# HALF-YEARLY FINANCIAL REPORT

## AS AT 30 JUNE 2024

SANLORENZO

# CONTENTS

# SANLORENZO GROUP

# CORPORATE DATA

**SANLORENZO S.P.A.**
Share capital as at 30 June 2024: €35,083,190, fully paid-in[1]
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 DIRECTORS**[2] | Massimo Perotti | Chairman and Chief Executive Officer |
| | Carla Demaria | Executive Director |
| | Tommaso Vincenzi | Executive Director |
| | Paolo Olivieri | Director and Deputy Chair |
| | Cecilia Maria Perotti | Director |
| | Silvia Merlo | Director |
| | Licia Mattioli | Independent Director and Lead Independent Director |
| | Leonardo Luca Etro | Independent Director |
| | Francesca Culasso | Independent Director |
| | Marco Francesco Mazzù | Independent Director |
| | Lavinia Biagiotti Cigna | Independent Director |
| **CONTROL, RISKS AND SUSTAINABILITY COMMITTEE** | Leonardo Luca Etro | Chair |
| | Silvia Merlo | |
| | Francesca Culasso | |
| **REMUNERATION COMMITTEE** | Leonardo Luca Etro | Chair |
| | Silvia Merlo | |

[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 September 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 June 2024, this capital increase had been partially subscribed for a total of 583,190 shares.

[2] Appointed by the Ordinary Shareholders' Meeting on 28 April 2022; it will remain in office until the date of the Shareholders' Meeting called to approve the separate financial statements as at 31 December 2024. Following the resolution of the Ordinary and Extraordinary Shareholders' Meeting held on 26 April 2024, the number of members of the Board of Directors was increased and Tommaso Vincenzi and Lavinia Biagiotti Cigna were appointed as new Directors. The Board of Directors' meeting held at the end of the aforesaid Shareholders' Meeting, having ascertained that the requirements provided for by the laws in force for the assumption of the office of director of the Company for the Directors appointed on that date had been met, verified, *inter alia*, the satisfaction of the independence requirements for Director Lavinia Biagiotti Cigna and appointed Tommaso Vincenzi as Executive Director. As per the notice made public on 8 April 2024, Ferruccio Rossi, formerly Executive Director of the Company by resolution passed by the Board of Directors of 28 April 2022, resigned with effect as of 8 April 2024 from the powers granted to him by the Board of Directors on 28 April 2022 and 22 June 2022, and his employment as manager and general manager of the Company was terminated by mutual agreement with effect as of 30 April 2024. As per the notice made public on 13 May 2024, Ferruccio Rossi was appointed CEO of "Sanlorenzo MED", a commercial network comprising the Sanlorenzo Group's European foreign companies. Concurrently with this new collaboration agreement and in line with its underlying rationale, Ferruccio Rossi resigned from the Board of Directors of Sanlorenzo S.p.A. on 13 May 2024.

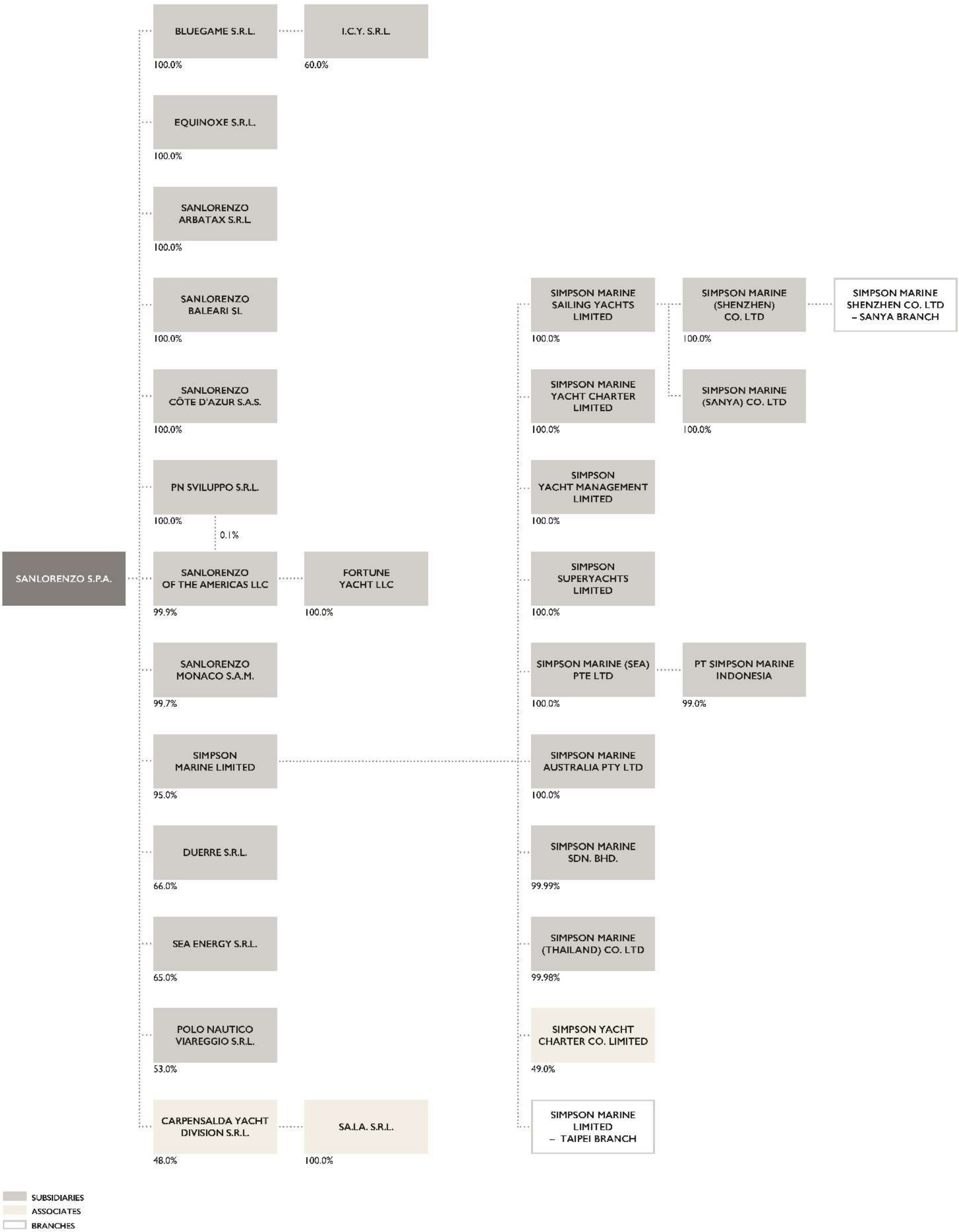
| | | |
|---|---|---|
| | Francesca Culasso | |
| **NOMINATION COMMITTEE** | Licia Mattioli | Chair |
| | Paolo Olivieri | |
| | Marco Francesco Mazzù | |
| **RELATED PARTY TRANSACTIONS COMMITTEE** | Licia Mattioli | Chair |
| | Leonardo Luca Etro | |
| | Francesca Culasso | |
| **BOARD OF STATUTORY AUDITORS**[3] | Enrico Fossa | Chairman and Statutory Auditor |
| | Andrea Caretti | Standing Auditor |
| | Margherita Spaini | Standing Auditor |
| | Luca Trabattoni | Alternate Auditor |
| | Maria Cristina Ramenzoni | Alternate Auditor |
| **AUDITING FIRM**[4] | 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; it will remain 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

## COMPANY ORGANISATION CHART AS AT 30 JUNE 2024



# COMPOSITION OF THE GROUP AS AT 30 JUNE 2024

| Company name | Registered office |
|---|---|
| Sanlorenzo S.p.A. - Parent Company | Ameglia (SP) - Italy |
| **Subsidiaries** | |
| Bluegame S.r.l. | Ameglia (SP) – Italy |
| Equinoxe S.r.l. | Turin (TO) – Italy |
| Sanlorenzo Arbatax S.r.l. | Tortolì (NU) – Italy |
| PN Sviluppo S.r.l. | Viareggio (LU) – Italy |
| Duerre S.r.l. | Vicopisano (PI) – Italy |
| Sea Energy S.r.l. | Viareggio (LU) – Italy |
| I.C.Y. S.r.l. | Adro (BS) – Italy |
| Polo Nautico Viareggio S.r.l. | Viareggio (LU) – Italy |
| Sanlorenzo Baleari SL | Puerto Portals, Mallorca – Spain |
| Sanlorenzo Côte d'Azur S.A.S. | Cannes – France |
| Sanlorenzo Monaco S.A.M. | Monte-Carlo – Principality of Monaco |
| Simpson Marine Limited[5] | Hong Kong – Hong Kong |
| Simpson Marine Sailing Yachts Limited[5] | Hong Kong – Hong Kong |
| Simpson Marine Yacht Charter Limited[5] | Hong Kong – Hong Kong |
| Simpson Yacht Management Limited[5] | Hong Kong – Hong Kong |
| Simpson Superyachts Limited[5] | Hong Kong – Hong Kong |
| Simpson Marine (SEA) Pte Ltd[5] | Singapore – Republic of Singapore |
| Simpson Marine Sdn. Bhd.[5] | Kuala Lumpur – Malaysia |
| Simpson Marine (Thailand) Co. Ltd[5] | Phuket – Thailand |
| Simpson Marine (Shenzhen) Co. Ltd[5] | Shenzhen - People's Republic of China |
| Simpson Marine (Sanya) Co. Ltd[5] | Sanya (Hainan) – People's Republic of China |
| PT Simpson Marine Indonesia[5] | Jakarta – Indonesia |
| Simpson Marine Australia Pty Ltd[6] | Toronto (Newcastle) – Australia |
| Sanlorenzo of the Americas LLC | Fort Lauderdale (FL) – USA |
| Fortune Yacht LLC | Fort Lauderdale (FL) – USA |
| **Associates** | |
| Carpensalda Yacht Division S.r.l. | Pisa (PI) – Italy |
| Sa.La. S.r.l. | Viareggio (LU) – Italy |
| Simpson Yacht Charter Co. Limited[5] | Phuket – Thailand |
| **Branch** | |
| Simpson Marine Limited – Taipei Branch[5] | Taipei – Taiwan |
| Simpson Marine Shenzhen Co. Ltd – Sanya Branch[6] | Sanya (Hainan) – People's Republic of China |

[5] On 5 March 2024, Sanlorenzo S.p.A. completed the purchase of 95% of the share capital of Simpson Marine Limited from Mr. Michael Rowland Simpson. For more details, please refer to the "Significant events occurring during the period" section.

[6] On 11 June 2024, following the acquisition of 95% of the share capital of Simpson Marine Limited on 5 March 2024, a new company was incorporated in Australia named "Simpson Marine Australia Pty Ltd", a wholly-owned subsidiary of Simpson Marine Limited. For more details, please refer to the "Significant events occurring during the period" section.

# GROUP ACTIVITIES

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

Group activities are divided into three business units:

- the Yacht Division (dedicated to the design, manufacturing and sale of composite yachts between 24 and 40 metres long, under the Sanlorenzo brand);
- the Superyacht Division (dedicated to the design, manufacturing and sale of superyachts in aluminium and steel between 44 and 73 metres long, under the Sanlorenzo brand);
- the Bluegame Division (dedicated to the design, manufacturing and sale 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.

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, as well as maintenance, restyling and refitting, in addition to charter services offered through Equinoxe S.r.l., acquired in December 2022 and the Simpson Marine Group, acquired in March 2024.

# THE PRODUCT RANGES

## Yacht Division

### SL Line

The SL Line is the historic Sanlorenzo range and includes flybridge, planing and on-board motor yacht models with living quarters on two and a half decks for layouts with master cabin on the main deck and on two decks with master cabin on the lower deck. Starting in 2018, thanks to an idea from designer Chris Bangle, Sanlorenzo introduced and patented the asymmetrical configuration, revolutionising the canonical layout of a yacht in favour of additional interior space and direct contact with the sea.

The SL Line includes six models with lengths ranging from 24 to 38 metres. At the upcoming Cannes Yachting Festival in September, the SL86 model with an asymmetrical configuration will have its world première.

### SD Line

The SD Line, introduced in 2007, perfectly complements the historic SL Line. Inspired by the transatlantic liners of the 1930s, includes shuttle-type yacht models, with semi-displacement hull that does not rise up above the surface of the water while sailing, which allow great autonomy to reach even the most distant destinations. With the launch of the new SD118 presented at the Cannes Yachting Festival in 2021, Sanlorenzo has introduced also in the semi-displacement models the asymmetric configuration, previously proposed on the SL Line.

The SD Line includes four models ranging from 28 to 40 metres in length, including the SD132, which will be unveiled in 2025, the Group's first composite yacht to reach 40 metres in length.

### SX Line

The SX Line, introduced in 2017, covers a new and transversal market segment which expands the offering of composite yachts. The SX Line includes crossover type yacht models, a type that combines elements of the flybridge segment with typical features of the Explorer Line, and is characterised by semi-planing speeds (around twenty-two knots), in between that of the SL and SD Lines.

The SX Line includes four models ranging from 24 to 34 metres in length, including the SX100 model unveiled at the Cannes Yachting Festival in September 2023.

### SP Line

The SP Line, introduced in 2022 with the first SP110 model, sees Sanlorenzo's entry into the sport coupé segment with a highly innovative offer enabling the achievement of high performance, and in particular speeds of up to 40 knots, with the use of low environmental impact technologies.
The SP Line includes two models ranging from 28 to 33 metres in length, including the SP92 model to be given a worldwide première at the Cannes Yachting Festival in September.

## Superyacht Division

### Alloy Line

This is the Superyacht Division's historic product line, introduced in 2007 with the delivery of the first 40Alloy model. It currently includes a model of 44 meters in length with hull and superstructure entirely in aluminium, characterised by a modern design with fast displacement hull and cutting edge technology.

### Steel Line

The Steel Line, introduced by Sanlorenzo in 2010, represents the classic line of Superyacht Division and includes five yacht models with length from 50 to 74 metres, displacement hull made of steel - a extremely rigid and robust material - and aluminium superstructure laid out over 5/6 decks.
In May 2024, the innovative 50Steel was launched, the world's first superyacht with installation of a Fuel Cell powered by hydrogen reformed directly on board from green methanol to generate zero-emissions electricity for hotel services. The 50Steel introduces to the market another innovation destined to mark the history of the nautical industry: the patented "HER" (Hidden Engine Room) system, a revolutionary on-board concept that makes it possible to reclaim space to make room for a precious area of additional living space, modifying the traditional layout.

### Explorer Line

The Explorer Line, which Sanlorenzo introduced in 2015 starting with first model, the 500 Explorer, includes yachts with steel displacement hull and aluminium superstructure and length of 47 metres. It is characterised by features inspired by the big exploration yachts, the large living spaces on-board and high performance in terms of autonomy and sea-keeping.

### X-Space Line

The X-Space Line, introduced in 2023 with the first 44-metre 44 X-Space model. The new metal range features large volumes, ample space on board, flexibility and high autonomy.

## Bluegame Division

### BG Line

The BG Line, introduced in 2018 with the BG42 model conceived as tender or chase boat, includes "walk-around" boats, with a cockpit and steering gear located centrally in a raised position, surrounded by a walkway protected by a high bulwark. Over time, the range has been progressively expanded until the launch in 2021 of the 72-foot model, which combines features of open and flybridge boats.
The BG Line includes three models with lengths ranging from 13 to 23 metres.

### BGX Line

The BGX Line was introduced in 2019 to combine the typical elements of the BG Line with the crossover concept, already developed by Sanlorenzo in a larger dimension with the SX Line and with highly innovative space distribution and a high performance hull designed by naval architect Lou Codega.
The BGX Line includes two models with lengths ranging from 19 to 23 metres.

### BGM Line

The BGM Line was introduced in 2023 with the first 23-metre BGM75 model, which had its world première at the Cannes Yachting Festival in September 2023, marking the Company's entry into the luxury multihull segment.

# SERVICES

The Group offers an exclusive range of dedicated high-end services to only Sanlorenzo and Bluegame clients, such as a monobrand charter programme (Sanlorenzo Charter Fleet), maintenance, restyling and refitting services (Sanlorenzo Timeless) and staff and crew training at the Sanlorenzo Academy.

## Sanlorenzo Charter Fleet

The Sanlorenzo Charter Fleet programme offers exclusive benefits for both charterers and owners, including:

- guaranteeing a yacht and crew meeting the highest standards;
- possibility of replacing the yacht if the chosen vessel is unavailable;
- comprehensive consulting service covering legal, administrative and management aspects;
- offering the Sanlorenzo experience worldwide, with SLCF expanding into the Americas, APAC and the Middle East.

## Sanlorenzo Timeless

Sanlorenzo Timeless is the range of services dedicated to preserve the value and the "timeless" character of Sanlorenzo yachts, adapting them to contemporary styles and tastes and modernising the equipment on board. In particular, the services offered to shipowners are as follows:

- Refit - replace or upgrade on-board instrumentation and equipment through the use of the latest technology, improving safety and functionality;
- Restyle - renew the design of yachts through targeted interventions on furnishings, replacement of materials and upholstery and design from scratch of spaces and structures, with attention to the search for solutions with low environmental impact;
- Lifetime Care - constant care and maintenance (ordinary and extraordinary) of the yacht through rigorous checks, services, tests, coupons and certifications.

## Sanlorenzo Academy

The Sanlorenzo Academy was established in 2018 in order to promote training courses aimed at developing professional figures in the nautical sector, to be introduced within the Sanlorenzo Group and its supply chain.
Over time, it has developed further and is now understood as the platform for the development of technical, managerial and transversal skills.
The Academy has three dimensions:

1. External training: courses dedicated to training external personnel to be integrated into the Group;
2. Internal training: envisages a Learning Plan tailored to the needs of Sanlorenzo People and aimed at the development and growth of the organisation;
3. Support to Contractors: training and induction of staff to support contractors.

In the external dimension, the Academy is an ambitious training project dedicated to high school graduates, creating a synergistic link between industry, training and work.
Students participate in courses that alternate theoretical learning and practical experimentation, offering a unique training experience.
Ultimately, embarking on a training course within the Sanlorenzo Academy allows to acquire the skills associated with the professions of the sea, also thanks to the testimonials and experience of the Sanlorenzo Group's teachers and collaborators.
One significant example is the "Yachting Operations Specialist" course, launched in October 2023, which saw the conclusion of the course with all 10 students joining the Sanlorenzo Group following an intensive 600-hour course. These trainees will now have the opportunity to gain the necessary experience to respond to customer demands with the expertise, attention to detail and commitment that are the Group's hallmarks.
In its internal dimension, the Academy is devoted to developing and increasing the skills, knowledge and, above all, the experience, of Sanlorenzo People. The Learning Plan is structured in 5 training Pillars: Managerial, Executive Programs, Cultural Identity, Crew and Technical. In 2023, the Group delivered a total of 10,615 training hours and is following the same course for 2024 in order to surpass this important milestone.
During 2024, important initiatives were also launched to support the cultural integration model envisaged in our Corporate Supplementary Agreement, including cultural mediation desks and Italian language courses for foreign workers in contracting companies.
Ultimately, the Sanlorenzo Academy contributes to the professional and personal growth of everyone who takes part in it, while supporting the excellence that has always distinguished the Sanlorenzo Group.

# THE PRODUCTION SITES

## Sites

Production activities are carried out primarily at four sites within about 50 kilometres radius, within the nautical district sandwiched between the Apuan Alps and the Tyrrhenian Sea, between the northern Tuscan coast and the Ligurian eastside coast:

- Ameglia (SP), on the banks of the river Magra, dedicated to the outfitting of Sanlorenzo composite yachts of less than 100 feet in length (Yacht Division) and Bluegame yachts;
- La Spezia, dedicated to the outfitting of metal superyachts (Superyacht Division);
- Massa, dedicated to the production of semi-finished products in composite materials for outfitting in the Ameglia and Viareggio plants (Yacht Division) and to the development of new models of the Yacht Division;
- Viareggio (LU), dedicated to the outfitting of Sanlorenzo composite yachts longer than 100 feet (Yacht Division) and some models of metal superyachts (Superyacht Division).

## Other production sites

In 2022, Sanlorenzo S.p.A. acquired, inter alia: (i) an industrial building in the Canale dei Navicelli area of Pisa, intended for the Superyacht Division, (ii) an industrial building and a yard intended for garaging activities in the area of the Darsena di Viareggio and (iii) an industrial building adjacent to the Sanlorenzo shipyards within the Polo Nautico complex in Viareggio, while Bluegame acquired a majority stake in the company I.C.Y. S.r.l., its historical partner operating in Cologne (BS).
In July 2023, the Court of Lanusei (NU) formally assigned by transfer decree the ownership of an industrial building located in Tortolì (NU) of about 16,000 square metres to the subsidiary Sanlorenzo Arbatax S.r.l.
In September 2023, Sanlorenzo S.p.A. purchased, as part of an approved composition with creditors, a warehouse adjacent to the Massa plant of approximately 3,000 square metres.

# STRATEGY AND BUSINESS MODEL

Sanlorenzo is the only player in the luxury yachting sector to compete in a number of segments with a single brand, with a high-end positioning representing one of the main distinguishing factors of the Company.
The business model involves building a limited number of yachts per year, increasing volumes by launching new lines and models without inflating existing ones, taking care of every detail in the spirit of haute couture.
The uniqueness of the product, the constant innovation of the yacht design, in keeping with the Sanlorenzo tradition, the loyalty of customers, the collaborations with world-renowned designers, the communication and strong liaison with art and culture have given to the Group a strong foothold in the luxury yachting industry, where the Sanlorenzo brand is recognised as the epitome of excellence and exclusivity.
Sanlorenzo is positioned in a specific ecosystem where the most refined and sophisticated craftsman skills have been handed down for generations. Supply chain relationships are long-standing, and include thousands of artisan businesses, mostly located in the Upper Tyrrhenian Sea nautical district, which work directly at the Group's shipyards on a daily basis.
At the same time, Sanlorenzo personnel focus on the phases with higher value added, linked to direct interaction with the customer and aimed at defining new innovative and sustainable products, brand enhancement and quality control, while maintaining a high degree of production flexibility.

## "Made to measure"

Maison Sanlorenzo is characterised by a rigorously tailor-made approach. Sanlorenzo's customer journey begins with full customer involvement in the initial stages of yacht design, establishing a close personal relationship with each owner. The high degree of customisation of the interior and exterior fittings and technological equipment, not just of yachts longer than 40 metres, but also those between 24 and 40 metres, is a distinctive trait of Sanlorenzo in the global luxury sailing landscape. This characteristic is based on the Company's philosophy of guaranteeing its customers with a "made to measure" yacht, also in the smaller models.
The consequent strong prevalence of sales to end customers compared with stock sales to brand representatives means that the Group has greater visibility and planning of expected revenues, based on contractual forecasts and expected production progress for each order, benefits for working capital linked to a more favourable collection profile and a considerably more limited risk profile.

## "Connoisseur" customers

The "made to measure" approach and the quality of the product have allowed the Company to attract over the years an exclusive and sophisticated clientele composed mainly of the category of connoisseurs, achieving over time a high degree of loyalty of Sanlorenzo owners.
Customers belong to the social class of the Ultra High Net Worth Individuals (UHNWI), characterised by rates of yachting penetration among the lowest in the luxury segment and therefore, strong unexpressed demand potential. This factor, combined with the expansion of demand resulting from the steady increase in the number and wealth of UHNWI, especially in North America and APAC, represents an ample opportunity for growth, aided by the emotional nature of buying a yacht. The expansion of clientele is also accompanied by a significant increase in the propensity to purchase, driven by a renewed search for quality of life in freedom and safety, all needs that a yacht can satisfy. The new connectivity technologies furthermore allow work to be carried out on board and extend the time the owner can spend on board, thus increasing the attractiveness to younger clientele. This trend will continue in 2024, confirming the proven resilience of the luxury segment in the face of the macroeconomic environment.

## Production excellence and flexibility

The Group's yachts are created with attention to every detail, in order to maximise quality and comfort for the customer.
The high quality of the features is also guaranteed by long-standing relationships with highly-skilled local handcraft employed in the production process. The Group relies on a network of thousands of specialist contractors, part of an ecosystem of artisan businesses with a long history, largely located on the coast of the Tyrrhenian Sea between La Spezia and Viareggio, a genuine district of nautical excellence.
Thanks to this business structure, unique in the nautical sector, the Group can offer the flexible execution needed to keep the "made to measure, hand-made, well-made" promise for every one of its yachts. The marked outsourcing of the production process, which translates into a wide flexibility of production costs, has allowed the Group a strong resilience even during unfavourable economic times.
In 2022, the Group undertook a key production chain verticalisation strategy, through partnerships and minority investments in strategic suppliers aimed at guaranteeing the supply of strategic materials and processes, increasing production capacity, increasing the agility and flexibility of production processes, maintaining strict quality control and extending the Sanlorenzo Group's standards of responsibility and sustainability to the supply chain. Investments in key suppliers such as Duerre S.r.l., an artisanal manufacturer of top-quality furniture, Carpensalda Yacht Division S.r.l., active in metal carpentry, its subsidiary Sa.La. S.r.l., active in the moulding of metal sheets and Sea Energy S.r.l., active in the design, production and installation of marine electrical and electronic equipment, and I.C.Y. S.r.l., a long-standing partner of Bluegame, are part of this programme for strengthening the strategic supply chains.

