonised personal data protection requirements across the group;
- a privacy compliance management tool;
- a privacy e-learning module.

Additional information is available in the vigilance plan (see chapters XV.2.1.1.d, XV.4.1.d and XV.5.1.d).

RISKS RELATED TO LEGAL DISPUTES

Due to its activities, the group is exposed to technical, contractual, commercial and/or criminal disputes.

The prevention and handling of all disputes and warranty claims are carried out by the group's Legal and Contract Management Department, in association with the other departments concerned. Furthermore, all disputes likely to have a significant negative impact on the group's activities and financial position are notified to the CACR on a regular basis.

Each of the known disputes in which Naval Group or group companies are involved has been examined as at the date of closing of the financial statements, and the provisions deemed necessary by General Management have, where appropriate, been set aside to cover the estimated consequences.

Furthermore, some or all of the losses that Naval Group SA or other group companies could suffer as a result of certain disputes for which no provision has been made are covered either by the French government under the terms of agreements it made with Naval Group in the course of the government's contribution in kind on June 1, 2003 and its sale to Naval Group of a 100% shareholding in DCN International, or by Thales under the terms of agreements made with Naval Group in connection with the group's acquisition of a 100% shareholding in TNF.

Lastly, the Legal and Contract Management Department conducts feedback sessions for the players and departments involved in order to organise the prevention of contentious situations such as those it has been called upon to deal with.

XIII.5. RISKS RELATED TO THE POLITICAL AND SOCIETAL ENVIRONMENT

COUNTRY RISKS

Growth in the group's international business, which is one of the key areas of focus in its long-term strategy, increasingly exposes Naval Group to a number of risks it may face in the countries where it operates or where it holds stakes in companies: sovereign risk, risks related to changes in the economic situation and the business climate, political, geopolitical and social risks, as well as risks related to the consequences of regional tensions on

the client country, and risks related to climate change and their potential impacts on the scarcity of resources:

- sovereign risk: Naval Group supplies its systems under State-to-State relations based on strategic partnership agreements. This risk may arise from challenges to these agreements, at the initiative of the authorities of the client country or the French authorities, or from any pressure exerted by the authorities of competing countries on customers/prospects. Another risk is an embargo on customer countries by countries that supply subassemblies. Sovereign risk may result in the cancellation of current contracts or significant additional costs (change of suppliers);
- economic situation: the needs of customer navies are driven by geopolitical fundamentals and the renewal of aging fleets; these two elements mean that needs are relatively stable. However, many of Naval Group's customers are subject to economic hazards of all types (sovereign debt, health crisis, extreme volatility of commodity prices, etc.). The impact is a delay of a few years in programs following the call for tenders process, and correspondingly, the industrial load and the associated revenues and margins. Foreign exchange risks are limited because our contracts are in euros, but this risk may affect our subsidiaries that work with France. There are risks of expropriation in joint ventures with State-owned companies, due to pressure for both the dilution of projects and eviction from shipyards in which we operate (Naval Group does not own any shipyards abroad);
- political and social risks: Naval Group is exposed to changes in defence budgets, which may be subject to variations and trade-offs, particularly in periods of high inflation and shortages. These arbitrations may also be decided following a change in political majority in client countries or a change in the social context, for example in the event of viral media campaigns impacting the image and reputation of Naval Group. These risks are increasing in the current geopolitical context and might affect several of our customers/prospects and delay or cancel certain projects;
- geopolitical risks: geopolitical tensions (Ukraine, China Sea, Eastern Mediterranean, etc.) may accelerate projects or even redirect them towards the supply of systems within deadlines incompatible with Naval Group's capabilities, or even change priorities in favour of other needs. Our partner countries' perception of threats can also influence the choice of strategic partnership that accompanies the acquisition of any defence capability.

To address these risks, Naval Group ensures:

- for sovereign and geopolitical risks, permanent dialogue with the French authorities (the Élysée, Cabinet of the Prime Minister, Ministry of Europe and Foreign Affairs, Ministry of the Armed Forces, French embassies abroad and embassies of client countries in France);
- for economic, political and social risks: regular communication with country directors, in charge of all customer relations in a country. In addition, thanks to its industrial facilities abroad (subsidiaries and joint ventures), Naval Group provides local activities that could not be carried out from France in satisfactory conditions (maintenance, technical assistance, etc.).

DEPENDENCE ON PUBLIC SPENDING

Naval Group conducts all its business for defence systems in close collaboration with the French State. By its nature, the defence sector is dependent on orders from the public budget, in other words, on political decisions that fluctuate depending on the country's economic and geopolitical situation and industrial policy. France's 2024-2030 military planning law (LPM) continues the upward trajectory of the defence budget (€413 billion over the period) to reach €68.9 billion in 2030. After a 2019-2024 "repair" LPM, the 2024-2030 LPM is a "transformational" LPM with significant capacity investments, the confirmation of major naval programs and the renewal of the nuclear deterrent for the French Navy centred on replacing the submarine component and the surface component (PA-NG). The in-service support resources are confirmed with a 40% increase in budget. This LPM also reflects support for the war economy and disruptive innovation (€10 billion programmed over the period).

Nevertheless, the trajectory of the LPM should be offset against the risk of inflation, (€30 billion of inflation were included in the LPM based on an assumption of a 1.75% inflation rate). The budget increases are not linear and the increases are greater in recent years (+€3.5 billion in 2028, 2029 and 2030). The calendar uncertainties of industrial programs are the subject of ongoing work with the DGA (details on the dates of order recording and contract execution schedules).

Naval Group is continuing its international development efforts. Winning export contracts is essential to maintain the cost of the French programs at the contractual level, to preserve and develop the skills of Naval Group and the French DTIB, but also to strengthen the group's ability to invest in the technological and industrial innovations necessary to maintain differentiating factors and developing new attractive products.

Autonomous drones and systems are a strategic pillar of Naval Group and an essential pillar in this strategy of technological disruption and expansion of our customer base. In 2025, Naval Group pursued its commitment to secure positions in these markets, the development of which is accelerating in naval defence.

RISKS OF INSECURITY AND SAFETY

The safety of Naval Group employees, in France and abroad, is a major concern, whether they are posted workers, expatriates (including families) or locally recruited staff.

Like any company working in a sensitive area and deployed on several sites in France and internationally, Naval Group may be confronted with a range of risks that could have an impact on the safety of its employees, its infrastructure or its data: health, criminal, terrorist, political and social disorder risks. In addition to direct consequences, the group's image and reputation could be damaged.

To ensure the protection of the company, Naval Group relies on several standards and has defined procedures and action plans.

RISKS OF INTERFERENCE

The risk of espionage, whether of State or competitive origin, weighs particularly heavily Naval Group. Its international successes, increased competition and the mobility of its employees make it a priority target, accentuated by the fact that the high-tech naval systems produced by the group contribute significantly to the sovereignty of its customers.

Faced with this possible human and technical interference, a state of awareness and vigilance must be maintained at Naval Group. To do so, an incident assessment and management reporting system is in place. The Security Department regularly raises awareness among employees, who also receive training through e-learning courses as well as a support system for their international travel. This awareness-raising notably addresses risks related to social engineering and the information obtained by manipulating employees or subcontractors.

Furthermore, the protection of information is structured around the network of specifying entities to guarantee the protection of national defence secrets, intellectual property, assets and personal data.

The update of Interministerial General Instruction (IGI) 1300 of August 9, 2021 continues to have a significant impact on the strengthening of the systems relating to the protection of national defence secrets. Naval Group remains extremely vigilant on the implementation of the related processes.

XIII.6. RISK OF CHALLENGING NAVAL GROUP'S COMMERCIAL POSITIONING

RISKS RELATED TO THE COMPETITIVE ENVIRONMENT

The multiplication of conflicts and the worsening of geopolitical tensions favour the growth of defence budgets, and therefore the size of the markets accessible to Naval Group. However, this growth benefits above all, in Europe, the American defence industry and in general the urgent needs encourage investments in aeronautical and land equipment, sometimes to the detriment of investments in naval defence. This trend is less marked in other regions (Asia in particular) where major naval capacity development programs are planned.

American competition, direct or indirect, is increasing:

- through the emergence of offers or proposals for new units, backed or not by strategic agreements, or through industrial alliances with European partners (Fincantieri, Navantia, Damen) to integrate American weapons or combat systems;
- with the potential marketing of new products and new highly innovative concepts (surface drones, underwater drones, innovative weapons systems, etc.).

Economic and technological competition with other players continues to intensify. This competition can be seen both in emerging capabilities, such as drones (UAE, Australia, Turkey, Ukraine, etc.) but also in traditional product lines. In addition to the long-standing European players (Fincantieri, TKMS, Navantia, Damen), there are re-entrants (Sweden, the United Kingdom) and players continuing to develop their own products (or solutions) (Korea, China, Turkey, Singapore, India, Indonesia).



This increased competitive pressure, including in the field of in-service support, may therefore negatively affect Naval Group's commercial position and profitability as well as that of the DITB on which Naval Group relies, in an otherwise tense context of rising raw material and energy costs and increasingly unregulated international trade.

Naval Group's response to this intense competition involves continuous improvement in the technological and economic competitiveness of its offers and products. To do this, Naval Group is strengthening its research and technology effort, anticipating its customers' needs and new threats, expanding its portfolio of offers and consolidating its international presence.

In France, the clear trend of the Fleet Support Service (SSF) to systematically make Naval Group compete with others for in-service support contracts, or even to award them to other companies, requires specific monitoring of the competitiveness of the Naval Group service range for France.

Naval Group measures its commercial positioning through indicators such as order intake in France in competitive and export markets.

XIII.7. RISK OF PROGRAM EXECUTION DEVIATIONS

PROGRAM EXECUTION RISKS

A significant proportion of the programs managed by Naval Group present a high degree of complexity given the highly technological nature of the product, operational constraints requiring a high level of reliability in particularly difficult environments, and the complex contractual structures inherent in their sale (overall project management, technology transfer, local shares carried out by partner projects, co-contracting with major partners) and the execution period may exceed ten years. The actual design and construction times and costs are therefore likely to be higher than the projected times and costs.

Certain contracts may include provisions concerning the performance level and/or delivery schedule for the products and services sold. Such provisions may prove to be demanding, particularly given the increased level of competition, and may also give rise to the payment of contractual penalties or damages. Program execution may also be affected by a major hazard, such as an accident, fire, natural disaster at a site, failure of an industrial tool or information system (IS) or by an uncertain environment (international conflicts, export restrictions, inflation, etc.). The occurrence of such events may have an impact on Naval Group's financial position and results. Continuity plans are developed to reduce the impact of these hazards.

With regard to bids, a risk assessment and control system is in place and has been tightened with the creation by the Administrative and Financial Department of the Financial Control and Evaluation Department (DCEF) to improve control of bids.

In terms of programs, in 2025 Naval Group continued the transformation of its program management system by strengthening the adaptability of the "Manage Programs" (MPR) process, as part of the BMS. This change is in line with the initiatives to simplify and professionalise program management undertaken since 2023 and aims to increase operational performance while strengthening risk management.

The revised MPR introduces adaptability mechanisms to adjust requirements, practices and management rituals to the context of each program. A classification approach based on five complexity criteria (amount, environment, technique, organisation and implementation) and the definition of three levels of practice (basic, intermediate and advanced) now provide a framework for accountability. These choices, which are validated at the inception of the program, guarantee the consistent application of the process while optimising the resources mobilised with regard to the issues identified.

Program Committees meet three or four times a year to measure the operational progress of programs and anticipate identified risks. The programs are also monitored through Gate reviews of the various processes implemented, authorising their continuation to a new phase after analysis of the level of completion of the previous phase and the degree of preparation of the following phase. They have been streamlined to eliminate redundancies and streamline decision-making.

At the same time, costs and key milestones are monitored continuously, through management rituals in place at several levels depending on the degree of exposure to risks and the context, to verify on a monthly basis that progress is satisfactory from a technical point of view, schedule and financial information, making it possible to identify and prevent operational drifts. 2025 was also marked by the overhaul of the maturity grid of the MPR process, designed to ensure better enforcement and enhanced support for operational teams. This new tool makes it possible to assess the maturity of practices with regard to performance and compliance objectives with the framework, while supporting progress towards increased control standards, in line with the CMMI® model. To promote anticipation, the risk and opportunity management approach is implemented through a unified process and a centralising tool starting from the offer phases. This increased visibility makes it possible to improve the consistency of the portfolios, to identify major risks and to ensure the progress of control actions.

Since the beginning of 2023, Naval Group has been organised into Products and Services Departments bringing together the programs and the main industrial entities concerned, thus strengthening operational management, anticipation and management of risks and opportunities.

The contract management function is also organised to enable its members to manage contracts more effectively as soon as they are effective and throughout their execution, as well as to help maximise financial and operational performance by minimising risks and exploring all opportunities.

RISKS RELATED TO QUALITY CONTROL

The quality of the products and services delivered by Naval Group raises issues of image, customer satisfaction, safety and operational capacity of user navies, and the group's competitiveness and sustainability.

Mitigating the risk of delivery of products and services that do not reach the expected level of quality and safety requires the deployment of a strong culture in terms of quality, safety and environment (QSE), actions to ensure compliant development and production and actions to detect non-compliance before delivery. The QSE policy is signed by the members of the Executive Committee and updated regularly. Each year, it sets out the major commitments for quality. In 2025, in line with previous years these were:

- deployment of a quality strategy and action plan for the group;
- quality management in programs to guarantee the delivery of products and services that meet customers' expectations;
- employee commitment and management leadership towards zero defects impacting customers and the satisfaction of all customers and partners;
- valuing the preparation of work and prior risk analysis, improving the quality of execution in the teams by aiming for the right one as of the first time.

The Business Management System (BMS) operationally integrates these commitments into the group's processes and procedures. More specifically, it defines the areas of application of the procedures, the operating rules for the entire product life cycle and the certifications that cover the sites and subsidiaries. The group Quality Department reports to the Operations and Performance Department, the director of which is a member of the Executive Committee.

As a whole, the function has around 400 employees attached to the Quality Department to ensure quality management missions across the entities of Naval Group. The controls are mainly entrusted to the operational departments and remain under quality assurance.

Quality constitutes a second line of defence for operational processes and as such, structures control activities and supports operational teams in the effective application of rules. This principle applies to Naval Group and its subsidiaries.

Different control principles are applied in Naval Group's operations:

- self-assessment;
- industrial controls during production by controllers independent of the production teams;
- workstation audits;
- inspections of suppliers by the quality function;
- inspections by Dive Safety, Nuclear and Fire Safety Inspectors;
- process breakpoints;
- external controls are also carried out by monitoring bodies mandated by Naval Group and its customers.

The group has put in place various methodological tools to improve performance:

- 8D (8 Do) and Quick Response Quality Control (QRQC) problem-solving tools;

- risk analyses and analyses of failure modes, their effects and their criticality (FMEA);
- process and technical feedback.

Improving the quality delivered is organised in the field around three strengthened areas of work that are part of the group's Cap 30 transformation program in terms of operational excellence and customer focus:

- customer satisfaction (satisfaction surveys);
- competitiveness (improvement of the "right first time" approach, measurement and reduction of non-quality costs);
- quality culture (quality basics by activity, analysis and mitigation of business risks).

XIII.8. CRITICAL SUPPLY CHAIN RISKS

Naval Group's business includes a substantial proportion of bought-in products and services representing over half its revenue. These may relate to studies, industry or services. Naval Group is thus exposed to events that may occur to its suppliers. In this context, Naval Group has set up and developed a sustainable procurement policy.

A supplier may default as a result of a serious accident at one of its sites or owing to an aspect of its external environment, such as a shortage of critical raw materials or components, import restrictions, serious political instability, natural disaster, event linked to climate change, etc., or as a result of management failings.

The economic dependence of small and medium-sized enterprises (SMEs) on Naval Group is considered a major risk, due to Naval Group's historical footprint in its employment areas. In terms of impacts, the failure of one of its suppliers could affect to a lesser or greater extent the performance of Naval Group and, consequently, its profitability. Certain risks, such as the risk of cyberattacks, export prohibitions or the compromise of protected information, may also affect the operational capacity of Naval Group or its products. The impacts can also be environmental or social (particularly employment) in the employment areas where Naval Group sites are located. Certain risks may also have an impact on Naval Group's image, both nationally and internationally. These risks are compiled and annually updated in a risk map covering purchasing and the applicable action plans, alongside regular monitoring of supplier risks by the Supplier Risks Committee. This committee brings together the functional departments and cross-functional areas such as the Purchasing, Cybersecurity, Safety, Compliance, Legal, Financial/Administrative and Technical Divisions to review the supplier risks identified and decide on the corresponding mitigation plans.

Naval Group is also seeing increasing pressure on international logistics flows, which began with the health crisis but which continues in the current geopolitical and economic context. This pressure may impact Naval Group operations directly and thus its room for manoeuvre. More recently, new regulations on Chinese rare earth exports could impose new constraints that must be integrated by Naval Group and its supply chain.



RISKS RELATED TO SUPPLY CHAIN FAILURE IN CYBERSECURITY

A control system has been put in place with suppliers to prevent risks related to services/supplies purchased, and a plan to strengthen the cybersecurity of the supply chain was defined and deployed. Minimum security requirements harmonised with the DGA and the members of the Cyber Convention organised by the French Ministry of the Armed Forces are included in the suppliers referencing process from the initial selection stages, particularly for sensitive service providers. Naval Group SA also conducts audits on suppliers sites, which may lead to recommendations for improvement. All major and strategic suppliers are concerned. More generally, Naval Group conducts awareness-raising actions and, if necessary, support concerning cybersecurity. The objective is to ensure that all of Naval Group's suppliers present authentic and exemplary guarantees in terms of cybersecurity. The Supplier Risk Committee is held by the Purchasing Division teams every quarter, to provide a progress report on the monitoring of qualified cyber and future suppliers.

In the event of cyber incidents, the suppliers concerned are put in touch with the Naval Group's Computer Emergency Response Team (CERT) for suitable incident monitoring.

RISKS OF SUPPLIER DEFAULT

Supplier performance is monitored both from an operational point of view, such as failure to anticipate supplies, loss of control of industrial processes, obsolescence of production facilities, poor skills management, loss of know-how, etc., and in terms of their overall management and financial management, such as a buyout or change of strategy, loss of revenue, poor management of working capital requirement, cash flow problems, opening of an insolvency procedure, etc.

To do this, Naval Group uses financial scoring to assess its strategic and major suppliers annually, and as often as necessary for other suppliers. Business reviews are also held which address both operational issues on current orders as well as more forward-looking or cross-functional issues, such as projected needs for future years, quality assessment of services provided and improvement plans put in place, competitiveness of suppliers, as well as all discussion topics that make it possible to anticipate and limit the occurrence of potential risks. A rating is also assigned to each supplier, taking into account technical criteria, quality, cost and competitiveness, compliance with deadlines, performance in terms of occupational health & safety (OH&S) and CSR, as well as the quality of the commercial relationship.

RISKS OF ECONOMIC AND TECHNOLOGICAL DEPENDENCE

The procurement strategy, the processes for selecting and monitoring the performance of suppliers, and the actions of the Supplier Risk Committee contribute to the consideration of an updated level of risk when selecting a supplier, both during the tendering phase and when the final choice of contractor is made. A cross-analysis conducted by the Purchasing Department and the Technical Department made it possible to identify and rank the situations of technological dependency encountered by Naval Group in relation to some of its suppliers and, in addition, to prioritise action plans to reduce exposure to this risk of dependency.

SUPPLIER CSR RISKS

Naval Group's requirements towards its suppliers in terms of CSR are expressed in the Supplier code of conduct: the Supplier code of conduct is one of the documents applicable to orders placed and contracts awarded by Naval Group. Its acceptance is a prerequisite for the referencing process of a new supplier. Issues relating to compliance and Occupational Health and Safety (OH&S) are systematically reviewed in the supplier risk analysis and in themselves, constitute elements of the impact analysis on the company. Naval Group uses shared and specialised platforms to carry out CSR assessments of suppliers. In addition, risk analyses of supplier compliance are conducted using a monitoring platform co-managed by the group's Compliance Department and Purchasing Department, and for each new supplier, a compliance analysis and opinion are issued before any contractual commitment is made.

Naval Group uses shared and specialised platforms to carry out CSR assessments of supplier candidates for the panel. The CSR risk mapping of its supply chain has been revised to target the level of risk in each area (environment, social and human rights, governance) more precisely by purchasing category. Combined with supplier CSR assessment platforms, this makes it possible to target suppliers with a lack of maturity in a high-risk area with greater relevance and to ask them to put in place an action plan. Further information is available in the vigilance plan (see chapter XV.3).

XIII.9. RISKS OF LOSS OF TECHNOLOGICAL COMPETITIVENESS

RISK RELATED TO TECHNOLOGICAL DEVELOPMENTS AND INNOVATIONS

Rapid technological developments in the civil sector (artificial intelligence, transformation of digital infrastructures, drones, quantum technologies, etc.) and their application in the military field are clearly pushing back the barriers of the existing, opening up a wide range of potential applications for the vessels, systems, equipment and services proposed by Naval Group. At the same time, operational needs are changing, as is the threat facing navies, with the adversary running the risk of turning these same technological advances to their advantage.

Also, as an international player in naval defence, and with a constant concern for maintaining sovereignty, Naval Group must master the evolution of applied and applicable technologies in its field by pursuing its strong ambitions in terms of technological innovations. In 2025, these areas apply to drones, the digital transformation of products and services, the application of artificial intelligence, energy management, the handling of new threats and ship resilience.

To continue to offer its customers major advances to ensure their missions and objectives, and to maintain its strategic positioning in terms of technological competitiveness, Naval Group has multiple levers to capture and integrate technological and process innovations:

- ongoing scientific and technological monitoring to identify and study scientific and technological developments with an application of interest and changes in competition as early as possible;

- the coordination of a Scientific Council, made up of recognised representatives of the research universe, to guide priorities for developing scientific skills, based on the state of the art and the work in progress;
- the organisation of dedicated spaces to develop agile, frugal and disruptive innovation and promote the spirit of innovation among all employees [Innov' Factory in Ruelle, Naval Innovation Hub in Paris, OpenLabs, etc.]. Since January 2022, the entire system has been coordinated by Innov' Factory Services, to better support deployment, facilitate sharing and accelerate the completion of projects;
- sustained and repeated dialogue with customers and the development of frugal experiments, to be as close as possible to their needs, whether in terms of expected capacities, technological constraints or implementation timeframe;
- the implementation of strong governance, favourable to rapid and informed decision-making, allowing us to prioritise and challenge subjects according to their targeted application [programs, product lines, time-to-market], their technological, industrial and economic maturity, all aligned with the group's human and financial resources and strategic objectives;
- the deployment of an industrial or academic collaboration policy aimed at developing partnerships with players specializing in their respective fields with all the required vigilance on the protection of its intellectual property and co-innovation work. Naval Group's collaboration with such partners not only accelerates the development of innovations, but also strengthens the group's sovereignty and that of its customers.

RISK RELATED TO PRODUCT ENVIRONMENTAL FOOTPRINTS

Naval Group ensures that its vessels have the least possible impact on the environment throughout their life cycle, while maintaining their technical performance.

To identify and measure the environmental impact of its products, Naval Group carries out environmental analyses in accordance with ISO 14001:2015. Amongst other things, they are based on life cycle assessments [LCA], feedback and data from sites [energy consumption, waste generation]. The specific purpose of these environmental assessments is to identify significant environmental aspects and to propose eco-responsible solutions that will reduce them.

The main topics studied during these environmental assessments are:

- resources;
- liquid discharges;
- solid waste;
- gaseous emissions;
- energy;
- hazardous substances;
- outdoor environments: biodiversity;
- end-of-life management.

These environmental analyses are conducted using available data [in particular supplier data at all levels of the supply chain, which is variably communicated] and a set of assumptions on how products are used.

They were finalised for Naval Group's main product categories: frigates, corvettes, nuclear submarines and conventional submarines.

They enable the group to meet the requirements of the International Convention for the Prevention of Pollution from Ships [MARPOL] of the International Maritime Organisation [IMO] and to guide R&D for the development of eco-positive solutions, assessed using tools suited to the technological maturity level [TRL] of the innovations.

Since 2010, Naval Group has focused on eco-design and aims to have a catalogue of eco-responsible technical solutions to extend the value of the products offered to customers, by reducing environmental impacts and more especially, the consumption of resources over their life cycles. LCAs also contribute to mapping the constituent materials of our products, for better management of the risk of supply of critical materials.

INTELLECTUAL PROPERTY PROTECTION RISK

The intellectual property policy in place since 2006 aims to protect Naval Group's intellectual assets. It applies to all products and services and their contents, to all knowledge and know-how irrespective of whether or not it has been formally recorded or whether it is acquired through innovations made internally or from outside. Naval Group Safeguards the results of its innovation by all possible means, including the imposition of secrecy, protecting them through registered rights [patents, trademarks, designs and copyrights], search engine optimisation, seizure, confidentiality and publication.

Notwithstanding the protection sought and obtained, Naval Group may find itself in a situation where its intellectual property rights are subject to challenge, infringement, invalidation proceedings or circumvention. To reduce the risk of infringement, Naval Group performs intellectual property monitoring and analysis as part of its own patent examination procedures and in the technical and development phases for its products.

Internationalisation is a major development focus for Naval Group and very often accompanied by technology transfer operations. In some countries, the beneficiaries of these transfers are joint ventures partly owned by Naval Group. Each joint venture is therefore required not only to use the technical intellectual property transferred by Naval Group and preserve its confidentiality, but also to generate new technical IP assets through its activities. The confusion of technical IP assets between two companies is a risk that must be controlled. In this context, Naval Group strengthened its technical IP inventory system in 2025. Such an inventory makes it possible to segregate the technical IP assets of Naval Group and those of the joint venture, and where appropriate, to identify the common technical IP assets. This inventory system and the associated controls, including intellectual property audits, are also conducted on supplier and subcontractor premises to inspect the storage and protection measures they implement, and to identify any harm to Naval Group's technical IP assets.

XIII.10. RISKS OF LOSS OF COMPETITIVENESS: SKILLS AND ATTRACTIVENESS OF TALENTS

RISK OF LOSS OF KEY SKILLS

Given the technical complexity of Naval Group's products and the multitude of skills required for their design, construction, in-service support and development during the operational life of the products, the acquisition, retention, redeployment (depending on program and site workload) and renewal of these skills is a major challenge for the group.

Any loss of very specific skills and know-how can be particularly damaging for the group, especially in a context of rapid changes in regulations, standards, industrial practices and technologies. In addition, in a context where the integration of AI and digital tools may change the nature of the skills required, in particular through the transformation of industrial processes and the emergence of new professions around data, cybersecurity and predictive maintenance, and where longer career trajectories can expose employees to ageing skills, particularly when technological change is rapid and employees stay in the same position for a long time without updating their knowledge, the major risk would be that the group might encounter difficulties in recruiting or retaining talent and having the required skills available in the right place at the right time to implement its strategy and successfully complete its programs.

To limit this risk, the group is developing a set of actions (school partnerships, training policy, knowledge transfer, new hires coaching on the business fundamentals) so that it will possess the skills in the right place at the right time and anticipate its future needs.

Additional information is available in the sustainability report (see chapter XIV.2.7).

DETERIORATION OF LABOUR RELATIONS AND POLICIES

The culture of dialogue with trade unions and employee representative bodies is undoubtedly one of the key components of Naval Group's DNA. The company's ongoing transformation process and in particular, the change in the company's status in 2003, would not have been a success without the quality of social dialogue that the company can draw upon. It resulted in a contractual dynamic that led to the conclusion of major agreements often cited as benchmarks: company agreement, agreement on competitiveness, GPEC agreement (strategic jobs and skills management agreement), teleworking agreement, agreement on quality of life at work, etc. Admittedly, the exercise of social compromise is sometimes difficult but is undeniably an essential prerequisite for the social body to take ownership of the transformations that the company must carry out. This was the case with the implementation of work orders within Naval Group and notably through the creation of the Social and Economic Committee (SEC) and its commissions in October 2018, through the signature of amendment no. 2 to the company agreement. These bodies have been truly successful in reviving social dialogue across Naval Group.

Conscious of the risks that the company may incur through the deterioration of social dialogue and working conditions,

particularly in terms of performance but also the health of its employees, Naval Group strives to develop social dialogue of quality where negotiation has a central place.

Under the new collective agreement for metallurgy (NCMM), applicable since January 1, 2024, as General Management and the trade unions (TUs) were unable to reach an agreement to adapt the old company agreement to the provisions of the new collective agreement, General Management was forced to terminate the company agreement of April 11, 2017. Negotiations took place throughout 2024 and 2025 was marked by the signature of the new company agreement on February 1, 2025 and its rollout to employees.

Naval Group also makes diversity and inclusion, as well as quality of life at work, assets for its development. Further information is available in the sustainability report (see chapter XIV.2.8).

XIII.11. RISKS OF SERIOUS OPERATIONAL AND INDUSTRIAL ACCIDENTS

TECHNICAL SECURITY RISK

Product safety is a top priority for Naval Group to prevent any product failure that could lead to a major accident. Control of product safety is therefore a major issue for customer satisfaction and the group's sustainability. Naval Group has implemented certain measures to ensure and continuously improve product safety management. In addition to taking into account safety issues in all operational activities impacting the product and the quality organisation provisions to prevent and detect non-compliance, Naval Group has adopted operating principles and guidelines and specific guidance and control, with inspections to control risks in three major risk areas (nuclear safety, diving safety, pyrotechnic safety).

The three technical authorities: platform, systems and cybersecurity are responsible for the technical framework that guarantees security performance. They ensure that this framework is maintained in order to incorporate the lessons learned. They ensure that product offerings and programs respect this framework and determine whether key milestones in terms of design, production, trials and product maintenance have been met, particularly those concerning safety. The group's Chief Technical Officer is a member of the Executive Committee, which provides the group with an optimised chain of intervention on both prevention and risk management.

The products that the group designs offer a very high level of safety from the outset, thanks to a technical framework in which safety is fundamental. All projects are nevertheless subject to specific reviews involving our experts in the relevant technical fields, which enables technical options to be assessed and safety-improving solutions to be put forward.

Naval Group is convinced that our customers have safety requirements as demanding as our own, and we are certain that this factor can give us an advantage over our competitors. The group pays great attention to this point in the preparation of tenders. Its technical experts are closely involved in preparing tenders and in the associated technical reviews.

Naval Group remains at its customers' service until its products reach the end of their life. In connection with the technical overhauls that it performs, the group draws up safety assessments for vessels in service and assists naval clients in researching further advances. The role of the technical authority for these specific phases is identical to that for new buildings. In 2025, the technical authority took part in the safety reviews and in monitoring the processing of reserves during the tests of two export submarines and one French submarine. It also took part in the hold points before the sea trials of an export surface vessel. These hold points ensured the safety of Naval Group products and the absence of risks for on-board personnel and crews. The technical authority has set up regular dialogue with all Naval Group entities to ensure an effective chain of intervention on the prevention and management of any associated risks. In 2025, to strengthen this chain of intervention and its efficiency, the technical authority decided to create the group technical control and the operational technical control organisation. Indeed, the performance of technical control is based first and foremost on an operational technical control organisation implemented across the entities and programs in immediate support of the players in the field. The creation of the position of Director of Technical Control has also strengthened the actions of the technical authorities. The exercise of technical authority and its interventions in technical reviews are based on a structured technical network that includes experts recognised at three levels of expertise and distributed across all entities. Their interventions are managed and are the subject of indicators, which are monitored in the management of the "Technical Base" process of the new BMS, which scrutinises interventions in reviews and in the handling of major technical events. The identification and availability of experts, on the one hand, and of the technical reference framework, on the other hand, are also monitored.

NUCLEAR SECURITY RISK

The role of the nuclear inspectorate is to propose Naval Group's internal nuclear safety policies and regulations for all of its activities to General Management. It prepares an annual report on the state of safety of Naval Group's nuclear activities. It monitors and verifies the security measures taken under these policies in line with regulatory changes, which it monitors. Its independence is guaranteed by its inclusion in the general inspectorate. To satisfy the policies imposed, it develops and follows a multi-year plan that defines long-term areas for progress. The multi-year plan for 2023-2025 was drawn up in consultation with the French Navy, the DGA and the Defence Infrastructure Department (SID). It is based on two axes: performance, notably with the effective implementation of operational reliability practices, including among subcontractors with the development of training projects in the nuclear field, and the professionalisation of nuclear skill management in production. It will be followed in 2026 by a continuous improvement plan that will be revised annually.

The Nuclear Inspectorate conducts inspections to verify the compliance of the group's practices with regulations and internal instructions, and receives regular reports on the implementation of the resulting action plans.

Together with the Quality and OH&S Departments, it performs or takes part in investigations to analyse the year's most significant events and define the necessary courses of corrective or preventive action.

Few nuclear safety incidents occurred in 2025. Action plans were put in place to avoid their replication.

The nuclear inspectorate manages Naval Group's radiation protection network. It therefore monitors the radiation doses received on the operational dosimetry systems by Naval Group staff and within its establishments by its subcontractors and ensures an optimised distribution of doses. It ensures that these remain well below not only the legal limits but also the ceilings set by Naval Group (half the legal ceiling) and ensures that there is no contamination.

The nuclear inspector also manages the job category in the nuclear activity. To that end, the inspector proposes or approves the recruitment, training, career paths and professional development of employees specialising in the field to guarantee the development and maintenance of the key skills for this sovereign family.

