ANNUAL FINANCIAL REPORT

2024

SANLORENZO


SANLORENZO


SP92

The accompanying consolidated financial statements of Sanlorenzo S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815, as it has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

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I

REPORT ON OPERATIONS
SECTION ONE

letter to shareholders

Shareholders,

It gives me great pleasure to announce that 2024 closes once again with all key economic indicators growing and in line with the communicated Guidance, from Revenues to Net Profit, with the latter growing by 11.1%, surpassing the €100 million threshold for the first time.

It is a truly great demonstration of the resilience of the brand and our ability to deliver, in a context of macroeconomic and geopolitical uncertainty that in its persistence has affected customer sentiment, even in high-end luxury. I am therefore extremely proud of the solidity of my management team and the determination of all the people in the Group, who keep the rudder straight towards our vision of the Group to 2030, for an increasingly resilient, sustainable and global Sanlorenzo - but still with strong roots in the unique territory in which it operates, which knows how to express the best of 'Made in Italy' and 'bespoke beauty' around the world.

Over the past year, we have taken important steps in the execution of several long-term strategic goals, which I believe will lead to further brand equity growth over time.

We have significantly strengthened our direct distribution by acquiring and consolidating Simpson Marine's capillary network in South-East Asia from March 2024, while at the same time creating the Sanlorenzo MED organisation, which brings together our historical hub in the Balearic Islands with the newly established offices in Monaco and Cannes. Direct distribution in the key international yachting hubs, given the limited number of units we put into production each year, will allow us to better select target customers to join our Connoisseurs Club, but also to offer charter, brokerage and yacht management services in the pre-sale and post-sale phases, increasing value for the customer while internalising distribution and brokerage margins.

On the innovation front, which has always guided the development of the models in our fleet, we delivered the world's first Superyacht – the 50-metre Steel 'Almax' – which produces carbon-neutral electricity to power on-board services by converting methanol through a Reformer-Fuel Cell system designed with Siemens Energy, and the patented HER – 'Hidden Engine Room' design, which reinvents the engine room layout to free up space on board. In a parallel fashion, with Bluegame, we delivered two chase-boats to the American Magic and Orient Express teams, with hydrogen-on-foil technology that enabled them to reach 50 knots of speed with zero emissions. These technologies, now in our portfolio, can therefore be applied to our product offering, which is increasingly differentiated and sustainable with respect to the competition.

Last, but by no means least, in August we completed the acquisition of Nautor Swan, the most iconic brand in our opinion in the global sailing market, which shares with Sanlorenzo the philosophy of scarcity, uncompromising quality and positioning exclusively at the upper end of the market aimed at a clientèle of experienced owners.

For 2025, we plan tactical and measured growth, driven by the continuation of the integration and development strategy of the newly acquired Nautor Swan.

For Sanlorenzo and Bluegame we will instead focus on consolidating the record levels of 2024 by further raising the uncompromising quality that sets us apart, the integration of Nautor Swan as a new division of the Group not only demonstrates our ability to identify and seize growth opportunities also for external lines, but also represents a significant expansion driver for the coming years.

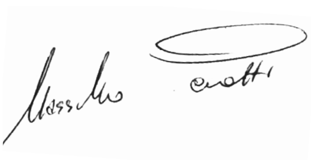
Strong design and construction synergies within the Group will be the basis for the launch of the new Maxi lines, the first Nautor Swan branded aluminium sailing superyacht, and a Maxi – Bluewater Edition line, to broaden the customer base to yachtsmen looking for more comfort as well as sensational performance. In addition, there are clear opportunities for geographic expansion, starting with the US where we have just signed a partnership with American Magic, but also in the MEA and APAC areas where Nautor Swan is essentially absent to date.

Aware that Nautor Swan's value creation process can be fully appreciated over the medium to long term, we believe that the first results will be visible as early as 2025.

As I close this letter, I would like to share with you the deep sense of pride and enthusiasm with which the entire Sanlorenzo team, with which I am truly delighted, faces the challenge and responsibility of representing the highest values of Made in Italy all over the world, leading the transformation of a sector that is today its most successful expression on international markets.

Finally, I would like to thank you, the Shareholders, for your continued support and trust in the vision that constantly inspires Sanlorenzo's growth. Your support is essential to our success and drives us on our path with determination.

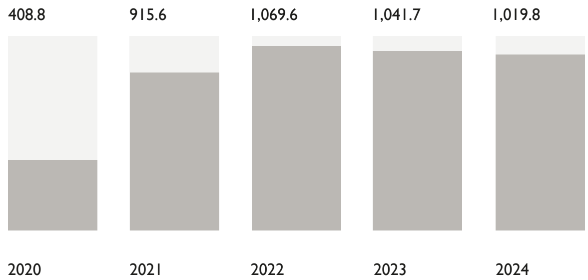
Mr. Massimo Perotti
Chairman and Chief Executive Officer



financial highlights[1]

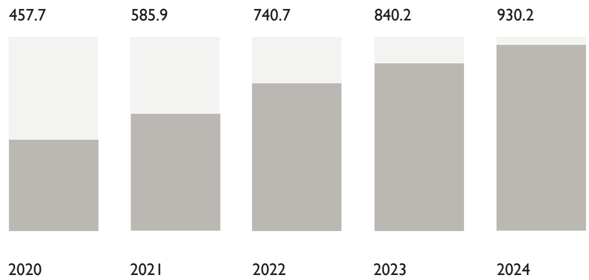
NET BACKLOG

(€m)



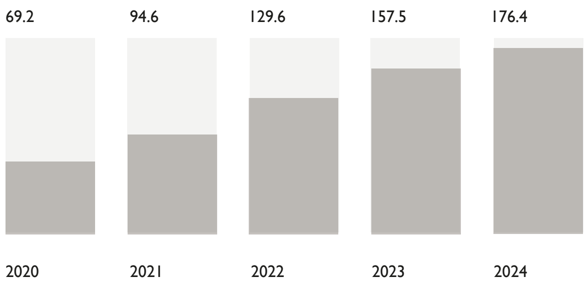
NET REVENUES NEW YACHTS

(€m)



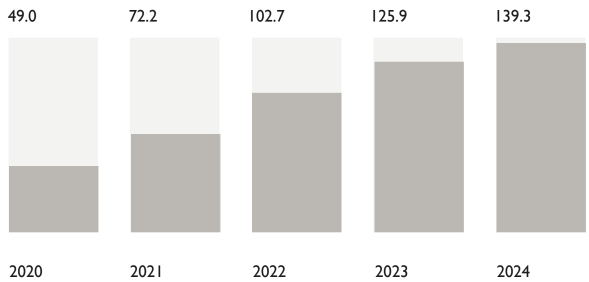
EBITDA

(€m)



EBIT

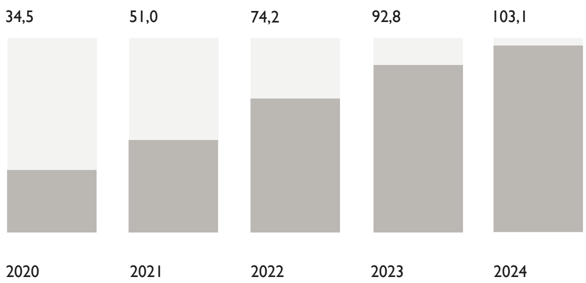
(€m)



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

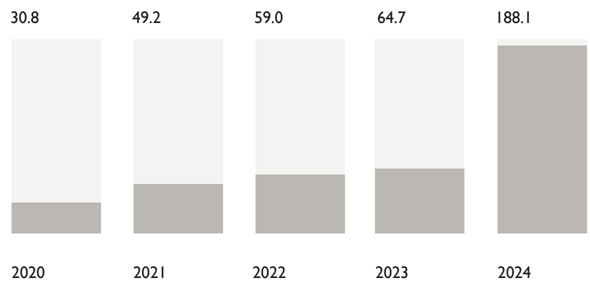
GROUP NET PROFIT / (€M)

(€m)



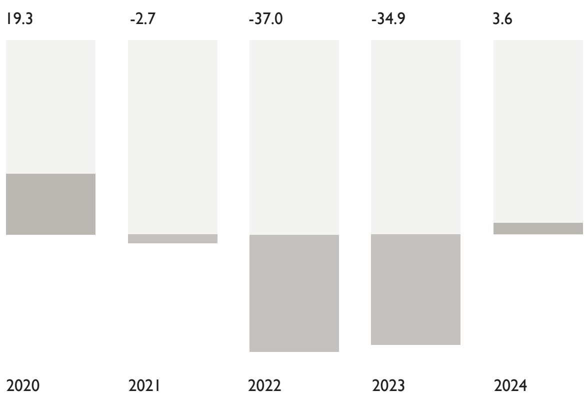
INVESTMENTS

(€m)



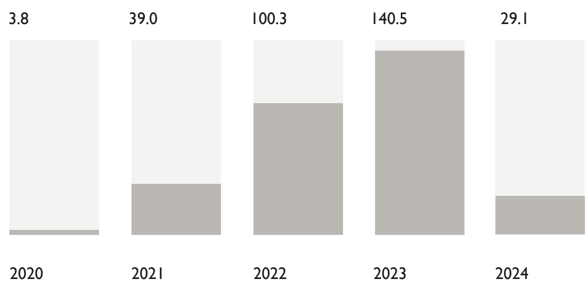
NET WORKING CAPITAL

(€m)



NET FINANCIAL POSITION

(€m)



Sanlorenzo group

Corporate data

SANLORENZO S.P.A.
Share capital as at 30 December 2024: €35,542,472, fully paid-in[2]
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[3]	Massimo Perotti	Chairman and Chief Executive Officer
	Carla Demaria	Executive Director
	Tommaso Vincenzi	Executive Director
	Paolo Olivieri	Director and Deputy Chair
	Leonardo Ferragamo	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

[2] *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 above Meeting. As at 30 December 2024, this capital increase had been partially subscribed for a total of 621,983 shares. On 30 September 2024, the Extraordinary Shareholders' Meeting resolved to increase the share capital in an indivisible manner, with the exclusion of the option right pursuant to Article 2441, paragraph 4 of the Civil Code, by a nominal amount of €420,489.00 and a share premium of €15,756,878.36, through the issue of a maximum number of 420,489 ordinary shares of Sanlorenzo with no nominal value and intended for subscription by Sawa S.r.l. with sole shareholder. The share capital increase was executed on the same date. For further details, please refer to the paragraph "Significant events during the year".*

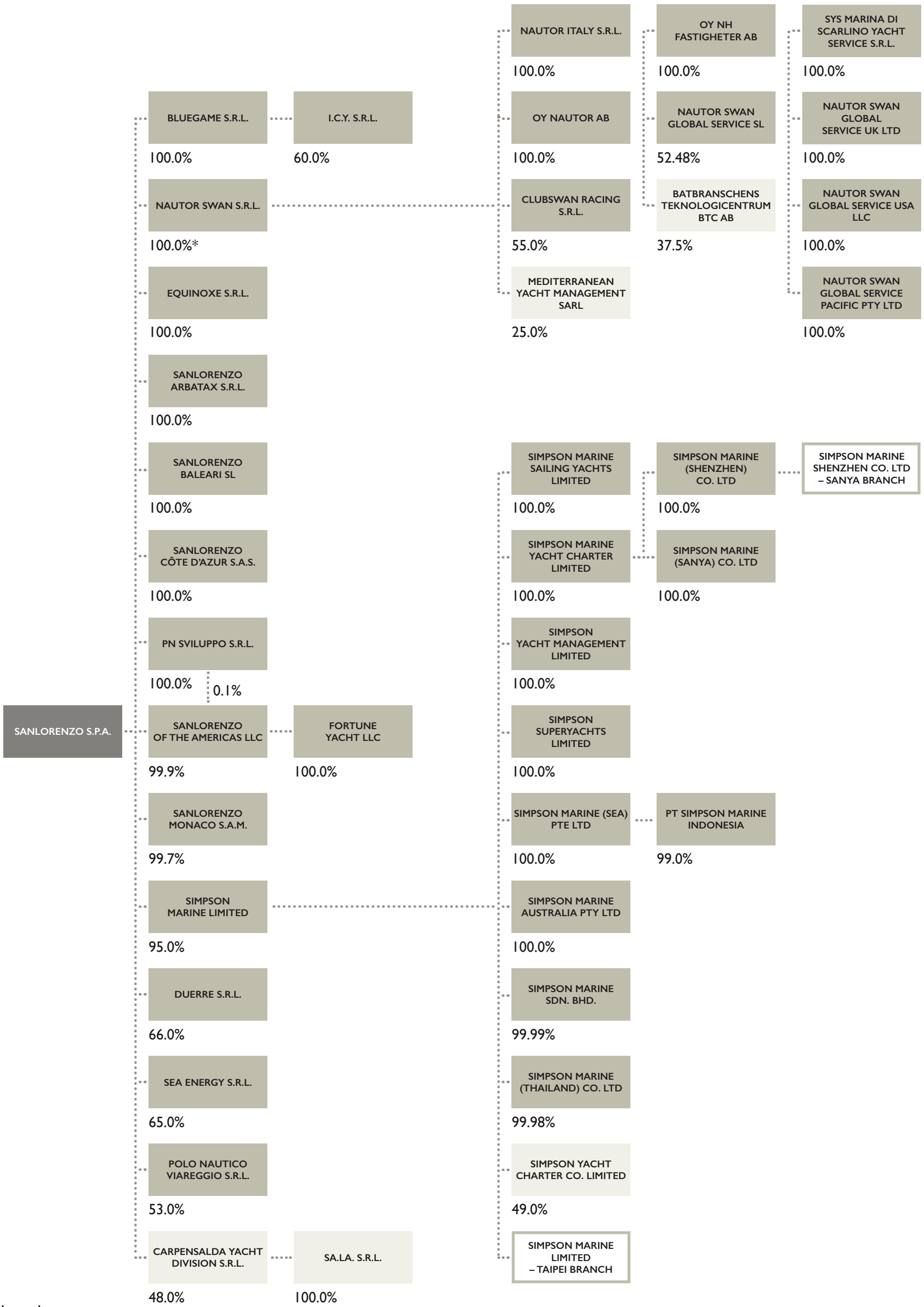
[3] *Appointed by the Ordinary Shareholders' Meeting on 28 April 2022; it will remain in office until the date of the Shareholders' Meeting called to approve the separate financial statements as at 31 December 2024. On 26 April 2024, the Ordinary Shareholders' Meeting increased the number of members of the Board of Directors, appointing Tommaso Vincenzi and Lavinia Biagiotti Cigna as new Directors. The Board of Directors meeting held at the end of the aforementioned Shareholders' Meeting also appointed Tommaso Vincenzi as Executive Director. As per the notice 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 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, Ferruccio Rossi resigned from the Board of Directors of Sanlorenzo S.p.A. Following the resignation of Ferruccio Rossi, the Ordinary Shareholders' Meeting of 30 September 2024 appointed Leonardo Ferragamo as new Director of the Company, and the Board of Directors' meeting of 8 November 2024 appointed him as Deputy Chair of the Company.*

CONTROL, RISKS AND SUSTAINABILITY COMMITTEE	Leonardo Luca Etro Silvia Merlo Francesca Culasso	Chair
REMUNERATION COMMITTEE	Leonardo Luca Etro Silvia Merlo Francesca Culasso	Chair
NOMINATION COMMITTEE	Licia Mattioli Paolo Olivieri Marco Francesco Mazzù	Chair
RELATED PARTY TRANSACTIONS COMMITTEE	Licia Mattioli Leonardo Luca Etro Francesca Culasso	Chair
BOARD OF STATUTORY AUDITORS[4]	Enrico Fossa Andrea Caretti Margherita Spaini Luca Trabattoni Maria Cristina Ramenzoni	Chair and Standing Auditor Standing Auditor Standing Auditor Alternate Auditor Alternate Auditor
INDEPENDENT AUDITING FIRM[5]	BDO Italia S.p.A.	
MANAGER CHARGED WITH PREPARING THE COMPANY'S FINANCIAL REPORTS	Attilio Bruzzese	

[4] *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.*
[5] *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 31 DECEMBER 2024



SUBSIDIARIES
ASSOCIATES

* Of which 60% purchased on 2 August 2024 and 40% to be purchased by 30 April 2028

COMPOSITION OF THE GROUP AS AT 31 DECEMBER 2024

Company name	Registered office
Sanlorenzo S.p.A. – Capogruppo	Ameglia (SP) – Italy
Subsidiaries	
Bluegame S.r.l.	Ameglia (SP) – Italy
I.C.Y. S.r.l.	Adro (BS) – Italy
Equinoxe S.r.l.	Turin – 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
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
Sanlorenzo of the Americas LLC	Fort Lauderdale (FL) – USA
Fortune Yacht LLC	Fort Lauderdale (FL) – USA
Nautor Swan S.r.l.[6]	Florence – Italy
Nautor Italy S.r.l.[6] [7]	Florence – Italy
Clubswan Racing S.r.l.[6]	Florence – Italy
SYS Marina di Scarlino Yacht Service S.r.l.[6] [8]	Scarlino (GR) – Italy

6 *On 02 August 2024, Sanlorenzo S.p.A. completed the purchase of 100% of the share capital of the Nautor Swan Group. For further details, please refer to the paragraph "Significant events during the year".*

7 *On 27 January 2025, the boards of directors of Nautor Italy S.r.l. and Nautor Swan S.r.l. approved the plan to merge Nautor Italy S.r.l. into Nautor Swan S.r.l. with retroactive effect from 1 January 2025. For further details, please refer to the paragraph "Significant events after year-end".*

8 *On 22 January 2025, the company 'SYS Marina di Scarlino Yacht Service S.r.l.' changed its name to 'Nautor Swan Global Service Italy S.r.l.".*

9 *On 5 March 2024, Sanlorenzo S.p.A. completed the purchase of 95% of the share capital of Simpson Marine Limited. For further details, please refer to the paragraph "Significant events during the year".*

Company name	Registered office
Oy Nautor AB[6]	Jakobstad/Pietarsaari – Finland
Oy NH Fastigheter AB[6]	Jakobstad/Pietarsaari – Finland
Nautor Swan Global Service SL[6]	Badalona (Barcelona) – Spain
Nautor Swan Global Service UK Ltd[6]	Sarisbury Green (Southampton) – United Kingdom
Nautor Swan Global Service USA LLC[6]	Newport (RI) – USA
Nautor Swan Global Service Pacific PTY Ltd[6]	Brisbane (Queensland) – Australia
Simpson Marine Limited	Hong Kong - Hong Kong
Simpson Marine Sailing Yachts Limited[9]	Hong Kong - Hong Kong
Simpson Marine Yacht Charter Limited[9]	Hong Kong - Hong Kong
Simpson Yacht Management Limited[9]	Hong Kong - Hong Kong
Simpson Superyachts Limited[9]	Hong Kong - Hong Kong
Simpson Marine (SEA) Pte Ltd[9]	Singapore - Republic of Singapore
Simpson Marine Sdn. Bhd.[9]	Kuala Lumpur - Malaysia
Simpson Marine (Thailand) Co. Ltd[9]	Phuket - Thailand
Simpson Marine (Shenzhen) Co. Ltd[9]	Shenzhen - People's Republic of China
Simpson Marine (Sanya) Co. Ltd[9]	Sanya (Hainan) - People's Republic of China
PT Simpson Marine Indonesia[9]	Jakarta - Indonesia
Simpson Marine Australia Pty Ltd[9]	Toronto (New South Wales) – Australia
Associates	
Carpensalda Yacht Division S.r.l.	Pisa – Italy
Sa.La. S.r.l.	Viareggio (LU) – Italy
Mediterranean Yacht Management Sarl[6]	Monte-Carlo – Principality of Monaco
Batbranschens Teknologicentrum BTC AB[6]	Jakobstad/Pietarsaari – Finland
Simpson Yacht Charter Co. Limited[9]	Phuket - Thailand
Branches	
Simpson Marine Limited – Taipei Branch[9]	Taipei – Taiwan
Simpson Marine Shenzhen Co. Ltd – Sanya Branch[9]	Sanya (Hainan) - People's Republic of China

6 *On 02 August 2024, Sanlorenzo S.p.A. completed the purchase of 100% of the share capital of the Nautor Swan Group. For further details, please refer to the paragraph "Significant events during the year".*

9 *On 5 March 2024, Sanlorenzo S.p.A. completed the purchase of 95% of the share capital of Simpson Marine Limited. For further details, please refer to the paragraph "Significant events during the year".*

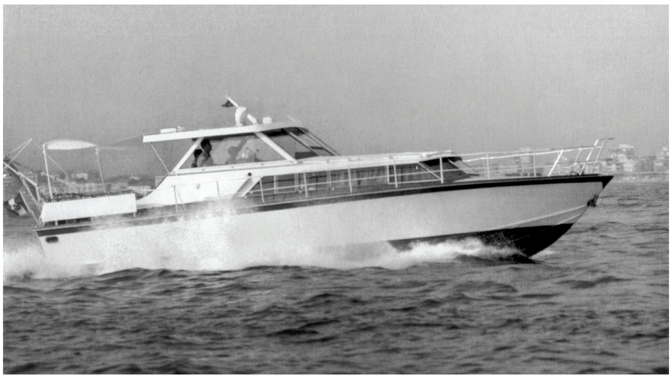

SUR

the main stages in the history of Sanlorenzo

1958-1972: the foundation

The history of Sanlorenzo began in **1958**, when Gianfranco Cecchi and Giuliano Pecchia started the construction of pleasure boats on the banks of the river in Limite sull'Arno, a village near Florence and one of the most important Italian naval centres since the 18th century. The name, the result of a coincidence, recalls the homonymous saint to whom the square where the two shipwrights went for the formalisation of the documents is dedicated.
With the reduction in the flow of the Arno River in the fifties and the beginning of the growth in size of yachts, the shipwrights moved to Viareggio, where in **1960** the company "Cantiere San Lorenzo di Cecchi Gianfranco e C. s.n.c." was established.

1972-2004: the creation of the myth



In **1972**, Giovanni Jannetti took over the company and opened a new shipyard in Viareggio. Under his guidance, the Sanlorenzo brand became synonymous with absolute excellence in terms of refinement, attention to detail and recognisable external lines.
In **1985**, the SL57 model was presented, the shipyard's first fiberglass yacht. The following years saw the introduction of larger models in composite, until **1995**, when, with the launch of the first 30-meter SL100, Sanlorenzo entered the superyacht segment.
In **1999**, Sanlorenzo moved to Ameglia (La Spezia), inside the Montemarcello-Magra-Vara Regional Natural Park. The Shipyard is certified UNI EN ISO 14001, to guarantee the maximum respect of the environment during the production process.

2005-2018: the new phase of development

In **2005**, Massimo Perotti acquires from Giovanni Jannetti the majority share of the company, which is renamed "Sanlorenzo S.p.A.", starting a new phase of commercial development at global level.
Sanlorenzo opens a second office in Viareggio and launches a second division in **2007**, starting the production of new product lines, always keeping faith with the concept of a customised yacht in interior and exterior fittings. With the launch of the first SD92, the SD line of semi-displacement hull yachts was introduced. That same year, the first metal superyacht, the 40Alloy, was launched, winning the ShowBoats Design Award and two World Superyacht Awards from Boat International.
In **2008**, a subsidiary in the United States, Sanlorenzo of the Americas LLC, was established, thus consolidating business relationships and customer service in the Americas area. Sanlorenzo launched the first SD122, which wins Boat International's World Superyacht Award, and the first SL104, which is awarded the ADI Italian Innovation Award.
In **2010**, the first steel displacement vessel, the 46Steel, was launched.
In **2011**, the first SL118 was launched, the new flagship of the fiberglass production and Sanlorenzo became the third shipyard in the world in the production of yachts over 24 meters[10], first as a monobrand, reaching second place in **2014**[11].
In **2015**, the first two 460Exp, models in the new Explorer Line, were launched, as well as the first SL86.
In **2016**, Sanlorenzo inaugurated the La Spezia plant dedicated to the production of metal superyachts.
In **2017**, Sanlorenzo started production of composite semi-finished products at its current facilities in Massa, later acquired in 2020.
At the product level, 2017 saw the launch of the 52Steel, the fleet flagship, and the SX88, followed the following year by the introduction of the SX76 first asymmetric model (SL102 Asymmetric) and the 500Exp. Also in **2018**, the company acquired Bluegame, entering the composite sport utility yacht segment and introducing a third division.

[10] *Source: Global Order Book 2011, Boat International.*
[11] *Source: Global Order Book 2014, Boat International.*

2019-2024: towards a new course

On 10 December **2019**, the company listed on the Milan Stock Exchange, with the placement of shares on the Euronext STAR Milan segment. The new flagship 64Steel, the first 64-meter superyacht, was launched. Sanlorenzo is confirmed as the second largest shipbuilding group worldwide and the largest shipyard operating under a single brand in the segment of yachts over 24 metres[12].

In **2020**, Sanlorenzo inaugurated the new D2 area inside the Ameglia shipyard, including 10,000 square meters of covered areas dedicated to the outfitting of composite yachts between 76 and 100 feet, and introduced new models that expanded the product lines of the three divisions, in particular the SX112, the 62Steel and the BGX60.

In **2021**, Sanlorenzo completed three acquisitions of industrial infrastructure adjacent to the company's shipyards, dedicated to further expanding production capacity. The commitment to reducing the impact of yachts on the marine ecosystem remains strong, with the signing in September of an exclusive agreement with Siemens Energy for the development of solutions for the integration of fuel cell technology in the 24-80 metre yachting sector. An example of this is the sale of the first 72Steel diesel electric, the largest superyacht ever built by the shipyard, which confirms Sanlorenzo's increasing focus on the future and leadership in the sector.

In **2022**, Sanlorenzo launches the new SP ("Smart Performance") line and enters the sport coupé segment with a proposal that allows the achievement of high performance with the use of low environmental impact technologies. In July, Bluegame and New York Yacht Club American Magic, challenger in the America's Cup edition to be held in Barcelona in 2024, sign an agreement for the design and construction of the first "chase boat" with exclusively hydrogen, zero-emission propulsion, built according to the strict requirements of the protocol of the event. In December, Equinoxe S.r.l. and its subsidiary Equinoxe Yachts International S.r.l., a leading company in charter services, were acquired.

In **2023**, Sanlorenzo signs a binding agreement to purchase 95% of the share capital in Simpson Marine Limited, which has represented Sanlorenzo in Asia since 2015, and has been operating for forty years as one of the leading yacht dealers

[12] *Source: Global Order Book 2020, Boat International.*

and service companies throughout the APAC region. Sanlorenzo increased in majority by consolidating its historical suppliers Duerre S.r.l. and Sea Energy S.r.l. In September, Lloyd's Register awards Sanlorenzo the type approval certificate for the reformer fuel cell system designed together with Siemens Energy. Sanlorenzo sets up the French company "Sanlorenzo Côte d'Azur SAS" and opens the new office of Sanlorenzo Monaco S.A.M. In December, Sanlorenzo signs a Memorandum of Understanding to evaluate a possible partnership with the Nautor Swan group.

