

# SANLORENZO

## **Sanlorenzo S.p.A.**

Registered office in via Armezzone 3, Ameglia (SP) - Share capital €35,083,190 fully paid-in  
Company Register of Riviera di Liguria – Imperia La Spezia Savona and tax code: 00142240464

[www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com)

Traditional administration and control system

### **Explanatory report on the first item on the agenda of the extraordinary shareholders' meeting**

**Non-divisible share capital increase with exclusion of the pre-emptive rights pursuant to Article 2441, paragraph 4, second sentence of the Italian Civil Code, for a nominal amount of €420,489.00 and share premium of €15,756,878.36; consequent amendment of Article 5 of the By-Laws. Related and consequent resolutions.**

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Shareholders,

We submit for your approval the proposal to increase the share capital in non-divisible form, excluding the pre-emptive rights pursuant to Article 2441, paragraph 4, second sentence of the Italian Civil Code, by a nominal amount of €420,489.00 (four hundred and twenty thousand, four hundred and eighty-nine/00) and a share premium of €15,756,878.36 (fifteen million, seven hundred and fifty-six thousand, eight hundred and seventy-eight/36), to be executed no later than 31 October 2024, by issuing a maximum number of 420,489 (four hundred and twenty thousand, four hundred and eighty-nine) ordinary shares of Sanlorenzo S.p.A. ("**Sanlorenzo**" or the "**Company**") without nominal value and intended for subscription by Sawa S.r.l. with sole shareholder (a company incorporated under Italian law with registered office in Florence, at via Giovanni Boccaccio no. 50, tax code 06921130487, "**Sawa**").

This report is drawn up by the Board of Directors of the Company pursuant to Article 125-ter of Italian Legislative Decree no. 588 of 24 February 1998, as subsequently amended and supplemented (the "**Italian Consolidated Law on Finance**" or "**TUF**") and Articles 72 and 84-ter of Consob Regulation No. 11971 of 14 May 1999 concerning the regulation of issuers, as subsequently amended and supplemented (hereinafter the "**Issuers' Regulation**") and in accordance with Annex 3A, Schedule 3 of the Issuers' Regulation itself and is made available to the public in the manner and within the terms required by law.

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### **1. The rationale and purpose of the share capital increase**

#### ***1.1 Introduction***

This Report has been drafted to illustrate the proposal to increase the share capital in non-divisible form, in exchange for payment, with the exclusion of the pre-emptive rights pursuant to Article 2441,

paragraph 4, second sentence of the Italian Civil Code, as provided for by Article 5.4 of Sanlorenzo's By-Laws.

In this regard, the Board of Directors proposes to the Shareholders' Meeting to increase the share capital, in non-divisible form, by €420,489.00 (four hundred and twenty thousand, four hundred and eighty-nine/00), with a share premium of €15,756,878.36 (fifteen million, seven hundred and fifty-six thousand, eight hundred and seventy-eight/36), excluding the pre-emptive rights pursuant to Article 2441, paragraph 4, second sentence of the Italian Civil Code, by issuing a total of 420,489 (four hundred twenty thousand, four hundred eighty-nine) new ordinary Sanlorenzo shares, with no nominal value, having the same dividend rights and the same characteristics as the ordinary Sanlorenzo shares in issue at the issue date; the newly issued shares shall be paid up in cash and shall be exclusively intended for subscription by Sawa (the "**Reserved Share Capital Increase**").

The Reserved Share Capital Increase is part of the Company's acquisition of 100% of the share capital of Nautor Swan S.r.l. (and through it, its subsidiaries) from Sawa (the "**Acquisition**"), which was agreed on 31 July 2024 and disclosed to the market on 1 August 2024 and 2 August 2024 (for details see the press releases published on the Company's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com), "Investors/Financial press releases" section), to be realised in two tranches, a first one, involving 60% of Nautor Swan (the "**First Tranche**"), executed on 2 August 2024 (the "**First Closing**"), and a second one, involving the remaining 40% of Nautor Swan (the "**Second Tranche**"), to be realised early 2028, upon approval of the financial statements of Nautor Swan S.r.l. as at 31 December 2027.