DIVING SAFETY RISK

The mission of the Diving Safety Inspectorate is to ensure the application of Naval Group's internal safety regulations to all its activities in France and abroad. It prepares an annual report on the state of diving safety of the submarines designed and maintained by Naval Group. It monitors and verifies the security measures taken under these policies and their developments. Its independence is guaranteed by its inclusion in the general inspectorate.

The Diving Safety Inspectorate conducts inspections to verify the compliance of the group's practices with policy and internal instructions, and receives regular reports on the implementation of the resulting action plans.

Together with the Quality and OH&S Departments, It performs or takes part in investigations to analyse the year's most significant events and define the necessary courses of corrective or preventive action.

Few diving-safety incidents occurred in 2025. Action plans were put in place to avoid their replication.

The Diving Safety Inspectorate coordinates the network of engineers specialising in diving safety at the various Naval Group sites concerned with the French and foreign submarines designed and maintained by Naval Group.

The Diving Safety Inspector also manages the job category in the diving safety field. To that end, the inspector proposes or approves the recruitment, training, career paths and professional development of employees specialising in the field to guarantee the development and maintenance of the key skills for this sovereign family.



PYROTECHNIC SAFETY RISK

The role of the pyrotechnic inspectorate is to propose Naval Group's internal pyrotechnic safety policies and regulations for all of its activities to General Management. It prepares an annual report on the state of safety of Naval Group's pyrotechnic activities. It monitors and verifies the security measures taken under these policies in line with regulatory changes, which it monitors. Its independence is guaranteed by its inclusion in the general inspectorate.

Few pyrotechnic safety incidents occurred in 2025.

Action plans were put in place to avoid their replication.

The Pyrotechnic Inspectorate conducts inspections to verify the compliance of the group's practices with regulations and internal instructions and receives regular reports on the implementation of the resulting action plans.

Together with the Quality and OH&S Departments, it performs or takes part in investigations undertaken to analyse the year's most significant events and define the necessary courses of corrective or preventive action.

The pyrotechnic safety inspectorate coordinates the network of pyrotechnic prevention engineers on Naval Group sites involved in pyrotechnic activities.

The pyrotechnic safety inspector also manages the training, career paths and professional development of employees specialising in the field, to guarantee the development and maintenance of key skills.

OH&S RISKS

Any industrial activity carries risks that could affect OH&S. Improving OH&S is one of Naval Group's top CSR commitments. It constitutes a fundamental responsibility for the company as an employer and a lever for improving the group's performance in all operational areas.

Naval Group is ISO 45001:2018 and ISO 14001:2015 certified.

These two standards, which adopt the same structure as ISO 9001:2015, simplify the integration of the OH&S management system into the overall management system.

To control OH&S risks and prevent any serious work-related injury, Naval Group relies on an OH&S policy, objectives and requirements applied across the entire group. These define the rules to be implemented and the good behaviours expected of everyone so that everyone is a driving force in the prevention and reduction of risks to themselves and the people working in their environment. The daily presence of risk prevention agents in the field also ensures a high and consistent level of control.

Naval Group's OH&S performance is monitored using several indicators: the number of accidents with lost time (LTA), the frequency rate 1 and the severity rate.

The main levers put in place in recent years, aimed at strong managerial involvement and a change in behaviours, were continued in 2025 within the Cap 30 transformation plan:

- visible and respected standards:
 - ensure that OH&S is taken into account in the standards of all our processes and their deployment,
 - implement a PPE standard in our workshops and construction sites,
 - define a common foundation for prevention;

- a culture of prevention in employee teams:
 - deploy the on-boarding tool and monitor training in the workplace,
 - train managers to the managerial passport,
 - train Naval Group employees to the Safety Box;
- exemplary managers who embody high standards:
 - roll out the use of the OH&S reflex guide,
 - deploy OH&S management standards (first-level manager and RDD),
 - integrate OH&S into the criteria for selecting and promoting managers to key positions,
 - respect the time limit between the occurrence of a major event and the alert.

Further information is available in the sustainability report [see chapter XIV.2.6.].

ENVIRONMENTAL RISKS

Naval Group's environmental approach encompasses all of its activities, products, services and infrastructure.

This approach is developed in the company's design and performance/production processes and has been ISO 14001-certified continually since 2008.

To prevent environmental risks, Naval Group's environmental policy aims to:

- ensure the control of risks related to its industrial activities;
 - limit its environmental impact, by adopting a low-carbon approach, reducing and recovering its waste, and reducing its consumption of drinking water;
 - instill an environmental culture at all levels of the company.
- The levers selected in 2025 made it possible to:
- initiate the deployment of an energy management system on two pilot sites;
 - continue the decarbonisation of energy sources;
 - facilitate and improve the sorting of waste in tertiary and production activities;
 - provide the group with a collaborative tool for managing environmental events and the environmental analysis of site activities.

Further information is available in the sustainability report [see chapters XIV.2.1. and XIV.2.2.].

RISKS OF BUSINESS INTERRUPTION

The risks of interruption or significant disruption to activity are diversified: pandemics, unavailability of infrastructure, failures of strategic machines, cyberattacks, extreme weather events, fires. To limit the impact of such risks, Naval Group mobilises several levers, such as:

- risk mapping;
- risk prevention, through the relationship between sites and the Departmental Fire and Rescue Services (SDIS) or marine firefighters, for example;
- the strengthening of business continuity plans (BCPs) at group and site level, to ensure the resilience of key resources [human resources, information systems, infrastructures, machines, suppliers and subcontractors];
- the organisation of exercises.

XIII.12. RISKS OF CYBERATTACKS

The increase in international geopolitical tensions, new modes of access to information related to the increased use of remote working, as well as the increasing digitisation of industrial activities and equipment that we must integrate into weapons systems are all factors that significantly increase the cyber risk for an international industrial defence company such as Naval Group. Depending on their mode of operation and especially the purpose sought by the attackers, cyberattacks can have very different impacts – direct or indirect – at group level:

- legal impacts;
- operational impacts;
- financial impacts;
- competitive loss;
- impacts in terms of image and reputation.

Naval Group's exposure to a cyberattack remains high in an increasingly tense context where attacks can take several forms with the appearance of systemic attack campaigns. In 2025, there were no major cyber incidents to paralyse Naval Group SA's production activities. Some of our suppliers/partners suffered attacks, some of which were serious, but their impacts did not paralyse Naval Group's production.

All the departments concerned remain strongly involved in managing these risks. This has resulted in the continued strengthening of protection and cyberattack detection capabilities by Naval Group's Security Operation Centre (SOC).

The dedicated action plan to control cyber risks on the group's products and means of production is reflected in:

- regular updates and monitoring in light of the evolving threat of the cyber maturity plans managed by the Cybersecurity Director. The Cybersecurity Department is responsible for defining and implementing the group's cyberstrategy and for coordinating, federating and monitoring the deployment of all the systems established in roadmap of each IS, both internally and for the products and services provided by Naval Group;
- significant multi-year investments to modernise, rationalise and secure information systems (IS);
- the construction of a new development IS enables the implementation of a unified framework for practices and technical resources ensuring overall management of cyber risks for the group's software activity;
- a supply chain plan which consists of strengthening the cyber contractual requirements and the selection criteria of suppliers according to the cyber criticality of the purchase, across all purchasing categories;
- regular and independent measurement of the level of cybersecurity of our infrastructures (corporate IS, industrial IS, etc.) and our products, through reviews, audits and penetration tests carried out by experts from the Cybersecurity Department or authorised specialist companies, appointed by the Cybersecurity Department;

- cyber requirements are now taken into consideration internally and for our products right from the design phase and throughout the life cycle of the products, backed up by cyber skills development across the IS, engineering and production teams;
 - a coordinated IS certification process;
 - increased coordination between the data management systems:
 - the group Security Department for data relating to national defence secrets,
 - the Data Protection Officer (DPO) for the protection of personal data. Their mission is to ensure the protection of personal data as described in the European GDPR regulation,
 - IS operators and, in particular, the Digital Transformation and Information Systems Department (DTSI) for the management of IS, their development and their performance,
 - the DTSI Data Office for intellectual property data and all sensitive corporate information. Its mission is to implement the standards for consultation, use and communication of the group's data, whether strategic, industrial and/or operational, in compliance with regulatory and internal and external operational requirements, with the associated governance;
 - the adaptation of our processes to strengthen the integration of cybersecurity into all of the group's processes.
- In terms of human resources, the plan has two aspects:
- regular cybersecurity awareness-raising for all group employees, accompanied by communication and awareness-raising campaigns;
 - cyber familiarisation through a plan called "Cyber champions" aimed at reinforcing the understanding and proper consideration of cybersecurity in all of the group's activities.

Naval Group's protection system therefore covers governance, awareness-raising and tools.

Teleworking is governed by an *ad hoc* agreement; remote access systems for teleworking applications have been stabilised. Cyber performance indicators have been defined and are monitored through regular committee meetings with the directors concerned. These indicators concern cyber monitoring and improvement plans in the build and run activities of Naval Group information systems.

In terms of information security, Naval Group ensures detailed management of employees' authorisations as well as of classified information and media. The dedicated management systems are regularly audited by the State authorities.

Further information is available in the sustainability report [see chapter XIV.2.5].



XIII.13. RISKS OF IS NON PERFORMANCE AND FAILURE

To meet the business challenges of Naval Group on the national or international level, but also to face the growing context of cyber threats, the security and performance of our information systems are at the heart of Naval Group concerns now more than ever. Dependent on the long life cycle of vessels and as the result of its heritage, Naval Group's IS portfolio has evolved over the years. The IS offering has been expanded and modernised to ensure solutions adapted to the company's overall strategy and to contribute to the digital transformation.

To control the risks of obsolescence, data loss or cyberattacks, measures have been in place for several years, as well as ambitious action plans, including:

- the infrastructure modernisation and security project: new hosting completed, network (new LAN set up and WAN in progress), storage, backup, etc.;

- work to rationalise the inventory of applications with the continuation of the application streamlining campaign;
- the modernisation of the international IS;
- the development of digital products that meet the business challenges for the production operator, including the provision of the operator portal to facilitate access to Manufacturing Execution System tools;
- the achievement of data-based digital continuity across the entire product life cycle;
- the creation of a software development toolbox for the group's developers.

These significant multi-year investments to modernise and secure the IS contribute to the enhancement and control of the IS portfolio (applications, technical services, hosting/infrastructures) of the group.

All actions undertaken are coordinated with the group's Cybersecurity Department and Security Department.

XIV. SUSTAINABILITY REPORT

XIV.1. INTRODUCTION

XIV.1.1. BUSINESS MODEL

An international player in naval defence, Naval Group is a partner of national Governments in upholding their maritime sovereignty. Naval Group meets the needs of its customers through its exceptional know-how, its unique industrial resources and its ability to create technology transfers and strategic partnerships. The group designs, builds, equips, integrates, maintains, modernises, dismantles and deconstructs submarines and surface ships. As an industrial prime contractor, equipment supplier, designer and overall integrator of armed vessels and combat systems, Naval Group delivers innovation in autonomous systems, underwater weapons and drones. It also delivers services to naval bases and shipyards. Naval Group is attentive to corporate social responsibility [CSR] issues and is a signatory of the United Nations Global Compact.



CUSTOMERS



NAVIES PROCUREMENT AGENCIES LOCAL INDUSTRIES

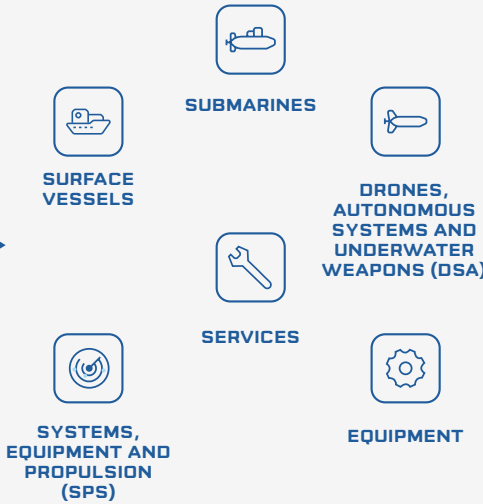
50 NAVAL CUSTOMERS AROUND THE WORLD



ADVANTAGES

- Total control of armed vessels
- Control of the entire vessel life cycle
- 17,170 employees (average annual full-time equivalent headcount)
- Skills and know-how portfolio (naval architecture, engineering, industrialisation, production, in-service support, programme management, etc.)
- Commercial and operational references French Navy and other customers
- 9 sites in France
- 17 international locations (offices and subsidiaries)
- Transmission of knowledge and know-how
- Advanced member of the United Nations Global Compact

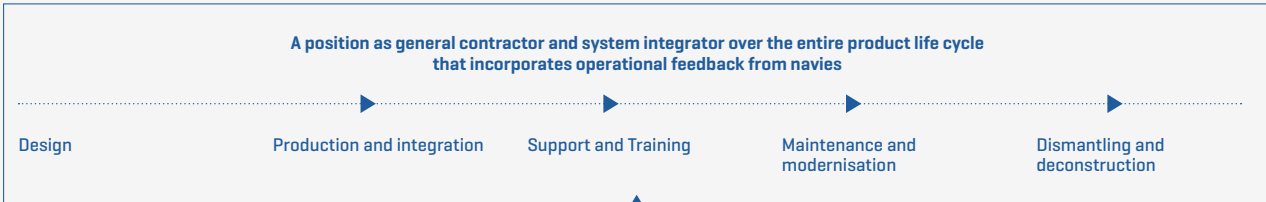
PRODUCTS & SERVICES



VALUE CREATED

- High-performance vessels and defence systems throughout their life cycle: FREMM, Gowind®, Scorpène®, Charles de Gaulle aircraft carrier, SSBN/SSN, etc.
- Maintaining the deterrent capabilities of the French Navy
- Fleet availability for our naval clients
- 40,000 jobs in the sector in France in more than 80 departments
- Development of local industry in client countries, support for our clients' sovereignty issues
- Breakdown of added value created: investments, employees, ecosystem, shareholders

KEY ACTIVITIES



PARTNERS

- Equipment manufacturers (propulsion, sensors, effectors, etc.)
- Subcontractors (engineering research, site services, etc.)
- Marine industries sector, universities, research centres, start-ups
- Public institutions and establishments
- Non-profit sector

XIV.1.2. CSR AT NAVAL GROUP

CSR GOVERNANCE

Naval Group's CSR strategy has been integrated into the group's strategic plan since 2020. The CSR strategy is broken down into 16 projects divided into four pillars: governance, social commitment, environmental protection and climate resilience, and responsible industrial partner. Each pillar is sponsored by a member of the Executive Committee and each CSR project is managed by a person specialising in the matter.

CSR objectives are set annually for each project and are approved by the Executive Committee, which oversees the management of the CSR strategy every six months.

The Compensation, Appointments, Ethics and Corporate Social Responsibility Committee of the Board of Directors reviews the group's CSR strategy once a year.

the CSR Department reports to the group General Secretary, who is a member of the Executive Committee.

CSR DEPARTMENT

The CSR Department guides the company stakeholders towards an increasingly responsible company on social and environmental issues by promoting responsible behaviour.

It manages the group's CSR strategy. In particular, its role is to:

- support the sponsors and pilots of CSR projects: providing help with structuring, coordinating cross-functional actions and facilitating interactions between entities;
- ensure overall consistency;
- monitor the progress of CSR projects, in particular *via* half-yearly reporting to the Executive Committee;
- encourage employee involvement in the CSR approach through training and communication campaigns.

In France, the CSR Department relies on a network of CSR managers. The site's CSR manager disseminates the site's CSR culture, shares the site's CSR actions with all CSR managers, and coordinates and/or contributes to local actions.

XIV.1.3. GOVERNANCE OF THE SUSTAINABILITY REPORT

XIV.1.3.1. REGULATORY BACKGROUND

The DDADUE law of April 30, 2025 (aligning French law with EU directives) – article 7 of which amends article 33 of Order no. 2023-1142 of December 6, 2023 – postpones by two years the entry into force of the legislative and regulatory provisions transposing into French law the obligations arising from Directive (EU) 2022/2464 of December 14, 2022 (CSRD Directive) for companies known as “waves” 2 and 3. Consequently, Naval Group, a wave 2 company, is not legally obliged to publish a sustainability report for the 2025 financial year.

However, the group has chosen to publish a first sustainability report in its 2025 annual report to enable it to prepare for the implementation of the CSRD for the 2027 financial year, and to highlight its sustainability issues, policies and actions.

As Naval Group is not subject to the CSRD Directive in 2025, it is not required to ensure that the sustainability information published in this sustainability report is certified by a sustainability Auditor. This sustainability report has not been subject to certification.

XIV.1.3.2. PREPARATION OF THE SUSTAINABILITY REPORT

To prepare for the entry into force of the reporting obligations arising from the CSRD Directive, Naval Group carried out work throughout 2024 to enable it to meet these reporting obligations as of the 2025 financial year. All this work was sponsored by five members of the Executive Committee (later referred to as “Executive Committee sponsors”): the General Secretary, the Deputy Chief Financial Officer, the Technical Director, the Human Resources Director, and the Operations and Performance Director. A project team – composed of the CSR Department, the Legal Department, the Finance Department and the Risk Department – was set up in the first quarter of 2024.

Five major stages of work guided the preparation of the sustainability report:

- 1.** modelling of the group's value chain (see chapter XIV.1.3.3);
- 2.** identification of 28 sustainability issues taking into account sector practices, mandatory ESRS topics related to the CSRD and topics specific to Naval Group;
- 3.** identification of 104 impacts, risks and opportunities (IROs);
- 4.** definition of the IRO assessment methodology. More than 80 employees were trained and made aware of the CSRD, while 28 IRO assessment workshops were held to identify the group's issues and material IROs;
- 5.** consolidation of results and confirmation of material issues following a review of sustainability reports published within the defence sector: 9 issues and 17 IROs were identified as material for Naval Group.

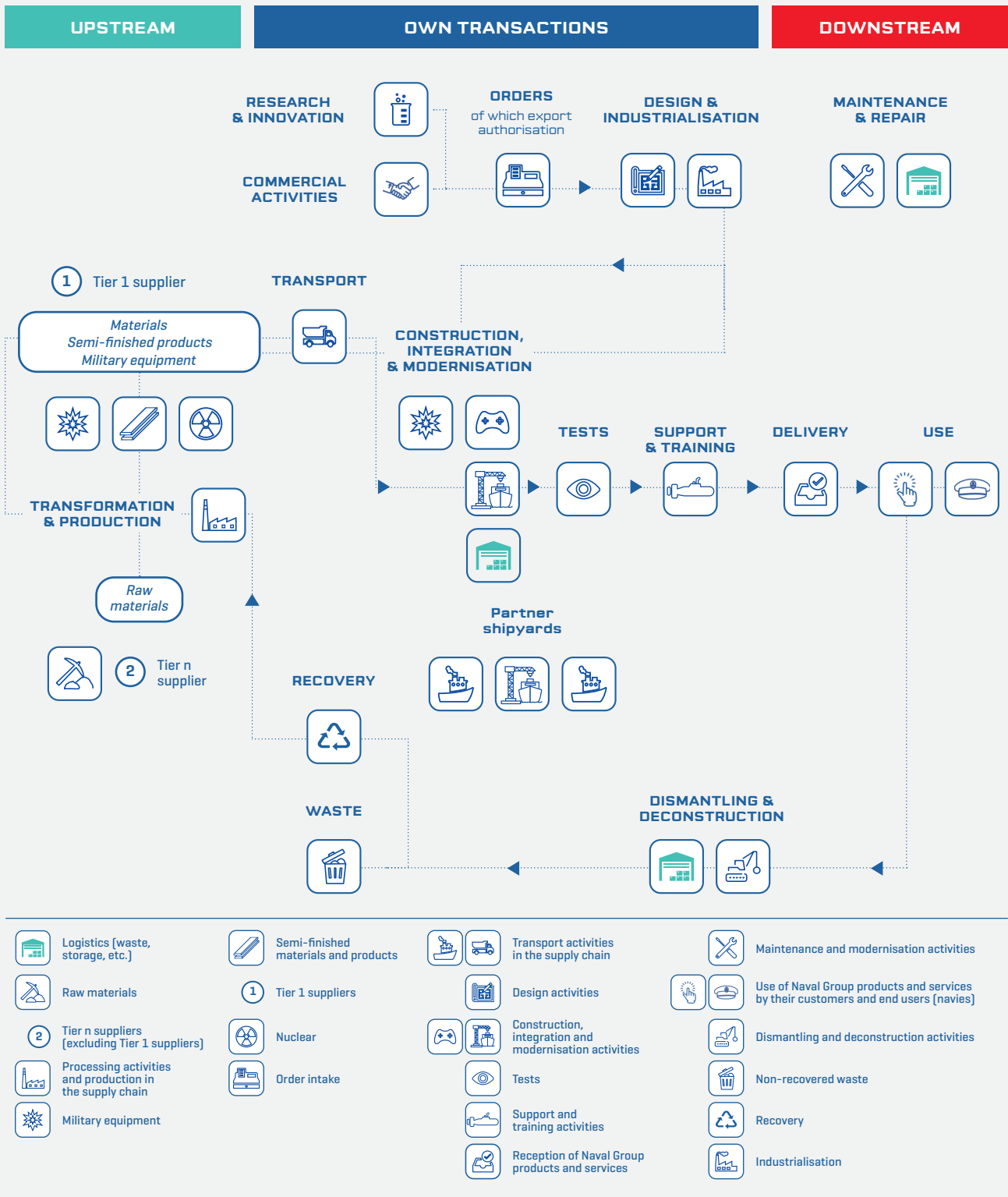
Each of the above steps was reviewed by the Executive Committee sponsors before presentation to the Audit and Internal Risks Committee (CARI) for approval. Steps 4 and 5 were presented at joint meetings between the CRNE and the CACR of the Board of Directors held in October 2024 and October 2025.



XIV.1.3.3. VALUE CHAIN

The group value chain is defined as all activities, resources and relationships related to the company's business model as well as the external environment in which it operates. The value chain encompasses the activities, resources and relationships that the company uses and relies on to create its products and services, from design to delivery and end-of-life.

The value chain includes market players upstream and downstream of the company. Players upstream of the company (e.g. suppliers) provide products or services that are used in the development of the company's products or services. Entities downstream of the company (e.g. customers) receive products or services from the company.



The value chain is considered by the group in its dual materiality analysis, particularly when identifying issues and material IROs. A number of stakeholders are involved within the group's value chain:

- upstream:
 - subcontractors and suppliers,
 - customers and specifiers (national navy customers in particular),
 - authorities (governments, defence agencies, authorised ship classification societies),
 - impacted communities and nature;
- during internal operations:
 - employees and other on-site workers (subcontractors, temporary workers),
 - authorities (governments, defence agencies, classification companies),
 - customers,
 - universities and research centres, start-ups,
 - partners,
 - affected communities and nature;
- downstream:
 - end users,
 - customers (governments and navies),
 - affected communities and nature.

XIV.1.3.4. SCOPE OF CONSOLIDATION

ENVIRONMENTAL INFORMATION INCLUDED IN THE REPORTING SCOPE OF THE SUSTAINABILITY REPORT

The environmental information covers all of the French sites of Naval Group, namely Cherbourg, Brest, Lorient, Indret, Ruelle, Saint-Tropez, Toulon, Ollioules, Paris and Bagneux. Environmental data relating to energy consumption, scope 1 and 2 greenhouse gas (GHG) emissions in the carbon footprint concerns the calendar year from January 1, 2025 to December 31, 2025.

OH&S INFORMATION INCLUDED IN THE REPORTING SCOPE OF THE SUSTAINABILITY REPORT
OH&S indicators cover all of Naval Group's French sites and all employees and temporary workers employed by Naval Group or made available to it.

SOCIAL INFORMATION INCLUDED IN THE REPORTING SCOPE OF THE SUSTAINABILITY REPORT

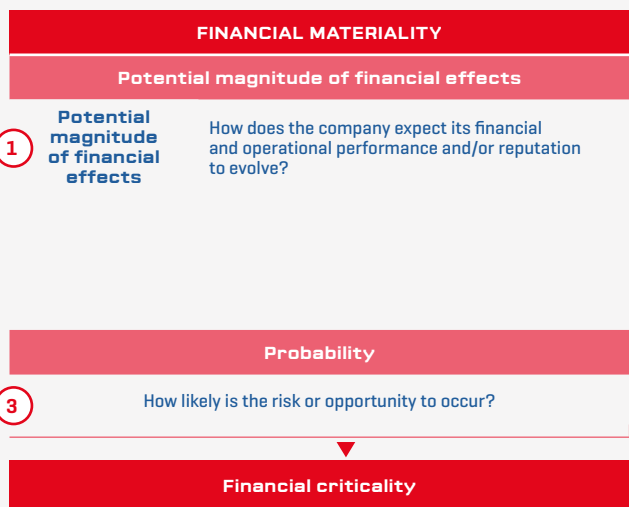
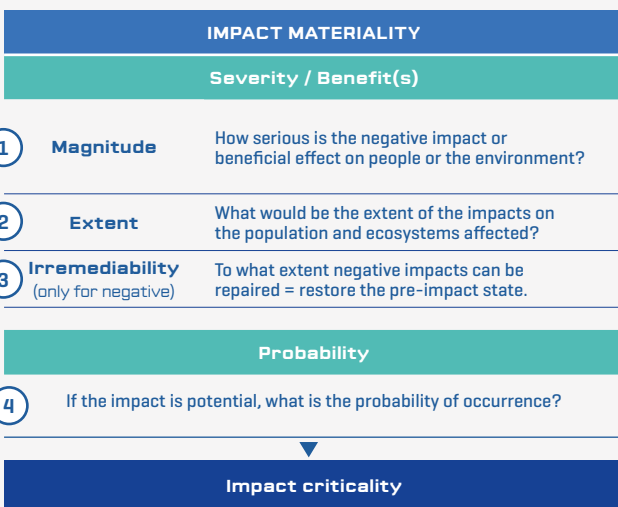
The scope of social reporting covers the Naval Group economic and social unit (ESU), comprised of the French sites of Naval Group SA, the French subsidiary Sirehna and MO Porte-Avions.

XIV.1.4. DUAL MATERIALITY MATRIX

XIV.1.4.1. METHODOLOGY

To identify the material sustainability issues for the group, *i.e.* important subjects for the company related to the environment, social issues or governance, Naval Group has established its dual materiality matrix by assessing:

- impact materiality (how the company's activities impact people and the environment);
 - financial materiality (how sustainability issues are likely to influence the company's financial performance).
- Once the issues have been identified, the IROs related to each topic have been identified. The methodology used for the assessment of IROs included the variables required by the CSRD, namely:
- for the impact materiality: the magnitude of the negative impact or beneficial effect on people or the environment, the extent (*i.e.* the extent of the impacts on the affected population and ecosystems), the irremediable nature (to what extent the negative impacts can be corrected), and the probability of occurrence;
 - for financial materiality: the potential magnitude of financial effects (how the company expects its financial and operating performance and/or reputation to change) as well as their probability of occurrence.





The materiality assessment focuses on the gross impacts, risks and opportunities, *i.e.* without taking into consideration the measures to prevent and mitigate negative impacts and risks put in place by the company. However, the regulatory environment of the country is taken into account.

The criteria used to rate the gross IROs have all been defined on a scale of 1 to 4, in line with the group’s current approach to assessing risks and opportunities. IROs rated 3 and 4 are considered material.

XIV.1.4.2. MATERIAL IROS

Following the dual materiality analysis, Naval Group identified 9 material issues and 17 IROs. These IROs comprise 9 risks [R], 5 negative impacts [NI], 1 positive impact [PI] and 2 opportunities [O].

Sustainability issues	Material IROs	Nature of IRO
Climate change mitigation	GHG emissions for Naval Group and its value chain	NI
	Fossil fuel sourcing and/or price pressures	R
Waste management and product end-of-life	Generation of waste from manufacturing and deconstruction activities	NI
Export controls on military equipment or dual-use articles (BDU)	Misuse of data for military use	NI
	Control of sales of military equipment by National authorities	PI
	Non-compliance with French and foreign rules relating to the export controls on military equipment or dual-use articles	R
Fight against corruption	Deterioration of business ethics	NI
	Acts of corruption	R
Protection of sensitive data and against cyberattacks	Theft and/or compromise of sensitive information	R
Employee health and safety	Occurrence of physical and psychosocial risks and occupational illnesses affecting Naval Group employees	NI
	Risks that could have impacts on productivity, reputation and performance	R
Skills management and development of know-how	Skills maintenance and development	O
	Loss or non-acquisition of key skills	R
Working conditions	Economic losses and reputational deterioration	R
	Deterioration of labour relations and policies	R
	Employee attractiveness and retention	O
Health and safety of products and services	Lack of skills and knowledge among employees, customers and partners	R

XIV.1.4.3. LINKS WITH THE VIGILANCE PLAN

Some negative impacts of the dual materiality matrix are considered risks under the law on the duty of care and are therefore an integral part of the vigilance plan presented in chapter XV of this report. These are:

- the occurrence of physical and psychosocial risks and occupational illnesses affecting employees [issue related to the health and safety of employees];
- GHG emissions for Naval Group and its value chain [issue related to climate change mitigation];
- waste generation from manufacturing and deconstruction activities [issue related to waste management and product end-of-life].

For greater clarity, further details on these negative impacts are provided in chapter XIV.2. below.

For the issue of working conditions, a negative impact with moderate criticality (deterioration of working conditions and social dialogue) was retained under the duty of vigilance. For ease of reading, this negative impact is addressed in the sustainability report in section XIV.2.8.

XIV.2. MATERIAL SUSTAINABILITY ISSUES IDENTIFIED BY NAVAL GROUP

XIV.2.1. ISSUE RELATED TO CLIMATE CHANGE MITIGATION

Sustainability issue	Material IROs	Nature of IRO
Climate change mitigation	Negative impact resulting from GHG emissions for Naval Group and its value chain	NI
	Risk of disruption of fossil fuel supplies and/or price pressures	R

DESCRIPTION OF THE ISSUE AND IROS

The Paris Agreement signed in 2015 commits the signatory States to fight against global warming.

Its overarching objective is to keep “the increase in the global average temperature well below 2°C above pre-industrial levels” and to continue efforts “to limit the temperature increase to 1.5°C above pre-industrial levels.”

To mitigate climate change to +1.5°C, GHG emissions must decrease by 43% by 2030 compared to 2019 levels.

Given its industrial activities, Naval Group has identified a negative material impact in its dual materiality matrix, related to GHG emissions, as well as a risk of supply disruption in the fossil fuel sector and/or price tensions related to these supplies.

Naval Group’s activities generate direct and indirect GHG emissions at all sites, mainly related to its needs to:

- heat, cool, ventilate and light workplaces, produce domestic hot water and power all its industrial resources;
- source raw materials, materials and equipment and ship the products and equipment produced;
- move employees for both commuting and business trips;
- use service providers to ensure its activities throughout the life cycle of its products.

These emissions make up the group’s operational carbon footprint.

GROUP OBJECTIVES

The objectives are to treat the effects of climate change and reduce the group’s energy dependence. In 2025, this resulted in two objectives:

- the annual reduction of 5% in GHG emissions in scopes 1 and 2 of the carbon footprint;
- a 10% reduction in GHG emissions linked to travel within France.

In concrete terms, the 5% reduction target applies to scopes 1 and 2 of the carbon footprint, the associated indicator takes into account site workloads, measured in hours worked, as well as outdoor temperatures during heating periods, in order to measure the actual improvement in environmental performance. This objective is one of the operational criteria associated with the 2024-2026 profit-sharing agreement.

An operational carbon trajectory for the period 2021-2030 makes it possible to define the cap on emissions to be respected over the period, taking into account changes in workload and the annual 5% reduction target necessary to meet the commitments of the Paris Agreements.

Objectives related to reducing the carbon footprint of the value chain are addressed in the vigilance plan [see chapter XV.4.4.].

POLICIES AND GUIDELINES

Naval Group applies the national low-carbon strategy as well as its own energy strategy.

To comply with the ambitions of the Paris Agreement, Naval Group has set itself the objective of dividing its GHG emissions by six by 2050 compared to 2014 levels. This represents a reduction of around 70,000 t.eq. CO₂.

Naval Group uses the Bilan carbone® (v8.9) tool in operational control and location-based mode to assess greenhouse gas emissions.

MITIGATION AND PREVENTION ACTION PLANS IMPLEMENTED

Naval Group has set up a “low carbon” CSR project with the ambition of reducing the carbon footprint of its sites. Energy sobriety and the decarbonisation of the energy mix and travel (home-work and business) are the main levers.

In terms of energy, the aim is to replace the use of fossil fuels, encourage greater sobriety in energy consumption, improve the energy performance of sites and make greater use of renewable energies.

To do this, Naval Group measures consumption using energy monitoring software and manages energy consumption using a centralised technical management tool (BMS) at all its sites. This tool provides a real-time view of the consumption of site inputs and to manage a range of actions more specifically. The group is also seeking to decarbonise its energy mix. With the support and funding of ADEME, the Ruelle site, for example, is replacing a boiler with an aquathermal heat pump. River water is therefore used for heating. Heat pumps were also installed on the Indret and Toulon sites, photovoltaic shades were connected to the grid in Indret, the complete overhaul of the compressor station at the Cherbourg site was initiated, and LED relamping projects in Cherbourg and Paris continued. The group makes efforts to reduce the electric baseload and monitors a set of indicators (including heating performance indicators) common to all sites. An energy management system has been introduced at the Ruelle and Indret sites, both of which are in the process of obtaining ISO 50001 certification.