In **2024**, Sanlorenzo finalised the purchase of 95% of the Simpson Marine Group in March, ensuring direct and widespread distribution in several key countries, namely Hong Kong, Singapore, mainland China (Shenzhen and Sanya), Thailand, Indonesia, Malaysia, Taiwan, Australia and Vietnam. Sanlorenzo Med was established - merging the new sales offices in Monaco and Cannes, together with the historic offices in Palma de Mallorca in the Balearic Islands. In August, Sanlorenzo signed a binding contract to acquire 100% of Nautor Swan S.r.l. and indirectly of its subsidiaries included in the scope of the acquisition, completing the first closing with the transfer of 60%. On the new technology front, concrete evidence of the Group's innovative soul are three yachts that marked significant milestones in 2024: Sanlorenzo 50Steel, the first superyacht in the world with a Reformer Fuel Cell system designed together with Siemens Energy, capable of transforming green methanol into hydrogen and subsequently into electricity to power the vessel's hotellerie services without the hydrogen being stored on board, and with the patented "HER" (Hidden Engine Room) system, a revolutionary on-board concept that modifies the traditional layout of the boat, allowing a new arrangement of the engine room; Bluegame BGH-HSV, a foil-launched chase boat with exclusively hydrogen propulsion and zero emissions that has joined the American Magic and Orient Express teams in the America's Cup; Nautor Swan 88 DreamCatcher, which won the Eco Award at BOAT International Design & Innovation Awards for its advanced diesel-electric hybrid propulsion system.


D
F

the group today

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 four business units:

- the Yacht Division – dedicated to the design, manufacturing and sale of composite moor yachts between 24 and 40 metres long, under the Sanlorenzo brand;
- the Superyacht Division – dedicated to the design, manufacturing and sale of motor 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 motor sport utility yachts between 13 and 23 metres long, under the Bluegame brand;
- the Nautor Swan Division – acquired in August 2024 and dedicated to the design, production and sale of sailing yachts, in carbon fibre and composite, and motor yachts, in composite, between 13 and 40 metres long, under the Swan 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, Bluegame and Swan customers, including training at the Sanlorenzo Academy for crew members, as well as maintenance, restyling and refitting, in addition to charter services.

THE PRODUCT RANGES

The business units produce the following lines of yacht:

- Yacht Division: the SL Line, SD Line, SX Line and SP Line, sold under the Sanlorenzo brand name;
- Superyacht Division: the Alloy Line, Steel Line, Explorer Line and X-Space Line, sold under the Sanlorenzo brand name;
- Bluegame Division: the BG Line, BGX Line and BGM Line, sold under the Bluegame brand name.
- Nautor Swan Division: Swan Line, SwanMaxi Line, ClubSwan Line and SwanPower Line, marketed under the Swan brand.

The table below shows the total numbers of yachts delivered in the year ended 31 December 2024, compared with 31 December 2023, for each business unit.

	Year ended 31 December				Change
	2024	% of total	2023	% of total	2024 vs. 2023
Yacht Division	63	52.0%	56	56.0%	7
Superyacht Division	6	5.0%	8	8.0%	(2)
Total Sanlorenzo	**69**	**57.0%**	**64**	**64.0%**	**5**
Bluegame Division	40	33.1%	36	36.0%	4
Nautor Swan Division[13]	12	9.9%	-	-	12
Group total	**121**	**100.0%**	**100**	**100.0%**	**21**

[13] *The number includes boats delivered on or after 1 August 2024.*

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 five models with lengths ranging from 24 to 38 metres. At the Cannes Yachting Festival in September, the SL86 model with an asymmetrical configuration had its world première.

86A

96A

90A

106A

120A

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, launched in November, the Group's first composite yacht that is 40 metres in length; the final steps will be completed during the early months of 2025.

90

96

118

132

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.

76

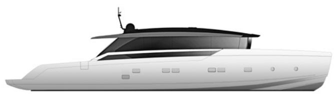
88

100

112

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, given a worldwide première at the Cannes Yachting Festival in September 2024.



92

110

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.

44

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.

July 2024 saw the delivery of the innovative 50Steel, the world's first superyacht equipped with a Reformer Fuel Cell system, certified by Lloyd's Register, which supplies all the electrical needs of the hotellerie services with methanol reformed into hydrogen directly on board, avoiding the need for large quantities of it to be stored. 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.

50

52

57

64

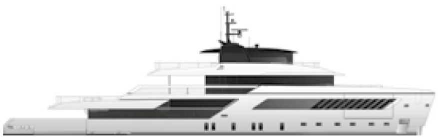
74

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 boats, the large living spaces on-board and high performance in terms of autonomy and sea-keeping.

500

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.

44



50

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.

BG42


BG54


BG74


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.

BGX63

BGX73

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, and was concluded mid-2024, marking the Company's entry into the luxury multihull segment.

BGM75

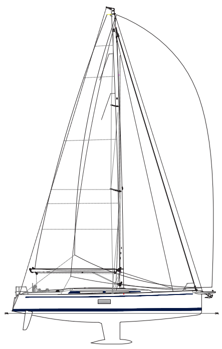
BGH-HSV Line
BGH-HSV (Hydrogen Support Vessel) is a one-off line including the innovative chase boats, built in 2024, with exclusively hydrogen propulsion and using foils, which can reach a speed of 50 knots and have a range of 180 miles. These zero-emission tenders were delivered to the New York Yacht Club teams American Magic and Orient Express in August 2024 at the 37th edition of the prestigious America's Cup in Barcelona. 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 new models that will exploit this same Fuel Cell technology.

BGH-HSV

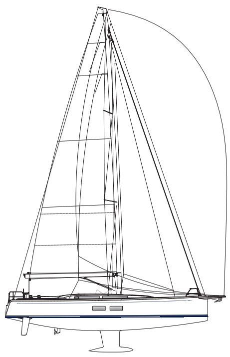
Nautor Swan Division

Swan Line

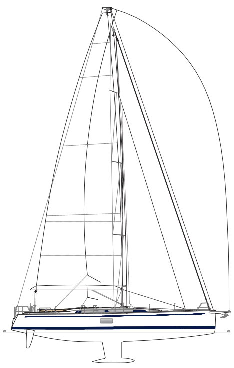
The Swan line represents heritage, craftsmanship and at the same time innovation and industrialisation, with products characterised by elegant and timeless lines that have made Nautor Swan an icon in the sailing world. The boats are built to withstand the rigours of the sea, with high-performance hulls that guarantee both comfort and competitiveness during regattas.
The Swan Line includes five models with lengths ranging from 14 to 20 metres.



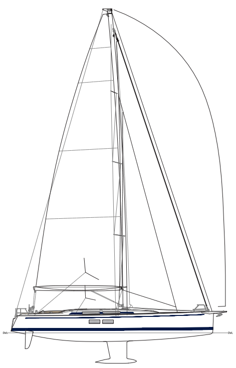
Swan 48MKII



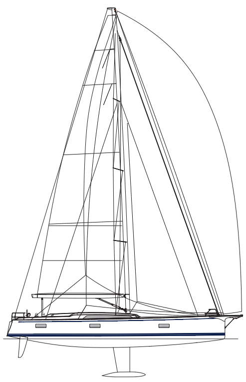
Swan 51



Swan 55



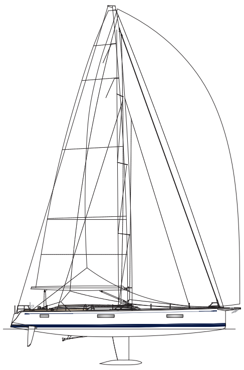
Swan 58



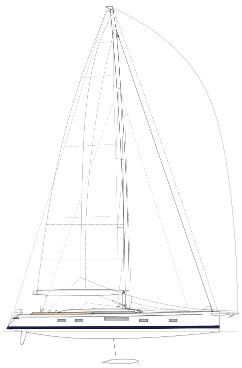
Swan 65

SwanMaxi Line

The SwanMaxi Line, whose history dates back to 1970, offers the ultimate expression of seaworthiness in all conditions combined with elegance, comfort, performance, style and modernity.
The SwanMaxi Line includes four models with lengths ranging from 24 to 40 metres.

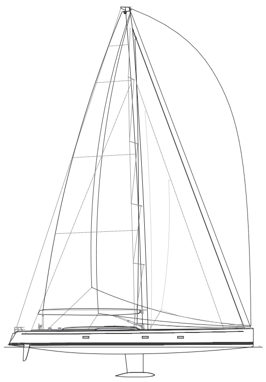


SwanMaxi 80



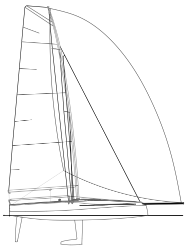
SwanMaxi 88

SwanMaxi 108

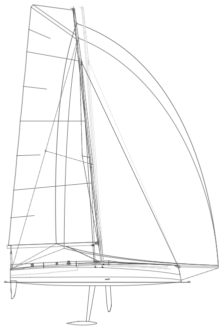


SwanMaxi 128

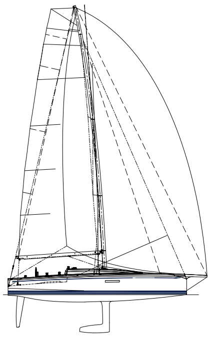
ClubSwan Line
The ClubSwan Line is the high-performance division of Nautor Swan, offering a conceptual vision with a strong emphasis on the values of speed, technology and competitive sailing potential.
The ClubSwan Line includes five models with lengths ranging from 8 to 24 metres.



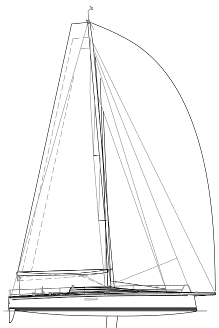
ClubSwan 28



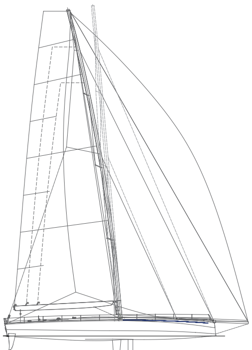
ClubSwan 36



ClubSwan 43



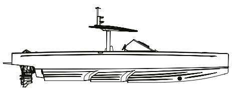
ClubSwan 50



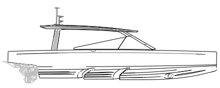
ClubSwan 80

SwanShadow Line

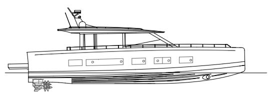
The SwanShadow line extends the range of boats that the Finnish shipyard offers its customers, perfectly in line with the fundamental elements of the brand's DNA: performance, quality, elegance. The three models mark the completion of the Nautor Swan portfolio and product line with three multi-purpose motor yacht concepts to meet the needs of Nautor customers.
The SwanPower Line includes the 13-metre Shadow and OverShadow models and the 23-metre Arrow.



Shadow



OverShadow



Arrow

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

- guaranteeing a boat 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.
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.
An example of success is the "Yachting Operations Specialist" course, which began in October 2023, which led to the entry into the Sanlorenzo Group of all 10 students at the end of an intensive 600-hour course. Today, these young people are growing professionally within our Group, acquiring the experience necessary to respond to customer requests with the expertise, attention to detail and commitment that have always distinguished us.
A new edition was launched in December 2024, which currently has eight young people in the classroom phase, ready to embark on the same exciting journey.
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 2024, the Group reached a new milestone: more than 15,000 hours of training provided. This result is a demonstration of our commitment to up-skilling and re-skilling, essential tools for dealing with an ever-changing context.
During 2024, important initiatives were also carried out 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. Every hour dedicated to training is an investment in our future, as individuals and as an organisation.

THE PRODUCTION SITES

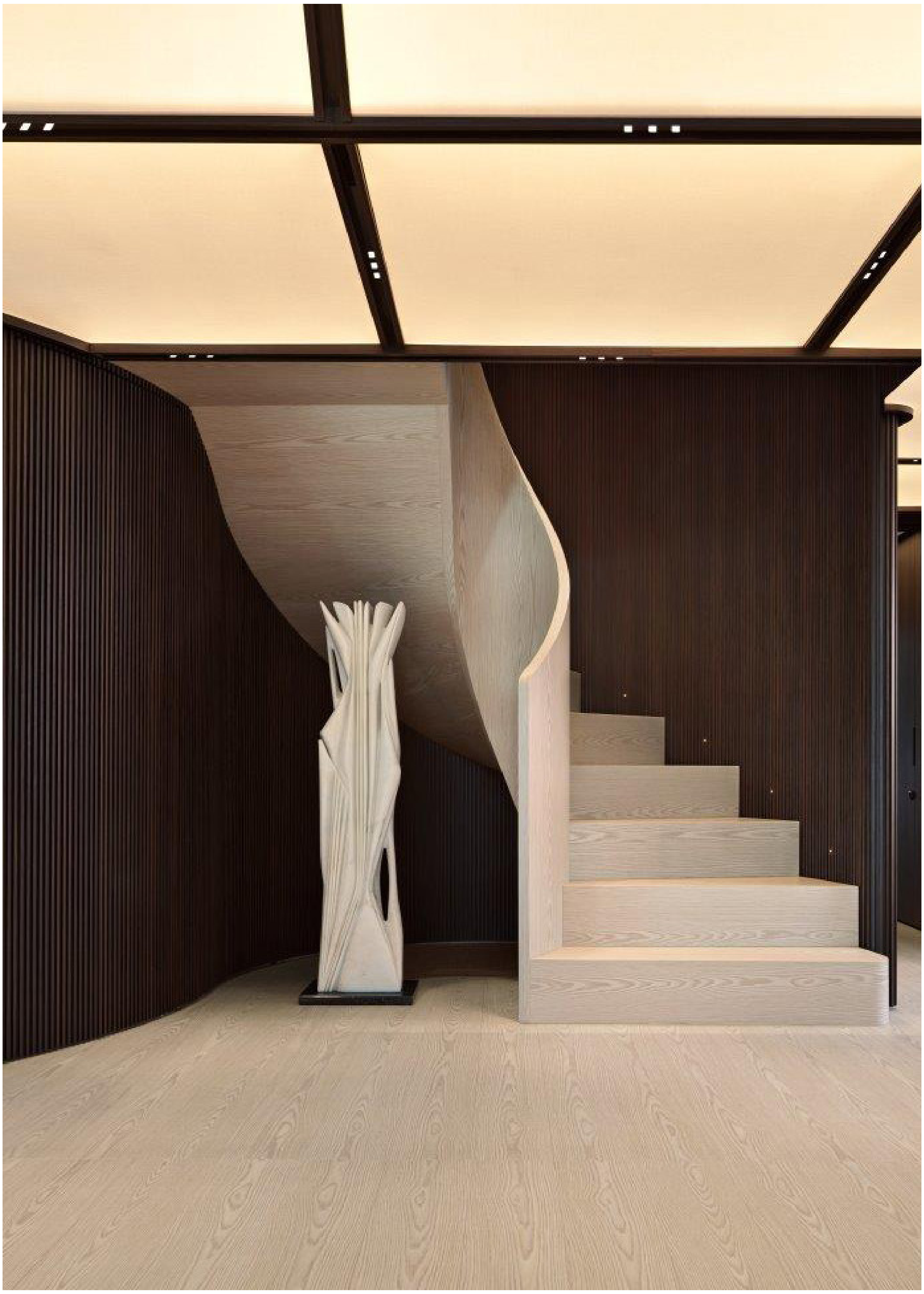
Sites

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.
As of August 2024, following the acquisition of the Nautor Swan Group, the Group will also boast production sites in the city of Jakobstad in Finland.



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 boats 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.


USA
2807

"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 clientèle 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 clientèle 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 clientèle. 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 craftsmen 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 artisan 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 program 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 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, the result of a customisation process dedicated to the customer, makes each yacht produced by the Group unique and immediately recognisable at sea.
In September 2024, for the Yacht Division, the Group presented the world première at the Cannes Yachting Festival of the SL86 model with an asymmetrical configuration of the iconic SL line, together with the new open-coupé SP92, the second model of the SP line introduced in 2022. The latter was awarded the Design Innovation Award for its stunning exterior layout and grand interior spaces in the 'Superyacht - over 24m' category.
Confirming the company's ongoing commitment to innovation and digital transformation in the marine industry, the sixth unit in the SP110 range received the world's first 'Digital Yachting' certification from RINA. In collaboration with D.gree, a SailADV brand, and under the supervision of RINA, Sanlorenzo aims to optimise the performance, safety and user experience of yachts through the use of advanced digitalisation technologies, developing intuitive monitoring and supervision solutions for customers, managers, technicians, captains and crews. The on-board 'H-Log' monitoring system collects more than 800 parameters, including functional states, data and on-board alarms. With the support of the 'H-System' platform, the yacht's status becomes accessible both locally and remotely on various devices, providing complete supervision, minimising unforeseen events and maximising performance and safety.
Together with innovation, 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 delivered in July 2024, and whose Reformer Fuel Cell system was certified by Lloyd's Register. The totally carbon-neutral system significantly increases the time spent at anchor without consuming diesel fuel, covering around 90% of a superyacht typical operating time in zero emissions. Thanks to this revolutionary solution, the 50Steel received the 'SEA Index' certification, issued by the Yacht Club de Monaco and Credit Suisse, in collaboration with Lloyd's Register. This certification, conceived to reward

cutting-edge projects capable of charting the course of the entire nautical sector, is the standard of reference for assessing a boat's energy efficiency and environmental impact, measured by the CO_2 emissions it produces.
The 50Steel introduces to the market another important innovation destined to make history in the nautical industry: the patented "HER" (Hidden Engine Room) system. This is a revolutionary on-board concept, which modifies the boat'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.
Also in the segment above 40 metres in length, thanks to the partnership with MAN announced in January 2025, the first Sanlorenzo 50X-Space superyacht will be built, 50 metres long and with bi-fuel propulsion using green methanol, which will reduce emissions during navigation by up to 70%. With the launch of the 50X-Space, scheduled for 2027, Sanlorenzo will significantly exceed not only the 70% reduction target set by the IMO for 2040, but also the more ambitious 55% target set by the European Union's 'Fit for 55' agenda for 2030.
The bi-fuel propulsion system envisaged on board the 50X-Space is part of the 'LIFE MYSTIC' (Methanol for Yachting Sustainable energy Transition applied to Internal Combustion engines) project, co-funded by the European Union and developed in collaboration with Nanni Industries and Ranieri Tonissi. In fact, the project aims to test engines and generators for superyachts fuelled by a combination of diesel and methanol, predicting important results in terms of reduced environmental impact, with particular attention to greenhouse gas emissions, fossil primary energy consumption, and air quality contamination.
At the same time, in the segment of yachts under 24 metres in length, Bluegame built the two BGH-HSV (Hydrogen Support Vessel) tenders with exclusively hydrogen propulsion and the use of foils, which were delivered to the New York Yacht Club teams American Magic and Orient Express in August for the 37th edition of the prestigious America's Cup in Barcelona. 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.
In synergy with the already sustainable Swan sail-boats, it will also be possible to create a new market segment that does not exist today. Noteworthy is the Swan 88 DreamCatcher, which was awarded the Eco Award at BOAT International Design & Innovation Awards in February 2025 for its advanced diesel-electric hybrid propulsion system that generates renewable energy while sailing.
With great concreteness and cutting-edge R&D capabilities, the Sanlorenzo Group thus continues to demonstrate its role as a pioneer in the Green-Tech transformation of the global yachting industry.

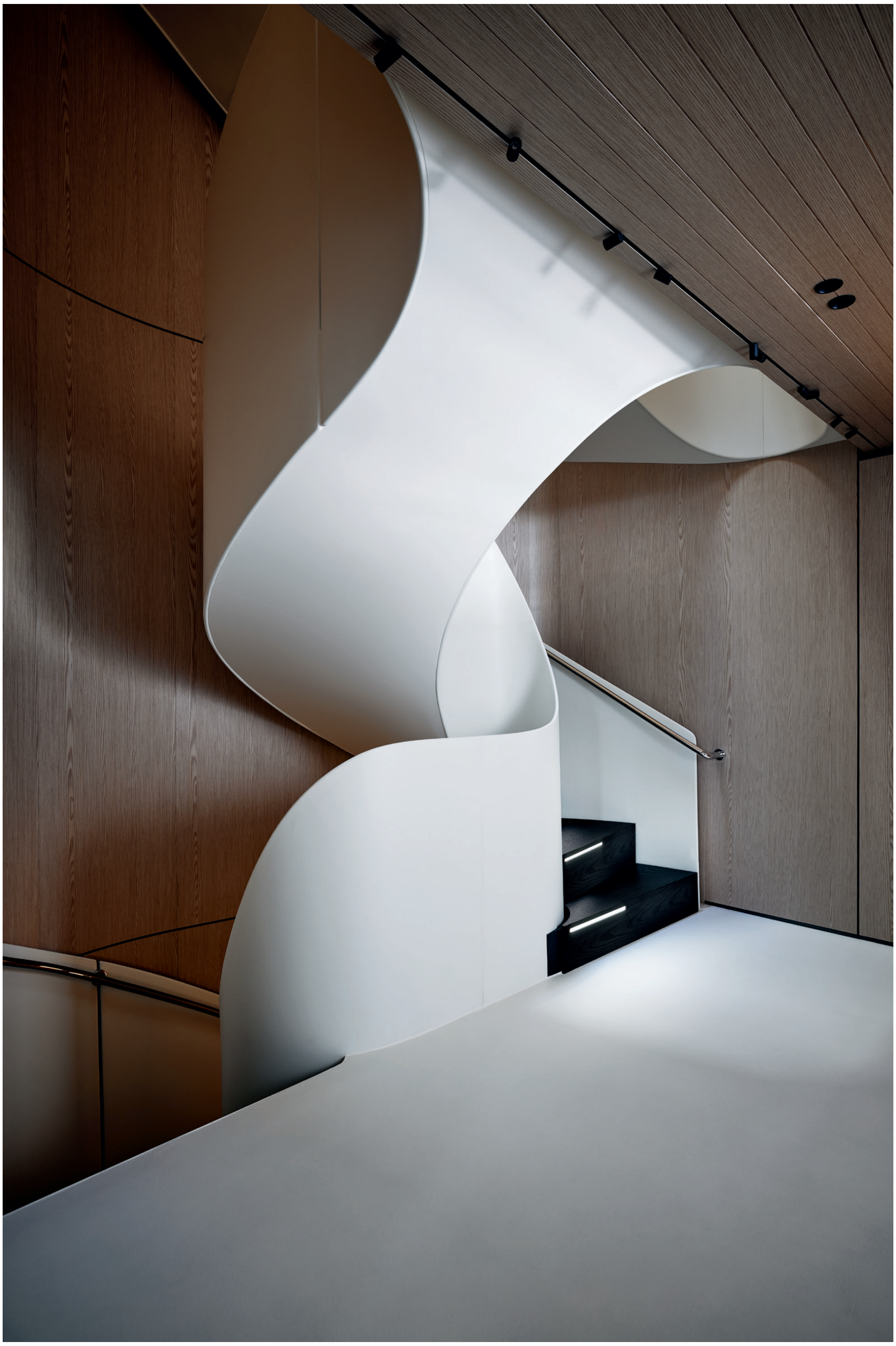
COLLABORATIONS WITH WORLD-RENOWNED DESIGNERS AND ARCHITECTS

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, Art Director of Sanlorenzo since 2018, 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, in June, the prestigious "Compasso d'Oro 2024" award was given to the SP110, the first model of the open-coupé SP line of the Yacht Division introduced in 2022, for its unmistakable Made in Italy design, high performance and focus on sustainability, hallmarks of the Italian luxury yachting house. In September, the Yacht Division's new open-coupé SP92, which had its world première at the Cannes Yachting Festival, was honoured with the Design Innovation Award for its stunning exterior layout and grand interior spaces in the 'Superyacht - over 24m' category. These awards confirm 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 STRONG 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 trade fairs, and the organisation of the "Élite Days" events at Sanlorenzo's plants. In particular, during the Élite Days 2024 edition called "The Blooming Garden" held in May at the La Spezia plant, transformed into a real garden, the first 50Steel unit with the futuristic Reformer 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.
In particular, on the occasion of Art Basel Hong Kong 2024 in March, Sanlorenzo presented the developments of the 'Casa Sanlorenzo' project, a historical palace currently under renovation located in the heart of Venice, which is scheduled to open in summer 2025. Casa Sanlorenzo, which will host the headquarters of Sanlorenzo Arts Venice, is a hybrid space dedicated to culture and the arts, embodying the values of sustainability, innovation and design that distinguish the Sanlorenzo Group, and aims to contribute to a global cultural movement that will foster positive change in society for a more sustainable future through a kaleidoscopic programme of various cultural activities, including educational events, conferences, artist residencies and curated exhibitions.
Another important project combining design, innovation and sustainability is the collaboration with artist Michelangelo Pistoletto. The work, entitled 'Third Paradise Quick Response', was unveiled as a preview during the Biennale Arte 2024 in Venice and was installed on the building where Casa Sanlorenzo will be based, underlining Sanlorenzo's commitment to promoting new creative languages and contributing to the production of quality culture and design.

On the occasion of Milan Design Week 2024 in April, the installation 'SUB' (Sustainable-Underwater-Balance) was presented in collaboration with Piero Lissoni. 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 boat 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 the Sanlorenzo Group's commitment to sustainability and respect for the marine environment.

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 125 yachts under construction in 2024 equivalent to 4,448 metres in length..[14]

TOP BUILDER PER LUNGHEZZA TOTALE DI COSTRUZIONE

RANKING 2025	COMPANY	LENGTH TOTAL (M)	NUMBER OF PROJECTS	AVERAGE LENGTH (M)	NUMBER OF PROJECTS 2024	RANKING 2024
1	Azimut – Benetti	5,905	164	36	167	1
2	**Sanlorenzo**	**4,448**	**125**	**35.6**	**132**	**2**
3	Feadship*	1,525	N/A	N/A	N/A	3
4	The Italian Sea Group	1,356	22	61.6	24	5
5	Lurssen*	1,254	12	104.5	13	4
6	Overmarine	1,095	26	42.1	28	8
7	Princess Yachts	1,094	42	26.0	48	7
8	Ocean Alexander	1,064	33	32.2	30	10
9	Sunreef Yachts	1,006	35	28.7	35	11
10	Damen Yachting	1,002	14	71.6	19	6
11	Baglietto	959	20	48.0	19	12
12	Sunseeker	946	35	27.0	41	9
13	Cantiere delle Marche	805	20	40.3	20	15
14	Palumbo Superyachts	744	15	49.6	12	16
15	Bilgin Yachts	744	12	59.3	9	17
16	Horizon	699	24	29.1	27	14
17	Heesen Yachts	651	12	54.3	15	13
18	Viking Yachts	617	24	25.7	18	18
19	Rossinavi*	505	N/A	N/A	N/A	N/A

* Dati solo parzialmente condivisi dal cantiere.