As part of the Acquisition, Sanlorenzo and Sawa agreed that one-third of the purchase price of the First Tranche, equal to a total of €16,177,367.36 (sixteen million, one hundred and seventy-seven thousand, three hundred and sixty-seven/36), was to be invested in cash by Sawa in Sanlorenzo by virtue of the Reserved Share Capital Increase, with valuation of the shares to be subscribed under the same in accordance with the criterion set out in paragraph 4 below of this report. For this reason, within the scope of the Acquisition, it was provided that the amount of €16,177,367.36 (sixteen million, one hundred and seventy-seven thousand, three hundred and sixty-seven/36), equal to one third of the total price of the First Tranche, was to be paid by Sanlorenzo into an escrow account held in its favour to guarantee the release of the Reserved Share Capital Increase by Sawa. It should be noted that if the Extraordinary Shareholders' Meeting does not approve the Reserved Share Capital Increase by 31 October 2024, the commitment undertaken by Sawa in the context of the Acquisition to subscribe for the Reserved Share Capital Increase will lapse, resulting in the amount of

€16,177,367.36 (sixteen million, one hundred and seventy-seven thousand, three hundred and sixty-seven/36) paid into the escrow account, charged to price.

For the sake of completeness, it should be noted that, at Sanlorenzo's discretion, a third of the price of the Second Tranche may be similarly paid, which Sanlorenzo also has the option to pay, alternatively, by way of an exchange of treasury shares.

The Acquisition represents an important growth opportunity for Sanlorenzo in the sailing yacht segment, which is currently not overseen, in terms of product development, technological, production and commercial synergies, benefiting from the Swan brand, whose heritage and prestige are recognised worldwide. The Acquisition presents significant value creation prospects that justify the investment.

Sanlorenzo has considered it in its own interest to provide, as part of the Acquisition, for Sawa's commitment to subscribe and release the Reserved Share Capital Increase, as this allows Sanlorenzo to carry out the Acquisition with a balanced financial outlay, as well as to increase the free float through the entry of a shareholder who is an entrepreneur in the nautical and luxury sector, with extensive experience in international markets. Therefore, the financial resources raised through the Reserved Share Capital Increase reduce the overall impact of the Acquisition on the Net Financial Position. An even higher level of equity solidity is maintained, which will allow the Sanlorenzo Group to confidently support its numerous investment programmes and future expansion plans, with a low financial risk profile.

The financial resources to be raised through the Reserved Share Capital Increase are therefore not intended to reduce or change the structure of Sanlorenzo's bank debt.

*Information on the absence of an obligation to publish a disclosure document*

With reference to the Acquisition and the Reserved Share Capital Increase, the publication of the information document for significant transactions under Annex B of the Issuers' Regulation is not required pursuant to Article 70, paragraph 6 and Article 71, respectively, of the Issuers' Regulation, as the thresholds identified by applying the general criteria set forth in the same Annex B have not been exceeded.

*Information on the absence of an obligation to publish an information prospectus*

The proposed Reserved Share Capital Increase is exempt from the obligation to publish an offer prospectus pursuant to Article 1, paragraph 4, letter (b) of Regulation (EU) 2017/1129 of the

European Parliament and of the Council of 14 June 2017, as amended and supplemented ("**Prospectus Regulation**"), as it is intended solely for Sawa.

Furthermore, since the shares issued in the context of the Reserved Share Capital Increase, together with the ordinary shares issued in the twelve months preceding the execution of the same, represent less than 20% of the ordinary shares of Sanlorenzo already admitted to trading on the Euronext STAR Milan stock market organised and managed by Borsa Italiana S.p.A., the Company may also benefit from the exemption from the obligation to publish a listing prospectus pursuant to Article 1, paragraph 5, letter (a) of the Prospectus Regulation.

Pursuant to Article 2.4.1, paragraph 7, of the Regulation governing the Markets organised and managed by Borsa Italiana S.p.A. (the "**Stock Exchange Regulations**"), the Company will notify Borsa Italiana S.p.A. that the new Sanlorenzo shares to be issued in the context of the Reserved Share Capital Increase will be automatically admitted to the official listing on the Euronext STAR Milan stock exchange organised and managed by Borsa Italiana Spa, in the same way as the Sanlorenzo ordinary shares currently in issue.

## **1.2 *Reasons for the exclusion of the pre-emptive rights of existing Sanlorenzo shareholders***

The second sentence of Article 2441, paragraph 4 of the Italian Civil Code regulates the option for companies with shares listed on regulated markets to provide in the by-laws for the exclusion of pre-emptive rights for capital increases up to a limit of 10% of the pre-existing share capital, provided that the issue price corresponds to the market value of the shares and that this is confirmed in a special report by a statutory auditor or independent auditing firm. Recourse to the statutory right to exclude pre-emptive rights in the manner and within the limits set forth in Article 2441, paragraph 4, second sentence, of the Italian Civil Code makes it possible to quickly and efficiently select the parties to whom the newly issued shares are to be offered for subscription, as well as to quickly raise risk capital for use.

