

PERIODIC FINANCIAL INFORMATION

AS AT 30 SEPTEMBER 2022



CONTENTS

SANLORENZO GROUP	3
Corporate data.....	3
Corporate bodies.....	3
Group structure.....	5
REPORT ON OPERATIONS	6
Introduction.....	6
Group activities.....	6
Main alternative performance indicators.....	7
Financial highlights.....	9
Backlog performance.....	10
Consolidated economic results.....	12
Consolidated statement of financial position.....	16
Human resources.....	21
Main risks and uncertainties to which the Group is exposed.....	22
Other information.....	22
Significant events occurring during the quarter.....	23
Significant events after the close of the period.....	24
Business outlook.....	25
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2022	28
Condensed consolidated statement of financial position.....	28
Consolidated statement of profit and loss and other comprehensive income.....	30
Consolidated statement of changes in equity.....	32
Consolidated statement of cash flows.....	33
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	36
Basis of preparation.....	36
Information on risks and financial instruments.....	38
Composition of the Group.....	39
DECLARATION OF THE MANAGER CHARGED WITH PREPARING THE COMPANY'S FINANCIAL REPORTS PURSUANT TO ARTICLE 154-BIS, PARAGRAPH 2, OF ITALIAN LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998	42

SANLORENZO GROUP

CORPORATE DATA

SANLORENZO S.P.A.

Share capital as at 30 September 2022: €34,723,768 fully paid-in¹

Tax code and registration number at the Chamber of Commerce 00142240464

VAT 01109160117

Registered office in via Armezzone 3, 19031 Ameglia (SP)

www.sanlorenzoyacht.com

CORPORATE BODIES

BOARD OF DIRECTORS²	Massimo Perotti	Chairman and Chief Executive Officer
	Carla Demaria	Executive Director
	Ferruccio Rossi	Executive Director
	Paolo Olivieri	Director and Deputy Chair
	Cecilia Maria Perotti	Director
	Pietro Gussalli Beretta	Independent Director and Lead Independent Director
	Silvia Merlo	Independent Director
	Licia Mattioli	Independent Director
	Leonardo Luca Etro	Independent Director
	Francesca Culasso	Independent Director
Marco Francesco Mazzù	Independent Director	
CONTROL, RISKS AND SUSTAINABILITY COMMITTEE	Leonardo Luca Etro	Chair
	Silvia Merlo	
REMUNERATION COMMITTEE	Francesca Culasso	
	Silvia Merlo	Chair
NOMINATION COMMITTEE	Paolo Olivieri	
	Leonardo Luca Etro	
	Pietro Gussalli Beretta	Chair
	Paolo Olivieri	
	Marco Francesco Mazzù	

¹ On 21 April 2020, the Extraordinary Shareholders' Meeting approved a divisible share capital increase, excluding option rights, pursuant to Article 2441, paragraph 8 of the Italian Civil Code, of a maximum nominal value of €884,615, to be executed no later than 30 June 2029, through the issue of a maximum of 884,615 ordinary shares destined exclusively and irrevocably to service the 2020 Stock Option Plan, approved by the Ordinary Shareholders' Meeting on the same occasion. As at 30 September 2022, this capital increase had been partially subscribed for a total of no. 223,768 shares. Share capital was then further increased after the close of the period and, as at 31 October 2022, consists of no. 34,735,162 ordinary shares.

² Appointed by the Ordinary Shareholders' Meeting on 28 April 2022; in office until the date of the Shareholders' Meeting called to approve the separate financial statements as at 31 December 2024.

RELATED PARTY	Licia Mattioli	Chair
TRANSACTIONS COMMITTEE	Silvia Merlo	
	Leonardo Luca Etro	
BOARD OF STATUTORY AUDITORS³	Enrico Fossa	Chair and Statutory Auditor
	Andrea Caretti	Standing Auditor
	Margherita Spainì	Standing Auditor
	Luca Trabattoni	Alternate Auditor
	Maria Cristina Ramenzoni	Alternate Auditor
AUDITING FIRM⁴	BDO Italia S.p.A.	
MANAGER CHARGED WITH PREPARING THE COMPANY'S FINANCIAL REPORTS	Attilio Bruzzese	

³ Appointed by the Ordinary Shareholders' Meeting on 28 April 2022; in office until the date of the Shareholders' Meeting called to approve the separate financial statements as at 31 December 2024.

⁴ Appointed by the Ordinary Shareholders' Meeting on 23 November 2019 for nine financial years from 2019 to 2027.

GROUP STRUCTURE

CORPORATE ORGANISATIONAL CHART AS AT 30 SEPTEMBER 2022



COMPOSITION OF THE GROUP AS AT 30 SEPTEMBER 2022

Company name	Registered Office
Sanlorenzo S.p.A. – Parent Company	Ameglia (SP) – Italy
Subsidiaries	
Bluegame S.r.l.	Ameglia (SP) – Italy
PN Sviluppo S.r.l.	Viareggio (LU) – Italy
Cantiere Tomei 1811 S.r.l. ⁵	Viareggio (LU) – Italy
Mediterranea Real Estate S.r.l. ⁶	Viareggio (LU) – Italy
Polo Nautico Viareggio S.r.l.	Viareggio (LU) – Italy
I.C.Y. S.r.l. ⁷	Cologne (BS) – Italy
Sanlorenzo Baleari SL	Puerto Portals, Mallorca – Spain
Marine Yachting Monaco S.A.M.	Monte-Carlo – Principality of Monaco
Sanlorenzo of the Americas LLC	Fort Lauderdale (FL) – USA
Fortune Yacht LLC	Fort Lauderdale (FL) – USA
Associates	
Carpensalda Yacht Division S.r.l.	Livorno (LI) – Italy
Duerre S.r.l.	Vicopisano (PI) – Italy
Restart S.p.A.	Milano (MI) – Italy
Sa.La. S.r.l.	Viareggio (LU) – Italy

⁵ On 28 July 2022 Sanlorenzo signed a contract for the acquisition of 100% of the shares of Cantiere Tomei 1811 S.r.l. On 14 October 2022, the Board of Directors of Sanlorenzo S.p.A. approved the merger by incorporation of Cantiere Tomei 1811 S.r.l. into the Parent Company. For further details, reference should be made to the paragraph "Significant events occurring during the quarter".

⁶ On 28 July 2022, Sanlorenzo acquired 100% of the shares of Mediterranea Real Estate S.r.l. On 14 October 2022, the Board of Directors of Sanlorenzo S.p.A. approved the merger by incorporation of Mediterranea Real Estate S.r.l. into the Parent Company. For further details, reference should be made to the paragraph "Significant events occurring during the quarter".

⁷ On 20 July 2022, Bluegame acquired a 60% stake in I.C.Y. S.r.l. For further details, reference should be made to the paragraph "Significant events occurring during the quarter".

REPORT ON OPERATIONS

INTRODUCTION

This periodic financial information as at 30 September 2022 (hereinafter "Periodic Financial Information as at 30 September 2021") was approved by the Board of Directors of the Company on 4 November 2021 and has not been audited, as it is not required by current regulations. Sanlorenzo S.p.A., as company listed on Euronext STAR Milan segment of the Italian Stock Exchange, is subject to the provisions of Article 2.2.3 of the Stock Exchange Regulations. On the basis of such regulations, the Company has prepared the Periodic Financial Information as at 30 September 2022, which it makes available to the public.

This report on operations must be read together with the condensed consolidated financial statements and the related notes.

GROUP ACTIVITIES

The Group is a global operator specialised in the design, production and sale of custom-made yachts, superyachts and sport utility yachts, which are fitted out and customised according to the needs and desires of exclusive customers.

Sanlorenzo's long tradition in yacht production began in 1958 with the construction of luxury flybridge motor-yachts from wood, leading up to its first composite yacht model in 1985. With the arrival of Massimo Perotti in 2005, Sanlorenzo began marketing yachts worldwide and, while always staying true to its concept of yachts with customised interiors and exterior fittings, it has steadily expanded its product lines: from composite yachts to semi-displacement composite designs to the aluminium-hulled superyachts introduced in 2007 and steel-hulled superyachts introduced in 2010. In more recent years, the Group further expanded its yacht and superyacht range and in 2018 it entered the composite sport utility yacht segment under the Bluegame brand.

Sanlorenzo is the only company in the sector operating under a single brand name, both in the market for yachts between 24 and 38 metres long, where it has operated since its establishment, and in the market for metal superyachts of more than 40 metres in length.

Group activities are divided into three business units:

- the Yacht Division (dedicated to the design, manufacturing and marketing of composite yachts between 24 and 38 metres long, under the Sanlorenzo brand);
- the Superyacht Division (dedicated to the design, manufacturing and marketing of superyachts in aluminium and steel between 40 and 73 metres long, under the Sanlorenzo brand);
- the Bluegame Division (dedicated to the design, manufacturing and marketing of composite sport utility yachts between 13 and 23 metres long, under the Bluegame brand).

The sale of yachts is carried out both directly (through Sanlorenzo, other Group companies or intermediaries) and through brand representatives, each of which operates in one or more assigned regional zones.

Through its High-End Services Division created in 2020, the Group also offers an exclusive range of services dedicated only to Sanlorenzo and Bluegame customers, including training at the Sanlorenzo Academy for crew members of Sanlorenzo yachts, as well as maintenance, restyling and refitting of Sanlorenzo yachts.

MAIN ALTERNATIVE PERFORMANCE INDICATORS

In order to allow a better evaluation of its operating performance, Sanlorenzo Group uses some alternative performance indicators.