[14] *Fonte: Global Order Book 2025, Boat International, dicembre 2024.*

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 graph show the share performance in 2024.

	Euro	Date
IPO price	16.00	10 December 2019
Minimum closing price	30.70	28 November 2024
Maximum closing price	45.75	14 May 2024
Closing price	32.55	30 December 2024
Number of shares	35,542,472	30 December 2024
Capitalization	1,156,907,464	30 December 2024

At 30 December 2024. the closing price of the shares was €32.55 and the market capitalisation amounted to €1.157 million. based on the updated share capital as at 30 December 2024.
During 2024. dialogue with the financial community (investors. analysts) continued more frequently than in the previous year. The Group's management and the Investor Relations team participated in industry conferences. non-deal road shows in the world's major financial centres and meetings and calls with fund managers. portfolio managers and buy-side and sell-side analysts.

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 (Italian Consolidated Law on Finance) 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)	19.346.105	54.43%	70.42%
Treasury shares	358.546	1.01%	-
Ocean S.r.l. (Finclama S.p.A.)	1.940.000	5.46%	3.54%
Market	13.897.821	39.10%	26.04%
TOTAL	**35.542.472**	**100.0%**	**100.0%**

Update: 30 December 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.
On 28 June 2024, the number of ordinary shares with increased voting rights was reduced by 167,000 shares.
In light of the above, as at 30 December 2024, the total number of ordinary shares with enhanced voting rights was 19,217,105 shares.

2025 FINANCIAL CALENDAR

Date	Event
13 February 2025	Board of Directors Approval of the consolidated preliminary data as at 31 December 2024
10 March 2025	Board of Directors Approval of the draft financial statements and consolidated financial statements as at 31 December 2024
29 April 2025	Annual Shareholders' Meeting Approval of the separate financial statements for the year ended 31 December 2024
15 May 2025	Board of Directors Approval of the periodic financial information as at 31 March 2025
4 September 2025	Board of Directors Approval of the half-yearly financial report as at 30 June 2025
13 November 2025	Board of Directors Approval of the periodic financial information as at 30 September 2025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II

REPORT ON OPERATIONS
SECTION TWO

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SANLORENZO
SANLORENZO

Introduction

Sanlorenzo S.p.A. (the "Company") drafted the Report on Operations as the single document both for the Group Consolidated Financial Statements and the Statutory Financial Statements.
The Report must be read together with the Financial Statements and the associated Notes to the Financial Statements, integral parts of the Consolidated Financial Statements and the Statutory Financial Statements. These documents include the additional information required by Consob, with the measures issued in implementation of article 9 of Italian Legislative Decree 38/2005 (Resolutions 15519 and 15520 of 27 July 2006 and memorandum DEM/6064293 of 28 July 2006), as well as with any subsequent memorandum containing provisions on financial reporting.

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 selling costs 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, provisions for current risks and charges and other current liabilities.
NET TRADE WORKING CAPITAL	It is calculated as the sum of trade receivables, contract assets and inventories, net of trade payables and contract liabilities.
NET INVESTED CAPITAL	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.

operating performance of Sanlorenzo Group

BACKLOG PERFORMANCE

(€'000)	31 December			Change		
	2024 organic	2024 Swan	2024	2023	2024 vs. 2023	2024 vs. 2023%
Gross backlog	**1,794,137**	**155,980**	**1,950,117**	**1,881,859**	**68,258**	**+3.6%**
Net Revenues New Yachts for the period	892,099	38,255	930,354	840,164	90,190	+10.7%
Net backlog	**902,038**	**117,725**	**1,019,763**	**1,041,695**	**(21,932)**	**-2.1%**
of which next year	*544,656*	*78,413*	*623,069*	*587,112*	*35,957*	*+6.1%*
of which subsequent years	*357,382*	*39,312*	*396,694*	*454,583*	*(57,889)*	*-12.7%*

As at 31 December 2024, gross backlog, 88% of which sold to end customers, amounted to €1,950,117 thousand, compared to €1,881,859 thousand as at 31 December 2023. The increase compared to the same date in 2023 was €68,258 thousand.

(€'000)	Backlog				
	1 January[15]	31 March	30 June	30 September	31 December
Backlog 2024	**1,041,695**	**1,209,849**	**1,364,616**	**1,719,945**	**1,950,117**
of which current year	*587,112*	*648,586*	*741,178*	*875,945*	*930,354*
of which subsequent years	*454,583*	*561,263*	*623,438*	*844,000*	*1,019,763*
Backlog 2023	**1,069,619**	**1,239,731**	**1,421,081**	**1,674,097**	**1,881,859**
of which current year	*617,394*	*696,478*	*745,978*	*819,185*	*840,164*
of which subsequent years	*452,225*	*543,253*	*675,103*	*854,912*	*1,041,695*

[15] *Opening the current year with the net backlog as at 31 December of the previous year.*

(€'000)	Change (order intake)					
	Q1	Q2	Q3	Q4 organic	Q4 Swan	Total 12M
Order intake 2024	**168,154**	**154,767**	**259,803**	**202,865**	**27,307**	**812,896**
of which current year	*61,474*	*92,592*	*95,563*	*57,238*	*686*	*307,553*
of which subsequent years	*106,680*	*62,175*	*164,240*	*145,627*	*26,621*	*505,343*
Order intake 2023	**170,112**	**181,350**	**253,016**	**207,762**	**-**	**812,240**
of which current year	*79,084*	*49,500*	*73,207*	*20,979*	-	*222,770*
of which subsequent years	*91,028*	*131,850*	*179,809*	*186,783*	-	*589,470*

Fourth quarter order intake of €230,172 thousand was up by 10.8% on the fourth quarter of 2023 (€207,762 thousand) and is in addition to €582,724 thousand in the first nine months of the year, for a total of €812,896 thousand of new orders collected during 2024. Even in a challenging context such as 2024, Sanlorenzo confirms its ability to collect orders, despite waiting lists stretching into 2028, thanks to the desirability of its portfolio of complementary and non-overlapping products and brands. On an organic basis (€202,865 thousand of order intake), Q4 2024 marked a substantial stability compared to Q4 2023, clearing a trend in the negative area that characterised the first months of the year thanks to a visible recovery in the Americas, a trend improvement in Europe and continued growth in the MEA area.

The Backlog as at 31 December 2024, after deducting Net New Revenue realised during the year, amounted to €1,019,763 thousand, compared to €1,041,695 thousand as at 31 December 2023, of which €623,069 thousand related to 2025 and €396,694 thousand to subsequent years, continuing to ensure a level of visibility over a broad time horizon.

CONSOLIDATED ECONOMIC RESULTS

Reclassified income statement

(€'000)	Year ended 31 December				Change	
	2024	% Net Revenues New Yachts	2023	% Net Revenues New Yachts	2024 vs. 2023	2024 vs. 2023%
Net Revenues New Yachts	**930,354**	**100.0%**	**840,164**	**100.0%**	**90,190**	**+10.7%**
Net revenues for maintenance and other services	33,063	3.6%	14,137	1.7%	18,926	+133.9%
Other income	19,419	2.1%	11,367	1.4%	8,052	+70.8%
Operating costs	(804,997)	(86.5%)	(707,830)	(84.2)%	(97,167)	+13.7%
Adjusted EBITDA	**177,839**	**19.1%**	**157,838**	**18.8%**	**20,001**	**+12.7%**
Non-recurring costs	(1,479)	(0.2%)	(352)	-	(1,127)	n,s,
EBITDA	**176,360**	**19.0%**	**157,486**	**18.7%**	**18,874**	**+12.0%**
Amortisation, depreciation and impairment losses	(37,083)	(4.0%)	(31,604)	(3.8)%	(5,479)	+17.3%
EBIT	**139,277**	**15.0%**	**125,882**	**15.0%**	**13,395**	**+10.6%**
Net financial income/(expense)	1,972	0.2%	3,613	0.4%	(1,641)	-45.4%
Adjustments to financial assets	219	-	177	-	42	+23.7%
Pre-tax profit	**141,468**	**15.2%**	**129,672**	**15.4%**	**11,796**	**+9.1%**
Income taxes	(38,346)	(4.1)%	(36,385)	(4.3)%	(1,961)	+5.4%
Net profit	**103,122**	**11.1%**	**93,287**	**11.1%**	**9,835**	**+10.5%**
Net (profit)/loss attributable to non-controlling interests[16]	(1)	-	(448)	(0.1)%	447	-99.8%
Group net profit	**103,121**	**11.1%**	**92,839**	**11.1%**	**10,282**	**+11.1%**

[16] *(Profit)/Loss.*

Net Revenues New Yachts

(€'000)	Year ended 31 December		Change	
	2024	2023	2024 vs. 2023	2024 vs. 2023%
Revenues from the sale of boats	996,581	882,227	114,354	+13.0%
Selling expenses	(66,227)	(42,063)	(24,164)	+57.4%
Net Revenues New Yachts	**930,354**	**840,164**	**90,190**	**+10.7%**

Net Revenues New Yachts in 2024 amounted to €930,354 thousand, up 10.7% compared to €840,164 thousand in the same period of 2023. In the fourth quarter, Net Revenues New Yachts amounted to €261,334 thousand, up 22.0% from €214,174 million in the same period of 2023.

Net Revenues New Yachts by division

(€'000)	Year ended 31 December				Change	
	2024	% of total	2023	% of total	2024 vs. 2023	2024 vs. 2023%
Yacht Division	519,638	55.9%	510,603	60.8%	9,035	+1.8%
Superyacht Division	280,204	30.1%	238,256	28.3%	41,948	+17.6%
Bluegame Division	92,257	9.9%	91,305	10.9%	952	+1.0%
Net Revenues New Yachts formerly Swan	**892,099**	**95.9%**	**840,164**	**100.0%**	**51,935**	**+6.2%**
Nautor Swan Division	38,255	4.1%	-	-	38,255	n,a,
Net Revenues New Yachts	**930,354**	**100.0%**	**840,164**	**100.0%**	**90,190**	**+10.7%**

The Yacht Division generated Net Revenues New Yachts of €519,638 thousand, equal to 55.9% of the total, substantially stable compared to 2023. In particular, the first sales of the SP92 and SL86-Asimmetrico models, presented at the Cannes Yachting Festival in September, together with the SD132 model, launched last November, the Group's first composite yacht over 40 metres in length, made a significant contribution.
The Superyacht Division generated Net Revenues New Yachts of €280,204 thousand, equal to 30.1% of the total, up 17.6% compared to 2023, driven by the Steel line, thanks in particular to the first sales of the revolutionary 50Steel HER (Hidden Engine Room).
The Bluegame Division recorded Net Revenues New Yachts of €92,257 thousand, or 9.9% of the total, a result that is considered particularly significant in view of the market trend in the reference segment, to which the models of all ranges contributed.
The Nautor Swan Division, consolidated as of 1 August 2024, contributed €38,255 thousand in 5 months, or 4.1% of the total.

Net Revenues New Yachts by geographical area

(€'000)	Year ended 31 December				Change	
	2024	% of total	2023	% of total	2024 vs. 2023	2024 vs. 2023%
Europe	572,125	61.5%	577,238	68.7%	(5,113)	-0.9%
Americas	146,634	15.8%	92,594	11.0%	54,040	+58.4%
APAC	89,858	9.7%	91,999	11.0%	(2,141)	-2.3%
MEA	121,737	13.1%	78,333	9.3%	43,404	+55.4%
Net Revenues New Yachts	**930,354**	**100.0%**	**840,164**	**100.0%**	**90,190**	**+10.7%**

Europe is confirmed as the Group's reference market, with Net Revenues New Yachts of €572,125 thousand (of which €111,987 thousand generated in Italy), equal to 61.5% of the total, consolidating the 2023 result after a significant growth of 38.3% compared to 2022.
The Americas confirmed a return to a growth trend after a complex 2023, recording a 58.4% increase over 2023, with Net Revenues New Yachts of €146,634 thousand, representing 15.8% of the total.
The APAC region recorded Net Revenues New Yachts of €89,858 thousand, representing 9.7% of the total, showing a relatively positive performance in a year of weakness that also impacted high-end luxury.
The strong development of the MEA area continued, recording an increase of 55.4% over 2023, with Net Revenues New Yachts of €121,737 thousand, representing 13.1% of the total.

Operating results

(€'000)	Year ended 31 December				Change			
	2024 formerly Swan	2024 Swan	2024	% Net Revenues New Yachts	2023	% Net Revenues New Yachts	2024 vs. 2023	2024 vs. 2023%
EBIT	**137,356**	**1,921**	**139,277**	**15.0%**	**125,882**	**15.0%**	**13,395**	**+10.6%**
+ Amortisation, depreciation and impairment losses	34,057	3,026	37,083	4.0%	31,604	3.8%	5,479	+17.3%
EBITDA	**171,413**	**4,947**	**176,360**	**19.0%**	**157,486**	**18.7%**	**18,874**	**+12.0%**
+ Non-recurring costs	1,479	-	1,479	0.2%	352	-	1,127	n,s,
Adjusted EBITDA	**172,892**	**4,947**	**177,839**	**19.1%**	**157,838**	**18.8%**	**20,001**	**+12.7%**

EBIT for the financial year 2024 amounted to €139,277 thousand, an increase of 10.6% over the previous year (+9.4% on an organic basis). The margin on Net Revenues New Yachts was 15.0%, post dilutive effect from the consolidation of Nautor Swan without which the margin would be 15.4%, up 50 basis points from the same period in 2023, as also due to its smaller size, Nautor Swan has a higher depreciation and amortisation as a percentage of sales than the Group average.

Amortisation/depreciation, equal to €37,083 thousand, rose by 17.3% compared to 2023, in relation to significant investments made to increase production capacity and develop new product models and ranges, as well as as a result of the acquisitions concluded during 2024.

EBITDA amounted to €176,360 thousand, an increase of 12.0% over the previous year (+9.1% on an organic basis). The margin on Net Revenues New Yachts was 19.0%, up 20 basis points from the same period last year (19.3% on an organic basis). The continuous increase in profitability reflects the soundness 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.

Net profit

(€'000)	Year ended 31 December				Change	
	2024	% Net Revenues New Yachts	2023	% Net Revenues New Yachts	2024 vs. 2023	2024 vs. 2023%
EBIT	**139,277**	**15.0%**	**125,882**	**15.0%**	**13,395**	**+10.6%**
Net financial income/(expense)	1,972	0.2%	3,613	0.4%	(1,641)	-45.4%
Adjustments to financial assets	219	-	177	-	42	+23.7%
Pre-tax profit	**141,468**	**15.2%**	**129,672**	**15.4%**	**11,796**	**+9.1%**
Income taxes	(38,346)	(4.1)%	(36,385)	(4.3)%	(1,961)	+5.4%
Net profit	**103,122**	**11.1%**	**93,287**	**11.1%**	**9,835**	**+10.5%**
Net (profit)/loss attributable to non-controlling interests [17]	(1)	-	(448)	(0.1)%	447	-99.8%
Group net profit	**103,121**	**11.1%**	**92,839**	**11.1%**	**10,282**	**+11.1%**

Net financial income amounted in 2024 to €1,972 thousand. The result of the financial area resulted from the proactive management of liquidity in a favourable market context, benefiting from positive spreads between lending and financing conditions.
The pre-tax result for the year reached €141,468 thousand, increasing by €11,796 thousand, from €129,672 thousand as at 31 December 2023, with a margin on Net Revenues New Yachts of 15.2%.
Income taxes increased by €1,961 thousand, from €36,385 thousand in 2023 to €38,346 thousand in 2024. Income taxes for 2024 accounted for 27.1% of the pre-tax result compared to 28.1% in the previous year, starting to benefit from the 'Patent Box' effect. For further details, please refer to the paragraph "Significant events during the year".
The net profit of third parties, amounting to €(1) thousand, refers to the results achieved by subsidiaries.
Therefore, the Group's net result for the year was €103,121 thousand, up by 11.1% compared to €92,839 thousand recorded in 2023, with a margin on Net Revenues New Yachts of 11.1%.

[17] *(Profit)/Loss.*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Balance sheet reclassified according to sources and uses

(€'000)	31 December		Change	
	2024	2023	2024 vs. 2023	2024 vs. 2023%
USES				
Net fixed capital	375,684	254,392	121,292	+47.7%
Net working capital	35,997	(34,917)	70,914	n,s,
Net invested capital	**411,681**	**219,475**	**192,206**	**+87.6%**
SOURCES				
Equity	440,760	359,961	80,799	+22.4%
(Net financial position)	(29,079)	(140,486)	111,407	-79.3%
Total sources	**411,681**	**219,475**	**192,206**	**+87.6%**

Net fixed capital and investments

Net fixed capital

(€'000)	31 December		Change	
	2024	2023	2024 vs. 2023	2024 vs. 2023%
Goodwill	69,078	17,486	51,592	n,s,
Other intangible assets	110,708	55,162	55,546	n,s,
Property, plant and equipment	221,021	179,820	41,201	+22.9%
Equity investments and other non-current assets	13,151	6,564	6,587	+100.4%
Net deferred tax assets	8,965	12,255	(3,290)	-26.8%
Other non-current liabilities	(32,355)	-	(32,355)	n,a,
Non-current employee benefits	(3,681)	(2,491)	(1,190)	+47.8%
Non-current provision for risks and charges	(11,203)	(14,404)	3,201	-22.2%
Net fixed capital	**375,684**	**254,392**	**121,292**	**+47.7%**

Net fixed capital as at 31 December 2024 amounted to €375,684 thousand, an increase of €121,292 thousand compared to the end of 2023, mainly due to the change in the scope of consolidation for the acquisition of control of the Simpson Marine Group and the Nautor Swan Group, the related trademarks and Goodwill, as well as the industrial and product development investments made during the year.
For more details on the components of Net fixed capital, please refer to the Notes to the consolidated financial statements.

Investments

(€'000)	Year ended 31 December		Change	
	2024	2023	2024 vs. 2023	2024 vs. 2023%
Land and buildings	7,150	12,411	(5,261)	-42.4%
Industrial equipment	11,252	7,921	3,331	+42.1%
Plant and equipment	5,349	4,281	1,068	+24.9%
Other assets	9,917	4,653	5,264	+113.1%
Fixed assets in progress	1,798	2,731	(933)	-34.2%
Total changes in property, plant and equipment	**35,466**	**31,997**	**3,469**	**+10.8%**
Concessions, licences, trademarks and similar rights	2,059	1,187	872	+73.5%
Other fixed assets	-	22	(22)	-100.0%
Development costs	6,819	8,130	(1,311)	-16.1%
Fixed assets in progress	4,982	3,165	1,817	+57.4%
Total changes in intangible assets	**13,860**	**12,504**	**1,356**	**+10.8%**
Total investments on a like-for-like basis	**49,326**	**44,501**	**4,825**	**+10.8%**
Changes in the scope of consolidation	138,773	20,155	118,618	n,s,
Net investments in the year	**188,099**	**64,656**	**123,443**	**n,s,**

With the same consolidation perimeter, investments made during 2024 amounted to €49,326 thousand, up 10.8% compared to the same period of the previous year, and are mainly linked to the development of new models and new product ranges, the expansion of production capacity, as well as the temporal extension of the state concession of the La Spezia site.
Including the effect of the entry into the consolidation perimeter of the Simpson Marine Group and the Nautor Swan Group (including the value of the brands, Goodwill and the values referred to in IFRS 16), investments at 31 December 2024 amounted to €188,099 thousand.

The following table shows the breakdown of investments by destination.

(€'000)	Year ended 31 December		Change	
	2024	2023	2024 vs. 2023	2024 vs. 2023%
R&D, product development and production of models and moulds	20,033	17,863	2,170	+12.1%
Increase in production/distribution capacity	23,604	21,756	1,848	+8.5%
Recurring industrial investments for equipment and facilities	3,156	2,632	524	+19.9%
Other investments	2,533	2,250	283	+12.6%
Total investments on a like-for-like basis	**49,326**	**44,501**	**4,825**	**+10.8%**
R&D, product development and production of models and moulds	-	-	-	-
Increase in production/distribution capacity	138,773	20,155	118,618	n,s,
Recurring industrial investments for equipment and facilities	-	-	-	-
Other investments	-	-	-	-
Total changes in the scope of consolidation	**138,773**	**20,155**	**118,618**	**n,s,**
R&D, product development and production of models and moulds	20,033	17,863	2,170	+12.1%
Increase in production/distribution capacity	162,377	41,911	120,466	n,s,
Recurring industrial investments for equipment and facilities	3,156	2,632	524	+19.9%
Other investments	2,533	2,250	283	+12.6%
Net investments in the year	**188,099**	**64,656**	**123,443**	**n,s,**

Net working capital

(€'000)	As at 31 December		Change	
	2024	2023	2024 vs. 2023	2024 vs. 2023%
Inventories	126,349	85,421	40,928	+47.9%
Trade receivables	26,278	22,522	3,756	+16.7%
Contract assets	264,646	185,572	79,074	+42.6%
Trade payables	(285,501)	(203,812)	(81,689)	+40.1%
Contract liabilities	(113,924)	(125,441)	11,517	-9.2%
Other current assets	93,469	59,725	33,744	+56.5%
Current provisions for risks and charges	(16,059)	(8,571)	(7,488)	+87.4%
Other current liabilities	(59,261)	(50,333)	(8,928)	+17.7%
Net working capital	**35,997**	**(34,917)**	**70,914**	**n,s,**

Net working capital as at 31 December 2024 was positive for €35,997 thousand, against a negative value of €34,917 thousand as at 31 December 2023. This result is mainly related to the increase in inventories and the differential between work progress and payments on account received, also as a result of the extension of direct distribution carried out during the year. Absolute values also include the effects of acquisitions made in 2024.

(€'000)	31 December		Change	
	2024	2023	2024 vs. 2023	2024 vs. 2023%
Inventories	126,349	85,421	40,928	+47.9%
Trade receivables	26,278	22,522	3,756	+16.7%
Contract assets	264,646	185,572	79,074	+42.6%
Trade payables	(285,501)	(203,812)	(81,689)	+40.1%
Contract liabilities	(113,924)	(125,441)	11,517	-9.2%
Net trade working capital	**17,848**	**(35,738)**	**53,586**	**n,s,**

Net trade working capital as at 31 December 2024 was positive for €17,848 thousand compared to the negative value of €35,738 thousand as at 31 December 2023. Refer to the previous paragraph for an analysis of the evolution of the figure.

(€'000)	31 December		Change	
	2024	2023	2024 vs. 2023	2024 vs. 2023%
Raw materials and consumables	16,206	13,656	2,550	+18.7%
Work in progress and semi-finished products	77,115	49,677	27,438	+55.2%
Finished products	33,028	22,088	10,940	+49.5%
Inventories	**126,349**	**85,421**	**40,928**	**+47.9%**

The balance of inventories as at 31 December 2024 was €126,349 thousand, an increase of €40,928 thousand compared to 31 December 2023.
Work in progress and semi-finished products refer to those jobs whose contract with the customer has still not been finalised at the close of the year. The increase recorded between 31 December 2023 and 31 December 2024, amounting to €27,438 thousand, reflects the production ramp-up to shorten delivery times for the most popular models.
Inventories of finished products for pre-owned boats as at 31 December 2024 were €33,028 thousand, an increase of €10,940 thousand compared to 31 December 2023. They refer to pre-owned boats in the amount of €28,554 thousand and new boats on delivery in the amount of €4,474 thousand. Pre-owned boats include yachts already sold at the closing date of the period and to be delivered in the following months for a value of €5,467 thousand.

Net financial position

	(€'000)	31 December 2024	31 December 2023	Change
A	Cash	135,647	192,506	(56,859)
B	Cash equivalents	-	-	-
C	Other current financial assets	38,801	24,045	14,756
D	**Liquidity (A + B + C)**	**174,448**	**216,551**	**(42,103)**
E	Current financial debt	(42,940)	(28,285)	(14,655)
F	Current portion of non-current financial debt	(29,492)	(18,985)	(10,507)
G	**Current financial indebtedness (E + F)**	**(72,432)**	**(47,270)**	**(25,162)**
H	**Net current financial indebtedness (G + D)**	**102,016**	**169,281**	**(67,265)**
I	Non-current financial debt	(72,937)	(28,795)	(44,142)
J	Debt instruments	-	-	-
K	Non-current trade and other payables	-	-	-
L	**Non-current financial indebtedness (I + J + K)**	**(72,937)**	**(28,795)**	**(44,142)**
M	**Total financial indebtedness (H+L)**	**29,079**	**140,486**	**(111,407)**

The net financial position of the Group as at 31 December 2024 shows a net cash equal to €29,079 thousand, compared to a net cash equal to €140,486 thousand as at 31 December 2023. The evolution of the net financial position in 2024 shows a temporary cash absorption due to the following main effects: (i) dividend payments of €34,805 thousand, (ii) organic net investments of €49,326 thousand, and (iii) outlays of an extraordinary nature of €83,751 thousand attributable to M&A investments of €76,245 thousand and Net Buy-Backs of €7,506 thousand in the second half of the year. In particular, the impact on the net financial position for the acquisition of the Nautor Swan Group was €52,345 thousand (of which €32,360 thousand related to the acquisition of 60% and €19,985 thousand to the consolidation of the related net financial position), while the impact for the acquisition of the Simpson Marine Group was €23,900 thousand.

Cash and cash equivalents as at 31 December 2024 were equal to €135,647 thousand, a decrease of €56,859 thousand compared to 31 December 2023.

The Group also has bank credit lines to meet cash requirements of €169,986 thousand[18], of which €130,788 thousand remained undrawn.,

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

Among financial debt, lease liabilities included pursuant IFRS 16 totalled €25,518 thousand, of which €19,339 thousand non-current and €6,179 thousand current.