Article 5.4 of the Company's By-Laws incorporates this provision.

Consequently, the Board of Directors deemed it efficient to avail itself of this legal right, in order to carry out the Acquisition in the most effective manner possible and in accordance with the interests of the Company itself, consequently reserving the Reserved Share Capital Increase, largely contained within the limit of 10% of the pre-existing capital, entirely to Sawa (with the consequence that no shareholders have expressed their willingness to subscribe the same and that no guarantee and/or

placement consortia or other forms of placement are envisaged in relation to the Reserved Share Capital Increase).

**2. Results for the last financial year closed and general indications on the development of operations in the current year**

The financial report for the year ended 31 December 2023 was approved by the Shareholders' Meeting on 26 April 2024 and is available, together with the consolidated financial statements of the Sanlorenzo Group, at the Company's registered office, on the Company's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com), "Investors/Financial results and documents" section), as well as at the authorised storage mechanism eMarketStorage. With reference to the results of the last financial year, reference is therefore made to the financial report, the consolidated financial statements and accompanying documentation.

Instead, with reference to the current financial year, please refer to the periodic financial information as of 31 March 2024, approved by the Board of Directors on 13 May 2024 and available at the Company's registered office, on the Company's website ([www.sanlorenzoyacht.com](http://www.sanlorenzoyacht.com), "Investors/Financial results and documents" section), where the related Press Release is also published. 2024 guidance of key economic and financial indicators, as well as at the authorised eMarketStorage mechanism.

**3. Issue price, allotment ratio and considerations on the basis of which the members of the board consider the issue price of the new shares to correspond to the market value**

***3.1 Criterion for determining the issue price***

The criterion for determining the issue price of the new Sanlorenzo shares to be issued pursuant to the Reserved Share Capital Increase was established, as part of the Acquisition, as the arithmetic average of the closing prices of the Euronext STAR Milan stock market of the Sanlorenzo shares in the 30 calendar days preceding the date of execution of the transfer of the First Tranche (First Closing), which as noted in paragraph 1 occurred on 2 August 2024, and therefore in the arithmetic average of the closing prices of the Euronext STAR Milan stock market of the Sanlorenzo shares in the period from 2 July 2024 to 1 August 2024.

The application of the aforementioned criterion leads to the determination of the issue price as €38.4727 (thirty-eight/4727) for each new Sanlorenzo share to be issued under the Reserved Share Capital Increase.

### 3.2 *Considerations regarding the appropriateness and adequacy of the proposed criterion*

The Board of Directors, supported by its financial advisor Mediobanca, has positively verified that the issue price of the new Sanlorenzo shares complies with the provisions of Article 2441, paragraph 4, second sentence of the Italian Civil Code, which requires that (i) the issue price shall coincide with the market value of the shares, and (ii) this is confirmed in a specific report by a statutory auditor or independent auditing firm.

The criterion for determining the issue price of shares established by the Board of Directors is linked to the market price, thus not arbitrarily defined, and based on the average closing stock market price over a time horizon sufficiently, but not too long, to adequately represent the normalised share price at the reference date.

In this regard, the Board of Directors recalls that Assirevi (the Italian Association of Auditing Firms) has published its Research Paper no. 221R *"The opinions requested of the independent auditing firm in the event of share capital increases with the exclusion of the pre-emptive rights in accordance with Article 2441, fourth and fifth paragraphs, of the Italian Civil Code and with Article 158 of Italian Legislative Decree no. 58/1998"*, in which it authoritatively noted - with reference to the cases of share capital increase with exclusion of pre-emptive rights pursuant to Article 2441, paragraph 4, second sentence of the Italian Civil Code – that *"the reference time-frame for the analysis to determine the market value is certainly less ample than the six-month time-frame mentioned for the trend of stock market prices in the other cases of share capital increase of the Italian Civil Code. Indeed, reference to a more limited period, between a minimum of three five days and a maximum of two three months, would seem appropriate"*; the Board of Directors notes that the criterion chosen for the purposes of the Reserved Share Capital Increase is, prudentially, essentially in the middle of the extremes deemed "appropriate" by Assirevi, as further proof of its suitability to express the market value of Sanlorenzo shares.