Employees are encouraged to use alternative travel solutions for their home-work journeys, in particular through the introduction of a sustainable mobility bonus applicable to alternative modes of transport. This bonus amounts to €400 per year. Public transport seasonal passes are also reimbursed up to 70% (approximately 5,000 employees are beneficiaries). Numerous awareness-raising sessions on bicycle use also take place at all sites: bicycle



overhaul and repair workshops, partnerships with BeeToGreen (electric bikes for rent, advice), creation of bicycle shelters and addition of bicycle parking spaces, reinforcement of road markings, provision of bicycles for on-site travel, with helmets and vests. The sites in Toulon, Ollioules and Brest have been awarded the "pro-bike employer" label at the Gold level (highest level). Carpooling apps have been set up on sites, with dedicated parking spaces for users. Lastly, Naval Group provides its employees with charging stations for electric vehicles.

In addition, Naval Group has introduced measures to reduce the carbon footprint of employee business travel:

- limitation of business travel to meetings that cannot be held remotely;
- mandatory use of trains for journeys lasting less than 4 hours and 30 minutes and first class accessibility for all employees.

An inter-site shuttle service between the Cherbourg site and the Lorient and Indret sites has been introduced to reduce individual travel using ICE vehicles, and an internal shuttle service has been set up at the Cherbourg, Lorient and Toulon sites.

An annual "mobility" survey is conducted among employees to find out about their travel habits and how they are changing.

It alternates between business travel and commuting.

Lastly, Naval Group deploys a culture of sobriety in the use of resources, for example by measuring and reducing the carbon footprint related to digital use.

TRAINING AND AWARENESS-RAISING SESSIONS PROVIDED

To strengthen the group's ability to steer the group's carbon trajectory, the environmental officers and members of the CSE's Health, Safety and Working Conditions Commission (CSSCT) were trained in the Bilan carbone® methodology in 2025.

The induction course for new arrivals to the sites includes an environmental component in which operational environmental issues and energy efficiency approaches are presented.

Regular communications are made to managers through managerial meetings (M2M), OH&S information and training materials for visual management. They serve to raise employee awareness on a regular basis.

Training in the use of Energiency was provided to energy specialists and PROREFEI training (training to become an energy specialist in industry) is offered to energy specialists.

SYSTEM FOR MONITORING THE MEASURES IMPLEMENTED

As part of its CSR strategy, Naval Group has created a project dedicated to carbon sobriety to support the transformation of the group and its sites. The project is managed by the person in charge of the field concerned, who reports to the Technical Director, and its progress is regularly presented to the Naval Group Executive Committee.

The actions are monitored through the sites roadmaps and the entities responsible for implementing them (energy, environment, mobility, etc.).

Moreover, an "energy" review is carried out every six months at group level. Environmental assessments (including GHG impacts) are carried out every quarter and at mid-year, specific energy reviews are carried out with each site department (consumption/ investments/monitoring of action plans).

ASSESSING THE EFFECTIVENESS OF THE MEASURES IMPLEMENTED

The group's operational carbon footprint is calculated annually to measure the effectiveness of the actions implemented. This assessment is carried out internally using the Bilan carbone® method. The assessments for 2016, 2018, 2020 and 2021 are available on the ADEME website. The next assessment to be submitted on the ADEME website will be for the 2025 financial year.

An estimate of the GHG emissions assessment is also produced quarterly on scopes 1 and 2, and has been extended to scope 3 of the carbon assessment (commuting and business travel) since 2023.

2025 indicators:

- change in gas consumption compared to the previous year: -5%;
- change in electricity consumption compared to the previous year: +1%;
- change in GHG emissions scopes 1 and 2 in site carbon footprints compared to the previous year (ISO hours worked and ISO unified degree days): -3%.

XIV.2.2. ISSUE RELATED TO WASTE MANAGEMENT AND PRODUCT END-OF-LIFE

Sustainability issue	Material IRO	Nature of IRO
Waste management and product end-of-life	Negative impact resulting from the generation of waste from manufacturing and deconstruction activities	NI

DESCRIPTION OF THE ISSUE AND IROS

Waste management regulations have become increasingly strict and demanding in order to encourage companies to better manage their waste and limit their environmental impact. The challenges are regulatory, environmental, but also economic, in particular due to the rise in waste processing costs.

Through its activities, Naval Group generates waste in the manufacture of its defence products (data at the end of January 2026: 11,223 t excluding rubble in 2025), notably:

- metals -> 5,119 t;
- non-hazardous waste (wood, cardboard, packaging waste, etc.) -> 3,893 t;
- hazardous waste (hydrocarbon-polluted water, paint waste, etc.) -> 2,210 t.

Naval Group is also responsible for dismantling submarines. This activity makes it possible to optimise the end-of-life of products by promoting recovery in specific sectors. A recovery rate of 92% was achieved during the deconstruction of the hull of the *L'Inflexible*, which was completed in July 2024. The deconstruction of the SSBN *Le Terrible* will be completed in the first quarter of 2026.

GROUP OBJECTIVES

Naval Group has set itself a target of recovering 80% of non-hazardous waste (including metals). This objective is rolled out to each site according to its activities and the potential for recycling its waste.

POLICIES AND GUIDELINES

The group’s OH&S policy integrates in the priorities of the OH&S roadmap the improvement of the environmental footprints of its sites and products. In particular, it targets waste management by taking action through its roadmap to promote waste reduction and recovery.

MITIGATION AND PREVENTION ACTION PLANS IMPLEMENTED

In 2025, Naval Group implemented numerous actions, such as:

- the deployment of voluntary drop-off points in the office spaces of the Saint-Tropez and Brest sites to improve waste sorting;
- the deployment of waste islands in the production environments of the Indret and Ruelle sites (under way in Toulon and Cherbourg);
- the installation of treatment plants for washing/stripping effluents in Brest and Lorient;
- the opening of Naval Reuse: Naval Group’s circular economy web platform to external users (businesses);
- the measurement of the quality of waste sorting in production environments and office spaces (completion in 2026);
- the establishment of a working group to optimise packaging management, through packaging reduction/recovery actions such as: standardisation of wooden crates, reuse of pallets (ongoing);
- the implementation of the plastic film recycling channel (in progress);
- the establishment of new waste collection centres in Île Longue and Lorient;
- the use of the waterjet cutting sludge recycling channel in Ruelle;
- the deployment of recovery channels for helmets and shoes.

In addition, Naval Group makes its employees aware of waste sorting (occasional field actions, on the occasion of environment days), uses extended producer responsibility channels, and carries out the annual definition of a residual waste skip.

TRAINING AND AWARENESS-RAISING SESSIONS PROVIDED

The induction process for new arrivals on sites includes an environmental component in which local provisions in terms of waste management are presented. Regular communications are made through OH&S information, training materials for visual management and managerial meetings [M2M]. They serve to raise employee awareness on a regular basis.

SYSTEM FOR MONITORING THE MEASURES IMPLEMENTED

Each site has a waste correspondent who manages the day-to-day management of the activity in conjunction with the service providers involved in waste management at each stage. A network of waste correspondents makes it possible to discuss results, achievements and best practices and the difficulties encountered. As part of the CSR project dedicated to carbon sobriety, a progress review was conducted on achievements and difficulties in terms of waste management. The actions are monitored through the waste roadmaps of the sites and the entities responsible for implementing them.

ASSESSING THE EFFECTIVENESS OF THE MEASURES IMPLEMENTED

Waste reports are prepared monthly for the group and for each site. This makes it possible to monitor and analyse waste production and to monitor the recovery rate. The results in terms of non-hazardous waste recovery are published monthly in the OH&S dashboard for site managers. It was 77% at the end of 2025. The half-yearly CSR dashboard provides for more comprehensive communication of environmental performance indicators. It includes the monitoring of hazardous and non-hazardous waste tonnages, the associated processing costs, the cost of declassified inventories and the number of transactions made on Naval Reuse.

XIV.2.3. ISSUE RELATED TO EXPORT CONTROLS ON MILITARY EQUIPMENT OR DUAL-USE ARTICLES (BDU)

Sustainability issue	Material IROs	Nature of IRO
Export controls on military equipment or BDU	Negative impact that may result from misuse of data for military use	NI
	Positive impact related to controls on the sale of military equipment by the State authorities.	PI
	Risk of non-compliance with French and foreign rules relating to the export controls on military equipment or BDU	R

DESCRIPTION OF THE ISSUE AND IROs

The regime that applies to military equipment is a regime of prohibition. All operations concerning military equipment themselves are prohibited (design, manufacture, trade, import, transit, export) unless expressly authorised in advance. This principle, justified by the particular nature of the arms trade, is enshrined in law (Part 2, Book III, Title III of the French Defence Code).

Naval Group’s scope of export control concerns not only the supply of tangible goods (materials, equipment, components, accessories, tools, software on physical media: USB devices, CDs, etc.), but also the provision of intangible services and technologies (technical support, technology transfer, technical data, etc., results of studies and tests, technical and commercial documentation, electronically exchanged data sets, etc.) through all its activities of export, re-export, transfer, import, purchase, sale, production,



repair, maintenance, modification, design, development, R&D, R&T, storage, dismantling, trade shows, demonstrations, models of military equipment, similar equipment and dual-use articles.

None of these activities can be carried out without the authorisation of the State, materialised beforehand by a licence to export, re-export, transfer or import.

The exchange of controlled technical data of foreign origin between Naval Group and its French or foreign subsidiaries must be covered by re-export licences from the country of origin concerned and from the French State.

Export, re-export and transfer licences are examined by the DGA/DICE (French Ministry of the Armed Forces) and notified by the French Directorate General of Customs and Indirect Taxes (DGDDI, Ministry of the Economy and Finance).

Similarly, Naval Group must comply with foreign export control regulations, which involves in particular:

- remaining within the framework of authorisations granted for the re-export and transfer of goods and data subject to foreign regulations;
- anticipating development constraints and possible operational and strategic limitations due to the reuse of foreign products and technologies.

The greatest vigilance is applied to data for military use to avoid their export without a licence (sending the data to a recipient not authorised in the licence, for example), their misappropriation or exploitation by ill-intentioned third parties (state agencies, hackers, competing businesses) wishing to harm Naval Group or its state-owned customers (impacts on safety, image and reputation; impacts on competitive tenders or current contracts). Failure by Naval Group to comply with French or foreign export control regulations is subject to sanctions.

The control of arms sales by the state authorities through the issue of export permits (licences) makes it possible to prevent the spread of weapons not only abroad but also in France (register of military equipment). This control also makes it possible to preserve France's sovereignty by protecting this sensitive information.

GROUP OBJECTIVES

In terms of this issue, the group's objective is to ensure that Naval Group's operations comply with French and foreign export control regulations.

This question is at the heart of the DCE's concerns.

A new applied method will be deployed in 2026 and must be used prior to any export of (intangible) data abroad, which will make it possible to systematise *a priori* controls and to trace these flows.

POLICIES AND GUIDELINES

In 2024, the group revised both the organisation of its export control function and its entire BMS deployed from January 2025. Several guidelines and policies are available within the new BMS, including:

- application of export and customs control rules in programs;
- control of export control compliance in proposals;

- export control requirements for transfers of controlled (tangible) goods or (intangible) technologies;
- receipt of materials subject to export control;
- application of the French regulations on dual-use articles. Principles applicable to the transfer, storage and processing of US data (ITAR, AEOI).

MITIGATION AND PREVENTION ACTION PLANS IMPLEMENTED

In 2025, the focus was on exports of intangible goods with a vast awareness-raising action for employees exporting intangible data. The aim is to make the employee at the origin of the export responsible for ensuring regulatory compliance before exporting, and the traceability of the flow.

At the end of 2025, the method applicable intangible assets, developed during the year, was put into production. It will be commissioned in February 2026 and must be used for any flow of intangible goods for export.

The deployment of this new tool involves all stakeholders in Naval Group's export control.

The general actions implemented in 2025 are as follows:

- export control items on the Executive Committee's agenda every quarter;
- monthly meetings between the DCE and the export control managers of the export departments in order to monitor the export control action plans put in place;
- review of export control training materials;
- use of the applied method for tangible goods throughout the company and development of an applied method for intangible goods, including dual-use articles.

With regard specifically to foreign regulations, the following should be highlighted:

- the development of a group reference framework for the correct application of requirements related to foreign regulations;
- the conduct of on-site audits by the DCE with the implementation of joint action plans with operational stakeholders;
- a reflection on appropriate applied methods and support for the implementation of procedures;
- the development of these tools, their preparation and the monitoring of their application.

TRAINING AND AWARENESS-RAISING SESSIONS PROVIDED

The export control training catalogue has been completely revamped with the creation of training materials dedicated to the company's business lines and cross-functional topical training materials. Some of these courses are compulsory, others optional. The new catalogue has been gradually rolled out since the second half of 2025.

Training in the use of the new applied method for intangible assets has also been widely rolled out.

Foreign regulations are the subject of dedicated training:

- the development of specific training on the correct application of requirements in connection with foreign regulations;
- scheduled and occasional awareness-raising sessions as needed and the development of training materials and a manual to help practical applications by function within departments and programs;
- the development of a process for sharing feedback.

SYSTEM FOR MONITORING THE MEASURES IMPLEMENTED

The action to empower employees at the origin of exports of intangible goods is monitored by the exporting departments through specific indicators, which are consolidated by the DCE for presentation to the Executive Committee. Control audits are carried out by the DCE on the Naval Group sites with the issue of recommendations and more frequent *a posteriori* controls by the DCE. With regard to US regulations, Naval Group has set up forums dedicated to sharing feedback, monitoring action plans and developing appropriate roadmaps.

Lastly, monthly meetings are organised between the DCE and the export control managers of the export departments, in order to monitor the export control action plans put in place.

ASSESSING THE EFFECTIVENESS OF THE MEASURES IMPLEMENTED

A number of indicators have been developed to monitor the effectiveness of the measures implemented, particularly *a priori* before exports/transfers of intangible goods.

XIV.2.4. ISSUE RELATED TO THE FIGHT AGAINST CORRUPTION

Sustainability issue	Material IROs	Nature of IRO
Fight against corruption	Negative impact that may result from a deterioration in business ethics	NI
	Risk of acts of corruption	R

DESCRIPTION OF THE ISSUE AND IROS

Naval Group has identified all the risks of corruption and influence peddling to which the group is exposed, given the activities carried out in France and internationally. They are associated with scenarios of events that could occur if appropriate controls were not implemented.

They have been identified by process and primarily concern the group’s purchasing, commercial and financial activities. Each risk of corruption and influence peddling is assessed with regard to its potential consequences on the group’s reputation and attractiveness, on its order intake and results and on its social responsibility.

An act of corruption or influence peddling committed by a group employee:

- would have potential consequences on the group’s reputation and attractiveness, on its order intake and results, and ultimately on employment and the viability of the company. Lastly, as they constitute an offence, they would obviously be liable to lead to sanctions for the group and/or its executives;
- could potentially create a distortion of competition and undermine the confidence of the group’s external stakeholders.

POLICIES AND GUIDELINES

The Chairperson and Chief Executive Officer of Naval Group signs the group’s anti-corruption policy in which they reaffirm the company’s commitment to the fight against corruption, the principle of zero tolerance in terms of corruption and influence peddling, the necessary involvement of its governing body and the measures taken to comply with the Sapin II law.

This policy is set out in the Anti-corruption code of conduct, which defines and illustrates the rules of conduct that each employee must observe, as well as those that are prohibited because they are likely to lead to or be considered as acts of corruption or influence peddling.

In addition, the group has an anti-corruption manual that details the anti-corruption system implemented by the group, in compliance with the Sapin II law. It is the reference business document for the anti-corruption function (all group Compliance Officers). It refers to several operating documents, in particular for accounting controls and internal anti-corruption controls.

GROUP OBJECTIVES

Naval Group’s first objective is to implement an anti-corruption system in accordance with the Sapin II law, which will enable it to effectively prevent and detect any behaviour by its employees, as well as third parties with whom the group comes into relations, considered to be contrary to probity.

To this end, Naval Group has:

- identified all the corruption risk scenarios to which the company is exposed given its activities;
- drafted an Anti-corruption code of conduct;
- delivered training on the prevention and detection of corruption risks;
- deployed a third-party assessment system before the conclusion of any contract or agreement creating legal obligations for Naval Group;
- provides employees and external stakeholders with a whistleblowing system accessible through a digital platform.

MITIGATION AND PREVENTION ACTION PLANS IMPLEMENTED

The group implements a number of recurring actions, such as:

- conducting assessments for each third party/project [suppliers, partners, etc.];
 - conducting internal anti-corruption audits;
 - managing the Naval Group whistleblowing system.
- In 2025, as part of a continuous improvement approach and in light of feedback, the Compliance Department also conducted more specific actions such as:
- equipping the anti-corruption function by implementing the new anti-corruption software;
 - the overhaul of the third-party compliance assessment system;
 - the overhaul of the compendium of anti-corruption accounting controls based on the group’s corruption risk mapping;
 - the overhaul of the first-, second- and third-level internal control system and the audit points for each of the anti-corruption system measures;
 - updating all reference documentation, including the anti-corruption manual.



TRAINING AND AWARENESS-RAISING SESSIONS PROVIDED

Whatever their job, all group employees must be made aware of issues relating to the fight against corruption and influence peddling, as well as conflicts of interest. Each employee must complete the basic anti-corruption training (e-learning) and refresh it every three years. Among employees, some hold jobs that are more exposed than others to the risks of corruption and influence peddling, particularly in the purchasing, trade and finance functions. The persons concerned must complete the enhanced anti-corruption training (e-learning) and also refresh it every three years. Each year, the training plan specifies the employees concerned by one of these training courses, in particular when refresher training is necessary.

SYSTEM FOR MONITORING THE MEASURES IMPLEMENTED

The anticorruption system implemented by the group is:

- controlled annually by the Compliance Department and other functional departments (Purchasing, Finance) according to a three-year control plan;
- audited by the Audit and Risk Department in accordance with the internal audit plan that is validated annually;

- audited annually by an ISO 37001 certification body. In addition, the Director of Compliance:
- ensures that the group's corruption risk mapping is validated by the members of the Executive Committee during an Audit and Internal Risk Committee (CARI) meeting at each significant update;
- reports annually to the Executive Committee and to the CRNE and CACR jointly assembled on the activity of its department during the year ended.

ASSESSING THE EFFECTIVENESS OF THE MEASURES IMPLEMENTED

Indicators monitored in 2025:

- compliance opinions drafted by the Compliance Department: 1,500;
- alerts on the theme of the fight against corruption received by the whistleblowing system: 12, of which admissible and treated: 12;
- planned training of relevant employees: 95% (100% for the purchasing and sales functions), above the expected targets.

XIV.2.5. ISSUE RELATED TO THE PROTECTION OF SENSITIVE DATA AND CYBERSECURITY

Sustainability issue	Material IRO	Nature of IRO
Protection of sensitive data and cybersecurity	Risk of theft and/or compromise of sensitive information	R

DESCRIPTION OF THE ISSUE AND IROs

The loss, theft or leakage of sensitive data (with or without compromise of the availability, integrity, or traceability of the data) has serious and significant consequences:

- on the safety of operations, products and/or employees;
- on the group's image (loss of confidence from customers, partners and other stakeholders) and its positioning in current and future competitive tenders;
- on regulatory compliance, which can lead to legal proceedings, for example: legal action initiated by the rights holders/ owners of the exposed data (in terms of trade secrets, intellectual property).

GROUP OBJECTIVES

Faced with the multiplicity of threats to sensitive data, Naval Group's first objective is to implement a robust system for preventing the risks of data loss, theft or leakage:

- based on data governance rules and the use of information systems;
- supported by tools, internal training/awareness-raising, and means of detection and rapid reaction in the event of incidents to reduce impacts and conduct the necessary remediation;
- regularly audited and updated to take into account changes in the context and threats.

POLICIES AND GUIDELINES

The security measures designed to protect Naval Group against these threats are formalised in the BMS. The Governance process includes the "cross-functional field" of security, which defines the requirements, standard practices and operating methods implemented to protect the group's employees and tangible and intangible assets. Several topics make up the process: the protection and marking of information and media, physical protection and access controls to sites, rules of use of information systems, management and security of controlled information systems security items (ACSSI).

The protection of national defence secrets is subject to particular attention pursuant to French regulations and in particular Interministerial General Instruction (IGI) No. 1300.

MITIGATION AND PREVENTION ACTION PLANS IMPLEMENTED

A regular awareness-raising system for employees and e-learning training has been set up.

More generally, the BMS overhaul process has led to the re-examination and restructuring of the group's entire safety framework to integrate these requirements in the group's activities.

TRAINING AND AWARENESS-RAISING CARRIED OUT

All employees are invited to complete the e-learning courses. In addition, specific training on IGI 1300 is provided to employees authorised to access national defence secrets.

SYSTEM FOR MONITORING THE MEASURES IMPLEMENTED

Naval Group is regularly inspected by the state authorities (DGA, Defence Intelligence and Security Directorate, Nuclear Armaments Inspectorate). Each inspection results in a score constituting a tangible indicator of the level of maturity. All safety incidents are recorded and their management is covered in a specific instruction. Cyber threats are dealt with by an *ad hoc* committee. A system for supervising the group’s information systems is operational.

ASSESSING THE EFFECTIVENESS OF THE MEASURES IMPLEMENTED

Internal controls to verify the framework and compliance with data protection standards and operating methods are carried out annually on samples of documents and datasets in accordance with the company’s BMS. The results of these controls make it possible to measure the effectiveness of employee awareness raising systems on the subject. In the case of classified information and media, holders are required to make an annual inventory. The consolidation of these inventories guarantees control of the classified data management system.

XIV.2.6. ISSUE RELATED TO THE HEALTH AND SAFETY OF STAFF

Sustainability issue	Material IROs	Nature of IRO
Employee health and safety	Negative impact that may result from the occurrence of physical or psychosocial risks and occupational illnesses concerning Naval Group employees	NI
	Risks that could have impacts on productivity, reputation and performance	R

DESCRIPTION OF THE ISSUE AND IROs

Any industrial activity carries risks that could affect the health and safety at work of employees. Improving OH&S is one of Naval Group’s top CSR commitments. It constitutes a fundamental responsibility for the company as an employer and a lever for improving the group’s performance in all operational areas. The occurrence of OH&S events could negatively impact the company’s productivity, reputation and performance. The activities related to our major risks are: handling and lifting of parts, work at height, electrical work, work in confined spaces, work on rotating machines and fires. These activities are closely monitored.

The OH&S policy is the responsibility of the Director of Operations and Performance, and is deployed locally by site OH&S teams under the guidance of the OH&S Director. They ensure that all employees are involved in risk prevention and developing individual and collective vigilance so that everyone is aware of the role and responsibility incumbent on them.

GROUP OBJECTIVES

Naval Group has set itself several quantified OH&S objectives for 2025.

MITIGATION AND PREVENTION ACTION PLANS IMPLEMENTED

The OH&S policy affirms the group’s commitment to the importance of the subject for its performance and the priorities addressed to achieve it:

- strengthen OH&S skills at all levels of the organisation;
- eliminate hazards and reduce risks, by prioritising major risks;
- protect and promote the health of our employees and partners;
- promote a positive and committed safety culture.

The OH&S roadmap is covered by action plans that are managed and driven by all sites. Progress on the actions on the roadmap reached 92% in 2025.

Target	Indicator	2025 objective
Naval Group and temporary workers	Number of lost-time accidents (OA) – ceiling	120
	Frequency rate 1 (Tf1) – ceiling	4.4
	Number of industrial OA – ceiling	100
	Frequency rate 2 (Tf2) – ceiling	11.5

TRAINING AND AWARENESS-RAISING CARRIED OUT

Naval Group offers numerous OH&S training courses to its employees throughout the year, which are refreshed according to needs, in particular:

- on-the-job training, training in the working environment;
- specific OH&S training for accreditation: confined spaces, work in elevated platforms, handling, forklifts;
- safety culture training: Safety box, first aid;
- managerial passport: training of managers on an OH&S knowledge base.

POLICIES AND GUIDELINES

Naval Group is ISO 45001 certified. In order to control OH&S risks and prevent any serious work-related accident and major environmental incident, Naval Group relies on an Oh&S policy, objectives and requirements that are applicable across the group. These define the rules to be implemented and the good behaviours expected of everyone so that everyone is a driving force in the prevention and reduction of risks to themselves and the people working in their environment.



SYSTEM FOR MONITORING THE MEASURES IMPLEMENTED

Each Executive Committee meeting begins with a dedicated OH&S update to examine the results and discuss the progress of principal actions concerning the major events suffered. The OH&S progress roadmap is monitored monthly and involves all group sites.

- The assurance of OH&S control is given, among other things:
- for the first line of defence, through regular operational controls and self-assessments of internal control and performance based on the CAP-X self-assessment grid (assessment of internal control and company performance);
 - for the second line of defence, through operational and system audits, through assessments of the first line of control of their CAP-X self-assessment;
 - for the third line of defence, through the Audit and Risk Department’s internal audits.

An ISO audit is carried out every year by an external certification company.

ASSESSING THE EFFECTIVENESS OF THE MEASURES IMPLEMENTED

2025 indicators relating to Naval Group staff and temporary workers:

- 100 lost-time accidents;
- 0.13 severity rate;
- 3.7 frequency rate 1.

The number of partner LTAs on our sites decreased by 14% in 2025, confirming a continuous reduction of 10% on average per year since 2021.

The frequency rate of LTA (Tf1) of Naval Group staff fell to a record level of 3.7 in 2025, well below the threshold of around 6 observed for the past 10 years.

XIV.2.7. ISSUE RELATED TO SKILLS MANAGEMENT AND DEVELOPMENT OF KNOW-HOW

Sustainability issue	Material IROs	Nature of IRO
Skills management and development of know-how	Opportunity related to the development and upkeep of skills	O
	Risk of loss or non-acquisition of key skills	R

DESCRIPTION OF THE ISSUE AND IROS

Given the technical complexity of Naval Group’s products and the multitude of skills required throughout the product life cycle (from design to deconstruction), acquiring, retaining, redeploying and renewing these skills are major issues for the group. Any loss of very specific skills and know-how can be particularly damaging for the group, in a context of rapid changes in regulations, standards and industrial practices, but also in a context where the integration of AI and digital tools may change the nature of the skills required. In addition, longer career paths can lead to ageing skills, particularly when technological change is rapid and employees stay in the same position for a long time without updating their skills. The company may also be confronted with difficulties in the face of workload variations (ramp down and ramp up).

Naval Group’s dual materiality matrix identified a risk and an opportunity in terms of skills management and the development of know-how.

The major risk is therefore that the group might experience difficulties in recruiting or retaining talent and having the required skills available in the right place at the right time to execute its strategy and successfully complete its programs.

These difficulties could arise from:

- the inability to recruit and retain talent;
- a failure to identify the key skills required to implement the company’s strategy;
- the lack of career paths;

- a failure in knowledge transmission when managing successions;
- a wave of departures, in a competitive job market, particularly for areas where tension exists;
- a difficulty in anticipating the transformation of occupations in the face of the integration of AI and digital tools;
- a difficulty in supporting the extension of careers;
- a difficulty in handling workload variations.

The consequences can be damaging for the group. Indeed, there is a risk of the group not maintaining its high technology standard and eventually, a risk of losing customers and markets.

On the other hand, the opportunity lies in Naval Group’s ability to recruit and retain talent and have the required skills available in the right place at the right time to execute its strategy and successfully complete its programs.

GROUP OBJECTIVES

To limit the risk and give itself the means to seize this opportunity, the group implements measures to acquire, develop and upkeep the skills it will need and is developing a set of actions (school partnerships, training policy, knowledge transfer, support for newcomers in the fundamentals of the profession) aimed at ensuring the necessary skills and anticipating its future needs. To this end, it is based on an agreement on the management of jobs and career paths, and professional gender balance (GEPPMM), in which it undertakes, through various provisions, to develop and support employees throughout their careers (from integration to end-of-career support).

POLICIES AND GUIDELINES

Naval Group implements a number of policies in terms of skills management and the development of know-how. Thus, an attractive compensation policy, the rollout of employee profit-sharing schemes, employee shareholding schemes and savings schemes to encourage employee retention and loyalty have been put in place. The Human Resources Department (HRD) and the Communication Department jointly manage the strengthening of the employer brand. An HR investment plan has been implemented within the group (see above), and employees also benefit from a professional and geographical mobility policy.

MITIGATION AND PREVENTION ACTION PLANS IMPLEMENTED

The group has introduced a number of actions to ensure the development and upkeep of its employees' skills.

EMPLOYER BRAND IN 2025

Naval Group has a clear and rewarding employer brand. With a single message "build the naval sector of tomorrow" and the expression "on board", which meets the four pillars of attractiveness, recruitment, integration and candidate retention, and evokes the team spirit and immersive adventure of careers within the group.

The human resources/communication combination relies on multiple communication vectors to reach a maximum number of audiences: posters in public spaces, radio, television and almost daily posts on social media.

SCHOOL RELATIONS STRATEGY

To consolidate Naval Group's presence and visibility within schools, more than 150 actions are organised each year (forums, conferences, visits to Naval Group sites, etc.), a good number of which are in target and partner schools, for the benefit of all sites. Nearly 70 HR and operational employees are called upon and participate in these actions to attract young people. Schools particularly appreciate seeing former students who come to talk to the new generations about the opportunities in the field and the realities of professional life.

In addition to the actions mentioned above, the school relationship takes the form of exchanges between universities and the professional universe, by creating training courses under the aegis of the Union des industries des métiers de la métallurgie (UIMM), or with employees teaching modules of certain courses.

In total, Naval Group maintains links, which can be formalised by partnerships or the payment of the apprenticeship tax, with 150 schools, from vocational schools to engineering schools and universities, which are particularly well attended.

CERTIFICATIONS AND RANKINGS

To strengthen its credibility in terms of HR practices, Naval Group was awarded the Top Employer label again this year. The group also remains in the Top 10 of attractive companies for future engineers according to the Universum ranking and even continues to gain ground [+2 places in 2025 vs 2024]. On the other hand, the level of attractiveness to IT profiles has fallen further, causing a loss of 10 places [-10 places in 2025 vs 2024, from 16 to 26]. Among Bac+2/3 students (2-3 years after high school diploma), Naval Group is positioned in the Top 10 of attractive companies.

ACTIONS WITH CINAV

In addition, Naval Group supports and contributes to the development of the CINav, a naval industries skills centre whose objective is the creation of "naval-specific" training courses (incorporating knowledge and know-how specific to the naval environment) and the development of the attractiveness of the sector.

THE HUMAN RESOURCES INVESTMENT PLAN (PIRH)

The PIRH consists of concretely translating the issues in terms of managing priority jobs and career paths in companies (GEPP) of the group and the operational departments through:

- a job opportunity plan (PPP), in line with the workforce trajectories related to the work of the MTP; and
- a skills development plan (PDC) identifying all drivers assisting in development.

It guides the trade-offs that make it possible to provide the resources (people, skills) that the group needs to deliver the programs, satisfy its customers over the long term and implement its long-term strategy, while taking into account the financial framework, workload plans (including the commercial scenario) and the various GEPP (quantitative and qualitative analysis of specialised business lines, critical assessments and associated action plans, recommendations of the heads of sovereign families, specialised work).

CONTINUED DEPLOYMENT OF AFEST

The 42 training sites deployed at all Naval Group sites are anchored in the skills development plan of each of the operational departments, in line with Naval Group's policies and GEPP stakeholders. The choice of training sites is consistent with the recommendations of the criticality assessments emanating from the Technical Department and the heads of sovereign families, the projected departures and the needs emanating from the field and the programs.

SCHOOL OF INDUSTRIAL DESIGN

Created in 2018 to meet strong recruitment needs for design and industrial technician professions, and faced with the lack of training or courses available to learn these trades, the Cherbourg-based school has since grown. It trains internal and external employees in these two specialties, at levels equivalent to 2/3-year diplomas.

In 2025, across all the external training courses offered by the School of Industrial Design, the recruitment rate (on permanent/ fixed-term/work-study contracts) at the end of the course was 71%.



TRAINING AND AWARENESS-RAISING CARRIED OUT

Naval Group provides employees and managers with a range of training content directly accessible from its intranet, some of which is freely accessible (LMS and the Learning Lab). The Learning Lab offers more than 2,500 pieces of content accessible in the form of an innovative learning experience. In particular, there is a large amount of content to develop digital skills.

SYSTEM FOR MONITORING THE MEASURES IMPLEMENTED

The indicators presented below are monitored monthly by the HR Department.

ASSESSING THE EFFECTIVENESS OF THE MEASURES IMPLEMENTED

- departure rate: 2.41%;
- number of new hires: 1,940;
- number of departures: 1,512;
- number of internships filled: 414;
- number of work-study programs filled: 569;
- 1,368 positions were filled on fixed-term or permanent contracts;
- percentage of positions filled in critical positions (GPEC): 21%.

XIV.2.8. ISSUE RELATED TO WORKING CONDITIONS

Sustainability issue	Material IROs	Nature of IRO
Working conditions	Risk of economic loss and reputational damage	R
	Risk of deterioration of labour relations and policies	R
	Opportunity in terms of employee attractiveness and retention	O
	Deterioration of working conditions and social dialogue * DDV	NI

* Negative impact to moderate criticality not included in the material IROs but addressed as part of the working conditions issue to facilitate reading.

DESCRIPTION OF THE ISSUE AND IROS

Working conditions include all the elements that structure working life and contribute to employee health, motivation and satisfaction.

Depending on the way in which working conditions are implemented by Naval Group, the company may:

- expose itself to the risk of non-compliance with legal obligations as an employer, which may go as far as harming the integrity of an employee;
- expose itself to the risk of deterioration of labour relations and policies;
- seize an opportunity to improve employee attractiveness and retention.