The indicators represented are not identified as accounting measures by the IFRS and, therefore, must not be considered alternative measures to those provided by the financial statements for assessing the Group's economic performance and the relevant financial position. The Group believes that the financial information reported below is an important additional parameter for evaluating its performance, allowing its economic and financial performance to be monitored in more detail. Since these financial data do not constitute measures that can be determined through the reference accounting standards for the preparation of the consolidated financial statements, the method applied for the associated calculation may not be consistent with the one adopted by other groups and, therefore these data may not be comparable with those presented by said groups.

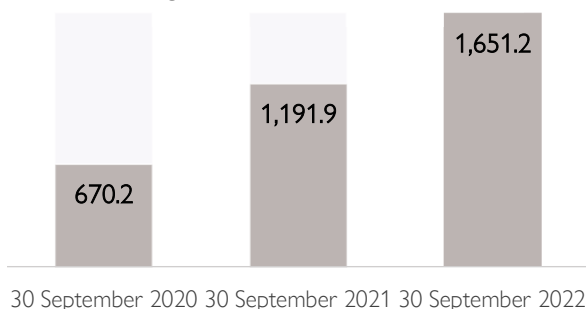
These alternative performance indicators, calculated in compliance with the Guidelines on Alternative Performance Indicators issued by ESMA/2015/1415 and adopted by Consob in its communication no. 92543 of 3 December 2015, refer solely to the performance of the period forming the object of this Financial Report and the periods being compared and not to the Group's expected performance.

BACKLOG	It is calculated as the sum of the value of the orders and sales contracts signed with customers or brand representatives relating to yachts for delivery or delivered in the current financial year or for delivery in subsequent financial years. For each period, the value of the orders and contracts included in the backlog refers to the relative share of the residual value from 1 January of the year in question until the delivery date. The backlog related to the revenues recognised during the year is conventionally cleared on 31 December.
NET REVENUES NEW YACHTS	They are calculated as the algebraic sum of revenues from contracts with customers relating to the sale of new yachts (recognised over time with the "cost-to-cost" method) and pre-owned yachts, net of selling expenses related to commissions and trade-in costs of pre-owned boats.
EBITDA	It is the Operating profit/loss (EBIT) before amortisation/depreciation.
EBITDA MARGIN	Indicates the ratio of EBITDA to Net Revenues New Yachts.
ADJUSTED EBITDA	It is the Operating profit/loss (EBIT) before amortisation/depreciation adjusted for non-recurring items.
ADJUSTED EBITDA MARGIN	It is the ratio of Adjusted EBITDA to Net Revenues New Yachts.
NET FIXED CAPITAL	It is calculated as the sum of goodwill, intangible assets, property, plant and equipment and net deferred tax assets, net of the corresponding non-current provisions.
NET WORKING CAPITAL	It is calculated as the sum of trade receivables, contract assets, inventories and other current assets, net of trade payables, contract liabilities, provisions for current risks and charges and other current liabilities.
NET TRADE WORKING CAPITAL	It is calculated as the sum of trade receivables, contract assets and inventories, net of trade payables and contract liabilities.
NET INVESTED CAPITAL INVESTMENTS	It is calculated as the sum of net fixed capital and net working capital. They refer to increases in property, plant and equipment and intangible assets, net of the carrying amount of related disposals.
NET FINANCIAL POSITION	It is calculated on the basis of guidelines issued by ESMA and reported in ESMA document 32-382-1138 of 4 March 2021 (Consob Warning Notice no. 5/21 for Consob Communication DEM/6064293, 28 July 2006), as the sum of liquidity

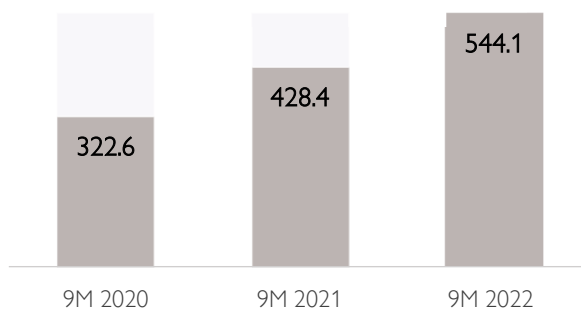
.....
(including cash equivalents and other current financial assets), net of current and
non-current financial indebtedness, including the fair value of hedging derivatives.
.....
If positive, it indicates a net cash position.
.....

FINANCIAL HIGHLIGHTS⁸

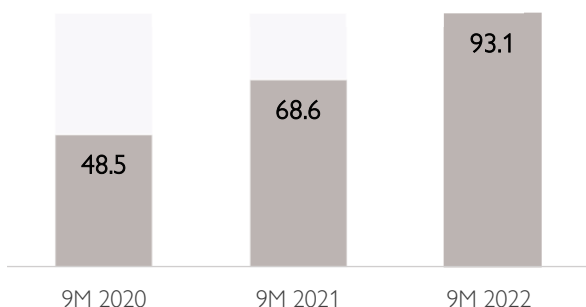
Gross backlog / (€m)



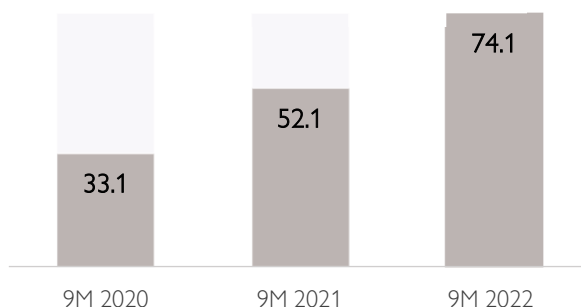
Net Revenues New Yachts / (€m)



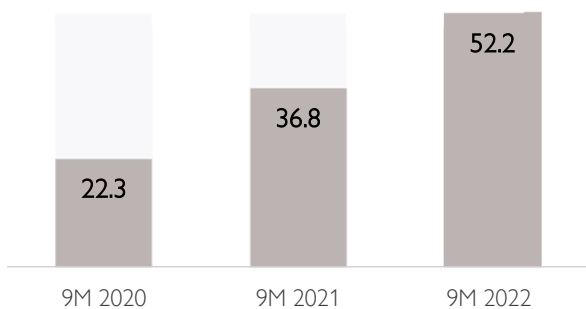
Adjusted EBITDA / (€m)



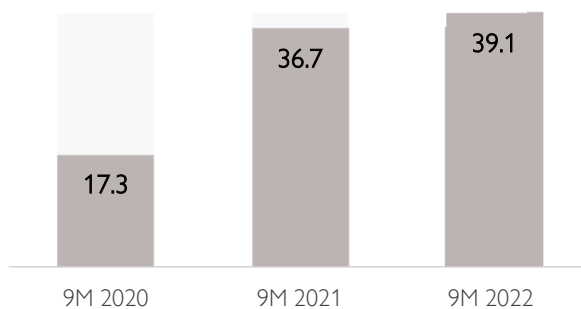
EBIT / (€m)



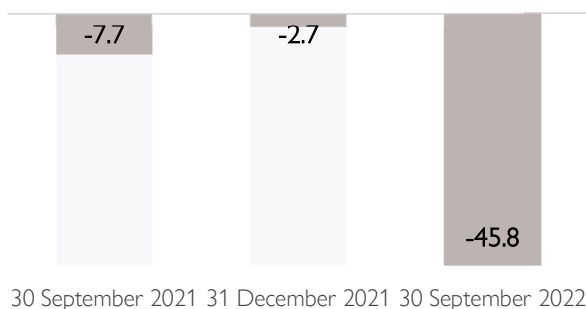
Group net profit / (€m)



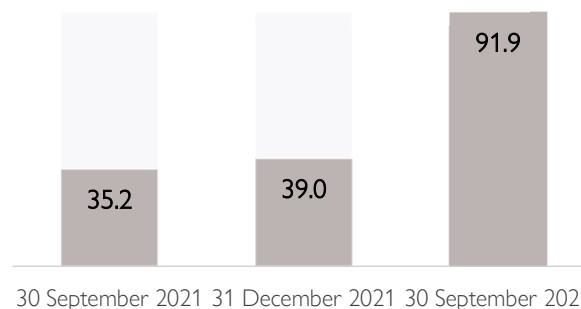
Investments / (€m)



Net working capital / (€m)



Net financial position / (€m)



⁸ For a description of the methods of calculating the indicators presented, please refer to the following paragraph "Main alternative performance indicators".

BACKLOG PERFORMANCE

(€'000)	30 September		Change	
	2022	2021	2022 vs. 2021	2022 vs. 2021%
Gross backlog	1,651,224	1,191,876	459,348	+38.5%
of which current year	724,187	570,646	153,541	+26.9%
of which subsequent years	927,037	621,230	305,807	+49.2%
Net Revenues New Yachts for the period	544,058	428,440	115,618	+27.0%
Net backlog	1,107,166	763,436	343,730	+45.0%
of which current year	180,129	142,206	37,923	+26.7%
of which subsequent years	927,037	621,230	305,807	+49.2%

As at 30 September 2022, gross backlog amounted to €1,651,224 thousand, up by €459,348 thousand compared to €1,191,876 thousand as at 30 September 2021.