The Board of Directors has also ascertained that the issue price is higher than the closing price on the Stock Exchange prior to the First Closing Date, equal to €37.35 (thirty-seven/35), the date of approval of this report and the date of the decision to call the extraordinary shareholders' meeting called to resolve on the Reserved Share Capital Increase.

Comparison						
BoP Date		01-08-24	27-07-24	03-07-24	03-06-24	03-05-24
EoP Date	02-08-24	02-08-24	02-08-24	02-08-24	02-08-24	02-08-24
	Issuance	Last day	1w avg	1m avg	2m avg	3m avg
Price	38,47	37,35	37,39	38,47	39,84	40,71
Delta	0,0%	3,0%	2,9%	0,0%	(3,4%)	(5,5%)

The Board of Directors will instruct the independent auditing firm Ernst & Young S.p.A. to prepare the report on the correspondence of the issue price to the market value of the shares pursuant to Article 2441, paragraph 4, second sentence of the Italian Civil Code and Article 158 of the TUF. The report of the aforementioned independent auditing firm will be published in the manner and by the deadlines prescribed by law.

### 3.3 *Assignment Report*

As noted, the Reserved Share Capital Increase is reserved in its entirety for the subscription of Sawa.

#### 4. **Period envisaged for the execution of the transaction**

The Reserved Share Capital Increase is expected to be executed, with subscription and by Sawa by, 31 October 2024. It is also envisaged that Sawa will pay in full the Reserved Share Capital Increase at the same time as its subscription, through the amounts already paid into the escrow account described in paragraph 1 above.

The Reserved Share Capital Increase will become effective upon its full subscription.

#### 5. **Dividend date of newly issued shares**

The Sanlorenzo shares to be issued in the context of the Reserved Share Capital Increase will have regular dividend rights and, therefore, will attribute equal rights with respect to the shares in circulation at the time of issue.

#### 6. **Proposed Amendment to Article 5 of the By-laws and comparison**

As a result of the proposed resolution submitted for your approval, it will be necessary to supplement Article 5 of the current By-Laws by inserting a clause concerning the shareholders' resolution to increase the Reserved Share Capital.



It should be noted that the proposed amendment to the By-Laws in question does not grant the right of withdrawal to shareholders who do not take part in its approval, as it does not fall within the scope of any of the cases of withdrawal set forth in Article 2437 of the Italian Civil Code.

Below is the current text of Article 5.2 of the Company's By-Laws compared with the text in the version that the Board of Directors proposes to adopt.

Current text	Proposed text
<p>5.2 On 21 April 2020, the Extraordinary Shareholders' Meeting resolved a divisible share capital increase, excluding the preemptive rights, paragraph 8 of the Italian Civil Code, of a maximum nominal value of Euro 884,615.00 (eight hundred and eighty-four thousand, six hundred and fifteen and 00/100), to be executed no later than 30 June 2029, through the issue of a maximum number of 884,615 (eight hundred and eighty-four thousand, six hundred and fifteen) ordinary Sanlorenzo shares destined exclusively and irrevocably to service the 2020 Stock Option Plan, all under the terms and conditions set out in the resolution.</p>	<p>5.2 On 21 April 2020, the Extraordinary Shareholders' Meeting resolved a divisible share capital increase, excluding the preemptive rights, paragraph 8 of the Italian Civil Code, of a maximum nominal value of Euro 884,615.00 (eight hundred and eighty-four thousand, six hundred and fifteen and 00/100), to be executed no later than 30 June 2029, through the issue of a maximum number of 884,615 (eight hundred and eighty-four thousand, six hundred and fifteen) ordinary Sanlorenzo shares destined exclusively and irrevocably to service the 2020 Stock Option Plan, all under the terms and conditions set out in the resolution.</p> <p><b>On 30 September 2024, the Extraordinary Shareholders' Meeting resolved a non-divisible share capital increase against a payment of nominal €420,489.00 (four hundred and twenty thousand, four hundred and eighty-nine/00), plus an additional premium of €15,756,878.36 (fifteen million, seven hundred and fifty-six thousand, eight hundred and seventy-eight/36), through the issue of 420,489 (four hundred and twenty thousand, four hundred and eighty-nine) ordinary shares, with no nominal value, excluding the preemptive rights pursuant to Article 2441, paragraph 4, second sentence of the Italian Civil Code, at an issue price of €38.4727 (thirty-eight/4727) per share, to be allocated for €420,489.00 (four hundred and twenty thousand, four hundred and eighty-nine/00) to share capital and €15,756,878.36 (fifteen million, seven</b></p>

	<b>hundred and fifty-six thousand, eight hundred and seventy-eight/36) to the share premium, with a final subscription and full payment date of 31 October 2024.</b>
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In light of the foregoing, the Board of Directors therefore submits the following proposal for resolution for your approval.