Reclassified statement of cash flows

(€'000)	31 December 2024	31 December 2023	Change
EBITDA	176,360	157,486	18,874
Taxes paid	(51,376)	(39,398)	(11,978)
Changes in inventories	(28,729)	(31,977)	3,248
Change in net contract assets and liabilities	(116,081)	(23,865)	(92,216)
Change in trade receivables and advances to suppliers	(9,736)	(5,589)	(4,147)
Change in trade payables	67,533	47,833	19,700
Change in provisions and other assets and liabilities	(9,420)	13,645	(23,065)
Operating cash flow	**28,551**	**118,135**	**(89,584)**
Change in non-current assets (investments)	(49,326)	(44,501)	(4,825)
Interest received	5,346	6,131	(785)
Other changes	399	7,502	(7,103)
Free cash flow	**(15,030)**	**87,267**	**(102,297)**
Interest and financial charges	(3,191)	(2,518)	(673)
Capital increase and other changes in equity	(3,695)	(428)	(3,267)
Change in non-current assets (new scope)	(48,035)	(20,207)	(27,828)
Change in net financial debt (new perimeter)	(28,186)	-	(28,186)
Dividends paid	(34,805)	(22,978)	(11,827)
Change in LT funds and other cash flows	21,535	(987)	22,522
Change in net financial position	**(111,407)**	**40,149**	**(151,556)**
Net financial position at the beginning of the period	140,486	100,337	40,149
Net financial position at the end of the period	29,079	140,486	(111,407)

For information on the purchase price of the controlling stakes in the Simpson Marine Group and in the Nautor Swan Group, please refer to the section "Business combinations and asset acquisitions".

Equity

(€'000)	31 December 2024	31 December 2023
Share capital	35,542	34,978
Reserves	297,480	230,454
Group profit	103,121	92,839
Group equity	**436,143**	**358,271**
Equity attributable to non-controlling interests	4,617	1,690
Equity	**440,760**	**359,961**

As at 31 December 2024, the Parent Company's share capital amounted to €35,542 thousand, fully paid up, and consisted of 35,542,472 ordinary shares, increased compared to 31 December 2023 due to the subscription of the capital increase to service the 2020 Stock Option Plan for 143,627 shares in the year. On 30 September 2024, the Extraordinary Shareholders' Meeting resolved to increase the share capital in an indivisible manner, with the exclusion of the option right pursuant to Article 2441, paragraph 4 of the Civil Code, by a nominal amount of €420,489.00 and a share premium of €15,756,878.36, through the issue of a maximum number of 420,489 ordinary shares of Sanlorenzo with no nominal value and intended for subscription by Sawa S.r.l. with sole shareholder. The share capital increase was executed on the same date. For further details, please refer to the paragraph "Significant events during the year".
On 24 September 2020, the Company launched a treasury share buy-back program 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 program based on the authorisation resolution by the Ordinary Shareholders' Meeting of 28 April 2022, a plan which concluded on 28 October 2023.
On 12 December 2023, the Ordinary Shareholders' Meeting approved a third share buy-back programme, which began on 9 February 2024. As at 31 December 2024, the Company held 358,546 treasury shares, equal to 1.01% of the subscribed and paid-up share capital.
For a comprehensive description of the changes in Equity, please refer to the appropriate table in the financial statements and the notes to the financial statements.


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operating performance of the Parent Company Sanlorenzo S.p.A.

RECLASSIFIED INCOME STATEMENT

(€'000)	Year ended 31 December				Change	
	2024	% Net Revenues New Yachts	2023	% Net Revenues New Yachts	2024 vs. 2023	2024 vs. 2023%
Net Revenues New Yachts	**765,497**	**100.0%**	**742,543**	**100.0%**	**22,954**	**+3.1%**
Net revenues for maintenance and other services	10,873	1.4%	9,588	1.3%	1,285	+13.4%
Other income	14,476	1.9%	8,851	1.2%	5,625	+63.6%
Operating costs	(638,002)	(83.3)%	(618,131)	(83.2)%	(19,871)	+3.2%
Adjusted EBITDA	**152,844**	**20.0%**	**142,851**	**19.2%**	**9,993**	**+7.0%**
Non-recurring costs	(1,479)	(0.2)%	(352)	-	(1,127)	n,s,
EBITDA	**151,365**	**19.8%**	**142,499**	**19.2%**	**8,866**	**+6.2%**
Amortisation, depreciation and impairment losses	(26,734)	(3.5)%	(26,428)	(3.6)%	(306)	+1.2%
EBIT	**124,631**	**16.3%**	**116,071**	**15.6%**	**8,560**	**+7.4%**
Net financial income/(expense)	5,111	0.7%	5,262	0.7%	(151)	-2.9%
Adjustments to financial assets	135	-	618	0.1%	(483)	-78.2%
Pre-tax profit	**129,877**	**17.0%**	**121,951**	**16.4%**	**7,926**	**+6.5%**
Income taxes	(35,864)	(4.7)%	(34,991)	(4.7)%	(873)	+2.5%
Net profit	**94,013**	**12.3%**	**86,960**	**11.7%**	**7,053**	**+8.1%**

Net Revenues New Yachts of the Parent Company for 2024 were equal to €765,497 thousand, up 3.1% compared to €742,543 thousand reported in 2023.
Operating costs were equal to €638,002 thousand, with margin of 83.3% of Net Revenues New Yachts, up by 3.2% compared to €618,131 thousand in 2023.

Adjusted EBITDA was equal to €152,844 thousand, up by 7.0% compared to the €142,851 thousand reported in 2023, and equal to 20.0% of Net Revenues New Yachts. Also including non-recurring items of €1,479 thousand, referring to non-monetary costs of share incentive plans, EBITDA was €151,365 thousand, equal to 19.8% of Net Revenues New Yachts, up 60 basis points from 19.2% in the previous year, and an increase of 6.2% compared to 2023.

Amortisation/depreciation, amounting to €26,734 thousand, increased by 1.2% on 2023 as the investments made in previous years have been coming on stream.

EBIT was equal to €124,631 thousand, an increase of 7.4% compared to the previous year, representing 16.3% of Net Revenues New Yachts, an increase of 70 basis points from 15.6% in the previous year.

Net financial income amounted to €5,111 thousand, due to continued proactive management of liquidity in a market context that continues to offer attractive opportunities.

The pre-tax result for the year reached €129,877 thousand, increasing by €7,926 thousand, from €121,951 thousand in 2023. Income taxes increased by €873 thousand, from €34,991 thousand in 2023 to €35,864 thousand in 2024.

In light of the above, the net profit for the year of Sanlorenzo S.p.A. came to €94,013 thousand, with margin of 12.3% of Net Revenues New Yachts, with an increase of €7,053 thousand compared to 2023, equal to 8.1%.

STATEMENT OF FINANCIAL POSITION

(€'000)	31 December		Change	
	2024	**2023**	**2024 vs. 2023**	**2024 vs. 2023%**
USES				
Net fixed capital	302,208	229,958	72,250	+31.4%
Net working capital	21,754	(64,718)	86,472	n,s,
Net invested capital	**323,962**	**165,240**	**158,722**	**+96.1%**
SOURCES				
Equity	410,511	338,543	71,968	+21.3%
(Net financial position)	(86,549)	(173,303)	86,754	-50.1%
Total sources	**323,962**	**165,240**	**158,722**	**+96.1%**

Net fixed capital as at 31 December 2024 was equal to €302,208 thousand, a €72,250 thousand increase on the end of 2023, mainly due to the acquisitions and investments made during the year, connected to both the expansion in productive capacity and the development of new models.
Net working capital at 31 December 2024 was positive for €21,754 thousand, compared to a negative figure of €64,718 thousand as at 31 December 2023, a change of €86,472 thousand.

Net financial position as at 31 December 2024 showed a net cash position of €86,549 thousand compared to €173,303 thousand as at 31 December 2023.

(€'000)		31 December			
		2024	of which intra-group	2023	of which intra-group
A	Cash	111,996	-	183,138	-
B	Cash equivalents	-	-	-	-
C	Other current financial assets	49,047	13,205	24,557	621
D	**Liquidity (A + B + C)**	**161,043**	**13,205**	**207,695**	**621**
E	Current financial debt	(2,383)	-	(60)	-
F	Current portion of non-current financial debt	(21,547)	-	(12,673)	-
G	**Current financial indebtedness (E + F)**	**(23,930)**	**-**	**(12,733)**	**-**
H	**Net current financial indebtedness (G + D)**	**137,113**	**13,205**	**194,962**	**621**
I	Non-current financial debt	(50,564)	-	(21,659)	-
J	Debt instruments	-	-	-	-
K	Non-current trade and other payables	-	-	-	-
L	**Non-current financial indebtedness (I + J + K)**	**(50,564)**	**-**	**(21,659)**	**-**
M	**Total financial indebtedness (H+L)**	**86,549**	**13,205**	**173,303**	**621**

Other current financial assets include listed bonds and certificates, as well as loans granted to subsidiaries due within twelve months.

(€'000)	31 December 2024	31 December 2023	Change
EBITDA	151,365	142,499	8,866
Taxes paid	(48,562)	(36,021)	(12,541)
Changes in inventories	(22,689)	(16,779)	(5,910)
Change in net contract assets and liabilities	(101,329)	(21,351)	(79,978)
Change in trade receivables and advances to suppliers	(12,609)	(3,365)	(9,244)
Change in trade payables	68,378	46,104	22,274
Change in provisions and other assets and liabilities	24,677	8,028	16,649
Operating cash flow	**59,231**	**119,115**	**(59,884)**
Change in non-current assets (investments)	(31,504)	(31,616)	112
Business acquisitions and other changes	(74,851)	1,107	(75,958)
Free cash flow	**(47,124)**	**88,606**	**(135,730)**
Interest and financial charges	(1,408)	(1,458)	50
Other cash flows and changes in shareholders' equity	(38,222)	(23,932)	14,290
Change in net financial position	**(86,754)**	**63,216**	**(149,970)**
Net financial position at the beginning of the period	173,303	110,087	63,216
Net financial position at the end of the period	86,549	173,303	(86,754)

TABLE OF RECONCILIATION BETWEEN THE EQUITY AND PROFIT/LOSS FOR THE YEAR OF THE PARENT COMPANY AND CORRESPONDING CONSOLIDATED FIGURES

(€'000)	31 December 2024		31 December 2023	
	Equity	Result for the year	Equity	Result for the year
Equity and result of the Parent Company	**410,511**	**94,013**	**338,543**	**86,960**
Excess of the net assets of the financial statements, including the results for the year, over the carrying values of investments in subsidiaries	24,820	10,916	15,351	7,281
Consolidation adjustments for:				
translation differences	*(656)*	-	277	-
adjustments for uniformity of accounting standards	*1,468*	*(1,673)*	*4,100*	*(512)*
other consolidation adjustments	-	*(134)*	-	*(442)*
Total pertaining to the Group	**436,143**	**103,122**	**358,271**	**93,287**
Equity and net (profit)/loss attributable to non-controlling interests	4,617	(1)	1,690	(448)
Total consolidated financial statements	**440,760**	**103,121**	**359,961**	**92,839**

main risks and uncertainties to which Sanlorenzo S.p.A. and the Group are exposed

MARKET AND OPERATING RISKS

Risks connected to the trend in the international economic situation and its impact on the market in which the Group operates

The Group is exposed to the risks connected with the global economic-financial situation and the economic trend in the specific geographic end markets of its products, intended for a customer base of considerably wealthy individuals. Major economic events concerning the global economy or the economy of the countries in which the Group's customers reside, such as financial and economic crises, may involve a risk of customers losing their propensity to purchase or choose not to finalise the purchase of a yacht already ordered. In this case, the Group would be forced to look for a new buyer, retaining any amounts paid by the customer in the form of advances, in compliance with the contracts signed.

The Group's business model also makes provision for the possibility of withdrawing used yachts for exchange. If the macroeconomic situation should deteriorate, the subsequent reduction in demand could have an adverse impact on the sale times and the sale value of used yachts, involving a reduction in the Group's total revenues and an increase in the inventories of finished products.

Risks connected with the inability to reach the Group's objectives, the competition and growth

The Group's growth objectives are tied primarily to the constant evolution of its products, an increase in productive capacity, consolidation and growth on the international markets and the ability to interpret customers' preferences and the new market trends.

The Group cannot ignore the fact that new products may be introduced to the market later than its competitors or that investments in research and development of new products may not deliver the expected results in terms of sales or may entail higher than expected costs. If the Group is unable to pursue an effective policy of constant product innovation, both in terms of the technological development of the products, and in terms of the response to market expectations, this could mean a drop in the Group's total revenues.

The pursuit of the strategy to increase the productive capacity also depends on an expansion of the existing shipyards, or the identification of new production areas to acquire. The Group cannot rule out that it might be unable to promptly and effectively complete ongoing projects or to identify and carry out adequate investments and that, where realised, said investments might not generate a sufficient return. In order to cope with the growth in orders, in view of the outsourcing of certain production phases, the Group cannot exclude the possibility that it may not be able to find contractors who are adequate for the volumes required or not adequately qualified.

As regards the strategy for consolidation and commercial expansion in international markets, the Group is exposed to the risk of growing operational complexities, which could result in the opening of new offices or branches or the incorporation of new companies for the coverage of the markets in which the Group is not present at the moment, and an increase in human resources to service these needs. The Group is also exposed to risks connected with operations on international markets, such as, inter alia, macroeconomic and financial risks, regulatory, market, geopolitical and social risks.

The luxury yacht market is also impacted by changes in customer tastes and preferences, as well as by changes in the life-styles in the different geographical areas in which the Group operates. If, in the future, the Group was unable to build yachts able to reflect the preferences of its customers, or to identify and anticipate the trends in the luxury goods market, a decrease in Group revenues might occur.

Risks connected with relations with suppliers and contractors, yacht quality and outsourcing

The Group uses suppliers and contractors to obtain components or services necessary to build its yachts. The Group adopts and imposes the highest production standards in order to ensure its customers delivery of yachts of the utmost quality and reliability. However, the Group cannot overlook the fact that suppliers and contractors may not observe the Group's quality standards, as well as the relevant regulations applied to them, may deliver defective raw materials or products or that do not meet the agreed technical specifications, or carry out works that do not conform to the technical specifications or state of the art, or may be unable to deliver the latter within the times established beforehand for any reason.

For this reason, the Group might be unable to meet the demand for its products or deliver defective or faulty final products, or be late in its deliveries, or receive requests to terminate contracts already in the process of being executed, requests for compensation for damages owing to liability for defective or hazardous products or for the payment of contractual penalties where set forth in the sale contracts, as well as requests to return yachts already delivered, with an increase in costs for the Group and possible damage to its reputation.

The Group may also receive requests for the replacement of defective components; in this case, the Group cannot rule out being involved in settlements in the future, with the payment of compensation, or in judicial proceedings in which it is defendant.

Risks relating to extraordinary events that may lead to interruptions in the activities and operations of the production plants

The Group is exposed to the risk of having to interrupt or suspend its production activities due to events out of its control, such as the revocation of permits and authorisations, natural catastrophes, epidemics. In consideration of the location of the Parent Company's production sites, situated in proximity to waterways and water basins or on the sea, the latter is exposed to the risk that natural disasters (such as floods, river overflow, seaquakes) could compromise all or part of its operations.

The interdependence between the activities carried out at the production sites of the Yacht Division (Ameglia, Viareggio, Massa) also involves a risk that the event, which stunts the activities of one of the shipyards, may have repercussions for the activities of the other sites, with a subsequent impact on overall production.

The restoration of the facilities following prejudicial extraordinary events could cause an increase in costs, the incurring of potential losses, as well as the need to modify the Group's investments plan.

Risks connected with the operating relationship with the representative brands

The Group entrusts the distribution of its products to a small number of representative brands and, to a lesser extent, to brokers that establish contact with potential customers and receive a commission in the event of a sale. The contracts stipulated with the representative brands make provision for a right of distribution within the area assigned to each one and minimum purchase obligations. These obligations are fulfilled, if necessary, through stock purchases.
The Group is exposed to the risk of not reaching the sales volumes through representative brands established beforehand, due to the termination of relationships held with said parties or their inability to achieve the pre-established objectives in the reference markets. The Group is also exposed to the risk of failing to adequately and promptly replace its brand representatives in the event of the termination of the associated contractual relations or a general deterioration in the sales performances of its distribution network.

Risks associated with changes in the reference regulatory framework

The Group is exposed to the risk that Group operations may be impacted by the issuing of new regulations or amendments to the legislation in force, which require the adoption of more stringent construction standards or, if necessary, regulatory changes regarding tax matters and on yacht sales (such as the VAT percentage, duty on imports by foreign countries, taxation on luxury goods in Italy or abroad, or embargoes) or on sailing (such as legislation regarding fuels, environmental impact and emissions). The Group is also exposed to risks related to fire safety legislation and accidents involving workers, as well as the change of environmental regulations.

FINANCIAL RISKS

Credit risk

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 boat 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.

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 31 December 2024, the Group has bank credit lines to meet liquidity needs of €169,986 thousand[19], of which €130,788 thousand not used, in addition to €174,448 thousand of cash (including €38,801 thousand of financial investments) and against a total gross debt of €145,369 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 investments in products and financial instruments with counterparties of primary standing.

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

Exposure to the fluctuation in interest rates

The Group is exposed to changes in interest rates on its medium-long term floating rate debt instruments, entirely referring to the €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, 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.

Exposure to the fluctuation in exchange rates

The Group's exposure to foreign exchange risk is limited, as the €is the currency primarily used for the sale of yachts. The residual cases of sales of yachts in other currencies 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 boat, 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 transactions through derivatives instruments, typically forwards or other types of forward sale with financial counterparties of primary standing.
As far as costs are concerned, as production is carried out in Italy with Italian suppliers and contractors, costs in currencies other than the €are residual and sporadic, and therefore no hedging operations are carried out.

RISKS RELATED TO DISPUTES AND TAX AUDITS

The Parent Company is party to some judicial or arbitration proceedings regarding the normal performance of its ordinary activities, which may give rise to obligations for it to make payments, also in the form of compensation. As far as the Parent Company is aware, these proceedings are not, in any case, able to generate significant unfavourable results; however, an unfavourable outcome to these disputes cannot be ruled out. This scenario could have negative effects on the Group's economic, equity and financial position.
For more details regarding administrative, judicial and arbitration proceedings in which the Group is a party, please refer to the associated notes to the Consolidated Financial Statements and the Annual Financial Statements contained in this Financial Report.

CLIMATE RISKS

The Group is aware of the potential climate risks it is exposed to and implements a series of measures to strategically and preventively consider these risks; for the mapping of risks and opportunities related to the ESG (Environmental, Social, Governance) sphere please refer to the "Consolidated Sustainability Report".
Moreover, national and international regulatory developments are regularly monitored in order to be able to respond in a timely manner to new legislative requirements on the matter, and it constantly adapts its product offering to the demands and needs of its clients.
Finally, as at 31 December 2024, considering the specific characteristics of the Group's operations and the nature of climate risks, there is no material impact (as defined in IAS 1) on these Consolidated Financial Statements.

research and development activities

Research and development activities play a central role in the Group's business model and aim at creating products with a high innovative content from a design, technology and environmental sustainability perspective, able to meet the needs of its customers.

(€'000)	31 December				Change	
	2024	% Net Revenues New Yachts	2023	% Net Revenues New Yachts	2024 vs. 2023	2024 vs. 2023%
Internal costs	2,100	0.2%	1,676	0.2%	424	+25.3%
External costs	4,332	0.5%	5,248	0.6%	(916)	-17.5%
Costs of research and development activities	**6,432**	**0.7%**	**6,924**	**0.8%**	**(492)**	**-7.1%**

For the year ended as at 31 December 2024, total spending, including costs and investments incurred by the Group for research and development activities, primarily relating to projects for new models of yachts and superyachts, came to €6,432 thousand, marking a decrease of €492 thousand on 2023 and margin of 0.7% of Net Revenues New Yachts.

For further details on research and development activities, please refer to the consolidated non-financial statement, available on the Company's website www.sanlorenzoyacht.com in the section "Responsible development".

human resources

As at 31 December 2024, Sanlorenzo Group had a workforce of 1,659 employees, of which 45.6% at the Parent Company.

	31 December 2024		31 December 2023		Change	
	Units	% of total	Units	% of total	2024 vs. 2023	2024 vs. 2023%
Sanlorenzo S.p.A.	757	45.6%	703	66.0%	54	+7.7%
Bluegame S.r.l.	74	4.5%	70	6.6%	4	+5.7%
I.C.Y. S.r.l.	46	2.8%	36	3.4%	10	+27.8%
Equinoxe S.r.l.	7	0.4%	6	0.6%	1	+16.7%
Sanlorenzo Arbatax S.r.l.	5	0.3%	3	0.3%	2	+66.7%
Duerre S.r.l.	153	9.2%	144	13.5%	9	+6.3%
Sea Energy S.r.l.	78	4.7%	73	6.9%	5	+6.8%
Polo Nautico Viareggio S.r.l.	16	1.0%	16	1.5%	-	-
Sanlorenzo of the Americas LLC	11	0.7%	11	1.0%	-	-
Sanlorenzo Baleari SL	3	0.2%	2	0.2%	1	+50.0%
Sanlorenzo Côte d'Azur SAS	1	0.1%	1	0.1%	-	-
Sanlorenzo Monaco SAM	2	0.1%	-	-	2	n,a,
Nautor Swan Group	394	23.7%	-	-	394	n,a,
Simpson Marine Group	112	6.7%	-	-	112	n,a,
Group employees	**1,659**	**100%**	**1,065**	**100%**	**594**	**+55.8%**

Please note that the Nautor Swan Group and the Simpson Marine Group, as at 31 December 2023, were not part of the Sanlorenzo Group and, therefore, the comparative data on the number of employees is not reported.
At category level, workers recorded the greatest growth during the year, with an increase of 296 units, linked above all to the entry into the Group of the companies Nautor Swan S.r.l. and Simpson Marine S.r.l. and their subsidiaries in the consolidation perimeter.

Please note that the Nautor Swan Group and the Simpson Marine Group, as at 31 December 2023, were not part of the Sanlorenzo Group and, therefore, the comparative data on the number of employees is not reported.
At category level, workers recorded the greatest growth during the year, with an increase of 296 units, linked above all to the entry into the Group of the companies Nautor Swan S.r.l. and Simpson Marine S.r.l. and their subsidiaries in the consolidation perimeter.

	31 December		Change	
	2024	2023	2024 vs. 2023	2024 vs. 2023%
Executives	60	42	18	+42.9%
White collars	1,021	741	280	+37.8%
Blue collars	578	282	296	+105.0%
Group employees	**1,659**	**1,065**	**594**	**+55.8%**

The distribution by geographic area saw the largest growth in Italy, which accounted for 70.6% of Group employees as at 31 December 2024.

	31 December		Change	
	2024	2023	2024 vs. 2023	2024 vs. 2023%
Italy	1,172	1,051	121	+11.5%
Rest of Europe	363	3	360	n,s,
United States	12	11	1	+9.1%
APAC	112	-	112	n,a,
Group employees	**1,659**	**1,065**	**594**	**+55.8%**

corporate governance

Sanlorenzo, a company listed on the segment Euronext STAR Milan of Borsa Italiana, adopted a traditional corporate governance model constructed in compliance with the regulatory provisions and the recommendations of the Corporate Governance Code for listed companies approved by the Corporate Governance Committee of Borsa Italiana S.p.A. which Sanlorenzo adheres to.
Sanlorenzo adopts the traditional administration and control systems, pursuant to articles 2380-bis et seq. of the Italian Civil Code, detailed below:

- the Shareholders' Meeting, ordinary and/or extraordinary, is responsible for resolving, among other things, on (i) the appointment and revocation of the members of the Board of Directors and the Board of Statutory Auditors as well as on their compensation; (ii) the approval of the financial statements and allocation of profits; (iii) amendments to the By-laws; (iv) the assignment of the independent audit engagement, based on a justified proposal of the Board of Statutory Auditors; (v) incentive plans;
- the Board of Directors holds a central role in the corporate organisation and it is responsible for the functions and the strategic and organisational guidelines, as well as for verifying the necessary controls are in place to monitor the performance of the Company and the Group. The Board of Directors has arranged for the internal setting up of the Control, Risks and Sustainability Committee, the Remuneration Committee, the Nomination Committee and the Related-Party Transactions Committee;
- the Board of Statutory Auditors shall oversee, among other things, compliance with the law and the By-laws, with the principles of correct corporate governance, and, above all, the adequacy of the organisational, management and accounting structure adopted by the Company and its proper functioning;
- the Independent Auditing Firm conducts the statutory audit. The independent auditors are appointed by the Shareholders' Meeting on the proposal of the Board of Statutory Auditors. The external auditor carries out its activity independently and autonomously.

Pursuant to article 123 of Italian Legislative Decree no. 58 of 24 February 1998 (Italian Consolidated Law on Finance), the Company is required to draft an annual report on corporate governance and ownership structures, providing a general description of the governance system adopted by Sanlorenzo Group and information on the ownership structures, including the main governance procedures applied and the characteristics of the risk management and internal control system in relation to the financial disclosure process.
The aforementioned report, approved by the Board of Directors on 10 March 2025 can be consulted on the Company's website www.sanlorenzoyacht.com, in the "Corporate Governance/Meetings/Ordinary and Extraordinary Shareholders' Meeting of 29 April 2025" section.

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 2023, 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/Internal Committees" 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, the Company provides the information required pursuant to article 154-ter of Italian Legislative Decree no. 58 of 24 February 1998 (Italian Consolidated Law on Finance) as indicated in Consob Regulation no. 22144 of 22 December 2021.

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.
As at 31 December 2024, Sanlorenzo S.p.A. held 358,546 treasury shares, equal to 1.01% of the subscribed and paid-up share capital.

significant events during the year

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 enjoys an important tax benefit (consisting of lower IRES and IRAP taxes), which has already been defined for the tax periods from 2020 to 2023, while for the tax period 2024 this tax benefit is currently being quantified.

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.

FUSIONE PER INCORPORAZIONE DI EQUINOXE YACHTS INTERNATIONAL S,R,L, IN EQUINOXE S,R,L,

In data 12 aprile 2023 è stato redatto l'atto di fusione per incorporazione di Equinoxe Yachts International S,r,l,. detenuta al 100%. in Equinoxe S,r,l, Gli effetti giuridici della fusione decorrono dal 27 aprile 2023 mentre gli effetti contabili e fiscali decorrono dal 1° gennaio 2023,

ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF 26 APRIL 2024

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 luxury 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 (Hydrogen Support Vessel), the zero-emission chase boat, which has sailed at 50 know using foils, built for two major challenger teams in 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 recreational boating 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.

DELIVERY OF THE SUPERYACHT '50STEEL HER' WITH REFORMER FUEL CELL SYSTEM DESIGNED TOGETHER WITH SIEMENS ENERGY

In July, Sanlorenzo S.p.A. delivered the first unit of the 50Steel, the world's first superyacht with a Reformer Fuel Cell system designed together with Siemens Energy, which supplies all the electrical needs of the hotellerie services with methanol reformed into hydrogen directly on board, avoiding the need to store large quantities of it.