(€'000)	Backlog			
	1 January ⁹	31 March	30 June	30 September
Backlog 2022	915,632	1,178,029	1,402,774	1,651,224
of which current year	544,060	628,110	671,272	724,187
of which subsequent years	371,572	549,919	731,502	927,037
Backlog 2021	408,761	553,411	810,740	1,191,876
of which current year	305,072	409,899	497,982	570,646
of which subsequent years	103,689	143,512	312,758	621,230

(€'000)	Change (order intake)			
	Q1	Q2	Q3	Total 9M
Order intake 2022	262,397	224,745	248,450	735,592
of which current year	84,050	43,162	52,915	180,127
of which subsequent years	178,347	181,583	195,535	555,465
Order intake 2021	144,650	257,329	381,136	783,115
of which current year	104,827	88,083	72,664	265,574
of which subsequent years	39,823	169,246	308,472	517,451

The order intake in the first nine months of 2022 was equal €735,592 thousand, of which €248,450 thousand in the third quarter, an excellent result that confirms the persistence, in the luxury segment, of a very robust demand which seems unaffected by the current geopolitical and macroeconomic scenario and continues to exceed supply. Extremely positive has been the outcome of the three boat shows held in September (Cannes Yachting Festival, Genoa International Boat Show and Monaco Yacht Show), which recorded a strong turnout of mainly European and American customers and great success of the new models, particularly the SP Line of the Yacht Division and the Bluegame BG54.

The three events have seen the closing of numerous commercial negotiations and many others are still in progress, with higher average selling prices, thanks to the luxury positioning of the brand, with growing increases as a function of the delivery date.

The amount of the gross backlog referred to the current year, for €724,187 thousand, fully covers the expected revenues in 2022. Furthermore, the visibility on revenues of subsequent years, amounting to €927,037 thousand,

⁹ Opening the reference year with the net backlog at 31 December of the previous year.

is extremely high thanks to the increase in the average size of the yachts and the overall extension of delivery dates – up to 2026 for superyachts –, a trend that has also spread to the smaller models, as a result of the significant collection of orders in the last two years.

CONSOLIDATED ECONOMIC RESULTS

RECLASSIFIED INCOME STATEMENT

(€'000)	Nine months ended 30 September				Change	
	2022	% Net Revenues New Yachts	2021	% Net Revenues New Yachts	2022 vs. 2021	2022 vs. 2021%
Net Revenues New Yachts	544,058	100.0%	428,440	100.0%	115,618	+27.0%
Revenues from maintenance and other services	7,291	1.3%	4,312	1.0%	2,979	+69.1%
Other income	3,640	0.7%	3,356	0.8%	284	+8.5%
Operating costs	(461,887)	(84.9)%	(367,469)	(85.8)%	(94,418)	+25.7%
Adjusted EBITDA	93,102	17.1%	68,639	16.0%	24,463	+35.6%
Non-recurring costs	(421)	(0.1)%	(690)	(0.1)%	269	-39.0%
EBITDA	92,681	17.0%	67,949	15.9%	24,732	+36.4%
Amortisation/depreciation	(18,583)	(3.4)%	(15,826)	(3.7)%	(2,757)	+17.4%
EBIT	74,098	13.6%	52,123	12.2%	21,975	+42.2%
Net financial expense	(407)	(0.1)%	(822)	(0.2)%	415	-50.5%
Adjustments to financial assets	(294)	-	(14)	-	(280)	+2,000.0%
Pre-tax profit	73,397	13.5%	51,287	12.0%	22,110	+43.1%
Income taxes	(20,666)	(3.8)%	(14,179)	(3.3)%	(6,487)	+45.8%
Net profit	52,731	9.7%	37,108	8.7%	15,623	+42.1%
Net (profit)/loss attributable to non-controlling interests	(490)	(0.1)%	(296)	(0.1)%	(194)	+65.5%
Group net profit	52,241	9.6%	36,812	8.6%	15,429	+41.9%

NET REVENUES NEW YACHTS

(€'000)	Nine months ended 30 September		Change	
	2022	2021	2022 vs. 2021	2022 vs. 2021%
Revenues from the sale of boats	580,975	503,774	77,201	+15.3%
Selling expenses	(36,917)	(75,334)	38,417	-51.0%
Net Revenues New Yachts	544,058	428,440	115,618	+27.0%

Net Revenues New Yachts in the first nine months of 2022 were €544,058 thousand, a 27.0% increase on the €428,440 thousand recorded in the same period of 2021, led by the excellent performance of Europe and the Americas.

In a positive market dynamic, these important results continue to benefit from a favourable mix linked both to the growth in volumes, also resulting in an increase in the average size of the yachts in each business unit, and the increase in selling prices.

Net Revenues New Yachts by division

(€'000)	Nine months ended 30 September				Change	
	2022	% of total	2021	% of total	2022 vs. 2021	2022 vs. 2021%
Yacht Division	353,569	65.0%	263,328	61.5%	90,241	+34.3%
Superyacht Division	138,347	25.4%	133,241	31.1%	5,106	+3.8%
Bluegame Division	52,142	9.6%	31,871	7.4%	20,271	+63.6%
Net Revenues New Yachts	544,058	100.0%	428,440	100.0%	115,618	+27.0%

The Yacht Division generated Net Revenues New Yachts of €353,569 thousand, or 65.0% of the total, an increase of 34.3% compared to the first nine months 2021. The excellent sales results covered all the product ranges, and in particular the asymmetrical models of the SL and SD Lines, and have seen an increasing weight of the new SP Line.

The Superyacht Division generated Net Revenues New Yachts of €138,347 thousand, accounting for 25.4% of the total, a 3.8% increase on the first nine months of 2021, driven by the Steel Line, the range with the largest yachts, and the new X-Space.

The Bluegame Division generated Net Revenues New Yachts of €52,142 thousand, equal to 9.6% of the total, up by 63.6% compared to the first nine months of 2021, in particular thanks to the recently introduced BG Line models and the initial sales results of the BGM75, the first model of an innovative and multi-hull range, even before its launch.

Net Revenues New Yachts by geographical area

(€'000)	Nine months ended 30 September				Change	
	2022	% of total	2021	% of total	2022 vs. 2021	2022 vs. 2021%
Europe	309,905	57.0%	224,318	52.3%	85,587	+38.2%
Americas	133,924	24.6%	102,692	24.0%	31,232	+30.4%
APAC	76,288	14.0%	70,590	16.5%	5,698	+8.1%
MEA	23,941	4.4%	30,840	7.2%	(6,899)	-22.4%
Net Revenues New Yachts	544,058	100.0%	428,440	100.0%	115,618	+27.0%

Europe remained the number-one market, with Net Revenues New Yachts up by 38.2% compared to the first nine months of 2021 and equal to €309,905 thousand, accounting for 57.0% of the total. In particular, the Italian result was excellent, with €76,845 thousand of Net Revenues New Yachts recorded in the first nine months of 2022, up by 74.0% compared to the same period of the previous year.

The Americas, specifically the Northern countries, a strategic area for the Group's growth, keep recording an acceleration in sales compared to the previous year, with Net Revenues New Yachts of €133,924 thousand, accounting for 24.6% of the total, up by 30.4% compared to the nine months of 2021.

The APAC area returned to growth with Net Revenues New Yachts of €76,288 thousand, accounting for 14.0% of the total, up by 8.1% compared to the first nine months of 2021, particularly in Australia and Hong Kong, despite the COVID-19 restrictions remain in place in some areas.

The MEA area recorded Net Revenues New Yachts of €23,941 thousand, accounting for 4.4% of the total, down by 22.4% compared to the nine months of 2021.

OPERATING RESULTS

(€'000)	Nine months ended 30 September				Change	
	2022		2021		2022 vs. 2021	2022 vs. 2021%
	€	% Net Revenues New Yachts	€	% Net Revenues New Yachts		
EBIT	74,098	13.6%	52,123	12.2%	21,975	+42.2%
+ Amortisation/depreciation	18,583	3.4%	15,826	3.7%	2,757	+17.4%
EBITDA	92,681	17.0%	67,949	15.9%	24,732	+36.4%
+ Non-recurring costs	421	0.1%	690	0.1%	(269)	-39.0%
Adjusted EBITDA	93,102	17.1%	68,639	16.0%	24,463	+35.6%

EBIT amounted to €74,098 thousand, an increase of 42.2% compared to the first nine months of 2021, accounting for 13.6% of Net Revenues New Yachts, compared to 12.2% in the same period of 2021.

Amortisation/depreciation, equal to €18,583 thousand, rose by 17.4% on the first nine months of 2021, as a result of the coming on stream of major investments made to develop new products and to increase production capacity. EBITDA stood at €92,681 thousand, up by 36.4% on the first nine months of 2021, with an incidence of 17.0% on Net Revenues New Yachts.

EBITDA adjusted for non-recurring components of €421 thousand, consisting of non-monetary costs for the 2020 Stock Option Plan and expenses incurred for COVID-19, was equal to €93,102 thousand, up by 35.6% on the first nine months of 2021, with an incidence of 17.1% on Net Revenues New Yachts, increasing by 110 basis points compared 16.0% in the same period of 2021.

The steady increase in operating margins is related to the change in product mix in favour of larger yachts in each business unit and the increase in average selling prices.

The impact of the increase in prices of raw materials and energy related to the current inflationary scenario is controlled and more than offset by the rise in sales lists. The procurement of materials and works is managed by diversifying suppliers and favoring multi-year contracts with pre-set prices, also thanks to the optimisation of production planning resulting from the large order backlog and the strategy of verticalization in key supply chains undertaken from 2022.

Profitability also benefited from a greater absorption of fixed costs due to the increase in volumes, as well as from the efficiencies related to the implementation of the new production capacity, particularly the Massa shipyard dedicated to semi-finished composite products acquired in 2021, and from the gradual internalisation of Bluegame production in the Ameglia shipyard.