## Design and sustainable technological innovation of yachts

The strength of the product is the result of the Group's ability to create yachts that stand out for their iconic and timeless design and that represent the result of the customer-focused customisation process.
Its yacht range is also extensive and diversified in terms of the size and materials used, as well as the characteristics of the various lines, in order to meet the needs of highly sophisticated customers. Thanks to constant investments in research and development, the fleet presents a high degree of innovation which, combined with an iconic and timeless nautical design, makes every yacht produced by the Group immediately recognisable at sea.
In 2023, the solid product range expansion plan, announced at the presentation of the 2023-2025 Business Plan, saw the launch of two new lines characterised by novel features and transversal to different market segments - the X-Space line for the Superyacht Division and the BGM line for the Bluegame Division - as well as the introduction of the new SX100 model, thus expanding the Yacht Division's acclaimed SX cross-over line.
In 2024, for the Yacht Division, the Group will present the world première at the Cannes Yachting Festival in September of the SL86 model with an asymmetrical configuration of the iconic SL line and the new open-coupé SP92, the second model of the SP line introduced in 2022.
Sustainability is at the heart of the development of the new models as part of an ambitious programme that sees, for the first time in the nautical sector, the application of technologies focused on the marine use of hydrogen Fuel Cells, which will permit the progressive reduction of the environmental impact until achieving neutrality, the true answer to demand for sustainability in the yachting sector.
Thanks to the exclusive agreement signed in 2021 with Siemens Energy, the yacht segment above 40 metres in length sees the integration of Fuel Cells powered by hydrogen reformed directly on board from green methanol to generate the power needed for hotel services whilst assuring zero emissions. The first installation is on the 50Steel Superyacht, which was launched last May and delivered in July, and whose Fuel Cell system was certified by Lloyd's Register at the end of September 2023. The 50Steel introduces to the market another innovation destined to make history in the nautical industry: the patented "HER" (Hidden Engine Room) system. This is a revolutionary on-board concept, designed by the Zuccon International Project studio and Piero Lissoni, which modifies the yacht's traditional layout, allowing for a new arrangement of the engine room: from the two levels usually occupied, there is a horizontal development of the propulsion equipment, allowing new spaces to be exploited in the lower deck area and thus creating an additional salon.

This will be followed in 2028 by the delivery of the first Sanlorenzo Superyacht of between 50 and 60 metres in length in which, by virtue of the important exclusive agreement signed in August 2022 with Rolls-Royce Solutions GmbH - Global Marine (MTU), propulsion through bi-fuel primary engines which can be fuelled by methanol will be added to the generation of electricity on board via Fuel Cells.

Green methanol is the fuel of the future for recreational vessels over 40 metres. It is produced by combining green hydrogen that stores energy from renewable sources with $CO_2$ captured from the atmosphere using carbon capture systems. The amount of $CO_2$ released into the atmosphere in the combustion process is therefore equivalent to the amount removed from the environment for the upstream production of methanol, enabling a completely carbon-neutral circular system.

In the segment of yachts under 24 metres in length, Bluegame has built the first chase boat, the BGH-HSV (Hydrogen Support Vessel), characterised by exclusively hydrogen propulsion and the use of foils to reach a speed of 50 knots and a range of 180 miles with zero emissions, which will "fly" in the 37th edition of the prestigious America's Cup, in Barcelona, alongside the American Magic, in co-sponsorship with the New York Yacht Club, as well as the French Orient Express Racing Team, with which the agreement announced on the eve of the Cannes Yachting Festival in September 2023 was signed.

Building on its experience in this extremely complex project, which is currently the most advanced example of sustainable technology on board a boat, Bluegame is developing the BGM65HH (hydrogen-hybrid) multihull model, which will be capable of zero-emission cruising for 80 miles, exploiting this same Fuel Cell technology.

Sanlorenzo's recent participation in the Monaco Energy Boat Challenge 2024, held at the Monaco Yacht Club during the first week of July 2024, once again confirms the Group's commitment to innovation and sustainability. This prestigious international event brings together the greatest talents in the nautical sector - 50 teams, 40 international universities, 25 nations - to develop boats powered by renewable energy sources, promoting sustainable solutions for the future of yachting through alternative propulsion systems and hull designs. During the event, Sanlorenzo's R&D team worked closely with university research groups, sharing knowledge and resources to promote innovation in the nautical sector.

## Collaborations with world-renowned designers and architects

Sanlorenzo works closely with world-renowned designers and architects on both creating the external features of the yachts and on designing the layout and furnishing of the exteriors and the interiors.

To create the external features of the yachts, the Group relies on a single design firm, currently the Zuccon International Project practice, to ensure uniformity and maintain its own distinctive features.

For the layout and fitting of the exteriors and interiors, for more than ten years the Group has maintained strong partnerships with world-renowned architects and designers: these participate in the creation of the first model of each line and make their expertise and professionalism available to owners in building their yachts. These partnerships have involved, among others, Piero Lissoni, Rodolfo Dordoni, Patricia Urquiola, Antonio Citterio and Patricia Viel, John Pawson and Christian Liagre.

The high level of the design and innovation of the yachts that characterise the Group's activities has been widely recognised by sector operators, owners and the specialised press which, over the years, have awarded the Group's products many awards and recognitions. In particular, the Yacht Division's new SX100, which had its world première at the Cannes Yachting Festival in September 2023, won the "Best Innovation" award at the 2023 World Yacht Trophies and in the "Superyacht over 24m LH" category for its unusual layout at the Design Innovation Awards. For Bluegame, the BGM75 luxury multihull was awarded in the "Multihull" category at the 2023 World Yacht Trophies and the BGH-HSV received the "Innovation Award" at the 2023 Design Innovation Awards.

In June, the prestigious "Compasso d'Oro 2024" award was given to the SP110 for its unmistakable Made in Italy design, high performance and focus on sustainability, which are hallmarks of the Italian luxury yachting house. This award confirms Sanlorenzo's ability to combine tradition and innovation, offering yachts that meet the highest standards of design and technology and respond to the growing need for sustainability in the nautical sector.

## Communication with a new language and liaison with art and culture

The Group has adopted an experiential communication and marketing strategy, focused on manufacturing exclusivity, high quality, design and elegance of the yachts, combined with the exclusivity of the relationship with the customer, the central focus of a totally personalised and engaging experience.

Among the most important recent initiatives developed in a partnership with Piero Lissoni, we should mention the launch of the Almanac - publications created specifically by various artists on the themes that are the hallmark of Sanlorenzo, which are gifted at the end of each year to owners of Sanlorenzo yachts - and the Log Books of presentation of the Group, the update of the stands at the main global boat shows, and the organisation of the "Élite Days" events at Sanlorenzo's plants. In particular, on the occasion of the "Élite Days 2024 - The Blooming Garden" held last May at the La Spezia plant, transformed into a real garden, the first 50Steel unit with the futuristic Fuel Cell system was launched in front of over 700 guests from all over the world. Participants were able to see and test drive the entire Sanlorenzo and Bluegame fleet and the latest innovations and technologies, immersed in a striking and unique location.

The fervid contamination of the worlds of interior design and architecture has gradually led the shipyard to explore more widely the world of art, to which it has been linked through collaboration with leading galleries and cultural institutions, such as the exclusive agreement with Art Basel and the realisation of exhibitions in the context of important events such as Milan Design Week.

One of the recent projects, developed in collaboration with Piero Lissoni for Milan Design Week 2024, is the "SUB" (Sustainable-Underwater-Balance) installation. A unique and immersive experience that invites the audience to explore the underwater world as a symbol of pristine purity and commitment to the preservation of the oceans, enabling a new perspective: the sea seen from the sea. At the heart of the installation is one of the Group's latest creations, Bluegame's revolutionary BGH-HSV model, the product of an extremely complex technical and design challenge: a multihull yacht just 10 metres long, reaching a speed of 50 knots and an autonomy of 180 miles, with a foil and powered exclusively by hydrogen, representing the highest expression of sustainability to date. The digital reconstruction of the BGH-HSV in sailing moments, with a point of view from below the keel, illustrates Sanlorenzo's commitment to sustainability and respect for the marine environment.

Another important project combining design, innovation and sustainability is the recent collaboration with artist Michelangelo Pistoletto. The work, entitled "Third Paradise Quick Response", was premièred during the 2024 Biennale Arte in Venice. In line with Sanlorenzo's international positioning as a creator and promoter of the best that Italian culture can express, the unveil of the project marks the prelude to the launch of Sanlorenzo Arts Venice, the Group's cultural research centre based in Venice and a founding member of the Venice World Capital of Sustainability Foundation. Sanlorenzo Arts Venice is a hybrid space dedicated to culture and the arts, which encapsulates the core values that distinguish the Italian nautical manufacturing industry, and aims to contribute to a global cultural movement that promotes positive change in society for a more sustainable future.

## COMPETITIVE POSITIONING OF THE BRAND

In the annual ranking of the Global Order Book prepared by the magazine Boat International, Sanlorenzo was confirmed as the first monobrand yacht builder in the world for the production of yachts and superyachts over 24 metres and the second yacht builder in the world, with 132 yachts under construction in 2023 equivalent to 4,503 metres in length.[7]

### Top builder by total length built

| RANKINGS 2024 | COMPANY | LENGTH TOTAL (M) | NUMBER OF PROJECTS | AVERAGE LENGTH (M) | NUMBER OF PROJECTS 2023 | RANKINGS 2023 |
|---|---|---|---|---|---|---|
| 1 | Azimut - Benetti | 6,014 | 167 | 36.0 | 168 | 1 |
| 2 | Sanlorenzo | 4,503 | 132 | 34.1 | 128 | 2 |
| 3 | Feadship* | 1,611 | N/A | N/A | N/A | 4 |
| 4 | Lürssen* | 1,388 | 13 | 106.8 | 11 | 7 |
| 5 | The Italian Sea Group | 1,374 | 24 | 57.3 | 21 | 8 |
| 6 | Damen Yachting | 1,268 | 19 | 66.7 | 15 | 9 |
| 7 | Princess Yachts | 1,198 | 48 | 25.0 | 63 | 5 |
| 8 | Overmarine | 1,151 | 28 | 41.1 | 25 | 10 |
| 9 | Sunseeker | 1,104 | 41 | 26.9 | 53 | 6 |
| 10 | Ocean Alexander | 1,016 | 30 | 33.9 | 73 | 3 |
| 11 | Sunreef Yachts | 961 | 35 | 27.5 | 22 | 16 |
| 12 | Baglietto | 896 | 19 | 47.2 | 16 | 13 |
| 13 | Heesen Yachts | 821 | 15 | 54.7 | 11 | 15 |
| 14 | Horizon | 775 | 27 | 28.7 | 29 | 11 |
| 15 | Cantiere delle Marche | 652 | 17 | 38.4 | 13 | 19 |
| 16 | Palumbo | 599 | 12 | 49.9 | 18 | 12 |
| 17 | Bilgin Yachts | 548 | 9 | 60.9 | 8 | 18 |
| 18 | Viking Yachts* | 473 | 18 | 26.3 | 26 | 14 |
| 19 | Numarine | 465 | 14 | 33.2 | N/A | N/A |

(*) data only partially shared by the site.

[7] Source: Global Order Book 2024, Boat International, December 2023.

# REPORT ON OPERATIONS

## INTRODUCTION

This report on operations must be read together with the consolidated financial statements and the associated notes to the condensed consolidated half-yearly financial statements as at 30 June 2024, integral parts of this Half-Yearly Financial Report.

## MAIN ALTERNATIVE PERFORMANCE INDICATORS

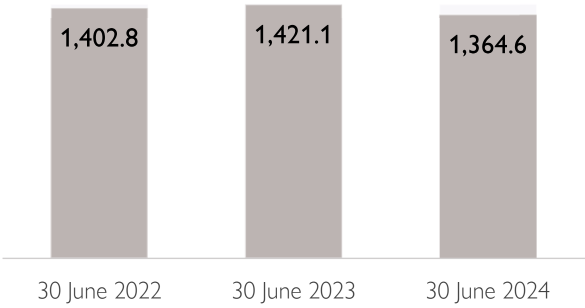
In order to allow a better evaluation of its operating performance, Sanlorenzo Group uses some alternative performance indicators.
The indicators represented are not identified as accounting measures by the IFRS and, therefore, must not be considered alternative measures to those provided by the financial 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.
The following table shows the definitions of the APIs relevant to the Group and the relative items in the financial statements adopted.

| | |
|---|---|
| **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 acquired 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 (accounted for over time with the "cost-to-cost" method) and pre-owned yachts, net of the selling expenses relating to commissions and costs of collecting and managing pre-owned yachts accepted in exchange. |
| **EBITDA** | It is the Operating result (EBIT) before depreciation and amortisation. |
| **EBITDA MARGIN** | Indicates the ratio of EBITDA to Net Revenues New Yachts. |
| **ADJUSTED EBITDA** | It is the Operating result (EBIT) before depreciation and amortisation adjusted for non-recurring items. |
| **ADJUSTED EBITDA MARGIN** | It is the ratio of Adjusted EBITDA to Net Revenues New Yachts. |

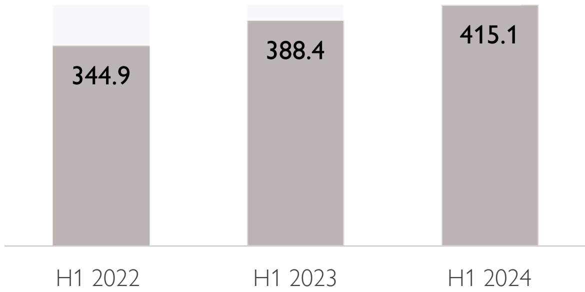
| | |
|---|---|
| **NET FIXED CAPITAL** | It is calculated as the sum of goodwill, intangible assets, property, plant and equipment and net deferred tax assets, net of the corresponding non-current provisions. |
| **NET WORKING CAPITAL** | It is calculated as the sum of trade receivables, contract assets, inventories and other current assets, net of trade payables, contract liabilities, current provisions for 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** | It is calculated as the sum of net fixed capital and net working capital. |
| **INVESTMENTS** | They refer to additions to 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 liabilities, including the fair value of hedging derivatives. If positive, it indicates a net cash position. |

# FINANCIAL HIGHLIGHTS[8]

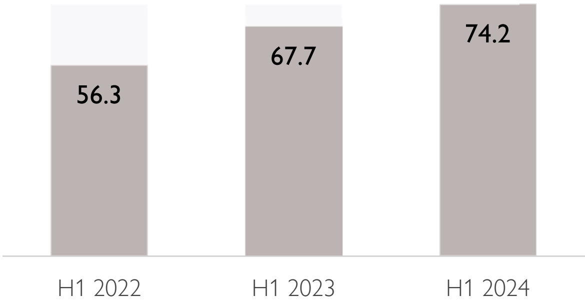
Gross backlog / (€m)



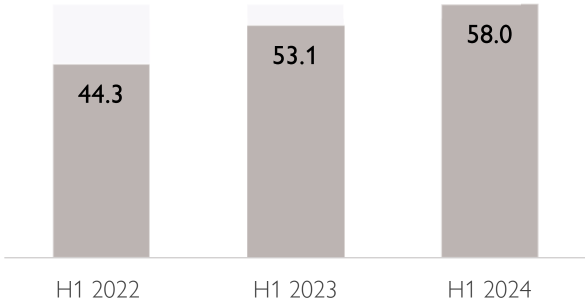

Net Revenues New Yachts / (€m)



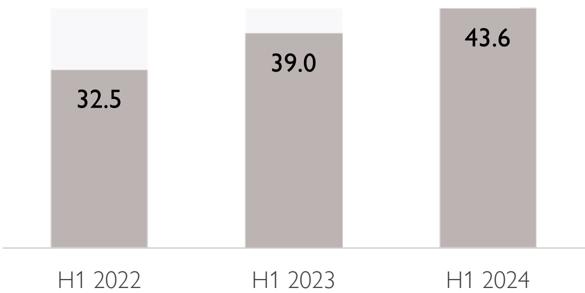

EBITDA / (€m)



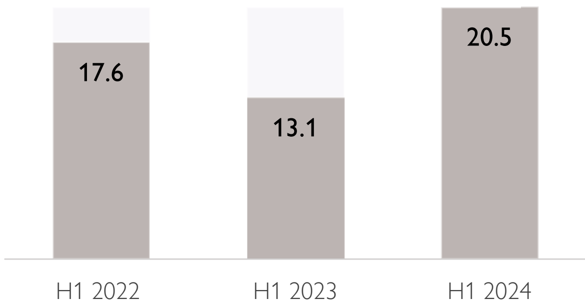

EBIT / (€m)



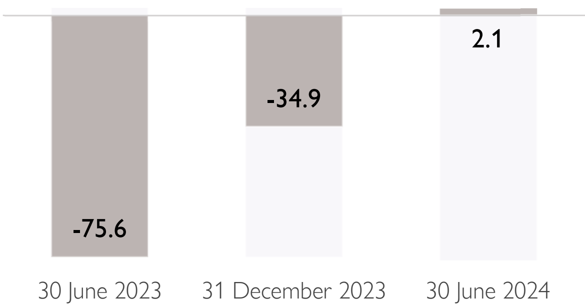

Group net profit / (€m)



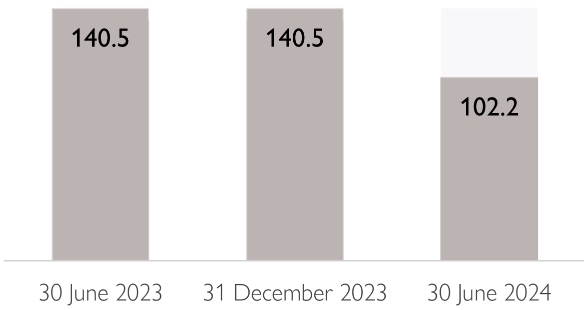

Organic investments / (€m)




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 June | | Change | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 vs. 2023 | 2024 vs. 2023% |
| **Gross backlog** | **1,364,616** | **1,421,081** | **(56,465)** | **-4.0%** |
| of which current year | 741,178 | 745,978 | (4,800) | -0.6% |
| of which subsequent years | 623,438 | 675,103 | (51,665) | -7.7% |
| Net Revenues New Yachts for the period | 415,102 | 388,431 | 26,671 | +6.9% |
| **Net backlog** | **949,514** | **1,032,650** | **(83,136)** | **-8.1%** |
| of which current year | 326,076 | 357,547 | (31,471) | -8.8% |
| of which subsequent years | 623,438 | 675,103 | (51,665) | -7.7% |

Gross backlog as at 30 June 2024 was €1,364,616 thousand, a decrease of €56,465 thousand compared to €1,421,081 thousand as at 30 June 2023.

A high degree of visibility on future revenues is confirmed for both FY 2024, with a backlog of €741,178 thousand, and for subsequent years, with a total backlog of €623,438 thousand.

| (€'000) | Backlog | | | Change (order intake) | | |
|---|---|---|---|---|---|---|
| | 1 January[9] | 31 March | 30 June | Q1 | Q2 | Total H1 |
| **Backlog 2024** | **1,041,695** | **1,209,849** | **1,364,616** | **168,154** | **154,767** | **322,921** |
| of which current year | 587,112 | 648,586 | 741,178 | 61,474 | 92,592 | 154,066 |
| of which subsequent years | 454,583 | 561,263 | 623,438 | 106,680 | 62,175 | 168,855 |
| **Backlog 2023** | **1,069,619** | **1,239,731** | **1,421,081** | **170,112** | **181,350** | **351,462** |
| of which current year | 617,394 | 696,478 | 745,978 | 79,084 | 49,500 | 128,584 |
| of which subsequent years | 452,225 | 543,253 | 675,103 | 91,028 | 131,850 | 222,878 |

The order intake in the first half of 2024 was equal to €322,921 thousand, of which €168,154 thousand in the first quarter and €154,767 thousand in the second quarter, a physiological normalisation compared to the value of €351,462 thousand in the first half of 2023, partly attributable to (i) a return to the typical seasonality of demand, compared to the extraordinary trend of the post-Covid years and(ii) longer waiting times for the delivery of superyachts, given the high stock of orders already acquired.

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

# CONSOLIDATED ECONOMIC RESULTS

## RECLASSIFIED INCOME STATEMENT

| (€'000) | Six months ended 30 June | | | | Change | |
|---|---|---|---|---|---|---|
| | 2024 | % Net Revenues New Yachts | 2023 | % Net Revenues New Yachts | 2024 vs. 2023 | 2024 vs. 2023% |
| **Net Revenues New Yachts** | **415,102** | **100.0%** | **388,431** | **100.0%** | **26,671** | **+6.9%** |
| Revenues from maintenance and other services | 13,607 | 3.3% | 6,259 | 1.6% | 7,348 | +117.4% |
| Other income | 6,432 | 1.5% | 4,984 | 1.3% | 1,448 | +29.1% |
| Operating costs | (360,184) | (86.8)% | (331,831) | (85.4)% | (28,353) | +8.5% |
| **Adjusted EBITDA** | **74,957** | **18.1%** | **67,843** | **17.5%** | **7,114** | **+10.5%** |
| Non-recurring costs | (739) | (0.2)% | (186) | (0.1)% | (553) | n.m. |
| **EBITDA** | **74,218** | **17.9%** | **67,657** | **17.4%** | **6,561** | **+9.7%** |
| Amortisation, depreciation and impairment losses | (16,242) | (3.9)% | (14,523) | (3.7)% | (1,719) | +11.8% |
| **EBIT** | **57,976** | **14.0%** | **53,134** | **13.7%** | **4,842** | **+9.1%** |
| Net financial income/(expense) | 2,471 | 0.6% | 647 | 0.2% | 1,824 | n.m. |
| Adjustments to financial assets | (40) | - | 358 | 0.1% | (398) | n.m. |
| **Pre-tax profit** | **60,407** | **14.6%** | **54,139** | **13.9%** | **6,268** | **+11.6%** |
| Income taxes | (17,078) | (4.1)% | (15,234) | (3.9)% | (1,844) | +12.1% |
| **Net profit** | **43,329** | **10.4%** | **38,905** | **10.0%** | **4,424** | **+11.4%** |
| Net (profit)/loss attributable to non-controlling interests[10] | 253 | 0.1% | 138 | - | 115 | +83.3% |
| **Group net profit** | **43,582** | **10.5%** | **39,043** | **10.1%** | **4,539** | **+11.6%** |

## NET REVENUES NEW YACHTS

| (€'000) | Six months ended 30 June | | Change | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 vs. 2023 | 2024 vs. 2023% |
| Revenues from the sale of yachts | 448,575 | 415,360 | 33,215 | +8.0% |
| Selling expenses | (33,473) | (26,929) | (6,544) | +24.3% |
| **Net Revenues New Yachts** | **415,102** | **388,431** | **26,671** | **+6.9%** |

Net Revenues New Yachts in the first half of 2024 were €415,102 thousand, a 6.9% increase on the €388,431 thousand recorded in the same period of 2023, led by the excellent performance of Superyacht Division and, in general, the results achieved in the APAC and MEA geographical areas.

[10] (Profit)/loss.

## Net Revenues New Yachts by division

| (€'000) | Six months ended 30 June | | | | Change | |
|---|---|---|---|---|---|---|
| | 2024 | % of total | 2023 | % of total | 2024 vs. 2023 | 2024 vs. 2023% |
| Yacht Division | 241,712 | 58.2% | 239,335 | 61.6% | 2,377 | +1.0% |
| Superyacht Division | 124,418 | 30.0% | 105,810 | 27.3% | 18,608 | +17.6% |
| Bluegame Division | 48,972 | 11.8% | 43,286 | 11.1% | 5,686 | +13.1% |
| **Net Revenues New Yachts** | **415,102** | **100.0%** | **388,431** | **100.0%** | **26,671** | **+6.9%** |

The Yacht Division generated Net Revenues New Yachts of €241,712 thousand, or 58.2% of the total, an increase of 1.0% compared to the first half of 2023.
The Superyacht Division generated Net Revenues New Yachts of €124,418 thousand, or 30.0% of the total, an increase of 17.6% compared to the first half of 2023. The results are driven by the Alloy line and the Steel line.
Excellent results are also boasted by the Bluegame Division, which generated Net Revenues New Yachts of €48,972 thousand, or 11.8% of the total, an increase of 13.1% compared to the first half of 2023, thanks to the BGX73 model.

## Net Revenues New Yachts by geographical area

| (€'000) | Six months ended 30 June | | | | Change | |
|---|---|---|---|---|---|---|
| | 2024 | % of total | 2023 | % of total | 2024 vs. 2023 | 2024 vs. 2023% |
| Europe | 231,359 | 55.7% | 256,697 | 66.1% | (25,338) | -9.9% |
| Americas | 68,774 | 16.6% | 62,956 | 16.2% | 5,818 | +9.2% |
| APAC | 51,416 | 12.4% | 42,514 | 10.9% | 8,902 | +20.9% |
| MEA | 63,553 | 15.3% | 26,264 | 6.8% | 37,289 | 142.0% |
| **Net Revenues New Yachts** | **415,102** | **100.0%** | **388,431** | **100.0%** | **26,671** | **+6.9%** |

Europe remained the number-one market, recording Net Revenues New Yachts of €231,359 thousand (of which €54,905 thousand generated in Italy), accounting for 55.7% of the total, down 9.9% compared to the first half of 2023.
The Americas area recorded Net Revenues New Yachts of €68,774 thousand, accounting for 16.6% of the total, up by 9.2% compared to the first half of 2023.

The APAC area recorded Net Revenues New Yachts equal to €51,416 thousand, accounting for 12.4% of the total, up by 20.9% compared to the first half of 2023.

The MEA area recorded Net Revenues New Yachts of €63,553 thousand, accounting for 15.3% of the total, marking significant growth of 142.0% compared to the first half of 2023.