The Reformer Fuel Cell system, certified by Lloyd's Register, is totally carbon-neutral and significantly increases the time spent at anchor without consuming diesel fuel, covering around 90% of a superyacht typical operating time in zero emissions. Thanks to this revolutionary solution, the 50Steel received the 'SEA Index' certification, issued by the Yacht Club de Monaco and Credit Suisse, in collaboration with Lloyd's Register. This certification, conceived to reward cutting-edge projects capable of charting the course of the entire nautical sector, is the standard of reference for assessing a boat's energy efficiency and environmental impact, measured by the CO2 emissions it produces.

The 50Steel introduces another important innovation to the market that is destined to mark the history of the nautical industry: the patented "HER" (Hidden Engine Room) system, revolutionary on-board concept, designed by the Zuccon International Project studio and Piero Lissoni, which modifies the boat'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.

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. as proponent, 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 as well as an industrial research and experimental development programme regarding new, innovative yachts.
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.

OPENING OF NEW SIMPSON MARINE GROUP OFFICES IN VIETNAM

Following the establishment in June of 'Simpson Marine Australia Pty Ltd', a wholly-owned subsidiary based in Toronto, New South Wales, in July, the Simpson Marine Group opened new offices in Vietnam. The opening of the Australian office and the Vietnam offices has a highly strategic value for the Sanlorenzo Group'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.

DELIVERY OF BLUEGAME 'BGH-HSV' CHASE BOATS TO THE CHALLENGERS OF THE 37TH AMERICA'S CUP

In August, Bluegame S.r.l., a wholly-owned subsidiary of Sanlorenzo S.p.A., delivered the two BGH-HSV (Hydrogen Support Vessel) tenders with exclusively hydrogen propulsion, speeds of 50 knots, a range of 180 miles and use of foils, to the New York Yacht Club teams American Magic and Orient Express, ready to be used in the 37th edition of the prestigious America's Cup in Barcelona.
For Bluegame and the entire Sanlorenzo Group, this is a memorable achievement, to date the highest possible expression of sustainable technology on board a boat, achieved after accepting an extremely complex challenge, which started in 2022, from a design and technical point of view. To ensure the success of the project, Bluegame relied on an exceptionally competent team, whose members were all involved in the design of the last America's Cup editions, achieving the greatest possible know-how in the areas of structures and composites, foil design and the management of the software that controls the trim of these highly sophisticated flying boats.

ACQUISITION OF THE NAUTOR SWAN GROUP

On 1 August 2024, Sanlorenzo S.p.A. and Sawa S.r.l. with sole shareholder, a company controlled by Leonardo Ferragamo, signed a binding contract providing for the sale by Sawa S.r.l. with sole shareholder 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 aforementioned Contract, 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 ("First Closing Equity Value"), 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 exclusion of pre-emptive rights reserved to Sawa S.r.l. with sole shareholder, unless technical difficulties arise that prevent its timely execution. The issue price of Sanlorenzo shares is calculated as the arithmetic average of the stock market closing prices in the 30 calendar days preceding the relevant 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 €32,355 thousand, and paid €16,177 thousand in escrow account, to be released in correspondence with the capital increase reserved for Sawa S.r.l. with sole shareholder. The price of the Sanlorenzo shares for the purpose of payment in shares, equal to the arithmetic average of the stock market closing prices in the previous 30 calendar days, was calculated as €38.4727, which implied a subsequent issue of 420,489 shares in favour of Sawa S.r.l. with sole shareholder against the Initial Closing value of €16,177,367.36 paid in shares (see the paragraph below "Ordinary and Extraordinary Shareholders' Meeting of 30 September 2024").

IMPROVED SCORE IN THE S&P CORPORATE SUSTAINABILITY ASSESSMENT

On 16 August 2024, Sanlorenzo S.p.A. obtained an improvement in S&P's Corporate Sustainability Assessment score from 31 in 2023 to 38 in 2024. Sanlorenzo ranks in the 87th percentile, i.e. in the top 13% of the industry (LEG: Leisure Equipment & Products and Consumer Electronics). All areas of the assessment (Governance, Environment and Social) scored better than the previous analysis.
The Company remains committed to accurately and transparently disclosing its sustainability journey, welcoming the results of the major rating agencies' assessments and considering them as inspiration for further improvement.

ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING OF 30 SEPTEMBER 2024

On 30 September 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 extraordinary session, the Shareholders' Meeting:

- approved the non-divisible share capital increase with exclusion of the pre-emptive rights and the consequent amendment of Article 5 ('Share Capital') of the By-laws;
- approved the amendment of Articles 10 ('Participation and representation in the shareholders' meeting') and 11 ('Shareholders' meeting proceedings') of the By-laws.

In the ordinary session, the Shareholders' Meeting:

- appointed Leonardo Ferragamo as new Director of the Company;
- approved the 'Foreign Commercial Subsidiaries Plan'.

Following the resolution of the aforementioned Extraordinary Shareholders' Meeting, the share capital increase, which is part of the Company's acquisition of 100% of the Nautor Swan Group's share capital from Sawa S.r.l. with sole shareholder, was executed on the same date with the issue of 420,489 ordinary shares of Sanlorenzo with no nominal value and subscribed by Sawa S.r.l. with sole shareholder. It should also be noted that, in correspondence with the share capital increase reserved for Sawa S.r.l. with sole shareholder, €16,177 thousand previously paid in escrow on 2 August 2024 was released.

LIFE MYSTIC PROJECT PRESENTATION

On 18 October 2024, Sanlorenzo S.p.A. presented the project LIFE MYSTIC (Methanol for Yachting Sustainable energy Transition applied to Internal Combustion engines), realised in collaboration with Nanni Industries and Ranieri Tonissi, for the realisation of the first bi-fuel green methanol superyacht that will see the light by 2027.
The project will last 54 months and involves a total investment of more than €4.8 million, 60% of which will be covered by European funds obtained under the 'Circular Economy and Quality of Life' funding line of the LIFE programme.
The aim of the LIFE MYSTIC project is to test engines and generators for superyachts powered by a combination of diesel and methanol, and important results are expected in terms of reducing environmental impact.
LIFE MYSTIC is part of the 'Road to 2030' plan with which the Group aims to be a pioneer in environmental sustainability, making it a strategic lever for business growth. The initiative thus represents a fundamental step in the journey that saw the delivery of the Sanlorenzo 50Steel superyacht, the first superyacht in the world to use the Reformer-Fuel Cell green methanol system for electricity generation, and which aims to launch the first carbon-neutral vessel by 2030.

significant events after year-end

SANLORENZO AND MAN TOGETHER FOR THE FIRST YACHT WITH BI-FUEL PROPULSION

On 21 January 2025, during the press conference held at Boot Düsseldorf, Sanlorenzo S.p.A. presented the innovative project, developed in partnership with MAN, for the realisation of the first bi-fuel propulsion system using green methanol, which will be installed on board the new Superyacht 50X-Space, scheduled to be launched in 2027, and which will reduce emissions during navigation by up to 70%.
The project is part of the 'Road to 2030' strategy, confirming the company's pioneering role in technological innovation to reduce environmental impact, making sustainability a strategic lever for the growth of its business. An ambitious path, which anticipates and exceeds global and European regulatory standards, and which aims at the realisation of the first carbon-neutral vessel by the end of the decade, thanks also to strategic partnerships with international players that started as early as 2021 with Siemens Energy.

NAUTOR SWAN AND AMERICAN MAGIC: THE NEW ERA OF SAILING IN THE USA

After the collaboration with Bluegame, which built the BGH-HSV (Hydrogen Support Vessel) chase boat for the US club at last summer's regattas, this time it is the turn of Nautor Swan. In fact, the agreement between the Sanlorenzo Group brand and American Magic envisages the creation of a strategic partnership aimed at energising the sailing sector and growing the nautical industry in America.
This collaboration aims to synergistically leverage American Magic's cutting-edge technological and construction expertise with Nautor Swan's hard-won sailing yacht design and manufacturing capabilities, with the goal of expanding Nautor Swan's yacht presence in the United States while supporting American Magic's mission to lead US sailing into a new era of innovation and competition.
Initially, the joint venture will focus on the development of ClubSwan 28 racing, creating a new competition platform for sailors and owners in the US. The first regattas will take place in Pensacola (home of American Magic) and on the East Coast in late 2025. In addition to the ClubSwan 28 project, the joint venture will work to promote Nautor Swan sales and service in the US and will explore other activities, including the construction of Nautor Swan and Bluegame boats at the American Magic facility.

Combining Nautor Swan's iconic design with American Magic's advanced engineering and boat-building capabilities, this collaboration will elevate the US sailing scene by introducing world-class boats and racing and cementing both companies' leadership in nautical innovation, competitive performance and industry growth.

APPROVAL OF THE MERGER BY INCORPORATION OF NAUTOR ITALY S.R.L. INTO NAUTOR SWAN S.R.L.

On 27 January 2025, the Boards of Directors of Nautor Italy S.r.l. and Nautor Swan S.r.l. approved the plan to merge Nautor Italy S.r.l. into Nautor Swan S.r.l. with retroactive effect from 1 January 2025, with the aim of simplifying and rationalising the structure.

SIMPSON MARINE GROUP REORGANISATION

In February 2025, a process of reorganisation of the Simpson Marine Group was initiated, involving a rationalisation of the companies present in Honk Kong under Simpson Marine Limited, with the aim of exploiting synergies in the same territory and simplifying the structure and related processes.

business outlook

Sanlorenzo continues to benefit from a robust performance in its traditional markets and from the competitive advantage deriving from its peculiar business model: high-end brand positioning, exclusive yachts purely at the top end of the market segment between 24 and 75 metres in length, built solely to order and distributed directly or through a small number of brand representatives, always at the forefront in terms of innovation and sustainability.

In 2024, in line with its DNA and distinctive vision, the Sanlorenzo Group therefore continued on its path of controlled growth, with turnover up 10.7% YoY. Geographically, in particular, there was a significant rebound in the Americas region (+58.4% YoY), whose incidence on the turnover mix (15.8%) is approaching the historical average compared to a relatively underwhelming 2023, and a continued expansion of the MEA region (+55.4% YoY), which confirms itself as the most effervescent region globally for yachting growth at the moment.

The net backlog is substantially in line with the level at the end of 2023, effectively consolidating its historical highs. Once again, we highlight the high quality, in terms of product mix, implicit margins derived from sales prices, and from the fact that 88% of the order backlog is sold to end customers, thus maintaining an orderly control of the market in terms of customer selection and demand management. There thus continues to be a high level of visibility on revenue and margin trends for the coming quarters, with benefits in terms of future planning, even in a context of macroeconomic and geopolitical uncertainty.

Global luxury yachting, particularly the very high-end brands of 30 metres and above, continues to benefit from the structural growth of Ultra High Net Worth Individuals (UHNWI), whose numbers are expected (also in the latest UBS Report update) to grow in the medium term at a rate of 26,000 per year, well above the approximately 1,100 yachts under construction at the end of December 2024 (source: Global Order Book of Boat International). The only country bucking the trend, noting a reduction in the number of UHNWI in recent years, is China, currently in a complex phase but with marginal weight within the Group's geographical mix. In a context in which the number of units produced is rising on average at a lower rate than the number of UHNWIs, the sector continues to benefit from a potential demand in excess of supply.

In the coming years, the Sanlorenzo Group will be able to enjoy the major investments realised and sustained in 2024, particularly along two axes: (i) the entry into the sailing yacht segment with the acquisition of Nautor Swan, and (ii) the acceleration of the execution of the direct distribution strategy, with the acquisition of Simpson Marine in APAC and the establishment of Sanlorenzo MED, including the historical offices in Palma de Mallorca and the new offices opened in Monaco and Cannes.

Nautor Swan, in particular, comprises 13 companies located in 7 countries (Finland, Italy, Spain, Monaco, the United Kingdom, the United States and Australia); this acquisition represents another milestone in the Group's strategy. Nautor Swan is a leading shipyard in the yacht sailing segment, with an ultra-exclusive niche brand whose philosophy is perfectly consistent with that of Sanlorenzo. Nautor Swan's heritage is recognised worldwide for its key elements and the union of the Sanlorenzo and Nautor Swan brands - each with its own exclusive and limited offer, aimed at its own club of connoisseurs, not overlapping with each other - will create a unique nautical hub: the best of motor and sailing yachting.

A RESPONSIBLE JOURNEY

Green tech solutions for a yachting paradigm shift

According to the "SYBAss Economic Report 2023", up to 75% of potential buyers are interested in making their yachts more environmentally friendly. The combined pressure stemming from the increasingly sustainability-conscious and responsible demands of customers and a more restrictive regulatory framework in terms of emissions from the maritime industry as a whole has instilled in Sanlorenzo a firm belief that implementing a serious, long-term strategy on sustainability in luxury yachting is no longer optional.

In line with the 'Road to 2030', the spirit of innovation continues to permeate every aspect of the Group's activities, from concept design to cutting-edge technological solutions, and characterises a strategic path that embodies the ambitions and vision of the company, which is increasingly pioneering in the use of technologies aimed at sustainable yachting.

On the new technology front, concrete evidence of the innovative soul of the Sanlorenzo group are three yachts that have marked significant milestones in 2024: the delivery in the summer of 2024 of Sanlorenzo 50Steel, the world's first superyacht with a Reformer Fuel Cell system capable of transforming green methanol into hydrogen and subsequently into electricity to power all the yacht's hotellerie equipment without the hydrogen being stored on board; Bluegame BGH-HSV, a zero-emission, hydrogen-only foil-powered chase boat that has joined the American Magic and Orient Express teams in the America's Cup; and the Swan 88 DreamCatcher, which won the Eco Award at BOAT International Design & Innovation Awards for its advanced diesel-electric hybrid propulsion system.

On the collaborations and projects-in-progress front, a partnership was signed with MAN in January 2025, for the development of the first green methanol bi-fuel propulsion system, which will be installed on board the new 50 X-Space with delivery scheduled for 2027, and which will reduce emissions at sea by up to 70%.

In line with Sanlorenzo's international positioning as a creator and promoter of the best that Italian culture can express, the renovation of Casa Sanlorenzo in Venice is nearing completion, with inauguration scheduled for summer 2025. It will host the site of Sanlorenzo Arts Venice, a 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.

sustainable, profitable growth

After years of above-trend growth post-pandemic, with rates above 25% in 2021 and 2022 and low-double-digit in 2023, Sanlorenzo further consolidates turnover in 2024, recording a double-digit growth rate with the contribution on a 5-month basis from Nautor Swan and mid-to-high single-digit on an organic basis.

Focused on the quality of revenues and steadily increasing margins, the Company can rely on a unique business model more akin to luxury than yachting, as well as on a prudent investment policy that ultimately results in a high return on investment and a substantial cash generation capacity.

As a result, Sanlorenzo now boasts an extremely solid balance sheet position, maintaining, even after the significant acquisitions of Nautor Swan and Simpson Marine, a net cash position that allows it to seize investment opportunities that arise in the market, while continuing to remunerate its shareholders and stakeholders.

Among the drivers of development with a positive impact expected already in the short to medium term:

i) pursue the strategy of strengthening the direct presence in international yachting hubs, ensuring a strong proximity to selected customers and strengthening Sanlorenzo's competitive advantages in terms of customisations and customer experience; in financial terms, positive impacts are expected in terms of internalisation of unit gross margin and cross-selling of services (e.g. charters) on a cross-border basis between Sanlorenzo's various direct hubs worldwide;
ii) integration and grounding of synergies with Nautor Swan, in terms of product development (two new lines are scheduled to be launched in the next few years), sharing of technologies, production know-how, sales network, and economies of scale in acquisitions and centralisation of corporate functions on the parent company.

In the medium to long term, on the other hand, there remains the opportunity to develop services, a significant additional potential that to date has been only minimally exploited, particularly in respect of refit projects, a high-margin business, acyclic and synergic with the Sanlorenzo customer base, which requires the acquisition of suitable infrastructures.
On the strength of an increasingly structured organisation and the increasingly consolidated global leadership position, with a pro-forma turnover close to €1 billion for this year, there are all the prerequisites for continuing to gain market share in the most strategic, exclusive and profitable segments, while maintaining the quiet luxury approach that binds all the Group's brands.

GUIDANCE FOR 2025

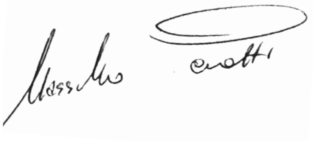
In light of the consolidated results as of 31 December 2024 and taking into account the subsequent trend in order intake, the Company announces the Guidance for 2025[20], which consolidates the record levels of 2024 and reflects in the growth rate and margins, the consolidation of Nautor Swan for the full 12 months.

(€ million and % margins of Net Revenues New Yachts)	**Actual 2023**	**Actual 2024**	**Guidance 2025**	**Change 2025 vs. 2024[21]**
Net Revenues New Yachts	840.2	930.4	960-1,020	+6%
EBITDA[22]	157.5	176.4	178-194	+5%
EBITDA margin[22]	18.7%	19.0%	18.5%-19.0%	-0.2%
EBIT	125.9	139.3	139-149	+3%
EBIT margin	15.0%	15.0%	14.5%-14.6%	-0.4%
Group net profit	92.8	103.1	103-110	+3%
Investments	44.5	49.3	48-50	-1%
% incidence over Net Revenues New Yachts	*5.3%*	*5.3%*	*4.9%*	*-0.4%*

The amount of the Backlog related to 2025, amounting to €623,069 thousand, allows for substantial visibility on expected revenues in the current year, with a coverage level at the mid-point of the Guidance of 63% already at 1 January 2025.

Ameglia, 10 March 2025

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



[20] *On a like-for-like basis and excluding potential extraordinary transactions.*
[21] *Calculated on the average of the guidance interval.*
[22] *The figures for 2022 refer to adjusted EBITDA, which differs from reported EBITDA by less than 0.5%.*

III

REPORT ON OPERATIONS
SECTION THREE
CONSOLIDATED SUSTAINABILITY REPORT

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1. General disclosures

1.1 ESRS 2 GENERAL DISCLOSURES

1.1.1 Basis for preparation

BP-1 - General basis for preparation of sustainability statements
This document represents the Consolidated Sustainability Report (hereinafter also "the Report") of the Sanlorenzo Group (hereinafter also "Sanlorenzo" or "the Group"), drawn up in compliance with Legislative Decree 125/2024, issued in implementation of Directive 2022/2464/EU ("Corporate Sustainability Reporting Directive") and with the requirements of article 8 the EU Regulation 2020/852 of the European Parliament and of the Council and related Delegated Regulations.

The Consolidated Sustainability Report has been prepared in accordance with the European Sustainability Reporting Standards (hereinafter also referred to as 'ESRS') promulgated by the European Commission; the reporting scope includes the Parent Company Sanlorenzo S.p.A. (hereinafter also 'the Parent Company') and all companies consolidated on a line-by-line basis in the Group's Annual Financial Report as of 31 December 2024.

In the process of defining the content and information to be reported in this document, all the relevant players along the value chain were taken into account, identified on the basis of the model through which the Group's core business is developed, both upstream (supply chain) and downstream (mainly yacht owners). In this context, the value chain information reported in this document refers to the policies adopted by the Group in relation to IROs identified as relevant in the value chain and the GHG emissions metric of Scope 3.

The Group did not make use of the option to omit specific information corresponding to intellectual property, know-how or innovation results.

In addition, the Group did not avail itself of the exemption to disclose information on upcoming developments or matters under negotiation.

The frequency of reporting will be annual and the Group has applied the phase-in provisions in accordance with Annex C of ESRS 1 for ESRS S1-7 and for certain disclosure requirements. For more details regarding the application of the phase-in, please refer to the table provided in the section 'IRO-2 - Disclosure requirements in ESRS covered by the undertaking's sustainability statement.

For more details on the application of phase-ins, please refer to Section IRO-2 - Disclosure Requirements in ESRS covered by the undertaking's sustainability statement.

For the actions taken in relation to sustainability aspects indicated in each chapter, the Group has defined as significant the amounts of operating and capital expenditure exceeding the threshold of Euro 1.9 million.

BP-2 - Disclosure in relation to specific circumstances

In preparing the Consolidated Sustainability Report, the Sanlorenzo Group adopted the definition of time horizons in line with ESRS 1 6.4 'Definition of short, medium and long term for reporting purposes'. In particular, the time horizons were defined as follows:

- Short-term: one year (i.e., the period adopted by the company as the reference period for its financial statements);
- Medium-term: one year to five years;
- Long-term: over five years.

In preparing the disclosures, the Group needed to make use of estimates of data and information related to the value chain for the calculation of Scope 3 emissions (more detailed in in section E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions).

In general, where estimates have been used in the quantification of data, an appropriate indication of the methodology adopted is given at the foot of the relevant figure included in the relevant section. In any case, it should be noted that the estimates made for the purposes of this Report are not, on the whole, characterised by a high level of uncertainty, with the exception of Scope 3 emissions, with a low level of uncertainty for most categories, and a medium level of uncertainty for the category associated with emissions from the purchase of goods and services and the category associated with emissions from the disposal of the finished product. Please refer to ESRS E1 Climate change for more details. In addition, there is a low level of uncertainty in relation to the quantitative reporting of resource inflows (materials and products). Please refer to ESRS E5 Resource use and circular economy for more details.

The Sanlorenzo Group does not include in its sustainability reporting additional information derived from other legislation requiring the disclosure of sustainability information or from other generally accepted standards and frameworks for sustainability reporting with the exception of the requirements of EU Regulation 2020/852 of the European Parliament.

Finally, it should be noted that the Sanlorenzo Group avails itself of the transitional provision whereby, in order to facilitate initial application, it is not required to report comparative information in the first year of preparation of this Report. In fact, the adoption of the European Sustainability Reporting Standards (ESRS) provided for new reporting methods, in terms of both the scope of consolidation and the metrics adopted, which do not allow for a comparison with the qualitative-quantitative information published in previous years in compliance with the disclosure requirements then in force.

1.1.2 Governance

GOV-1 - The role of the administrative, management and supervisory bodies

The Group's Corporate Governance is based on the principles of correct and transparent management of business activities, to which the information flows between corporate sipervisory bodies and the internal control and risk management system also contribute. The main corporate bodies are the Shareholders' Meeting, the Board of Directors with its Board committees (including the Control, Risks and Sustainability Committee), and the Board of Statutory Auditors.

The Board of Directors, made up of 50% women (6) and 50% men (6), plays a central role within the Governance System, as it is entrusted with the functions and responsibilities of determining, also with reference to the areas of sustainability, the Company's strategic and organisational guidelines, as well as ensuring that the Company operates in compliance with laws and regulations. Specifically, the Board of Directors consists of 3 executive members (1 woman and 2 men) and 9 non-executive members (5 women and 4 men) representing 25% and 75% of the B.o.D. respectively. Of the Board of Directors, 42% consists of independent members 3 women (25%) and 2 men (17%).

On the other hand, the Board of Statutory Auditors consists of 3 persons (34% women and 66% men).

Furthermore, the Board of Directors of Sanlorenzo S.p.A. does not include members representing employees or other workers. However, the company promotes a culture of sustainability and diversity through internal policies that include employee participation in company initiatives and development programmes.

The Parent Company's Board of Directors is also composed of members with relevant and consolidated expertise in the nautical sector, in luxury and high-end products and in the international markets in which the Group operates.

The Board of Statutory Auditors includes representatives with professional experience in the areas of the internal control system, compliance and risk management.

The Board of Directors of Sanlorenzo S.p.A. is responsible for the supervision and monitoring of impacts, risks and opportunities, and plays a central role in the strategic and operational management of the company. The Board of Directors is assisted by the Control, Risks and Sustainability Committee, which is responsible for monitoring and managing the Group's impacts, risks and opportunities.

In addition, the Group Sustainability Function acts in support of the Control, Risks and Sustainability Committee and plays a coordinating and supporting role to all corporate functions (e.g. environment, human resources) in charge of the operational management of impacts, risks and opportunities.

The Sustainability Function is in charge of managing sustainability activities and headed by the Sustainability Coordinator, who coordinates sustainability initiatives and developments at the operational level.

The Control, Risks and Sustainability Committee reports to the Board of Directors through regular meetings. The reporting lines are structured in such a way that the Committee receives regular updates from management and the Sustainability Function on the management of impacts, risks and opportunities.

The Board of Directors has direct access to information on risks and opportunities, both from the Committee and from direct management relations with the various contact persons in charge.

The Board and the Control, Risks and Sustainability Committee directly oversee sustainability impacts, with a focus on integrating policies that mitigate risks and exploit opportunities to create long-term value.

The company's governance and control policies include the management of risks, including sustainability risks, and are regularly updated to align with current regulations and corporate objectives.

The Group applies specific controls and procedures to manage impacts, risks and opportunities in various areas (economic, environmental and social). These controls are an integral part of the risk management system and are aligned with other internal functions, such as financial control and operational management. Risk management policies are monitored and adapted according to changing risks and opportunities.

The Board of Directors oversees the setting of strategic objectives and the monitoring of impacts, risks and opportunities. The objectives are defined in cooperation with the Board committees, in particular the Control, Risks and Sustainability Committee, which supports the formulation of strategies to address material risks and opportunities. Monitoring of progress is presented to the Board of Directors through regular meetings, to ensure that sustainability and risk management objectives are effectively achieved.

As part of the self-assessment process carried out by the Board of Directors, and in general during Board meetings, the competence and adequacy of the Company's organisational structure with regard to sustainability issues are analysed. Similarly, the Control, Risks and Sustainability Committee has the task of supporting the Board's assessments and decisions relating to these aspects as well.

Specifically, the members of the Board of Directors of Sanlorenzo S.p.A., the Board of Statutory Auditors and the members of top management, as a whole, possess diversified skills, which include sustainability aspects directly related to materialimpacts, risks and opportunities, including economic, environmental and social ones (e.g. the impact of production operations on climate change, social risks related to working conditions and supply chain management, and opportunities arising from responsible and innovative management of business processes), which are essential for the company's strategic orientation. In addition, the Group makes use of the sustainability expertise of external consultants.

In addition, the educational and professional background of the incumbent Board members ensures a balanced combination of skills and experience within the Board, ensuring the proper fulfilment of its functions and the monitoring of material impacts, risks and opportunities for the Company.

G1 - GOV-1 - The role of the administrative, management and supervisory bodies

In defining and overseeing the Group's strategic direction, the Board of Directors of Sanlorenzo S.p.A. is committed to promoting a corporate culture that is based on ethics and sustainability, ensuring that the Group's strategies and objectives are aligned with the values and principles defined in the Corporate Code of Ethics.