NET PROFIT

(€'000)	Nine months ended 30 September				Change	
	2022	% Net Revenues New Yachts	2021	% Net Revenues New Yachts	2022 vs. 2021	2022 vs. 2021%
EBIT	74,098	13.6%	52,123	12.2%	21,975	+42.2%
Net financial expense	(407)	(0.1)%	(822)	(0.2)%	415	-50.5%
Adjustments to financial assets	(294)	-	(14)	-	(280)	+2.000.0%
Pre-tax profit	73,397	13.5%	51,287	12.0%	22,110	+43.1%
Income taxes	(20,666)	(3.8)%	(14,179)	(3.3)%	(6,487)	+45.8%
Net profit	52,731	9.7%	37,108	8.7%	15,623	+42.1%
Net (profit)/loss attributable to non-controlling interests	(490)	(0.1)%	(296)	(0.1)%	(194)	+65.5%
Group net profit	52,241	9.6%	36,812	8.6%	15,429	+41.9%

Net financial expense amounted to €407 thousand, more than halved compared to the first nine months of the previous year, as a result of the improved conditions applied to the Group, due in part to the successful renegotiation and refinancing of certain credit lines in previous years and, to a lesser extent, foreign exchange rate gains and incomes from active cash management.

Pre-tax profit for the period was €73,397 thousand, up by €22,110 thousand from €51,287 thousand in the first nine months of 2021. The margin on Net Revenues New Yachts reached 13.5%, compared to 12.0% in the first nine months of 2021.

Income taxes, calculated as management's best estimate, were equal to €20,666 thousand, against €14,179 thousand in the first nine months of 2021. Income taxes for the period were 28.2% of the pre-tax profit.

The Group's net profit for the period was €52,241 thousand, up significantly by €15,429 thousand in the first nine months of 2021. The margin on Net Revenues New Yachts increased from 8.6% in the first nine months of 2021 to 9.6% in the same period of 2022.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

BALANCE SHEET RECLASSIFIED ACCORDING TO SOURCES AND USES

(€'000)	30 September	31 December	30 September	Change	
	2022	2021	2021	30 September 2022 vs. 31 December 2021	30 September 2022 vs. 30 September 2021
USES					
Net fixed capital	211,841	192,848	185,853	18,993	25,988
Net working capital	(45,759)	(2,713)	(7,682)	(43,046)	(38,077)
Net invested capital	166,082	190,135	178,171	(24,053)	(12,089)
SOURCES					
Equity	257,979	229,141	213,330	28,838	44,649
(Net financial position)	(91,897)	(39,006)	(35,159)	(52,891)	(56,738)
Total sources	166,082	190,135	178,171	(24,053)	(12,089)

NET FIXED CAPITAL AND INVESTMENTS

Net fixed capital

(€'000)	30 September	31 December	30 September	Change	
	2022	2021	2021	30 September 2022 vs. 31 December 2021	30 September 2022 vs. 30 September 2021
Goodwill	8,872	8,667	8,667	205	205
Other intangible assets	46,998	45,276	41,916	1,722	5,082
Property, plant and equipment	153,602	134,988	131,430	18,614	22,172
Equity investments and other non-current assets	11,500	446	422	11,054	11,078
Net deferred tax assets	5,597	5,963	6,193	(366)	(596)
Non-current employee benefits	(1,258)	(1,058)	(1,262)	(200)	4
Non-current provisions for risks and charges	(13,470)	(1,434)	(1,513)	(12,036)	(11,957)
Net fixed capital	211,841	192,848	185,853	18,993	25,988

Net fixed capital as at 30 September 2022 amounted to €211,841 thousand, up by €18,993 compared to the end of 2021 and up by €25,988 thousand compared to 30 September 2021, as a result of industrial and product development investments carried out during the period, the change in the scope of consolidation due to the acquisition of control of Polo Nautico Viareggio S.r.l., Mediterranea Real Estate S.r.l., Cantiere Tomei 1811 S.r.l. and I.C.Y. S.r.l., the acquisition of a minority interest in Carpensalda Yacht Division S.r.l. and Duerre S.r.l., and some loans granted to associates, the effects of which are included in "Equity investments and other non-current assets".

Investments

(€'000)	30 September		Change	
	2022	2021	2022 vs. 2021	2022 vs. 2021%
Land and buildings	7,503	20,118	(12,615)	-62.7%
Industrial equipment	3,799	4,946	(1,147)	-23.2%
Plant and equipment	2,323	1,249	1,074	+86.0%
Other assets	5,684	2,485	3,199	+128.7%
Assets under development	2,755	2,207	548	+24.8%
Total changes in property, plant and equipment	22,064	31,005	(8,941)	-28.8%
Concessions, licences, trademarks and similar rights	1,155	151	1,004	+664.9%
Other fixed assets	-	-	-	-
Development costs	3,950	2,950	1,000	+33.9%
Assets under development	1,562	2,617	(1,055)	-40.3%
Total changes in intangible assets	6,667	5,718	949	+16.6%
Total investments on a like-for-like basis	28,731	36,723	(7,992)	-21.8%
Changes in the scope of consolidation	10,353	-	10,353	-
Net investments in the period	39,084	36,723	2,361	+6.4%

On a like-for-like basis, investments in the first nine months of 2022 amounted to €28,731 thousand, a decrease of 21.8% compared to the same period of the previous year, and are mainly related to the increase in production capacity to support growth. In particular, the amounts are reported net of the sale of a building intended for offices that Sanlorenzo had acquired in September 2021 together with the new production site in Massa for a net book residual value of €2.1 million (including equipment). Including the effect of the inclusion of Polo Nautico Viareggio, Mediterranea Real Estate, Cantiere Tomei 1811 and I.C.Y. in the scope of consolidation, transactions aimed at increasing production capacity of the Group, investments in the first nine months of 2022 amounted to €39,084 thousand, up by 6.4% compared to the same period of 2021.

The following table shows the breakdown of investments by destination.

(€'000)	30 September		Change	
	2022	2021	2022 vs. 2021	2022 vs. 2021%
R&D, product development and production of models and moulds	10,271	10,633	(362)	-3.4%
Increase in production capacity	14,019	21,920	(7,901)	-36.0%
Recurring industrial investments for equipment and facilities	2,454	2,207	247	+11.2%
Other investments	1,987	1,963	24	+1.2%
Total investments on a like-for-like basis	28,731	36,723	(7,992)	-21.8%
R&D, product development and production of models and moulds	-	-	-	-
Increase in production capacity	10,353	-	10,353	-
Recurring industrial investments for equipment and facilities	-	-	-	-
Other investments	-	-	-	-
Total changes in the scope of consolidation	10,353	-	10,353	-
R&D, product development and production of models and moulds	10,271	10,633	(362)	-3.4%
Increase in production capacity	24,372	21,920	2,452	+11.2%
Recurring industrial investments for equipment and facilities	2,454	2,207	247	+11.2%
Other investments	1,987	1,963	24	+1.2%
Net investments in the period	39,084	36,723	2,361	+6.4%

NET WORKING CAPITAL

(€'000)	30 September 2022	31 December 2021	30 September 2021	Change	
				30 September 2022 vs. 31 December 2021	30 September 2022 vs. 30 September 2021
Inventories	62,459	68,269	68,108	(5,810)	(5,649)
Trade receivables	14,074	18,310	21,502	(4,236)	(7,428)
Contract assets	134,784	117,194	104,106	17,590	30,678
Trade payables	(117,197)	(120,125)	(107,630)	2,928	(9,567)
Contract liabilities	(154,907)	(102,948)	(90,193)	(51,959)	(64,714)
Other current assets	64,470	54,337	33,707	10,133	30,763
Current provisions for risks and charges	(5,721)	(11,380)	(7,336)	5,659	1,615
Other current liabilities	(43,721)	(26,370)	(29,946)	(17,351)	(13,775)
Net working capital	(45,759)	(2,713)	(7,682)	(43,046)	(38,077)

Net working capital as at 30 September 2022 was negative for €(45,759) thousand, against €(2,713) as at 31 December 2021 and €(7,682) thousand as at 30 September 2021.

(€'000)	30 September 2022	31 December 2021	30 September 2021	Change	
				30 September 2022 vs. 31 December 2021	30 September 2022 vs. 30 September 2021
Inventories	62,459	68,269	68,108	(5,810)	(5,649)
Trade receivables	14,074	18,310	21,502	(4,236)	(7,428)
Contract assets	134,784	117,194	104,106	17,590	30,678
Trade payables	(117,197)	(120,125)	(107,630)	2,928	(9,567)
Contract liabilities	(154,907)	(102,948)	(90,193)	(51,959)	(64,714)
Net trade working capital	(60,787)	(19,300)	(4,107)	(41,487)	(56,680)

Net trade working capital as at 30 September 2022 was equal to €(60,787) thousand, compared to €(19,300) thousand as at 31 December 2021 and €(4,107) thousand as at 30 September 2021.

The trend in net working capital was positively affected by the cash generation related to the continuous growth of the order backlog, especially with regard to assets and liabilities arising from contracts.

(€'000)	30 September 2022	31 December 2021	30 September 2021	Change	
				30 September 2022 vs. 31 December 2021	30 September 2022 vs. 30 September 2021
Raw and ancillary materials and consumables	11,443	8,539	8,379	2,904	3,064
Work in progress and semi-finished products	36,877	31,760	32,909	5,117	3,968
Finished products	14,139	27,970	26,820	(13,831)	(12,681)
Inventories	62,459	68,269	68,108	(5,810)	(5,649)

Inventories as at 30 September 2022 were equal to €62,459 thousand, down by €5,810 compared to 31 December 2021 and €5,649 thousand compared to 30 September 2021.

Work in progress and semi-finished products refer to those orders whose contract with the customer has not yet been finalised at the close of the period. The increase recorded between 31 December 2021 and 30 September 2022, equal to €5,117 thousand, reflects the progressive increase in business volumes.