The quality and dynamism of social dialogue are key drivers of Naval Group’s performance and the success of its transformation. They help to build a contract-based social foundation, which is crucial to employee confidence in the company’s management and representatives.

For this reason, Naval Group pays very close attention to the quality of social dialogue, in particular to conduct the company’s transformation projects, implement new organisations or change operating methods, and for anything that can impact jobs and the staff or undermine the social climate.

To date, this policy has only been implemented in France. However, the challenge is to develop an international approach to the core components of the group’s social foundation.

The risk of deterioration in dialogue with trade unions and/or employee representative bodies could present an obstacle to plans to transform the organisation or modernise processes, and erode the confidence of external supervisory bodies, the main industrial shareholders and customers, going as far as to suspend operations due to strike action.

This could also have a human impact in terms of health (psychosocial risks) and OH&S in general. These situations can result in unforeseen financial costs due to the delay in meeting contractual milestones and, eventually, missing the contractual delivery date. A deteriorated social climate and harmful social dialogue also affect the company’s image, especially its employer brand, which again would be detrimental to the company’s ability to attract prospects and applicants.

GROUP OBJECTIVES

The HR Department aims to work towards creating a working environment conducive to employee engagement by enabling them to:

- be involved in the sharing of value;
- benefit from a work organisation that reconciles professional requirements and personal life balance;
- contribute to the company’s performance.

POLICIES AND GUIDELINES

Working conditions are governed by numerous collective standards such as the French Labour Code or the collective agreement for the metallurgy sector. Naval Group also implements various policies and guidelines of its own, as follows.

NAVAL GROUP SA COMPANY AGREEMENT

This company agreement is essentially based on the contractual provisions of the metallurgy industry in a progressive approach while at the same time perpetuating social measures specific to the history of the company. As the company and its legislative and contractual environment have evolved, this agreement has been revised through the conclusion of amendments or even a comprehensive review where necessary.

As part of the implementation of the new collective agreement for metallurgy signed on February 7, 2022, Naval Group and the trade unions negotiated a new company agreement, which came into force on February 1, 2025.

The architecture of this new company agreement is based on four essential themes:

- employment contract – compensation and professional development;
- organisation of working time;
- travel and mobility;
- social dialogue.

THE INTERNAL RULES OF EACH NAVAL GROUP FACILITY

The internal rules define the applicable requirements in terms of hygiene and OH&S as well as the provisions relating to disciplinary sanctions and procedures, bullying and sexual harassment, discrimination and sexist behaviour as well as the fight against corruption and influence peddling.

COMPENSATION POLICY

The compensation policy aims to:

- **offer attractive levels of compensation**, enabling employees to see their work paid at its fair value, and Naval Group to attract and retain talent;
- **guarantee equality**: Naval Group ensures that everyone receives fair compensation for their equivalent situation, grade and position;
- **promote and recognise individual and collective performance** to address the company's operational challenges;
- **encourage and recognise professional development**, by allowing everyone to be a stakeholder in their professional career within the group.

The compensation of staff seconded by the State is defined within its own regulatory framework.

For better understanding of compensation and benefits policies, Naval Group provides its employees with the individual social report (BSI), which is a personalised, educational and confidential summary summarising all the elements of compensation and benefits for each employee.

A QUALITY OF LIFE AT WORK (QLW) AGREEMENT

Naval Group and the representative trade unions have signed an agreement on quality of life at work, which anchors Naval Group's desire to become more committed to the well-being of its employees. This agreement, the result of constructive negotiations and based on an operational approach, came into force on September 1, 2021.

The quality of life at work agreement provides for basic measures deployed at group level and specific measures that are negotiated locally to support the well-being and fulfilment of employees in their daily lives, an essential prerequisite for the group's social and economic performance.

Naval Group provides employees with practical booklets and guides on these subjects, such as the caregiver guide or practical guides on the universal service employment voucher (CESU) scheme, the soft mobility package and the rest day donation scheme.

A DIVERSITY AND INCLUSION AGREEMENT

This subject is covered in greater detail in the vigilance plan (paragraphs b) and c) of chapter XV.4.1 of the annual report). All these documents are available to employees on the group's intranet site.

Lastly, the organisation of Naval Group, specifically its Social Policy Department within the HR Department, is focused on maintaining direct and constructive social dialogue with employee representatives and trade unions. It has a central team and social relations officers for each of the company's nine sites.

MITIGATION AND PREVENTION ACTION PLANS IMPLEMENTED

Aware of the importance of employee well-being, the group pays particular attention to their development: social measures, a working environment conducive to well-being, work-life balance, commitment to a solidarity and civic-minded approach.

SOCIAL BENEFITS

MUTUAL AND PROVIDENT INSURANCE

Mutual health insurance and provident insurance schemes provide all employees and their families with benefits that supplement social security benefits against life's risks.

EMPLOYEE SAVINGS

Naval Group offers its employees an employee savings scheme consisting of a group savings plan (PEG) and a collective retirement savings plan (PERCOL).

RETIREMENT PLANNING

Naval Group provides all employees with a support system to stay informed, anticipate and simplify their retirement.

PROFESSIONAL MEDIATION

The quality of relationships in the work environment is one of the essential elements of well-being at work. This is why professional mediation was introduced by Naval Group.

Professional mediation is an internal prevention system that aims to establish or re-establish a climate of trust and quality of relationships between employees of the same team or different departments.

Naval Group has 22 employees trained by the École professionnelle de la médiation et la négociation (EPMN). They perform their role as internal professional mediators in addition to their professional activity, in compliance with a Code of Ethics and Professional conduct committing them to strict confidentiality.

They can be requested at any time by an employee, regardless of their position, and can intervene on all sites.



ACTIONS TO PROMOTE EMPLOYEE HEALTH AND WELL-BEING

Each year, Naval Group implements a certain number of actions contributing to improving the well-being and health of its employees. Here are some examples:

- an eye test offered by the company mutual insurance company in partnership with C'Evidentia, an ophthalmology company offering remote consultations;
 - flu vaccinations;
 - contribution to ensuring work-life balance at the Toulon site, by advocating the sharing of experience and discussions on parenting: parenting coaching sessions led by an expert in children and adolescence, conference on the theme of sleep, individual drop-in services;
 - installation of menstrual protection dispensers at the Indret site.
- Other actions contributing to the improvement of employee health are detailed in chapter XIV.2.6 of the annual report, on employee health and safety.

SOCIAL DIALOGUE

As in any company, social dialogue at Naval Group revolves around:

- elected employee representation: the Social and Economic Committee [CSE];
- employee representation appointed by the CSE: local representatives;
- employee representation appointed by the trade unions: mainly trade union representatives.

The provisions of the Naval Group company agreement specify the conditions under which employee representative bodies and trade unions operate.

TRAINING AND AWARENESS-RAISING CARRIED OUT

- Health insurance and provident insurance organisations have offices on-site;
- In-person training for managers about psychosocial risks;
- Health risk prevention campaigns (cancer screening, workstation ergonomics);
- Topical information meetings on social action led by social workers at the sites (housing, CESU).

SYSTEM FOR MONITORING THE MEASURES IMPLEMENTED

To mitigate and prevent the deterioration of labour relations and policies, Naval Group regularly holds negotiations with the trade unions. Negotiations held in 2025 resulted in the signing of the following agreements:

- new company agreement;
 - local agreements on the organisation of working time.
- The application of Naval Group's agreements is addressed by monitoring committees with employee representatives.

ASSESSING THE EFFECTIVENESS OF THE MEASURES IMPLEMENTED

To measure the quality of social dialogue, the company takes into account the contractual dynamic and internal indicators: the number of irritants reported by employee representatives, notably *via* the individual and collective complaints commissions [CRIC], and the processing of complaints. The conflict rate and short-term absenteeism rate are also measured internally.

In addition, a labour climate observatory was developed and set up at all Naval Group sites, the purpose of which is to anticipate the risks of labour tensions or conflicts. This local document is prepared monthly and a summary is prepared at group level. The risk performance indicators related to the deterioration of social relations and policies are as follows:

- 12 collective agreements signed (including amendments);
- medical absenteeism rate of 3.03%.

XIV.2.9. ISSUE RELATED TO THE HEALTH AND SAFETY OF PRODUCTS AND SERVICES

Sustainability issue	Material IRO	Nature of IRO
Health and safety of products and services	Risk related to the lack of skills and knowledge of employees, customers and partners	R

DESCRIPTION OF THE ISSUE AND IROS

Naval Group is committed to guaranteeing a high level of performance of its products and services in terms of the health and safety of users, whether they are vessel operators, customer navies or in general any employee in the context of the use of its products or services.

Negative impacts on the health and safety of users may result from a defect in design, construction or even maintenance, particularly when Naval Group's scope of intervention includes the in-service support of the products and services sold.

Negative impacts on the health and safety of users may also result from a lack of information or training for these users, which is the cause of misuse or inappropriate operation of products or services provided by Naval Group.

In addition, given the typology of the products manufactured by Naval Group and the environments in which they are used, the magnitude of the consequences, particularly for first-rate vessels, can be extremely severe (if the loss of a first-rate vessel is considered to be extremely severe).

GROUP OBJECTIVES

Naval Group's objective related to this IRO is to strengthen its design standards to guarantee a high level of safety for users of the group's products.

POLICIES AND GUIDELINES

Naval Group designs and manufactures its products according to the highest standards in the civil industry when they are applicable to the group.

For example, Naval Group develops and manufactures military surface vessels that meet the standard requirements of Bureau Veritas (BV NR483). This standard incorporates feedback from a large fleet of vessels and guarantees a high level of nautical safety for surface vessels.

In addition, Naval Group has developed an internal framework to deal with specific areas not covered by civil standards (in particular to cover risks related to the specific military installations of the group's products). This framework incorporates design and implementation standards into the BMS and is based on the company's standards and technical framework.

MITIGATION AND PREVENTION ACTION PLANS IMPLEMENTED

Naval Group regularly enriches its standards and technical reference framework with feedback and developments in best industrial practices.

For example, the "OH&S in Design" framework for Naval Group products is constantly monitored. In particular, the compendium of requirements for surface vessels (DES 15-01-02) and submarines (DES 15-01-03) was updated in 2025 to incorporate elements from such monitoring.

Naval Group also changes its design standards to adapt to technological changes. Naval Group has therefore adapted its security framework to take into account the growing share of software-operated systems in its products.

In addition, following the strengthening of European regulations on chemical substances (REACH, RoHS, POP, ODS) and to strengthen the protection of the health of product users, Naval Group initiated an action plan in 2025 to strengthen the control of its products and secure its supply chains. These new constraints now require detailed traceability of the substances and materials contained in the equipment that Naval Group integrates into its products. These requirements directly affect product design, purchasing, production and maintenance, as well as the group's reputation and competitiveness.

The "REACH and substances of concern" progress project aims to provide Naval Group with a robust, cross-functional and digital organisation, capable of guaranteeing the regulatory compliance of products, anticipating legal changes and making supplier data more reliable.

TRAINING AND AWARENESS-RAISING CARRIED OUT

Naval Group continues to develop a range of training and technical support across all product lines, to enable users to acquire the expertise necessary to safely operate its products.

In addition, the group offers services either directly or through technology transfer to guarantee the best level of in-service support for its products, guaranteeing that the level of product safety is maintained throughout their operating cycle.

SYSTEM FOR MONITORING THE MEASURES IMPLEMENTED

The upkeep of Naval Group's standards and technical reference framework is monitored in the BMS standards. The "REACH and substances of concern" progress project is specifically monitored by the steering committee by the company's Technical Director and Operations and Performance Director.

ASSESSING THE EFFECTIVENESS OF THE MEASURES IMPLEMENTED

No indicators monitored in 2025 on this subject.

XV. VIGILANCE PLAN

XV.1. INTRODUCTION

XV.1.1. LEGAL REFERENCE FRAMEWORK

French law No. 2017-399 of March 27, 2017 on the duty of vigilance of parent companies and ordering companies introduced, in article L. 225-102-1 of the French Commercial Code, the obligation to parent companies and ordering companies, with their registered office is located in France and which employ more than 5,000 employees in France or more than 10,000 employees in France and abroad, to establish and effectively implement a vigilance plan.

This plan must include “reasonable vigilance measures to identify risks and prevent serious violations of human rights and fundamental freedoms, health and safety of people and the environment” that may result from the group’s activities and those of suppliers or subcontractors with whom there is an established commercial relationship.

XV.1.2. SCOPE OF THE VIGILANCE PLAN

The group’s vigilance plan applies to Naval Group’s own operations as well as to the upstream value chain (Tier 1 suppliers and subcontractors) of Naval Group and its wholly-owned subsidiaries. The impacts of the products in use as well as the downstream value chain (customers and partners) are excluded.

XV.1.3. GOVERNANCE OF THE VIGILANCE PLAN

The coordination of the vigilance plan with the relevant business lines (HR, Purchasing, OH&S) is managed by the group’s CSR Department.

Each function concerned by the risks identified implements actions to mitigate the risks of negative impacts and prevent any serious breaches. They monitor and measure their effectiveness, particularly *via* performance indicators.

The implementation of the vigilance plan is presented for review every six months to the Executive Committee sponsors (the General Secretary and the Director of Operations). The risk mapping of the vigilance plan was validated by the CARI in September 2025.

Also, as part of monitoring of the CSR strategy, the vigilance plan was presented to the Executive Committee in June and December 2025. In September 2025, it was also presented to the Remuneration, Appointments, Ethics and CSR Committee of the Naval Group Board of Directors.

XV.1.4. APPLICABLE INTERNATIONAL AND INTERNAL STANDARDS - DUTY OF VIGILANCE INITIATIVES

Naval Group adheres to the highest standards in the performance of its activities. The group is committed to respecting human rights, protecting the environment and the health and safety at work of its employees. These commitments are set out in a set of internal documents such as the group’s Code of Ethics, the Charter of Human Rights and the group’s practical guide to ethical behaviour. In 2026, these documents were replaced by a single document, the Naval Group code of conduct.

Naval Group has also implemented a Supplier code of conduct that incorporates the precise commitments expected from Naval Group’s suppliers and subcontractors, particularly in terms of human rights, environmental protection and the health and safety of people [see chapter XV.4.4.].

The principles applied by Naval Group are guided by the following [international] conventions and regulations:

- the ILO Conventions: 29, 105, 138, 182 [child labour and forced labour], 155 [safety and health of workers], 111 [discrimination], 100 [compensation], 87 and 98 [freedom of association, right to organise and collective bargaining];
 - the United Nations Convention on the Rights of the Child;
 - the United Nations Universal Declaration of Human Rights and the European Convention on Human Rights;
 - the OECD Guidelines for Multinational Enterprises;
 - the 10 principles of the United Nations Global Compact and the associated Sustainable Development Goals (SDGs);
 - the United Nations Guiding Principles on Business and Human Rights (UNGP);
 - the United Nations Women’s Empowerment Principles.
- Naval Group supports several initiatives in favour of the duty of vigilance.

ISO 26000

Naval Group is committed to meeting the seven pillars of the ISO 26000 standard. The standard defines Corporate Social Responsibility as the responsibility of an organisation with regard to the impacts of its decisions and activities on society and on the environment, resulting in ethical and transparent behaviour that:

- contributes to sustainable development, including the health and well-being of society;
- takes into account the expectations of stakeholders;
- complies with the laws in force while being consistent with international standards of behaviour;
- is integrated throughout the organisation and implemented in its relationships.

UNITED NATIONS GLOBAL COMPACT

Naval Group has adhered to the United Nations Global Compact since 2014. This initiative requires companies to align their strategies and operations with the 10 universal principles on human rights, labour, environment and anti-corruption as well as to take action to advance societal objectives and the implementation of the 17 Sustainable Development Goals (described below as “SDGs”).

Naval Group contributes through its activities, its commitment and its environmental and social actions to five of the 17 SDGs that the United Nations has put in place to eradicate poverty, protect the planet and guarantee prosperity for all by 2030:

- SDG 5: achieve gender equality and empower all women and girls;
- SDG 9: build resilient infrastructure, promote sustainable industrialisation that benefits all and encourage innovation;
- SDG 13: take urgent action to combat climate change and its impacts;

- SDG 14: conserve and sustainably use oceans, seas and marine resources for sustainable development;
 - SDG 16: promote peaceful and inclusive societies for sustainable development, ensure access to justice for all and build effective, accountable and inclusive institutions at all levels.
- Each year, Naval Group reports its progress to the Global Compact organisation.

Entreprises pour les droits de l’homme (EDH)

Naval Group joined the EDH association in January 2020. This association aims to promote understanding and integration of human rights within companies through the deployment of vigilance measures, as well as voluntary and multi-sectoral initiatives. This association is a place for dialogue, sharing of best practices and collective reflection.

XV.2. RISK MAPPING

XV.2.1. MAPPING OF THE RISKS OF NEGATIVE IMPACTS OR SERIOUS HARM RELATED TO OWN OPERATIONS

To determine the risks to be considered under the law on the duty of vigilance, Naval Group has used its dual materiality matrix (see chapter XIV.1.4.) and selected as relevant the risks of negative impacts or serious harm to people and the environment with a materiality greater than or equal to 2.

The mapping of risks of negative impacts or serious harm related to the company’s own operations was modelled as follows. The risks of negative impacts or serious impairment of criticality 1 are in green, those of criticality 2 in blue and those of criticality 3 or 4 are in red.

TOPIC	RISKS OF MAJOR IMPACTS	GROSS CRITICALITY
Human rights	Deterioration of working conditions and social dialogue	●
	Discrimination	●
	Bullying and sexual harassment	●
	Leak of employees’ personal data	●
OH&S	Physical, psychosocial and illness risks of employees	●
Environment	Greenhouse gas emissions	●
	Water, air or soil pollution	●
	Water consumption	●
	Manufacturing and deconstruction generating waste	●

● Criticality 3 & 4 ● Criticality 2 ● Criticality 1

XV.2.1.1. DESCRIPTION OF THE RISKS OF NEGATIVE IMPACTS OR SERIOUS VIOLATIONS OF HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

The risks of negative impacts or serious violations of human rights and fundamental freedoms identified under the law on the duty of vigilance are as follows:

- deterioration of working conditions and social dialogue;
- discrimination;
- bullying and sexual harassment;
- leakage of employees’ personal data.

a) Deterioration of working conditions and social dialogue
 This risk refers to the possibility that employees may be prevented or discouraged from exercising their fundamental right to associate freely in trade unions or professional organisations and to bargain collectively with the company about their working conditions. It concerns the rights granted to workers by international labour standards and national legislation applicable to employment law. It may refer to the absence of freedom of expression as well as the absence of communication and/or constructive dialogue in the workplace with trade unions or employee representatives.

b) Discrimination
 This risk refers to the possibility that employees may be subjected to unfair, harmful and unfair treatment because of their disability, gender, sexual orientation or social background. Discrimination can occur at all stages of the professional career, from hiring to promotion, to compensation and working conditions.

c) Bullying and sexual harassment
 This risk refers to abusive treatment, persistent intimidation or offensive behaviour directed at an individual in such a way as to harm his or her dignity, well-being and psychological health, as well as unsolicited sexual advances, inappropriate remarks, requests for sexual favours that create a hostile, intimidating or offensive environment.

d) Leakage of employees’ personal data
 This risk is related to the possibility that information collected from employees, customers, and partners may be mismanaged, misused, or disclosed without authorisation. It also encompasses potential threats to the confidentiality, integrity and availability of the company’s data and IT systems, including malicious activities, human error, technical failures and digital vulnerabilities.

XV.2.1.2. DESCRIPTION OF THE RISKS OF NEGATIVE IMPACTS OR SERIOUS BREACHES IDENTIFIED IN TERMS OF PERSONAL HEALTH AND SAFETY

This risk refers to all situations that can harm or endanger the physical health of people: inadequate working conditions that can affect the musculoskeletal system, unsafe conditions such as defective equipment, negligence or failures in safety protocols, exposure to dangerous, threatening or violent situations when employees are at work or on business travel, and large-scale infectious diseases. It also refers to situations in which work takes up an excessive amount of time and has a negative impact on employees' personal lives, for example through the occurrence of fatigue, anxiety, irritability, burn-out, depression and any other deterioration in the mental health of employees [psychosocial risks].

XV.2.1.3. DESCRIPTION OF THE RISKS OF NEGATIVE IMPACTS OR SERIOUS HARM IDENTIFIED IN TERMS OF THE ENVIRONMENT

The risks of negative impacts or serious environmental damage are as follows:

- GHG emissions: negative impacts on climate change through the significant emission of GHGs into the atmosphere;
- manufacturing and deconstruction generating waste: negative impacts related to inadequate or inappropriate practices in the management, handling, treatment and disposal of waste produced by the company. For example, this could be a lack of waste sorting, illegal landfills, non-compliant disposal of hazardous products, a lack of awareness, or even food waste.

XV.2.2. MAPPING OF THE RISKS OF NEGATIVE IMPACTS OR SERIOUS HARM RELATED TO THE ACTIVITIES OF SUBCONTRACTORS AND SUPPLIERS

The CSR risk mapping of the value chain is the result of a cross-referencing of the CSR risks of the purchasing family (environmental, social and human rights risks) and the risk of the supplier country (environmental risk, social and health risk, human rights risk), with the risks being assessed by mandated third parties.

It concerns all purchasing categories for both Naval Group SA's suppliers and those used by its subsidiaries.

For Naval Group SA, the risk mapping is focused, by country of origin, on purchasing categories with a business volume over the last four years greater than €2 million per year for European Union (EU) countries and €1 million per year outside the EU. Together, these volumes represent more than 80% of purchasing.

For subsidiaries, the risk mapping focuses on purchasing categories representing a total of 80% of the subsidiary's purchases in year N-1.

The detailed results of the risk assessments by purchasing category and by country offer the company greater precision in guiding the actions assigned to its suppliers within the different categories.

XV.3. PROCEDURES FOR ASSESSING THE SITUATION OF SUBCONTRACTORS AND SUPPLIERS WITH REGARD TO THE MAPPING OF THE RISKS OF NEGATIVE IMPACTS OR SERIOUS HARM

The CSR assessment of suppliers follows a process that may be strengthened depending on the risk associated with the purchasing sector and country.

An initial assessment is carried out by a mandated third party, which collects and analyses all relevant public information as part of a CSR assessment.

For suppliers operating in a purchasing category with a "very high" CSR risk, Naval Group supports this assessment with a specific enhanced assessment carried out by an independent third party, based on the collection of responses and documents requested from the supplier in question.

The supplier's CSR assessment is updated every year or up to three years, depending on whether the supplier is strategic or not. In the event of an inadequate CSR assessment, an action plan is requested from the suppliers concerned (see chapter XV.4.4.). Assessments are updated to a satisfactory level to validate the effectiveness of the action plans put in place by suppliers.

In the event of a risk of serious harm that cannot be reduced to an acceptable level, the supplier's inclusion in the panel is rejected or it is excluded.

XV.4. ACTIONS TO MITIGATE THE RISKS OF NEGATIVE IMPACTS OR PREVENT SERIOUS HARM

XV.4.1. ACTIONS IMPLEMENTED TO MITIGATE THE RISKS OF NEGATIVE IMPACTS OR PREVENT SERIOUS BREACHES RELATED TO OWN OPERATIONS IN TERMS OF HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

a) Deterioration of working conditions and social dialogue
The subject of the deterioration of working conditions and social dialogue is addressed in the "Working conditions" issue of the group's sustainability report (see chapter XIV.2.8).

b) Discrimination

GROUP OBJECTIVES

Naval Group operates a Diversity and Inclusion Agreement which sets out its policy framework.

This agreement provides for ambitious qualitative and quantitative objectives relating to the attractiveness and integration of people from diverse backgrounds.

In terms of women, Naval Group aims to recruit 25% women among all recruitments made.

Regarding the disability component, Naval Group aims to maintain an employment rate higher than the employment obligation (6% of the workforce). Targets are also set for hiring people with disabilities on permanent/fixed-term contracts (15/year), work-study student placements (10/year) and internships (8/year).

The Diversity and Inclusion agreement also sets out commitments and objectives in the areas of HR development and career management, in particular in terms of increasing the number of women in positions of responsibility and access to professional training.

Secondly, the agreement also provides for commitments concerning sourcing from sheltered sectors. In 2025, a minimum volume of €4 million is expected.

In terms of LGBT+, the group aims to ensure a respectful and inclusive work environment for LGBT+ people in which everyone can be their full selves, feel supported and heard, regardless of their sexual orientation and gender identity.

POLICIES AND GUIDELINES

The objectives and commitments made by Naval Group are covered in several reference documents:

- the Diversity and Inclusion Agreement signed by Naval Group management and all employee representative trade unions;
- the operational agreement on the quantified objectives and specific measures taken in the Diversity and Inclusion Agreement;
- the diversity and inclusion factsheets accessible to employees and managers on the group's intranet;
- the *L'Autre Cercle* charter signed by Naval Group in 2022 and renewed in December 2025.

MITIGATION AND PREVENTION ACTION PLANS IMPLEMENTED

The right to respect and human dignity is a fundamental principle. The group prohibits any conduct, breach of equality or action based on personal characteristics and constituting direct or indirect discrimination. It ensures a caring and respectful working environment.

The group strives to promote a culture of equal opportunities and treatment [recruitment, compensation, leave, job security, promotion, training, etc.] and to take into account all differences in an inclusive approach, making it possible to be yourself at work.

At Naval Group, diversity and inclusion are key drivers of performance, innovation and cohesion. By promoting varied backgrounds and identities, the company strengthens its ability to innovate, understand international issues and anticipate risks. This approach is reflected in three strong areas:

- the disability policy, which guarantees the accessibility, support and sustainable integration of employees with disabilities;
- the professional equality, which aims for genuine equity between women and men at all levels of the organisation;
- the LGBTQIA+ aspect, which promotes a respectful, inclusive work environment open to all identities.

Naval Group implements action plans that are supported at all levels by several networks of officers: diversity and inclusion officers, job retention officers, recruitment and attractiveness officers, etc.

To support its gender equality policy, Naval Group works closely with the association *Elles bougent*. Many Naval Group employees frequently contribute to integration and awareness-raising programmes for schools and higher education establishments. All the partnerships established contain a "Diversity and Integration" clause, reaffirming Naval Group's policy in this area.

Finally, Naval Group provides a whistleblowing system for its employees and external stakeholders, accessible 24/7. In particular, this hotline can be used by any employee who believes that they have been discriminated against. All employees have access *via* the BMS to a guide on how the whistleblowing system works.

TRAINING AND AWARENESS-RAISING CARRIED OUT

Naval Group provides employees and managers with a range of diversity and inclusion content that is freely accessible on its intranet:

- a diversity and inclusion training course (e-learning);
- videos (Understanding what diversity and inclusion means, Know Naval Group's diversity and inclusion policy, What inclusive practices can I develop at my level?);
- diversity and inclusion fact sheets.

c) Bullying and sexual harassment

GROUP OBJECTIVES

Naval Group is committed to eliminating all forms of harassment and discrimination at the company. On November 9, 2021, France enacted a law authorising the ratification by France of ILO Convention no. 190 on the elimination of violence and harassment in the world of work. It is in this legal context that Naval Group's actions in this area take place.

The aim is to combat all forms of harassment, whether moral or sexual, through awareness-raising actions [preventive measures] and by dealing with situations [curative measures].

Naval Group also has a whistleblowing system to collect reports related to harassment [see chapter XV.4.1.b].

POLICIES AND GUIDELINES

The objectives and commitments made by Naval Group are set out in different documents, such as the Diversity and Inclusion Agreement [see chapter XV.4.1.b].

MITIGATION AND PREVENTION ACTION PLANS IMPLEMENTED

Naval Group does not tolerate any form of intimidation, psychological or physical violence, or harassment, whether sexual or moral, regardless of the motivation for such behaviour or comments and regardless of the position held in the company by the person accused.

As part of the prevention of and fight against sexual harassment and sexist behaviour, officers have been appointed at each site:

- a focal point appointed by the company, responsible for organising prevention actions, information, guidance and support for employees;
- a focal point appointed by the CSE, who is responsible for information, guidance and support for employees.

These interlocutors were trained on legal definitions, sanctions, Naval Group procedures and their missions. Specific communication was carried out at each site and distributed to all Naval Group employees. It is permanently posted at all sites.



As part of the prevention of potential situations of sexual harassment, sexist behaviour and bullying, prevention campaigns were carried out at Naval Group sites.

On January 21, 2022, Naval Group committed to the StOpE approach (stop ordinary sexism in the workplace), an initiative launched in 2018 by 30 companies (including Accor, EY and L'Oréal, which were at the origin of the approach). This approach aims to raise awareness of ordinary sexism in the workplace and to make commitments to combat it. It thus makes it possible to reduce the number of situations of sexual harassment in the workplace by taking action at the first signs of sexist behaviour in the company.

Internal investigators appointed after reports of potential situations of sexual harassment, bullying and/or discrimination are provided with a practical and legal investigation guide. This guide ensures a professional approach by investigators in the context of their mission, with tracking of the stages of the investigation, practical advice for conducting interviews in optimal conditions, templates of letters, reports, minutes, as well as the legal definitions of the concepts of harassment (sexual and bullying) and discrimination. It is given to trainees during their training.

TRAINING AND AWARENESS-RAISING CARRIED OUT

The ESC's sexual harassment and sexist behaviour officers were appointed following the professional elections of October 2022; training was provided to them on May 4, 2023 to better perform their duties.

A training session for new investigators took place in the first half of 2025, representing 55 trained internal investigators from all Naval Group establishments. Another session is planned for early 2026.

Free access to the two e-learning modules on sexual harassment, sexist behaviour and bullying is available to all employees on the Naval Group University training platform.

In 2025, several specific awareness-raising actions were put in place, such as:

- raising awareness among managers and the entire group human resources community about situations of sexual harassment and sexist behaviour, as well as about prevention efforts;
- awareness-raising actions at the Indret and Lorient sites on inappropriate behaviour by reporting situations encountered at these sites. Evocation of subjects relating to bullying, sexual harassment, toxic atmospheres and sexist behaviour, recalling in particular the associated legal background;
- raising awareness of harassment and sexist behaviour through virtual reality at the Paris, Indret and Toulon sites.

d) Leakage of employees' personal data

GROUP OBJECTIVES

Ensure the group is compliant with personal data protection regulations. In an increasingly digital world, the protection of personal data is a major concern of people, companies and governments.

Aware of these challenges, Naval Group has adopted a permanent compliance approach, based primarily on:

- a network of privacy correspondents within all group functions and entities;
- harmonised personal data protection requirements across the group;
- a privacy compliance management tool;
- a privacy e-learning course.

POLICIES AND GUIDELINES

To limit this risk, the group has developed a compliance approach, coordinated by the Data Protection Officer (DPO), which is based on:

- the consolidation of a dedicated group privacy policy. Its purpose is to describe Naval Group's obligations in terms of privacy regulations;
- the adaptation of the group's privacy policy to harmonise personal data protection requirements and governance across the group;
- the digitalisation of the principles of privacy by design⁽¹⁾ and by default⁽²⁾ across IT projects through our associated process;
- strengthening requirements on its suppliers by integrating the privacy component into the supplier prequalification process.

MITIGATION AND PREVENTION ACTION PLANS IMPLEMENTED

At a time when concerns about the protection of personal data continue to grow, companies are organising themselves to improve the security and protection of their employees' data.

The fundamental right to privacy and the protection of personal data is an essential element in the relations between Naval Group and its stakeholders and involves the responsibility of each stakeholder.

Personal data is any information relating to an identified or identifiable natural person. Insufficient protection of this data within the group would have consequences on the reputation and attractiveness of the group if the confidentiality of the data is violated. This would also constitute a breach of regulatory requirements that could lead to penalties for the group and/or its executive management. In addition, it could undermine the confidence of the group's external stakeholders.

Employees ensure the protection of personal data and compliance with legal and regulatory provisions and the group's policy in this area. The key principles are as follows:

- personal data must be collected for specific, explicit and legitimate purposes [*i.e.* the use that will be made of the data]: only data necessary for the pursuit of the defined purpose is collected;
- limiting data retention, which involves deleting the data when the purpose is achieved;
- respect for the rights of individuals and, first and foremost, their information.

[1] Privacy by design is a principle that requires privacy protection to be integrated from the design stage of a system, product or process involving the processing of personal data.

[2] Privacy by default refers to the idea that the systems, online services, and applications envisaged should be configured by default in such a way as to protect the privacy of users, without the need to take additional measures to guarantee their safety.

As part of a continuous improvement process and integrating feedback, the Privacy Department completed the following actions in 2025:

- strengthening of the group’s compliance management;
 - overhaul of the privacy e-learning course;
 - an international privacy approach to support subsidiaries.
- In addition, internal privacy audits are regularly carried out and the Privacy Department manages the group’s privacy compliance.

TRAINING AND AWARENESS-RAISING CARRIED OUT

All group employees must be made aware of personal data protection issues. Each employee must complete the privacy training (e-learning) rolled out by the group.

XV.4.2. ACTIONS IMPLEMENTED TO MITIGATE THE RISKS OF NEGATIVE IMPACTS OR PREVENT SERIOUS BREACHES RELATED TO OWN OPERATIONS IN TERMS OF PERSONAL HEALTH AND SAFETY

Given the criticality of this negative impact, it was selected as material under the dual materiality matrix and is therefore addressed in the group’s sustainability report [see chapter XIV.2.6].

XV.4.3. ACTIONS IMPLEMENTED TO MITIGATE THE RISKS OF NEGATIVE IMPACTS OR PREVENT SERIOUS HARM RELATED TO OWN OPERATIONS IN TERMS OF THE ENVIRONMENT

Given the criticality of the negative impacts of GHG emissions and manufacturing and deconstruction generating waste, they were selected as material under the dual materiality matrix and are therefore addressed in the group’s sustainability report [see chapters XIV.2.1 and XIV.2.2].