# OPERATING RESULTS

| (€'000) | Six months ended 30 June | | | | Change | |
|---|---|---|---|---|---|---|
| | 2024 | % Net Revenues New Yachts | 2023 | % Net Revenues New Yachts | 2024 vs. 2023 | 2024 vs. 2023% |
| **EBIT** | **57,976** | **14.0%** | **53,134** | **13.7%** | **4,842** | **+9.1%** |
| + Amortisation, depreciation and impairment losses | 16,242 | 3.9% | 14,523 | 3.7% | 1,719 | +11.8% |
| **EBITDA** | **74,218** | **17.9%** | **67,657** | **17.4%** | **6,561** | **+9.7%** |
| + Non-recurring costs | 739 | 0.2% | 186 | 0.1% | 553 | n.m. |
| **Adjusted EBITDA** | **74,957** | **18.1%** | **67,843** | **17.5%** | **7,114** | **+10.5%** |

EBIT amounted to €57,976 thousand, an increase of 9.1% compared to the first half of 2023, accounting for 14.0% of Net Revenues New Yachts, in line with the same period of last year.
Amortisation/depreciation, equal to €16,242 thousand, rose by 11.8% on the first half of 2023, as a result of the coming on stream of major investments made to develop new products and to increase production capacity, as well as the additional effect deriving from the recent acquisitions.
EBITDA stood at €74,218 thousand, up by 9.7% on the first half of 2023, with an incidence of 17.9% on Net Revenues New Yachts, testifying to the solidity of the business model and the Group's ability to continue to sell and execute successful projects.
The steady increase in operating profitability is mainly linked to the progressive and reasoned increase in average sales prices and the change in product mix in favour of larger yachts in each division.

# NET PROFIT

| (€'000) | Six months ended 30 June | | | | Change | |
|---|---|---|---|---|---|---|
| | 2024 | % Net Revenues New Yachts | 2023 | % Net Revenues New Yachts | 2024 vs. 2023 | 2024 vs. 2023% |
| **EBIT** | **57,976** | **14.0%** | **53,134** | **13.7%** | **4,842** | **+9.1%** |
| Net financial income/(expense) | 2,471 | 0.6% | 647 | 0.2% | 1,824 | n.m. |
| Adjustments to financial assets | (40) | - | 358 | 0.1% | (398) | n.m. |
| **Pre-tax profit** | **60,407** | **14.6%** | **54,139** | **13.9%** | **6,268** | **+11.6%** |
| Income taxes | (17,078) | (4.1)% | (15,234) | (3.9)% | (1,844) | +12.1% |
| **Net profit** | **43,329** | **10.4%** | **38,905** | **10.0%** | **4,424** | **+11.4%** |
| Net (profit)/loss attributable to non-controlling interests[11] | 253 | 0.1% | 138 | - | 115 | +83.3% |
| **Group net profit** | **43,582** | **10.5%** | **39,043** | **10.1%** | **4,539** | **+11.6%** |

Net financial income amounted to €2,471 thousand. The improved result of the financial area is due on one hand to the proactive management of liquidity in a favourable market environment and, on the other hand, to the virtuous management of the cost of debt, including through early repayment of the variable-rate loans, which allows the Group to benefit from significant spreads between the cost of debt and liquidity investment conditions.
Pre-tax profit for the period was €60,407 thousand, up €6,268 thousand from the first half of 2023. As a percentage of Net Revenue New Yachts, it reached 14.6%, compared to 13.9% in the first half of 2023.
Income taxes, calculated as management's best estimate, were equal to €17,078 thousand, against €15,234 thousand in the first half of 2023. Period income taxes were equal to 28.3% of the pre-tax result, compared to 28.1% in H1 2023.
The Group net profit for the period was €43,582 thousand, up significantly by €4,539 thousand in the first half of 2023. As a percentage of Net Revenues New Yachts it was up from 10.1% in the first half of 2023 to 10.5% in the same period of 2024.

[11] (Profit)/loss.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## BALANCE SHEET RECLASSIFIED ACCORDING TO SOURCES AND USES

| (€'000) | 30 June 2024 | 31 December 2023 | 30 June 2023 | Change 30 June 2024 vs. 31 December 2023 | Change 30 June 2024 vs. 30 June 2023 |
|---|---|---|---|---|---|
| USES | | | | | |
| Net fixed capital | 268,570 | 254,392 | 242,050 | 14,178 | 26,520 |
| Net working capital | 2,078 | (34,917) | (75,563) | 36,995 | 77,641 |
| **Net invested capital** | **270,648** | **219,475** | **166,487** | **51,173** | **104,161** |
| SOURCES | | | | | |
| Equity | 372,841 | 359,961 | 306,973 | 12,880 | 65,868 |
| (Net financial position) | (102,193) | (140,486) | (140,486) | 38,293 | 38,293 |
| **Total sources** | **270,648** | **219,475** | **166,487** | **51,173** | **104,161** |

## NET FIXED CAPITAL AND INVESTMENTS

### Net fixed capital

| (€'000) | 30 June 2024 | 31 December 2023 | 30 June 2023 | Change 30 June 2024 vs. 31 December 2023 | Change 30 June 2024 vs. 30 June 2023 |
|---|---|---|---|---|---|
| Goodwill | 22,774 | 17,486 | 15,985 | 5,288 | 6,789 |
| Other intangible assets | 63,103 | 55,162 | 52,087 | 7,941 | 11,016 |
| Property, plant and equipment | 183,436 | 179,820 | 168,066 | 3,616 | 15,370 |
| Equity investments and other non-current assets | 4,604 | 6,564 | 9,363 | (1,960) | (4,759) |
| Net deferred tax assets | 11,154 | 12,255 | 8,681 | (1,101) | 2,473 |
| Non-current employee benefits | (2,485) | (2,491) | (2,193) | 6 | (292) |
| Non-current provisions for risks and charges | (14,016) | (14,404) | (9,939) | 388 | (4,077) |
| **Net fixed capital** | **268,570** | **254,392** | **242,050** | **14,178** | **26,520** |

Net fixed capital as at 30 June 2024 amounted to €268,570 thousand, up €14,178 thousand compared to the end of 2023 and €26,520 compared with 30 June 2023, mainly as a result of industrial and product development investments made during the year, and the change in the scope of consolidation due to the acquisition of control of the Simpson Marine Group, the related trademark and goodwill.

## Investments

| (€'000) | Six months ended 30 June | | Change | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 vs. 2023 | 2024 vs. 2023% |
| Land and buildings | 3,947 | 1,354 | 2,593 | n.m. |
| Industrial equipment | 3,610 | 2,883 | 727 | +25.2% |
| Plant and equipment | 1,808 | 950 | 858 | +90.3% |
| Other assets | 4,375 | 1,764 | 2,611 | n.m. |
| Fixed assets in progress | 624 | 1,640 | (1,016) | -62.0% |
| **Total changes in property, plant and equipment** | **14,364** | **8,591** | **5,773** | **+67.2%** |
| Concessions, licences, trademarks and similar rights | 1,674 | 828 | 846 | n.m. |
| Other fixed assets | - | - | - | - |
| Development costs | 2,767 | 2,415 | 352 | +14.6% |
| Fixed assets in progress | 1,700 | 1,310 | 390 | +29.8% |
| **Total changes in intangible assets** | **6,141** | **4,553** | **1,588** | **+34.9%** |
| **Total investments on a like-for-like basis** | **20,505** | **13,144** | **7,361** | **+56.0%** |
| Changes in the scope of consolidation | 12,598 | 17,118 | (4,520) | -26.4% |
| **Net investments in the period** | **33,103** | **30,262** | **2,841** | **+9.4%** |

On a like-for-like basis, investments in the first half of 2024 amounted to €20,505 thousand, up 56.0% compared to the same period of the previous year, and are mainly related to the development of new models and product ranges and the increase in production capacity.
Including the effect of the entry of the Simpson Marine Group in the scope of consolidation (including brand value, goodwill and IFRS 16 values), investments in the first half of 2024 amounted to €33,103 thousand.
The following table shows the breakdown of investments by destination.

| (€'000) | Six months ended 30 June | | Change | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 vs. 2023 | 2024 vs. 2023% |
| R&D, product development and production of models and moulds | 7,454 | 6,483 | 971 | +15.0% |
| Increase in production/distribution capacity | 10,698 | 4,240 | 6,458 | +152.3% |
| Recurring industrial investments for equipment and facilities | 1,343 | 1,375 | (32) | -2.3% |
| Other investments | 1,010 | 1,046 | (36) | -3.4% |
| **Total investments on a like-for-like basis** | **20,505** | **13,144** | **7,361** | **+56.0%** |
| R&D, product development and production of models and moulds | - | - | - | - |
| Increase in production/distribution capacity | 12,598 | 17,118 | (4,520) | -26.4% |
| Recurring industrial investments for equipment and facilities | - | - | - | - |
| Other investments | - | - | - | - |
| **Total changes in the scope of consolidation** | **12,598** | **17,118** | **(4,520)** | **-26.4%** |
| R&D, product development and production of models and moulds | 7,454 | 6,483 | 971 | +15.0% |
| Increase in production/distribution capacity | 23,296 | 21,358 | 1,938 | +152.3s% |
| Recurring industrial investments for equipment and facilities | 1,343 | 1,375 | (32) | -2.3% |
| Other investments | 1,010 | 1,046 | (36) | -3.4% |
| **Net investments in the period** | **33,103** | **30,262** | **2,841** | **+9.4%** |

# NET WORKING CAPITAL

| (€'000) | 30 June 2024 | 31 December 2023 | 30 June 2023 | Change 30 June 2024 vs. 31 December 2023 | Change 30 June 2024 vs. 30 June 2023 |
|---|---|---|---|---|---|
| Inventories | 130,064 | 85,421 | 89,044 | 44,643 | 41,020 |
| Trade receivables | 38,974 | 22,522 | 19,536 | 16,452 | 19,438 |
| Contract assets | 173,670 | 185,572 | 119,118 | (11,902) | 54,552 |
| Trade payables | (258,798) | (203,812) | (182,397) | (54,986) | (76,401) |
| Contract liabilities | (98,541) | (125,441) | (129,862) | 26,900 | 31,321 |
| Other current assets | 84,650 | 59,725 | 57,687 | 24,925 | 26,963 |
| Current provisions for risks and charges | (12,790) | (8,571) | (7,178) | (4,219) | (5,612) |
| Other current liabilities | (55,151) | (50,333) | (41,511) | (4,818) | (13,640) |
| **Net working capital** | **2,078** | **(34,917)** | **(75,563)** | **36,995** | **77,641** |

Net working capital as at 30 June 2024 was positive for €2,078 thousand, compared to the negative €34,917 thousand as at 31 December 2023 and negative €75,563 thousand as at 30 June 2023. This result shows a return to normal business seasonality, with particular reference to: (i) intense fitting activity on yachts close to the delivery season in the Mediterranean, as well as (ii) a normalised order intake according to the typical levels of the first half of the year and consequently lower advances from customers to compensate compared to the post-Covid period.

| (€'000) | 30 June 2024 | 31 December 2023 | 30 June 2023 | Change 30 June 2024 vs. 31 December 2023 | Change 30 June 2024 vs. 30 June 2023 |
|---|---|---|---|---|---|
| Inventories | 130,064 | 85,421 | 89,044 | 44,643 | 41,020 |
| Trade receivables | 38,974 | 22,522 | 19,536 | 16,452 | 19,438 |
| Contract assets | 173,670 | 185,572 | 119,118 | (11,902) | 54,552 |
| Trade payables | (258,798) | (203,812) | (182,397) | (54,986) | (76,401) |
| Contract liabilities | (98,541) | (125,441) | (129,862) | 26,900 | 31,321 |
| **Net trade working capital** | **(14,631)** | **(35,738)** | **(84,561)** | **21,107** | **69,930** |

Net trade working capital as at 30 June 2024 was equal to €(14,631) thousand, compared to €(35,738) thousand as at 31 December 2023 and €(84,561) thousand as at 30 June 2023. Refer to the previous paragraph for an analysis of the evolution of the figure.

| (€'000) | 30 June 2024 | 31 December 2023 | 30 June 2023 | Change 30 June 2024 vs. 31 December 2023 | Change 30 June 2024 vs. 30 June 2023 |
|---|---|---|---|---|---|
| Raw materials and consumables | 14,133 | 13,656 | 15,201 | 477 | (1,068) |
| Work in progress and semi-finished products | 80,265 | 49,677 | 55,811 | 30,588 | 24,454 |
| Finished products | 35,666 | 22,088 | 18,032 | 13,578 | 17,634 |
| **Inventories** | **130,064** | **85,421** | **89,044** | **44,643** | **41,020** |

Inventories as at 30 June 2024 were equal to €130,064 thousand, up by €44,643 thousand compared to 31 December 2023 and by €41,020 thousand compared to 30 June 2023.
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 2023 and 30 June 2024, equal to €30,588 thousand, reflects the progressive increase in business volumes.

Inventories of finished products as at 30 June 2024 were €35,666 thousand, an increase of €13,578 thousand compared to 31 December 2023. They refer to pre-owned boats in the amount of €25,319 thousand and new yachts on delivery in the amount of €10,347. Pre-owned boats, primarily present on the US market, include yachts already sold at the closing date of the period to be delivered in the following months for a value of €6,513 thousand.

# NET FINANCIAL POSITION

| | (€'000) | 30 June 2024 | 31 December 2023 | 30 June 2023 | Change 30 June 2024 vs. 31 December 2023 | Change 30 June 2024 vs. 30 June 2023 |
|---|---|---|---|---|---|---|
| A | Cash | 175,223 | 192,506 | 222,552 | (17,283) | (47,329) |
| B | Cash equivalents | - | - | - | - | - |
| C | Other current financial assets | 35,319 | 24,045 | 59,332 | 11,274 | (24,013) |
| **D** | **Liquidity (A + B + C)** | **210,542** | **216,551** | **281,884** | **(6,009)** | **(71,342)** |
| E | Current financial debt | (61,953) | (28,285) | (72,110) | (33,668) | 10,157 |
| F | Current portion of non-current financial debt | (16,804) | (18,985) | (21,589) | 2,181 | 4,785 |
| **G** | **Current financial indebtedness (E + F)** | **(78,757)** | **(47,270)** | **(93,699)** | **(31,487)** | **14,942** |
| **H** | **Net current financial indebtedness (G + D)** | **131,785** | **169,281** | **188,185** | **(37,496)** | **(56,400)** |
| I | Non-current financial debt | (29,592) | (28,795) | (47,699) | (797) | 18,107 |
| J | Debt instruments | - | - | - | - | - |
| K | Non-current trade and other payables | - | - | - | - | - |
| **L** | **Non-current financial indebtedness (I + J + K)** | **(29,592)** | **(28,795)** | **(47,699)** | **(797)** | **18,107** |
| **M** | **Total financial indebtedness (H + L)** | **102,193** | **140,486** | **140,486** | **(38,293)** | **(38,293)** |

The net financial position of the Group as at 30 June 2024 shows a net cash equal to €102,193 thousand, to €140,486 thousand as at 31 December 2023 and to €140,486 thousand as at 30 June 2023.
The evolution of the net financial position in the first half of 2024 shows a temporary cash absorption due to the following main effects: (i) finalisation of the acquisition of the Simpson Marine Group, (ii) normalisation of net working capital as a result of intense fitting activities on yachts close to the delivery season in the Mediterranean and order intake returning to the typical levels of the first half of the year compared to the post-Covid period and finally, (iii) payment of dividends amounting to €34,305 thousand.
Cash as at 30 June 2024 amounted to €175,223 thousand, a decrease of €17,283 thousand compared to 31 December 2023, and of €47,329 thousand compared to 30 June 2023. As at 30 June 2024, the Group had €35,319 thousand of other current financial assets, of which €31,570 thousand were investments of surplus liquid funds. The Group also had bank credit lines to meet cash requirements of €156,626 thousand[12], of which €130,096 thousand remained undrawn.
Among financial debt, lease liabilities included pursuant to IFRS 16 totalled €13,378 thousand, of which €8,965 thousand non-current and €4,413 thousand current, factoring in the impact of the extension of the concession period for the La Spezia site, amounting to €2,420 thousand.

[12] Not including lines of credit for reverse factoring and confirming.

## Reclassified consolidated statement of cash flows

| (€'000) | 30 June 2024 | 30 June 2023 | Change |
|---|---|---|---|
| EBITDA | 74,218 | 67,657 | 6,561 |
| Taxes paid | (684) | (1,761) | 1,077 |
| Changes in inventories | (38,129) | (35,600) | (2,529) |
| Change in net contract assets and liabilities | (21,721) | 47,010 | (68,731) |
| Change in trade receivables and advances to suppliers | (33,950) | (1,996) | (31,954) |
| Change in trade payables | 54,868 | 26,418 | 28,450 |
| Change in provisions and other assets and liabilities | (12,231) | (10,707) | (1,524) |
| **Operating cash flow** | **22,371** | **91,021** | **(68,650)** |
| Change in non-current assets (investments) | (20,505) | (13,144) | (7,361) |
| Change in non-current assets (new scope) | (12,598) | (19,807) | 7,209 |
| Interest received | 3,872 | 1,654 | 2,218 |
| Other changes | 56 | 5,551 | (5,495) |
| **Free cash flow** | **(6,804)** | **65,275** | **(72,079)** |
| Interest and financial charges | (1,401) | (1,007) | (394) |
| Changes in equity | 3,518 | 574 | 2,944 |
| Dividends paid | (34,305) | (22,587) | (11,718) |
| Change in LT funds and other cash flows | 699 | (2,107) | 2,806 |
| **Change in net financial position** | **(38,293)** | **40,148** | **(78,441)** |
| Net financial position at the beginning of the period | 140,486 | 100,337 | 40,149 |
| Net financial position at the end of the period | 102,193 | 140,486 | (38,292) |

# EQUITY

| (€'000) | 30 June 2024 | 31 December 2023 |
|---|---|---|
| Share capital | 35,083 | 34,978 |
| Reserves | 292,447 | 230,454 |
| Group profit | 43,582 | 92,839 |
| **Group equity** | **371,112** | **358,271** |
| Equity attributable to non-controlling interests | 1,729 | 1,690 |
| **Equity** | **372,841** | **359,961** |

The Parent Company's share capital as at 30 June 2024 amounts to €35,083 thousand, fully paid-in, and is composed of 35,083,190 ordinary shares. Share capital increased by 104,834 shares compared to 31 December 2023, due to the subscription of the capital increase to service the 2020 Stock Option Plan.

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 June 2024, this capital increase had been partially subscribed for 583,190 shares.

On 24 September 2020, the Company launched the treasury share buy-back programme based on the authorisation resolution approved by the Ordinary Shareholders' Meeting of 31 August 2020, a plan which ended on 28 February 2022.

On 2 September 2022, the Company launched the second treasury share buy-back programme based on the authorisation resolution by the Ordinary Shareholders' Meeting of 28 April 2022, a plan which concluded on 28 October 2023.

Finally, on 12 December 2023, the Ordinary Shareholders' Meeting approved a third share buy-back programme, which began on 9 February 2024.
As at 30 June 2024, the Company held 131,459 treasury shares, equal to 0.38% of the subscribed and paid-up share capital.

# HUMAN RESOURCES

| | 30 June 2024 | | 31 December 2023 | | Change | |
|---|---|---|---|---|---|---|
| | Units | % of total | Units | % of total | 2024 vs. 2023 | 2024 vs. 2023% |
| Sanlorenzo S.p.A. | 725 | 58.7% | 703 | 66.0% | 22 | +3.1% |
| Bluegame S.r.l. | 72 | 5.8% | 70 | 6.6% | 2 | +2.9% |
| Polo Nautico Viareggio S.r.l. | 14 | 1.1% | 16 | 1.5% | (2) | -12.5% |
| I.C.Y. S.r.l. | 41 | 3.3% | 36 | 3.4% | 5 | +13.9% |
| Sanlorenzo Baleari SL | 2 | 0.2% | 2 | 0.2% | - | - |
| Sanlorenzo of the Americas LLC | 9 | 0.7% | 11 | 1.0% | (2) | -18.2% |
| Sanlorenzo Côte d'Azur SAS | 1 | 0.1% | 1 | 0.1% | - | - |
| Sanlorenzo Arbatax S.r.l. | 4 | 0.3% | 3 | 0.3% | 1 | +33.3% |
| Duerre S.r.l. | 158 | 12.8% | 144 | 13.5% | 14 | +9.7% |
| Sea Energy S.r.l. | 90 | 7.3% | 73 | 6.9% | 17 | +23.3% |
| Equinoxe S.r.l. | 6 | 0.5% | 6 | 0.6% | - | - |
| Simpson Marine Group | 114 | 9.2% | - | - | 114 | - |
| **Group employees** | **1,236** | **100%** | **1,065** | **100%** | **171** | **+16.1%** |

As at 30 June 2024, the Group employed a total of 1,236 employees, of which 58.7% at the Parent Company, an increase of 171 individuals or 16.1% compared to 31 December 2023.

| | 30 June 2024 | | 31 December 2023 | | Change | |
|---|---|---|---|---|---|---|
| | Units | % of total | Units | % of total | 2024 vs. 2023 | 2024 vs. 2023% |
| Executives | 44 | 3.6% | 42 | 3.9% | 2 | +4.8% |
| Office workers | 853 | 69.0% | 741 | 69.6% | 112 | +15.1% |
| Manual workers | 339 | 27.4% | 282 | 26.5% | 57 | +20.2% |
| **Group employees** | **1,236** | **100%** | **1,065** | **100%** | **171** | **+16.1%** |

At category level, white collar workers recorded a bigger increase during the period, with an increase of 112 staff members compared to 31 December 2023.

| | 30 June 2024 | | 31 December 2023 | | Change | |
|---|---|---|---|---|---|---|
| | Units | % of total | Units | % of total | 2024 vs. 2023 | 2024 vs. 2023% |
| Italy | 1,110 | 89.8% | 1,051 | 98.7% | 59 | +5.6% |
| Rest of Europe | 3 | 0.3% | 3 | 0.3% | - | - |
| United States | 9 | 0.7% | 11 | 1.0% | (2) | -18.2% |
| APAC | 114 | 9.2% | - | - | 114 | - |
| **Group employees** | **1,236** | **100%** | **1,065** | **100%** | **171** | **+16.1%** |

The distribution by geographic area sees the largest number of employees employed in Italy, equal to 89.8% of the Group's total as at 30 June 2024.

# RESPONSIBLE DEVELOPMENT

For Sanlorenzo, sustainability implies responsible development and the constant search for a balance between the need to be economically efficient and the sense of social and environmental responsibility in the pursuit of company objectives. The Group is increasingly committed to mitigating, eventually eliminating, the negative effects of its operations, while increasing the positive effects, for the benefit of all its stakeholders.
Within this framework, the Group has identified several areas of intervention, distinguishing between fundamental and enabling pillars. In particular, the fundamental pillars represent the true basis for the Group's responsible development: responsibility towards its product, responsibility towards production processes and plants, safeguarding the supply chain and the local production cluster and the development of human resources. The elements that instead make improvements possible, definable as "enabling pillars", regard sustainability governance, transparency, stakeholder engagement and external collaborations.
With the progressive integration of sustainability into the company's strategy and operations, responsible development has become a central part of the day-to-day activities of various corporate figures. At the executive level, ultimate responsibility for sustainability decisions lies with the Board of Directors, which delegates competence in this area to the Control, Risk and Sustainability Committee. At operational level, an ad hoc team was created to translate strategies into planning and management approaches. In addition, since 2023 there has been an internal working group ("Sustainability Task Force") that monitors the development of the sustainability strategy, presents new initiatives and approves decisions on key issues.
The main areas on which the Group focuses its ESG activities are summarised below. For further details, reference should be made to the Consolidated Non-Financial Statement as at 31 December 2023 available on the Company's website (www.sanlorenzoyacht.com) in the "Responsible Development" section.

## Commitment to the product

Sanlorenzo is committed to studying and adopting solutions, both technological and technical, that can reduce the impacts of its products on the environment and on the marine ecosystem. There is a constant search for innovation, increasingly oriented - through investment in research and development - towards the study of sustainable ways of building and using yachts. The Group's sustainable innovation strategy consists of two main types of initiatives.

### Solutions for reducing on-board emissions

The Group's activities are focused on the development and adoption of solutions for reducing emissions generated on board, allowing not only greater safety at sea, but especially a significant reduction in greenhouse gas (GHG) emissions.
The introduction of innovations and technologies to reduce the environmental impact of yachts is the focus of the Group's Research and Development department, whose high degree of expertise and experience has enabled it to sign strategic agreements with the world's most important players in power generation and energy management. Joint projects focus on the marine use of hydrogen Fuel Cells, the real answer to the demand for sustainability in the yachting industry.
Of strategic importance is the partnership entered into in 2021 with Siemens Energy, which envisages collaboration on the joint development of solutions for the integration of methanol Fuel Cells for yachts between 24 and 80 metres in size for on-board power generation. This technology, after being certified by Lloyd's Register during the 2023 Monaco Yacht Show, found concrete application on a 50-metre superyacht, launched in May 2024. The Methanol Fuel Cell allows electricity to be generated on board when engines and generators are switched off, greatly extending the time spent at anchor and manoeuvring without consuming diesel fuel. The agreement also provides for the signing of two development and purchase contracts for new-generation diesel-electric propulsion systems for yachts over 50 metres and for new-generation hybrid systems for yachts under 50 metres.

This was joined in August 2022 by another very important exclusive agreement with Rolls-Royce Solutions GmbH - Global Marine (MTU), with whom Sanlorenzo will work to integrate a traditional methanol-fuelled internal combustion propulsion system.
The use of green methanol, produced with electricity from renewable sources and with $CO_2$ captured from the atmosphere, makes it possible to generate "carbon neutral" power: the amount of $CO_2$ released into the air in the combustion process is equivalent to the amount removed from the environment for the production of the methanol.
Indeed, hydrogen as a propulsion system is at the heart of research and development activities, as also witnessed by the agreements signed by Bluegame with American Magic and Orient Express, two challengers in the 37th America's Cup to be held in Barcelona in summer 2024, for the design and construction of the first "chase boat" with exclusively hydrogen propulsion and the use of foils, according to the strict requirements of the event's protocol.
On the strength of this achievement and as proof of its design capability in the use of hydrogen in propulsion, Bluegame has also reached an agreement with Volvo Penta to install a pilot hybrid IPS propulsion system on the BGM75, which will be subsequently combined with hydrogen Fuel Cells developed based on the America's Cup project. The BGM65HH (hydrogen-hybrid) model will incorporate this absolutely cutting-edge technology.