### **Proposed resolution**

*“The Shareholders’ Meeting of Sanlorenzo S.p.A., in an extraordinary session,*

- (i) having heard and approved the presentation of the Board of Directors;*
- (ii) having examined the Explanatory Report of the Administrative Body and the proposals contained therein;*
- (iii) having shared the reasons for the proposals contained therein*

### ***resolves***

- 1. to increase the share capital by €420,489.00 (four hundred and twenty thousand, four hundred and eighty-nine/00), in non-divisible form, plus an additional premium of €15,756,878.36 (fifteen million, seven hundred and fifty-six thousand, eight hundred and seventy-eight/36) excluding the pre-emptive rights pursuant to Article 2441, paragraph 4, second sentence of the Italian Civil Code, through the issue of 420,489 (four hundred and twenty thousand, four hundred and eighty-nine) new ordinary Sanlorenzo shares, with no nominal value, having the same dividend rights and the same characteristics as the ordinary Sanlorenzo shares outstanding on the date of issue. The newly issued shares are to be paid in cash. The new Sanlorenzo shares will be exclusively for subscription by Sawa S.r.l. with sole shareholder, at a price of €38.4727 (thirty-eight/4727) per share, to be allocated for €420,489.00 (four hundred and twenty thousand, four hundred and eighty-nine/00) to share capital and €15,756,878.36 (fifteen million, seven hundred and fifty-six thousand, eight hundred and seventy-eight/36) to share premium (hereinafter the **"Reserved Share Capital Increase"**);*
- 2. to set the final deadline for the subscription and redemption of the newly issued shares at 31 October 2024 and that, if the Reserved Share Capital Increase is not fully subscribed and paid*

*up by this deadline, the Reserved Share Capital Increase shall be considered as not executed and ineffective;*

3. *to amend Article 5 of the By-Laws so that a new paragraph is inserted to acknowledge the resolution to increase the share capital as follows:*

*“On 30 September 2024, the Extraordinary Shareholders' Meeting resolved a non-divisible share capital increase against a payment of nominal €420,489.00 (four hundred and twenty thousand, four hundred and eighty-nine/00), plus an additional premium of €15,756,878.36 (fifteen million, seven hundred and fifty-six thousand, eight hundred and seventy-eight/36), through the issue of 420,489 (four hundred and twenty thousand, four hundred and eighty-nine) ordinary shares, with no nominal value, excluding the pre-emptive rights pursuant to Article 2441, paragraph 4, second sentence of the Italian Civil Code, at an issue price of €38.4727 (thirty-eight/4727) per share, to be allocated for €420,489.00 (four hundred and twenty thousand, four hundred and eighty-nine/00) to share capital and €15,756,878.36 (fifteen million, seven hundred and fifty-six thousand, eight hundred and seventy-eight/36) to the share premium, with a final subscription and full payment date of 31 October 2024.”;*

4. *to vest, jointly and severally, the Chairman Massimo Perotti and the executive directors Carla Demaria and Tommaso Vincenzi, with the power to sub-delegate, with the most extensive powers necessary and appropriate to implement the resolutions adopted above, as well as to execute all acts and transactions necessary or appropriate to that end, including, but not limited to, those relating to:*

- a. preparing, amending, supplementing and/or signing and/or performing any act, contract, agreement, declaration and document necessary or appropriate for the execution and completion of the activities described above;*
- b. the management of relations with any competent body and/or authority and the obtaining of all necessary authorisations and approvals in relation to the successful completion of the transactions described above, as well as the drafting, amendment, integration and/or signing and/or completion of any contract, agreement, deed, declaration and/or document necessary or appropriate for such purpose, including the power to make any legal filings resulting from the execution of the Reserved Share Capital Increase;*
- c. the issue of subscribed shares;*

*d. the execution, in connection with the Reserved Share Capital Increase, of the certificate pursuant to Article 2444 of the Italian Civil Code and the filing of the By-Laws showing the updated share capital figure pursuant to Article 2436 of the Italian Civil Code, together with all the fulfilments, declarations, and communications required by law or otherwise appropriate to fully execute and implement the above resolution."*

Turin, 2 August 2024

For the Board of Directors

The Chairman, Mr. Massimo Perotti