XV.4.4. ACTIONS IMPLEMENTED TO MITIGATE THE RISKS OF NEGATIVE IMPACTS OR PREVENT SERIOUS HARM RELATED TO THE ACTIVITIES OF SUBCONTRACTORS AND SUPPLIERS

a) Group objectives

Convinced that its long-term performance is closely linked to that of its panel of suppliers (innovation and industrial ecosystem), Naval Group seeks to engage with partners who share its ambitions, challenges but also its values and commitments in terms of CSR. This commitment is materialised by the signature of the Supplier code of conduct required by both the group and its subsidiaries and by a CSR assessment carried out by an external provider.

For Naval Group SA:

- signature of Codes of Conduct: 100% of suppliers in the panel;
- CSR assessment: 100% of the suppliers in the panel present in a high-risk sector obtain a satisfactory assessment (after an action plan if the initial level was insufficient).

Within the scope of subsidiaries: the panel comprises local suppliers among those representing 80% of the amounts committed for each of the subsidiaries:

- signature of Codes of Conduct: 80% for local suppliers and 100% for suppliers belonging to high-risk sectors (depending on the country concerned);
- production of a CSR assessment: 80% of assessments carried out for those present in a high-risk sector.

OH&S of partners:

Target	Indicator	2025 objective
Partners	Number of lost-time accidents (ITA) – ceiling	135
	Number of industrial ITA – ceiling	115

b) Policies and guidelines

SUPPLIER CODE OF CONDUCT

The Supplier code of conduct defines the minimum standards that Naval Group requires its suppliers to adopt and ensure in their commercial activities. It can be adapted for use by the group’s subsidiaries to take into account the legislation of the country where the subsidiary is located while retaining the essential principles of the code of conduct. The signed commitment of the group’s suppliers to comply with this code of conduct helps to guarantee that Naval Group complies with its commitments to its stakeholders, notably in terms of CSR.

The supplier code of conduct is available on the website in English, French, Portuguese and Arabic versions. This is an applicable document that is referenced any order or contract notified by Naval Group. This Code covers the aspects of the law on the duty of vigilance.

To ensure that subsidiary suppliers effectively commit to strictly complying with the group’s supplier code of conduct, Naval Group has conducted campaigns targeting the managers of its subsidiaries since 2023. At the end of 2025, 83% of codes of conduct had been signed and collected, including 100% for suppliers working in an area with a high or very high CSR risk.

c) Mitigation and prevention action plans implemented

IMPLEMENTATION OF ACTION PLANS WITH SUPPLIERS IDENTIFIED AS BEING AT CSR RISK

Naval Group carried out a CSR assessment of the 350 suppliers identified as being present in a high or very high risk sector. In 2025, all these suppliers reached a satisfactory level of maturity in terms of CSR (35 were insufficient at the end of 2023, 8 were insufficient at the end of 2024).

Stronger monitoring of these suppliers was implemented and an action plan demonstrating better consideration of CSR risks was requested of them. In the event that the implementation of the supplier’s action plan does not result in a new satisfactory CSR assessment for Naval Group, measures that may go as far as withdrawing the company from the Naval Group’s panel of suppliers would be put in place.



PRODUCTION OF A CARBON ASSESSMENT FOR PURCHASES AND ESTABLISHMENT OF A DECARBONISATION TRAJECTORY

In 2025, the carbon assessment of 2024 sourcing activities was produced. The carbon footprint relating to the share of Naval Group sourcing is around 783,000 teq. CO₂.

The group's ambition is to reduce this footprint on a 5% trajectory every year until 2030.

To achieve this objective, two major initiatives were launched:

- approach of a first circle of suppliers generating the largest carbon impact in the group's bought-in share and discussions on the progress plans they are implementing. In 2024 and 2025, Naval Group spoke with over 100 companies, which represent more than 40% of the carbon footprint of sourcing by the group. These are mainly steelmakers, suppliers of metal parts, and equipment manufacturers who generate significant revenue with Naval Group, and with whom it is necessary to share best practices.

There are also many SMEs among these 100 contributors.

In July 2023, Pacte PME launched its "Alliance for the decarbonisation" of the economy for VSEs and SMEs.

This Alliance aims to support SMEs that request it. Naval Group has partnered with pacte PME and regularly hosts round tables or webinars for their benefit;

- gradual introduction of decarbonisation criteria in calls for tenders.

Purchasing specifications, particularly for electrical equipment or infrastructure, include energy performance requirements. Naval Group is highly attentive to energy consumption in submarines, surface vessels and drones as well as in its land-based infrastructures. In addition to these technical requirements, in 2025 the group introduced decarbonisation criteria for certain requests for proposals. For these consultations, the companies selected are those that offer the best solution in terms of quality, costs and deadlines and that are proactive in terms of decarbonisation;

- in 2025, Naval Group introduced a new criterion for assessing its suppliers related to climate change. This is a "carbo-score", *i.e.* a scale for assessing the carbon maturity of suppliers.

ACTIONS IMPLEMENTED IN TERMS OF OH&S

Naval Group shares an OH&S culture with its suppliers and subcontractors. This culture has been built over the successive transformation plans implemented by Naval Group since 2010, by cooperating with all companies involved in Naval Group's production cycles and by sharing with them a common global vision combining the technical approach, the behaviour of management and operational stakeholders, consideration of human and organisational factors, ways of thinking and ways of doing things.

Naval Group's OH&S transformation is one of the priority areas of the Cap 30 transformation plan. It aims to accelerate the development of a safety culture on our sites so that OH&S is a company asset recognised by our customers, our employees and also our suppliers.

The actions implemented to mitigate the most significant OH&S risks related to the activities of Naval Group's suppliers and subcontractors are based on the following five areas:

- include OH&S in Naval Group's purchasing requirements;
- integrate the OH&S aspect into the selection of Naval Group's suppliers and subcontractors;
- prepare the safety of the site and the reception of Naval Group's suppliers and subcontractors;
- manage and conduct operations safely;
- assess the OH&S performance of Naval Group suppliers and subcontractors through feedback and a continuous improvement loop.

Under the five aforementioned areas, the following actions were implemented:

- the OH&S requirements applicable to subcontractors working on Naval Group sites have been formally defined and are included in the contractual legal framework for purchasing;
- an online OH&S prequalification process has been set up for all suppliers and subcontractors wishing to join the Naval Group supplier panel;
- a standard selection grid incorporating OH&S and CSR assessments in the choice of Naval Group suppliers and subcontractors was put in place for the use of buyers;
- the production of an OH&S commitment charter and the creation of an OH&S club at the Cherbourg site were set up;
- Naval Group runs a club of company prevention officers at the Lorient, Brest, Toulon and Indret industrial sites;
- a "stop partner accident" map has been set up at the Lorient site. It gives Naval Group subcontractors on site the possibility of interrupting work in progress at any time if they perceive a hazardous situation. Co-signed by the site manager and the subcontractor's local representative, it is based on the principle of "dare to speak for the subcontractor/know how to listen for Naval Group";
- 70 safety passports were issued to Naval Group's subcontractor partners who work on its sites, to classify our partners into three categories according to performance and management criteria, and to help companies experiencing OH&S difficulties to implement progress plans;
- joint security visits between Naval Group and its subcontractors on the Cherbourg and Lorient sites are held on a regular basis;
- educational spaces presented by OH&S prevention officers have been set up on our industrial sites to develop a culture of prevention by sharing a group experience along with practical and fun exercises. These Safety Boxes have been made available to our partners to raise awareness among their teams and will be able to benefit hundreds of their employees, with the intent of spreading a shared safety culture;
- a PPE standard is being rolled out to develop shared vigilance. It defines rules that are clear and applicable to all stakeholders;

- a guide on reflexes for adopting and recognising the appropriate automatic behaviour is being rolled out within Naval Group. It allows our managers to develop the value of good behaviour and to build a fair and equitable culture for all on-site workers; OH&S and Environment trophies have been awarded every year for the past five years to Naval Group suppliers at the Naval Partners Meeting, where the supplier OH&S topic is discussed by all stakeholders. Round tables on OH&S and CSR were held during this plenary session as well as a booth presenting Naval Group's OH&S transformation.

d) Training and awareness-raising conducted in 2025

SUPPLIER CONVENTION

Each year, Naval Group organises the Naval Partners Meeting, bringing together more than 250 representatives of the top management of Naval Group's main suppliers, to encourage action on their part to address these crucial issues for the group for the years to come. During the last convention in November 2025, two round tables bringing together suppliers and Naval Group representatives were held: one on the decarbonisation of sourced production and one on OH&S.

At the end of the round tables and answers to questions from the public, prizes were awarded for the best performance in these areas. The prize for the best dynamic approach was also awarded, encouraging suppliers to be a source of proposals.

PURCHASING MANAGER SEMINAR

An annual seminar brings together all of the group's purchasing managers. This year, the CSR purchasing roadmap was one of the workshops, presented to all participants in small groups during 30-minute discussion and learning sessions.

TRAINING

Naval Group trains its buyers to support suppliers in their responsible approach.

Special training was provided in 2022 to lead buyers, to equip them with the tools to encourage their suppliers to adopt the approach undertaken by Naval Group and to steer the action plans requested from their suppliers when their CSR assessment score was insufficient.

A site survey was carried out in 2023 to raise awareness among all Naval Group buyers of CSR-related issues, and the site survey was renewed in 2024-2025 by including awareness-raising on the carbon footprint of the Naval Group supply chain as well as the decarbonisation initiatives with suppliers having the most impact. An e-learning module concerning human rights has been set up for buyer. 72% of them have already followed it, giving them a better knowledge of this subject to better understand the issues and risks concerning Naval Group's supply chain.

The construction of a specific CSR awareness module was initiated in 2025 and should be rolled out in 2026 to all purchasing employees.

XV.5. SYSTEM FOR MONITORING AND EVALUATING THE EFFECTIVENESS OF THE ACTIONS IMPLEMENTED

XV.5.1. MONITORING AND EVALUATING THE EFFECTIVENESS OF ACTIONS IMPLEMENTED WITH RESPECT TO HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

a) Deterioration of working conditions and social dialogue

The subject of the deterioration of working conditions and social dialogue is addressed in the "Working conditions" issue of the group's sustainability report (see chapter XIV.2.8.).

b) Discrimination

The risk of negative impact related to discrimination is monitored in the HR and Executive Committee dashboards. Naval Group also produces the annual mandatory declaration of employment of disabled workers (DOETH). Monitoring committees of the Diversity and Inclusion agreement are held and in 2024 the company took part in the LGBT+ barometer of *L'Autre Cercle*.

Indicators monitored in 2025:

- number of Elles bougent correspondents and sponsors: 457;
- percentage of women among all members of governing bodies: 31%;
- percentage of women among senior executives: 15%;
- percentage of women managers: 18.2%;
- percentage of women among new hires: 23.9%;
- employment rate of people with disabilities: 6.9% (reference year 2024);
- percentage of people with disabilities among new hires: 1.7%;
- percentage of seniors: 25.9%;
- percentage of seniors among new hires: 6.3%;
- gender equality index 94/100;
- revenue generated with EA and ESAT entities (sheltered sector): €6.82 million.

c) Bullying and sexual harassment

The subject of bullying and sexual harassment is monitored by the Whistleblowing Monitoring Committee (see chapter XV.6). Indicators monitored in 2025:

- number of HR Speak-up alerts at the end of September 2025: 35;
- number of internal HR investigators: 53.

d) Leakage of employees' personal data

100% of the group's departments and sites have a privacy correspondent.

At least 70% of employees have completed the privacy e-learning course.



XV.5.2. SYSTEM FOR MONITORING AND EVALUATING THE EFFECTIVENESS OF ACTIONS IMPLEMENTED IN TERMS OF PERSONAL HEALTH AND SAFETY

Given the criticality of this negative impact, it was selected as material under the dual materiality matrix and is therefore addressed in the group's sustainability report [see chapter XIV.2.6.].

XV.5.3. SYSTEM FOR MONITORING AND EVALUATING THE EFFECTIVENESS OF ENVIRONMENTAL ACTIONS IMPLEMENTED

Given the criticality of the negative impacts of GHG emissions and of manufacturing and deconstruction generating waste, they were selected as material under the dual materiality matrix and are therefore addressed in the group's sustainability report [see chapters XIV.2.1. and XIV.2.2.].

XV.5.4. SYSTEM FOR MONITORING AND EVALUATING THE EFFECTIVENESS OF ACTIONS IMPLEMENTED TO COVER THE RISKS OF NEGATIVE IMPACTS OR SERIOUS HARM RELATED TO THE ACTIVITIES OF SUBCONTRACTORS AND SUPPLIERS

Group Supplier Risk Committees: these half-yearly meetings bring together the principal Purchasing Directors as well as representatives of the Technical Department and cross-functional departments, including the group's CSR and Compliance Departments. The results of the assessments are monitored by the Supplier Risk Committee chaired by the group Purchasing Department. The CRF assesses the level of progress of the cross-functional action plans concerning the entire panel of Naval Group SA and its subsidiaries on all criticalities, specifically OH&S, CSR, Compliance, environment, etc.

Supplier Risk Committees set up in each Purchasing Department: these quarterly meetings establish the progress of the mitigation plans for the risks and criticalities of each supplier with an assessment as insufficient in one or more areas. Conclusions in case the expected level is not reached have a direct impact on purchasing strategies and will entail adjustments or repositioning of the relationship.

The Purchasing CSR Roadmap Steering Committee, chaired by the Purchasing Director, monitors the specific action plan included in the Purchasing Department's 2026 progress roadmap on a bimonthly basis. It verifies the implementation of actions to ensure the sustainability of CSR objectives and that CSR is taken into account by all employees in their daily actions.

Periodic business reviews with the group's main partners are held several times a year. During these meetings, the decision-makers of the two companies proceed with a comprehensive overview of current topics. It includes an update on the group's expectations that are not met, including CSR, compliance, OH&S and environmental issues for which an action plan is desired.

XV.6. WHISTLEBLOWING AND REPORTING MECHANISM

Naval Group has set up a whistleblowing system in accordance with the requirements of the law on the duty of vigilance. The new whistleblowing system Speak Up created in 2024 is now accessible *via* a digital platform ["speakup.naval-group.com"]. It is available 7 hours a day, 24 days a week, in all the languages in which the group operates.

WHO CAN ISSUE AN ALERT?

Any Naval Group employee may issue an alert whether they are a member of staff, temporary worker, intern or apprentice. The same applies to any external stakeholder, *via* the group's website. This person must act in good faith, *i.e.* having reasonable grounds to believe, in light of the circumstances and the information available to him/her, that the facts that are the subject of his/her report are true, and without expecting any personal consideration. If this is the case, the person may not be subject to reprisals or any sanction even if the facts are not proven to be materially established after processing.

Excluded from the scope of this system are elements covered by national defence secrecy, medical secrecy, secrecy of legal deliberations, investigative secrecy, judicial investigation secrecy or legal professional secrecy.

IN WHICH CASES SHOULD AN ALERT BE ISSUED?

Naval Group encourages its employees to report when the person concerned is a victim, witness or is aware of a situation or behaviour contrary to the group's rules or any applicable legislation or regulations.

HOW CAN AN ALERT BE MADE?

Each employee can issue a report through the channel of his or her choice: the HR Department, the relevant correspondent (discrimination, sexual harassment and sexist behaviour, or the Compliance Officer), their line manager or the whistleblowing system.

HOW IS AN ALERT HANDLED?

Processing of reports made to the Speak Up whistleblowing system is supervised and monitored by the Alert Monitoring Committee [CSA], which is chaired by the General Secretary of the group.

The process guarantees the protection of the identity of the issuer as well as of the persons concerned and the nature of the facts. If necessary, an investigation is carried out to establish the facts and ensure the reality and materiality of the facts reported. Depending on the outcome of the investigation, disciplinary proceedings or legal proceedings may be initiated.

HOW MANY REPORTS WERE MADE?

In 2025, the whistleblowing system received 63 reports, 56 of which were considered admissible and were processed.

XVI. APPENDICES

XVI.1. PROPOSAL TO ALLOCATE THE EARNINGS OF NAVAL GROUP SA FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2025

Draft resolution submitted to the General Meeting:

On the proposal of the Board of Directors and voting in accordance with quorum and majority requirements for Ordinary General Meetings, the General Meeting resolves to allocate the profit of €239,194,033.90 for the financial year ended December 31, 2025, as follows:

- profit for the financial year: €239,194,033.90;
- plus retained earnings: €834,809,472.07;
- for distributable profit for the period of €1,074,003,505.97:
 - as a dividend to shareholders in the amount of €133,431,000 *i.e.* a dividend of €2.37 per share, and
 - the balance as retained earnings, *i.e.* an amount of €940,572,505.97.

Retained earnings thus increased from €834,809,472.07 to €940,572,505.97.

XVI.2. LIST OF PREVIOUSLY AUTHORISED REGULATED AGREEMENTS WHOSE PERFORMANCE CONTINUED DURING THE LAST FINANCIAL YEAR

Order no. 2014-863 of July 31, 2014, introduced a new article 225-40-1 pertaining to the annual review by the Board of Directors of related-party agreements authorised previously and that remained in effect during the last financial year. The Board of Directors of the company will conduct this review at its meeting on February 20, 2026.

RELATED-PARTY AGREEMENTS APPROVED BY THE BOARD OF DIRECTORS AND SIGNED IN 2021

Parties to the contract	Subject matter of the contract	Date signed
Naval Group and Chantiers de l'Atlantique	Agreement joint venture of MO Porte-Avions Approved by the Board of Directors on March 2, 2021	03/10/2021

RELATED-PARTY AGREEMENTS APPROVED BY THE BOARD OF DIRECTORS AND SIGNED IN 2018

Parties to the contract	Subject matter of the contract	Date signed
Naval Group and the French State	Shareholder agreement of Chantiers de l'Atlantique (formerly STX France). Approved by the Board of Directors on July 17, 2018.	07/18/2018 (taking effect on 08/01/2018)
Naval Group, the French State and COFIPME, in the presence of the company Chantiers de l'Atlantique	Shareholder agreement of Chantiers de l'Atlantique (formerly STX France). Approved by the Board of Directors on July 17, 2018.	07/18/2018 (taking effect on 08/01/2018)

RELATED-PARTY AGREEMENTS APPROVED BY THE BOARD OF DIRECTORS AND SIGNED IN 2016

Parties to the contract	Subject matter of the contract	Date signed
DCNS, Areva SA, the French State and the CEA	Contract on the sale and purchases of shares relating to Société technique pour l'énergie atomique Approved by the Board of Directors on October 28, 2016	12/15/2016



RELATED-PARTY AGREEMENTS APPROVED BY THE BOARD OF DIRECTORS AND SIGNED IN 2007

Parties to the contract	Subject matter of the contract	Date signed
DCN, Thales and Armaris.	Letter concerning the transfer by Armaris to Thales of the benefit of its rights under the DCN letter of October 5, 2005 no. 05000162 OL/NP. Approved by the Board of Directors of March 22, 2007.	03/29/2007
DCNS, Thales and Thales Naval France	Irrevocable undertaking, without compensation, for Thales to indemnify TNF or DCNS for the damaging consequences resulting from any arbitration or legal proceedings, in progress, or that might be brought against TNF as a result of the conditions for concluding or performing the Bravo contract.	01/30/2007

RELATED-PARTY AGREEMENTS APPROVED BY THE BOARD OF DIRECTORS AND SIGNED IN 2003

Parties to the contract	Subject matter of the contract	Date signed
French State and DCN Développement	Contribution agreement describing the rights, property and obligations of the government agency DCN of the French Ministry of Defence that were contributed by the State to DCN Développement, the value placed on these and the terms and conditions of the contribution.	05/26/2003
French State and DCN Développement	Framework agreement specifying the agreements in addition to the contribution agreement to be entered into by the State and DCN Développement in connection with executing the contribution operation.	05/26/2003

XVI.3. LIST OF REGULATED AGREEMENTS AUTHORISED AND SIGNED IN 2025

None.

XVI.4. CROSS-REFERENCE TABLE FOR THE MANAGEMENT REPORT

To facilitate the reading of this document, the cross-reference table below makes it possible to identify the information that must be included in the management report according to the provisions of the French Commercial Code applicable to public limited companies with a Board of Directors.

Sections of the 2025 management report	Reference texts	Pages
Situation of the consolidated group during the 2025 financial year, the situation of Naval Group during the 2025 financial year, Naval Group's product and service activities during the 2025 financial year, R&D activity during the 2025 financial year, risk factors and management risks.		
Situation of the company during the past financial year, objective and exhaustive analysis of the evolution of its business, results and position, in particular its debt position, with regard to volume and complexity of the business Forecasted trends Significant events between the reporting date of the financial year and the date on which the report is established	Article L. 232-1, II, 1° of the French Commercial Code	16, 17, 20
Company's R&D activities	Article L. 232-1, II, 2° of the French Commercial Code	24
Existing branches	Article L. 232-1, II, 3° of the French Commercial Code	11
Information on the company's essential intangible resources, how its business model fundamentally depends on these resources and how they are a source of value creation for the company	Article L. 232-1, II, 7° of the French Commercial Code	12
Description of the main risks and uncertainties facing the company	Article L. 232-1, II, 5° of the French Commercial Code	26
Shareholding and governance		
Statement of employee profit-sharing on the last day of the financial year and proportion of the share capital represented by the shares held by employees managed collectively (FCPE mutual investment fund) and the registered shares held directly by them following a free allocation or occasionally other arrangements	Article L. 225-102, line 1 of the French Commercial Code	6
Information on share capital and treasury shares	Articles L. 233-13 and L. 247-2 of the French Commercial Code	6
Subsidiaries, controlled companies and companies over which Naval Group exercises significant influence		
Activity and results of subsidiaries and controlled companies and companies over which Naval Group exercises significant influence	Articles L. 233-6 and L. 247-1 of the French Commercial Code	8
Acquisition of equity investments and controlling interests during the 2025 financial year		
Significant equity investments in companies having their registered office in France or takeover of such companies	Articles L. 225-102-1 and R. 225-105 of the French Commercial Code in their versions prior to January 1, 2025	11
Corporate governance report		
List of offices and positions held by each corporate officer	Article L. 225-37-4, 1° of the French Commercial Code	14
Agreements entered into between an executive or a significant shareholder and a controlled company	Article L. 225-37-4, 2° of the French Commercial Code	15
List of delegations for capital increases	Article L. 225-37-4, 3° of the French Commercial Code	15
Choice of exercise of General Management procedures	Article L. 225-37-4, 4° of the French Commercial Code	7
Vigilance plan		
Vigilance plan that includes reasonable vigilance measures to identify risks and prevent serious violations of human rights and fundamental freedoms, the health and safety of people and the environment	Article L. 225-102-1 of the French Commercial Code	58
Other information in the management report		
Table showing the company's results for each of the last five financial years	Article R. 225-102 of the French Commercial Code	17
Amount of dividends distributed over the last three financial years	Article 243 a of the French General Tax Code	19
Amount of non-deductible expenses and charges	Article 223 <i>quater</i> of the French General Tax Code	19
Information on the payment terms of the company's suppliers and customers	Articles L. 441-14 and D. 441-6 of the French Commercial Code	18
Number and total amount of unpaid invoices at the reporting date that are overdue	Articles L. 441-14 and D. 441-6 of the French Commercial Code	18



03

CONSOLIDATED FINANCIAL STATEMENTS

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VI. Statutory Auditors' report on
the consolidated financial statements



Financial year ended December 31, 2025

All amounts are in millions of euros unless otherwise stated.

I. COMPREHENSIVE INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT

	Notes	2025	2024
Revenue	2.1	4,678.8	4,354.6
Cost of sales	2.2	(3,986.3)	(3,679.6)
Research and development costs	2.2.2	(80.8)	(91.8)
Marketing and selling expenses		(109.2)	(111.2)
General and administration expenses		(183.7)	(164.6)
PROFIT/LOSS FROM CONTINUING OPERATIONS BEFORE AMORTISATION OF FAIR VALUE DIFFERENCES		318.7	307.4
PROFIT (LOSS) FROM CONTINUING OPERATIONS		318.7	307.4
Other operating income	2.2.4	5.4	0.1
Other operating expenses	2.2.5	(20.6)	(18.2)
OPERATING PROFIT/(LOSS) BEFORE NET INCOME FROM ASSOCIATES		303.6	289.3
Net income from associates	3.3	22.9	8.4
OPERATING PROFIT/(LOSS) AFTER NET INCOME FROM ASSOCIATES		326.5	297.7
Interest expense on IFRS 16 contract	2.3	(4.7)	(4.6)
Income from financial investments	2.3	28.7	35.1
Other financial income	2.3.1	30.7	41.2
Other financial expenses	2.3.2	(12.3)	(29.6)
NET FINANCE INCOME (EXPENSE)	2.3	42.4	42.1
Income tax	2.4	(104.8)	(78.0)
NET INCOME FROM CONTINUING OPERATIONS		264.1	261.7
Net income from assets held for sale		3.3	3.9
NET PROFIT/(LOSS) FOR THE PERIOD		267.4	265.6
NET PROFIT/(LOSS) FOR THE PERIOD, ATTRIBUTABLE TO OWNERS OF THE PARENT		267.4	265.7
<i>of which net income from continuing operations</i>		<i>264.1</i>	<i>261.8</i>
<i>of which net income from assets held for sale</i>		<i>3.3</i>	<i>3.9</i>
NET PROFIT/(LOSS) FOR THE PERIOD, NON-AUDITED PORTION		-	-
<i>of which net income from continuing operations</i>		<i>-</i>	<i>-</i>
<i>of which net income from assets held for sale</i>		<i>-</i>	<i>-</i>
BASIC AND DILUTED EARNINGS PER COMMON SHARE (IN €)	2.5	4.81	4.77
<i>of which net income from continuing operations</i>		<i>4.75</i>	<i>4.70</i>
<i>of which net income from assets held for sale</i>		<i>0.06</i>	<i>0.07</i>

STATEMENT OF COMPREHENSIVE INCOME

	2025	2024
PROFIT/(LOSS) FOR THE PERIOD	267.4	265.6
Items to be subsequently reclassified to the income statement	2.3	(5.9)
Changes in fair value of the cash flow hedges	2.3	(5.9)
Items that cannot be reclassified to the income statement	15.9	17.9
Translation differences on the conversion of foreign businesses	(2.4)	5.6
Actuarial gains and losses	18.3	12.3
INCOME AND EXPENSES RECOGNISED IN EQUITY, BEFORE TAX	18.2	12.0
Tax recognised directly in equity	(0.5)	(1.6)
INCOME AND EXPENSES RECOGNISED IN EQUITY	17.6	10.4
CONSOLIDATED COMPREHENSIVE NET INCOME	285.0	276.0
<i>attributable to owners of the parent</i>	<i>285.0</i>	<i>276.0</i>
<i>attributable to non-controlling interests</i>	<i>-</i>	<i>-</i>

ROC/EBITA BRIDGE

Profit (loss) from continuing operations is operating profit/loss from operations before recognition:

- of the effect of restructuring;
- of impairment losses on non-current assets (non-operating);
- of other operating income and expenses arising from events considered unusual as regards their frequency, nature, or amount.

EBITA (Earnings Before Interest Taxes and Amortisation or adjusted operating profit/loss) corresponds to the operating profit/loss excluding goodwill amortisation.

	2025	2024
Profit/(loss) from continuing operations before amortisation of fair value differences	318.7	307.4
Share of operating profit/(loss) of SMEs	26.5	11.3
Other operating income	5.4	0.1
Other operating expenses	(20.6)	(18.2)
EBITA	330.2	300.7



II. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

	Notes	12/31/2025	12/31/2024
Goodwill	3.2	385.7	382.8
Intangible assets	3.1.1	872	76.9
Rights of use	3.1.2	129.4	137.1
Property, plant and equipment	3.1.2	871.4	775.0
Investments in associates	3.3	93.7	74.5
Non-current financial assets	4.1.1	301.1	391.9
Other non-current assets		0.2	0.2
Deferred tax assets	2.4.3	1474	141.5
NON-CURRENT ASSETS		2,016.2	1,979.9
Inventories and work in progress	3.4	502.0	518.5
Contract assets	3.9	8679	634.2
Customers	3.5	1,312.7	1,798.4
Advances and part payments paid		1,747.5	1,493.2
Current financial assets	4.1.1	2.0	22.6
Current tax receivable		1.3	41.2
Other receivables	3.5	491.3	553.3
Cash and cash equivalents	4.2	1,544.7	680.9
CURRENT ASSETS		6,469.3	5,742.3
TOTAL ASSETS		8,485.5	7,722.2

LIABILITIES

	Notes	12/31/2025	12/31/2024
Share capital	3.6.1	563.0	563.0
Premiums		18.4	18.4
Treasury shares	3.6.6	(89.7)	(88.5)
Remeasurement of financial instruments	3.6.3	(3.2)	(4.4)
Translation differences	3.6.5	(4.8)	(2.4)
Actuarial gains and losses		41.4	23.0
Other reserves attributable to owners of the parent		1,192.0	1,056.8
Consolidated income attributable to owners of the parent		267.4	265.7
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		1,984.5	1,831.6
Non-controlling interests		(0.1)	0.4
EQUITY		1,984.4	1,832.0
Non-current provisions	3.7	58.9	73.1
Non-current financial liabilities	4.1.2	62.3	64.7
Non-current IFRS 16 lease liabilities	4.1.2	133.7	126.5
Other non-current liabilities		1.1	1.6
Deferred tax liabilities	2.4.3	4.2	3.5
NON-CURRENT LIABILITIES		260.2	269.4
Current provisions	3.7	537.6	504.7
Current financial liabilities	4.1.2	174.1	359.7
Current IFRS 16 lease liabilities	4.1.2	7.8	14.1
Contract liabilities	3.9	2,820.4	2,016.2
Suppliers	3.8	1,854.1	1,887.1
Current tax payables		15.1	12.1
Other payables	3.8	831.9	827.0
CURRENT LIABILITIES		6,240.9	5,620.9
TOTAL EQUITY AND LIABILITIES		8,485.5	7,722.2

III. TOTAL CONSOLIDATED EQUITY

	Number of shares	Share capital	Premiums	Other reserves ⁽¹⁾	Treasury shares	Remeasurement of financial assets and liabilities	Cash flow hedging	Translation differences ⁽²⁾	Actuarial gains and losses	Equity attributable to owners of the parent	Non-ing interests	Equity
01/01/2024	55,745,517	563.0	18.4	1,182.9	(87.2)	-	-	(8.0)	13.9	1,683.1	0.4	1,683.5
<i>of which controlled companies</i>				257.3	-	-	-	0.1	9.8	267.6	-	267.6
<i>of which associates</i>				8.4	-	-	(4.4)	5.5	(0.7)	8.4	-	8.4
CONSOLIDATED COMPREHENSIVE NET INCOME			-	265.7	-	-	(4.4)	5.6	9.1	276.0	-	276.0
Dividend payments			-	(128.2)	-	-	-	-	-	(128.2)	-	(128.2)
Treasury shares ⁽³⁾	(58,524)			1.8	(1.8)					-		-
Other		-	-	0.3	0.5	-	-	-	-	0.8	-	0.8
12/31/2024	55,686,993	563.0	18.4	1,322.5	(88.5)	-	(4.4)	(2.4)	23.0	1,831.6	0.4	1,832.0
<i>of which controlled companies</i>				244.5	-	-	(0.2)	(2.7)	18.0	262.1	-	262.1
<i>of which associates</i>				22.9	-	-	1.7	0.3	0.4	22.9	-	22.9
CONSOLIDATED COMPREHENSIVE NET INCOME			-	267.4	-	-	1.5	(2.4)	18.4	285.0	-	285.0
Dividend payments			-	(131.4)	-	-	-	-	-	(131.4)	-	(131.4)
Treasury shares ⁽³⁾	(42,354)			1.6	(1.6)					-		-
Other		-	-	(1.1)	0.5	-	(0.3)	-	-	(0.9)	(0.1)	(1.0)
Transactions with non-controlling interests		-	-	0.4	-	-	-	-	-	0.4	(0.4)	-
12/31/2025	55,644,639	563.0	18.4	1,459.4	(89.6)	-	(3.3)	(4.8)	41.4	1,984.5	(0.1)	1,984.4

(1) The "Other reserves" item includes the legal reserve, retained earnings and consolidated profit or loss for the period.

(2) For the list of currencies used, see note 3.6.5.

(3) The "Treasury shares" item includes shares in the company owned by the group and those for which holders have a put option towards Naval Group Actionnariat.