### Introduction and continuous research into sustainable and eco-compatible materials

The Group is committed to researching and introducing sustainable and alternative materials to those traditionally used on board its yachts.
Particular attention is paid to teak, especially as a result of the need to change the sources of supply in alignment with the stringent regulations concerning the raw material from Myanmar. In addition to a careful evaluation of the origin of the teak stocks available on the market, the Group is moving to search for alternative materials that guarantee equal quality and resistance.
Recently, the R&D function evaluated solutions with a lower environmental impact regarding the use of antifouling paints: a certified alternative paint with reduced life cycle effects was chosen.
As far as composite materials are concerned, the first real parts were made from alternative materials, namely outboard exhaust flaps made from various sustainable composite materials, a mixture of mineral and vegetable fibres and thermoplastic resins. Due to the success of these operations, further lamination alternatives have been launched, such as linen ventilation trunks or thermoplastic resins from which raw material can be recovered for reintroduction into the life cycle.
A final particularly significant point on the subject concerns the standardisation of interior fittings. In particular, in the Yacht Business Unit, in collaboration with the R&D function, a study was carried out on the use of alternative materials to steel and fibreglass in the construction of shower trays in the crew area. Operational tests are underway to assess the economic and environmental savings.

## Commitment to the production process

With regard to the shipyards and the production process, the Sanlorenzo Group has adopted an Environmental Management System (EMS) certified according to ISO 14001:2015 for all shipyard sites of the Parent Company, for Bluegame and for I.C.Y. In accordance with the requirements of the standard, specific environmental programmes have been defined for each site, containing the projects and activities established for corrective and/or improvement purposes, as well as the management of direct and indirect environmental impacts.
In particular, as far as direct environmental impacts are concerned, a robust control system is in place for all activities carried out at the sites, with specific reference to raw materials used, energy and water consumption, emissions generated and fuel consumption.
As far as energy consumption is concerned, between 2023 and the beginning of 2024 there were significant progress in the project to install photovoltaic systems in Sanlorenzo's premises. More specifically, 2,056 panels were installed in Ameglia, increasing production by more than 850 kWp, 617 new panels at the La Spezia site, for 250 kWp, and 878 in Viareggio (360 kWp).

The various installations are part of a company plan to exploit industrial building surfaces and cladding for the production of renewable energy: for the first phase of the plan, scheduled for 2022-2024, self-produced photovoltaic energy will be able to cover more than 40% of the annual consumption of some of the Group's factories.
In addition, during 2023 and confirming the strategy for 2024, Sanlorenzo purchased Guarantees of Origin for part of its purchased electricity: as at 31 December, the Ameglia plant was the first to be powered entirely by renewable electricity throughout the year.
Other interventions concerned energy efficiency: in Ameglia, 160 metal halide lamps were replaced with new LED lamps, while in Massa a thermal quilt was purchased to improve post-curing oven performance, resulting in less heat dispersion.
In the area of the management of other emissions released into the air, Sanlorenzo implements new systems to reduce and/or limit emissions generated by the yacht production process, mainly associated with styrene used in fibreglass processing and other solvents. An example of this is the fibreglass infusion technique, which allows a reduction of approximately 98% of the styrene emissions generated, thus also improving healthy working conditions.

## Commitment to the supply chain

In order to address indirect environmental impacts and issues related to health, safety and workers' rights, and to be able to broaden the focus of sustainability to include companies more or less directly involved in the Group's activities, it has become necessary over the years to carry out a screening of the supply chain from an ESG perspective. Following initial work carried out between 2021 and 2022 by means of a proprietary questionnaire, it was decided to opt for a more standardised and recognised solution, opting for the use of the Open-es platform. In the course of 2023, Sanlorenzo identified a ranking of its main suppliers based on three different risk criteria (Country, Segment and Material); by the end of 2024, onboarding and receipt of responses from the first selected parties are planned.
In addition, as of 2020, with the aim of engaging and building the loyalty of the supply chain, a supply chain agreement was initiated with two major Italian banks, with the addition of a third institution in 2022, which will make available approximately €120 million in credit lines for suppliers, allowing them to assign without recourse their invoices due from the Group at favourable interest rates. This programme, now active for more than 120 suppliers, has been complemented by the Dynamic Discounting project, through which suppliers can obtain the advance payment of invoices under favourable terms. Since the start of the new programme, suppliers using the platform, to date 51, have discounted more than 3,000 invoices totalling more than €40 million.

## Commitment to people

In the social sphere, the commitment to People is reflected in the new Sanlorenzo and Bluegame Corporate Supplementary Agreement, signed on 26 October 2023, which rests on three fundamental pillars: Innovation, Sustainability and Inclusion. The agreement, which runs from 2023 to 2026, covers the following main topics:
- the creation of a new model of innovative cultural integration;
- the corporate welfare programme (SLPeople.care);
- a redefinition of the performance-based bonus parameters, now including ESG and incentives for individual and collective behavioural and cultural safety training.

Thus one of the key topics relates to compliance with regulations and best practices in the field of accident prevention in the workplace. With specific regard to the contractors operating at Sanlorenzo shipyards, the Company has adopted a Safety at Work Management System (SGSL), certified according to the UNI EN ISO 45001:2018 standard.
In order to eliminate identified dangers and minimise the probability of occurrence, particular emphasis is placed on informing and training personnel, both through compulsory training and with reinforcement through courses on safety culture with voluntary enrolment.

Remaining on the topic of training, a primary role is played by the Sanlorenzo Academy, a project launched in 2018, focused on training specific professional figures in high demand in the nautical world, in order to ensure continuity and generational turnover for local companies and contribute to the improvement of professional standards on board yachts, in addition to internal training on professional abilities and skills as well as soft skills. As of June 2024, more than 7,300 hours of training had already been delivered, through both in-person events and online courses.

Likewise, the Company supports cultural and artistic events in the area, and collaborates in the redevelopment of local and urban works. The Sanlorenzo Foundation is particularly important in this area. In harmony with the human values, work culture and corporate social responsibility that shape Sanlorenzo's history, it aims to contribute to the social-cultural, economic and environmental development of the smaller Italian islands, thereby fostering opportunities for life, study and work.

## Awards, partnerships and ESG ratings

The Sanlorenzo Group's commitment to the multiple sustainability topics has been recognised several times in a formal manner, leading to the achievement of several awards. These include:

- the inclusion, by Statista and Corriere della Sera, of Sanlorenzo in the list of "The most climate-conscious companies 2024", i.e. the list of Italian companies that have most reduced the ratio of their $CO_2$ emissions to turnover, as reported on the Corriere della Sera website;
- the "Sustainability Leader 2024" certificate from IlSole24Ore and Statista;
- the "Sustainability Award 2023", sponsored by Credit Suisse and KON Group, a list of the top 100 Italian companies for sustainability published by Forbes.

In terms of collaborations, the Group boasts several, both on social and environmental topics.

Under the former, almost all of the activities carried out by the Sanlorenzo Foundation fall under this heading: supporting the education of young people, developing Italy's smaller islands and promoting art and culture. In addition to these, it is worth mentioning that Sanlorenzo, since 2022, has been a founding partner of the Venice World Capital of Sustainability Foundation, a reality aimed at integrating sustainability topics into all aspects of life in the city of Venice.

Under the environmental topic, on the other hand, several partnerships can be listed: since 2020 Sanlorenzo has been an "Anchor Partner" of the Water Revolution Foundation, with which it collaborates to develop solutions that enable the nautical sector to move towards an improvement in its environmental performance; Bluegame, on the other hand, has been a member of the Blue Marine Foundation since 2018, with the aim of protecting marine ecosystems.

The companies are active in further national and international industry associations and organisations. These include SYBAss (Superyacht Builders Association), which unites and represents the builders of the world's largest yachts.

Finally, the Sanlorenzo Group undergoes assessments and evaluations by leading ESG rating agencies. The current situation is as follows:

- S&P Global score of 38/100 for 2024, an improvement from 31/100 in 2023;
- MSCI: achieved a rating of A, improving from BBB, which places the Group in the top 34% of the sector (Leisure);
- Sustainalytics: rating updated on 15 May 2024, with improvement from 10.3 to 8.8 (Negligible risk), a rating indicating negligible risk in terms of environmental, social and governance factors. This implies that the company has sound management practices and policies that minimise potential ESG risks, The Group thus ranks 9th out of 231 in the industry (Consumer Durables);
- ISS ESG: with a score of C-, the Group remained constant over time, ranking in the 3rd decile of the sector (Leisure).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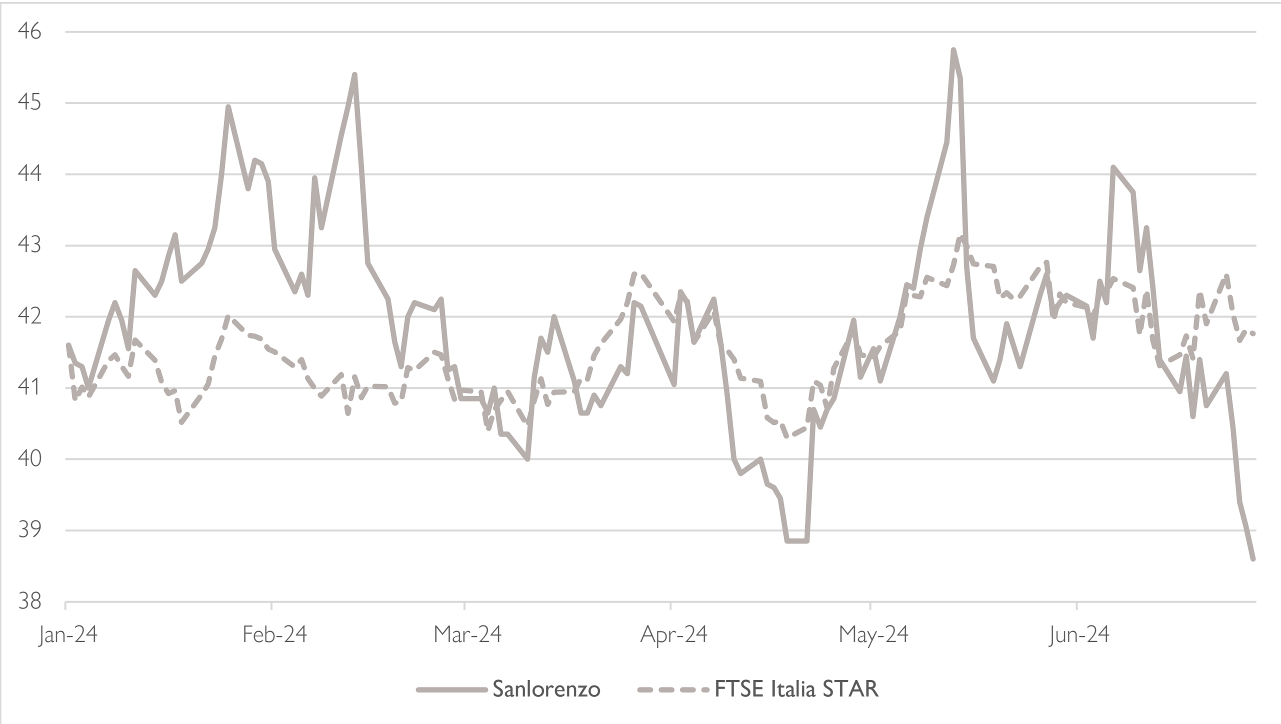
# SANLORENZO ON THE STOCK EXCHANGE

## Share performance

On 10 December 2019, the trading of the Company's shares on the Euronext STAR Milan organised and managed by Borsa Italiana S.p.A. began. The initial offer price was €16.00 per share.
The following table and chart show the share performance in the first half of 2024.

| | Euro | Date |
|---|---|---|
| IPO price | 16.00 | 10 December 2019 |
| Minimum closing price | 38.60 | 28 June 2024 |
| Maximum closing price | 45.75 | 14 May 2024 |
| Closing price | 38.60 | 28 June 2024 |
| Number of shares | 35,083,190 | 28 June 2024 |
| Capitalization | 1,354,211,134 | 28 June 2024 |




On 28 June 2024, the closing price of the share was €38.60 and market capitalization was €1,354 million. Since the beginning of the year, Sanlorenzo shares have underperformed the FTSE Italia STAR index by 7.60%.

## Shareholding structure

Significant equity investments in the Company's share capital, according to the communications issued pursuant to Article 120 of Italian Legislative Decree no. 58 of 24 February 1998 (Consolidated Law on Finance - TUF) and other information in the Company's possession, are detailed below.

| Shareholder | No. of ordinary shares | % share capital | % voting rights |
|---|---|---|---|
| Holding Happy Life S.r.l. (Massimo Perotti) | 19,216,105 | 54.77% | 70.78% |
| Treasury shares | 131,459 | 0.38% | - |
| Ocean S.r.l. (Finclama S.p.A.) | 1,940,000 | 5.53% | 3.57% |
| Market | 13,795,626 | 39.32% | 25.65% |
| **Total** | **35,083,190** | **100.00%** | **100.00%** |

Update: 28 June 2024

As at 27 June 2021, increased voting rights were granted to a total of 20,837,128 ordinary shares of the Company, of which 20,669,128 are owned by the majority shareholder Holding Happy Life S.r.l.
On 29 December 2023, Holding Happy Life S.r.l. sold a package of 940,000 shares, including 633,663 shares with increased voting rights, which thus lost increased voting rights.
On 10 April 2024, Holding Happy Life S.r.l. sold another package of 1,000,000 shares, all with increased voting rights, which thus lost increased voting rights. On that same date, increased voting rights were granted to a total of 180,640 ordinary shares of the Company, owned by Holding Happy Life S.r.l.

# MAIN RISKS AND UNCERTAINTIES TO WHICH THE GROUP IS EXPOSED

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, which are summarised below.
For more details on the risks to which the Group is exposed, please refer to the Annual Financial Report as at 31 December 2023, 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 operational 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 facilities 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 related 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 derivatives.

# INTRA-GROUP TRANSACTIONS AND TRANSACTIONS WITH RELATED PARTIES

The Company's Board of Directors adopted the "Procedure for transactions with related parties", most recently updated by resolution passed on 14 March 2024, in compliance with the "Regulation on Transactions with related parties" approved by Consob with Resolution no. 22144 of 22 December 2021.
The above procedure can be found on the Company's website (www.sanlorenzoyacht.com), in the "Corporate Governance" section.
It should be noted that transactions with related parties, including therein intra-group transactions, do not qualify as either atypical or unusual, as they fall under the normal course of business of Group companies. Said transactions were made at arm's length in consideration of the features of goods and services provided.
In the Notes to the condensed consolidated half-yearly financial statements, the Company provides the information required pursuant to Article 154-ter of Legislative Decree no. 58 of 24 February 1998 (Consolidated Law on Finance - TUF) as indicated in Consob Regulation no. 17221 of 12 March 2010.

# ATYPICAL AND/OR UNUSUAL TRANSACTIONS

Pursuant to Consob Communication no. DEM/6064293 of 28 July 2006, it should be noted that no atypical and/or unusual transactions were entered into, as defined in the Communication itself.

# ADDITIONAL 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 9 February 2024, the Company initiated the share buy-back programme based on the authorisation resolution issued by the Ordinary Shareholders' Meeting on 12 December 2023. As at 30 June 2024, the Company held 131,459 shares, equal to 0.38% of the subscribed and paid-up share capital.

# SIGNIFICANT EVENTS OCCURRING DURING THE PERIOD

## Start of the buy-back programme

On 9 February 2024, Sanlorenzo initiated the share buy-back plan based on the authorisation resolution issued by the Shareholders' Meeting on 12 December 2023. The buy-back programme, to be executed by 12 June 2025, provides for the purchase of a maximum number of shares of 3,491,956.

## Patent Box Agreement signed by Bluegame S.r.l.

On 28 February 2024, Bluegame and the Italian Revenue Agency, Tuscany Regional Department, signed a specific "Advance agreement for the definition of the methods and criteria for calculating the economic contribution in the event of direct use of intangible assets" pursuant to Article 1, paragraphs 37 to 45, of Law no. 190 of 23 December 2014, as amended (the "Patent Box"). As a result of this agreement, which covers the tax periods from 2020 to 2024, Bluegame will benefit from an important tax break (consisting of lower IRES and IRAP taxes, currently being quantified), which will be reflected in the income statement for the year ending 31 December 2024.

## Acquisition of 95% of the share capital of the Simpson Marine Group

On 5 March 2024, Sanlorenzo S.p.A. finalised the purchase of 95% of the share capital of Simpson Marine Limited from Michael Rowland Simpson, for a consideration of USD 10 million, plus an earn-out of USD 7 million calculated on net profit for the 2023 financial year. The payment of the consideration is entirely covered by Sanlorenzo's own liquidity.
The Simpson Marine Group, which has represented Sanlorenzo in Asia since 2015, has been one of the leading yacht dealers and service companies in the entire APAC region for forty years, now providing Sanlorenzo with direct plug-and-play distribution in several key countries, namely Hong Kong, Singapore, Mainland China (Shenzhen and Sanya), Thailand, Indonesia, Malaysia and Taiwan.

## Ordinary and Extraordinary Shareholders' Meeting

On 26 April 2024, the Ordinary and Extraordinary Shareholders' Meeting of Sanlorenzo S.p.A. was held on first call and issued the following main resolutions.
In the ordinary session the Shareholders' Meeting:

- approved the annual financial statements as at 31 December 2023 and the proposal for the allocation of profit which made provision, inter alia, for the distribution of a dividend of €1.00 per share, with payment as of 22 May 2024;
- approved the "First part" of the Remuneration Report, concerning the remuneration policy for the members of the administrative bodies, general managers and managers with strategic responsibilities, and expressed a favourable opinion on the "Second part" of the report;
- increased the number of members of the Board of Directors and appointed Tommaso Vincenzi and Lavinia Biagiotti Cigna as new Directors of the Company;
- approved the "2024 Performance Shares Plan", the "2024-2028 LTI Plan" and the "Simpson Marine Plan".

The Consolidated Financial Statements and the Consolidated Non-Financial Statement for the year 2023 were also presented to the Shareholders' Meeting.
Finally, in the extraordinary session, the Shareholders' Meeting approved the proposal to amend Articles 9, 11, 12, 14, 17 and 18 of the By-laws.

## Establishment of "Sanlorenzo MED"

In May, Sanlorenzo S.p.A. set up "Sanlorenzo MED", a commercial network comprising the European foreign companies - Sanlorenzo Monaco SAM, Sanlorenzo Côte d'Azur SAS and Sanlorenzo Baleares SL - of the Sanlorenzo Group. The creation of this new pole, led by CEO Ferruccio Rossi, is part of the Group's broader strategy of direct distribution in key markets, for the commercial development of some of the most iconic territories in the nautical world, with an entirely innovative approach of direct brand presence, similar to what has been happening for some time in the high-end world.

## Establishment of "Simpson Marine Australia Pty Ltd"

On 11 June 2024, the Simpson Marine Group formed a new company "Simpson Marine Australia Pty Ltd", a wholly-owned subsidiary of Simpson Marine Limited, based in Toronto, Newcastle, Australia. The opening of the Australian office has a highly strategic value for Sanlorenzo's long-term growth in the APAC region. Sanlorenzo now boasts an exclusive and direct presence from West to East, with a capillary structure in South-East Asia, which can be exploited to expand cross-border business proposals and the development of international service offerings.

## Partnership between Bluegame and NatPower H

At the end of June, Bluegame S.r.l., a brand of Sanlorenzo, and NatPower H completed the first hydrogen refuelling for naval use in Italy, and among the first in the world, on board the BGH-HSV, the zero-emission "chase boat" that will fly at 50 knots alongside two major teams during the 37th America's Cup.
Bluegame and NatPower H are thus announcing a partnership that sees two highly innovative companies allied in the development of a long-term strategy to support the energy transition in the nautical sector, with the aim of boosting the use of hydrogen in yachting and revolutionising a sector that is attentive to environmental sustainability and technological progress. It is a combination of skills that will enable a totally zero-impact nautical industry to be conceived in the coming years.

# SIGNIFICANT EVENTS AFTER THE CLOSE OF THE PERIOD

## Opening of offices at the Port of Rapallo

On 2 July 2024, Sanlorenzo S.p.A. opened new offices at the renovated Marina di Rapallo, in an exclusive environment perfectly in line with the positioning of the Maison Sanlorenzo.

## Development Agreement with MIMIT, Invitalia and the Region of Tuscany

On 3 July 2024, Sanlorenzo S.p.A. and its subsidiary Bluegame S.r.l., as adhering party, signed a Development Agreement with the Ministry of Enterprise and Made in Italy (MIMIT), Invitalia and the Region of Tuscany for a total of €91.5 million, which envisages the realisation of an ambitious industrial investment programme.

The programme will be implemented in the regions of Tuscany and Liguria at the company's four main plants, is focused on maximum sustainability and technological innovation, especially in terms of green fuels and materials applied to product development, as well as digitisation of services and processes, combined with a significant increase in production capacity.

Thanks to this Agreement, the Sanlorenzo Group's social commitment is strong, with the hiring of more than 200 direct workers by 2026 and a more than proportional employment effect on the entire supply chain in the area.

Investment projects will also include the reconversion of disused industrial areas and a redevelopment of factory spaces according to the most modern production best practices.

## Acquisition of the Nautor Swan Group

On 1 August 2024, Sanlorenzo S.p.A. and Sawa S.r.l., a company controlled by Leonardo Ferragamo, signed a Binding Agreement providing for the sale by Sawa S.r.l. and the purchase by Sanlorenzo of 100% of Nautor Swan S.r.l. and indirectly of its investees included in the scope of the acquisition (the "Nautor Swan Group"), which includes 13 companies located in 7 countries (Finland, Italy, Spain, Principality of Monaco, United Kingdom, United States and Australia).

The Nautor Swan Group is mainly active in the design, construction, sale and refit of luxury sailing yachts under the Swan, Maxi Swan and ClubSwan brands, as well as motor yachts under the Shadow and Arrow brands.

According to the economic terms of the Agreement, Sanlorenzo's purchase of 100% of the shares of the Nautor Swan Group will be realised in two tranches:

- 60% of the shares at the First Closing amounting to €48.5 million, equivalent to the pro-rata of an agreed equity value of €80.9 million ("Equity Value at First Closing"), determined on the basis of an Enterprise Value ("EV") of €90.0 million and an Adjusted NFP as at 31 December 2023 of €9.1 million.
- 40% of the units at the Second Closing, by 30 April 2028 (based on FY2027 financial data), valued at the higher of the First Closing Equity Value and the Equity valuation resulting from the application of the 9x EV/EBITDA multiple.

For each Closing, the parties agreed to pay the price 2/3 in cash and 1/3 in shares through a Capital Increase with the exclusion of the option right reserved to Sawa S.r.l., unless technical difficulties arise that prevent its timely execution. The issue price of Sanlorenzo shares is valued at the arithmetic mean of the closing prices of the stock market in the 30 calendar days preceding the Closing.

On 2 August 2024, Sanlorenzo S.p.A. completed the First Closing of the acquisition of the Nautor Swan Group. Sanlorenzo therefore paid the cash portion of the price equal to €32,354,734.71, and paid €16,177,367.36 in escrow account, to be released in correspondence with the Capital Increase reserved for Sawa S.r.l.

The price of the Sanlorenzo shares for the purpose of payment in shares, equal to the mathematical average of the stock exchange closing prices in the previous 30 calendar days, was calculated as €38.4727, which would imply an issue of 420,489 shares in favour of Sawa S.r.l. against the Initial Closing value of €16,177,367.36 to be paid in shares.

# BUSINESS OUTLOOK

Sanlorenzo Group closed the first half of 2024 with a revenue growth rate that confirms its strategy of sustainable growth over time, as outlined in the Guidance communicated to the market for the current year.

The Americas showed a significant rebound (+9.2%) after the contraction that characterized most of 2023, potentially indicating a return to a positive trend. The MEA region continues its extremely positive performance (+142,0%), solidifying its position as a very promising area for future growth in the sector. APAC recorded a growth of +20.9%, despite some regional weaknesses, particularly in Mainland China, which currently holds a marginal importance for Sanlorenzo but presents interesting opportunities in the medium to long term. After several quarters of uninterrupted growth, Europe, on the other hand, posted a decline (-9.9%) for the first half of the year. Weakness in markets such as Germany has certainly impacted first-half performance, and Management is closely monitoring the situation, currently considering it a temporary setback.

At the business segment level, the best performance in the second quarter was again marked by the Superyacht Division, which registered a growth of +17.6% in the first half. This growth is a result of market dynamics over the past 12 months, where, in a context of high interest rates and macroeconomic and geopolitical uncertainty, there has been less sensitivity to models with a higher average price. The Yacht Division, on the other hand, remained substantially stable (+1.0%), with greater dynamism for units over 30 meters in length.

Bluegame demonstrated robust growth (+13.1%), also benefiting from the introduction of the new BGM line with the 75-foot model presented in 2023.

The Net Backlog stood at approximately €950 million as of 30 June 2024, compared to €1,015 million as of 31 March 2024, remaining robust, especially considering the start of the delivery season in the Mediterranean region in the second quarter, which significantly impacts the Group's business. Despite the reduction in recent quarters due to a physiological post-Covid normalisation and macroeconomic instability linked to inflationary pressures, the level of visibility remains high and above historical averages, with a Net Backlog to LTM Revenues ratio above 1x.