Inventories of finished products as at 30 September 2022 were €14,139 thousand (of which €8,879 thousand sold at the close of the period for delivery in the following months), a decrease of €13,831 thousand compared to 31 December 2021, as a result of the positive market trend that also involved pre-owned boats.

NET FINANCIAL POSITION

(€'000)	30 September	31 December	30 September	Change	
	2022	2021	2021	30 September 2022 vs. 31 December 2021	30 September 2022 vs. 30 September 2021
A Cash	155,737	141,272	139,119	14,465	16,618
B Cash equivalents	-	-	-	-	-
C Other current financial assets	48,905	317	-	48,588	48,905
D Liquidity (A + B + C)	204,642	141,589	139,119	63,053	65,523
E Current financial debt	(27,426)	(3,824)	(4,161)	(23,602)	(23,265)
F Current portion of non-current financial debt	(27,579)	(29,651)	(26,228)	2,072	(1,351)
G Current financial indebtedness (E + F)	(55,005)	(33,475)	(30,389)	(21,530)	(24,616)
H Net current financial indebtedness (G + D)	149,637	108,114	108,730	41,523	40,907
I Non-current financial debt	(57,740)	(69,108)	(73,571)	11,368	15,831
J Debt instruments	-	-	-	-	-
K Non-current trade and other payables	-	-	-	-	-
L Non-current financial indebtedness (I + J + K)	(57,740)	(69,108)	(73,571)	11,368	15,831
M Total financial indebtedness (H+L)	91,897	39,006	35,159	52,891	56,738

The net financial position of the Group as at 30 September 2022 shows a net cash equal to €91,897, compared to a net cash equal to €39,006 thousand at 31 December 2021 and of €35,159 thousand as at 30 September 2021.

The constant improvement in net financial position is a consequence of the strong operating cash generation resulting from the increase in volumes and advances related to the significant order intake, notwithstanding the outflows for investments, shareholding acquisitions and dividends.

Cash as at 30 September 2022 amounted to €155,737 thousand, an increase of €14,465 thousand compared to 31 December 2021, and of €16,618 thousand as at 30 September 2021.

As at 30 September 2022, the Group had also invested excess liquidity totalling €45,608 thousand and had bank credit lines to meet its liquidity needs of €129,127 thousand¹⁰, of which €124,652 thousand unused.

Among financial liabilities, lease liabilities included pursuant IFRS 16 totalled €8,197 thousand, of which €5,803 thousand non-current and €2,394 thousand current.

¹⁰ Not including lines of credit for reverse factoring and confirming.

Reclassified consolidated statement of cash flows

(€'000)	30 September 2022	30 September 2021	Change
EBITDA	92,681	67,949	24,732
Taxes paid	(8,985)	(13,389)	4,404
Change in inventories	5,810	14,106	(8,296)
Change in net contract assets and liabilities	34,369	52,869	(18,500)
Change in trade receivables and advances to suppliers	(908)	(1,147)	239
Change in trade payables	(2,928)	(29,608)	26,680
Change in provisions and other assets and liabilities	7,418	(9,190)	16,608
Operating cash flow	127,457	81,590	45,867
Change in non-current assets (investments)	(28,731)	(36,723)	7,992
Business acquisitions and other changes	(17,138)	696	(17,834)
Free cash flow	81,588	45,563	36,025
Interest and financial charges	(503)	(989)	486
Other cash flows and changes in equity	(28,194)	(13,244)	(14,950)
Change in net financial position	52,891	31,330	21,561
Net financial position at the beginning of the period	39,006	3,829	35,177
Net financial position at the end of the period	91,897	35,159	56,738

EQUITY

(€'000)	30 September 2022	31 December 2021
Share capital	34,724	34,539
Reserves	169,464	143,492
Group profit	52,241	51,007
Group equity	256,429	229,038
Equity attributable to non-controlling interests	1,550	103
Equity	257,979	229,141

The Parent Company's share capital as at 30 September 2022 amounts to €34,723,768, fully paid-in, and is composed of no. 34,723,768 ordinary shares. Share capital increased by no. 184,500 shares compared to 31 December 2021, due to the subscription of the capital increase to service the 2020 Stock Option Plan. The share capital, again as a result of the 2020 Stock Option Plan, increased further after the end of the six-month period and, as at 31 October 2022, consisted of no. 34,735,162 ordinary shares.

On 21 April 2020, the Extraordinary Shareholders' Meeting of Sanlorenzo had in fact approved a divisible share capital increase, excluding option rights, pursuant to Article 2441, paragraph 8 of the Italian Civil Code, of a maximum nominal value of €884,615, to be executed no later than 30 June 2029, through the issue of a maximum number of 884,615 ordinary shares destined exclusively and irrevocably to service the 2020 Stock Option Plan. As at 30 September 2022 this capital increase has been partially subscribed for no. 223,768 shares (no. 235,162 shares as at 31 October 2022).

On 2 September 2022, the Company launched the treasury share buy-back program based on the authorisation resolution from the Ordinary Shareholders' Meeting of 28 April 2022. As at 30 September 2022, the Company held no. 123,002 treasury shares, representing 0.354% of the subscribed and paid-in share capital.

HUMAN RESOURCES

	30 September 2022		31 December 2021		Change	
	Units	% of total	Units	% of total	2022 vs. 2021	2022 vs. 2021%
Sanlorenzo S.p.A.	640	85.1%	545	91.3%	95	+17.4%
Bluegame S.r.l.	51	6.7%	38	6.4%	13	+34.2%
I.C.Y. S.r.l.	17	2.3%	-	-	17	-
Polo Nautico Viareggio S.r.l.	32	4.3%	-	-	32	-
Sanlorenzo Baleari SL	2	0.3%	3	0.5%	(1)	-33.3%
Sanlorenzo of the Americas LLC	10	1.3%	11	1.8%	(1)	-9.1%
Group employees	752	100%	597	100%	155	+26.0%

As at 30 September 2022, the Group employed a total of 752 employees, of which 85.1% at the Parent Company, an increase of 155 individuals or 26.0% compared to 31 December 2021. In the case of Polo Nautico Viareggio S.r.l. and I.C.Y. S.r.l., the number of employees shown in the comparative figures as at 31 December 2021 was zero, as, at that date, the companies were not controlled by the Group.

	30 September 2022		31 December 2021		Change	
	Units	% of total	Units	% of total	2022 vs. 2021	2022 vs. 2021%
Managers	35	4.6%	36	6.0%	(1)	-2.8%
White collars	593	78.9%	471	78.9%	122	+25.9%
Blue Collars	124	16.5%	90	15.1%	34	+37.8%
Group employees	752	100%	597	100%	155	+26.0%

At category level, white collar workers recorded a bigger increase during the period, with an increase of 122 individuals compared to 31 December 2021.

	30 September 2022		31 December 2021		Change	
	Units	% of total	Units	% of total	2022 vs. 2021	2022 vs. 2021%
Italy	740	98.4%	583	97.7%	157	+26.9%
Rest of Europe	2	0.3%	3	0.5%	(1)	-33.3%
United States	10	1.3%	11	1.8%	(1)	-9.1%
Group employees	752	100%	597	100%	155	+26.0%

The distribution by geographic area sees the largest number of employees employed in Italy, equal to 98.4% of the Group's total as at 30 September 2022.

MAIN RISKS AND UNCERTAINTIES TO WHICH THE GROUP IS EXPOSED

The Group's activities are exposed to a series of risks and uncertainties that may affect its financial position, results of operations and cash flows, summarily presented below.

For more details on the risks to which the Group is exposed, reference should be made to the Annual Financial Report as at 31 December 2021 and the Half-Yearly Financial Report as at 30 June 2021, as there have been no changes compared to what was described therein concerning the risks to which the Group is exposed and how they are handled by management.

Market and operating risks

The Group is exposed to risks linked to the general or specific macroeconomic scenario of the sector in which it conducts business, operational risks connected to relations with suppliers, contractors and brand representatives, uncertainties linked to extraordinary events that may trigger interruptions in the activities of production shipyards and risks related to the evolution of the reference regulatory framework.

Financial risks

The Group is exposed to credit risk, deriving from commercial transactions, liquidity risk and risks linked to disputes and tax assessments. Furthermore, the Group is exposed to fluctuations in interest rates on its variable rate debt instruments and fluctuations in exchange rates, primarily on sales of yachts in US dollars, and hedges such exposures with derivative instruments.

OTHER INFORMATION

The Company is not subject to management and coordination activities pursuant to Articles 2497 et seq. of the Italian Civil Code, in consideration of the fact that the presumption set forth in Article 2497-sexies of the Italian Civil Code does not apply.

On 2 September 2022, the Company launched the share buy-back program based on the authorisation resolution from the Ordinary Shareholders' Meeting of 28 April 2022.

As at 30 September 2022, the Company held no. 123,002 treasury shares, representing 0.354% of the subscribed and paid-in share capital.

SIGNIFICANT EVENTS OCCURING DURING THE QUARTER

Agreement between Bluegame and New York Yacht Club American Magic

On 18 July 2022, Bluegame and New York Yacht Club American Magic, challenger in the 37th America's Cup to be held in Barcelona in 2024, signed an agreement for the design and construction of the first chase boat with exclusively hydrogen propulsion and use of foils, according to the strict requirements of the event's protocol.

Acquisition of a majority interest in I.C.Y. S.r.l. by Bluegame

On 20 July 2022, Bluegame acquired a 60% stake in I.C.Y. S.r.l., Bluegame's historical partner in the production of certain product lines, for the amount of €925 thousand. The remaining 40% of the shares are retained by the company's founder and current general manager.