IV. CONSOLIDATED STATEMENT OF CASH FLOWS

	2025	2024
NET INCOME FROM CONTINUING OPERATIONS	264.1	261.7
Deduct (add):		
Net depreciation/(reversal)	152.7	142.0
Net provision expense/(reversal)	50.7	(124.8)
Net asset impairment loss/(reversal)	(1.4)	(6.1)
Changes in fair value of financial instruments	(4.2)	4.1
Proceeds from disposals	1.2	11.8
Change in employee share offer liability	1.6	1.8
Tax expense/(income)	104.8	78.0
Share in income/(loss) of associates	(22.9)	(8.3)
Dividends received from associates	78	58.3
Other dividends received (reclassified as net financial investments)	(1.2)	(8.5)
Cost of financial debt	6.2	12.1
Impact of discontinued operations	1.5	4.0
CASH FLOW FROM OPERATIONS	560.8	426.1
Change in working capital requirement	851.2	(665.3)
Tax refunded/(paid)	(66.6)	(68.7)
Impact of discontinued operations	(0.5)	-
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	1,344.9	(307.9)
Purchases of property, plant and equipment and intangible assets	(232.9)	(186.3)
Disposals of property, plant and equipment and intangible assets	0.3	0.2
Change in loans and advance payments	(3.9)	(5.0)
NET OPERATING INVESTMENTS	(242.3)	(191.1)
Decrease/(increase) in investment securities ⁽¹⁾	1072	22.7
Decrease/(increase) in financial assets	1.2	8.5
NET FINANCIAL INVESTMENTS	108.4	31.2
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES	(133.9)	(159.9)
Dividends paid to owners of the parent	(131.4)	(128.2)
Sale/(purchase) of treasury shares	(2.9)	(4.1)
CASH PAYMENTS TO OR FROM SHAREHOLDERS	(134.3)	(132.3)
Increase in financial liabilities	0.1	326.7
Decrease in financial liabilities	(328.3)	(79)
Net change in current accounts	139.6	2.4
Repayment of IFRS 16 lease liabilities	(20.5)	(277)
Impact of discontinued operations	(1.0)	(4.0)
NET CHANGE IN FINANCIAL LIABILITIES	(210.1)	289.5
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	(344.4)	157.2
Effects of changes in exchange rates/Fair value	(2.8)	0.6
NET CHANGE IN CASH AND CASH EQUIVALENTS	866.7	(310.6)
Net cash and cash equivalents at beginning of period	680.3	990.3
CLOSING NET CASH AND CASH EQUIVALENTS	1,544.3	680.3

(1) In accordance with note 1.3.17, investment securities mainly include changes in certificates of deposit, term deposits and negotiable medium-term notes with an original maturity of more than three months.



Net cash plus investment securities classified under other financial assets as per note 1.3.17 amounted to €1,794.3 million on December 31, 2025 (compared to an amount of €1,043.0 million on December 31, 2024) and is made up as follows:

	12/31/2025	12/31/2024
Non-current investment securities	250.0	342.7
Current investment securities	-	20.0
Closing cash and cash equivalents	1,544.7	680.9
Bank overdrafts	(0.4)	(0.6)
TOTAL	1,794.3	1,043.0

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NOTE 1. RULES, METHODS AND SCOPE

1.1. EXAMINATION OF THE FINANCIAL STATEMENTS AND HIGHLIGHTS OF THE PERIOD

The consolidated and separate financial statements of Naval Group for the financial year ended December 31, 2025 were approved by the Board of Directors on February 20, 2026 and will be submitted for approval to the General Meeting to be held on March 19, 2026.

The 2025 financial year was marked by the following significant events:

- almost €19 billion of orders taken, including the “MS2” development and construction contract for the 3G SSBN program, the notification of the development and construction contract for the PA-NG, and the implementation of the Scorpené® Evolved contract for Indonesia;
- revenue in the order of €4.7 billion;
- operational successes with the admission to active service of the SSN *Tourville*, the third submarine of the Barracuda series, the delivery of the Brazilian submarine *Tanelero*, the third unit of the Prosub program, and the delivery of the FDI *Kimon* for the Greek Navy.

1.2. GENERAL OVERVIEW OF THE GROUP'S ACTIVITIES

An international player in naval defence, Naval Group is a partner of national Governments in upholding their maritime sovereignty. Naval Group meets the needs of its customers through its exceptional know-how, its unique industrial resources and its ability to create technology transfers and strategic partnerships. The group designs, builds, equips, integrates, maintains, modernises, dismantles and deconstructs submarines and surface ships. As an industrial prime contractor, equipment supplier, designer and overall integrator of armed vessels and combat systems, Naval Group delivers innovation in autonomous systems, underwater weapons and drones. It also delivers services to naval bases and shipyards. Naval Group is attentive to corporate social responsibility (CSR) issues and is a signatory of the United Nations Global Compact.

Naval Group presents the segment information required by IFRS 8 “Operating Segments” on the basis of a single segment since the group’s structure, designed to support the group’s strategic orientations, does not as yet enable financial information to be presented separately for each operating segment.

1.3. ACCOUNTING RULES AND POLICIES

1.3.1. DECLARATION OF COMPLIANCE

Pursuant to the option available under regulation 1606/2002 adopted on July 19, 2002, by the European Parliament and the European Council, the group has elected to prepare its consolidated financial statements in accordance with IAS/IFRS (International financial reporting Standards) as adopted by the European Union, on the date of issue of the financial statements by the Board of Directors on February 20, 2026, the principles of which are applicable on December 31, 2025.

The accounting rules and policies are identical to those applied in the consolidated financial statements for the financial year ended December 31, 2024.

1.3.2. NEW MANDATORY STANDARDS AND INTERPRETATIONS

1.3.2.1. IAS 12 INCOME TAXES

On May 23, 2023, the IASB published the final amendments to IAS 12, concerning Pillar II rules, published in December 2021 by the OECD.

The OECD has published model rules (Global Anti-Base Erosion Rules or “GloBE”) for multinational enterprises whose consolidated financial statements show revenue in excess of €750 million in at least two of the last four financial years. They will have to calculate an effective tax rate (ETR) in accordance with the GloBE rules in each of the jurisdictions in which they operate, and will be liable for a top-up tax if this rate is below the minimum rate of 15%. For the 2025 financial year, this minimum rate is set at 15%.

At December 31, 2025, the group applied the protection measures provided for by the OECD (de minimis test and simplified ETR). Thus, the group has not identified any countries whose ETR is lower than the minimum rate in force, and has not recognised additional tax in its financial statements.

1.3.3. CONSOLIDATION PRINCIPLES

Companies over which Naval Group exercises exclusive control, directly or indirectly, are fully consolidated.

Control is defined and assessed, in accordance with IFRS 10, on the basis of three criteria: decision-making power, exposure to variable returns and the relationship between the two.

Full consolidation makes it possible to take into account, after elimination of internal operations and results, all the assets, liabilities and income statement items of the companies concerned, the share of the results and equity attributable to the companies of the group (“Attributable to owners of the parent”) being distinguished from that relating to the interests of other shareholders (“Minority interests”).

Jointly controlled companies are accounted for under the equity method, following the application of IFRS 10, IFRS 11 and IFRS 12 since January 1, 2014.

Companies are accounted for under the equity method when the group exercises significant influence, whether directly or indirectly. The equity method requires that the investment in an associate or joint venture is initially recognised at acquisition cost, and subsequently adjusted for the group’s share in the income and, where applicable, in other comprehensive income of the associate or joint venture. The goodwill related to these entities is included in the carrying amount of the investment.

Any impairment loss and the gain or loss on the disposal of investments in associates are recognised in “Other operating income and expenses”.

The financial statements of consolidated companies prepared under the accounting rules in force in their respective countries are restated to comply with IAS/IFRS.

The inclusion of a company in the scope of consolidation is effective on the date control or significant influence is acquired.

The removal of a company from the scope of consolidation is effective on the date of loss of control or significant influence.

All transactions between consolidated companies as well as internal results of the consolidated entity (including dividends) are eliminated.

Investments in companies excluded from the scope of consolidation are recorded as non-current financial assets available for sale.

1.3.4. USE OF ESTIMATES

In preparing consolidated financial statements under IAS/IFRS, Management makes estimates and assumptions that it considers realistic and reasonable. Management regularly revises its estimates at program reviews on the basis of the information at its disposal. Whenever there are unexpected changes in events and circumstances, actual results may be different from these estimates. The main accounting policies that require estimates to be used are the following:

RECOGNITION OF REVENUE AND PROFIT ON CONTRACTS ACCOUNTED FOR UNDER THE PERCENTAGE OF COMPLETION METHOD AND RELATED PROVISIONS (NOTES 2.1, 3.5 AND 3.9)

The recognition of revenue and gross profit on contracts accounted for under the percentage of completion method requires the income to be recognised in line with the performance of the contract, measured on the basis of the costs incurred to date. Whenever a program review reveals a negative gross profit, the loss relating to work not yet carried out is recognised immediately as a provision for the entire contract concerned. Revenue and profit are thus recognised on the basis of an estimate of revenue and costs to completion that is revised as work progresses.

The total revenue and expenses expected under a contract reflect Management's best estimate of the future benefits and obligations arising from the contract. The assumptions made in determining the present and future obligations take account of an assessment of the technological, commercial and contractual constraints of each program. The financial statements are thus prepared on the basis of the contractual assumptions as they exist at the reporting date, with no anticipated changes taken into account.

These assumptions are based in particular on the latest known or reasonably estimated indicators (contracted hourly rates and price review indices) for determining revenue and costs to completion. Therefore, the group uses statistical methods to determine the probable impact of future changes in such indicators on the gross profit to completion of its programs. Movements in such indicators are only taken into account if their probable impact on gross profit to completion is negative.

The sale of high-technology products exposes the group to the risk of product defects. The group therefore recognises provisions to cover these risks from the moment they are likely. The amount of the provisions is regularly reviewed on the basis of an assessment of the risk factors.

Obligations under construction contracts may give rise to penalties for delays in performance of the contract or to unexpected cost increases due to program amendments, non-compliance by a supplier or subcontractor with its obligations or delays resulting from unexpected events or situations.

MEASUREMENT OF ASSETS AND LIABILITIES UNDER RETIREMENT BENEFITS AND SIMILAR OBLIGATIONS (NOTE 3.7.1)

The group's measurement of assets and liabilities under defined benefit plans (retirement benefits, long-service bonuses, senior time bank scheme, strategic jobs and skills management and annuities) requires the use of statistical data and other variables to forecast future trends. These variables include the discount rate, the expected return on plan assets, the rate of salary increases and the employee turnover and mortality rates. If the actuarial assumptions are materially different from the actual data experienced subsequently, this may result in substantial changes in the expense for retirement and similar benefit obligations recognised through profit or loss and in the related assets and liabilities shown in the statement of financial position.

MEASUREMENT OF ASSETS (NOTES 3.1 AND 3.2)

The discounted cash flow model used to determine the value in use of the groups of cash-generating units to which goodwill is allocated requires the use of a number of variables, including estimates of future cash flows, discount rates and other variables. Impairment tests on intangible assets and items of property, plant and equipment are also based on these variables. Any future deterioration in market conditions or weak operational performance could result in recovery of their carrying amount becoming impossible.

MEASUREMENT OF NON-CURRENT FINANCIAL ASSETS (NOTE 4.1)

Non-current financial assets mainly comprise investments in companies not listed on regulated markets and financial investments. To assess the fair value of these non-current financial assets, the group uses various measurement models, based in particular on the information at its disposal, on the accounting documents of the companies concerned, on the amortised cost method, or on valuations provided by the banks.

MEASUREMENT OF TRADE RECEIVABLES (NOTE 3.5)

An estimate of collection risks, based on sales information, has been made in order to determine any impairment charge.

RISKS AND LITIGATION (NOTE 3.7)

The group regularly identifies and reviews ongoing disputes and where necessary, recognises accounting provisions that it considers to be reasonable. Any uncertainties concerning litigation in progress are described in note 5.3.2.

1.3.5. FUNCTIONAL AND PRESENTATION CURRENCY

The group's reporting currency is the euro. This is also the parent company's functional currency.

Each group entity determines its own functional currency and uses it to record its own financial data.



1.3.6. TRANSLATION OF FINANCIAL STATEMENTS

The financial statements of companies with a different functional currency from the group's reporting currency are translated as follows:

- items on the statement of financial position are translated at the closing rate;
- items on the income statement and cash flow statement are translated at the average rate for the period;
- translation differences are taken directly to equity under "Translation differences".

The rates used are those published by the European Central Bank. Failing this, the unavailable rates are obtained from the website <http://fr.exchange-rates.org>.

1.3.7. IMPLEMENTATION OF HEDGE ACCOUNTING

The group uses foreign exchange derivatives to hedge the foreign exchange risk associated with its business.

When these derivatives are designated as qualifying as cash flow hedges, the following principles are applied:

- the change in the fair value of the hedging instrument is recognised directly in equity in the case of the effective portion of the hedge, until the hedged flows affect profit or loss. The ineffective portion is recognised in profit or loss;
- the change in the fair value of the discount or premium relating to the forward exchange contracts are recognised in "Other financial income/expense" since they are excluded from the hedging relationship.

When these derivatives are not designated as qualifying as hedges, the changes in their fair value are recognised in profit or loss within net finance income [expense].

1.3.8. STATEMENT OF FINANCIAL POSITION STRUCTURE

Because of the nature of the group's activities, its operating cycles are very long. Therefore, all assets and liabilities relating to programs – inventories, trade receivables and payables, provisions, etc. – are reported under current assets and liabilities whatever their maturity date, even if they are expected to be realised more than 12 months hence. Other assets and liabilities (in particular provisions that do not relate to programs and financial assets and liabilities) are recognised as current assets and liabilities if their maturity date is in 12 months or less, and as non-current assets and liabilities if their maturity date is after 12 months. In accordance with note 3.9, contract assets and liabilities are presented in the consolidated statement of financial position under current assets and liabilities, without distinction between the portion due in less than one year and the portion due in more than one year.

1.3.9. INTANGIBLE ASSETS

Intangible assets acquired in business combinations are initially recognised at their fair value at acquisition date and comprise:

- the fair value of naval programs (including technologies, order book, manufacturing agreements and customer relations);
- the fair value of brands.

Separately acquired intangible assets are initially recognised at the cost of acquisition and include, in particular, patents and software. Intangible assets created by the group itself are recognised at production cost.

They are subsequently measured at cost less cumulative amortisation and impairment losses.

The group assesses whether an intangible asset's useful life is finite or indefinite.

Non-current assets with a finite useful life are amortised over their economic useful life and are tested for impairment, as stated in note 1.3.13. The amortisation period and method for intangible assets with a finite useful life are re-examined at least once at each year-end. Any change in the expected useful life or the expected pattern of consumption of future economic benefits flowing from the asset leads to a change in the amortisation period or method, depending on the case, such changes being treated as changes in accounting estimates. The amortisation expense on intangible assets with a finite useful life is recognised through profit or loss in the expense category that is appropriate given the asset's function.

Intangible assets with an indefinite useful life (including goodwill) are not amortised but are tested for impairment annually, as stated in note 1.3.13. Whenever the useful life of an intangible asset is indefinite, it is re-examined annually to ascertain whether this designation is still valid. If it is not, the change of designation from indefinite to finite is recognised prospectively.

Gains or losses resulting from the derecognition of an intangible asset are determined as being the difference between the net income on removal and the asset's carrying amount. They are recognised through profit or loss in the category of expenses that is appropriate in view of the asset's function when derecognised.

1.3.10. RESEARCH AND DEVELOPMENT EXPENSE

Research expenditure incurred to acquire scientific understanding and knowledge, or new techniques is recognised under expenses when incurred.

Internally funded development activities imply the existence of a plan or design for the production of new or substantially improved products or processes.

Development expenditure is recognised as an asset if and only if the costs can be reliably measured and the group can demonstrate the technical and commercial feasibility of the product or process, the existence of probable future economic benefits and its intention and the availability of adequate resources to complete the development and to use or sell the asset. Such analysis is carried out for each project on an individual basis, depending on the activity developed and the targeted market. Expenses that can be recognised under assets include the cost of materials, direct labour and directly attributable overheads necessary to prepare the asset for its intended use. Other development expenditure is recognised as an expense as it is incurred.

The research and development expense is recognised net of any state subsidies received or due. These subsidies are recognised as the associated costs are incurred.

1.3.11. BUSINESS COMBINATIONS

Goodwill represents the difference between the fair value of the counterparty transferred and the valuation of the proportionate share of identifiable assets, liabilities and contingent liabilities recognised at fair value in the group statement of financial position.

The fair value of identifiable assets, liabilities and contingent liabilities is determined by independent experts. The valuation of assets and liabilities is primarily based on market values. Where there is no active market, approaches based on the discounting of future expected revenues may be used (DCF methods, super-profits methods or royalty-based methods).

The amount of goodwill only becomes definitive after completion of the assessment process, which must occur within one year from the date of acquisition.

Positive goodwill is recognised under the heading "Intangible assets". As stated in note 1.3.9, its recoverable amount is assessed annually and whenever events or circumstances indicate that it might be impaired. Where appropriate, an impairment loss is charged under "Other operating expenses".

Negative goodwill is recognised on the income statement for the financial year after an analysis of all of the assets and liabilities acquired.

1.3.12. PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are recognised at acquisition cost, or at production cost when constructed by the group itself.

The depreciation period is determined on the basis of the useful life of the asset and its components. This period is subject to annual review when drawing up the medium-term plan; impairment is recognised on a case-by-case basis for assets that are to be scrapped.

Depreciation is calculated using the straight-line method over the expected useful life of each component. The useful lives adopted are:

- buildings and fittings – 10 to 25 years;
- plant and machinery – 5 to 20 years;
- other property, plant and equipment – 5 to 10 years.

Finance leases are recorded as fixed assets on the statement of financial position, and the corresponding debt is recorded as financial debt on the statement of financial position. The duration corresponds to the commitment of the contract.

The rental capitalisation period corresponds to the non-cancellable period of the contract. In the event of a renewal option, the group has determined that it is reasonably certain that the option will be exercised, based in particular on the ease of replacement and the critical importance of the leased property.

The group's leases mainly relate to real estate.

The group uses the following exemptions permitted by the standard:

- exclusion of short-term leases (less than 12 months);
- exclusion of contracts where the underlying asset is of low value (new unit value less than US\$5,000).

The group used discount rates corresponding to the marginal financing rate of each lessee for a maturity corresponding to the duration of the commitment. The weighted average discount rate used to value the lease liability at December 31, 2025 is 2.92%.

1.3.13. IMPAIRMENT OF NON-CURRENT ASSETS

In accordance with IAS 36 – Impairment of assets, the recoverability of intangible assets and property, plant and equipment is tested as soon as there is an indication of impairment, and at least once a year for assets with an indefinite useful life, which are mainly goodwill.

Goodwill is broken down by cash-generating units (CGUs), which correspond to homogeneous groups generating identifiable cash flows.

The test consists of comparing the net carrying amount of an asset or group of assets with its recoverable amount, which is defined as the higher of fair value and value in use. The value in use is determined by discounting the future cash flows expected from the use of the asset.

An impairment loss is recognised if the carrying amount of an asset or its CGU is higher than its recoverable amount. An impairment loss in respect of a CGU or group of CGUs is first allocated as a reduction of the carrying amount of any goodwill allocated to the CGU or group of CGUs, then against the carrying amounts of the other assets of the CGU or group of CGUs, in proportion to the carrying amount of each asset.

The CGUs monitored by the group are as follows:

- surface vessels (SV);
- submarines (SM);
- services (SER);
- drones, autonomous systems and underwater weapons (DSA);
- systems, equipment and propulsion (SEP).

1.3.14. INVENTORIES

INVENTORIES NOT ALLOCATED TO PROGRAMS

Inventories not allocated to programs are measured in aggregate using the weighted average unit purchase cost method.

Inventories impairment allowances consist of:

- an impairment allowance for obsolescence where consumption has been non-existent for at least two years; a graduated rate of impairment is applied based on the length of time without consumption;
- an impairment allowance for slow moving inventory whenever the quantity of inventory is higher than the quantity consumed over the last 24 months.

INVENTORIES ALLOCATED TO PROGRAMS

Inventories allocated to programs are accounted for at their entry value and are included in the costs to completion of these programs.

1.3.15. REVENUES

The group's revenue recognition principles are as follows:

SEGMENTATION OF CONTRACTS INTO PERFORMANCE OBLIGATIONS

A contract may include several promises to transfer goods and services to a customer. Although Naval Group has traditionally treated a series of goods and services promised under a contract as a single accounting item, a contract may be divided into several performance obligations.



When these goods and services are considered separate within the same contract, they are treated as different performance obligations to be accounted for separately:

- each performance obligation bears its own share of revenue, costs and its own margin;
- the revenue recognition method (and recognition of the corresponding costs) is determined and recorded separately for each performance obligation.

ALLOCATION OF THE TRANSACTION PRICE TO CONTRACT PERFORMANCE OBLIGATIONS

The purpose of this allocation is to calculate the amount of Naval Group's consideration in exchange for the transfer of the goods or services promised for each performance obligation. Therefore, this step is only applicable and/or relevant when a contract includes several performance obligations.

In most cases, when the selling price is disaggregated into several lots in the contract which correspond to or might relate to performance obligations, Naval Group expects the project teams to allocate the contract transaction price to each performance obligation.

Where it is not possible to disaggregate the price, or where there is objective evidence that the disaggregation does not accurately reflect the allocation of the selling price to the contract's performance obligations, the transaction price is disaggregated on the basis of individual selling prices.

The variable elements included in the contract selling price are only taken into account if it is highly probable that the subsequent removal of the uncertainties surrounding the variable element will not lead to a significant reduction in the revenue already recognised or forecast.

Penalties for delay or for the improper performance of a service obligation are taken into account in the analysis upon completion of each performance obligation and are deducted from income. Contractual amendments negotiated with customers are included in the selling price only when they become legally enforceable.

REVENUE RECOGNITION

Revenue is recognised as each associated performance obligation is satisfied, *i.e.* when the customer acquires control of the promised good or service. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset.

Control of the goods is transferred progressively to the customer, with the corresponding revenue recognised under the percentage of completion method, provided it can be demonstrated that:

- the asset sold does not have an alternative use;
- the group has an enforceable right to payment for performance completed to date (corresponding to costs incurred to date, plus a reasonable profit margin), in case of termination for reasons other than Naval Group's failure to perform.

The customer remains the owner of the asset on which Naval Group carries out maintenance, generally in the case of in-service support contracts.

The customer remains the owner of any asset undergoing a refit by Naval Group, particularly for contracts held by the Naval Group Services Division.

Revenue from services is usually recognised based on the stage of completion of the services, with the customer benefiting from the services as Naval Group performs them.

For some non-material contracts that are not accounted for under the percentage of completion method, the completed contract method is applied. The completed contract method consists of recognising the revenue and profit from the contract only on completion of the contracted work.

For reporting purposes, completion is defined as the technical completion of the programs.

METHOD FOR MEASURING PROGRESS

The group generally uses the percentage of completion method to measure progress: revenue is recognised on the basis of costs incurred to date, as a percentage of all expected costs to completion.

RECOGNITION OF MARGIN

Tender costs are expensed under "marketing and selling expenses" when they are incurred. They are therefore excluded from the contract margin.

All probable losses on contracts are provided for in full as soon as they become known.

ORDER BOOK

Only firm contracts awarded by the client and in effect are entered in Naval Group's order book. Conditional tranches, options and highly probable amendments are not entered in the order book until they are awarded.

As at December 31, 2025, the group's order book stood at €32 billion. Its provisional execution schedule is as follows: 13% in 2026, 12% in 2027, 12% in 2028, 10% in 2029 and 53% thereafter.

TREATMENT OF LOSSES AT COMPLETION (LOC)

Losses on completion are not considered in performance obligations (PO), a concept specific to IFRS 15. See IAS 37 "Provisions" in order to assess these situations.

IAS 37 requires a provision to be recorded where a contract becomes "costly"/loss-making. Any loss on completion must be assessed at contract level (and not PO level) regardless of which method is used to recognise revenue (percentage of completion by incurred costs or completion). Financial data in contracts with several performance obligations should, therefore, continue to be consolidated.

Where the cost to completion estimate shows an overall loss on the contract (cost to completion exceeds revenue to completion), a provision for loss on completion (LOC) must be made immediately to safeguard performance in future financial years from the negative outcome of this business.

1.3.16. FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in currencies other than the functional currency of the entity carrying them out are initially translated and recognised in that functional currency at the rate ruling at the date of the transactions.

Statement of financial position items are translated at the closing rate. Income statement and cash flow statement items are translated at the average rate for the period.

1.3.17. CASH AND CASH EQUIVALENTS

Cash comprises cash at bank and in hand. It is complemented by cash equivalents, which are cash invested in short-term risk-free investments. For this purpose, the group mainly chooses undertakings for collective investment in transferable securities (UCITS), certificates of deposit, term accounts with an exit option and interest rate products with an initial maturity of less than three months.

Investments in UCITS will be designated as cash equivalents if they belong to the Euro money-market category as defined by the French financial markets regulator, the Autorité des marchés financiers.

Investments in certificates of deposit and fixed-yield instruments will be designated as cash equivalents if their original maturity was three months at the most.

Investments that do not meet these criteria for recognition as cash equivalents, and those that are pledged, will be recognised under other financial assets.

“Net Cash” in the statement of cash flows represents the balance of cash and cash equivalents less bank overdrafts.

Whether or not they are classified as cash equivalents, investments are measured at amortised cost, except for structured medium-term negotiable notes and UCITS, which are valued at the fair value provided by the banks.

1.3.18. EMPLOYEE BENEFITS

POST-EMPLOYMENT BENEFITS

Obligations to employees for lump sums payable on retirement, which constitute post-employment benefits, are provided for in full, net of plan's financial assets intended to cover these obligations. In accordance with IAS 19 revised, the group's obligations are determined using the actuarial method known as the projected unit credit method, applied to all the private-sector employees (*i.e.* excluding seconded personnel).

This method is based on projection rules relating inter alia to:

- final salaries. Their valuation incorporates employees' length of service, salary level and career progression;
- retirement ages, determined on the basis of the likely age of commencement of employment for each category of employees, as well as the gradual lengthening of the contribution period under the standard Social Security scheme;
- the development of the workforce estimated on the basis of the TGH-TGF mortality tables and on a turnover rate resulting from the statistical observation of employee behaviour.

The obligations are calculated as follows:

- they are valued only from a certain number of years of service and on a straight-line basis until the date of retirement of the employee;
- the vesting period is determined from the date of retirement and no longer from the date of employment. When the rights are capped, the duration of the vesting period is limited to the length of service required at the time of the cap;
- they are updated;

- they are determined in accordance with the most favourable conditions for lump-sum payments provided for under the collective bargaining agreement for the metalworking industry and works agreements for the employees of the UES (Economic and Social Unit);
- actuarial gains and losses are disclosed under “Other comprehensive income” as items that cannot be reclassified to the income statement;
- the effects of the changes in the method used have been recognised in full in the income statement for the period in which they occurred;
- the expected return on plan assets held to cover retirement schemes is estimated using the same discounting rate as is used for the liabilities to employees.

The obligation is covered in part by financial assets obtained from an insurance company.

OTHER LONG-TERM BENEFITS

PROVISIONS FOR LONG-SERVICE AWARDS

Long-service awards, which constitute long-service bonuses, are granted in some group companies subject to a minimum length of service for each category within the company. Employees of Naval Group must have at least 10 years' service with the company to be eligible, in accordance with the company agreement dated April 11, 2017, together with its addenda.

In accordance with IAS 19, obligations to employees for long-service bonuses are estimated using the projected unit credit method, and correspond to the likely present value of future payments when the employee has reached various levels of seniority. A *pro rata* basis is applied to length of service.

SPECIFIC PENSIONS

Compensation pensions paid to French government employees seconded to the State-owned company as a result of work-related injuries or illnesses arising or attributable to services rendered during their period of secondment are paid by the State and reimbursed by the State-owned company until extinguishment of the debt.

Any specific pensions arising from work-related injuries or work-related illness claims equal to or greater than a permanent disability percentage of 10% thus constitute annuity benefits and are provided for as such, in accordance with the group's obligations. These pensions are calculated in accordance with the rules laid down in the French Social Security Code [*Code de la Sécurité sociale*].

PROVISIONS FOR SENIOR TIME SAVINGS ACCOUNTS

This scheme enables any employee aged 50 or above to bank holiday entitlements, which they can then use to bring forward their retirement date.

Each employee can bank up to 10 days' holiday per year in the senior time bank scheme, subject to a maximum of 130 days.

PROVISIONS FOR THE STRATEGIC JOBS AND SKILLS MANAGEMENT (GPEC)

As part of a transfer of knowledge, the agreement of September 7, 2020 allows employees with at least five years of seniority in the group and aged over 58 years to commit to a retirement date.

In this respect, the employer offers employees who are beneficiaries of this scheme an increase in their retirement bonus of a value of three months' salary or a buyback of quarters of up to four.



Calculations are carried out once a year at the end of the year using the probable present value of future benefits method. The measures provided for in the strategic jobs and skills management agreement will cease to apply on February 28, 2026 as specified in amendment 3 signed on July 22, 2025.

1.3.19. EMPLOYEE SHARE OFFER (ORS) AND COLLECTIVE SHAREHOLDING PLAN (PAC)

As part of Thales' acquisition of a 25% stake in Naval Group SA in 2007, followed by a 35% stake in 2011, two employee share offers were made for group employees to acquire Naval Group shares.

As part of the implementation of a collective shareholding plan (PAC) in 2019 and 2022, Naval Group SA shares were acquired by the beneficiaries of the plan, who immediately added them to the Compartment of FCPE Actions Naval Group created for that purpose.

These offers have been regarded as a share-based payment that will be cash-settled. The group itself ensures the liquidity of the transaction by providing a mechanism to buy back its own shares from employees who request it (see note 3.6.6. for more details). The liability corresponding to the group's obligation to buy back shares is remeasured annually on the basis of a share valuation performed by a group of independent experts. The change in value of this liability is recognised under net finance income (expense).

1.3.20. INCOME TAX

Income tax comprises current and deferred tax. Tax is recognised in profit or loss unless it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the estimated amount of tax due in respect of the taxable profit for the year after deduction of the various tax credits, calculated using the tax rates enacted or substantively enacted in law at the reporting date, plus or minus any adjustment to the amount of current tax due in respect of previous years.

Deferred tax is calculated and recognised using the liability method for all temporary differences between the carrying amount of assets and liabilities and their tax bases. The recoverability of deferred tax assets is assessed on the basis of forecast data contained in the strategic plans of each of the tax groups in question.

1.3.21. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share are calculated by dividing the net profit attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per ordinary share is calculated by dividing the net profit attributable to ordinary shareholders of the parent corrected for the impact of dilutive instruments by the weighted average number of ordinary shares, corrected for the number of dilutive instruments deemed to have been exercised.

Shares in the consolidating company held by itself and where applicable, by consolidated companies, are excluded from the average number of shares outstanding.

1.4. SCOPE OF CONSOLIDATION

1.4.1. ACQUISITIONS DURING THE FINANCIAL YEAR

ACCUWATT TECHNOLOGIES

In January 2025, Naval Group completed the acquisition of 100% of Accuwatt Technologies. This SME specialises in the design, development and manufacture of battery packs for use in constrained environments. This acquisition is part of the implementation of the group's strategy in terms of mastering the key obstacles of drones, autonomous systems and underwater weapons, and will make it possible to consolidate its skills in the "Energy" technological component.

This acquisition was completed for a price of €3.6 million. Goodwill of €2.9 million was recognised in the consolidated statement of financial position at December 31, 2025.

SYSTEMIQUE SAS

In September 2025, Naval Group completed the acquisition of 20% of Systématique. This SME was created in 1991 and specialises in the design and development of complex information processing systems.

This acquisition was completed at a price of €1.6 million. Goodwill of €1.3 million was recognised in the consolidated statement of financial position at December 31, 2025.

1.4.2. SUBSIDIARIES AND ASSOCIATES

As at December 31, 2025, the consolidation scope consisting of the main fully consolidated subsidiaries and associates, was as follows:

(in percentages)	Country	Control at 12/31/2025	Interests at 12/31/2025	Control at 12/31/2024	Interests at 12/31/2024
PARENT					
Naval Group SA	France				
EXCLUSIVE CONTROL (FULLY CONSOLIDATED)					
Accuwatt Technologies	France	100	100	-	-
Alexandria Naval for Maintenance & Industry	Egypt	100	100	100	100
Armaris Quater SAS	France	100	100	100	100
Armaris Sixt SAS	France	100	100	100	100
Armaris Quint	France	100	100	100	100
DCN International SA	France	100	100	100	100
Naval Group Actionnariat SAS	France	100	100	100	100
Naval Group Coopération SA	Belgium	100	100	100	100
Naval Energies SAS	France	100	100	100	100
Naval Group Far East PTE Ltd	Singapore	100	100	100	100
Naval Group India PTE Ltd	India	100	100	100	100
Naval Group Malaysia	Malaysia	100	100	100	100
Naval Group Participations	France	100	100	100	100
Naval Group Support SAS	France	100	100	100	100
MO PA2 SAS	France	100	100	100	100
Sirehna SA	France	100	100	100	100
Naval Group BR Sistemas de Defesa	Brazil	100	100	100	100
Prosin	Brazil	100	100	100	100
DCNS Energia Marina SpA	Chile	75	75	75	75
Naval Group Australia Pty Ltd	Australia	100	100	100	100
Naval Group Arabia	Saudi Arabia	100	100	100	100
Naval Group BV	Netherlands	100	100	-	-
Naval Group Pacific Pty Ltd	Australia	100	100	100	100
Naval Group Belgium	Belgium	100	100	100	100
Naval Group RE	France	100	100	100	100
Naval Group Hellas	Greece	100	100	100	100
Long Marine Services	Singapore	100	100	100	100
PT Naval Group Nusantara	Indonesia	100	100	-	-
SIGNIFICANT INFLUENCE (ASSOCIATES)					
Boustead DCNS Naval Corporation SDN BHD	Malaysia	40	40	40	40
Défense Environnement Services SAS	France	49	49	49	49
Naviris parent company	Italy	50	50	50	50
Itaguaí Construções Navais SA	Brazil	41	41	41	41
Kership SAS	France	45	45	45	45
MO Porte-Avions	France	65	65	65	65
TechnicAtome	France	20	20	20	20
Jeumont Electric SAS	France	31	31	31	31
Jeumont India	India	31	31	31	31
DCNS Zamil	Saudi Arabia	-	-	55	55
Systemique SAS	France	20	20	-	-



1.5. DISCONTINUED OPERATIONS AND RESTATEMENT OF COMPARATIVE INFORMATION

In accordance with the provisions of IFRS 5 – Non-current assets held for sale and discontinued operations, the presentation impacts are as follows:

- the subsidiary's net income is presented on a separate line of the income statement entitled "Net income from discontinued operations";

- in the statement of cash flows, all flows relating to this subsidiary are presented on the line "Impact of discontinued operations".