Aware of this responsibility, the members of the Board of Directors and the Board of Statutory Auditors possess appropriate skills in business conduct that are essential to ensure proper management of the Group's activities. For more details with respect to business conduct, please refer to section 4.1 ESRS G1 Business Conduct of the reporting..

GOV-2 - Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The administration, management and supervisory bodies are regularly informed about material impacts, risks and opportunities, as well as the results and effectiveness of policies, actions, metrics and targets adopted to address them. This information is shared through regular meetings, on a monthly basis, during which the Sustainability Function provides detailed updates to the Board of Directors and the Control, Risks and Sustainability Committee on sustainability issues. For more information on the composition of the Sustainability Function, please refer to section GOV-1 The role of the administrative, management and supervisory bodies of this document.

The administration, management and supervisory bodies take into account the impacts, risks and opportunities in the monitoring and supervision of the corporate strategy by implementing the following key activities:

- Regular monitoring of business operations to ensure compliance with strategic objectives;
- Risk assessment according to the principle of double materiality, to identify and manage risks and opportunities arising from environmental, social and governance factors;
- Verification of the company's activities in compliance with current regulations, to ensure full adherence to applicable laws and regulations;
- The integration of ESG Performance Indicators into the MBO plan evaluation system to incentivise alignment with sustainability goals;
- The approval of the Sustainability Report, within the reporting procedure defined by the Group, to ensure the transparency and reliability of the information disclosed.

During this reporting period, all material impacts, risks and opportunities were addressed by the administrative and supervisory bodies, or their committees. For a list of the material impacts, risks and opportunities faced by the administration, management and supervisory bodies during 2024, please refer to the IRO Impacts, risk and opportunity management section of the reporting.

GOV-3 - Integration of sustainability-related performance in incentive schemes

Since March 2023, the Group has linked the achievement of certain ESG criteria to part of the short- and long-term variable remuneration for Sanlorenzo S.p.A., and its subsidiaries, including Bluegame. This decision promotes concrete commitments to sustainability goals and encourages the integration of sustainability principles into daily business practices. Incentive plans, also intended for members of the administrative, management and supervisory bodies who are employees, are defined in the *ESG Objectives by Professional Classification*, and provide for:

- Short-term plan - MBO (the 'MBO Plan'): the MBO system aims to incentivise company resources through an evaluation of the results achieved against pre-established objectives, recognising an economic incentive only if performance is positive.
  The system is intended for those resources that possess, on an individual level, the necessary levers to influence the results of the Group. In particular, the plan is aimed at executive directors (other than the chair and CEO Massimo Perotti), general managers and executives with strategic responsibilities of the Parent Company and the Group (as well as other employees with relevant functions). Each recipient is notified of their inclusion in the MBO System by means of the Individual Form, in which the reference parameters (Group, Business Unit/Company or Individual) are provided, among others.
- Two long-term plans - Performance Shares (the "2024 Performance Shares Plan") and LTI (the "2024-2028 LTI Plan"): the Plans provide for the free assignment of Rights to beneficiaries who, upon occurrence of the Vesting Conditions established in the relevant regulations, acquire the right to receive free Sanlorenzo ordinary shares, according to the methods and ratios defined in the Regulations themselves. The Plans are aimed at executive directors, general managers, executives with strategic responsibilities, managers and non-employee collaborators of the Parent Company and Group companies with top management functions. The 2024-2028 LTI Plan differs from the 2024 Performance Shares Plan due to the different vesting period; moreover, the 2024-2028 LTI Plan makes the vesting of the Rights conditional upon the achievement of performance targets but, unlike the 2024 Performance Shares Plan, the achievement of the targets results in the grant of a fixed number of shares.

The impact of ESG performance targets on remuneration varies depending on the plan under consideration. In particular, for the MBO Plan, the percentage weight of the ESG KPI varies according to whether it belongs to a Business Unit or Corporate function. For the LTI Plan, the percentage weight of the ESG KPI is 20% of the bonus vesting conditions. The table below shows the breakdown of ESG objectives by professional classification, including members of the administrative, management and supervisory bodies.

Specifically, the MBOs defined by the Sanlorenzo Group are broken down as follows:

- Governance:
  - 2 targets related to ESG ratings, one related to S&P and the second to Sustainalytics, for a total weight of 20%;
- Environment:
  - 2 targets, one related to the reduction of Scope 1 and 2 emissions (for more details please refer to section E1-GOV-3 - Integration of sustainability-related performance in incentive schemes) and the second one related to the reduction of the amount of mixed-material packaging, for a total weight of 60% (40% concerning emissions and 20% packaging);
- Social:
  - A target concerning the number of training hours provided for a total weight of 20%.

	Breakdown of ESG Objectives by Professional Classification							
	Directors	ESR*	Executives		Officials		Managers/others	
			Corporate	Business Unit/ Company	Corporate	Business Unit/ Company	Corporate	Business Unit/ Company
Group Objective: ESG	15%	15%	15%	15%	12,5%	12,5%	10%	10%

* ERS: Executives with strategic responsibilities.

For the MBO Plan 2025, a revision of the targets was planned. In particular, the Governance target on Sustainalytics was replaced by one on the participation rate in the Sanlorenzo S.p.A. Sustainability Task Force, while the relative weights remained unchanged.

The terms and conditions of the incentive schemes are established and updated by the Board of Directors after receiving the opinion, or proposal, of the Remuneration Committee and after also receiving the opinion of the Control, Risks and Sustainability Committee with regard to ESG objectives.

E1 - GOV-3 Integration of sustainability related performance in incentive schemes

When determining the remuneration of members of the administrative, management and supervisory bodies, the Group takes climate change factors into account, as explained in the previous section.

As outlined above, in the context of the MBO plan, ESG performance targets for members of the administrative, management and supervisory bodies who are also employees account for 15% of the total theoretical bonus, of which 40% is attributed to climate issues, in particular to the reduction of Scope 1 and Scope 2 emissions.

As far as the LTI plan is concerned, ESG performance targets account for 20% of the bonus vesting conditions, with 70% weight assigned to climate considerations, focusing on the reduction of Scope 1 and Scope 2 emissions[23].

During 2024, the percentage of the remuneration paid in the current period that is linked to climate considerations was 100% of the ESG target for Scope 1 and Scope 2.

GOV-4 - Statement on due diligence

In order to provide an overview of the due diligence practices implemented by the Group, below is a mapping that illustrates in which sections of the Consolidated Sustainability Report the application of the main aspects and phases of the due diligence process is addressed.

Although aware that a structured process and formal policy on the matter is not currently implemented, the information in the following table helps to outline a framework for managing the impacts that the Group causes or could cause in the environmental, social and governance spheres, on the basis of which a more articulated strategy can be prepared in the future.

[23] *The percentage decrease is to be calculated on a like-for-like basis, using the Group perimeter of the 2023 NFS as a baseline.*

Core elements of due diligence	Paragraphs in the Sustainability Statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2 - General Information | GOV-1-The role of the administrative, management and supervisory bodies ESRS 2 - General information | GOV-2 - Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies ESRS 2 - General Information | SBM-1 - Strategy, business model and value chain
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 - General Information | SMB-2 Interests and views of stakeholders ESRS 2 - General Information |IRO-1 Description of processes to identify and assess material impacts, risks and opportunities ESRS S1 - Own workforce | Processes for engaging with own workforce and workers' representatives on impacts ESRS S2 - Workers in the value chain | Processes for engaging withvalue chain workers about impacts ESRS S4 - Consumers and end-users | Processes for engaging with consumers and end-users about impacts
c) Identifying and assessing adverse impacts	ESRS 2 - General Information | SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model ESRS 2 - General Information | IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities
d) Taking actions to address those adverse impacts	ESRS E1-Actions and resources in relation to climate change policies ESRS E2-Actions and resources related to pollution ESRS E3-Actions and resources related to water and marine resources ESRS E4-Actions and resources related to biodiversity and ecosystems ESRS E5-Actions and resources related to resource use and the circular economy ESRS S1-Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions ESRS S2-Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions ESRS S4-Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions
e) Tracking the effectiveness of these efforts and communicating	ESRS E1-Targets related to climate change mitigation and adaptation ESRS E2-Targets related to pollution ESRS E3-Targets related to water and marine resources ESRS E4-Targets related to biodiversity and ecosystems ESRS E5-Targets related to resource use and the circular economy ESRS S1-Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities ESRS S2-Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities ESRS S4-Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

GOV-5 - Risk management and internal controls over sustainability reporting

In 2024, the Group started a process aimed at progressively structuring an internal control system covering both the process of preparing the Sustainability Report and the main qualitative/quantitative information included in it.

In this context, a specific procedure for preparing the Report was implemented, with the assignment of roles and responsibilities, and an initial activity was carried out to identify the information on which to begin structuring specific control activities; this activity was based on objective parameters such as, for example, the relevance of the information for the Group's stakeholders, or the presence of incentive tools focused on the performance recorded in relation to a specific indicator. A risk-assessment process was then carried out, aimed at identifying the most significant risks in relation to the qualitative/quantitative information identified, such as the lack of accuracy and completeness of the information, arising from possible errors in the process of compiling and aggregating data within the reporting process, or from inconsistencies with supporting documentation. To guard against these risks, specific line control activities have therefore been identified, which are currently mainly of a manual and non-preventive nature, such as, for example, the validation and approval of the data by the head of function before sharing them with the Sustainability Function.

As a result of this activity, it is envisaged that the Group Internal Audit function will define an annual audit plan for the Group companies included in the scope of the Consolidated Sustainability Report, as well as in relation to the information whose control systems will be subject to analysis and inspection. This activity will be conducted in 2025.

The main results of these activities will subsequently be shared by the Internal Audit function with the Board of Directors and, where appropriate, the Board of Statutory Auditors. Subsequently, any criticalities identified in this process will be brought to the attention of the relevant corporate functions, in order to be able to implement the remedial measures that will be deemed appropriate in this case to prevent the recurrence of such circumstances.

1.1.3 Strategy

SBM-1 - Strategy, business model and value chain

The Sanlorenzo 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, as well as Swan-branded sailing and motor boats. The Group's activities are divided into 4 business units, each diversified according to product lines[24]:

- **Yacht Division**, focused on the design, production and marketing of composite yachts with lengths between 24 and 40 metres, under the Sanlorenzo brand. The production activities take place in the shipyards of Ameglia (headquarters of the parent company), Viareggio and Massa.
- **Superyacht Division**, dedicated to the design, production and marketing of superyachts in aluminum and steel with lengths between 40 and 73 metres, again under the Sanlorenzo brand. This unit operates at the La Spezia shipyard and the Viareggio shipyard, within the Polo Nautico complex.
- **Bluegame Division**, dedicated to the design, production and marketing of composite sport utility yachts between 13 and 23 metres in length, under the Bluegame brand name, whose production now takes place at the Ameglia shipyard and other yards located in the Lombardy nautical district, in the area around Lake Iseo.
- **Swan Division**, acquired in August 2024, dedicated to the design, production and marketing of sailing yachts, in carbon fibre and composite, and motor yachts, in composite, between 13 and 39 metres long, under the Swan brand.

[24] *The Group does not develop products or services prohibited in any market. Furthermore, the Group is not active in fossil fuels, chemical manufacturing, controversial weapons, or tobacco cultivation and production.*

The Group also offers an exclusive range of services dedicated only to Sanlorenzo S.p.A. and Bluegame S.r.l. 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.

In addition to these, there is also the activity pertaining to the Swan division (attributable to Nautor Swan S.r.l. and its subsidiaries), focused on the design, production and marketing of sailing and motor boats. Production activities mainly take place in Finland.

On the whole, the Sanlorenzo Group adopts a business model focused on component assembly, characterised by a limited presence of directly employed workers. In fact, most of the production steps are contracted out to predominantly artisan companies, which give each product a bespoke imprint, a key feature for the company. Contractors collaborate mainly within company structures. A similar situation applies to Bluegame S.r.l., which is headquartered in Ameglia, but also extends its production to the province of Brescia, at ICY. For the Swan Group's sailing division, on the other hand, production takes place mainly in Finland, at OY Nautor, a company that is part of the Group and employs a higher percentage of direct employees. As for Nautor Italy, the Group's division specialising in the production of Swan motor yachts, production has been outsourced to third parties until 2024. In addition to the production companies, the Group includes several trading companies, including Sanlorenzo of the Americas and Sanlorenzo Baleares. Furthermore, in order to strengthen its strategy and optimise the value chain, the Group acquired in previous years some of its main supplier companies, such as Duerre and I.C.Y., and, in 2024, the Simpson Marine Group. Thanks to these acquisitions, the Group expanded its activities to include the charter sector, further consolidating its position in the nautical market.

In general, the majority of the Sanlorenzo Group's workforce is concentrated in the European region (1527 employees), where the headquarters of Sanlorenzo S.p.A. and Bluegame S.r.l. as well as most of the subsidiaries are located in Italy. The second country with the largest number of employees is Finland, which hosts most of the Swan Group's employees. As far as the Simpson Group is concerned, employees are spread across several countries in the APAC region (112 employees), with significant presences in Hong Kong, Australia, China, Indonesia, Japan, Malaysia, Singapore, Taiwan, Thailand and Vietnam. For more information on the number of employees by country, please refer to section S1-6 Characteristics of the undertaking's employees of the reporting.

The articulation of the Group's value chain is based on two fundamental pillars for the achievement of responsible development: commitment to the production process and commitment to the product. The upstream value chain is developed globally and comprises mainly service providers, raw materials, semi-finished products and contractors. In particular, this phase begins with the supply of materials such as timber, glass fibres, synthetic resins, steel and copper, which are then processed into semi-finished products for use in the production process. The Group adopts strict criteria in selecting suppliers, giving preference to those that meet high standards in terms of quality and sustainability, as reported in section G1 Business conduct of the reporting. Downstream, the value chain includes a number of distributors, the Group's trading companies and end users, i.e. boat owners, located on a global scale. The Group markets yachts both directly and through its own commercial companies, as well as through a consolidated network of Brand Representatives, each of whom operates in one or more assigned territorial areas. The Group's outputs take the form of the production and distribution of luxury yachts, which generate significant benefits for several stakeholders: end customers obtain high quality products, investors benefit from an exclusive and growing market, while suppliers and distributors benefit from long-term strategic partnerships. Moreover, the economic spin-off generated contributes to the creation of jobs and the development of the nautical sector. End customers belong to the category of high-net-worth individuals, a market segment characterised by particularly high demands in terms of quality, exclusivity and service. This context differentiates the sector in which the Group operates from other markets, necessitating a more complex management of commercial relations and sales strategies. The Group occupies a central position within its value chain, directly coordinating the key stages of production and distribution. It also collaborates with strategic suppliers to ensure continuity and innovation along the supply chain. Although operating mainly in a single value chain focused on the production and marketing of yachts, the Group manages different dynamics according to the specificities of its target markets and different sales channels.

At an overall level and in the broader context of the business strategy pursued by the Group, product sustainability objectives are closely linked to the reduction of environmental emissions deriving from the use of its products, to be implemented mainly through the evolution of propulsion systems, applied to all types of boats produced. In particular, 2024 saw the delivery of the world's first 50 Steel superyacht with a Reformer Fuel Cell system, designed together with Siemens Energy and financed by the LIFE call, which supplies the electrical needs of the hotellerie services with methanol reformed into hydrogen directly on board, avoiding the need for large quantities of it to be stored, as well as the two BGH-HSV (Hydrogen Support Vessel) tenders for the 37th America's Cup, held in Barcelona, with exclusively hydrogen propulsion and the use of foils. Currently, the bi-fuel 50X-space superyacht is being developed, designed to reduce emissions compared to boats available to date, again with the support of the LIFE call. The acquisition of the Swan Group has further expanded opportunities for the development of zero-emission boats, reinforcing the Group's commitment to sustainable innovation in the marine industry.

In this context, it is possible to distinguish different approaches depending on the Business Units. In the case of Bluegame, which focuses mainly on the production of smaller boats, the path of hydrogen power was taken. A significant example of this choice is the tenders made for the America's Cup, designed by Bluegame: one for the New York Yacht Club American Magic team and one for Orient Express, both equipped with a fuel cell powered directly by hydrogen.

As far as Sanlorenzo branded boats are concerned, the sustainability strategy is geared towards the use of green methanol. As demonstrated in the LIFE OCEAN project, the Group has successfully completed tests on a reformer that produces hydrogen from a mixture of green methanol and water, subsequently powering a fuel cell. Finally, the Group's future vision envisages the direct use of green methanol as engine fuel, thus taking its yachts one step further towards sustainability. Moreover, to further consolidate its methanol strategy, the Group plans to design the first fully methanol-powered yacht, marking a further step towards the adoption of sustainable, low-emission propulsion solutions.

In relation to the assessment of its current significant products and services, key markets and customer groups, and prospectively relevant sustainability aspects, it should be noted that, thanks to the acquisition of the Swan Group, the Sanlorenzo Group now has a range of sailing boats characterised by extremely low emissions, positioning itself distinctively in the sustainable sailing boat market. As far as motor boats are concerned, the Group intends to continue pioneering research and development of innovative solutions to reduce pollutant and greenhouse gas emissions from the use of boats, and is committed to exploring and adopting cutting-edge technologies in this sector.

As of 31 December 2024, the Group's total net revenue and income amounted to Euro 983 million while total net revenues amounted to 963 million. Please refer to the "Consolidated statement of profit and loss and other comprehensive income" of the Annual Financial Report for more details.

SBM-2 - Interests and views of stakeholders
This paragraph also includes references to:
- S1 - SBM-2 - Interests and views of stakeholders.
- S2 - SBM-2 - Interests and views of stakeholders.
- S4 - SBM-2 - Interests and views of stakeholders.

Establishing and maintaining a constant and mutual dialogue with stakeholders is considered essential and strategic for the Group. This approach, rooted in the corporate culture, supports responsible and transformative development, aiming to create long-term sustainable value. Group companies adopt a proactive approach through dedicated corporate functions and channels, interacting with a wide range of stakeholders.

The Group envisages the active involvement of each stakeholder category, through the identification of one or more engagement channels. The stakeholder engagement process and how it is implemented varies depending on two factors: the degree of dependency and the influence on the Group. In this sense, each stakeholder category is associated with one or more engagement channels, specifically:
- Stakeholders with high dependence and no influence: **inform**, this is a one-way mode of engagement, aimed at the transmission of information by the Group to them.
- Stakeholders with high dependence and high influence: **collaborate**, a two-way engagement modality involving synergic collaboration of the Group with relevant stakeholders in the development and implementation of projects and initiatives of joint interest.
- Stakeholders with no dependence and no influence: **consult**, bilateral engagement mode based on active involvement of stakeholders, in order to translate the requests and opinions expressed by them, into input to be taken into account in the Group's decision-making processes.
- Stakeholders with no dependence and high influence: **include**, two-way engagement mode, through which stakeholders are actively involved in the Group's decision-making processes.

At the end of the engagement process, the Group launches a so-called "Follow up" phase, in which the personnel in charge at the Group provides an analysis of the activities implemented and answers to the requests expressed by stakeholders. For the management of negative feedback, on the other hand, dedicated meetings are arranged - in addition to the use of ordinary channels - to investigate critical issues, provide feedback to stakeholders and define remediation plans where necessary. In managing the critical issues that emerge and the related actions implemented, the responsible Sanlorenzo Group personnel updates the Management on a timely basis. In addition, the Sustainability Department plays a key role on two fronts: on the one hand, it receives updates from the relevant figures on the engagement activities implemented in the reporting period and shares the results with the Control, Risks and Sustainability Committee, which uses them as input for an informed, multi-stakeholder decision-making process; on the other hand, it is committed to reporting on the main engagement outcomes in the Consolidated Sustainability Report, prepared annually by the Group.

The Group's ultimate goal is therefore continuous development and improvement, maximising the value of dialogue with stakeholders. This involvement, both internal and external, is fully integrated into the company's activities in order to be able to influence decision-making processes with inputs representative of the various instances. This ensures maximum inclusiveness of views and interests, identifying opportunities and mitigating key risks. To this end, the reporting units, on the basis of the evaluation carried out on the involvement activities implemented during the reporting period, identify the elements that need further development and refinement.

Within the categories of relevant stakeholders identified, the Group has involved the following categories of stakeholders as a priority for the purpose of the double materiality definition process for this Consolidated Sustainability Report:

- Employees (for the evaluation of only those impacts of the social area that concern human resources), in consideration of the priority and attention historically attributed by the Group to listening to the instances and expectations of the workforce;
- Suppliers and contractors, in view of the significance and strategic nature of the engagement and collaboration relationship with suppliers also with reference to sustainability aspects (e.g. collaboration and research on new forms of hybrid propulsion, innovative materials, etc.);
- Credit Institutions and Investors, given the importance attributed to the relationship with capital contributors in various capacities, necessary in order to implement the actions already outlined and expected, connected to the sustainable development strategy undertaken by the Group in particular with reference to its products.

SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

The Double Materiality process identified material impacts, risks and opportunities (IROs) related to business operations and the value chain.

The following tables provide a brief description of the material impacts, risks and opportunities that emerged from the double materiality assessment, specifying in the "value chain" column whether they are concentrated in the company's own operations or in the value chain, both upstream and downstream, and the reasonably expected time horizons.

Impacts

TOPIC / SUB-TOPIC / SUB-SUB-TOPIC	DESCRIPTION	ACTUAL/POTENTIAL	POSITIVE/NEGATIVE	VALUE CHAIN[25]	TIME HORIZON
Climate change adaptation	Development of products for climate change adaptation	Actual	Positive	Own operations	Short-term
	Technological innovation of processes and products	Actual	Positive	Own operations	Short-term
Climate change mitigation	Generation of direct and indirect GHG emissions (Scope 1 and 2)	Actual	Negative	Own operations	Short-term
	Generation of indirect GHG emissions (Scope 3)	Actual	Negative	Upstream, Downstream	Short-term
Energy	Energy consumption	Actual	Negative	Own operations	Short-term
Air pollution	Generation of other significant air emissions	Actual	Negative	Own operations	Short-term
Water pollution	Marine pollution as a result of the use of potentially hazardous chemicals	Potential	Negative	Downstream	Short-term
Substances of concern and very high concern	Use of harmful substances in production processes	Actual	Negative	Own operations	Short-term
Water	Water resource consumption	Actual	Negative	Upstream, Own Operations	Short-term
Biodiversity and ecosystems	Contribution to biodiversity loss	Potential	Negative	Own operations	Medium-term
Circular economy	Use of materials with high environmental impact	Actual	Negative	Upstream, Own Operations	Short-term
	Depletion of natural resources	Actual	Negative	Upstream	Short-term
	Development of sustainable and innovative product design	Actual	Positive	Own operations	Short-term
	Generation of scrap resulting from production inefficiency	Actual	Negative	Own operations	Short-term
Waste	Waste generation	Actual	Negative	Own operations	Short-term

continued

[25] *Where IROs are concentrated.*

TOPIC / SUB-TOPIC / SUB-SUB-TOPIC	DESCRIPTION	ACTUAL/POTENTIAL	POSITIVE/NEGATIVE	VALUE CHAIN[25]	TIME HORIZON
Own workforce	Job creation	Actual	Positive	Own operations	Short-term
	Employee satisfaction and well-being	Actual	Positive	Own operations	Short-term
	Competitive remuneration policies for employees	Actual	Positive	Own operations	Short-term
	Creating an inclusive working environment	Actual	Positive	Own operations	Short-term
	Developing and enhancing employees' skills through training activities	Actual	Positive	Own operations	Short-term
	Discrimination in terms of responsibility, compensation and career advancement	Potential	Negative	Own operations	Medium-term
	Absence of diversity in governing bodies and among employees with direct and indirect impacts on the affirmation of equality	Actual	Negative	Own operations	Short-term
Own workforce -Workers in the value chain	Effective communication and collaboration between employees and collaborators	Actual	Negative	Upstream, Own Operations	Short-term
	Accidents in the workplace	Actual	Negative	Upstream, Own Operations	Short-term
	Cases of human rights violations within the organisation and its value chain	Potential	Negative	Upstream, Own Operations	Medium-term
Workers in the value chain	Protection of human rights along the value chain	Actual	Positive	Upstream, Own operations	Short-term
Consumers and end users	Strengthening IT security of sensitive data and IT infrastructure	Actual	Positive	Own operations	Short-term
	Breach and loss of customer data and poor IT security management	Potential	Negative	Downstream	Short-term
	Offering products of high quality and durability	Actual	Positive	Downstream	Short-term
	Satisfaction of customers and their expectations	Actual	Positive	Downstream	Short-term
Business Conduct	Creating a culture of business ethics	Actual	Positive	Own operations	Short-term
	Strengthening relations with key partners and stakeholders	Actual	Positive	Upstream, Own Operations, Downstream	Short-term
	Negative impacts on people and economic systems generated by unethical business conduct	Actual	Negative	Own operations	Short-term
	Non-compliance with laws, regulations, standards	Potential	Negative	Own operations	Medium-term

Risks

TOPIC / SUB-TOPIC / SUB-SUB-TOPIC	DESCRIPTION	VALUE CHAIN	TIME HORIZON
Climate change adaptation	Physical risks related to climate change	Upstream, Own Operations	Medium-term
	Inability to invest in technological product developments	Own operations, downstream	Long-term
Climate change mitigation	Transition risks related to climate change	Own operations, downstream	Medium-term
Substances of concern and very high concern	Risk for the company in terms of reputation and sanctions due to violations of regulations concerning hazardous substances.	Own operations	Long-term
Circular economy	Difficulties in purchasing and using sustainable/circular materials	Own operations	Long-term
Waste	Inadequate waste management	Own operations	Long-term
Own workforce	High turnover rate	Own operations	Short-term
	Inability to retain qualified personnel in the company	Own operations	Short-term
	Inability to guarantee equal opportunities for remuneration	Own operations	Medium-term
	Ensuring a positive working environment through fair labour practices and a focus on employee welfare	Own operations	Medium-term
	Cases of discrimination	Own operations	Medium-term
Own workforce - Workers in the value chain	Reduction in production capacity due to occupational accidents	Upstream, Own Operations	Long-term
	Accidents at work	Upstream, Own Operations	Short-term
	Work-related occupational diseases	Upstream, Own Operations	Long-term
	Violations of workers' human rights in the value chain	Upstream, Own Operations	Medium-term
Consumers and end users	Potential data breach	Own operations, downstream	Short-term
	Inaccurate communications	Own operations, downstream	Long-term
Business Conduct	Violation of laws and regulations with regard to products	Own operations, downstream	Medium-term
	Association with controversial activities	Own operations, downstream	Long-term
	Corruption	Own operations	Long-term

Opportunities

TOPIC / SUB-TOPIC / SUB-SUB-TOPIC	DESCRIPTION	VALUE CHAIN	TIME HORIZON
Climate change mitigation	Transition to low-emission technologies	Own operations, downstream	Long-term
Energy	Energy efficiency and transition to renewable energy sources	Own operations	Medium-term
Own workforce	Supporting the territory and improving brand reputation	Own operations, downstream	Medium-term
	Developing employees' skills	Own operations	Medium-term
	Ensuring a positive working environment through fair labour practices and a focus on employee welfare	Own operations	Medium-term
Business Conduct	Investments aimed at strengthening the supply chain in terms of its sustainability performance	Upstream	Medium-term

In general, material IROs identified are closely related to the core activities of the Group's business model, as well as to the entire value chain. In particular, IROs related to the Group's internal operations mainly concern business conduct, workforce management and some issues related to climate change, pollution and the circular economy. With regard to the value chain, IROs focus mainly on stakeholder relations, the welfare of the workers involved, the use of material resources and water consumption.