The completion of the acquisition of Simpson Marine in early March 2024 further strengthens the relationship and the ability to comprehensively address the needs of current and potential end customers, offering a 360° service in a one-stop-shop approach. Today, Sanlorenzo boasts direct plug-and-play distribution in several key countries in the APAC region, including Hong Kong, Singapore, Mainland China (Shenzhen and Sanya), Thailand, Indonesia, Malaysia, and Taiwan. Additionally, a new hub was established in Australia in July 2024, a country with very promising prospects. This extensive network is of strategic value for Sanlorenzo's long-term growth in the APAC region, which is expected to see the highest growth of UHNWIs globally in the coming years, as well as a higher penetration rate of yachting among the ultra-rich, given the significantly lower starting base compared to historical markets such as the Mediterranean and the Americas. Simultaneously, in Europe's most strategic markets, under the new leadership of Ferruccio Rossi, former Group General Manager, the "Sanlorenzo MED" network is being optimized, including strategic hubs like the French Riviera, Monaco, and the Balearic Islands.

In August 2024, the acquisition of Nautor Swan Group, comprising 13 companies located in 7 countries (Finland, Italy, Spain, Monaco, the UK, the USA, and Australia), was completed, representing another crucial milestone in the Group's strategy. Nautor Swan is a leading shipyard in the sailing yacht segment, boasting an ultra-exclusive niche brand whose philosophy aligns perfectly with that of Sanlorenzo. Swan's heritage is recognized worldwide for its key elements, and the combination of the Sanlorenzo and Nautor Swan brands – each with its own unique and limited offerings, catering to its own club of connoisseurs without overlap – will create a unique yachting hub globally: the best of motor and sailing yachting. The Management, during the due diligence phase over several months, developed a solid industrial plan in terms of product development and the implementation of numerous synergies in technology, production, commercial activities, and economies of scale, which are expected to yield tangible results in the short to medium term.

More generally, Sanlorenzo continues to benefit from robust performance in its traditional markets and a competitive advantage derived from its unique business model: high-end brand positioning, exclusive vessels primarily in the upper segment of the 24 to 75-meter market, meticulously made-to-measure and distributed directly or through a limited number of brand representatives, always at the forefront of sustainable innovation.

These are all essential elements to ensure the continuity of the positive dynamics experienced so far in the long term.

## A responsible journey

### Green-Tech solutions for a yachting paradigm shift

According to the new “SYBAss Economic Report 2023,” up to 75% of potential buyers are interested in making their yachts more environmentally friendly. The combined pressure from customer demands, increasingly focused on sustainability and responsible practices, alongside a more stringent regulatory framework regarding emissions in the maritime industry, has driven Sanlorenzo to plan and implement a serious and long-term strategy for the sustainability of luxury yachting since 2021.

In 2024, two key milestones were achieved in the implementation strategy of the so-called Road to 2030: (i) the launch of the new 50Steel equipped with a reformer-fuel cell system developed exclusively in collaboration with Siemens Energy, which powers all the hotellerie services on board using green methanol, and (ii) the launch of the BGH-HSV, a chase boat for the 2024 America's Cup powered by hydrogen.

The 50Steel Fuel Cell was delivered to its owner in July 2024, while two BGH-HSV units were delivered to the NYYC American Magic and Orient Express teams in August, in preparation for the final phase of the America’s Cup.

With its strong commitment and cutting-edge Research and Development capabilities, Sanlorenzo Group continues to demonstrate its pioneering role in the green transformation of global yachting.

In synergy with Swan sailing yachts, which are already inherently sustainable, it will also be possible to create a new market segment that currently does not exist.

## Guidance for 2024

In light of the soundness of the order backlog – 88% of which is sold to final clients – while constantly monitoring the evolution of the general environment, the Company confirms the organic Guidance for the year 2024[13], to which is added the contribution of the Nautor Swan Group for the five months of consolidation in the Sanlorenzo Group, from August to December.

| (€ million and margin in % of Net Revenues New Yachts) | Actual 2022 | Actual 2023 | Organic Guidance 2024[14] | *Swan contribution 5 months* | Consolidated Guidance 2024 |
|---|---|---|---|---|---|
| Net Revenues New Yachts | 740.7 | 840.2 | 880-910 | *35-40* | 915-950 |
| *Change YoY %* | *+26.4%* | *+13.4%* | *+7%* | | *+11%* |
| EBITDA[15] | 130.2 | 157.5 | 168-176 | *4-5* | 172-181 |
| *Change YoY %* | *+36.3%* | *+21.5%* | *+9%* | | *+12%* |
| EBITDA margin[15] | 17.6% | 18.7% | 19.1%-19.3% | *11.0%-12.0%* | 18.8%-19.1% |
| *Change YoY %* | *+1.3%* | *+1.1%* | *+0.5%* | | |
| EBIT | 102.7 | 125.9 | 135-141 | *1-2* | 136-143 |
| *Change YoY %* | *+42.2%* | *+22.5%* | *+10%* | | *+11%* |
| EBIT margin | 13.9% | 15.0% | 15.3%-15.5% | *4.0%-5.0%* | 14.9%-15.1% |
| *Change YoY %* | *+1.5%* | *+1.1%* | *+0.4%* | | |
| Group net profit | 74.2 | 92.8 | 99-101 | | |
| *Change YoY %* | *+45.5%* | *+25.2%* | *+8%* | | |
| Organic Investments | 50.0 | 44.5 | 48-50 | | |
| *Incidence % on Net Revenues New Yachts* | *6.8%* | *5.3%* | *5.5%* | | |
| Net financial position | 100.3 | 140.5 | 160-170 | | |
| *Cash generation* | *+61.3* | *+40.2* | *+25* | | |

Ameglia, 5 September 2024

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

[13] On a like-for-like basis, excluding potential extraordinary operations.

[14] For the organic Guidance range, annual growth is calculated on the average figure of the range. Investments and Net financial position Guidance exclude M&A transactions.

[15] 2022 figures referred to Adjusted EBITDA, which differed from reported EBITDA by less than 0.5%.

# CONDENSED CONSOLIDATED HALF-YEARLY FINANCIAL STATEMENTS AS AT 30 JUNE 2024

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| (€'000) | Notes | 30 June 2024 | 31 December 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | *17* | 183,436 | 179,820 |
| Goodwill | *18* | 22,774 | 17,486 |
| Other intangible assets | *19* | 63,103 | 55,162 |
| Equity investments and other non-current assets | *21, 37, 38* | 4,604 | 6,564 |
| *of which equity investments valued using the equity method* | | *3,715* | *3,829* |
| Net deferred tax assets | *15* | 11,154 | 12,255 |
| **Total non-current assets** | | **285,071** | **271,287** |
| **Current assets** | | | |
| Inventories | *22* | 130,064 | 85,421 |
| Contract assets | *23* | 173,670 | 185,572 |
| Other financial assets, including derivatives | *27* | 35,319 | 24,045 |
| Trade receivables | *24* | 38,974 | 22,522 |
| Other current assets | *25* | 84,650 | 59,725 |
| Cash and cash equivalents | *26* | 175,223 | 192,506 |
| **Total current assets** | | **637,900** | **569,791** |
| **TOTAL ASSETS** | | **922,971** | **841,078** |

| (€'000) | Notes | 30 June 2024 | 31 December 2023 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Share capital | *28* | 35,083 | 34,978 |
| Share premium | *28* | 86,171 | 84,442 |
| Other reserves | *28* | 206,276 | 146,012 |
| Profit/(loss) for the period | | 43,582 | 92,839 |
| **Equity attributable to the owners of the Parent Company** | | **371,112** | **358,271** |
| Equity attributable to non-controlling interests | *28* | 1,729 | 1,690 |
| **TOTAL EQUITY** | | **372,841** | **359,961** |
| **Non-current liabilities** | | | |
| Non-current financial liabilities | *29* | 29,592 | 28,795 |
| Non-current employee benefits | *32* | 2,485 | 2,491 |
| Non-current provisions for risks and charges | *33* | 14,016 | 14,404 |
| **Total non-current liabilities** | | **46,093** | **45,690** |
| **Current liabilities** | | | |
| Current financial liabilities, including derivatives | *29* | 78,757 | 47,270 |
| Current provisions for risks and charges | *33* | 12,790 | 8,571 |
| Trade payables | *30* | 258,798 | 203,812 |
| Contract liabilities | *23* | 98,541 | 125,441 |
| Other current liabilities | *31* | 39,823 | 37,597 |
| Other current tax liabilities | *15* | 1,317 | 2,241 |
| Net current tax liabilities | *15* | 14,011 | 10,495 |
| **Total current liabilities** | | **504,037** | **435,427** |
| **TOTAL LIABILITIES** | | **550,130** | **481,117** |
| **TOTAL EQUITY AND LIABILITIES** | | **922,971** | **841,078** |

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

| (€'000) | Notes | 30 June 2024 | 30 June 2023 |
|---|---|---|---|
| Revenues | *9* | 462,182 | 421,619 |
| Selling expenses | *9* | (33,473) | (26,929) |
| **Net revenues** | | **428,709** | **394,690** |
| Other income | *10* | 6,432 | 4,984 |
| **TOTAL NET REVENUE AND INCOME** | | **435,141** | **399,674** |
| Increases in internal work | *11* | 899 | 1,032 |
| Costs for raw materials, consumables and finished products | *11* | (148,441) | (135,098) |
| Outsourcing | *11* | (160,973) | (142,635) |
| Change in inventories of work in progress, semi-finished and finished products | *11, 22* | 33,395 | 21,568 |
| Other service costs | *11* | (31,120) | (33,566) |
| Personnel expenses | *11* | (42,911) | (31,657) |
| Other operating costs | *11* | (4,405) | (2,869) |
| Accruals to provisions for risks and charges | *11, 33* | (7,367) | (8,792) |
| **Total operating costs** | | **(360,923)** | **(332,017)** |
| **OPERATING RESULT BEFORE AMORTISATION AND DEPRECIATION** | | **74,218** | **67,657** |
| Amortisation, depreciation and impairment losses of fixed assets | *12, 17, 19* | (16,242) | (14,523) |
| **OPERATING RESULT** | | **57,976** | **53,134** |
| Financial income | *13* | 3,872 | 1,654 |
| Financial expense | *13* | (1,401) | (1,007) |
| **Net financial income/(expense)** | | **2,471** | **647** |
| Income/(expense) from equity investments | *14* | (81) | 88 |
| Adjustments to financial assets | *14* | 41 | 270 |
| **PRE-TAX PROFIT** | | **60,407** | **54,139** |
| Income taxes | *15* | (17,078) | (15,234) |
| **PROFIT/(LOSS) FOR THE PERIOD** | | **43,329** | **38,905** |
| **Attributable to:** | | | |
| Shareholders of the Parent Company | | 43,582 | 39,043 |
| Non-controlling interests | | (253) | (138) |

| (€'000) | 30 June 2024 | 30 June 2023 |
|---|---|---|
| OTHER COMPREHENSIVE INCOME | | |
| **Other comprehensive income that will not be subsequently reclassified to net profit** | | |
| Actuarial change in accruals for employee benefits | (128) | 24 |
| Income taxes relating to actuarial changes in provisions for employee benefits | 36 | (7) |
| **Total** | **(92)** | **17** |
| **Other comprehensive income which will be subsequently reclassified to net profit** | | |
| Changes in the cash flow hedge reserve | (1,889) | (721) |
| Income taxes related to changes in the cash flow hedge reserve | 453 | 173 |
| Change in the translation reserve | 56 | (3) |
| **Total** | **(1,380)** | **(551)** |
| **Total other comprehensive income for the year, net of tax effect** | **(1,472)** | **(534)** |
| **COMPREHENSIVE NET PROFIT FOR THE PERIOD** | **41,857** | **38,371** |
| **Attributable to:** | | |
| Shareholders of the Parent Company | 42,110 | 38,509 |
| Non-controlling interests | (253) | (138) |

| (in Euro) | 30 June 2024 | 30 June 2023 |
|---|---|---|
| Profit for the period attributable to the shareholders of the Parent Company | 43,581,478 | 39,042,605 |
| Average number of shares for basic earnings per share | 34,857,580 | 34,705,926 |
| **Basic earnings per share** | **1.25** | **1.12** |

| (in Euro) | 30 June 2024 | 30 June 2023 |
|---|---|---|
| Profit for the period attributable to the shareholders of the Parent Company | 43,581,478 | 39,042,605 |
| Average number of shares for diluted earnings per share | 35,188,252 | 34,887,334 |
| **Diluted earnings per share** | **1.24** | **1.12** |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| (€'000) | Share capital | Share premium | Other reserves | Profit for the period | Total Group equity | Total equity attributable to non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|
| **Value as at 31 December 2022** | **34,784** | **81,236** | **98,357** | **74,154** | **288,531** | **1,550** | **290,081** |
| Allocation of profit for the year | - | - | 74,154 | (74,154) | - | - | - |
| Dividends distributed | - | - | (22,587) | - | (22,587) | - | (22,587) |
| Treasury share sale/(buy-back) | - | - | (70) | - | (70) | - | (70) |
| Stock option exercise | 92 | 1,518 | (138) | - | 1,472 | - | 1,472 |
| Other changes | - | - | 373 | - | 373 | (667) | (294) |
| Profit for the period | - | - | - | 39,043 | 39,043 | (138) | 38,905 |
| Other comprehensive income | - | - | (534) | - | (534) | - | (534) |
| **Value as at 30 June 2023** | **34,876** | **82,754** | **149,555** | **39,043** | **306,228** | **745** | **306,973** |
| **Value as at 31 December 2023** | **34,978** | **84,442** | **146,012** | **92,839** | **358,271** | **1,690** | **359,961** |
| Allocation of profit for the year | - | . | 92,839 | (92,839) | - | - | - |
| Dividends distributed | - | . | (34,305) | - | (34,305) | - | (34,305) |
| Treasury share sale/(buy-back) | - | . | 3,536 | - | 3,536 | - | 3,536 |
| Stock option exercise | 105 | 1,729 | (157) | - | 1,677 | - | 1,677 |
| Other changes | - | - | (177) | - | (177) | 292 | 115 |
| Profit for the period | - | - | - | 43,582 | 43,582 | (253) | 43,329 |
| Other comprehensive income | - | - | (1,472) | - | (1,472) | - | (1,472) |
| **Value as at 30 June 2024** | **35,083** | **86,171** | **206,276** | **43,582** | **371,112** | **1,729** | **372,841** |

# CONSOLIDATED STATEMENT OF CASH FLOWS

| (€'000) | Notes | 30 June 2024 | 30 June 2023 |
|---|---|---|---|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Profit for the period | | 43,329 | 38,905 |
| **Adjustments for:** | | | |
| Depreciation of property, plant and equipment | *12, 17* | 11,899 | 10,688 |
| Amortisation of intangible assets | *12, 19* | 4,343 | 3,835 |
| Impairment of intangible assets | *18, 19* | - | - |
| Adjustments to financial assets (other equity investments) | *14* | 40 | (358) |
| Net financial expense/(income) | *13* | (2,471) | (647) |
| Gain on sale of property, plant and equipment | *17* | - | (34) |
| Impairment losses on trade receivables | *24* | - | - |
| Income taxes | *15* | 17,078 | 15,234 |
| **Changes in:** | | | |
| Inventories | *22* | (38,129) | (35,600) |
| Contract assets | *23* | 12,176 | 49,517 |
| Trade receivables | *24* | (15,513) | 2,248 |
| Other current assets | *25* | 2,163 | 2,701 |
| Trade payables | *30* | 54,868 | 26,418 |
| Contract liabilities | *23* | (33,897) | (2,507) |
| Other current liabilities | *31* | (35,897) | (19,975) |
| Accruals for risks and charges and employee benefits | *32, 33* | 1,870 | 217 |
| **Cash flow generated/(absorbed) by operating activities** | | **21,859** | **90,642** |
| Income taxes paid | *15* | (684) | (1,761) |
| **Net cash flow generated/(absorbed) by operating activities** | | **21,175** | **88,881** |
| CASH FLOWS FROM INVESTMENT ACTIVITIES | | | |
| Interest received | *13* | 3,872 | 1,654 |
| Proceeds from sale of property, plant and equipment | *17* | 1 | 34 |
| Proceeds from disposal of intangible assets | *19* | - | - |
| Change in other equity investments and other non-current assets | *21, 37, 38* | 56 | 5,551 |
| Acquisition of subsidiaries, associates or business units | *17, 19, 21* | (12,598) | (19,807) |
| Acquisition of property, plant and equipment | *17* | (14,364) | (8,591) |
| Purchase of intangible assets | *19* | (6,141) | (4,553) |
| **Net cash flow generated/(absorbed) by investment activities** | | **(29,174)** | **(25,712)** |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Financial interests and expense paid | *13* | (1,401) | (1,007) |
| Proceeds from the issue of share capital | *28* | 1,835 | 1,610 |
| Proceeds from loans/bank advances | *29* | 5,611 | 22,680 |
| Repayment of loans/bank advances | *29* | (12,280) | (21,887) |
| Changes in other financial assets and liabilities including derivatives | *27, 29, 34* | 25,217 | 33,193 |
| New finance leases | *29* | 6,268 | 2,555 |
| Repayment of finance leases | *29* | (1,912) | (455) |
| Assumption of new loans | *29* | - | - |
| Other changes in equity | *28* | (1,853) | (966) |
| Treasury share sale/(buy-back) | *28* | 3,536 | (70) |
| Dividends paid | *28* | (34,305) | (22,587) |
| **Net cash flow generated/(absorbed) by financing activities** | | **(9,284)** | **13,066** |

| (€'000) | Notes | 30 June 2024 | 30 June 2023 |
|---|---|---|---|
| NET CHANGE IN CASH AND CASH EQUIVALENTS | | (17,283) | 76,235 |
| Cash and cash equivalents at the beginning of the period | | 192,506 | 146,317 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | | 175,233 | 222,552 |

# NOTES TO THE CONDENSED CONSOLIDATED HALF-YEARLY FINANCIAL STATEMENTS

## BASIS OF PREPARATION

### 1. Reporting entity

Sanlorenzo S.p.A. (the "Company") is based in Italy. Its registered office is in Via Armezzone 3, Ameglia in La Spezia. The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively the "Group").
The Group is active in the design, building and sale of yachts and pleasure boats in fibreglass, steel and aluminium together with all other materials. It also provides maintenance and charter services in general, as well as services relating to these activities.

### 2. Basis of preparation

These condensed consolidated half-yearly financial statements as at 30 June 2024 were drafted in compliance with the provisions of Article 154-ter of Italian Legislative Decree no. 58 of 24 February 1998 (Consolidated Law on Finance) as amended, and in compliance with IAS 34 - Interim financial reporting.
They do not include all information required for complete financial statements in compliance with IFRS and must be read in conjunction with the annual consolidated financial statements of the Group as at 31 December 2023 (the "last annual financial statements") published on the website of the Company (www.sanlorenzoyacht.com, "Investors/Financial results and documents" section). Selected notes were therefore included to explain significant events and transactions to ensure an understanding of the changes in the Group's financial position and trends with respect to the last annual financial statements.
These condensed consolidated half-yearly financial statements have 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). The accounting principles and criteria adopted for the preparation of these financial statements are consistent with those used for the preparation of the last annual financial statements to which reference should be made for more details.
These condensed consolidated half-yearly financial statements were prepared on the basis of the accounting positions of the Parent Company and its subsidiaries, adjusted accordingly to ensure they conform to the IFRS.
These condensed consolidated half-yearly financial statements include the consolidated statement of financial position, consolidated statement of profit and loss for the period and the other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the period between 1 January and 30 June 2024.
Among the options allowed by IAS 1, the Group elected to present its assets and liabilities as current or non-current and its income statement classifying costs by nature. The statement of cash flows is prepared using the indirect method.
Based on the provisions of Consob resolution no. 15519 of 27 July 2006, the effects of transactions with related parties, since they are not significant in terms of understanding the financial position, profit and loss and cash flows of the company and/or the group, are not indicated by individual item but are shown in the special statement in Note 42 "Related parties".

## 3. Functional and presentation currency

These condensed consolidated half-yearly financial statements are presented in Euro, which is the functional currency of the Parent Company. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

## 4. Basis of measurement

These condensed consolidated half-yearly financial statements were prepared by applying the historical cost method, with the exception of derivatives, which are measured at fair value as required by IFRS 9 - Financial Instruments and equity investments measured at equity, as well as on a going concern basis. The Directors have verified that there are no material uncertainties (as defined in IAS 1 paragraph 25) in relation to the going-concern assumption.

## 5. Use of assumptions and estimates

In the preparation of these condensed consolidated half-yearly financial statements, the company management made assumptions and estimates, which have an effect on the application of the accounting standards and on the amounts of assets and liabilities, income and expenses in the financial statements. The actual results may differ from such estimates.
The significant judgements made by the management in the application of the Group's accounting standards and the main sources of uncertainty in the estimates are the same as those described in the last annual financial statements.
The application of such estimates and assumptions influences the amounts of assets, liabilities, costs and revenues, as well as the disclosure provided. The actual data may differ due to the uncertainty inherent in the assumptions and conditions underlying the estimates. The estimates and underlying assumptions are revised on an ongoing basis. Revised estimates are recognised prospectively.
The items most influenced by the valuations and estimates of the Directors and for which a change in the circumstances underlying the assumptions applied could have a significant impact on the interim financial statements are summarised below.

### Valuations

The management decisions that have the most significant effects on the amounts recognised in the financial statements concern:

- revenue recognition: whether revenues from contracts are recognised over time or at a point in time;
- investments accounted for using the equity method: to establish whether the Group exercises significant influence over an investee company;
- consolidation: whether the Group has de facto control over an investee.

A number of the Group's accounting standards and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.
In measuring the fair value of an asset or liability, the Group uses observable market data insofar as possible. Fair values are allocated to different hierarchical levels on the basis of the input data used in the valuation techniques, as illustrated below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: input data other than Level 1 quoted prices, which are observable for the asset or liability, either directly (prices) or indirectly (price derivatives);
- Level 3: input data related to the asset or liability that is not based on observable market data is used.

### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next year concerns:

- revenue recognition;
- valuation of defined benefit obligations: main actuarial assumptions;
- recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;
- impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts, including the recoverability of development costs;
- recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- measurement of the loss allowance for trade receivables and contract assets; key assumptions used to determine the expected credit losses.

## 6. References to accounting standards applied

In preparing these condensed consolidated half-yearly financial statements, the same accounting standards and policies have been applied as those adopted in the preparation of the last annual financial statements, to which reference is made for a detailed illustration, with the exception of the following with regard to amendments and interpretations to the accounting standards applicable with effect from 1 January 2024, which however did not have any significant effects on the Consolidated half-yearly financial report.

### Accounting standards, amendments and interpretations applied as of 1 January 2024

| Reference accounting standard | Effective date |
|---|---|
| Supplier finance arrangements (amendments to: IAS 7 Statement of Cash Flows IFRS 7 Financial Instruments: Disclosure) | 1 January 2024 |
| Lease liabilities in a sale and leaseback (Amendments to IFRS 16) | 1 January 2024 |
| Classification of liabilities as current or non-current (Amendment to IAS 1) - effective date deferred) (Amendment to IAS 1 Presentation of Financial Statements) | 1 January 2024 |
| Non-current liabilities with covenants (amendments to IAS 1) | 1 January 2024 |

### IFRS and IFRIC accounting standards, amendments and interpretations published but not yet adopted in advance and for which assessments are currently being performed on any impacts

| Reference accounting standard | Effective date |
|---|---|
| Lack of exchangeability (Amendments to IAS 21 The effects of changes in foreign exchange rates) | 1 January 2025 |
| Amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 Financial Instruments) | 1 January 2026 |
| IFRS 18 Presentation and disclosure in financial statements | 1 January 2027 |
| IFRS 19 Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |

## 7. Operating segments

The Sanlorenzo Group comprises three operating segments: the Yacht Division, Superyacht Division and Bluegame Division. The operating segments have been identified in accordance with IFRS 8 as the components of the Group:

- that engage in business activities that generate revenues and costs;
- whose operating results are periodically reviewed at the highest operational decision-making level of the entity for the purpose of making decisions regarding the resources to be allocated to the segment and evaluating the results;
- for which separate accounting information is available.

In detail, the type of product is the primary basis for segmentation identified by the Group. In detail:

- the Yacht line refers to composite yachts of a length between 24 and 40 metres, sold under the Sanlorenzo brand;
- the Superyacht line refers to superyachts in aluminium and steel, more than 44 metres in length, sold under the Sanlorenzo brand;
- the Bluegame line refers to sports utility yachts less than 24 metres in length, sold under the Bluegame brand.

As allowed by IFRS 8, paragraph 12, the Yacht and Superyacht lines are aggregated into one single operating segment as they have similar characteristics in terms of:

- nature of the products, with differences that substantially depend on the size;
- nature of production processes;
- type or class of customers;
- distribution methods and channels;
- reference regulatory context;
- basic contractual characteristics;
- margins, with temporary differences linked to the timing of introduction of new products and / or specific marketing initiatives.

## 8. Seasonality

The Group's results are influenced by some seasonal phenomena typical of the yachting sector in which the Group carries on business.

The Group sells its yachts principally to end customers and brand representatives, which act as distributors, and, to a lesser extent, consigns them to stock as part of the minimum purchase commitments set forth contractually for each representative brand. Contracts for the sale of bespoke yachts to end customers are signed mainly in spring and autumn, periods in which the major boat shows in which the Group companies participate are also concentrated.

Deliveries of yachts are concentrated in the April-July period, especially in European countries, while deliveries of yachts in the APAC and Americas markets are distributed throughout the year.

The concentration of the collection of orders and deliveries in European countries in given periods of the year, against the constant flow of payments to Group suppliers and contractors, has an impact on liquidity, normally higher between April and July and less so in the first quarter of the year, the period in which financial debt (comprised of short-term loans or contract advances) is higher as a result of the lower flow of collections. As a result, the individual interim financial and economic results may not contribute uniformly to the formation of the results achieved by the Group in the course of the year.

There were no significant effects relating to seasonal phenomena on revenues.