The main aggregates of the consolidated income statement of the subsidiary Naval Energies treated in accordance with IFRS 5 for the 2025 and 2024 financial years are as follows:

NAVAL ENERGIES INCOME STATEMENT

	2025	2024
Cost of sales	-	-
Marketing and selling expenses	-	-
General and administration expenses	5.4	0.6
PROFIT (LOSS) FROM CONTINUING OPERATIONS	5.4	0.6
OPERATING INCOME	5.4	6.3
NET FINANCE INCOME (EXPENSE)	(1.8)	(2.1)
Income tax	(0.3)	(0.4)
NET PROFIT/(LOSS) FOR THE PERIOD	3.3	3.9

NOTE 2. INCOME STATEMENT

2.1. REVENUE

Group revenue for the financial year ended December 31, 2025, was €4,678.8 million [*versus* €4,354.6 million for the financial year ended December 31, 2024].

	Surface vessels	Submarines	Services	Other	2025
Construction contracts	1,408.3	1,415.0	1,566.6	71.2	4,461.1
Sales of goods and services	0.4	2.1	110.8	104.3	217.7
REVENUE	1,408.7	1,417.1	1,677.5	175.5	4,678.8
France share	35.9%	76.5%	84.8%	69.2%	67.0%
Foreign share	64.1%	23.5%	15.2%	30.8%	33.0%

	Surface vessels	Submarines	Services	Other	2024
Construction contracts	1,251.2	1,228.7	1,593.7	74.1	4,147.8
Sales of goods and services	1.3	0.2	108.3	96.9	206.8
REVENUE	1,252.6	1,229.0	1,702.1	171.0	4,354.6
France share	35.6%	86.4%	85.7%	72.5%	71.0%
Foreign share	64.4%	13.6%	14.3%	27.5%	29.0%

2.2. OPERATING PROFIT/LOSS

At December 31, 2025, the cost of sales for an amount of (€3,986.3) million consists of purchasing costs and the employee benefits expense.

2.2.1. EMPLOYEE HEADCOUNT AND COSTS OF OWN AND SECONDED EMPLOYEES

	2025	2024
Wages and salaries (including social security charges) of own employees	(1,606.4)	(1,485.6)
Retirement and other long-term employee benefit expenses	(5.8)	(5.9)
Employees seconded by the French State	(104.8)	(114.3)
Other	(50.4)	(46.2)
TOTAL	(1,767.4)	(1,652.0)

The costs of own and seconded employees are recognised in the income statement under the following current operating expenses:

- cost of sales;
- research and development expense;
- marketing and selling expenses;
- general and administration expenses.

The average workforce employed by fully consolidated group companies was as follows, on a full-time equivalent basis:

	2025	2024
Managers	8,733	8,338
Non-managerial staff	8,029	8,024
TOTAL FULLY CONSOLIDATED FRENCH COMPANIES	16,763	16,362
Other consolidated companies of the group	407	360
TOTAL WORKFORCE	17,170	16,722
Of which seconded employees	1,109	1,262

2.2.2. RESEARCH AND DEVELOPMENT EXPENSE

The research and development expense, net of the research tax credit, amounted to (€80.8) million for the financial year ended December 31, 2025 (*versus* (€91.8) million for the financial year ended December 31, 2024).

These research and development expenses correspond to the net research and development expenses incurred by the group.

2.2.3. STATUTORY AUDITORS' FEES

	EY Network		Forvis Mazars network		TOTAL	
	12/2025	12/2024	12/2025	12/2024	12/2025	12/2024
Certification of financial statements	0.6	0.6	0.6	0.6	1.3	1.3
Naval Group	0.5	0.5	0.5	0.5	1.1	1.1
Consolidated subsidiaries	0.1	0.1	0.1	0.1	0.2	0.2
TOTAL	0.6	0.6	0.6	0.6	1.3	1.3

2.2.4. OTHER OPERATING INCOME

	2025	2024
Competitiveness/restructuring plan	0.4	-
Other	5.0	0.1
OTHER OPERATING INCOME	5.4	0.1

2.2.5. OTHER OPERATING EXPENSES

	2025	2024
Competitiveness/restructuring plan	-	-
Other ⁽¹⁾⁽²⁾	(20.6)	(18.2)
OTHER OPERATING EXPENSES	(20.6)	(18.2)

(1) At December 31, 2025, the amount primarily corresponded to the cost of the VAR project.

(2) At December 31, 2024, the amount primarily corresponded to the relative cost of the Bagneux site closure.

2.3. NET FINANCE INCOME (EXPENSE)

Income from financial investments represents interest earned by the group on its cash investments in the amount of €28.7 million for the financial year ended December 31, 2025 (*versus* €35.1 million for the financial year ended December 31, 2024).

Interest expenses related to IFRS 16 contracts were (€4.7) million for the financial year ended December 31, 2025 (*versus* (€4.6) million for the financial year ended December 31, 2024).

2.3.1. OTHER FINANCIAL INCOME

	2025	2024
Changes in fair value of financial investments	3.9	-
Dividends received	1.2	8.5
Interest on overdue trade receivables	5.6	8.6
Foreign exchange gains	4.2	4.6
Reversal of impairment on provisions for long-term benefits	0.4	1.0
Reversal of impairments on financial assets	1.4	6.1
Revenues from cash equivalents	0.3	0.2
Interest on bank accounts	10.5	9.1
Other income	3.3	3.1
OTHER FINANCIAL INCOME	30.7	41.2

2.3.2. OTHER FINANCIAL EXPENSES

	2025	2024
Changes in fair value of financial investments	-	(4.1)
Change in employee share offer liability	(1.6)	(1.8)
Interest on overdue trade payables	1.3	(0.3)
Foreign exchange losses	(6.5)	(2.5)
Impairment losses on provisions of long-term benefits	(1.4)	(2.0)
Impairment losses on financial assets/provisions	(0.9)	(1.2)
Interest on loans	(1.5)	(75)
Net expenses on disposal of investment securities	(1.5)	-
Other expenses	(0.1)	(10.2)
OTHER FINANCIAL EXPENSES	(12.3)	(29.6)

2.4. INCOME TAX

2.4.1. ANALYSIS OF INCOME TAX EXPENSE

	2025	2024
Deferred tax	5.1	(30.4)
Current tax	(109.9)	(476)
INCOME TAX	(104.8)	(78.0)

2.4.1.1. EXCEPTIONAL CONTRIBUTION ON THE PROFITS OF LARGE COMPANIES

The 2025 Finance Act introduced an exceptional and temporary contribution on the profits of large companies, applicable to companies subject to corporate income tax with revenue in France equal to or greater than €1 billion.

This contribution is intended to increase the French State's tax revenue from time to time and applies for the first financial year ending on or after December 31, 2025.

The group falls within the scope of this contribution in view of its level of consolidated revenue in France [see note 2.1].

The exceptional contribution is calculated on the basis of the average corporate income tax due for the financial year in question, 2025 and the previous financial year, 2024, before deduction of tax credits.

The applicable rate depends on the level of revenue:

- 20.6% if revenue is between €1 billion and less than €3 billion;
- 41.2% if revenue is equal to or greater than €3 billion.

The exceptional contribution constitutes a current tax expense for the financial year in question. In accordance with legal provisions, this contribution is not tax deductible.

At December 31, 2025, in the consolidated financial statements, this exceptional contribution was recognised as an income tax expense for an amount of €25.4 million and resulted in the increase in the effective tax rate [30.26% instead of 22.69% without this contribution].

2.4.2. RECONCILIATION OF ACTUAL AND THEORETICAL INCOME TAX EXPENSE

	2025	2024
Net income from continuing operations	264.1	261.7
Income tax	(104.8)	(78.0)
Net income from associates	22.9	8.4
PROFIT (LOSS) BEFORE TAX	346.0	331.4
Effective tax rate	25.83%	25.83%
THEORETICAL TAX EXPENSE	(89.4)	(85.6)
Offset of research tax credit in EBITDA ⁽¹⁾	74	6.6
Offset of tax surcharge ⁽²⁾	(25.4)	-
Deferred tax not recognised ⁽³⁾	(0.1)	(0.1)
Difference in corporation tax rate on foreign income/(loss) ⁽⁴⁾	1.3	0.6
Other permanent differences	1.3	(0.5)
ACTUAL TAX EXPENSE	(104.8)	(79.0)
Effective tax rate ⁽⁵⁾	30.26%	23.80%

(1) The recognition of research tax credit set against operating expenses generates a theoretical income tax expense of (€74) million, which must be offset.

(2) Tax surcharge approved in France's 2025 finance law (No. 2025-127 of February 14, 2025).

(3) No deferred tax has been capitalised on the losses as it is unlikely that they can be offset.

(4) The rate difference between the theoretical corporation tax rate and the current rate applied in the overseas subsidiaries and permanent establishments.

(5) Excluding losses not recognised.



2.4.3. DEFERRED TAXES ON THE STATEMENT OF FINANCIAL POSITION

	12/31/2024	Net income	Net position excluding associates		12/31/2025
			OCI	Other	
Deferred tax assets	141.5	6.0	0.6	(0.7)	147.4
Deferred tax liabilities	(3.5)	(0.9)	0.1	0.3	(4.2)
DEFERRED TAX BALANCE	138	5.1	0.7	(0.4)	143.2
<i>Of which impairment of deferred tax</i>	-	-	-	-	-

	12/31/2023	Net income	Net position excluding associates		12/31/2024
			OCI	Other	
Impôts différés actifs	175,6	(29,3)	(3,5)	(1,4)	141,5
Impôts différés passifs	(2,7)	(1,2)	-	0,3	(3,5)
SOLDE DES IMPÔTS DIFFÉRÉS	172,9	(30,5)	(3,5)	(1,1)	138,0
<i>Dont dépréciation d'impôts différés</i>	-	-	-	-	-

Deferred tax assets mainly involve the differences between the book basis and the tax basis of provisions on contracts and provisions for lump-sum payments payable on retirement.

Taxable units within the group include in particular the Naval Group tax consolidation group, which comprises all fully consolidated French companies in which its interest exceeds 95%. At December 31, 2025, the tax loss carry forwards of certain companies have not been capitalised.

2.5. EARNINGS PER SHARE

The group issued no new ordinary shares during the financial years ended December 31, 2025 and December 31, 2024. The calculation of earnings per share is therefore based on a number of ordinary shares outstanding after buybacks of treasury shares, which was 55,644,639 shares and 55,686,993 shares for the financial years ended December 31, 2025, and December 31, 2024 respectively.

No dilutive instruments were issued during the financial years ended December 31, 2025 and December 31, 2024. Diluted and basic earnings per share are therefore identical.

The numerator is equal to the net profit and the denominator is the average number of shares outstanding, *i.e.* 55,644,639 shares and 55,686,993 shares for the years ended December 31, 2025 and December 31, 2024 respectively.

	2025	2024
Earnings per share from continuing operations	4.75	4.70
Earnings per share from discontinued operations	0.06	0.07
BASIC AND DILUTED EARNINGS PER SHARE (IN €)	4.81	4.77

NOTE 3. OPERATING ASSETS AND LIABILITIES

3.1. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

3.1.1. INTANGIBLE ASSETS

	Patents & similar	Fair value differences	Other intangible assets	Total intangible assets
Gross amounts				
Opening	334.3	1571	28.5	519.9
Acquisitions	33.1	-	-	33.1
Disposals and write-offs	(0.1)	-	(0.2)	(0.3)
Other changes	(8.5)	-	73	(1.0)
CLOSING	358.7	157.1	35.6	551.6
Depreciation, amortisation, and impairment losses				
Opening	(283.8)	(1571)	(2.1)	(443.0)
Net depreciation for the financial year	(23.2)	-	(0.1)	(23.3)
Reversals	-	-	-	-
Disposals and write-offs	0.1	-	-	0.1
Other changes	-	-	1.7	1.7
CLOSING	(306.9)	(157.1)	(0.4)	(464.4)
Net amounts 12/31/2024	50.5	-	26.4	76.9
NET AMOUNTS 12/31/2025	51.8	-	35.2	87.2

3.1.2. PROPERTY, PLANT AND EQUIPMENT AND RIGHTS OF USE

	Land	Buildings	Plant and machinery	Other property, plant and equipment	Total property, plant and equipment
Gross amounts					
Opening	25.2	473.8	492.3	992.9	1,984.2
Acquisitions	-	12.1	45.6	145.4	203.1
Disposals and write-offs	-	(0.5)	(11.8)	(31.7)	(44.0)
IFRS 16 – entry	-	11.4	5.8	-	172
IFRS 16 – exit	-	(74)	(0.6)	-	(8.0)
Other changes	-	(0.2)	0.2	(1.5)	(1.5)
CLOSING	25.2	489.2	531.5	1,105.1	2,151.0
Depreciation, amortisation, and impairment losses					
Opening	-	(183.7)	(337.5)	(551.0)	(1,072.2)
Net depreciation for the financial year	-	(11.2)	(32.7)	(63.5)	(1074)
Reversals	-	0.2	1.6	0.6	2.4
Disposals and write-offs	-	0.5	11.6	31.5	43.6
Net provisions for IFRS 16 rights of use	-	(22.2)	(2.3)	-	(24.5)
Reversals of IFRS 16 rights of use	-	70	0.5	-	75
Other changes	-	0.1	(0.1)	0.2	0.2
CLOSING	-	(209.2)	(358.8)	(582.1)	(1,150.1)
Net amounts 12/31/2024	25.2	290.1	154.8	441.9	912.0
NET AMOUNTS 12/31/2025	25.2	280.0	172.7	523.0	1,000.9
<i>Of which property, plant and equipment at 12/31/2025</i>	<i>25.2</i>	<i>1571</i>	<i>166.2</i>	<i>523.0</i>	<i>871.4</i>
<i>Of which rights of use at 12/31/2025</i>	<i>-</i>	<i>122.9</i>	<i>6.5</i>	<i>-</i>	<i>129.4</i>



3.2. GOODWILL

3.2.1. CHANGE IN GOODWILL

	12/31/2024	Acquisitions	Disposals	Impairment	12/31/2025
Services (SER)	86.9	-	-	-	86.9
Surface vessels (SV)	196.8	-	-	-	196.8
DSASM (DSA)	-	2.9	-	-	2.9
Submarines (SM)	99.1	-	-	-	99.1
GOODWILL	382.8	2.9	-	-	385.7

	12/31/2023	Acquisitions	Disposals	Impairment	12/31/2024
Services (SER)	86.9	-	-	-	86.9
Surface vessels (SV)	196.8	-	-	-	196.8
DSASM (DSA)	-	-	-	-	-
Submarines (SM)	99.1	-	-	-	99.1
GOODWILL	382.8	-	-	-	382.8

3.2.2. ASSUMPTIONS USED

At December 31, 2025, the discount rate (WACC) of future cash flows for all CGUs is 8.28%. Impairment tests use the four-year business plan adopted by General Management and presented to the Board of Directors. These assumptions take into account current market conditions, their foreseeable changes, as well as the group's assumptions about changes in the context. Beyond the horizon of the four-year plan, the perpetual growth rate used to calculate the value of the terminal cash flow is 1.50%.

3.2.3. SENSITIVITY OF VALUES IN USE TO KEY ASSUMPTIONS

Given the high positive difference between the value in use (determined *via* the DCF) and the value of the assets to be tested, no potential impairment loss appears for all the CGUs. The same applies to the assumption of an increase in the WACC of 0.5 point and a decrease in the perpetual growth rate of 0.5 point.

3.3. INVESTMENTS IN ASSOCIATES

3.3.1. SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT IN THE NET ASSETS AND NET INCOME OF ASSOCIATES

	Equity method end of period		Net income	
	12/31/2025	12/31/2024	2025	2024
Boustead DCNS Naval Corporation SDN BHD (Malaysia) ⁽¹⁾	(3.3)	(6.3)	2.7	0.6
Itaguaí Construções Navais SA (Brazil) ⁽¹⁾	(35.3)	(35.9)	0.3	(11.8)
Défense Environnement Services SAS (France) ⁽¹⁾	1.5	0.7	1.4	0.4
Kership SAS (France)	7.3	6.8	0.6	0.5
TechnicAtome SA (France)	110.3	98.6	16.9	18.4
Naviris parent company (Italy)	3.4	2.0	1.5	1.8
MD Porte-Avions (France)	0.3	(2.4)	2.5	1.5
Jeumont Electric SAS (France)	9.0	10.9	(2.0)	(3.0)
Jeumont India	(1.0)	-	(0.9)	-
Systémique SAS (France)	1.6	-	-	-
TOTAL	93.7	74.5	22.9	8.4

(1) Companies accounted for under the equity method since January 1, 2014 (IFRS 10 and 11).

3.3.2. CHANGES IN "INVESTMENTS IN ASSOCIATES BOOKED USING THE EQUITY METHOD"

	12/31/2025	12/31/2024
INVESTMENTS IN ASSOCIATES AS AT JANUARY 1	74.5	124.0
Share in income/(loss) of associates	22.9	8.4
Dividends paid	(78)	(58.3)
Actuarial gains (losses) on pensions, net of deferred taxes	0.4	(0.7)
Currency hedges	1.7	(4.4)
Translation differences	0.3	5.5
Changes in scope	1.6	-
Other	(0.1)	-
INVESTMENTS IN ASSOCIATES	93.7	74.5

3.3.3. SUMMARY FINANCIAL INFORMATION RELATING TO TECHNICATOME

Naval Group holds 20.32% of the share capital of TechnicAtome, which specialises in nuclear power. TechnicAtome's summary financial statements (prepared in accordance with IFRS) are as follows:

Summarised statement of financial position (100%)	12/31/2025	12/31/2024
TOTAL ASSETS	1,023.4	997.6
Equity restated, entity's share before net income	136.9	73.4
Actuarial gains (losses) on pensions, net of deferred taxes	(1.5)	(3.0)
Entity's net income	83.0	90.7
Equity restated, entity's share	218.3	161.1
Other liabilities	805.1	836.5
TOTAL EQUITY AND LIABILITIES	1,023.4	997.6
Cash and cash equivalents	576.6	626.3

Consolidation in Naval Group	12/31/2025	12/31/2024
Equity restated, entity's share before net income	136.9	73.4
Actuarial gains (losses) on pensions, net of deferred taxes	(1.5)	(3.0)
Entity's net income	83.0	90.7
Equity restated, entity's share	218.3	161.1
Naval Group % shareholding	20.32%	20.32%
NAVAL GROUP SHARE	44.4	32.7
Goodwill	66.0	66.0
SHARE IN THE JOINT VENTURE	110.3	98.7

Income statement (100%)	12/31/2025	12/31/2024
Revenue	656.8	625.6
Operating profit	96.6	104.7
Net finance income (expense)	15.4	19.5
Tax	(29.0)	(33.5)
NET INCOME RESTATED	83.0	90.7
Naval Group % shareholding	20.32%	20.32%
SHARE OF NET INCOME OF JOINT VENTURE	16.9	18.4



3.4. INVENTORIES AND WORK IN PROGRESS

	12/31/2025	12/31/2024
Raw materials and goods for resale	452.0	478.5
Work in progress	71.7	62.2
Finished and semi-finished products	2.5	1.1
GROSS AMOUNTS	526.2	541.8
Impairment	(24.3)	(23.3)
INVENTORIES AND WORK IN PROGRESS	502.0	518.5

3.5. TRADE AND OTHER RECEIVABLES

	12/31/2025	12/31/2024
Trade receivables, gross	1,324.8	1,816.2
Trade receivables, impairment allowance	(12.0)	(178)
CUSTOMERS	1,312.7	1,798.4
Tax receivables (excluding current tax)	401.9	437.9
Employment and social benefit receivables	20.1	14.5
TAX, EMPLOYMENT, AND SOCIAL BENEFIT RECEIVABLES	422.0	452.4
Deferred expenses	476	73.2
Other receivables, gross	21.7	27.7
OTHER RECEIVABLES, NET	69.2	100.9
TRADE AND OTHER RECEIVABLES	1,804.0	2,351.7

3.6. EQUITY

3.6.1. SHARE CAPITAL

At December 31, 2025, the parent company's share capital comprised 56,300,000 ordinary shares of a nominal value of €10, distributed as follows:

	Ordinary shares	Total	%
The French State	35,047,871	35,047,871	62.25%
Thales	19,705,000	19,705,000	35.00%
FCPE Actions Naval Group	882,894	882,894	1.57%
Naval Group Actionnariat (treasury shares)	655,361	655,361	1.16%
Employees	8,874	8,874	0.02%
TOTAL	56,300,000	56,300,000	100.00%

There are no other securities in circulation giving access to the capital of Naval Group.

3.6.2. DIVIDEND PAYMENTS

The Ordinary General Meeting of March 26, 2025 decided to allocate earnings for the financial year ended December 31, 2024 as follows:

- €132.9 million as shareholder dividends;
- €217.4 million in retained earnings.

3.6.3. CHANGES IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES RECOGNISED DIRECTLY IN EQUITY

During the financial year ended December 31, 2025, the group did not record a change in the fair value of financial assets and liabilities.

3.6.4. CHANGES IN THE FAIR VALUE OF THE CASH FLOW HEDGE RESERVE

At December 31, 2025, the group had financial hedging instruments, but these were not recognised using hedge accounting with an offsetting entry in other comprehensive income (within the meaning of IFRS 9), but at fair value through profit or loss.

At December 31, 2025, MO Porte-Avions (equity associate) had a valuation of (€2.7) million net of deferred tax on the fair value of the hedging reserve.

3.6.5. TRANSLATION DIFFERENCES (FOREIGN SUBSIDIARIES)

As stated in note 1.3.5, this item comprises differences arising on the translation of the financial statements of foreign companies on the basis of the closing and average exchange rates.

The following group companies do not use the euro as their functional currency: Naval Group Far East (Singapore dollar – SGD), Itaguaí Construções Navais, Prosin and Naval Group BR (Brazilian real – BRL), Boustead DCNS Naval Corporation and Naval Group Malaysia (Malaysian ringgit – MYR), Naval Group India (Indian rupee – INR), Naval Group Australia Pty Ltd and Naval Group Pacific (Australian dollar – AUD), DCNS Zamil and Naval Group Arabia (Saudi riyal – SAR), DCNS Energía Marina SpA (Chilean peso – CLP), Alexandria Naval for Maintenance & Industry (Egyptian pound – EGP), Jeumont India (Indian rupee – INR), PT Naval Group Nusantara (Indonesian rupiah – IDR).

For the financial year ended December 31, 2025, the group recorded a decrease of (€2.4) million in its reserves for translation differences (compared with an increase of €5.6 million in 2024).

3.6.6. TREASURY SHARES

During the financial years ended December 31, 2024 and December 31, 2025, 58,524 and 42,354 treasury shares respectively were bought back by Naval Group Actionnariat (a wholly owned subsidiary of the group) under the mechanism set up to ensure the liquidity of the shares acquired in connection with the employee share offers carried out in 2008 (ORS 2008) and 2014 (ORS 2014), the employee stock ownership plans introduced in 2019 (PAC 2019) and 2022 (PAC 2022) and the 2019 LTIP. In accordance with note 1.3.18, Naval Group shares held by Naval Group Actionnariat and those whose liquidity must be ensured by the latter in the context of the aforementioned transactions were deducted from shareholders' equity.

The impact on equity was €89.7 million as at December 31, 2025 (€88.5 million as at December 31, 2024).

As a new annual valuation of Naval Group share was published in April 2025 by the college of experts, it was used to revalue the reserve of treasury shares (only for those corresponding to the buyback commitment issued by Naval Group and not yet redeemed) against other reserves for (€1.6) million.

At December 31, 2025, Naval Group Actionnariat held 655,361 Naval Group shares, and FCPE Actions Naval Group, the shares of which are therefore held by beneficiaries of the transactions referred to above, held 882,894 shares.

The conditions restricting the resale of shares held by employees have been lifted since August 2013 for the ORS 2008 employee share offer, December 2019 for the ORS 2014 employee share offer, and July 2024 for the PAC 2019 employee stock ownership plan.

Shares acquired under the PAC 2022 plan are subject to a five-year retention period ending in July 2027. As for all assets held under the group savings plan (PEG), early releases are possible in accordance with the applicable regulations in force.

3.6.7. CAPITAL MANAGEMENT

The group's cash position, net of financial debt, is positive. Under its current strategic plan, the group therefore does not envisage altering its share capital as its funds are considered to be sufficient.

Nevertheless, subject to legal and contractual provisions, the shareholder structure may alter due to exchanges of shares between shareholders, as they decide.

3.7. PROVISIONS

	12/31/2024	Allocations	Utilisation	Reversals	Other	12/31/2025
Provisions for retirement benefits ⁽¹⁾	276	12.7	(79)	-	(30.9)	1.5
Other non-current provisions ⁽²⁾	45.5	13.7	(4.1)	-	2.4	57.4
NON-CURRENT PROVISIONS	73.1	26.4	(12.0)	-	(28.5)	58.9
Provisions for retirement benefit	3.7	-	-	-	1.1	4.7
Restructuring provision ⁽³⁾	10.1	1.0	(0.4)	-	-	10.7
Provisions under warranties	71.9	14.3	(10.5)	-	-	75.7
Provisions on contracts	325.5	59.5	(3.7)	(94.6)	-	286.7
Provisions for losses on completion ⁽⁴⁾	44.4	72.9	(0.3)	(5.9)	-	111.1
Other current provisions ⁽⁵⁾	49.1	17.4	(0.1)	(15.4)	(2.4)	48.6
CURRENT PROVISIONS	504.7	165.1	(15.0)	(115.9)	(1.3)	537.6
PROVISIONS	577.8	191.5	(27.0)	(115.9)	(29.8)	596.5

(1) The "Other" flow of "Provisions for retirement benefits" corresponds to the reclassification of (€1.1) million between current and non-current, to the actuarial difference of (€178) million and to a payment on hedging assets of (€12.0) million.

(2) At December 31, 2024, other non-current provisions included provisions for other long-term benefits (long-service bonuses, annuities, and CET for Senior employees, see note 1.3.1B) for an amount of €46.5 million and provisions for litigation.

(3) At December 31, 2025, the provision mainly concerns the costs related to the closure of the Bagneux/Var Ouest project site.

(4) For each contract, the change in the provision for losses on completion is recognised at its net amount.

(5) Other current provisions mainly include provisions relating to tax, labour, environmental and supplier disputes.

	12/31/2023	Allocations	Utilisation	Reversals	Other	12/31/2024
Provisions for retirement benefits ⁽¹⁾	34.1	12.6	(75)	-	(11.5)	276
Other non-current provisions ⁽²⁾	46.9	5.1	(3.5)	-	(3.0)	45.5
NON-CURRENT PROVISIONS	81.0	17.7	(11.1)	-	(14.5)	73.1
Provisions for retirement benefit	5.4	-	-	-	(1.8)	3.7
Provisions for the competitiveness plan ⁽³⁾	-	10.1	-	-	-	10.1
Provisions under warranties	69.2	9.2	(6.6)	-	-	71.9
Provisions on contracts ⁽⁴⁾	477.3	68.2	(0.7)	(219.2)	-	325.5
Provisions for losses on completion ⁽⁴⁾	38.3	23.1	(0.2)	(16.7)	-	44.4
Other current provisions ⁽⁵⁾	45.0	16.0	(4.0)	(10.9)	3.0	49.1
CURRENT PROVISIONS	635.2	126.6	(11.5)	(246.8)	1.2	504.7
PROVISIONS	716.2	144.3	(22.6)	(246.8)	(13.3)	577.8

(1) The "Other" flow of "Provisions for retirement benefits" corresponds to the reclassification of €1.7 million between current and non-current, and to the actuarial difference of (€13.2) million.

(2) At December 31, 2024, other non-current provisions included provisions for other long-term benefits (long-service bonuses, annuities, and CET for Senior employees, see note 1.3.18) for an amount of €42.1 million and provisions for litigation.

(3) At December 31, 2024, the provision mainly concerns the costs related to the closure of the Bagneux site.

(4) For each contract, the change in the provision for losses on completion is recognised at its net amount.

(5) Other current provisions mainly include provisions relating to tax, labour, environmental and supplier disputes.

3.71. PROVISIONS FOR RETIREMENT BENEFITS

As at December 31, 2025, provisions for retirement benefits for the group as a whole amounted to €6.3 million (compared to €31.3 million as at December 31, 2024), mainly related to Naval Group.

The assumptions used were as follows:

- a discount rate of 4% (compared to 3.50% at December 31, 2024);
- an inflation rate of 2% (same as at December 31, 2024);
- a salary increase rate of 2.80% (same as at December 31, 2024).

As at December 31, 2025, the sensitivity of the net obligation to a change in the discount rate was as follows:

- reducing the discount rate by 0.5 point would lead to a commitment for retirement benefits of €129.6 million;
- increasing the discount rate by 0.5 point would lead to a commitment for retirement benefits of €114.4 million.

Changes in the retirement obligation were as follows:

	2025	2024
Opening obligation	128.4	126.8
Current service cost	11.7	11.4
Accretion expense and expected returns on assets	73	10.9
Benefits paid	(79)	(74)
Actuarial gains and losses ⁽¹⁾	(178)	(13.3)
OBLIGATION AT END OF PERIOD	121.7	128.4

(1) The change in actuarial gains and losses in 2025 is mainly related to the differences on the assumptions made on the discount rate for (€79) million, the revaluation of assets for (€2.9) million and on experience for (€3.2) million.

Changes in pension plan assets were as follows:

	2025	2024
Assets at start of period	971	873
Payment on hedging assets	12.0	0.0
Return on assets	6.3	9.8
ASSETS AT END OF PERIOD	115.4	97.1

As at December 31, 2025, the assets were invested as follows: 51.95% in equities, 22.41% in money-market instruments, 18.90% in diversified assets and 6.74% in bonds.

The net charge recognised breaks down as follows:

	2025	2024
Current service cost	(11.7)	(11.4)
Benefits paid	79	74
Accretion expense	(0.9)	(1.1)
NET EXPENSE	(4.8)	(5.1)

The reconciliation of the actuarial obligation and the provision recognised in the statement of financial position is as follows:

	12/31/2025	12/31/2024
Actuarial commitment	121.7	128.4
Fair value of assets	(115.4)	(97.1)
PROVISIONS AT END OF PERIOD	6.3	31.3

Forecast payments for retirement benefits for the next four years are as follows:

	12/31/2025
Forecast benefits 2026	3.8
Forecast benefits 2027	70
Forecast benefits 2028	4.2
Forecast benefits 2029	2.6
FORECAST BENEFITS FOR THE NEXT 4 YEARS	17.6

3.7.2. PROVISIONS FOR OTHER LONG-TERM BENEFITS

The provision for other long-term benefits concerns the following:

- pensions;
- long-service bonuses;
- CET Senior.

They are defined in note 1.3.18.

Changes in obligations to pay other long-term benefits as at December 31, 2025 were as follows:

	12/31/2025	12/31/2024
Opening obligation	48.8	46.9
Current service cost	3.7	3.7
Accretion expense	1.6	1.4
Benefits paid	(1.8)	(1.7)
Actuarial gains and losses	(1.5)	(1.5)
OBLIGATION AT YEAR-END TO PAY OTHER LONG-TERM BENEFITS	50.8	48.8

3.8. TRADE AND OTHER PAYABLES

	12/31/2025	12/31/2024
Suppliers	1,854.1	1,887.1
Tax payables (excluding current tax)	382.9	415.0
Social benefit liabilities	358.5	301.5
Other payables	90.4	110.5
TRADE AND OTHER PAYABLES	2,685.9	2,714.1



3.9. CONTRACT ASSETS AND LIABILITIES

Contract assets, corresponding to the net debit position of unbilled receivables from which the corresponding advances received from customers have been deducted, and contract liabilities, corresponding to the net credit position of advances received from customers from which the corresponding unbilled receivables have been deducted, as well as deferred income.

This amount increases in line with the stage of completion of the contract and decreases as services are invoiced to the customer or as part payments are received. Contract assets and liabilities are as follows:

(in € millions)	12/31/2025	12/31/2024
Unbilled receivables, gross	8,794.2	6,765.5
Advances and part payments received from customers	(7,898.2)	(6,112.7)
Deferred income	(28.0)	(18.6)
CONTRACT ASSETS	867.9	634.2
Advances and part payments received from customers	5,799.4	6,583.8
Unbilled receivables	(3,604.5)	(5,172.0)
Deferred income	625.5	604.4
CONTRACT LIABILITIES	2,820.4	2,016.2

NOTE 4. FINANCIAL ASSETS AND LIABILITIES

4.1. SUMMARY OF FINANCIAL ASSETS AND LIABILITIES

The various financial assets and liabilities shown below are measured as follows (the fair value measurement level under IFRS 7 is shown in brackets):

- fixed-yield instruments and term deposits (fair value through profit and loss): the fair value of these products is measured based on the accrued interest at the reporting date (level 2);
- monetary and non-monetary UCITS (fair value through profit and loss): valued at their latest known net asset value (level 1);
- negotiable medium-term notes (fair value through profit and loss): valued at their latest known net asset value (level 1);
- hedging instruments (fair value through equity) eligible for hedge accounting: valued based on the model commonly used by market operators to value financial instruments (model incorporating observable market data) (level 2);
- hedging instruments (fair value through profit and loss account) not eligible for hedge accounting: valued based on the

models commonly used by market operators to value financial instruments (model incorporating observable market data) (level 2);

- investments (fair value through equity, designated as “available-for-sale”): these investments do not relate to companies listed on a regulated market. In consequence, they are valued either on the basis of modelling by independent third parties or by reference to the group’s share of their net assets (level 3);
- trade receivables and payables (loans and receivables): these are contractually subject to price review clauses. The group therefore considers that they are shown at their fair value;
- liability in respect of employee share offer (ORS) (fair value through profit and loss): as stated in the section “Accounting rules and policies”, this liability is re-measured annually on the basis of the valuation of Naval Group shares by a group of independent experts (level 2).