This transaction is aimed at increasing Bluegame's production capacity to support growth.

Acquisition of Mediterranea Real Estate S.r.l.

On 28 July 2022, Sanlorenzo acquired 100% of the shares of Mediterranea Real Estate S.r.l., owner of an industrial building of approximately 1,000 square metres adjacent to the Sanlorenzo shipyards within the Polo Nautico complex in Viareggio, plus offices and equipment. The transaction, concluded for €1.1 million, is aimed at increasing the production capacity of the Superyacht Division in Viareggio, for the outfitting of the X-Space range.

On 14 October 2022, the Board of Directors of Sanlorenzo S.p.A. approved the merger by incorporation of Mediterranea Real Estate S.r.l. into Sanlorenzo S.p.A. This transaction is expected to be completed, in accordance with the law, by the end of the current year.

Acquisition of Cantiere Tomei 1811 S.r.l.

On 28 July 2022 Sanlorenzo signed a contract for the acquisition of 100% of the shares of Cantiere Tomei 1811 S.r.l., holder of a government concession to the land that hosts an industrial building of about 240 square metres and a yard used for storage activities of about 1,100 square metres in the Viareggio docks area, for €918 thousand.

On 14 October 2022, the Board of Directors of Sanlorenzo S.p.A. approved the merger by incorporation of Cantiere Tomei 1811 S.r.l. into Sanlorenzo S.p.A. This transaction is expected to be completed, in accordance with the law, by the end of the current year.

Memorandum of Understanding with Rolls-Royce Solutions GmbH (MTU)

On 5 August 2022, Sanlorenzo and Rolls-Royce Solutions GmbH – Global Marine (MTU) signed a Memorandum of Understanding on exclusive cooperation for the integration of main engines powered by methanol, with Siemens Energy's fuel cells, also powered by methanol (through a reformer), in yachts between 40 and 75 metres in length. The first application will be on a Sanlorenzo prototype yacht between 50 and 60 metres scheduled for delivery in 2026.

Launch of the share buy-back program

On 2 September 2022, Sanlorenzo launched the treasury share buy-back program based on the authorisation resolution from the Ordinary Shareholders' Meeting of 28 April 2022. The plan, to be carried out within 28 October 2023, includes a maximum of no. 3,453,550 shares.

Acquisition of a business unit from Siman S.r.l.

On 29 September 2022, Sanlorenzo acquired a business unit from Siman S.r.l., comprising two building lands of over 33,300 square metres, a government concession to the land that hosts an industrial building of about 6,400 square metres, plus plant and equipment in the Canale dei Navicelli in Pisa for €2.8 million, with the aim of increasing the production capacity of the Superyacht Division.

Merger of the subsidiary PN VSY S.r.l. into Sanlorenzo S.p.A.

On 20 September 2022, PN VSY S.r.l. was merged by incorporation into Sanlorenzo S.p.A.; the actual effects of this transaction took place from 26 September 2022, whereas accounting and tax effects from 1 January 2022.

SIGNIFICANT EVENTS AFTER THE CLOSE OF THE PERIOD

Award of industrial infrastructures in Tortolì (NU)

On 18 October 2022, Polo Nautico Viareggio S.r.l., a subsidiary of Sanlorenzo, in the context of the winding-up proceedings of Arbatax Cantieri Nautici S.r.l., was awarded an industrial infrastructure located in Tortolì (NU) for €3.7 million. This infrastructure, which covers an area of about 37,000 square metres, of which 16,100 square metres are covered, will be aimed at producing small/medium-sized composite semi-finished products, increasing the production capacity of the Yacht and Bluegame Divisions.

Polo Nautico Viareggio appointed Sanlorenzo Arbatax S.r.l., a company specifically set up for the transaction and wholly-owned by Sanlorenzo S.p.A., for the acquisition, which is expected to be completed by the end of 2022.

Acquisition of a building land in Cologne (BS) by Bluegame

On 20 October 2022, Bluegame S.r.l., a subsidiary of Sanlorenzo, acquired in Cologne (BS), in an area adjacent to the current I.C.Y. S.r.l. site, a building land of approximately 18,000 square metres, for €1.85 million. This acquisition, together with the investments that will be made for the construction of the production site, is aimed at increasing the production capacity of the company.

BUSINESS OUTLOOK

The luxury yachting industry continues to benefit from the growth recorded by the Ultra High Net Worth Individuals (UHNWIs), even in a not easily predictable context both at geopolitical and macroeconomic level. The little penetration of yachting among UHNWIs, estimated at less than 5%, represents a high untapped growth potential.

The growth in target customers is also combined with a significantly increased interest in yachting, driven by a renewed search for quality of life in freedom and safety, all needs that a yacht can satisfy. The new connectivity technologies also allow work to be carried out on board and to extend the time the owner can spend on board, thus increasing the attractiveness to younger clients.

Amidst this scenario, Sanlorenzo maintains its competitive advantage deriving from its unique business model: high-end brand positioning, exclusive yachts, always at the forefront of sustainable innovation, made strictly to measure and distributed through a small number of brand representatives, flexible cost structure, close liaison art and design. Strengthened by its leadership position, the Group has defined the roadmap for the decade 2021-2030, enriching its strategy with three additional drivers: sustainability and technology, services and supply chain are the key themes to ensure continuity, in the long term, of the virtuous dynamics experienced so far.

Constant expansion of the product portfolio, with the introduction of innovations and sustainable technologies

Alongside the continuous expansion of the existing ranges, the robust product pipeline includes two new lines (X-Space for the Superyacht Division and BGM – Bluegame Multi-Hull – for Bluegame), in addition to the Yacht Division's recently introduced SP Line (Smart Performance – open coupé), with which Sanlorenzo enters new high-potential market segments with novel products and primarily inspired by sustainability criteria, which are extremely well-received.

Sustainability is at the heart of the new product development strategy, which envisages an ambitious program that sees, for the first time in the nautical sector, the application of technologies focused on the marine use of hydrogen fuel cells, that will allow the progressive reduction of the environmental impact until neutrality, the true answer to the demand for sustainability in the yachting industry.

Thanks to the exclusive agreement signed in 2021 with Siemens Energy, the segment of yachts above 40 metres in length will initially see the integration of fuel cells powered by hydrogen obtained from methanol through a reformer for the generation of electricity on board on a 50Steel superyacht scheduled for delivery in 2024.

Just two years later, in 2026, Sanlorenzo is planning to deliver its first superyacht between 50 and 60 metres in which, thanks to the very important exclusive agreement signed in August 2022 with Rolls-Royce Solutions GmbH - Global Marine (MTU), on-board electricity generation through the fuel cells will be combined with propulsion using main engines powered by methanol.

The system will use green methanol, produced with electricity from renewable sources and CO₂ captured from the atmosphere. The quantity of CO₂ released in the atmosphere in the combustion process is equal to the quantity of CO₂ captured from the environment to produce methanol, allowing carbon-neutral power generation. The segment of the yachts below 24 metres in length will see Bluegame engaged in the design and construction of the first chase boat with exclusive hydrogen propulsion and use of foils to reach 50 knots of speed and zero emissions, alongside American Magic, challenger in the 2024 America's Cup.

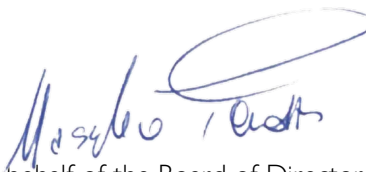
Capitalising on the experience in this extremely complex project, today the highest possible expression of sustainable technology on board a boat, Bluegame is working on the model BGM65HH (hydrogen-hybrid) scheduled for launch in 2025, which will combine the new IPS propulsion pilot system currently being developed by Volvo Penta with hydrogen fuel cells.

Guidance for 2022

Considering the robust order backlog, 93% of which is sold to final clients, while constantly monitoring the evolution of the general context, the Company confirms 2022 guidance¹¹ that was disclosed with the approval of the Half-Yearly Financial Report on 1 September 2022, which envisages a double-digit growth of all metrics and Net Revenues New Yachts¹² entirely covered by the backlog as at 30 September 2022.

(€ million and margin in % of Net Revenues New Yachts)	2020 Actual	2021 Actual	2022 Guidance	Change 2022 vs. 2021 ¹³
Net Revenues New Yachts	457.7	585.9	720 – 740	+25%
Adjusted EBITDA	70.6	95.5	126 – 130	+34%
Adjusted EBITDA margin	15.4%	16.3%	17.5% – 17.6%	+120 bps
Group net profit	34.5	51.0	68 – 70	+35%
Investments	30.8	49.2	48 – 50	-1%
Net financial position	3.8	39.0	96 – 100	+59

Ameilia, 8 November 2022



On behalf of the Board of Directors
Chairman and Chief Executive Officer
Mr. Massimo Perotti

¹¹ On a like-for-like basis and excluding potential extraordinary transactions.

¹² Calculated on the average of the guidance interval.

¹³ Calculated on the average of the guidance interval.



CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€'000)	30 September 2022	31 December 2021
ASSETS		
Non-current assets		
Property, plant and equipment	153,602	134,988
Goodwill	8,872	8,667
Other intangible assets	46,998	45,276
Equity investments and other non-current assets	11,500	446
Net deferred tax assets	5,597	5,963
Total non-current assets	226,569	195,340
Current assets		
Inventories	62,459	68,269
Contract assets	134,784	117,194
Other financial assets, including derivatives	48,905	317
Trade receivables	14,074	18,310
Other current assets	64,470	54,337
Cash and cash equivalents	155,737	141,272
Total current assets	480,429	399,699
TOTAL ASSETS	706,998	595,039

(€'000) 30 September 2022 31 December 2021

EQUITY AND LIABILITIES

PATRIMONIO NETTO

EQUITY	34,724	34,539
Share capital	80,241	77,197
Share premium reserve	89,223	66,295
Other reserves	52,241	51,007
Profit/(loss) for the period	256,429	229,038
Equity attributable to the shareholders of the Parent Company	1,550	103
Equity attributable to non-controlling interests	257,979	229,141

Non-current liabilities

Non-current financial liabilities	57,740	69,108
Non-current employee benefits	1,258	1,058
Non-current provisions for risks and charges	13,470	1,434
Total non-current liabilities	72,468	71,600

Current liabilities

Current financial liabilities, including derivatives	55,005	33,475
Current provisions for risks and charges	5,721	11,380
Trade payables	117,197	120,125
Contract liabilities	154,907	102,948
Other current liabilities	29,843	22,638
Other current tax liabilities	104	2,146
Net income tax liabilities	13,774	1,586
Total current liabilities	376,551	294,298

TOTAL LIABILITIES	449,019	365,898
--------------------------	----------------	----------------

TOTAL EQUITY AND LIABILITIES	706,998	595,039
-------------------------------------	----------------	----------------

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

(€'000)	30 September 2022	30 September 2021
Revenues	588,266	508,086
Selling expenses	(36,917)	(75,334)
Net revenues	551,349	432,752
Other income	3,640	3,356
TOTAL NET REVENUE AND INCOME	554,989	436,108
Increases in assets for internal work	1,394	1,480
Raw materials, consumables and finished products	(180,961)	(143,061)
Outsourcing	(181,971)	(147,264)
Change in inventories of work in progress, semi-finished and finished products	5,067	1,658
Other service costs	(47,171)	(35,641)
Personnel expenses	(39,561)	(33,235)
Other operating costs	(4,569)	(3,696)
Accruals to provisions for risks and charges	(14,536)	(8,400)
Total operating costs	(462,308)	(368,159)
OPERATING RESULT BEFORE AMORTISATION/DEPRECIATION	92,681	67,949
Amortisation, depreciation and impairment of fixed assets	(18,583)	(15,826)
OPERATING RESULT	74,098	52,123
Financial income	96	167
Financial expense	(503)	(989)
Net financial income/(expenses)	(407)	(822)
Income/(expenses) from equity investments	(2)	-
Adjustments to financial assets	(292)	(14)
PRE-TAX PROFIT	73,397	51,287
Income taxes	(20,666)	(14,179)
PROFIT/(LOSS) FOR THE PERIOD	52,731	37,108
Attributable to:		
Shareholders of the Parent Company	52,241	36,812
Non-controlling interests	490	296

(€'000) 30 September 2022 30 September 2021

OTHER COMPREHENSIVE INCOME

Other comprehensive income that will not be subsequently reclassified to net profit

Actuarial change in provisions for employee benefits	-	-
Income taxes relating to actuarial changes in provisions for employee benefits	-	-
Total	-	-

Other comprehensive income which will be subsequently reclassified to net profit

Changes in the cash flow hedge reserve	(1,860)	(1,844)
Income taxes related to changes in the cash flow hedge reserve	446	443
Change in the translation reserve	494	99
Total	(920)	(1,302)

Total other comprehensive income for the year, net of tax effect **(920)** **(1,302)**

COMPREHENSIVE NET PROFIT FOR THE PERIOD **51,811** **35,806**

Attributable to:

Shareholders of the Parent Company	51,321	35,510
Non-controlling interests	490	296

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€'000)	Share capital	Share premium reserve	Other reserves	Profit for the period	Equity attributable to the shareholders of the Parent Company	Equity attributable to non-controlling interests	Total Equity
Value as at 31 December 2020	34,500	76,549	40,189	34,508	185,746	(355)	185,391
Allocation of profit for the year	-	-	33,977	(34,508)	(531)	(296)	(827)
Dividends distributed	-	-	(10,275)	-	(10,275)	-	(10,275)
Stock option exercise	-	-	-	-	-	-	-
Other changes	-	-	2,825	-	2,825	410	3,235
Profit for the period	-	-	-	36,812	36,812	296	37,108
Other comprehensive income	-	-	(1,302)	-	(1,302)	-	(1,302)
Value as at 30 September 2021	34,500	76,549	65,414	36,812	213,275	55	213,330
Value as at 31 December 2021	34,539	77,197	66,295	51,007	229,038	103	229,141
Allocation of profit for the year	-	-	51,007	(51,007)	-	-	-
Dividends distributed	-	-	(20,346)	-	(20,346)	-	(20,346)
Stock option exercise	185	3,044	(277)	-	(277)	-	2,952
Share buy-back	-	-	(2,029)	-	(2,029)	-	(2,029)
Other changes	-	-	(4,507)	-	(4,507)	957	(3,550)
Profit for the period	-	-	-	52,241	52,241	490	52,731
Other comprehensive income	-	-	(920)	-	(920)	-	(920)
Value as at 30 September 2022	34,724	80,241	89,223	52,241	256,429	1,550	257,979

CONSOLIDATED STATEMENT OF CASH FLOWS

(€'000)	30 September 2022	30 September 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	52,731	37,108
Adjustments for:		
Depreciation of property, plant and equipment	13,685	11,520
Amortisation of intangible assets	4,898	4,306
Impairment on intangible assets and goodwill	-	-
Adjustments to financial assets (other equity investments)	294	14
Net financial expense	407	822
Gain on sale of property, plant and equipment	(206)	(1)
Impairment losses on trade receivables	-	-
Income taxes	20,666	14,179
Changes in:		
Inventories	5,810	14,106
Contract assets	(17,590)	8,832
Trade receivables	4,236	(4,269)
Other current assets	(10,133)	(3,273)
Trade payables	(2,928)	(29,608)
Contract liabilities	51,959	44,037
Other current liabilities	6,036	2,008
Provisions for risks and charges and employee benefits	6,577	(4,802)
Cash flow generated/(absorbed) by operating activities	136,442	94,979
Income taxes paid	(8,985)	(13,389)
Net cash flow generated/(absorbed) by operating activities	127,457	81,590
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	96	167
Proceeds from sale of property, plant and equipment	61	29
Proceeds from disposal of intangible assets	-	-
Change in other equity investments and other non-current assets	(4,002)	525
Acquisition of subsidiaries or business units, net of cash acquired	(17,593)	(25)
Acquisition of property, plant and equipment	(22,064)	(31,005)
Purchase of intangible assets	(6,667)	(5,718)
Net cash flow generated/(absorbed) by investing activities	(50,169)	(36,027)
CASH FLOWS FROM FINANCING ACTIVITIES		
Financial interest and expense paid	(503)	(989)
Proceeds from the issue of share capital	3,229	-
Proceeds from loans	5,191	42,796
Repayment of loans	(18,958)	(27,869)
Changes in other financial assets and liabilities including derivatives	(28,037)	2,334
New finance leases	3,550	516
Repayment of finance leases	(172)	(4,347)
Assumption of new loans	-	-
Other changes in equity	(4,748)	(2,969)
Share buy-back	(2,029)	-
Dividends paid	(20,346)	(10,275)
Net cash flow generated/(absorbed) by financing activities	(62,823)	(803)

(€'000)	30 September 2022	30 September 2021
NET CHANGE IN CASH AND CASH EQUIVALENTS	14,465	44,760
Cash and cash equivalents at the beginning of the period	141,272	94,359
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	155,737	139,119



SANLORENZO S.P.A.

Periodic Financial Information as at 30 September 2022

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PREPARATION

INTRODUCTION

This periodic financial information as at 30 September 2022 (hereinafter "Periodic Financial Information as at 30 September 2022") was approved by the Board of Directors of the Company on 4 November 2021 and has not been audited, as it is not required by current regulations.

Sanlorenzo S.p.A., as a company listed on Euronext STAR Milan segment of the Italian Stock Exchange, is subject to the provisions of Article 2.2.3 of the Stock Exchange Regulations. On the basis of these regulations, the Company has prepared the Periodic Financial Information as at 30 September 2022, which it makes available to the public.

BASIS OF PREPARATION

The Periodic Financial Information as at 30 September 2022 has been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and endorsed by the European Union, including all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC).

For the purposes of preparing Periodic Financial Information as at 30 September 2022, the provisions of IAS 34 ("Interim Financial Reporting"), relating to infra-annual financial reporting, were not adopted, given that the Group applies this standard to half-yearly financial reports and not to quarterly reports.

The accounting principles and criteria adopted for the preparation of the Periodic Financial Information as at 30 September 2022 are consistent with those used for the preparation of the consolidated financial statements as at 31 December 2021 and as at 30 June 2022 to which reference should be made for more details.

The Periodic Financial Information as at 30 September 2022 has been prepared on the basis of the accounting positions of the Parent Company and its subsidiaries and associates, adjusted accordingly to ensure they conform to the IFRS.

The Periodic Financial Information as at 30 September 2022 includes the consolidated statement of the financial position, consolidated statement of profit and loss and the other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the period from 1 January to 30 September 2022.

For comparative purposes, the financial statements present a comparison with the statement of financial position data in the consolidated financial statements as at 31 December 2021 and with the data in the consolidated statement of profit or loss and other comprehensive income, and the consolidated statement of cash flows, as at 30 September 2020.

As regards the statement of financial position, the presentation format adopted provides for a distinction between current and non-current assets and liabilities, according to paragraphs 60 et seq. of IAS 1.

The presentation of the consolidated income statement adopts a classification of costs based on the type of expense.

The consolidated statement of cash flows was prepared based on the indirect method and is presented in compliance with IAS 7, classifying the financial flows between operating, investment and financing activities.