# PERFORMANCE FOR THE PERIOD

## 9. Selling revenues and costs

| (€'000) | 30 June 2024 | 30 June 2023 | Change |
|---|---|---|---|
| Revenues from contracts with customers | 462,182 | 421,619 | 40,563 |
| Selling expenses | (33,473) | (26,929) | (6,544) |
| **Net revenues** | **428,709** | **394,690** | **34,019** |

### Revenues from contracts with customers

Revenues from contracts with customers, which relate to the sale of yachts, new and pre-owned, and the provision of services, are shown in the above table gross and net of the related selling expenses related to commissions and the costs of collecting and handling pre-owned boats traded in.
During the period to 30 June 2024 revenues before selling expenses amounted to €462,182 thousand, an increase of €40,563 thousand compared to €421,619 thousand in the first half of 2023.
A breakdown of revenues from contracts with customers by type is as follows.

| (€'000) | 30 June 2024 | 30 June 2023 | Change |
|---|---|---|---|
| Revenues from the sale of new yachts | 428,827 | 404,922 | 23,905 |
| Revenues from the sale of pre-owned boats | 19,422 | 10,438 | 8,984 |
| Revenues from maintenance and other services | 13,933 | 6,259 | 7,674 |
| **Revenues from contracts with customers** | **462,182** | **421,619** | **40,563** |

Revenues from the sale of new yachts came to €428,827 thousand as at 30 June 2024, up by €23,905 compared to 30 June 2023.
Revenues from the sale of pre-owned boats as at 30 June 2024 was equal to €19,422 thousand, up €8,984 thousand compared with 30 June 2023.
Revenues for maintenance services, parts sales for all types of yachts and other services amounted to €13,933 thousand as at 30 June 2024, up by €7,674 thousand compared to 30 June 2023. These transactions, managed in specific orders received from customers, represent obligations other than the sale of yachts.
A breakdown of revenues from contracts with customers by product range is provided below.

| (€'000) | 30 June 2024 | 30 June 2023 | Change |
|---|---|---|---|
| Yacht Division | 280,800 | 263,948 | 16,852 |
| Superyacht Division | 131,614 | 113,292 | 18,322 |
| Bluegame Division | 49,768 | 44,379 | 5,389 |
| **Revenues from contracts with customers** | **462,182** | **421,619** | **40,563** |

The next table provides a breakdown of the revenues from contracts with customers by geographical area according to nationality of the owner customer.

| (€'000) | 30 June 2024 | 30 June 2023 | Change |
|---|---|---|---|
| Italy | 68,012 | 56,056 | 11,956 |
| Europe (other countries) | 184,473 | 215,310 | (30,837) |
| USA | 59,732 | 42,889 | 16,843 |
| Americas (other countries) | 28,070 | 35,426 | (7,356) |
| APAC | 57,992 | 44,480 | 13,512 |
| MEA | 63,903 | 27,458 | 36,445 |
| **Revenues from contracts with customers** | **462,182** | **421,619** | **40,563** |

Revenues are measured based on the consideration specified in the contract with the customer. In particular, the sale of new yachts complies with the requirements for the fulfilment of the performance obligation over the period of time of construction of the yacht ("over time"); therefore, the related revenues are recognised based on the progress of the orders and the progress made is measured with the cost-to-cost method.
Revenues relating to the sale of pre-owned boats, based on generally established contractual characteristics, are recognised at a given moment in time ("at a point in time").
Revenues related to maintenance, sales of spare parts and provision of services activities are managed through spot orders from the client and are recognised at a point in time basis.

### Selling expensed

| (€'000) | 30 June 2024 | 30 June 2023 | Change |
|---|---|---|---|
| Commissions | (14,051) | (16,491) | 2,440 |
| Collection and handling costs for pre-owned boats | (19,422) | (10,438) | (8,984) |
| **Selling expenses** | **(33,473)** | **(26,929)** | **(6,544)** |

Yacht selling expenses include commissions and the costs of collecting, handling and selling pre-owned boats taken in trade-in.
Commissions, which refer to costs incurred by the Group for brokerage activities performed by dealers and agents, amounted to €14,051 thousand and decreased by €2,440 thousand compared to 30 June 2023.
Collection and handling costs for pre-owned boats amounted to €19,422 thousand, an increase of €8,984 thousand compared to €10,438 thousand for the period ended 30 June 2023.

## 10. Other income

| (€'000) | 30 June 2024 | 30 June 2023 | Change |
|---|---|---|---|
| Gains on disposals of assets | - | 34 | (34) |
| Other revenue | 6,432 | 4,950 | 1,482 |
| **Other income** | **6,432** | **4,984** | **1,448** |

Other income in the first half of 2024 amounted to €6,432 thousand, an increase of €1,448 thousand compared to €4,984 thousand in the same period of the previous year. Other revenue refers for the most part to the Parent Company, and mainly includes income for services and charge-backs to suppliers, insurance reimbursements and contributions deriving from tax facilitations such as the R&D credit and the bonus for investment in capital goods under Laws no. 160 of 2019 and no. 178 of 2020.

## 11. Operating costs

| (€'000) | 30 June 2024 | 30 June 2023 | Change |
|---|---|---|---|
| Increases in internal work | (899) | (1,032) | 133 |
| Costs for raw materials, consumables and finished products | 148,441 | 135,098 | 13,343 |
| Outsourcing | 160,973 | 142,635 | 18,338 |
| Other service costs | 31,120 | 33,566 | (2,446) |
| Change in inventories of work in progress, semi-finished and finished products | (33,395) | (21,568) | (11,827) |
| Personnel expenses | 42,911 | 31,657 | 11,254 |
| Other operating costs | 4,405 | 2,869 | 1,536 |
| Accruals to provisions and impairment losses | 7,367 | 8,792 | (1,425) |
| **Operating costs** | **360,923** | **332,017** | **28,906** |

Operating costs were equal to €360,923 thousand and €332,017 thousand in the first half of 2024 and 2023, respectively. The increase over the same period of the previous year, amounting to €28,906 thousand, is in line with the growth in revenues.

The work performed and capitalised by the Group refers to the costs of the personnel involved in the development of new yachts, which are capitalised under the item development expenditure in relation to intangible assets.

Raw materials, consumables and finished products are presented net of returns, discounts, allowances and bonuses and are mainly attributable to the Parent Company.

Outsourcing chiefly related to naval carpentry services, turnkey furnishings for yachts and superyachts, electrical and plumbing work and the fitting of the yacht's interior and exterior. The increases in the costs of raw materials, consumables and finished products and in outsourcing mainly resulted from the increase in production volumes and, to a lesser extent, from the impact of inflationary phenomena over the past 18 months.

Other service costs mostly comprise costs for consulting services, transport costs, the board of directors' and statutory auditors' fees, travel expenses and cleaning and maintenance costs, mainly incurred by Sanlorenzo and Bluegame.

The change in inventories of work in progress, semi-finished and finished products was €(33,395) thousand and €(21,568) thousand respectively as at 30 June 2024 and 30 June 2023. Work in progress refers to orders of less or more than one year duration for which the contract with the customer was not yet finalised by the end of the period.

The increase in personnel expenses of €11,254 thousand in the first half of 2024 compared to the same period of the previous year followed the growth trend in personnel due to the expansion of the Group, as shown in the following table:

| | 30 June 2024 | 30 June 2023 | Change |
|---|---|---|---|
| Executives | 44 | 39 | 5 |
| Office workers | 853 | 701 | 152 |
| Manual workers | 339 | 227 | 112 |
| **Total employees** | **1,236** | **967** | **269** |

The average by qualification is shown below:

| | 30 June 2024 | 30 June 2023 | Change |
|---|---|---|---|
| Executives | 45 | 39 | 6 |
| Office workers | 815 | 729 | 86 |
| Manual workers | 320 | 167 | 153 |
| **Total employees** | **1,180** | **935** | **245** |

A breakdown of personnel expenses is as follows:

| (€'000) | 30 June 2024 | 30 June 2023 | Change |
|---|---|---|---|
| Salaries and wages | 32,589 | 23,661 | 8,928 |
| Social security contributions | 8,658 | 6,755 | 1,903 |
| Post-employment benefits | 1,664 | 1,241 | 423 |
| **Total personnel expense** | **42,911** | **31,657** | **11,254** |

Other operating costs mostly related to advertising for €2,388 thousand and €1,326 thousand as at 30 June 2024 and 2023, respectively, and to other sundry costs for €2,017 thousand and €1,543 thousand as at 30 June 2024 and 2023, respectively.
As at 30 June 2024 accruals to provisions and impairment losses included €6,552 thousand related to job order completion activities and €815 thousand related to accruals to provisions for risks and guarantees on vessels.

## 12. Amortisation, depreciation and impairment losses of fixed assets

| (€'000) | 30 June 2024 | 30 June 2023 | Change |
|---|---|---|---|
| Amortisation of intangible assets | 4,343 | 3,835 | 508 |
| Depreciation of property, plant and equipment | 11,899 | 10,688 | 1,211 |
| **Amortisation, depreciation and impairment losses** | **16,242** | **14,523** | **1,719** |

Amortisation, depreciation and impairment losses of fixed assets amounted to €16,242 thousand and €14,523 thousand respectively as at 30 June 2024 and 2023. The increase in depreciation and amortisation, equal to €1,719 thousand, is mainly related to the investments made during the period.
As at 30 June 2024, amortisation of intangible assets was equal to €4,343 thousand and mainly consisted of amortisation of development costs for €3,552 thousand, amortisation of state concession of the La Spezia shipyard for €115 thousand, amortisation of the rights to use the Viareggio warehouses for €282 thousand and amortisation of software applications for €197 thousand.
As at 30 June 2024 depreciation of property, plant and equipment stood at €11,899 thousand and mainly consisted of depreciation of industrial and commercial equipment (€4,293 thousand), land and buildings (€3,184 thousand) and plant and equipment (€1,591 thousand).

## 13. Net financial income/(expense)

| (€'000) | 30 June 2024 | 30 June 2023 | Change |
|---|---|---|---|
| Financial income | 3,872 | 1,654 | 2,218 |
| Financial expense | (1,401) | (1,007) | (394) |
| **Net financial income/(expense)** | **2,471** | **647** | **1,824** |

Net financial income amounted to €2,471 thousand as at 30 June 2024, marking an improvement of €1,824 thousand compared to 30 June 2023.

Financial income amounted to €3,872 thousand and derived mainly from the investment of available liquidity. Please refer to Note 35 "Cash management" for more information on the investments made by the Parent Company.

| (€'000) | 30 June 2024 | 30 June 2023 | Change |
|---|---|---|---|
| Interest income - banks | 414 | 374 | 40 |
| Interest income on loans to associated companies | - | 79 | (79) |
| Income from financial investments | 3,458 | 1,201 | 2,257 |
| **Financial income** | **3,872** | **1,654** | **2,218** |

Financial expense amounted to €1,401 thousand, the breakdown of which is shown in the table below.

| (€'000) | 30 June 2024 | 30 June 2023 | Change |
|---|---|---|---|
| Interest expense - banks | (934) | (804) | (130) |
| Interest expense - third parties | (3) | (1) | (2) |
| Interest expense on lease liabilities | (85) | (113) | 28 |
| Other financial expense | (216) | (99) | (117) |
| Foreign exchange rate gains/(losses) | (163) | 10 | (173) |
| **Financial expense** | **(1,401)** | **(1,007)** | **(394)** |

## 14. Net profit from equity investments and adjustments to financial assets

| (€'000) | 30 June 2024 | 30 June 2023 | Change |
|---|---|---|---|
| Income/(expense) from equity investments | (81) | 88 | (169) |
| Adjustments to financial assets | 41 | 270 | (229) |
| **Net profit from equity investments and adjustments to financial assets** | **(40)** | **358** | **(398)** |

Net expense from equity investments, totalling €81 thousand, mainly include the valuation at equity of the associated company Carpensalda Yacht Division S.r.l.
For more details and information on investments in associated companies, please refer to note 38 "Associated companies" in these financial statements.
Adjustments to financial assets include the recognition of the fair value of financial instruments held by Sanlorenzo as part of its interest and exchange rate risk management strategy.

## 15. Income taxes

| (€'000) | 30 June 2024 | 30 June 2023 | Change |
|---|---|---|---|
| Current taxes | 16,631 | 16,531 | 100 |
| Taxes relative to prior years | (654) | 134 | (788) |
| Deferred tax assets and liabilities | 1,101 | (1,431) | 2,532 |
| **Income taxes** | **17,078** | **15,234** | **1,844** |

As at 30 June 2024, income taxes stood at €17,078 thousand, up by €1,844 thousand over the previous year. This item consists of current taxes, equal to €16,631 thousand, taxes for prior years, equal to €(654) thousand, and the decrease in deferred tax assets and liabilities taken to the income statement, equal to €1,101 thousand.

### Current tax assets and liabilities

| (€'000) | 30 June 2024 | 31 December 2023 | Change |
|---|---|---|---|
| Current tax assets | 1,638 | 29,484 | (27,846) |
| Current tax liabilities | (15,649) | (39,979) | 24,330 |
| **Net assets/(liabilities) for current taxes** | **(14,011)** | **(10,495)** | **(3,516)** |

Net current tax assets and liabilities amounted to €(14,011) thousand and €(10,495) thousand as at 30 June 2024 and 31 December 2023, respectively. They consist mainly of IRES and IRAP, in the period under consideration the Company reclassified the tax advances.

### Net deferred tax assets

| (€'000) | 30 June 2024 | 31 December 2023 | Change |
|---|---|---|---|
| Net deferred tax assets | 11,154 | 12,255 | (1,101) |

The balance shows the difference between deferred tax assets and deferred tax liabilities arising over the years.
Net deferred tax assets were equal to €11,154 thousand as at 30 June 2024 and €12,255 thousand as at 31 December 2023. The main temporary differences that have produced deferred tax assets regard the provisions for risks and charges.
Deferred tax assets are recognised when the management believes that they will be recovered through future taxable earnings on the basis of company plans. Deferred tax liabilities relate to temporary differences for the current year and previous years to be paid in subsequent years in line with applicable tax regulations.

## 16. Earnings per share

The calculation of the earnings per share in the half-years ended 30 June 2024 and 2023 is indicated in the following table and is based on the ratio between the profit attributable to the shareholders of the Parent Company and the average number of ordinary shares for each period, net of portfolio treasury shares, equal to 131,459 as at 30 June 2024 and 125,117 as at 30 June 2023.
Diluted earnings per share are substantially in line with basic earnings per share, as the dilutive effects of the 2020 Stock Option Plan were not significant as at 30 June 2024.

| (in Euro) | 30 June 2024 | 30 June 2023 |
|---|---|---|
| Profit for the year attributable to the shareholders of the Parent Company | 43,581,478 | 39,042,605 |
| Average number of shares for basic earnings per share | 34,857,580 | 34,705,926 |
| **Basic earnings per share** | **1.25** | **1.12** |
| (in Euro) | **30 June 2024** | **30 June 2023** |
| Profit for the year attributable to the shareholders of the Parent Company | 43,581,478 | 39,042,605 |
| Average number of shares for diluted earnings per share | 35,188,252 | 34,887,334 |
| **Diluted earnings per share** | **1.24** | **1.12** |

# ASSETS

## 17. Property, plant and equipment

Property, plant and equipment amounted to €183,436 thousand and €179,820 thousand as at 30 June 2024 and 31 December 2023, respectively.

| (€'000) | Land and buildings | Industrial equipment | Plant and equipment | Other assets | Fixed assets in progress | Total |
|---|---|---|---|---|---|---|
| Historical cost | 156,220 | 95,080 | 30,247 | 31,346 | 3,037 | 315,930 |
| Accumulated depreciation and impairment losses | (45,737) | (61,111) | (12,194) | (17,068) | - | (136,110) |
| **Net carrying amount as at 31 December 2023** | **110,483** | **33,969** | **18,053** | **14,278** | **3,037** | **179,820** |
| **Changes:** | | | | | | |
| Additions | 3,947 | 3,610 | 1,808 | 4,375 | 624 | 14,364 |
| Disposals | (3) | (17) | - | (236) | (11) | (267) |
| Change in the scope of consolidation | 176 | - | - | 946 | - | 1,122 |
| Reclassifications | 281 | 989 | 378 | 55 | (1,634) | 69 |
| Depreciation | (3,184) | (4,293) | (1,591) | (2,831) | - | (11,899) |
| Utilisation of accrued depreciation | 1 | 3 | - | 223 | - | 227 |
| Fund reclassifications | - | - | 21 | (21) | - | - |
| Historical cost | 160,621 | 99,662 | 32,433 | 36,486 | 2,016 | 331,218 |
| Accumulated depreciation and impairment losses | (48,920) | (65,401) | (13,764) | (19,697) | - | (147,782) |
| **Net carrying amount as at 30 June 2024** | **111,701** | **34,261** | **18,669** | **16,789** | **2,016** | **183,436** |

As at 30 June 2024, property, plant and equipment included:

- Land and buildings equal to €111,701 thousand: these mostly refer to the Parent Company's buildings located at the production facilities in Ameglia (SP), Massa (MS), Viareggio (LU) and La Spezia.
- Industrial equipment for €34,261 thousand: these mostly refer to technical equipment, mostly owned by the Parent Company, for scaffolding, handling and fibreglass moulding extraction.
- Plant and equipment equal to €18,669 thousand: they are mainly owned by the Parent Company and for the most part they relate to fire-fighting, suction, hydraulic and electrical systems.
- Other assets amounting to €16,789 thousand, mainly consisting of motor vehicles and internal vehicles, electronic machines and furniture and fixtures.
- Fixed assets in progress equal to €2,016 thousand: these mainly refer to the Parent Company and minimally to Bluegame and mainly include costs for the purchase and renovation of new production areas.

As at 30 June 2024, additions to property, plant and equipment were equal to €14,364 thousand and refer to fixed assets in progress for €624 thousand, industrial equipment for €3,610 thousand, buildings for €3,947 thousand, other assets for €4,375 thousand and plants for €1,808 thousand.

As at 30 June 2024, disposals were equal to €267 thousand, net of accrued depreciation equal to €227 thousand and mainly concerned the other assets of the Parent Company.

Depreciation as at 30 June 2024 was €11,899 thousand, €1,211 thousand higher compared to 30 June 2023, mostly as a result of the investments made during the period and previous years.

The line "Change in the scope of consolidation" in the table shows the increase in property, plant and equipment resulting from the acquisition of control of Simpson Marine Limited for €1,122 thousand.

## 18. Goodwill

Goodwill is recognised in the consolidated financial statements at the date of acquisition of the control of a business pursuant to IFRS 3 and is the aggregate of the consideration transferred to acquire a business or a business unit and the algebraic sum of the fair values, assigned at the acquisition date, to the identifiable assets and liabilities acquired that composed such business or business unit.
As it has an indefinite useful life, goodwill is not amortised but is tested for impairment at least once a year unless some indications of impairment based on external and internal sources of information identified by the Group makes it necessary to test it for impairment also during preparation of the interim reports (in this regard, see note 20 "Impairment test"). After its initial recognition, goodwill is valued at cost net of accumulated impairment.

| (€'000) | 30 June 2024 | 31 December 2023 | Change |
|---|---|---|---|
| Goodwill | 22,774 | 17,486 | 5,288 |

As at 30 June 2024, goodwill amounted to €22,774 thousand, an increase of €5,288 thousand compared to 31 December 2023, due to the acquisition of control of Simpson Marine Limited. For further details on this acquisition, see note 37 "Subsidiaries".

## 19. Other intangible assets

Other intangible assets, which include assets with a definite and infinite useful life, stood at €63,103 thousand as at 30 June 2024 and €55,162 thousand as at 31 December 2023.

| (€'000) | Concessions, licences, trademarks and similar rights | Other fixed assets | Development costs | Intangible assets in progress | Total |
|---|---|---|---|---|---|
| Historical cost | 30,661 | 2,721 | 65,643 | 4,680 | 103,705 |
| Accumulated amortisation and impairment losses | (11,013) | (2,692) | (34,838) | - | (48,543) |
| **Net carrying amount as at 31 December 2023** | **19,648** | **29** | **30,805** | **4,680** | **55,162** |
| **Changes:** | | | | | |
| Additions | 1,674 | - | 2,767 | 1,700 | 6,141 |
| Disposals | - | - | - | - | - |
| Change in the scope of consolidation | 6,188 | - | - | - | 6,188 |
| Reclassifications | (46) | - | 885 | (885) | (46) |
| Amortisation | (783) | (8) | (3,552) | - | (4,343) |
| Utilisation of accrued amortisation | - | - | - | - | - |
| Fund reclassifications | - | - | 1 | - | 1 |
| Historical cost | 38,477 | 2,721 | 69,295 | 5,495 | 115,988 |
| Accumulated amortisation and impairment losses | (11,796) | (2,700) | (38,389) | - | (52,885) |
| **Net carrying amount as at 30 June 2024** | **26,681** | **21** | **30,906** | **5,495** | **63,103** |

As at 30 June 2024, other intangible assets include:

- concessions, licences, trademarks and similar rights, equal to €26,681 thousand, mostly related to the Parent Company. More specifically, the item consists of the concession acquired together with the former Cantieri San Marco business unit in 2018 for €2,611 thousand, the trademark of the Parent Company, Bluegame, Equinoxe and Simpson Marine Limited for €10,163 thousand, two mooring rights acquired by the Parent Company until 2067 located in the "Porto Mirabello" port facility in La Spezia for €1,628 thousand, net, the right of use for the Viareggio buildings acquired with the demerger of Polo Nautico Viareggio S.r.l. in previous years for €8,899 thousand, software for €751 thousand and sundry rights for €2,629 thousand.

- Other fixed assets equal to €21 thousand.
- Development costs, equal to €30,906 thousand: they mainly comprise costs to design and develop new yachts incurred by the Parent Company and Bluegame.
- Intangible assets in progress equal to €5,495 thousand, mostly consisting of development costs for the design and study of new yacht models.

The line "Change in the scope of consolidation" in the table shows the increase in intangible fixed assets resulting from the acquisition of control of Simpson Marine Limited for €6,188 thousand.

### Recoverability of development costs

As at 30 June 2024 and 31 December 2023, intangible assets include projects to develop new yachts and innovative fibreglass, steel and aluminium solutions for medium to large yachts in the amount of €30,906 thousand and €30,805 thousand, respectively.
Design costs are amortised at 12.5% and have an estimated useful life of 8 years.
Projects normally take between one to three years to develop (roughly 18 months for fibreglass yachts) and the group usually recognises the related costs over this period. The design stage ends with the building of the prototype and the model is definitive for sale on the market (new yacht design). However, the Group may incur design costs after this if it decides to improve the yacht, restyle it or if the customer requests customisation (Boat Design in Production). Designs obviously have to reflect market trends and consider competitors' strategies. Due to difficulties in identifying the right moment for a new product to go to market, the Group defines its specific strategy in this respect each year.
Based on the business plan, which considers sales forecasts, company management deems that the development costs recognised as at 30 June 2024 is recoverable.

## 20. Impairment test

As required by IAS 36, paragraph 12, as at the date of the condensed interim financial statements, the Group assessed, on the basis of information from external and internal sources, whether there were indications of impairment of assets. For this analysis, reference was also made to the results for the first half of 2024, which are consistent and in line with the assumptions and data used to prepare the approved plans for verifying the recoverability of net invested capital, carried out at the time of the approval of the Annual Financial Report as at 31 December 2023, where there was a significant positive difference (headroom) between the recoverable amount and the carrying amount.
Therefore, there were no indicators of impairment such as to require an impairment test to be performed at 30 June 2024 on the value of goodwill, brands and other tangible and intangible assets allocated to the identified cash generating unit.

## 21. Equity investments and other non-current assets

| (€'000) | 30 June 2024 | 31 December 2023 | Change |
|---|---|---|---|
| Investments in associated companies measured at equity | 3,715 | 3,829 | (114) |
| Equity investments in other companies | 35 | 35 | - |
| Financing to associated companies | - | 2,700 | (2,700) |
| Other financial instruments | 854 | - | 854 |
| **Equity investments and other non-current assets** | **4,604** | **6,564** | **(1,960)** |

Details of changes in equity investments and other non-current assets in the first half of 2024 are provided in the table below:

| (€'000) | Equity investments in associated companies | Equity investments in other companies | Financing to associated companies | Other financial instruments | Total |
|---|---|---|---|---|---|
| **Value as at 1 January 2024** | **3,829** | **35** | **2,700** | **-** | **6,564** |
| Changes: | | | | | |
| Investments | - | - | - | 40 | 40 |
| Measured with the equity method | (138) | - | - | - | (138) |
| Reclassifications | - | - | (2,700) | - | (2,700) |
| Change in the scope of consolidation | 24 | - | - | 814 | 838 |
| **Value as at 30 June 2024** | **3,715** | **35** | **-** | **854** | **4,604** |

Equity investments in associated companies measured with the equity method amounted to €3,715 thousand and €3,829 thousand as at 30 June 2024 and 31 December 2023, respectively.
The item Measured with the equity method refers to the pro-rata net profit for the year of the companies measured using the equity method for a total amount of €(138) thousand relating to the results achieved by Carpensalda Yacht Division S.r.l. and Sa.La. S.r.l.
The item Change in the scope of consolidation, in the amount of €24 thousand, refers to the acquisition of Simpson Marine Limited.
Equity investments in other companies amounted to €35 thousand and related to investments that are fairly negligible in companies and consortia.

## 22. Inventories

| (€'000) | 30 June 2024 | 31 December 2023 | Change |
|---|---|---|---|
| Raw materials and consumables | 15,043 | 14,471 | 572 |
| Work in progress and semi-finished products | 80,265 | 49,677 | 30,588 |
| Finished products | 36,569 | 22,338 | 14,231 |
| Allowance for inventory write-down | (1,813) | (1,065) | (748) |
| **Inventories** | **130,064** | **85,421** | **44,643** |

Inventories amounted to €130,064 thousand, an increase of €44,643 thousand compared to 31 December 2023 due to the increase in volumes and, to a lesser extent, the seasonality of the sector.
Inventories of raw materials and consumables include the materials necessary to build the yachts.
Work in progress and semi-finished products relate to the yacht construction contracts that have not been finalised with the customer before the end of the reporting period.