4.1.1. FAIR VALUE AND CLASSIFICATION OF FINANCIAL ASSETS

	Loans and receivables at amortised cost	Fair value through profit and loss	Fair value through equity	12/31/2025	Impact of the change in fair value on equity	Impact of the change in fair value on profit and loss
Investments	51.0	-	-	51.0	-	-
Hedging instruments, non-current portion	-	-	-	-	0.1	-
Investment securities, non-current portion	-	250.0	-	250.0	-	3.7
Other non-current financial assets	0.1	-	-	0.1	-	-
TOTAL NON-CURRENT FINANCIAL ASSETS	51.1	250.0	-	301.1	0.1	3.7
Customers	1,312.7	-	-	1,312.7	-	-
Hedging instruments, current portion	-	-	-	-	-	(0.4)
Investment securities, current portion	-	-	-	-	-	0.2
Other current financial assets	2.0	-	-	2.0	-	-
Cash and cash equivalents	-	1,544.7	-	1,544.7	-	-
TOTAL CURRENT FINANCIAL ASSETS AND TRADE RECEIVABLES	1,314.7	1,544.7	-	2,859.4	-	(0.2)

	Loans and receivables at amortised cost	Fair value through profit and loss	Fair value through equity	12/31/2024	Impact of the change in fair value on equity	Impact of the change in fair value on profit and loss
Investments	49.2	-	-	49.2	-	-
Hedging instruments, non-current portion	-	(0.1)	-	(0.1)	-	0.2
Investment securities	-	342.7	-	342.7	-	(0.4)
Other non-current financial assets	0.1	-	-	0.1	-	-
TOTAL NON-CURRENT FINANCIAL ASSETS	49.3	342.6	-	391.9	-	(0.2)
Customers	1,798.4	-	-	1,798.4	-	-
Hedging instruments, current portion	-	0.4	-	0.4	-	(0.5)
Investment securities	-	20.0	-	20.0	-	(0.2)
Other current financial assets	2.2	-	-	2.2	-	-
Cash and cash equivalents	-	680.9	-	680.9	-	(1.4)
TOTAL CURRENT FINANCIAL ASSETS AND TRADE RECEIVABLES	1,800.6	701.3	-	2,501.9	-	(2.1)

The impacts on equity and profit and loss are shown before tax.

4.1.2. FAIR VALUE AND CLASSIFICATION OF FINANCIAL LIABILITIES

	Loans and trade payables at amortised cost	Fair value through profit and loss	Fair value through equity	12/31/2025	Impact of the change in fair value on equity	Impact of the change in fair value on profit and loss
Loans, non-current portion	-	-	-	-	-	-
IFRS 16 lease liabilities, non-current portion	133.7	-	-	133.7	-	-
Hedging instruments, non-current portion	-	0.1	-	0.1	1.0	-
DRS & PAC liabilities, non-current portion	62.2	-	-	62.2	-	1.6
Other non-current financial liabilities	-	-	-	-	-	-
TOTAL NON-CURRENT FINANCIAL LIABILITIES	195.9	0.1	-	195.9	1.0	1.6
Suppliers	1,854.1	-	-	1,854.1	-	-
Loans, current portion	0.6	-	-	0.6	-	-
IFRS 16 lease liabilities, current portion	78	-	-	78	-	-
Hedging instruments, current portion	-	0.3	-	0.3	(0.1)	-
DRS & PAC liabilities, current portion	3.3	-	-	3.3	-	-
Other current financial liabilities	-	169.5	-	169.5	-	-
Bank overdrafts	-	0.4	-	0.4	-	-
TOTAL CURRENT FINANCIAL LIABILITIES AND TRADE PAYABLES	1,865.8	170.2	-	2,036.0	(0.1)	-

	Loans and trade payables at amortised cost	Fair value through profit and loss	Fair value through equity	12/31/2024	Impact of the change in fair value on equity	Impact of the change in fair value on profit and loss
Loans, non-current portion	1.3	-	-	1.3	-	-
IFRS 16 lease liabilities, non-current portion	126.5	-	-	126.5	-	-
Hedging instruments, non-current portion	-	(0.9)	-	(0.9)	-	(0.4)
DRS & PAC liabilities, non-current portion	64.3	-	-	64.3	-	1.8
Other non-current financial liabilities	-	-	-	-	-	-
TOTAL NON-CURRENT FINANCIAL LIABILITIES	192.1	(0.9)	-	191.3	-	1.4
Suppliers	1,887.1	-	-	1,887.1	-	-
Loans, current portion	325.0	-	-	325.0	-	-
IFRS 16 lease liabilities, current portion	14.1	-	-	14.1	-	-
Hedging instruments, current portion	-	0.4	-	0.4	-	1.0
DRS & PAC liabilities, current portion	3.4	-	-	3.4	(1.8)	-
Other current financial liabilities	-	30.2	-	30.2	-	-
TOTAL CURRENT FINANCIAL LIABILITIES AND TRADE PAYABLES	2,229.6	30.6	-	2,260.9	(1.8)	1.0

The impacts on equity and profit and loss are shown before tax.

4.1.3. FAIR VALUE OF INVESTMENTS

Investments, which are classified as "available-for-sale" financial assets, and loans in associates are broken down as follows:

	Percentage of ownership	Gross	FCPR unrealised payments	Depreciation	Net total at 12/31/2025
Chantiers de l'Atlantique	12%	13.9	-	-	13.9
Open Hydro	72%	478	-	(478)	0.0
Itaguá Construções Navais	41%	21.0	-	-	21.0
Jeumont Electric SAS	31%	9.8	-	-	9.8
FCPR Financière de Brienne 3	6%	3.2	(0.3)	-	2.9
PSL Innovation Fund	7%	3.0	(0.2)	-	2.9
Other ⁽¹⁾	-	0.6	-	-	0.6
INVESTMENTS		99.3	(0.5)	(47.8)	51.0

(1) Investments of less than €2 million.

4.1.4. FINANCIAL DEBT

	12/31/2024	Increase	Decrease	Changes in fair value of debt	Changes in fair value of derivative instruments	Translation differences	Other	12/31/2025
Loans	326.3	-	(326.3)	-	-	-	0.6	0.6
ORS & PAC liabilities	677	-	(3.8)	1.6	-	-	-	65.5
Other financial liabilities	30.9	141.7	(2.8)	-	-	1.1	(0.9)	169.9
Financial instruments	(0.5)	-	-	-	0.9	-	-	0.4
Lease liabilities IFRS 16	140.7	21.8	(20.9)	-	-	(0.1)	-	141.5
FINANCIAL DEBT	565.0	163.5	(353.8)	1.6	0.9	1.0	(0.3)	377.9

	12/31/2023	Increase	Decrease	Changes in fair value of debt	Changes in fair value of derivative instruments	Translation differences	Other	12/31/2024
Loans	-	326.3	-	-	-	-	-	326.3
ORS & PAC liabilities	70.9	-	(5.0)	1.8	-	-	-	677
Other financial liabilities	32.2	4.2	(5.7)	-	-	(0.2)	0.3	30.9
Financial instruments	(1.1)	-	-	-	0.6	-	-	(0.5)
Lease liabilities IFRS 16	97.9	70.4	(277)	-	-	0.1	-	140.7
FINANCIAL DEBT	199.9	400.9	(38.4)	1.8	0.6	(0.1)	0.3	565.0



4.2. NET FINANCIAL DEBT

At December 31, 2025, the group's net financial debt amounted to (€1,447.6) million (compared to (€506.7) million on December 31, 2024). The statement of financial position items contributing to net financial debt are as follows:

	12/31/2025	12/31/2024
Cash and cash equivalents	(1,544.7)	(680.9)
Bank overdrafts	0.4	0.6
Investment securities	(250.0)	(362.7)
Current accounts & other non-current financial assets	133.0	(5.9)
Loans and other liabilities	72.2	401.5
NET FINANCIAL DEBT BEFORE IFRS 16 LEASE LIABILITIES	(1,589.1)	(647.4)
Lease liabilities IFRS 16	141.5	140.7
NET FINANCIAL DEBT	(1,447.6)	(506.7)

Net financial debt is not a financial indicator defined by IFRS and may not be comparable to indicators similarly named by other companies. This is additional information that should not be considered as a substitute for an analysis of all of the group's assets and liabilities.

4.3. RISK MANAGEMENT

4.3.1. CREDIT RISK

Credit risk is the risk of financial loss as a consequence of a counterparty's default on its payment obligations. The group is exposed to credit risk because of its commercial operations (mainly through trade receivables).

The group considers that the risk of a counterparty default in respect of its trade receivables that could materially affect its financial situation and earnings is limited. In fact, its counterparties are generally sovereign states that have adequate resources to meet their financial obligations. Where this is not the case, the group covers such credit risk through public (Coface) or private insurers.

All impairment allowances against trade receivables are assessed on a case-by-case basis.

Financial market transactions are only entered into with banks or institutions with first-class ratings and within the authorised levels set by General Management for each counterparty.

	12/31/2023	Allocations	Reversals	Other	12/31/2024	Allocations	Reversals	Other	12/31/2025
Impairment allowances against trade receivables	(21.3)	-	3.5	-	(17.8)	-	6.0	(0.1)	(12.0)

4.3.2. LIQUIDITY RISK

Liquidity risk is currently covered by excess cash. The group occasionally uses short-term credit lines to avoid any strain on its liquidity. In addition, Naval Group remains vigilant about the availability of its customers' financial resources, the limitation or decrease of which could result in the emergence of additional needs.

The group also owes a debt to its employees through the ORS and PAC operation.

4.3.3. RAW MATERIALS RISK

Raw materials risks are covered by price review clauses in contracts that hedge against price fluctuations. Therefore, the group does not acquire financial instruments to hedge this type of risk.

4.3.4. FOREIGN EXCHANGE RISK

The group has no financial debts in currencies other than the euro. As part of its normal activities, the group may be faced with foreign currency exchange rate issues on tenders submitted in foreign currency, contracts awarded and all future disbursements denominated in foreign currency. The main currencies to which the group was exposed during the period are the US dollar (USD), the Saudi riyal (SAR), the Pound sterling (GBP) and the Brazilian real (BRL). In accordance with group policy, all significant transactions in foreign currencies are subject to a foreign exchange risk management policy. This involves matching the amount of receipts in currencies to the expected disbursements in those currencies at the time a contract is drafted whenever possible. Residual exposure is then hedged by purchasing forward contracts or foreign exchange options on these currencies.

	12/31/2025	12/31/2024
FORWARD PURCHASE CONTRACTS		
US Dollar (USD)	4.9	70
Pound sterling (GBP)	12.3	15.9
Brazilian real (BRL)	-	8.6
CALL OPTIONS		
Pound sterling (GBP)	2.1	2.1

The nominal amounts under the forward buy and sell contracts are converted into euros at the exchange rate guaranteed by each contract, as are the call options.

4.3.5. INTEREST RATE RISK

The group's financial statements are not very sensitive to this type of risk.

4.3.6. INFLATION-RELATED RISKS

In the current inflationary context, Naval Group is continuing to strengthen its competitiveness plans and its vigilance with regard to bids, in particular by means of price revision conditions contributing to secure our operating margin.

NOTE 5. OTHER INFORMATION

5.1. NOTES TO THE STATEMENT OF CASH FLOWS

5.1.1. CHANGE IN WORKING CAPITAL REQUIREMENT

	2025	2024
Net decrease (increase) in inventories	171	(36.2)
Net decrease (increase) in advances and part payments paid	(255.5)	(192.4)
Net decrease (increase) in trade receivables	484.9	(890.0)
Net increase (decrease) in other receivables	63.9	(115.8)
Net increase (decrease) in trade payables	(29.8)	190.7
Net increase (decrease) in other payables	1.8	154.6
Net increase (decrease) in contract assets and liabilities	568.7	223.8
CHANGE IN WORKING CAPITAL REQUIREMENT	851.2	(665.3)

5.1.2. PURCHASES OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	2025	2024
Purchases of intangible assets	(33.1)	(35.7)
Purchases of property, plant and equipment	(203.1)	(148.8)
ACQUISITIONS DURING THE FINANCIAL YEAR	(236.2)	(184.5)
Deferred disbursement	3.3	(1.8)
PURCHASES OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	(232.9)	(186.3)

5.1.3. DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	2025	2024
Disposals of intangible assets	-	-
Disposals of property, plant and equipment	0.3	0.2
DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	0.3	0.2



5.2. RELATED PARTIES

The group considers the following to be related parties:

- the French State and companies over which it has exclusive control, joint control, or significant influence (including all companies in the Thales group);
- the “Actions Naval Group” employee mutual fund (fonds commun de placement d’entreprise);
- non-consolidated entities;
- entities over which the group exercises joint control or significant influence;
- the group’s executives.

The companies over which the French State has exclusive control, joint control or significant influence, including in particular all

companies in the Thales group, are government-related entities as defined by revised IAS 24 (related party disclosures). In accordance with that standard, the group, over which the French State has exclusive control, only discloses summary information about the revenues arising from its business with the French State and the government-related entities concerned.

5.2.1. TRANSACTIONS WITH THE FRENCH STATE AND GOVERNMENT-RELATED ENTITIES

During the year ended December 31, 2025, the group generated 67.0% of its revenue with the French State and government-related entities (*versus* 71.0% of its revenue for the financial year ended December 31, 2024).

5.2.2. TRANSACTIONS WITH RELATED PARTIES (EXCLUDING THE FRENCH STATE AND GOVERNMENT-RELATED ENTITIES)

	2025	2024
SALES		
Non-controlling interests in associates	113.3	149.9
Shareholders and companies controlled by them (excluding the French State and government-related entities)	-	-
Others (Eurotorp)	25.9	20.1

5.2.3. RELATED-PARTY RECEIVABLES AND PAYABLES (EXCLUDING THE FRENCH STATE AND GOVERNMENT-RELATED ENTITIES)

	12/31/2025	12/31/2024
OPERATING RECEIVABLES⁽¹⁾		
Associates	1,027.5	788.4
Shareholders and companies controlled by them (excluding the French State and government-related entities)	-	-
Others (Eurotorp)	27.3	25.3
OPERATING PAYABLES⁽²⁾		
Associates	1,296.8	882.9
Shareholders and companies controlled by them (excluding the French State and government-related entities)	-	-
Others (Eurotorp)	55.20	55.3
FINANCIAL LIABILITIES⁽³⁾		
Associates	163.8	22.2
Shareholders and companies controlled by them (excluding the French State and government-related entities)	65.5	67.7
Other	-	-

(1) Other operating receivables mainly comprise receivables vis-à-vis the following companies: Boustead DCNS Naval Corporation, Jeumont Electric SAS, Kership, Naviris, TechnicAtome, MO Porte-Avions, Chantiers de l’Atlantique and Eurotorp.

(2) Other operating payables mainly comprise payables vis-à-vis the following companies: Défense Environnement Services, Jeumont Electric SAS, Kership, TechnicAtome, Eurotorp, MO Porte-Avions and Chantiers de l’Atlantique.

(3) Financial liabilities consist of DRS/PAC debt and the current accounts of associates.

5.2.4. AGREEMENTS CONCLUDED WITH THALES

At the end of January 2007, in connection with the convergence with the naval activities of Thales, the shareholders’ agreement between the French State and Thales made Thales the “partner industrial shareholder” in the group. The governance arrangements grant Thales the right to play an active role on the group’s Board of Directors.

The group has also signed an industrial and commercial cooperation agreement with Thales. This provides for the optimisation of the organisation of the two groups’ activities based on:

- the non-resumption by Thales (whether directly or indirectly) of any of the activities carried out by TNF, Armaris (companies

absorbed by Naval Group on September 30, 2009 and September 30, 2013 respectively) or MO PA2 after completion of the transaction;

- the free exercise by the French or foreign subsidiaries of Thales of activities not covered by the non-resumption undertaking;
- technical and industrial cooperation based on the specialisation of each company’s activities in order to optimise each company’s investments and to allow each party to the contract to benefit from the other’s technological resources;
- the group’s commercial freedom;
- cooperation in the areas of procurement and human resources.

Specific cooperation rules have also been agreed between the two companies in certain specific technical fields. These rules are based on the observation that the group and Thales have complementary competencies. This is reflected in the specialisation concept, under which one of the two companies carries out design and execution in a given area. Regarding the part of the agreement relating to marketing and sales, the group retains an independent commercial policy and free access to international invitations to tender.

In addition to the parts relating to technical and commercial matters, the agreement also provides for cooperation in the area of procurement, instituting a principle of preference on equal terms in competitive tendering for the supply of goods or services between parties to the agreement. The industrial and commercial cooperation agreement is valid for seven years and is automatically renewable for five years at a time.

5.2.5. EXECUTIVE COMPENSATION

The gross compensation and benefits in kind paid to members of the Executive Committee and employer's social benefit contributions were as follows during the financial years ended December 31, 2025 and December 31, 2024:

	2025	2024
Fixed compensation	3.7	3.9
Variable compensation	1.9	1.8
Benefits in kind and miscellaneous	0.5	0.2
Employer's social benefit contributions	2.7	2.5
TOTAL	8.8	8.4
Persons concerned	14.0	14.0

5.3. OFF-STATEMENT COMMITMENTS

5.3.1. OFF-STATEMENT OF FINANCIAL POSITION COMMITMENTS ARISING FROM COMMERCIAL CONTRACTS

The group gives or receives guarantees in connection with its commercial contracts, to cover future obligations. These are mainly market guarantees.

COMMITMENTS MADE

	12/31/2025	12/31/2024
Performance guarantees ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	628.2	511.1
Guarantees in lieu of retentions ⁽⁵⁾	23.8	2.8
Other guarantees made ⁽⁶⁾⁽⁷⁾	206.4	186.9
COMMITMENTS MADE	858.4	700.8

(1) Under a sale contract entered into in Greece, the group's banks have issued bank guarantees of €164.6 million in favour of its customer to guarantee performance.

(2) Under a series of sale contracts entered into by the group in Brazil, bank guarantees for a total amount of €1275 million were issued to guarantee performance.

(3) Under a series of sale contracts entered into by the group in the United Arab Emirates, bank guarantees for a total amount of €136.0 million were issued to guarantee performance.

(4) Under a sale contract entered into in Greece, the group's banks have issued bank guarantees of €69.6 million in favour of its customer to guarantee performance.

(5) Under a sale contract entered into in Greece, the group's banks have issued bank guarantees of €22.8 million in favour of its customer to guarantee performance.

(6) In the context of the employee share offer, the group instructed its banks to issue a €28 million financial guarantee to the management company in charge of managing the fund.

(7) Under the subcontracting law of 1975, Naval Group issued payment guarantees to its subcontractors in the amount of €103.4 million.

The maturity schedule as at December 31, 2025 was as follows:

	Due in less than one year	Due in one to five years	Due in more than five years
Performance guarantees	235.8	2379	154.5
Guarantees in lieu of retentions	1.0	22.8	-
Other guarantees made	82.7	93.6	30.1
COMMITMENTS MADE	319.5	354.3	184.6



COMMITMENTS RECEIVED

	12/31/2025	12/31/2024
Performance guarantees	376	41.0
Guarantees in lieu of retentions	-	0.2
Other guarantees received	29.2	22.6
COMMITMENTS RECEIVED	66.7	63.8

The maturity schedule as at December 31, 2025 was as follows:

	Due in less than one year	Due in one to five years	Due in more than five years
Performance guarantees	32.0	0.8	4.7
Guarantees in lieu of retentions	-	-	-
Other guarantees received	14.9	3.8	10.5
COMMITMENTS RECEIVED	46.9	4.6	15.2

5.3.2. OTHER COMMITMENTS

COMMITMENTS MADE

At December 31, 2025, firm investment commitments totalled €245.1 million (*versus* €156.7 million as at December 31, 2024). On December 16, 2016, Naval Group undertook, primarily in favour of the other partners of Naval Energies and, on a subsidiary basis, in favour of the latter, to replace the bank financing *via* current account advances when this financing has not been obtained in whole or in part by Naval Energies. The commitment entered into by Naval Group could not exceed the amount of the bank finance, set at the amount of €40 million. Naval Group satisfied this commitment by entering into a current account agreement with Naval Energies for a maximum advance of €40 million. The DGA is requesting that Naval Group and Chantiers de l'Atlantique guarantee the performance of each contract for the new generation aircraft carrier (PA-NG) program for which MO Porte-Avions (MO PA) – a joint company owned 65% by Naval Group and 35% by Chantiers de l'Atlantique – is the contractor. In this context, the Board of Directors of Naval Group authorised the issuance of nine guarantees under the terms of which Naval Group has irrevocably undertaken to take over the rights and obligations of MO PA under the following contracts, in the event of a substantial breach by MO PA affecting the performance of said contracts:

- detailed preliminary design contract, first subsequent contract (authorised February 17, 2023);
- EIS/ASN4G contract (authorised June 27, 2023);

- derisking contract, second subsequent contract (authorised June 27, 2023);
- risk mitigation survey contract, third subsequent contract (authorised October 17, 2023);
- contract dedicated to the pre-DLR activities of Indret's nuclear heating plant and industrial resources and infrastructure (authorised March 15, 2024);
- contract for fire risk mitigation studies (authorised May 28, 2024);
- contract for steam energy conversion activities (authorised July 18, 2024);
- contract for the continuation of the study and system engineering for the integration of new-generation on-board fighter aircraft into the new-generation aircraft carriers and the provision of associated services (authorised October 15, 2024);
- contract for general design activities, detailed design process, and the construction of critical sub-assemblies of the PA-NG (MS REAL1) (authorised October 27, 2025).

COMMITMENTS RECEIVED

When making its contributions in kind, the French State decided, under the power provided for by article 78 of the French Amending Finance Act of December 28, 2001, to retain responsibility for certain obligations relating to the rights and property contributed beyond the provisions established.

5.4. EVENTS AFTER THE REPORTING PERIOD

None.

VI. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Financial year ended December 31, 2025

To the General Meeting of Naval Group,

OPINION

Pursuant to the assignment entrusted to us by the General Meeting, we conducted our audit of the consolidated financial statements of Naval Group for the financial year ended December 31, 2025, as presented in the attachment to this report.

We certify that the consolidated financial statements for the financial year were prepared in accordance with IFRS, as adopted by the European Union and that they are lawful and genuine and give a true and fair view of income from operations for the year just ended and the financial position and assets, at the end of the year, of the group made up of the persons and entities included in the consolidation.

BASIS OF OUR OPINION

AUDITING STANDARDS

We conducted our audit in accordance with French generally accepted auditing standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors in the audit of the consolidated financial statements" section of this report.

INDEPENDENCE

We carried out our audit in pursuant to the rules of independence set out in the French Commercial Code and the Code of Ethics for Statutory Auditors, over the period from January 1, 2025, to the issue date of our report.

JUSTIFICATION OF OUR ASSESSMENTS

Pursuant to the provisions of articles L. 821-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the following assessments which, in our professional opinion, were the most significant for the audit of the consolidated financial statements for the financial year.

These assessments are made in the context of the audit of the consolidated financial statements taken as a whole and the formation of our opinion expressed above. We offer no opinion on individual items in these consolidated financial statements:

- note 1.3.4. "Accounting rules and policies – Use of estimates – Recognition of revenue and profit on contracts accounted for under the percentage of completion method and related provisions" in the notes to the consolidated financial statements states that your group recognises revenue and profit on certain projects using the percentage of completion method. This involves the use by Management of estimates, in particular to determine the profit on completion of each contract, made on the basis of the most up-to-date information available with regard to its progress. These estimates affect net income as well as the assets and liabilities recorded in the statement of financial position. Our work consisted of understanding the processes in place by the group in this area and assessing the underlying data and assumptions on which these estimates are based. We also assessed the reasonableness of these estimates, on the basis of the information available at the time the financial statements were prepared;
- note 1.3.4. "Accounting rules and policies – Use of estimates – Valuation of assets" in the notes to the consolidated financial statements states that your group conducted an annual impairment test of goodwill by using assumptions of future cash flows, discount rates and perpetual growth rates, which required the use of judgement. We assessed the conditions under which the annual impairment test was conducted and examined the assumptions used, which are justified by the information available at the reporting date.

SPECIFIC VERIFICATIONS

We also carried out specific verifications, in accordance with professional standards applicable in France and provided for by law and regulations, of the information relating to the group, given in the Board of Directors' management report.

We have no matters to report as to the fair presentation and consistency with the consolidated financial statements.



RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS benchmark, as adopted by the European Union and for such internal control as Management determines is necessary to prepare consolidated financial statements that are free from misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the company’s ability to continue as a going concern, disclosing, as applicable, matters related to said going concern and using the going concern basis of accounting, unless Management either intends to wind up the company or cease operations.

The consolidated financial statements are prepared by the Board of Directors.

RESPONSIBILITIES OF THE STATUTORY AUDITORS FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

It is our responsibility to report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements, taken as a whole, are free from any material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards 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 these consolidated financial statements.

As specified by article L. 821-55 of the French Commercial Code, our task of certifying the financial statements does not extend to vouching for the viability or quality of Naval Group’s management.

As part of an audit in accordance with professional standards applicable in France, we exercise professional judgement throughout the audit. In addition:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, define and perform audit procedures that address these risks and obtain the evidence deemed sufficient and appropriate to form an 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 overriding of internal control;
- obtain an understanding of internal control relevant to the audit in order to define audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- assess the appropriateness of accounting methods used and the reasonableness of accounting estimates and related disclosures made by Management, in the consolidated financial statements;
- assess the appropriateness of Management’s use of the going concern accounting convention and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Naval Group’s ability to continue as a going concern. This assessment is based on the audit evidence obtained at the date of our report. However, it should be pointed out that future events or conditions may cause Naval Group to cease 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 as regards said uncertainty or, if such disclosures are not provided or are not relevant, to certify with reservations or refuse to certify;
- assess the overall presentation of the consolidated financial statements and whether the consolidated financial statements fairly reflect the underlying transactions and events;
- obtain audit evidence that is sufficient and appropriate, regarding persons or entities included in the consolidated financial statements, to provide a basis for our opinion on the consolidated financial statements. We are responsible for managing, supervising, and conducting the audit of the consolidated financial statements and for expressing our opinion.

Levallois-Perret and Paris-La Défense, March 2, 2026

The Statutory Auditors

FORVIS MAZARS SA

Juliette Decoux-Guillemot

Marion Flora

ERNST & YOUNG Audit

Nour-Eddine Zanoud





GLOSSARY

This glossary lists certain technical terms used in this document. The list is not exhaustive.

3DEXPERIENCE®:

Cloud platform created by Dassault Systems. It allows access to online applications and services, to design, simulate, share and collaborate with the company's ecosystem.

ADEME:

the Environment and Energy Management Agency is a national public industrial and commercial establishment (EPIC) that operates under the supervision of the French ministries of the Ecological and Inclusive Transition, Higher Education, Research and Innovation. Its main areas of intervention concern energy management and environmental policies.

ADDITIVE MANUFACTURING:

manufacturing process by adding materials in successive layers. 3D manufacturing is an example of additive manufacturing.

ADMISSION TO ACTIVE SERVICE:

designates the time when the vessel is able to fulfil all the missions that may be entrusted to it.

ANTI-AIRCRAFT CAPABILITIES:

set of defence systems responding to threats from aircraft or airborne weapons.

AQAP 2110 – ALLIED QUALITY ASSURANCE PUBLICATIONS:

certification set up by NATO, which sets out quality requirements. It is a management tool that meets the quality requirements of ISO 9001 and the specific requirements of the "Defence" sector.

ASYMMETRIC THREATS:

threats from an adversary whose strengths and objectives are not comparable [terrorism, guerrilla warfare, etc.].

AUKUS ALLIANCE:

military alliance signed on September 15, 2021, between Australia, the United States, and the United Kingdom in the field of defence and security.

BILAN CARBONE® METHOD:

method developed by ADEME and updated by the Association's carbon footprint (ABC), which defines a methodology and tools to quantify the greenhouse gas emissions generated by activities, services and/or products.

BOOK-TO-BILL RATIO:

ratio between orders taken and revenue for a given period.

COFFERDAMS OR DRY MESH:

space separating two parts of a ship's hull, delimited by two watertight bulkheads on either side.

COMMITTEE OF SPONSORING ORGANISATIONS – COSO:

internal control framework defined by the Committee of Sponsoring Organisations of the Treadway Commission.

CORVETTE:

medium-sized warship.

CRADLES:

structures intended to support a submarine during its launch or transport.

DANISH INSTITUTE FOR HUMAN RIGHTS:

State institution, independent of the government, promoting the creation of sustainable solutions. It acts as a link between governments, NGOs, and companies.

ECO-DESIGN:

set of production methods that reduce the environmental impact from the design of a product or service and during all stages of its life cycle.

ECOVADIS:

global provider of corporate sustainability ratings.

ECOVEILLE CATALOGUE:

guide covering cleantech technologies (industrial technologies and services using natural resources with a view to improve efficiency and productivity, and reduce the volume of waste, while preserving or improving performance).

FORCE SUPPLY VESSELS:

vessels intended for the logistical support of French Navy vessels deployed on the high seas. They are used to supply fuel, spare parts, and food.

FRAMEWORK AGREEMENT:

contract entered into by one or more buyers with one or more economic operators, the purpose of which is to establish the rules relating to the purchase orders to be issued or the terms governing the contracts to be awarded during a given period, in particular as regards the prices and, where applicable, the quantities envisaged [article 4 of Order No. 2015-899 of July 23, 2015 on public contracts].

FRIGATE:

medium-tonnage combat vessel, intermediate between the corvette and the cruiser, with an anti-submarine vocation.

GLOBAL COMPACT:

United Nations initiative based on 10 principles aimed at encouraging companies, public organisations, and civil society to adopt a socially responsible attitude. These principles relate to human rights, international labour standards, the environment, and the fight against corruption.

ISO 9001:

standard defining the criteria and requirements for the implementation of a quality management system. The tools and methods aim to optimise the effectiveness, efficiency and excellence of the company's production processes and overall operations.

ISO 14001:

environmental management standard providing guarantees in terms of controlling environmental impacts in the company.

ISO 37001:

standard enabling organisations of all types to prevent, detect and deal with corruption issues.

ISO 45001:

standard defining the criteria and requirements for occupational health and safety. Its objective is to implement an occupational health and safety (OH&S) management system aimed at reducing the risk of accidents in all company functions.

MODULAR HANDLING:

scalable handling system to adapt to the specific needs of the company.

MUTUAL INVESTMENT FUND (FCPE):

undertaking for collective investment in transferable securities reserved for employees of companies.

NUCLEAR ATTACK SUBMARINE (SSN):

nuclear-powered submarine with protection, intelligence, and defence projection missions.

NUCLEAR BALLISTIC MISSILE SUBMARINE (SSBN):

very large naval nuclear-powered submarine equipped with nuclear-charged strategic ballistic missiles.

NUCLEAR RECOVERY PLAN:

support plan put in place by the Government to strengthen the skills and competitiveness of the nuclear sector. This plan aims to support projects for the modernisation, development, or relocation of industrial sites. It is operated by BPI France.

PATROLLER:

small vessel intended for surveillance, maritime safeguarding, or attack missions in coastal areas.

POOL-SUPPORT SYSTEM:

interior structure of the nuclear boiler room of a submarine that supports the main components (accumulator, pressuriser, tank, etc.).

PURPOSE:

principles that a company may adopt, which may be specified in its articles of association and for which it intends to allocate resources in the conduct of its business.

SEAMANSHIP:

workplace training program (AFEST). Seamanship training allows sailors to learn, improve and deepen skills in stages through immersion from experienced and recognised professionals, benefiting from their experience. It is based on the performance of professional activities in the presence of a peer, who passes on their knowledge and know-how, in particular through demonstrations: the mentor (the "seaman") demonstrates, the employee (the "trainee") observes then repeats. Together, they reflect on the employee's performance.

SESAME NAVE:

nave housing the acoustic test station for engine equipment (SESAME) at the Nantes-Indret site.

SUBSEQUENT CONTRACT:

contract concluded on the basis of a framework agreement, which specifies the characteristics and terms of performance of the services requested, not defined in the framework agreement.

TONNE EQUIVALENT OF CO₂:

unit of measurement created by the Intergovernmental Panel on Climate Change (IPCC), which compares the impacts of different greenhouse gases on the environment.

TORPEDO:

self-propelled underwater vehicle loaded with explosives, used against maritime objectives by ships, submarines or aircrafts.

WOMEN EMPOWERMENT PRINCIPLES:

set of seven principles that provide guidance to companies on how to promote gender equality and the empowerment of women in the workplace. At the initiative of UN Women and the Global Compact of the United Nations, these principles are based on the interest and responsibility of companies for gender equality and women's empowerment.

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March 2026.
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Graphic Design: BABEL
Production: Labrador.
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