To date, the Group has no significant monetary amounts directly related to sustainability risks assessed as material in this report.

For the purposes of this Statement, the Sanlorenzo Group omits the information required by Disclosure Requirement SBM-3 para. 48(e), subject to transitional provision as set out in Appendix C of ESRS 1 (List of phased-in disclosure requirements).
The Group is committed to providing the prescribed qualitative and/or quantitative information starting with the next Consolidated Sustainability Reports.

As part of its commitment to an increasingly structured approach to sustainability, the Sanlorenzo Group is committed to periodically exploring its analysis of material impacts, risks and opportunities. In this regard, it should be noted that to date, the Group has not yet formalised a qualitative and quantitative analysis of the resilience of its strategy and business model with respect to its ability to cope with significant impacts and risks and take advantage of relevant opportunities.

The Group did not identify any impacts, risks or opportunities in the double materiality process that would require the adoption of entity-specific indicators.

1.1.4 Impact, risk and opportunity management

IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities

The Double Materiality process[26], coordinated by the Sustainability Function, was carried out in line with the Group's 'Drafting and Approval of Consolidated Sustainability Reporting' procedure.

Specifically, the group used a multilevel approach based on the EFRAG IG1 guideline: Materiality Assessment, in order to identify and assess the impacts, risks and opportunities associated with sustainability issues. In the first phase of understanding the context, the Group used data from public documentary sources and industry standards corroborated by internal analyses. In the second phase, dedicated to the identification of IROs, the Group integrated a diversity of parameters to capture the complexity of the Group's business, including geographical and sectoral diversity of operations. In the evaluation phase of IROs, the process focused on minimising the use of estimates, preferring the use of firm data and shared assumptions, consistent with the methodological definitions of the EFRAG Guidelines. Finally, specific methodologies have been defined for assessing the materiality of impacts (impact materiality) and risks and opportunities (financial materiality), the thresholds for which are described in the following paragraphs.

Specifically, as part of the activities to assess the Materiality of Impact, meetings were organised with the Sanlorenzo Group's management; in which, participants were asked to quantify the magnitude of each impact identified, determined as the product between the ratings attributed to benefit (for positive impacts) or severity (for negative impacts) and the probability of occurrence.

In this regard, the following should be noted:

- The benefit, rated on a range from 1 to 5, represents the significance of the positive effect (scale) and the spread of the impact (magnitude).
- Severity, assessed on a range from 1 to 5, represents the significance of the negative effect (scale) and the spread of the impact (magnitude) and the irremediable nature, without taking into account any mitigation actions implemented by the Group.

The probability of occurrence was assessed on a range from 1 to 5 for potential impacts only, and set at 5 for actual impacts.

[26] *This process will be carried out annually.*

In particular, it should be noted that with regard to negative impacts on human rights, the prevalence of severity over probability was considered.

For the purpose of assessing the impact of external stakeholders, the Group defined to involve a sample of employees, suppliers/contractors and financial institutions through surveys. With the exception of the 'employee' category, which was asked to express itself limited to impacts of direct interest, in order to obtain a more accurate assessment, the stakeholder categories involved were asked to assess all impacts identified for the purposes of the top management assessment process. The assessment of the identified stakeholder categories conducted through a survey included a simplified voting mode: respondents were asked for a single synthetic grade integrating both severity (considering scale, scope and irremediable nature) and likelihood.

In order to integrate the votes received through surveys of external stakeholder categories into the results, three voting bands per category were defined: low, medium and high. Should the impact fall into the high band, the Group decided to increase the internal voting score by 0.5.

At the end of this process, once all the evaluations had been acquired from the parties involved, the Group proceeded to consolidate the results and identify the materiality threshold of '2.5' (significant impact).

Currently, the Sanlorenzo Group does not have a structured Enterprise Risk Management (ERM) process. For this reason, the analysis of risks and opportunities related to sustainability issues was conducted as part of the Double Materiality activities.

In assessing financial materiality, however, the Sanlorenzo Group considered the magnitude of risks and opportunities and their likelihood. This assessment was conducted through dedicated interviews with risk owners. The approach adopted was based on assessing the magnitude of each risk over the most probable time horizon, and on estimating the probability considering the inherent risk, i.e. without taking into account the effects of any mitigation measures adopted by the Group against the specific risk.

The Group, through the Administration, Finance and Control (AFC) function, also in consideration of the economic/financial parameters monitored at business, strategy and market communication level, identified net revenues as the economic/financial parameter on which to measure the financial effect of sustainability risks and opportunities.

In order to assess the risks and opportunities, the Group defined a score obtained by multiplying the probability score by the magnitude score of the opportunities or risks as shown below:

- A numerical evaluation (on a score from "1" to "5") of the magnitude of risks/opportunities related to the topic of sustainability.
- A numerical assessment (on a score from "1" to "5") of the likelihood of sustainability-related risks and opportunities.

The threshold for assessing financial materiality was conservatively set at '2.5' (medium/low).

The results of the process were shared with the Control, Risks and Sustainability Committee and the Board of Directors for approval.

IRO-1 - E1 - Climate change

Impacts, risks and opportunities related to climate change were identified through an analysis of the Group's main activities and along the value chain.

As far as impacts are concerned, Scope 1, Scope 2, Scope 3 GHG emissions and energy consumption are significant for the Group.

In order to identify risk factors, both physical and transitional (i.e. related to the transition to renewable energy sources and technological product/service evolutions, physical risks that may damage the Group's assets or cause production stoppages, and risks related to adapting to new standards or regulations) related to climate change, the Group has formalised an in-depth and detailed analysis that includes specific scenario analyses in the short, medium and long term. In particular, in order to identify the specific physical risk factors related to climate change, the Group conducted an analysis of two IPCC scenarios: RCP 4.5, an intermediate scenario, and RCP 8.5, a more pessimistic scenario, and considering both chronic and acute risks with time horizons to 2030 and 2050. With regard to transition risks, on the other hand, qualitative assessments were carried out, analysing the implications of two different policy scenarios: an optimistic one based on Current Policies and a more restrictive and challenging one linked to the Net Zero 2050 target. These analyses are in line with limiting global warming to 1.5°C with no or limited exceedance. Specifically, these analyses revealed that over a 2030 time horizon, the Group is exposed to both physical risks (such as: heat stress; water stress; heat waves; floods; subsidence) and transitional risks (such as: GHG emissions price increases; substitution of existing products and services with low-emission options; uncertainty in market signals). For further details regarding the analysis performed, please refer to Section ESRS E1 Climate change, and Section IRO-1 of the reporting.

IRO-1 - E2 - Pollution

As a result of the Double Materiality analysis carried out, the material impacts for the Sanlorenzo Group, as far as pollution is concerned, appear to be emissions to air, water and the use of substances of concern and very high concern for the purposes of production activities and, as far as water is concerned, also for the Group's upstream activities. From the perspective of financial materiality, the risk in terms of reputation and penalties due to regulatory violations was identified for the company. At present, the Group has not conducted specific consultations with affected communities to identify pollution-related impacts, risks and opportunities. For more details on the analysis performed, please refer to Section ESRS E2 Pollution, and Section IRO-1 the reporting. . The company considered its sites for the IRO assessment, with a focus on those that are productive and subject to a Single Environmental Authorisation (SEA). For more details on the analysis performed, please refer to Section E2, and Section IRO-1 of this document.

IRO-1 - E3 - Water and Marine Resources

In order to identify impacts, risks and opportunities related to water and marine resources, the Group conducted an analysis of its operations and the entire value chain. The results showed that these aspects are mainly associated with the upstream value chain, in particular the production activities of suppliers. Currently, the Group has not engaged in targeted consultations with affected communities to identify impacts, risks and opportunities related to marine waters and resources. However, in its stakeholder engagement activities, the Group recognises the fundamental role of local communities. This approach, which reflects the fundamental principles of the corporate culture, promotes responsible and transformative development, with the aim of generating sustainable value in the long term. For more details on the analysis performed, please refer to Section ESRS E3 Water and marine resources, and Section IRO-1 of the reporting.

IRO-1 - E4 - Biodiversity and ecosystems

The Group has identified and assessed actual and potential impacts, risks and opportunities on biodiversity and ecosystems at its sites and along the upstream and downstream value chain, and also evaluated their dependencies. Risks, however, were found to be non-material for the Group. Impacts, on the other hand, were material due to the presence of plants located near protected areas or areas of high biodiversity. In fact, the Ameglia and Viareggio shipyards are located respectively within and close to protected natural areas. Specifically, the Group's production activities could have several impacts on local biodiversity, including: noise pollution, which disturbs fauna due to noise from construction sites; air pollution, linked to the release of gases and chemicals; water pollution, with substances that could contaminate the water table and affect amphibian species; and light pollution, which alters natural lighting, altering animal behaviour. It is reported that these Group production sites are subject to the Single Environmental Authorisation (AUA) and the sampling required by law. Therefore, the Group concluded that it did not need to resort to mitigation measures under Directives 2009/147/EC, 92/43/EEC, 2011/92/EU or other national provisions or international standards, relating to the conservation of protected species and natural and semi-natural habitats. At present, the Group has not engaged in specific consultations with affected communities to identify impacts, risks and opportunities related to biodiversity and ecosystems. For more details on the analysis performed, please refer to Section ESRS E4 Biodiversity and ecosystems and Section IRO-1 of the reporting. Finally, to date, the Group has not included ecosystem services in its climate risk analysis.

IRO-1 - E5 - Circular Economy
The Group conducted a detailed review of its operations and the entire value chain to identify the impacts, risks and opportunities associated with resource use and the circular economy. The main impacts are associated with operations upstream in the value chain, in particular the use of natural resources and materials with a high environmental impact, as well as with internal operations, with reference to waste management and the technological evolution of processes and products. The main risks identified, however, are related to inadequate waste management and difficulties in using sustainable materials.

As previously mentioned, the Group has not currently undertaken specific consultations with affected communities to identify impacts, risks and opportunities related to resource use and the circular economy. For more details on the analysis performed, please refer to Section ESRS E5 Resource use and circular economy and Section IRO-1 of the reporting.

IRO-1 - G1 - Business conduct
AIn order to identify the impacts, risks and opportunities related to business conduct, the Group has developed specific and punctual analyses, for the representation of which please refer to the Double Materiality analysis process presented in the previous paragraphs.

IRO-2 - Disclosure requirements in ESRS covered by the undertaking's sustainability statement
The following table lists the ESRS disclosure requirements that guided the preparation of the Sanlorenzo Group's Sustainability Report 2024.

ESRS Topic	ESRS disclosure obligation	Section
ESRS 2 – Basis for preparation	ESRS 2 BP-1 General basis for preparation of sustainability statements	1.1 ESRS 2 General Disclosures
	ESRS 2 BP-2 Disclosures in relation to specific circumstances	1.1 ESRS 2 General Disclosures
ESRS 2 - Governance	ESRS 2 GOV-1 The role of administrative, management and supervisory bodies	1.1 ESRS 2 General Disclosures
	ESRS 2 GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	1.1 ESRS 2 General Disclosures
	ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes	1.1 ESRS 2 General Disclosures
	ESRS 2 GOV-4 Statement on due diligence	1.1 ESRS 2 General Disclosures
	ESRS 2 GOV-5 Risk management and internal controls over sustainability reporting	1.1 ESRS 2 General Disclosures
ESRS 2 - Strategy	SBM-1 Strategy, business model and value chain	1.1 ESRS 2 General Disclosures
	SBM-2 Interests and views of stakeholders	1.1 ESRS 2 General Disclosures
	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	For the fiscal year 2024, which corresponds to the first year of sustainability reporting in accordance with the ESRS, Sanlorenzo has decided to use the phase-in option in relation to DP 48 e).

continued

ESRS Topic	ESRS disclosure obligation	Section
ESRS 2 - Risk and Opportunity Management of Impacts	ESRS IRO-1 Description of processes to identify and assess material impacts, risks and opportunities	1.1 ESRS 2 General Disclosures
	ESRS IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement	1.1 ESRS 2 General Disclosures
	ESRS 2 MDR-P Minimum Disclosure Requirement - Policies	Please refer to the MDR-P reported within each Topical Standard
	ESRS 2 MDR-A Minimum Disclosure Requirement - Actions	Please refer to the MDR-A reported within each Topical Standard
	ESRS 2 MDR-T Minimum Disclosure Requirement - Targets	Please refer to the MDR-T reported within each Topical Standard
	ESRS 2 MDR-M Minimum Disclosure Requirement - Metrics	Please refer to the MDR-M reported within each Topical Standard
European Taxonomy	Disclosures under Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)	2.1 Disclosures under Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)
ESRS E1 - Climate Change	ESRS 2 GOV-3 - Integration of sustainability-related performance in incentive schemes	1.1 ESRS 2 General Disclosures
	E1-1 Transition plan for climate change mitigation	2.2 ESRS E1 Climate change
	ESRS 2-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	2.2 ESRS E1 Climate change
	ESRS 2 IRO-1 – Description of processes to identify and assess material climate-related impacts, risks and opportunities	1.1 ESRS 2 General Disclosures
	E1-2 Policies related to climate change mitigation and adaptation	2.2 ESRS E1 Climate change
	E1-3 Actions and resources in relation to climate change policies	2.2 ESRS E1 Climate change
	E1-4 Targets related to climate change mitigation and adaptation	2.2 ESRS E1 Climate change
	E1-5 Energy consumption and mix	2.2 ESRS E1 Climate change
	E1-6 Gross Scope 1, 2, 3 and Total GHG emissions	2.2 ESRS E1 Climate change
	E1-7 GHG removals and GHG mitigation projects financed through	2.2 ESRS E1 Climate change
	E1-8 - Internal carbon pricing	2.2 ESRS E1 Climate change
	E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	For the fiscal year 2024, which is the first year of sustainability reporting in accordance with ESRS, Sanlorenzo has decided to make use of the phase-in option.

continued

ESRS Topic	ESRS disclosure obligation	Section
ESRS E2 - Pollution	ESRS 2 IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	1.1 ESRS 2 General Disclosures
	E2-1 Policies related to pollution	2.3 ESRS E2 Pollution
	E2-2 Actions and resources related to pollution	2.3 ESRS E2 Pollution
	E2-3 Targets related to pollution	2.3 ESRS E2 Pollution
	E2-4 Pollution of air, water and soil	2.3 ESRS E2 Pollution
	E2-5 Substances of concern and substances of very high concern	2.3 ESRS E2 Pollution
	E2-6 Anticipated financial effects from pollution-related impacts, risks and opportunities	For the fiscal year 2024, which is the first year of sustainability reporting in accordance with ESRS, Sanlorenzo has decided to make use of the phase-in option.
ESRS E3 - Water and marine resources	ESRS 2 IRO-1 – Description of processes to identify and assess material water and marine resources-related risks and opportunities	1.1 ESRS 2 General Disclosures
	E3-1 Policies related to water and marine resources	2.4 ESRS E3 Water and Marine Resources
	E3-2 Actions and resources related to water and marine resources	2.4 ESRS E3 Water and Marine Resources
	E3-3 Targets related to water and marine resources	2.4 ESRS E3 Water and Marine Resources
	E3-4 Water consumption	2.4 ESRS E3 Water and Marine Resources
	E3-5 Anticipated financial effects from water and marine resources-relates impacts, risks and opportunities	For the fiscal year 2024, which is the first year of sustainability reporting in accordance with ESRS, Sanlorenzo has decided to make use of the phase-in option.

continued

ESRS Topic	ESRS disclosure obligation	Section
ESRS E4 - Protection of biodiversity and ecosystems	ESRS 2 IRO-1 – Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities	1.1 ESRS 2 General Disclosures
	E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model	2.5 ESRS E4 Biodiversity and ecosystems
	E4-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	2.5 ESRS E4 Biodiversity and ecosystems
	E4-2 Policies related to biodiversity and ecosystems	2.5 ESRS E4 Biodiversity and ecosystems
	E4-3 Actions and resources related to biodiversity and ecosystems	2.5 ESRS E4 Biodiversity and ecosystems
	E4-4 Targets related to biodiversity and ecosystems	2.5 ESRS E4 Biodiversity and ecosystems
	E4-5 Impact metrics related to biodiversity and ecosystems change	2.5 ESRS E4 Biodiversity and ecosystems
	E4-6 Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	For the fiscal year 2024, which is the first year of sustainability reporting in accordance with ESRS, Sanlorenzo has decided to make use of the phase-in option.
ESRS E5 - Resource use and the circular economy	ESRS 2 IRO-1 – Description of processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	1.1 ESRS 2 General Disclosures
	E5-1 Policies related to resource use and circular economy	2.6 ESRS E5 Resource use and the circular economy
	E5-2 Actions and resources related to resource use and the circular economy	2.6 ESRS E5 Resource use and the circular economy
	E5-3 Targets related to resource use and circular economy	2.6 ESRS E5 Resource use and the circular economy
	E5-4 Resource inflows	2.6 ESRS E5 Resource use and the circular economy
	E5-5 Resource outflows	2.6 ESRS E5 Resource use and the circular economy
	E5-6 Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	For the fiscal year 2024, which is the first year of sustainability reporting in accordance with ESRS, Sanlorenzo has decided to make use of the phase-in option.

continued

ESRS Topic	ESRS disclosure obligation	Section
ESRS S1 - Own workforce	ESRS 2 SBM-2 – Interests and views of stakeholders	1.1 ESRS 2 General Disclosures
	ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	3.1 ESRS S1 Own workforce
	S1-1 Policies related to own workforce	3.1 ESRS S1 Own workforce
	S1-2 Processes for engaging with own workers and workers' representatives about impacts	3.1 ESRS S1 Own workforce
	S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns	3.1 ESRS S1 Own workforce
	S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and oursuing material opportunities related to own workforce, and effectiveness of those actions	3.1 ESRS S1 Own workforce
	S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.1 ESRS S1 Own workforce
	S1-6 Characteristics of the undertaking's employees	3.1 ESRS S1 Own workforce
	S1-7 Characteristics of non-employee workers in the undertaking's own workforce	Sanlorenzo as provided for in Annex C of ESRS 1 made use of the transitional provision (phase-in) for this Disclosure Requirement
	S1-8 Collective bargaining coverage and social dialogue	3.1 ESRS S1 Own workforce
	S1-9 Diversity metrics	3.1 ESRS S1 Own workforce
	S1-10 Adequate wages	3.1 ESRS S1 Own workforce
	S1-11 Social protection	3.1 ESRS S1 Own workforce
	S1-12 Persons with disabilities	3.1 ESRS S1 Own workforce
	S1-13 Training and skills development metrics	3.1 ESRS S1 Own workforce
	S1-14 Health and safety metrics	3.1 ESRS S1 Own workforce For the fiscal year 2024, which corresponds to the first year of sustainability reporting in accordance with the ESRS, Sanlorenzo has decided to use the phase-in option only for non-employee workers.
	S1-15 Work-life balance metrics	3.1 ESRS S1 Own workforce
	S1-16 Compensation metrics (pay gap and total compensation)	3.1 ESRS S1 Own workforce
	S1-17 Incidents, complaints and severe human rights impacts	3.1 ESRS S1 Own workforce

continued

ESRS Topic	ESRS disclosure obligation	Section
ESRS S2 - Workers along the value chain	ESRS 2 SBM-2 – Interests and views of stakeholders	1.1 ESRS 2 General Disclosures
	ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	3.2 ESRS S2 Workers in the value chain
	S2-1 Policies related to value chain workers	3.2 ESRS S2 Workers in the value chain
	S2-2 Processes for engaging with value chain workers about impacts	3.2 ESRS S2 Workers in the value chain
	S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns	3.2 ESRS S2 Workers in the value chain
	S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	3.2 ESRS S2 Workers in the value chain
	S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.2 ESRS S2 Workers in the value chain
ESRS S4 - Consumers and end-users	ESRS 2 SBM-2 – Interests and views of stakeholders	1.1 ESRS 2 General Disclosures
	S4-SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	3.3 ESRS S4 Consumers and end users
	S4-1 Policies related to consumers and end-users	3.3 ESRS S4 Consumers and end users
	S4-2 Processes for engaging with consumers and end-users about impacts	3.3 ESRS S4 Consumers and end users
	S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	3.3 ESRS S4 Consumers and end users
	S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	3.3 ESRS S4 Consumers and end users
	S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.3 ESRS S4 Consumers and end users
ESRS G1 - Business Conduct	ESRS 2 GOV-1 – The role of administrative, management and supervisory bodies	1.1 ESRS 2 General Disclosures
	G1-1 Business conduct policies and corporate culture	4.1 ESRS G1 Business conduct
	G1-2 Management of relationships with suppliers	4.1 ESRS G1 Business conduct
	G1-3 Prevention and detection of corruption and bribery	4.1 ESRS G1 Business conduct
	G1-4 Confirmed incidents of corruption and bribery	4.1 ESRS G1 Business conduct
	G1-6 Payment practices	4.1 ESRS G1 Business conduct

The following table lists the information elements stemming from other EU legislative acts that are reported in this Consolidated Sustainability Report, according to Appendix B of ESRS 2 (List of datapoints in cross-cutting and topical standards that derive from other EU legislation).

Disclosure Requirement and related datapoint	SFDR Reference[27]	Pillar 3 Reference [28]	Benchmark Regulation Reference [29]	EU Climate Law Reference [30]
ESRS 2 GOV-1 Board's gender diversity, paragraph 21(d)	Annex I, Table 1, Indicator No. 13		Commission Delegated Regulation (EU) 2020/1816 (16), Annex II	
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21(e)			Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	Annex I, Table 3, Indicator No. 10			
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities, para. 40(d)(i)	Annex I, Table 1, Indicator No. 4	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/ 2453 (17), Table 1 – Qualitative information on Environmental Risk and Table 2 - Qualitative information on Social Risk	Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to chemical production, para. 40(d)(ii)	Annex I, Table 2, Indicator No. 9		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, para. 40(d)(iii)	Annex I, Table 1, Indicator No. 14		Article 12(1) of Delegated Regulation (EU) 2020/1818(18) and Annex II of Delegated Regulation (EU) 2020/1816	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobocco, para. 40(d)(iv)			Article 12(1) of Delegated Regulation (EU) 2020/ 1818 and Annex II of Delegated Regulation (EU) 2020/1816	
ESRS E1-1 Transition Plan to reach climate neutrality by 2050, paragraph 14				Article 2(1) of Regulation (EU) 2021/1119

continued

27 *Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability reporting in the financial services sector (Regulation on sustainability reporting in the financial sector) (OJ L 317, 9.12.2019, p. 1).*

28 *Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation 'CRR') (OJ L 176, 27.6.2013, p. 1).*

29 *Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014 (OJ L 171, 29.6.2016, p. 1).*

30 *Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No. 401/2009 and (EU) 2018/1999 ('European Climate Act') (OJ L 243, 9.7.2021, p. 1).*

Disclosure Requirement and related datapoint	SFDR Reference[27]	Pillar 3 Reference [28]	Benchmark Regulation Reference [29]	EU Climate Law Reference [30]
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks, paragraph 16(g)		Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book - Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, issuance and residual maturity	Article 12(1)(d) to (g) and (2) of Delegated Regulation (EU) 2020/1818	
ESRS E1-4 GHG emission reduction targets, para. 34	Annex I, Table 2, Indicator No. 4	Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 3: Banking book - Indicators of potential transition risk related to climate change: alignment metrics	Article 6 of Delegated Regulation (EU) 2020/1818	
ESRS E1-5 Energy consumption from fossil sources disaggregated by source (only high climate impact sectors), paragraph 38	Annex I, Table 1, Indicator No. 5 and I, Table 2, Indicator No. 5			
ESRS E1-5 Energy consumption and mix paragraph 37	Annex I, Table 1, Indicator No. 5			
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	Annex I, Table 1, Indicator No. 6			
ESRS E1-6 Gross Scope 1, 2, 3 and total GHG emissions, para. 44	Annex I, Table 1, Indicators 1 and 2	Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 1: Banking portfolio - Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, issuance and residual maturity	Articles 5(1), 6 and 8(1) of Delegated Regulation (EU) 2020/1818	
ESRS E1-6 Gross GHG emissions intensity, paragraphs 53 to 55	Annex I, Table 1, Indicator No. 3	Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 3: Banking book - Indicators of potential transition risk related to climate change: alignment metrics	Article 8(1) of Delegated Regulation (EU) 2020/ 1818	
ESRS E1-7 GHG removals and carbon credits, paragraph 56 **NOT MATERIAL**				Article 2(1) of Regulation (EU) 2021/1119
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66 **NOT MATERIAL**			Annex II of Delegated Regulation (EU) 2020/1818 and Delegated Regulation II of (EU) 2020/1816	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66(a) ESRS E1-9 Location of significant assets at material ohysical risk, paragraph 66(c) **NOT MATERIAL**		Article 449 bis of Regulation (EU) No 575/2013; points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; Model 5: Banking book - Indicators of potential physical risk related to climate change: exposures subject to physical risk		