The finished products comprise traded-in boats, which are recognised at cost when the group receives them and the value of which is adjusted at the end of each year to the presumed realisable value through the recognition of the relative allowance for write-down.
During the valuation process of pre-owned boats, the Group relies on various elements such as the analysis of the specific characteristics of the pre-owned boats, the valuations carried out at the time of their purchase including age, current market trend, the uniqueness of each yacht and of each trade negotiation, as well as the sales already concluded in the subsequent period. The project "Experienced Yachts", designed to diversify and qualify the pre-owned boats of the Group compared with the competition, provides for each yacht that is part of the programme to be valued, managed and reconditioned by the Group's personnel in order to guarantee the efficacy of the yachts' machinery and instruments.
The allowance for inventory write-down, including finished products and raw materials, recorded an increase of €748 thousand, mainly linked to the adjustment of the estimated realisable value.

| (€'000) | Balance |
|---|---|
| **Allowance for inventory write-down as at 31 December 2023** | **1,065** |
| Allocations | 760 |
| Utilisations | (315) |
| Change in the scope of consolidation | 303 |
| **Allowance for inventory write-down as at 30 June 2024** | **1,813** |

## 23. Contract assets and liabilities

Contract assets refer to ongoing contracts measured using the cost-to-cost method as the contract terms have already been finalised with the customer. They are recognised as assets net of the related contract liabilities when, based on a case-by-base analysis, the gross value of the work performed at the reporting date is higher than the advances received from customers. Conversely, if the progress payments are greater than the related contract assets, the difference is recognised as a contract liability.

Net contract assets are as follows:

| (€'000) | 30 June 2024 | 31 December 2023 | Change |
|---|---|---|---|
| Contract assets (gross) | 683,865 | 740,912 | (57,047) |
| Advances received from customers | (510,195) | (555,340) | 45,145 |
| **Contract assets (net)** | **173,670** | **185,572** | **(11,902)** |

Unsatisfied or partially unsatisfied performance obligations refer to all the boats (both with original expected duration within 1 year and more) and are expected to be recognised in accordance with production timing related to yacht (between 7 and 16 months on average) and superyacht (between 24 and 46 months on average).
Net contract liabilities are as follows:

| (€'000) | 30 June 2024 | 31 December 2023 | Change |
|---|---|---|---|
| Payables for work to be carried out | 8,987 | 16,952 | (7,965) |
| Total advances received from customers | 599,749 | 663,829 | (64,080) |
| Advances deducted from contract assets | (510,195) | (555,340) | 45,145 |
| **Contract liabilities (net)** | **98,541** | **125,441** | **(26,900)** |

The item had a net balance of €98,541 thousand and €125,441 thousand as at 30 June 2024 and 31 December 2023, respectively. The negative change of €26,900 thousand related mainly to the decrease in advances received from customers.

## 24. Trade receivables

| (€'000) | 30 June 2024 | 31 December 2023 | Change |
|---|---|---|---|
| Receivables from customers | 40,149 | 23,200 | 16,949 |
| Loss allowance | (1,175) | (678) | (497) |
| **Trade receivables** | **38,974** | **22,522** | **16,452** |

Trade receivables amounted to €38,974 thousand and €22,522 thousand as at 30 June 2024 and 31 December 2023, respectively, marking growth of €16,452 thousand.
Receivables are presented net of the loss allowance allocated over the years to provide for credit-impaired receivables that are still recognised pending the completion of the related court-approved creditors' settlement procedure or out-of-court recovery proceedings. It is believed that the loss allowance is appropriate to cope with the risk of potential non-collection of past due receivables.
Changes in the loss allowance in the first half of 2024 are as follows:

| (€'000) | Balance |
|---|---|
| **Loss allowance as at 31 December 2023** | **678** |
| Increases due to change in the scope of consolidation | 497 |
| **Loss allowance as at 30 June 2024** | **1,175** |

A breakdown of trade receivables by geographical area is as follows:

| (€'000) | 30 June 2024 | 31 December 2023 | Change |
|---|---|---|---|
| Italy | 16,195 | 13,446 | 2,749 |
| Europe (other countries) | 4,338 | 3,986 | 352 |
| Americas | 10,923 | 2,140 | 8,783 |
| APAC | 7,010 | 2,851 | 4,159 |
| MEA | 508 | 99 | 409 |
| **Trade receivables** | **38,974** | **22,522** | **16,452** |

A breakdown of receivables from customers is as follows:

| (€'000)<br>**30 June 2024** | **Not past due** | **Overdue for (dd)** | | |
|---|---|---|---|---|
| | | **0-365** | **366-730** | **>730** |
| Receivables from customers | 39,062 | 199 | 150 | 284 |
| Loss allowance | (619) | (123) | (150) | (284) |
| Receivables for customers to be invoiced | 455 | - | - | - |
| **Trade receivables** | **38,898** | **76** | **-** | **-** |

## 25. Other current assets

| (€'000) | 30 June 2024 | 31 December 2023 | Change |
|---|---|---|---|
| Advances to suppliers | 47,314 | 29,027 | 18,287 |
| Other receivables | 4,549 | 4,140 | 409 |
| Other tax assets | 16,105 | 10,104 | (6,001) |
| Costs to obtain the contracts | 9,223 | 10,202 | (979) |
| Accrued income and prepaid expenses | 7,459 | 6,252 | 1,207 |
| **Other receivables and other current assets** | **84,650** | **59,725** | **24,925** |

Other current assets amounted to €84,650 thousand and €59,725 thousand as at 30 June 2024 and 31 December 2023, respectively. All receivables in this category are considered collectible and therefore no impairment has been made on them.

## 26. Cash and cash equivalents

| (€'000) | 30 June 2024 | 31 December 2023 | Change |
|---|---|---|---|
| Bank and postal current accounts | 175,141 | 192,429 | (17,288) |
| Cash on hand | 82 | 77 | 5 |
| **Cash and cash equivalents** | **175,223** | **192,506** | **(17,283)** |

Cash and cash equivalents amounted to €175,223 thousand and €192,506 thousand as at 30 June 2024 and 31 December 2023, respectively. For further information on the change in cash and cash equivalents, reference should be made to the statement of cash flows.

## 27. Other financial assets, including derivatives

| (€'000) | 30 June 2024 | 31 December 2023 | Change |
|---|---|---|---|
| Financial receivables from associated company | 2,700 | - | 2,700 |
| Derivatives | 1,048 | 2,536 | (1,488) |
| Other financial instruments | 31,570 | 21,509 | 10,061 |
| Other assets | 1 | - | 1 |
| **Other financial assets** | **35,319** | **24,045** | **11,274** |

Derivatives amounted to €1,048 thousand and €2,536 thousand as at 30 June 2024 and 31 December 2023 respectively. They include currency hedges (EUR/USD) and interest rate hedges with a positive fair value (Mark to Market Value) at the end of the reporting period. The Group uses derivatives to hedge against the risk of fluctuations in the US dollar for its sales in that currency and the risks that interest rates on its floating-rate loans and borrowings may increase. For further details please refer to notes 34 to 36 "Derivatives - Fair value and risk management" in these financial statements.

Other financial instruments include listed bonds of investment-grade issuers with a market value of €31,570 thousand, of which a guaranteed-capital life insurance contract for €10,000 thousand, used by the Company to invest excess cash. For further details, please refer to note 35 "Cash management" in these financial statements.

# EQUITY AND LIABILITIES

## 28. Share capital and reserves

### Group equity

The next table provides a breakdown of the Group equity.

| (€'000) | Share capital | Share premium | Other reserves | Profit for the period | Group equity | Equity attributable to non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|
| **Value as at 31 December 2023** | **34,978** | **84,442** | **146,012** | **92,839** | **358,271** | **1,690** | **359,961** |
| Allocation of profit for the year | - | - | 92,839 | (92,839) | - | - | - |
| Dividends distributed | - | - | (34,305) | - | (34,305) | - | (34,305) |
| Treasury share sale/(buy-back) | - | - | 3,536 | - | 3,536 | - | 3,536 |
| Stock option exercise | 105 | 1,729 | (157) | - | 1,677 | - | 1,677 |
| Other changes | - | - | (177) | - | (177) | 292 | 115 |
| Profit for the period | - | - | - | 43,582 | 43,582 | (253) | 43,329 |
| Other comprehensive income | - | - | (1,472) | - | (1,472) | - | (1,472) |
| **Value as at 30 June 2024** | **35,083** | **86,171** | **206,276** | **43,582** | **371,112** | **1,729** | **372,841** |

The following table shows details of Other reserves.

| (€'000) | Legal reserve | Extraordinary reserve | Consolidation reserve | Stock option reserve | Treasury shares reserve | Cash flow hedge reserve | Reserve FTA/OCI | Other reserves | Profit from previous years | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Value as at 31 December 2023** | **6,957** | **128,821** | **9,273** | **612** | **(6,263)** | **2,201** | **(223)** | **434** | **4,200** | **146,012** |
| Allocation of profit for the year | 39 | 86,921 | - | - | - | - | - | 5,879 | - | 92,839 |
| Dividends distributed | - | (34,305) | - | - | - | - | - | - | - | (34,305) |
| Treasury share sale/(buy-back) | - | - | - | - | 3,536 | - | - | - | - | 3,536 |
| Stock option exercise | - | - | - | (157) | - | - | - | - | - | (157) |
| Other changes | - | - | 6,016 | 739 | - | (445) | 113 | (6,605) | 5 | (177) |
| Other comprehensive income | - | - | - | - | - | (1,436) | (92) | 56 | - | (1,472) |
| **Value as at 30 June 2024** | **6,996** | **181,437** | **15,289** | **1,194** | **(2,727)** | **320** | **(202)** | **(236)** | **4,205** | **206,276** |

### Share capital and share premium

#### Ordinary shares

As at 30 June 2024, the share capital, fully paid-up and subscribed, amounted to €35,083 thousand and comprised 35,083,190 shares with no nominal value.
Share capital increased by 104,834 shares compared to 31 December 2023, due to the subscription of the capital increase to service the 2020 Stock Option Plan.
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 June 2024, this capital increase had been partially subscribed for 583,190 shares.

On 12 December 2023, the Ordinary Shareholders' Meeting approved a share buy-back programme, which began on 9 February 2024.
As at 30 June 2024, the Company held 131,459 treasury shares, equal to 0.38% of the subscribed and paid-up share capital.

### Share premium

The share premium amounted to €86,171 thousand resulting from the capital increase carried out by the shareholders in the periods 2011 and 2013, its partial use in the year 2014 for the free share capital increase of the Parent Company, the decrease of €19,539 thousand due to the impact of the reverse merger with WindCo and the capital increase linked to the IPO transaction completed in 2019, equal to €65,160 thousand net of placement commissions, the period increase of 1,729 thousand for the exercise of the options relating to the Stock Option Plan.

## Other reserves

| (€'000) | 30 June 2024 | 31 December 2023 | Change |
|---|---|---|---|
| Legal reserve | 6,996 | 6,957 | 39 |
| Extraordinary reserve | 181,437 | 128,821 | 52,616 |
| Consolidation reserve | 15,289 | 9,273 | 6,016 |
| Stock option reserve | 1,194 | 612 | 582 |
| Reserve for treasury shares in portfolio | (2,727) | (6,263) | 3,536 |
| Cash flow hedge reserve | 320 | 2,201 | (1,881) |
| Reserve FTA/OCI | (202) | (223) | 21 |
| Reserve from offsetting of exchange differences/CTA | (392) | 278 | (670) |
| Post-merger reserve | 49 | 49 | - |
| Merger surplus | 107 | 107 | - |
| Profit from previous years | 4,205 | 4,200 | 5 |
| **Other reserves** | **206,276** | **146,012** | **60,264** |

The item comprises:

- Legal reserve, which includes the allocation carried out by the Parent Company of €6,996 thousand according to the provisions of the Italian Civil Code;
- Extraordinary reserve relating to the Parent Company of €181,437 thousand and €128,821 thousand as at 30 June 2024 and 31 December 2023, respectively. The increase is due to the allocation of 2023 profit, net of dividends distributed to shareholders;
- Consolidation reserve, which includes the difference between the carrying amount of the group's equity investments and its share of the investees' equity. It had a positive balance of €15,289 thousand and a balance of €9,273 thousand as at 30 June 2024 and 31 December 2023, respectively;
- the Stock option reserve, recognised for a positive value of €1,194 thousand, expresses the value of the option, recognised on a straight-line basis over the period between the grant date and the vesting date. The aforementioned reserve refers to the 2020 Stock Option Plan reserved for executive directors and key employees of Sanlorenzo and its subsidiaries. For further details, please refer to note 41 "Share-based payments" in these financial statements;
- the negative Reserve for treasury shares in portfolio of €(2,727) thousand relates to 131,459 treasury shares;
- Cash flow hedge reserve, relating to the Parent Company, was a positive €320 thousand as at 30 June 2024 and €2,201 thousand as at 31 December 2023;
- the Reserve FTA/OCI, which was affected by the transition of the financial statements to IFRS, in the amount of €(202) thousand as at 30 June 2024 and €(223) as at 31 December 2023;
- the Reserve from offsetting of exchange differences for €(392) thousand and €278 thousand as at 30 June 2024 and 31 December 2023, respectively. The reserve was established in 2019 to reflect the exchange

differences relating to the conversion into euro of the financial statements of Sanlorenzo of the Americas and exchange differences arising from intra-group eliminations;

- the Post-merger reserve of the Parent Company with capital contributions from the shareholders for ®49 thousand;
- the Merger surplus of €107 thousand as at both 30 June 2024 and 31 December 2023 relates to the Parent Company and was formed following the merger by incorporation with Eureka Imbarcazioni S.r.l. carried out in 2012 and the merger by incorporation with PN VSY S.r.l. carried out in 2022;
- Profit from previous years of €4,205 thousand as at 30 June 2024 and €4,200 thousand as at 31 December 2023.

### Equity attributable to non-controlling interests

The change in equity attributable to non-controlling interests is primarily due to the results of operations. The item stood at €1,729 thousand as at 30 June 2024 and €1,690 thousand as at 31 December 2023.

### Dividends

The Sanlorenzo Ordinary Shareholders' Meeting of 26 April 2024 approved, inter alia, the distribution of a dividend of €1.00 per share, with payment as of 22 May 2024. In the first half of 2024, dividends were paid in the total amount of €34,305 thousand.

## 29. Financial liabilities

| (€'000) | 30 June 2024 | 31 December 2023 | Change |
|---|---|---|---|
| Bank loans and borrowings (beyond 12 months) | 20,627 | 23,031 | (2,404) |
| Other loans and borrowings - IFRS 16 (beyond 12 months) | 8,965 | 5,764 | 3,201 |
| **Non-current financial liabilities** | **29,592** | **28,795** | **797** |
| Short-term loans and borrowings (within 12 months) | 73,434 | 43,971 | 29,463 |
| *of which bank loans* | *17,900* | *20,806* | *(2,906)* |
| *of which bank advances* | *21,564* | *22,923* | *(1,359)* |
| *of which other financial liabilities* | *33,970* | *242* | *33,728* |
| Other short-term loans and borrowings - IFRS 16 | 4,413 | 3,258 | 1,155 |
| Hedging derivative liabilities | 910 | 41 | 869 |
| **Current financial liabilities** | **78,757** | **47,270** | **31,487** |
| **Financial liabilities** | **108,349** | **76,065** | **32,284** |

The breakdown of financial debt by maturity date is shown in the table below:

| (€'000) | 30 June 2024 | 31 December 2023 | Change |
|---|---|---|---|
| Within 1 year | 78,757 | 47,270 | 31,487 |
| From 1 to 5 years | 23,779 | 25,737 | (1,958) |
| Over 5 years | 5,813 | 3,058 | 2,755 |
| **Total** | **108,349** | **76,065** | **32,284** |

A breakdown of the changes in financial liabilities is provided below:

| (€'000) | |
|---|---|
| **Financial liabilities as at 31 December 2023** | **76,065** |
| Changes in fair value of derivatives | 869 |
| New loan proceeds/bank advances | 5,611 |
| Loan repayments/bank advances | (12,280) |
| Changes in other short-term financial liabilities | 33,728 |
| New lease finance (IFRS 16) | 6,268 |
| Repayment of lease finance (IFRS 16) | (1,912) |
| **Financial liabilities as at 30 June 2024** | **108,349** |

The breakdown of the Group's net financial position (financial debt) as at 30 June 2024 compared to as at 31 December 2023 is reported below. For details, see the Report on Operations.

| (€'000) | | 30 June 2024 | 31 December 2023 |
|---|---|---|---|
| A | Cash | 175,223 | 192,506 |
| B | Cash equivalents | - | - |
| C | Other current financial assets | 35,319 | 24,045 |
| **D** | **Liquidity (A + B + C)** | **210,542** | **216,551** |
| E | Current financial debt | (61,953) | (28,285) |
| F | Current portion of non-current financial debt | (16,804) | (18,985) |
| **G** | **Current financial indebtedness (E + F)** | **(78,757)** | **(47,270)** |
| **H** | **Net current financial indebtedness (G + D)** | **131,785** | **169,281** |
| I | Non-current financial debt | (29,592) | (28,795) |
| J | Debt instruments | - | - |
| K | Non-current trade and other payables | - | - |
| **L** | **Non-current financial indebtedness (I + J + K)** | **(29,592)** | **(28,795)** |
| **M** | **Total financial indebtedness (H + L)** | **102,193** | **140,486** |

As in previous years, the Group was required to comply with some financial parameters (covenants) on loans to be calculated, on an annual basis, in the consolidated financial statements of Sanlorenzo S.p.A. As at 31 December 2023 these parameters were complied with.

## 30. Trade payables

| (€'000) | 30 June 2024 | 31 December 2023 | Change |
|---|---|---|---|
| Payables to suppliers | 256,303 | 202,488 | 53,815 |
| Payables to associated companies | 2,405 | 1,324 | 1,081 |
| Payables to holding company | 90 | - | 90 |
| **Trade payables** | **258,798** | **203,812** | **54,986** |

A breakdown of payables to suppliers between current and non-current is provided in the following table:

| (€'000) | 30 June 2024 | 31 December 2023 | Change |
|---|---|---|---|
| Payables to suppliers | 256,303 | 202,488 | 53,815 |
| *of which current* | *256,303* | *202,488* | 53,815 |

The breakdown of payables to suppliers by geographical area is as follows:

| (€'000) | 30 June 2024 | 31 December 2023 | Change |
|---|---|---|---|
| Italy | 239,540 | 188,755 | 50,785 |
| Europe (other countries) | 12,997 | 10,617 | 2,380 |
| Americas | 2,557 | 2,345 | 212 |
| APAC | 706 | 292 | 414 |
| MEA | 503 | 479 | 24 |
| **Payables to suppliers** | **256,303** | **202,488** | **53,815** |

## 31. Other current liabilities

| (€'000) | 30 June 2024 | 31 December 2023 | Change |
|---|---|---|---|
| Social security contributions | 1,166 | 2,843 | (1,677) |
| Other liabilities | 22,071 | 16,464 | 5,607 |
| Accrued expenses and deferred income | 16,586 | 18,290 | (1,704) |
| **Other current liabilities** | **39,823** | **37,597** | **2,226** |

Social security contributions refer to the position as at 30 June 2024 and primarily include exposures to INPS, INAIL and Previndai (Italian social security institutions) for contributions due on wages and salaries, equal to €1,166 thousand as at 30 June 2024 and to €2,843 thousand as at 31 December 2023.
Other liabilities amounted to €22,071 thousand and €16,464 thousand as at 30 June 2024 and 31 December 2023, respectively. The most significant item relates to the Parent Company and consists of payables to personnel.
Accrued expenses and deferred income amounted to €16,586 thousand as at 30 June 2024. Deferred income mainly refers to suspended revenues relating to margins on sales of yachts and commissions due, which accrue according to the progress of work on the construction of yachts.

## 32. Employee benefits

Post-employment benefits are recognised by the Group's Italian companies, in line with reference national legislation. They include benefits accrued by employees at the reporting date, net of advances received or sums transferred to the Italian pension funds Previndai, Gomma Plastica, Cometa or other pension funds or the INPS treasury fund.
Post-employment benefits amounted to €2,485 thousand as at 30 June 2024. In the first half of 2024, adjustments were made in terms of discounting.

# 33. Provisions for risks and charges

## Provisions for risks and charges

| (€'000) | Provision for disputes | Provision for warranties | Provision for exchange rates fluctuations | Provision for risks on pre-owned boats | Contract completion provision | Total |
|---|---|---|---|---|---|---|
| **Amount as at 31 December 2023** | **7,305** | **6,367** | **168** | **1,494** | **7,641** | **22,975** |
| Allocations | - | 375 | 135 | 2,185 | - | 2,695 |
| Utilisations | - | - | (168) | (704) | - | (872) |
| Business combinations | 809 | 1,199 | - | - | - | 2,008 |
| **Amount as at 30 June 2024** | **8,114** | **7,941** | **135** | **2,975** | **7,641** | **26,806** |

Provisions for risks and charges include the following items:

- Provision for disputes: this provision was set up to cover risks linked to litigation or potential civil and tax liabilities, primarily abroad. The amount of the provision as at 30 June 2024 of €8,114 thousand mainly refers to the allocation made as a precautionary measure by the Group.
- Provision for warranties: item quantified based on the best estimate to date of the possible costs that will be incurred for repairs under warranty on yachts already sold at the end of the period and for which revenues have therefore been booked. The provision for warranties mainly covers the new yachts of the Parent Company and the subsidiary Bluegame S.r.l. The item stood at €7,941 thousand as at 30 June 2024 and €6,367 thousand as at 31 December 2023. The warranty period is two years for new yachts and one year for pre-owned boats.
- Provision for exchange rate fluctuations: the balance amounts to €135 thousand.
- Provisions for risks on pre-owned boats: as at 30 June 2024, it amounted to €2,975 thousand net of utilisations and accruals made during the period, and refers to the commitment to retrieving pre-owned boats on new yachts.
- Contract completion provision: this amounted to €7,641 thousand.

A breakdown of the provision for warranties between its current and non-current portions is as follows:

| (€'000) | 30 June 2024 | 31 December 2023 | Change |
|---|---|---|---|
| Provision for warranties | 7,941 | 6,367 | 1,574 |
| *of which current* | *6,268* | *4,307* | *1,961* |
| *of which non-current* | *1,673* | *2,060* | *(387)* |
| **Provision for warranties** | **7,941** | **6,367** | **1,574** |

The main proceedings and inspections involving the Parent Company and some Group companies are described below.

## Administrative, in-court and arbitration proceedings

### Administrative, in-court and arbitration proceedings in which Sanlorenzo Group is involved

At the approval date of these consolidated financial statements, the Group is involved in legal proceedings as part of its normal business activities. They could lead to fines or compensation for damage having to be paid.
As far as the Group is aware, these legal proceedings are normal given the Group's operations and size and the risks inherent in its business. Specifically, at the approval date of these consolidated financial statements, neither the holding company Sanlorenzo S.p.A nor the other Group's companies are involved in legal proceedings that could have a significant adverse effect. However, it cannot be excluded that their outcome could negatively affect the Group's financial position, financial performance and cash flows in the future.
Assisted by its legal advisors, the Group has not set up a specific provision for the possible liabilities that could arise from the proceedings in its consolidated financial statements as it deems that a negative outcome is possible or remote.
However, the Group cannot exclude that it may be required to disburse amounts in the future should the outcome of the proceedings not be in its favour.
Except as indicated below, as at the date of approval of these consolidated financial statements, there are no pending legal or arbitration disputes that may have, or have had in the recent past, significant repercussions on the financial situation or profitability of the Group.
At the date of drafting of the consolidated financial statements, in relation to the arbitration proceedings brought against the Company, the latter had already booked a liability of €895 thousand in the previous consolidated financial statements corresponding to the risk considered likely in respect of said proceedings, based on the estimates of its UK legal advisors.

### Arbitration proceedings

At the date of approval of these consolidated financial statements, the Parent Company and the Maltese company Contra Limited ("Contra") are part of an arbitration case in London. Contra, purchaser of an SD110 yacht, complained of the Company's breach of its obligations under the sale and purchase agreement, requesting that the agreement be terminated and that the Company be ordered to repay the price paid and pay compensation for the damages allegedly incurred, amounting to approximately €10,000,000. In relation to this dispute, the Company recorded a liability of €895 thousand in the consolidated financial statements corresponding to the risk assessed as probable on the basis of the estimates made by its English lawyers.

### Tax proceedings

As already extensively described in the Financial Reports relating to previous periods, with regard to the ongoing tax proceedings for the tax periods from 2013 to 2016, the Parent Company reached an agreement with the tax authority regional directorate of Liguria, for the settlement of tax disputes relating to the said tax periods, benefiting from the favourable provisions set forth in the 2023 Budget Law (Law 197/2022).
Pursuant to the above-mentioned agreement, during the first half of 2023 the Parent Company paid the amount due, definitively closing the outstanding claims with the tax authorities for the above-mentioned years.
In April and May 2023, the Parent Company filed two appeals before the Court of First Instance of La Spezia against two notices of adjustment and settlement of mortgage and cadastral taxes issued by the tax authority provincial directorate of La Spezia and referring to real estate purchases concluded at the end of 2020. In relation to these notices, which contested the value attributed to real estate for the purpose of settling mortgage and cadastral taxes, higher taxes of €277 thousand were settled in addition to penalties of €277 thousand and interest according to the legal rate. No hearing has yet been scheduled.