BASIS OF MEASUREMENT

The Periodic Financial Information as at 30 September 2022 was prepared using the historical cost method, with the exception of derivative financial instruments, which were recognised at fair value as required by IFRS 9 – "Financial Instruments", and on a going concern basis. The Directors, in fact, have checked that there are no material uncertainties (as defined in IAS 1.25) in relation to the going-concern assumption.

FUNCTIONAL AND PRESENTATION CURRENCY

The Periodic Financial Information as at 30 September 2022 is presented in Euro, the functional currency of the Parent Company. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

USE OF JUDGEMENTS AND ESTIMATES

The preparation of the Periodic Financial Information as at 30 September 2022 in application of the IAS/IFRS requires the Directors to apply accounting standards that may sometimes be affected by complex and subjective judgements and estimates, based on past experience and assumptions deemed reasonable and realistic in the circumstances.

The application of these estimates and assumptions affects the reporting amounts in the financial statements, such as the statement of financial position, the statement of profit and loss and other comprehensive income, the statement of cash flows and the disclosures included herein.

Reference should be made to the consolidated financial statements as at 31 December 2021 and as at 30 June 2022 in relation to the main areas requiring the use of judgements and estimates, specifying that there are no changes in the main sources of uncertainty of estimates compared to those reported in the consolidated financial statements relating to the period ending 31 December 2021 and 30 June 2022.

CONSOLIDATION CRITERIA

The Periodic Financial Information as at 30 September 2022 includes, by applying the "line-by-line" consolidation method, the interim financial statements as at 30 September 2022 of the Parent Company and the Italian and foreign subsidiaries specifically prepared.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and, in the same time, has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The consolidation criteria adopted in the preparation of this Periodic Financial Information as at 30 September 2022 are the same as those adopted and reported in the consolidated financial statements as at 31 December 2021.

SUMMARY OF ACCOUNTING STANDARDS APPLIED

In the preparation of this Periodic Financial Information as at 30 September 2022, the same accounting principles and preparation criteria were applied as those used in the preparation of the consolidated financial statements as at 31 December 2021, to which reference should be made.

IMPAIRMENT TESTING

At the date of condensed interim financial statements, the Group assessed, on the basis of information from external and internal sources, whether there were indications of impairment of the assets.

For this analysis, reference was made to the results achieved as at 30 September 2022, which are consistent and in line with the assumptions and data used for the preparation of the plans approved for the verification of the recoverability of the net invested capital, carried out at the time of approval of the Annual Financial Report as at 31 December 2021.

Therefore, there were no indicators of impairment that required an impairment testing as at 30 September 2022 on the value of goodwill, trademarks and other tangible and intangible assets allocated to the identified Cash Generating Unit.

INFORMATION ON RISKS AND FINANCIAL INSTRUMENTS

The Group's activities are exposed to a series of risks and uncertainties that could influence its financial position, results of operations and cash flows. In particular, the Group is exposed to credit risk, arising from commercial transactions, liquidity risk, risks arising from changes in the regulatory framework and risks connected with litigation and tax assessments. Furthermore, the Group is exposed to fluctuations in interest rates on its variable rate debt instruments and fluctuations in exchange rates, primarily on sales of yachts in US dollars, and hedges such exposures with derivative instruments.

The Periodic Financial Information as at 30 September 2022 does not include all information on risk management. There were no changes with reference to the consolidated financial statements as at 31 December 2021 and as at 30 September 2022 regarding the risks to which the Group is exposed and their management.

COMPOSITION OF THE GROUP

SUBSIDIARIES

The Periodic Financial Information as at 30 September 2022 includes Sanlorenzo S.p.A. (Parent Company), eight companies directly controlled by Sanlorenzo S.p.A. and two indirectly controlled companies.

The following table summarises information, as at 30 September 2022, concerning the name and registered office of all subsidiaries, as well as Sanlorenzo Group's direct or indirect holding in their share capital.

Company name	Registered Office	Currency	Share capital (currency unit)	Percentage of ownership	
				Direct	Indirect
Bluegame S.r.l.	Ameglia (SP) – Italy	Euro	100,000	100.0%	-
PN Sviluppo S.r.l.	Viareggio (LU) – Italy	Euro	40,000	100.0%	-
Cantiere Tomei 1811 S.r.l.	Viareggio (LU) – Italy	Euro	10,000	100.0%	-
Mediterranea Real Estate S.r.l.	Viareggio (LU) – Italy	Euro	10,000	100.0%	-
Polo Nautico Viareggio S.r.l.	Viareggio (LU) – Italy	Euro	667,400	52.5%	-
I.C.Y. S.r.l.	Cologne (BS) – Italy	Euro	100,000	-	60.0%
Sanlorenzo Baleari SL	Puerto Portals, Mallorca – Spain	Euro	500,000	100.0%	-
Marine Yachting Monaco S.A.M.	Monte-Carlo – Principality of Monaco	Euro	150,000	99.7%	-
Sanlorenzo of the Americas LLC	Fort Lauderdale (FL) – USA	USD	2,000,000	90.0%	-
Fortune Yacht LLC	Fort Lauderdale (FL) – USA	USD	1,000	-	90.0%

Business combination

As detailed in the paragraph "Significant events occurred during the quarter", on 28 July 2022 Sanlorenzo S.p.A. closed the following acquisition:

- **Mediterranea Real Estate S.r.l.:** 100% of the shares
The total price of the transaction was equal to €1.1 million and the acquisition accounting was provisionally determined; the current values of the acquired assets were determined on the basis of the best estimate available at the date of preparation of the present document, resulting in the recognition of a greater value of the tangible assets for the amount of €943 thousand.
- **Cantiere Tomei 1811 S.r.l.:** 100% of the shares
The total price of the transaction was equal to €918 thousand and the acquisition accounting was provisionally determined; the current values of the acquired assets were determined on the basis of the best estimate available at the date of preparation of the present document, resulting in the recognition of a greater value of the tangible assets for the amount of €500 thousand.
- **Polo Nautico Viareggio S.r.l.:** acquisition of an additional 2.17% stake in the company, increasing shareholding to 52.49%
The acquisition price of this further stake was equal to €14 thousand and the acquisition accounting was provisionally determined; the current values of the acquired assets were determined on the basis of the best estimate available at the date of preparation of the present document. With reference to the stake held in Polo Nautico, an income of €104 thousand was recognised in the income statement.

On 20 July 2022, Sanlorenzo, through its subsidiary Bluegame S.r.l., acquired a 60% stake in I.C.Y. S.r.l. The total price of the transaction was equal to €925 thousand and the acquisition accounting was provisionally determined; the current values of the acquired assets were determined on the basis of the best estimate available at the date of preparation of the present document, resulting in the recognition of a goodwill of €205 thousand.

Since the acquisition date, Mediterranean Real Estate S.r.l., Cantiere Tomei 1811 S.r.l., Polo Nautico Viareggio S.r.l. and I.C.Y. S.r.l. have been consolidated in the Group's financial statements on a line-by-line basis and contributed

to the result for the period, limited to the result achieved in the period between the acquisition date and 30 September 2022.

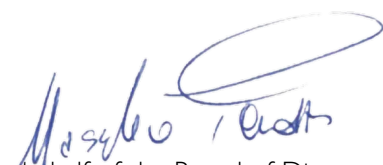
The above acquisitions were accounted with the purchase method and the related purchase price allocations are in progress, therefore, the assessments on which they are based are considered provisional and subject to change. In this regard, pursuant to the provisions of IFRS 3, the measurement of assets and liabilities may be subject to adjustments in the twelve months following the acquisition date.

ASSOCIATES

As at 30 September 2022, the Parent Company holds the following equity investments in associated companies, which are reported in the financial statements drawn up according to the equity method.

Company name	Registered Office	Currency	Share capital (currency unit)	Percentage of ownership	
				Direct	Indirect
Carpensalda Yacht Division S.r.l.	Livorno (LI) – Italy	Euro	8,000,000	48.00%	-
Duerre S.r.l.	Vicopisano (PI) – Italy	Euro	1,000,000	33.00%	-
Restart S.p.A. (through PN Sviluppo S.r.l.)	Milano (MI) – Italy	Euro	50,000	-	50.00%
Sa.La. S.r.l. (through Carpensalda Yacht Division S.r.l.)	Viareggio (LU) – Italy	Euro	50,000	-	48.00%

Ameglia, 8 November 2022



On behalf of the Board of Directors
Chairman and Chief Executive Officer
Mr. Massimo Perotti



DECLARATION OF THE MANAGER CHARGED WITH PREPARING THE COMPANY'S FINANCIAL REPORTS PURSUANT TO ARTICLE 154-BIS, PARAGRAPH 2, OF ITALIAN LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998

The undersigned Attilio Bruzzese, Chief Financial Officer of the Sanlorenzo Group, in his capacity as Manager charged with preparing the company's financial reports, declares that the Periodic Financial Information as at 30 September 2022 corresponds to the documented results, books and accounting records.

Ameglia, 8 November 2022

Attilio Bruzzese
Manager charged with preparing
the company's financial reports

Sanlorenzo S.p.A.
Headquarters
Cantieri Navali di Ameglia
Via Armezzone, 3
19031 Ameglia (Sp), Italy
t +39 0187 6181

Executive Offices
Cantieri Navali di La Spezia
Viale San Bartolomeo, 362
19126 La Spezia (Sp), Italy
t +39 0187 545700

Cantieri Navali di Viareggio
Via Luigi Salvatori, 58
55049 Viareggio (Lu), Italy
t +39 0584 38071

www.sanlorenzoyacht.com
investor:relations@sanlorenzoyacht.com