With regard to the tax credit for Research and Development for the 2015 tax year, following the feedback that Sanlorenzo S.p.A. provided on 22 July 2020 to the Italian Revenue Agency - Regional Directorate of Liguria in response to specific requests for clarification sent to the Company by the latter, it should be noted that the DRE

Liguria itself, during an interlocutory meeting, represented the state of progress of the control in relation to the first tax period in which the aforementioned tax credit was formed (2015). Following this meeting, the Company reserved the right, through its defence lawyers, to produce an appropriate statement.
It is also recalled that, in regard to the 2016 tax period, the tax authority of the region of Liguria has informed the Company that it had forwarded the documentation regarding the tax credit for Research and Development to the Ministry of Economic Development (Mise, today MIMIT), to which it pertains to express an opinion on the technical issues regarding the eligibility of expenses included in the scope of the tax benefit. The outcome of this assessment has not yet been disclosed.

### Administrative proceedings

At the date of approval of these consolidated financial statements, the Group is not involved in significant administrative proceedings.
To the date of these consolidated financial statements, the Parent Company is a party to other legal proceedings involving immaterial amounts but for which it could be found liable and, hence, required to pay settlements and possible legal costs.

# FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

## 34. Derivatives

The Group uses derivatives to hedge against the risk of fluctuations in exchange and interest rates. As at 30 June 2024, the Group had the following derivatives in its portfolio:

- forward agreements relating to sales of US dollar against Euro for a notional total of €68,860 thousand taken out by the Parent Company and Bluegame S.r.l. and designated as hedges of the amounts received in US dollars by the subsidiary Sanlorenzo of the Americas LLC;
- interest rate swaps and interest rate caps for a notional total of €20,675 thousand taken out by the Group and designated as instruments hedging interest rates on floating rate medium/long-term loans.

As the derivatives used by the Group are based on observable market data, their valuation takes place at fair value level 2. The following table shows the fair value of financial instruments at the end of each period.

| (€'000) | 30 June 2024 | 31 December 2023 | Change |
|---|---:|---:|---:|
| **Derivative assets** | | | |
| Currency hedges | 4 | 1,264 | (1,260) |
| Interest rate hedges | 1,044 | 1,272 | (228) |
| **Total assets** | **1,048** | **2,536** | **(1,488)** |
| **Derivative liabilities** | | | |
| Interest rate hedges | (910) | (41) | (869) |
| **Total liabilities** | **(910)** | **(41)** | **(869)** |

At the end of each period, the Group determines whether there have been any transfers between the different "levels" of the fair value hierarchy by re-assessing their classification (if the inputs used to measure the fair value of an asset or liability are classified in the different levels of the fair value hierarchy, the entire valuation is placed in the same level of the hierarchy as the lowest level input that is significant to the entire valuation).
In this regard, it should be noted that there were no transfers between the "levels" of the fair value hierarchy in the first half of 2024.

## 35. Cash management

In view of the strong cash generation at the operational level and the resulting significant cash held, the Group implemented a cash management and investment strategy.
Specifically, as at 30 June 2024, Sanlorenzo had the following financial instruments in its portfolio:

- time deposits for €40,000 thousand, included in cash and measured at fair value level 1;
- listed bonds and certificates of investment-grade issuers with a market value of €31,570 thousand, measured at fair value level 1.

Given the characteristics of these financial instruments and the management purposes pursued, their fair value is recognised in profit/(loss) for the year (FVTPL).

| (€'000) | 30 June 2024 | 31 December 2023 | Change |
|---|---:|---:|---:|
| Unrestricted time deposits | 40,000 | 115,000 | (75,000) |
| Listed bonds and certificates | 31,570 | 20,928 | 10,642 |
| **Total cash invested** | **71,570** | **135,928** | **(64,358)** |

## 36. Financial Risk Management

### Credit risk

Credit risk represents the Group's exposure to potential losses that may arise from a counterparty's failure to meet its obligations.
It is noted that, given the type of products sold by the Group, no specific credit risk is identified; this assessment is supported by the strict rule, contractually formalised, that requires payments to be executed on or before the delivery of the yacht and the related transfer of ownership. The yacht sale contracts also provide for the Company's right to withdraw from the contract in the event of non-payment of any sum due within the established terms, with the consequent withholding by the Company of any amount collected, refunding to the defaulting party the amounts paid by the latter with the proceeds from the resale of the yacht to a new purchaser, net of expenses, interest and an amount for loss of earnings.
Regarding the residual services related to the sale of spare parts or the provision of assistance services not covered by the warranty, which are, however, negligible to the Group business, the Group has a prevention and monitoring system, using external sources and internal systems that allow preventive controls on customers' reliability and solvency. Provisions are also made for doubtful or non-performing positions pending the conclusion of the related legal proceedings or out-of-court recovery attempts. The Group believes that the loss allowance is appropriate to cope with the risk of potential non-collection of past due receivables. For further details, please refer to the note "Trade receivables" in these financial statements.

### Liquidity risk

Liquidity risk is represented by the possibility that a Group company or the Group may find itself in the position of not being able to meet its payment commitments, whether foreseen or unforeseen, due to a lack of financial resources, thus jeopardizing day-to-day operations or the financial position of the individual company or the Group.
Liquidity risk may arise from any difficulty in obtaining timely funding to support operating activities and may manifest itself in the inability to obtain the necessary resources on economic terms.
Cash flows, funding requirements and liquidity are under the control of the Parent Company, with the aim of ensuring effective management of financial resources.
The Group has dealt with liquidity risk by reinvesting cash flows from operations, in addition to obtaining substantial lines of credit with a number of banks, the total amount of which is deemed more than sufficient to meet its financial requirements, also taking into account the effects of the seasonal nature of the sector on cash flows. The concentration of the collection of orders and deliveries in specific periods of the year, against the constant flow of payments to Group suppliers and contractors, has in fact, an impact on liquidity, normally higher between April and July and less so in the first quarter of the year, the period in which short-term financial debt may be higher as a result of the lower flow of collections. The Group therefore performs careful financial planning in order to reduce liquidity risk and has acquired significant bank credit facilities, whose use is planned on the basis of financial requirements.
As at 30 June 2024, the Group has bank credit lines to meet liquidity needs of €156,626 thousand[16], of which €130,096 thousand not used, in addition to €175,223 thousand of cash and against a total gross debt of €108,349 thousand (including lease liabilities and the fair value of derivatives).
In view of its significant cash position, the Group has also implemented a prudent, diversified cash management strategy, favouring capital-protected or guaranteed products and financial instruments with counterparties of primary standing.

### Exposure to interest rate fluctuation

[16] Not including lines of credit for reverse factoring and confirming.

The Group is exposed to changes in interest rates on its medium-long term floating rate debt instruments, entirely referring to the Euro zone. The management of interest rate risk is consistent with established practice over time aimed at reducing the risk of volatility in interest rates and achieving an optimal mix between variable and fixed rates in the structure of loans, thereby mediating fluctuations in market interest rates in order to pursue, at the same time, the objective of minimising financial expense.
The Group manages the risk of interest rate fluctuations through the use of derivative hedging instruments, such as interest rate swaps or interest rate caps with financial counterparties of primary standing.
As at 30 June 2024, the Group has 6 interest rate swaps in place for a total notional amount of €20,675 thousand, against bank debt at floating rates of €22,422 thousand.

### Exposure to exchange rate fluctuations

The geographical distribution of Group commercial activities entails exposure to transaction and translation exchange rate risk.
Transaction risk arises from primarily commercial transactions carried out by individual companies in currencies other than their functional currency, as a result of fluctuations in exchange rates between the time at which the relationship originates and the time at which the transaction is completed (collection/payment).
In terms of revenues, the Euro is the most commonly used invoicing currency for the sale of yachts. The residual cases of sales of yachts in other currencies exclusively concern contracts signed by the subsidiary Sanlorenzo of the Americas denominated in US dollars.
The Group manages the risks of changes in foreign exchange rates on US dollar sales through its foreign currency sales pricing policy and through the use of derivatives. In particular, when setting the sale price in foreign currency, the Group, starting from its own margin objectives in Euro, usually applies the exchange rate in force on the date of stipulation of the contract and start of construction of the yacht, increased by the financial component (cost of carry) connected with the expected timing of receipts from the sale. On these maturities, the Group carries out hedging operations through derivatives, typically forwards or other types of forward sale with financial counterparties of primary standing, implementing a policy of hedging only transactional exchange rate risk, thus deriving from existing commercial transactions and future contractual commitments. As at 30 June 2024, Sanlorenzo had forward contracts for the sale of US dollars relating to collections to be received for a total notional amount of €68,860 thousand.
As far as costs are concerned, as production is carried out in Italy with Italian suppliers and contractors, costs in currencies other than the Euro are residual and sporadic, and therefore no hedging operations are carried out.
The translation risk concerns the conversion into Euro of the assets and liabilities of Sanlorenzo of the Americas, which is the only subsidiary with a functional currency other than the Euro, for the preparation of the consolidated financial statements. This exposure, which is monitored at the end of each accounting period, is limited, also in view of the fact that assets are offset by liabilities in the same currency. Therefore, at this stage, it has been decided not to adopt specific hedging policies for this exposure.

# GROUP STRUCTURE

## 37.Subsidiaries

These condensed consolidated half-yearly financial statements were prepared on the basis of the accounting positions of the Parent Company and its subsidiaries, adjusted accordingly to ensure they conform to the IFRS.
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 has the ability to affect those returns through its power over the entity. The consolidation criteria adopted in the preparation of the condensed consolidated half-yearly financial statements are the same as those adopted in the last annual financial statements.
These condensed consolidated half-yearly financial statements include Sanlorenzo S.p.A. (Parent Company), twelve companies directly controlled by Sanlorenzo S.p.A. and fourteen indirectly controlled companies. The following table provides information, as at 30 June 2024, concerning the name, registered office, currency, share capital and percentage of ownership held directly and indirectly by the Parent Company.

| Company name | Registered office | Currency | Share capital (currency unit) | Percentage of ownership | |
|---|---|---|---|---|---|
| | | | | Direct | Indirect |
| Bluegame S.r.l. | Ameglia (SP) - Italy | Euro | 100,000 | 100.00% | - |
| I.C.Y. S.r.l. | Adro (BS) - Italy | Euro | 100,000 | - | 60.00% |
| Equinoxe S.r.l. | Turin (TO) - Italy | Euro | 184,536 | 100.00% | - |
| Sanlorenzo Arbatax S.r.l. | Tortolì (NU) - Italy | Euro | 10,000 | 100.00% | - |
| PN Sviluppo S.r.l. | Viareggio (LU) - Italy | Euro | 40,000 | 100.00% | - |
| Duerre S.r.l. | Vicopisano (PI) - Italy | Euro | 1,000,000 | 66.00% | - |
| Sea Energy S.r.l. | Viareggio (LU) - Italy | Euro | 25,000 | 65.00% | - |
| Polo Nautico Viareggio S.r.l. | Viareggio (LU) - Italy | Euro | 667,400 | 53.00% | - |
| Sanlorenzo Baleari SL | Puerto Portals, Mallorca - Spain | Euro | 500,000 | 100.00% | - |
| Sanlorenzo Côte d'Azur S.A.S. | Cannes - France | Euro | 1,000 | 100.00% | - |
| Sanlorenzo Monaco S.A.M. | Monte-Carlo - Principality of Monaco | Euro | 150,000 | 99.70% | - |
| Sanlorenzo of the Americas LLC | Fort Lauderdale (FL) - USA | USD | 2,000,000 | 99.90% | 0.10% |
| Fortune Yacht LLC | Fort Lauderdale (FL) - USA | USD | 1,000 | - | 100.00% |
| Simpson Marine Limited | Hong Kong - Hong Kong | Hong Kong dollar | 102,400 | 95.00% | |
| Simpson Marine Sailing Yachts Limited | Hong Kong - Hong Kong | Hong Kong dollar | 100 | - | 100.00% |
| Simpson Marine Yacht Charter Limited | Hong Kong - Hong Kong | Hong Kong dollar | 10,000 | - | 100.00% |
| Simpson Yacht Management Limited | Hong Kong - Hong Kong | Hong Kong dollar | 10,000 | - | 100.00% |
| Simpson Superyachts Limited | Hong Kong - Hong Kong | Hong Kong dollar | 10,000 | - | 100.00% |
| Simpson Marine (SEA) Pte Ltd | Singapore - Republic of Singapore | Singapore dollar | 100,000 | - | 100.00% |
| Simpson Marine Sdn. Bhd. | Kuala Lumpur - Malaysia | Malaysian Ringgit | 200,000 | - | 99.99% |
| Simpson Marine (Thailand) Co. Ltd | Phuket - Thailand | Thai baht | 180,000 | - | 99.98% |
| Simpson Marine (Shenzhen) Co. Ltd | Shenzhen - People's Republic of China | Chinese renminbi | 2,000,000 | - | 100.00% |
| Simpson Marine (Sanya) Co. Ltd | Sanya (Hainan) - People's Republic of China | Chinese renminbi | 1,000,000 | - | 100.00% |
| PT Simpson Marine Indonesia | Jakarta - Indonesia | Indonesian rupee | 100,000 | - | 99.00% |
| Simpson Marine Australia Pty Ltd | Toronto (Newcastle) - Australia | Australian dollars | 1,000 | - | 100.00% |

### Acquisition of Simpson Marine Limited and description of the "Purchase Price Allocation" process

On 5 March 2024, Sanlorenzo S.p.A. finalised the purchase of 95% of the share capital of Simpson Marine Limited from Michael Rowland Simpson, for a consideration of USD 10 million, plus an earn-out of USD 7 million calculated on net profit for the 2023 financial year. The payment of the consideration (including the earn-out) is entirely covered by Sanlorenzo's own liquidity.
Following the aforementioned acquisition and in compliance with the provisions of IFRS 3 - Business Combinations, Sanlorenzo S.p.A. recognised, at the date of acquisition, separately from goodwill, the assets acquired and liabilities assumed, at their respective fair values, and classified and/or designated them on the basis of the contractual terms, economic conditions, accounting standards, its own operating principles, and other relevant conditions, in place at the date of acquisition.
In the "Purchase Price Allocation" process, Sanlorenzo complied with the provisions of IAS 38, which requires the recognition, at the acquisition date, of an intangible asset of the acquiree separately from goodwill if it meets the definition of an intangible asset under IAS 38 and the fair value can be measured reliably, regardless of whether the asset was recognised by the acquiree prior to the business combination.
The valuation process put in place led to allocating part of the differential between the purchase price and the fair value of the net assets acquired to the brand name, qualified as an intangible asset with a definite useful life, and, residually, to goodwill in anticipation of future economic benefits arising from assets that cannot be individually identified and recognised.
The valuations made resulted in an estimated fair value of the brand of €6,064 thousand and goodwill of €5,288 thousand (see the "Adjustment" column of the table below under "Non-current Assets").
Accordingly, for the purposes of this Condensed Half-Yearly Financial Report, the purchase price allocation was made to the assets and liabilities of the acquired entity as shown below.

| (€'000) | Carrying amount | Adjustment | Fair value |
|---|---|---|---|
| Non-current assets | 2,008 | 11,352 | 13,360 |
| Current assets | 22,910 | - | 22,910 |
| **Total assets** | **24,918** | **11,352** | **36,270** |
| Non-current liabilities | - | - | - |
| Current liabilities | (19,509) | (810) | (20,319) |
| **Total liabilities** | **(19,509)** | **(810)** | **(20,319)** |
| **Total net assets** | **5,409** | **10,542** | **15,951** |

| (€'000) | |
|---|---|
| Cash | 2,966 |
| Net assets | 2,173 |
| Fair value adjustments | 10,542 |
| **Total purchase price** | **15,681** |

## 38. Associated companies

Investments in associated companies, as provided for in IAS 28, are those in which the Group exercises significant influence; these investments are initially recognised at acquisition cost and are subsequently measured using the equity method, i.e. by increasing or decreasing the cost on the basis of post-acquisition changes in the Group's share of the associated company's net assets.
Any goodwill pertaining to the associated company is included in the carrying amount of the investment and is not subject to amortisation or impairment testing.
Following the application of the equity method, if there are indications that the investment has suffered an impairment loss, the Group determines the amount of the impairment as the difference between the recoverable amount and the carrying amount of the investment.

As at 30 June 2024, the Parent Company holds the following equity investments in associated companies, which are reported in the financial statements according to the equity method.

| Company name | Registered office | Currency | Share capital (currency unit) | Percentage of ownership Direct | Percentage of ownership Indirect |
|---|---|---|---|---|---|
| Carpensalda Yacht Division S.r.l. | Pisa (PI) - Italy | Euro | 8,000,000 | 48.00% | - |
| Sa.La. S.r.l. (through Carpensalda Yacht Division S.r.l.) | Viareggio (LU) - Italy | Euro | 50,000 | - | 48.00% |
| Simpson Yacht Charter Co. Limited (through Simpson Marine Limited) | Phuket - Thailand | Thai baht | 50,000 | - | 49.00% |

# ADDITIONAL INFORMATION

## 39. Commitments

The most significant contractual commitments entered into with third parties as at 30 June 2024 amount to €646 thousand and refer to sureties related to government concessions and other guarantees issued to public administrations.

## 40. Contingent liabilities

Legal proceedings are ongoing for events related to the group's normal business activities. They include two tax disputes and some civil proceedings mostly with customers.
The Company's directors do not believe that any of these proceedings involve a risk of a significant cash outlay or may give rise to significant liabilities in excess of the allocations already made. They will evaluate any negative developments that cannot currently be foreseen or calculated, which may arise as a result of internal analyses or the ongoing judicial investigations and may then make a provision.
For further details, reference should be made to note 33 "Provisions for risks and charges" of these financial statements.

## 41. Share-based payments

On 21 April 2020, the Shareholders' Meeting of Sanlorenzo S.p.A. approved the "2020 Stock Option Plan" reserved to the executive directors, general managers, managers with strategic responsibilities and employees with a permanent employment contract and qualification as at least an office worker of Sanlorenzo S.p.A. and its directly or indirectly controlled subsidiaries.
The 2020 Stock Option Plan provides for the free assignment to each of the beneficiaries of options that grant the right to subscribe ordinary shares of Sanlorenzo S.p.A. to be issued in execution of the share capital increase planned to service the plan, at a ratio of 1 share for each 1 option, at a price set at €16.00 per share. The vesting period of the options is four years, in compliance with the minimum average vesting period of two years provided for by the regulations.
Performance goals are determined by one or more of the following parameters: (i) Consolidated EBITDA as at 31 December of the relevant year; (ii) Consolidated Net Financial Position as at 31 December of the relevant year; and (iii) personal objectives established due to the beneficiary's role and function.
The maximum total number of ordinary shares of Sanlorenzo S.p.A., which can be assigned to the beneficiaries for the implementation of the plan, is equal to 884,615 ordinary shares, i.e. all the shares that can be issued in execution of the capital increase. As at 30 June 2024, a total of 296,553 options have been granted and not exercised.

## 42. Related parties

Business and financial relationships with related parties are governed under market conditions, taking into account the characteristics of the goods and services provided.
Transactions with related parties deemed relevant pursuant to the "Procedure on transactions with related parties" adopted by the Group, available on the Company's website (www.sanlorenzoyacht.com) under the "Corporate Governance" section, are described below.
Business transactions and balances with consolidated companies were eliminated on consolidation and, therefore, are not commented upon.
In the first half of 2024, transactions with related parties in place regard primarily commercial and financial transactions carried out under market conditions, as listed below.

### Holding Happy Life S.r.l.

On 13 September 2021, the Sanlorenzo Board of Directors, subject to the positive opinion of the Related-Party Transactions Committee on 30 July 2021, approved the sale to Holding Happy Life S.r.l. of the prototype of the superyacht 50Steel equipped with a system of Fuel Cells powered by hydrogen obtained from methanol for the generation of electricity on board. The contract of sale of this yacht was signed on 12 July 2022. The contract of sale was signed on 4 June 2024 and the yacht was delivered on 28 June 2024.

### Fondazione Sanlorenzo

Transactions with the Fondazione Sanlorenzo, established by the Perotti family on 19 April 2021, are related to the non-exclusive and free use license of the brand "Sanlorenzo" for the purpose of carrying out the foundation's institutional activities and to the initial contribution of €50,000 paid in June 2021, following the resolution of the Board of Directors of Sanlorenzo of 4 May 2021. During 2022 the company paid an additional €50,000 and during 2023 it paid €80 thousand.

### Cesare Perotti

Son of the Chairman and Chief Executive Officer Massimo Perotti and brother of the director Cecilia Maria Perotti, Cesare Perotti was hired by the subsidiary Bluegame S.r.l. with an apprenticeship contract, transaction examined by the Board of Directors on 9 November 2020. In September 2023, he was hired by Sanlorenzo S.p.A. as Yacht Sales Manager.

The tables below provide details on transactions with related parties as at 30 June 2024 impacting the income statement as well as the balance sheet.

| (€'000) | Net revenues and income | Other service costs | Personnel expenses |
|---|---|---|---|
| Holding Happy Life S.r.l. | 23,807 | (90) | - |
| Fondazione Sanlorenzo | - | - | - |
| Directors, statutory auditors and managers with strategic responsibilities | - | (2,144) | (956) |
| **Total related parties** | **23,807** | **(2,234)** | **(956)** |
| **Total consolidated financial statements** | **435,141** | **(31,120)** | **(42,911)** |
| Incidence % | 5.5% | 7.2% | 2.2% |

| (€'000) | Trade payables | Other current liabilities |
|---|---|---|
| Holding Happy Life S.r.l. | 90 | - |
| Fondazione Sanlorenzo | - | - |
| Directors, statutory auditors and managers with strategic responsibilities | - | 1,492 |
| **Total related parties** | **90** | **1,492** |
| **Total consolidated financial statements** | **258,798** | **39,823** |
| Incidence % | - | 3.7% |

### Remuneration paid by the Group

The remuneration paid by the Group to the members of the Board of Directors, the members of the Board of Statutory Auditors and the Managers with strategic responsibilities during the six months ended 30 June 2024 is detailed below.

| (€'000) | **30 June 2024** |
|---|---|
| Emoluments | 2,093 |
| Remuneration for participation in committees | 22 |
| **Total remuneration paid to the Board of Directors** | **2,115** |

| (€'000) | **30 June 2024** |
|---|---|
| Total remuneration paid to the Board of Statutory Auditors (excluding statutory increases) | 56 |
| **Total remuneration paid to the Board of Statutory Auditors** | **56** |

| (€'000) | **30 June 2024** |
|---|---|
| **Total remuneration paid to the Managers with strategic responsibilities** | 1,385 |
| *of which gross annual salary* | *471* |
| *of which bonus* | *225* |
| *of which fair value of stock options* | *429* |

## 43. Management and coordination activities

Besides the holding of a controlling interest pursuant to Article 93 of Legislative Decree no. 58 of 24 February 1998 (Consolidated Law on Finance), Holding Happy Life S.r.l does not exercise management and coordination activities over Sanlorenzo pursuant to Articles 2497 et seq. of the Italian Civil Code.

Ameglia, 5 September 2024

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

# CERTIFICATION OF THE CONDENSED CONSOLIDATED HALF-YEARLY FINANCIAL STATEMENTS PURSUANT TO ARTICLE 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AND SUBSEQUENT AMENDMENTS AND ADDITIONS

1. The undersigned, Massimo Perotti, in his capacity as the Chairman of the Board of Directors and Chief Executive Officer and Attilio Bruzzese, in his capacity as the Manager charged with preparing the company's financial reports of Sanlorenzo S.p.A., confirm, also taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Italian Legislative Decree no. 58 of 24 February 1998:
   - the adequacy in terms of the characteristics of the Company and
   - the actual application of the administrative and accounting procedures for the preparation of the condensed consolidated half-yearly financial statements for the first half of 2024.
2. From the application of the administrative and accounting procedures for the preparation of the condensed consolidated half-yearly financial statements as at 30 June 2024, no significant facts need to be reported.
3. It is hereby also stated that:

3.1 The condensed consolidated half-yearly financial statements:

a) have been prepared in compliance with the international accounting standards endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and the Council of 19 July 2002;

b) correspond to the accounting books and records;

c) provide a true and fair representation of the equity, economic and financial situation of the issuer and the whole of the companies included in the scope of consolidation.

3.2 The interim report on operations includes a reliable analysis of references to important events that occurred in the first six months of the financial year and their impact on the condensed consolidated half-yearly financial statements, together with a description of the main risks and uncertainties for the remaining six months of the financial year. The interim report on operations also includes a reliable analysis of information on material transactions with related parties.

Ameglia, 5 September 2024

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

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

# INDEPENDENT AUDITORS' REPORT ON THE LIMITED AUDIT OF THE CONDENSED CONSOLIDATED HALF-YEARLY FINANCIAL STATEMENTS AS AT 30 JUNE 2024

# SANLORENZO S.P.A.

Review report on the condensed interim consolidated financial statement as at June, 30th 2024

*This report has been translated into English from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.*

ACD/MDG/cpt – RC104142024BD0256

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## Review report on the condensed interim consolidated financial statements

To the Shareholders of
Sanlorenzo S.p.A.

### Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of Sanlorenzo S.p.A. as at June, 30th 2024, comprising consolidated statement of financial position, consolidated statement of profit and loss and other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity and related notes, as at and for the six months ended 30th June 2024. The Directors of Sanlorenzo S.p.A. are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express our conclusion on these condensed interim consolidated financial statements based on our review.

### Scope of review

We conducted our review in accordance with review standard recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of July, 31st 1997. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

### Conclusions

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements of Sanlorenzo Group as of 30th June 2024, has not been prepared, in all material respects, in accordance with the International Financial Accounting Standards applicable to interim financial reporting (IAS 34) endorsed by the European Union.

Milan, September 6th, 2024

BDO Italia S.p.A

Alberto Corradi
Socio



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Iscritta al Registro dei Revisori Legali al n. 167911 con D.M. del 15/03/2013 G.U. n. 26 del 02/04/2013
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