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Disclosure Requirement and related datapoint	SFDR Reference[27]	Pillar 3 Reference [28]	Benchmark Regulation Reference [29]	EU Climate Law Reference [30]
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy efficiency classes paragraph 67(c) **NOT MATERIAL**		Article 449a of Regulation (EU) No 575/2013; paragraph 34 of Commission Implementing Regulation (EU) 2022/2453; Model 2: Banking portfolio - Indicators of potential climate change-related transition risk: asset-backed real estate loans - Energy efficiency of collateral		
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69 **NOT MATERIAL**			Annex II of Delegated Regulation (EU) 2020/1818	
ESRS E2-4 Amount of each pollutant listed in Annex II of the EPRTR (European Pollutant Release and Transfer Register) emitted to air, water and soil, para. 28	Annex I, Table 1, indicator No. 8; Annex I, Table 2, indicator No. 2; Annex 1, Table 2, indicator No. 1; Annex I, Table 2, indicator No. 3			
ESRS E3-1 Water and marine resources, paragraph 9	Annex I, Table 2, Indicator No. 7			
ESRS E3-1 Dedicated Policy, paragraph 13	Annex I, Table 2, Indicator No. 8			
ESRS E3-1 Sustainable oceans and seas, paragraph 14	Annex I, Table 2, Indicator No. 12			
ESRS E3-4 Total water recycled and reused, para. 28(c)	Annex I, Table 2, Indicator No. 6.2			
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations, para. 29	Annex I, Table 2, Indicator No. 6.1			
ESRS 2 SBM-3 - E4 paragraph 16(a)(i)	Annex I, Table 1, Indicator No. 7			
ESRS 2 SBM-3 - E4 paragraph 16 (b)	Annex I, Table 2, Indicator No. 10			
ESRS 2 SBM-3 - E4 paragraph 16(c)	Annex I, Table 2, Indicator No. 14			
ESRS E4-2 Sustainable land/ agricultural practices or policies, para. 24(b)	Annex I, Table 2, Indicator No. 11			
ESRS E4-2 Sustainable oceans/seas practices or policies, para. 24(c)	Annex I, Table 2, Indicator No. 12			
ESRS E4-2 Policies to address deforestation, para. 24(d)	Annex I, Table 2, Indicator No. 15			
ESRS E5-5 Non-recycled waste, paragraph 37(d)	Annex I, Table 2, Indicator No. 13			
ESRS E5-5 Hazardous waste and radioactive waste, para. 39	Annex I, Table 1, Indicator No. 9			

continued

Disclosure Requirement and related datapoint	SFDR Reference[27]	Pillar 3 Reference [28]	Benchmark Regulation Reference [29]	EU Climate Law Reference [30]
ESRS 2 - SBM3 - S1 Risk of incidents of forced labour, para. 14(f)	Annex I, Table 3, Indicator No. 13			
ESRS 2 - SBM3 - S1 Risks of incidents of child labour, para. 14(g)	Annex I, Table 3, Indicator No. 12			
ESRS S1-1 Human rights policy commitments, para. 20	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11			
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, para. 21			Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-1 Processes and measures for preventing trafficking in human beings, para. 22	Annex I, Table 3, Indicator No. 11			
ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23	Annex I, Table 3, Indicator No. 1			
ESRS S1-3 Grievance/complaints handling mechanisms, para. 32(c)	Annex I, Table 3, Indicator No. 5			
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88(b) and (c)	Annex I, Table 3, Indicator No. 2		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, para 88 (e)	Annex I, Table 3, Indicator No. 3			
ESRS S1-16 Unadjusted gender pay gap, para. 97(a)	Annex I, Table 1, Indicator No. 12		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-16 ExcessiveCEO pay ratio, para. 97(b)	Annex I, Table 3, Indicator No. 8			
ESRS S1-17 Incidents of discrimination, para. 103(a)	Annex I, Table 3, Indicator No. 7			
ESRS S1-17 Nonrespect of UN Guiding Principles on Business and Human Rights and OECD, paragraph 104(a)	Annex I, Table 1, Indicator No. 10 and Annex I, Table 3, Indicator No. 14		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818	
ESRS 2 SBM-3 - S2 Significant risk of child labour or forced labour in the value chain, para. 11(b)	Annex I, Table 3, Indicators 12 and 13			
ESRS S2-1 Human Rights policy commitments, para. 17	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11			
ESRS S2-1Policies related to value chain workers, para. 18	Annex I, Table 3, Indicators 11 and 4			

continued

Disclosure Requirement and related datapoint	SFDR Reference[27]	Pillar 3 Reference [28]	Benchmark Regulation Reference [29]	EU Climate Law Reference [30]
ESRS S2-1 Nonrespect of UN Guiding Principles on Business and Human Rights and OECD Guidelines, paragraph 19	Annex I, Table 1, Indicator No. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818	
ESRS S2-1 Due Diligence policies on issues addressed by the fundamental Labour Organisation Conventions 1 to 8, para. 19			Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, para. 36	Annex I, Table 3, Indicator No. 14			
ESRS S3-1 Human Rights policy commitments paragraph 16 **NOT MATERIAL**	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11			
ESRS S3-1 Nonrespect of UN Guiding Principles on Business and Human Rights, the ILO Principles or the OECD Guidelines, paragraph 17 **NOT MATERIAL**	Annex I, Table 1, Indicator No. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818	
ESRS S3-4 Human Rights issues and incidents, para. 36	Annex I, Table 3, Indicator No. 14			
ESRS S4-1 Policies related to consumers and end users, para. 16	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11			
ESRS S4-1 Non-respect of UN Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 17	Annex I, Table 1, Indicator No. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12(1) of Delegated Regulation (EU) 2020/1818	
ESRS S4-4 Human rights issues and incidents paragraph 35	Annex I, Table 3, Indicator No. 14			
ESRS G1-1 United Nations Convention against Corruption, paragraph 10(b)	Annex I, Table 3, Indicator No. 15			
ESRS G1-1 Protection of Whistleblowers, para. 10(d)	Annex I, Table 3, Indicator No. 6			
ESRS G1-4 Fines for violations of anti-corruption and anti-bribery laws, para. 24(a)	Annex I, Table 3, Indicator No. 17		Annex II of Delegated Regulation (EU) 2020/1816	
ESRS G1-4 Standards of anti-corruption abd abti-bribery, para. 24(b)	Annex I, Table 3, Indicator No. 16			

The Sanlorenzo Group sets appropriate quantitative and/or qualitative thresholds to determine the relevance of the sustainability issues to be reported. The threshold for assessing the materiality of each sustainability issue, using the scale of selected parameters and the calculation methodology outlined in the previous section, was conservatively set at "2.5" (material impact) for impact materiality and "2.5" (medium/low) for financial materiality as it corresponds to half of the scale used in the assessment.


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2. Environmental information

2.1 DISCLOSURES UNDER ARTICLE 8 OF REGULATION (EU) 2020/852 (TAXONOMY REGULATION)

As part of the action plan on sustainable finance adopted in 2018, the European Commission developed a special classification system, a 'taxonomy' that allows the unambiguous definition of economic activities - and investments - that can be considered environmentally sustainable. This system was defined by Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, which came into force on 12 July 2020 and is identified by the label 'EU Taxonomy'. The regulation includes six climate and environmental objectives in particular:

- Climate change mitigation.
- Climate change adaptation.
- Sustainable use and protection of water and marine resources.
- Transition to a circular economy.
- Pollution prevention and reduction.
- Protection and restoration of biodiversity and ecosystems.

In July 2021, EU Regulation 2021/2178 further supplemented the disclosure requirements of the Taxonomy to clarify how information is calculated and represented. The European Commission subsequently defined, through the EU Delegated Regulation 2021/2139 ("Taxonomy Climate Delegate Act") - approved on 9 December 2021 by the EU Council and in force as of 1 January 2022 - the list of eligible activities and the related technical screening criteria for the first two objectives of the Taxonomy, those of mitigation and adaptation to climate change. Subsequently, the scope was further extended with the publication of EU Delegated Regulation 2023/2486 ("Taxonomy Environmental Delegate Act"), which defined the eligible activities and alignment criteria for the remaining four environmental objectives; EU Delegated Regulation 2023/2485 also introduced additional economic activities identified as eligible for climate-related objectives. Based on the parameters defined by the Taxonomy, an economic activity must fall within the list of economic activities contained in the Delegated Acts on Climate and Environment in order to be considered eligible. Having verified the eligibility of economic activities, the Taxonomy also requires the verification of their alignment with the technical screening criteria established by the Delegated Acts, as well as the following requirements:

1. In contributing to one or more of the environmental objectives, it must not cause significant harm to any of the others ("Do No Significant Harm');
2. It must be carried out in compliance with the minimum safeguards, i.e. carried out in line with the provisions and provisions of the main international references on fundamental human rights.

In particular, the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, the eight core conventions of the ILO, and the International Bill of Human Rights In Article 8 of EU Regulation 2020/852, the reporting obligations applicable to non-financial corporations to date are defined. In this context, starting with publications after 1 January 2025, all companies subject to the obligation to prepare sustainability reports pursuant to Legislative Decree 125/2024, must report the share of turnover, the percentage of capital expenditure (CAPEX) and the percentage of operating expenditure (OPEX) relating to economic activities that qualify as eligible or as eligible and aligned in relation to the objectives defined by the Taxonomy Regulation.

The Sanlorenzo Group considers this regulatory evolution an important tool to enable the private sector to move in the field of sustainability according to common and consistent methods and language, guaranteeing environmental information conveyed to all stakeholders in a comprehensible, comparable and transparent manner. To meet the requirements of the Taxonomy, the Sanlorenzo Group first carried out an eligibility analysis of its activities with respect to the taxonomy objectives. In this regard, it should be noted that, in continuity with the approach taken in previous years and in view of the document "Commission Notice on the interpretation of certain legal provisions of the Disclosure Delegated Act under Article 8 of the EU Taxonomy Regulation on the reporting of eligible economic activities and assets", published on 6 October 2022 by the European Commission, which specifies: (i) considering the NACE codes as a general and non-exhaustive indication and (ii) assessing eligibility for the taxonomy on the basis of the description of the activity where there are descriptions with qualifiers such as 'low carbon', the Group considered including the prevailing activity in '3.3 Manufacture of low carbon technologies for transport', with particular reference to the climate change mitigation objective, identified as the most suitable for the types of economic activities carried out by the Group. In addition, the Group considered Capex and Opex related to the installation of photovoltaic panels in connection with the activity '7.6 Installation, Maintenance and Repair of Renewable Energy Technologies'. This activity, however, does not meet the requirements for alignment.

TECHNICAL SCREENING CRITERIA

Following the eligibility analysis of its economic activities, the Group continued its analysis to determine the alignment of activity 3.3 above with the climate change mitigation objective:

- Analysis of the substantial contribution by verifying compliance with the technical screening criteria laid down in the regulations.
- Assessment of alignment with the principle of "Do Not Significant Harm".
- Verification of minimum social safeguards.

In order to verify the alignment of the activity identified as eligible by the Group (3.3 Manufacture of low-carbon technologies for transport), the specific technical screening criteria with respect to the climate change mitigation objective were then analysed, and only yachts that do not produce CO_2 emissions, as they are exclusively hydrogen-powered, were identified as potentially eligible for alignment. For the eligible economic activity (3.3) for mitigation purposes, the DNSH criteria identified by the Climate Regulation were analysed and the activities carried out were mapped, from which the following findings emerged.

DNSH - DO NOT SIGNIFICANT HARM

In order to verify that the activity contributes to the climate change mitigation objective and does not significantly harm the remaining five objectives, the following checks were carried out:

- With regard to the goal of adapting to climate change, the Group has taken environmental and climate risks into account in conducting its activities. Specifically, the Group conducted a formalised physical and transition risk analysis, for more details please refer to ESRS Section E1 Climate change of the reporting.
- For the objective of sustainable use and protection of water and marine resources, it is noted that the production of hydrogen-powered boats is carried out at a plant, located in the port of Genoa and operating in accordance with the law and current authorisations. This plant does not release pollutants into the marine resource.
- For the transition to a circular economy, the Group is committed to the introduction of sustainable and eco-friendly materials, reuse and utilisation of secondary raw materials and reused components, and responsible waste management. Specifically, the production of hydrogen-powered boats favours recycled and recyclable materials wherever possible.
- In relation to the objective of pollution prevention and reduction, the activity does not involve in the hydrogen boat manufacturing process the marketing or use of hazardous substances as defined by the Taxonomy regulations.
- Finally, for the objective of protecting and restoring biodiversity and ecosystems, the factory where the hydrogen-powered boats are produced operates in accordance with the law and current authorisations and in compliance with regulatory constraints. This establishment has no specific obligations to protect the terrestrial and marine ecosystem.

MINIMUM SOCIAL SAFEGUARDS

In addition to the analyses for passing the technical screening criteria and the DNSH, the verification of compliance with the Minimum Safeguards in the areas of human rights, corruption, fair competition and taxation, as defined in the EU Taxonomy Regulation, was carried out, also with reference to the suggestions put forward in the Platform on Sustainable Finance's 'Final Report on Minimum Safeguards' of October 2022.

The Code of Ethics and the policies implemented by the Group for the management of its activities set out the principles and standards relating to the protection of human rights, fundamental rights and ethical conduct, also with reference to the companies the Group uses to carry out its shipbuilding activities. These principles constitute binding obligations for all stakeholders concerned.

For further details, please refer directly to Section G1 Business conduct of the reporting. of this document.

TURNOVER

The KPI relating to turnover referred to in Article 8(2)(a) of Regulation (EU) 2020/852 was calculated as the portion of revenue obtained from products or services, including intangible products or services, associated with economic activities eligible for the taxonomy (numerator), divided by total revenue (denominator) within the meaning of Article 2(5) of Directive 2013/34/EU as recognised in the accounts and represented in the consolidated financial statements prepared in accordance with IFRS. The denominator of the calculation corresponds to total net revenue and income, as reportd in the "Consolidated statement of profit and loss and other comprehensive income" of the Annual Financial Report.

. Regarding the numerator, the total revenue from the sale and maintenance of yachts was considered as eligible, and as aligned the revenue from the sale and maintenance of the hydrogen-powered yacht that fulfils the following requirement (3.3, (m) of Delegated Regulation (EU) 2021/2139): i. direct emissions (from discharge) of CO_2 equal to zero; Within total revenue, revenue from the sale of miscellaneous materials and other revenue (reported within the item "Revenue from maintenance and other services" in the consolidated financial statements), and the item "Other income" were not considered as eligible.

CAPEX

The KPI for capital expenditure referred to in Article 8(2)(b) of Regulation (EU) 2020/852 was calculated using the following denominator and numerator. The denominator includes additions to tangible and intangible assets during the year considered before depreciation, amortisation, impairment and any revaluation, including those arising from restatements and reductions in value, for the year in question, and excluding changes in fair value. The denominator also includes increases to tangible and intangible assets resulting from business combinations. In particular, capital expenditure includes costs accounted for in the consolidated financial statements on the basis of: (a) IAS 16 'Property, Plant and Equipment', paragraph 73(e)(i) and (iii); (b) IAS 38 'Intangible Assets', paragraph 118(e)(i); (c) IAS 40 'Investment Property', paragraph 76(a) and (b) (for the fair value model) (d) IAS 40 Investment Property, paragraph 79(d)(i) and (ii) (for the cost model); (e) IAS 41 Agriculture, paragraph 50(b) and (e); (f) IFRS 16 Leases, paragraph 53(h). Leases that do not result in the recognition of a right of use on the asset side are not counted as capital expenditure. The numerator corresponds to the portion of capital expenditure included in the denominator that satisfies the condition of being related to assets or processes associated with eligible economic activities and/or aligned with the taxonomy; in particular, the portion relating to activity 3.3 considered aligned refers to the costs of research and product development relating to zero-emission yachts, while the eligible assets include, in addition to the remaining capex relating to activity 3.3, the investments made during the year in energy efficiency measures (in particular, the installation of photovoltaic panels) attributable to activity 7.6 "Installation, maintenance and repair of renewable energy technologies" as illustrated above.

OPEX

The KPI for operating expenses referred to in Article 8(2)(b) of Regulation (EU) 2020/852 was calculated using the following denominator and numerator. The denominator includes non-capitalised direct costs related to maintenance, building renovation, research and development, short-term leasing and any other direct expenditure related to the day-to-day maintenance of property, plant and equipment. The numerator corresponds to the portion of operating expenses included in the denominator that satisfy the condition of being related to assets or processes associated with economic activities aligned with the taxonomy, including training and other human resources adaptation needs, as well as direct non-capitalised research and development costs. The research and development costs already accounted for in the KPI relating to capital expenditure cannot be counted as operating expenses; in particular, the share relating to activity 3.3 considered aligned refers to research and product development costs relating to zero-emission yachts, while eligible activities include, in addition to the remaining capex relating to activity 3.3, also the costs incurred during the year in energy efficiency measures (in particular, for the maintenance of photovoltaic panels) referable to activity 7.6 "Installation, maintenance and repair of renewable energy technologies" as explained above.

Below is a summary of the economic activities identified as eligible under the Taxonomy Regulation, with their description and objective:

Activity	Activity description	Objective	KPIs
3.3 Manufacture of low carbon technologies for transport	Manufacture, repair, maintenance, retrofitting, repurposing and upgrade of low carbon transport vehicles, rolling stock and vessels.	CCM	Turnover CapEx OpEx
7.6. Installation, maintenance and repair of renewable energy technologies	Installation, maintenance and repair of renewable energy technologies, on-site.	CCM	CapEx OpEx

CCM = Climate Change Mitigation.

TABLE - PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR 2024

Amounts shown are in Euro/000

FY 2024	Year			Substantial contribution criteria					
Economic activities	Code	Absolute turnover	Proportion of turnover, year 2024	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems
		Euro thousand	%	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Manufacture of low carbon technologies for transport	**CCM 3.3**	2,166	0.22%	**Yes**	**N/AM**	**N/AM**	**N/AM**	**N/AM**	**N/AM**
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		2,166	0.22%	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**
Of which enabling		**2,166**	**0.22%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**
Of which transition		**-**	**0%**	**100%**					
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
				AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM
Manufacture of low-carbon technologies for transport	CCM 3,3	956,116	97.28%	AM	N/AM	N/AM	N/AM	N/AM	N/AM
Turnover of Taxonomy-eligible but not environmentally sustainable activities(not Taxonomy-aligned activities) (A.2)		956,116	97.28%	100%	0%	0%	0%	0%	0%
Turnover of Taxonomy-eligible activities(A.1 + A.2)		**958,282**	**97.50%**	100%	0%	0%	0%	0%	0%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
Turnover of Taxonomy-non-eligible activities (B)		24,554	2.50%						
TOTAL (A+B)		**982,836**	**100.00%**						

DNSH criteria ("Does Not Significantly Harm")									
Climate change mitigation	Climate change adaptation	Water amd marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards guarantees	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2023	Category (enabling activity)	Category (transition activity)
Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	%	A	T
NA-	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**0.19%**	**A**	
NA	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**0.19%**		
Yes	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**0.19%**	**A**	
No	**No**	**No**	**No**	**No**	**No**	**No**	**0%**		**T**
							98.09%		
							98.09%		
							98.28%		

TABLE - PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR 2024

Amounts shown are in Euro/000

FY 2024	Year			Criteria for substantial contribution					
Economic activities	Code	Absolute CapEx	Proportion of CapEx, year 2024	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems
		Euro thousand	%	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy aligned)									
Manufacture of low carbon technologies for transport	**CCM 3.3**	**1,422**	0.76%	**Yes**	N/AM	N/AM	N/AM	N/AM	N/AM
CapEx of environmentally sustainable activities (Taxonomy aligned) (A.1)		1,422	0.76%	100%	0%	0%	0%	0%	0%
Of which enabling		1,422	**0.76%**	100%	0%	0%	0%	0%	0%
Of which transition		-	0%						
A.2 Taxonomy-Eligible but not environmentally sustainable activities(not Taxonomy-aligned activities)									
				AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM
Manufacture of low carbon technologies for transport	CCM 3.3	123,340	65.57%	AM	N/AM	N/AM	N/AM	N/AM	N/AM
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	1,828	0.97%	AM	N/AM	N/AM	N/AM	N/AM	N/AM
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**125,168**	**66.54%**	100%	0%	0%	0%	0%	0%
CapEx of Taxonomy-eligible activities (A.1+A.2)		**126,590**	**67.30%**	100%	0%	0%	0%	0%	0%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
CapEx of Taxonomy-non-eligible activities (B)		**61,509**	**32.70%**						
TOTAL (A+B)		**188,099**	**100.00%**						

Criteria DNSH ("do not significant harm")									
Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards guarantees	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2023	Category (enabling activity)	Category (transition activity)
Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	%	A	T
NA	Yes	Yes	Yes	Yes	Yes	Yes	1.21%		
NA	Yes	Yes	Yes	Yes	Yes	Yes	1.21%		
Yes	Yes	Yes	Yes	Yes	Yes	Yes	1.21%	A	
	No	No	No	No	No	No	-		T
							92.77%		
							0%		
							92.77		
							93.98%		

TABLE - PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES - DISCLOSURE COVERING YEAR 20244

Amounts shown are in Euro/000

FY 2024	Year			Criteria for substantial contribution					
Economic activities	Code	Absolute OpEx	Proportion of OpEx, year 2024	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems
		Euro thousand	%	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM	Yes; No; N/AM
A. TAXONOMY-ELIGIBLE ACTIVITIES									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Manufacture of low-carbon technologies for transport	**CCM 3.3**	**2,530**	**0.31%**	**Yes**	N/AM	N/AM	N/AM	N/AM	N/AM
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**2,530**	**0 .31%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**
Of which enabling		**2,530**	**0 31%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**
Of which transition		**-**	**0%**						
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
				AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM	AM; N/AM
Manufacture of low-carbon technologies for transport	CCM 3.3	803,902	99.68%	AM	N/AM	N/AM	N/AM	N/AM	N/AM
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	44	0.01%	AM	N/AM	N/AM	N/AM	N/AM	N/AM
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		803,946	96.69%	100%	0%	0%	0%	0%	0%
A. OpEx of Taxonomy-eligible activities(A.1+A.2)		806,476	100.00%	100%	0%	0%	0%	0%	0%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES									
OpEx of Taxonomy-non-eligible activities (B)		-	0%						
TOTAL (A+B)		**806,476**	**100.00%**						

Criteria DNSH ("do not significant harm")									
Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2023	Category (enabling activity)	Category (transition activity)
Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	Yes/ No	%	A	T
NA	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**0%**		
NA	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**0%**		
Yes	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**0%**	**A**	
No	**No**	**No**	**No**	**No**	**No**	**No**	**-**		**T**
							100.00%		
							0%		
							100.00%		
							100.00%		

Table - Percentage of Turnover from products or services associated with economic activities aligned to the taxonomy

Proportion of Turnover / Total Turnover

	Taxonomy-aligned	Taxonomy-eligible
CCM	0,22%	97,28%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Table - Percentage of CapEx from products or services associated with economic activities aligned to the taxonomy

Proportion of CapEx / Total CapEx

	Taxonomy-aligned	Taxonomy-eligible
CCM	0,76%	66,54%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Table - Percentage of OpEx from products or services associated with economic activities aligned to the taxonomy

Proportion of OpEx / Total OpEx

	Taxonomy-aligned	Taxonomy-eligible
CCM	0,31%	99,69%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

With reference to the disclosure pursuant to Article 8(6) and (7) of Delegated Regulation (EU) 2021/2178, which provides for the use of the templates provided in Annex XII for the reporting of nuclear and fossil gas activities, the "Template 1 - Nuclear and Fossil Gas Activities" is reproduced below. Further templates have been omitted as they are not applicable to the activities of the Sanlorenzo Group.

Row	Nuclear energy related activities	Yes/No
1	The undertaking carries out, funds or has exposure to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposure to contruction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Row	**Fossil gas related activities**	**Yes/No**
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cooling using fossil gaseous fuels.	No

2.2 ESRS E1 CLIMATE CHANGE

2.2.1 Strategy

E1-1 - Transition plan for climate change mitigation

At present, the Sanlorenzo Group has not yet implemented a specific transition plan for climate change mitigation aligned to the goal of containing global warming in the terms defined by the Paris Agreement, and in perspective to carbon neutrality. In this context, the Group intends to evaluate the opportunity of defining a structured decarbonisation plan in the course of 2025, including, in addition to emission reduction targets, the evaluation of the possibility of adhering to the Science Based Targets Initiative (SBTi) standards. This Plan, once defined, will be a key step in renewing the Group's commitment to environmental sustainability.

ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

Climate change is a global challenge with significant impacts on the business context. Indeed, the Sanlorenzo Group recognises the importance of understanding and managing the associated risks and opportunities, integrating these considerations into the business model to ensure long-term resilience and contribute to a transition to a low-carbon economy.

In this context, as reported in section ESRS 2 - IRO 1- Description of the processes to identify and assess climate-related material impacts, risks and opportunities. , it should be noted that as a result of the materiality analysis performed by the Group, both transitional and physical risks related to climate change emerged as significant.

In particular, in order to identify the specific physical risk factors related to climate change, the Group conducted a scenario analysis, covering 14 countries and over 60 sites where the Group operates. This analysis was conducted using two IPCC scenarios: RCP 4.5, an intermediate scenario, and RCP 8.5, a more pessimistic scenario, and considering both chronic and acute risks with time horizons to 2030 and 2050. From these analyses, the most relevant risks for the Group in a 2030 time horizon, in a medium-term perspective, turn out to be the following physical:

- Heat stress.
- Water stress.
- Heat waves.
- Floods.
- Subsidence.

With regard to transition risks, on the other hand, qualitative assessments were carried out, analysing the implications of two different policy scenarios: an optimistic one based on Current Policies and a more restrictive and challenging one linked to the Net Zero 2050 target. These transition risks arise from the changing regulatory, technological and market context towards a low-carbon economy. These risks can manifest themselves through different dimensions:

- Reporting obligations and impairment of assets: The introduction of stricter emission reporting requirements could lead to write-downs or impairments of the Group's assets if they are not aligned with decarbonisation targets. In addition, regulatory changes could render some of the activities obsolete, leading to their early retirement;
- Technology transition costs: The transition to low-carbon technologies will involve significant investments in new equipment, processes and infrastructure. These transition costs represent a financial risk, especially if not managed proactively;
- Increased costs and/or reduced demand as a result of litigation: Exposure to litigation resulting from new higher compliance standards could lead to increased operating costs, fines or unfavourable judgments, potentially reducing demand for our products and services.

Already by 2030, in a medium-term perspective, the following transitional risks emerge as significant for the Group:

- Increased pricing of GHG emissions.
- Substitution of existing products and services with lower emissions options.
- Uncertainty in market signals.

This analysis has enabled the Sanlorenzo Group to gain a greater awareness of potential future climate risks, and is the starting point for the initiation of a structured pathway, geared towards the definition of an overall strategy and the subsequent implementation of a structured resilience plan, currently not yet defined, aimed at ensuring a sustainable and proactive management of future challenges. In this context, the Group continues to manage physical risk profiles through the use of insurance policies to cover any damage resulting from atmospheric phenomena, and to monitor the evolution of regulations and market trends, in order to promptly detect any indications of changes or changes in the scenario that may lead to the need to intervene on the adaptation of its product range; in this regard, the Group has already been engaged for years in research and development activities aimed at innovating materials and products, in order to be able to introduce new models onto the market characterised by low environmental impact technologies.

2.2.2 Impact, risk and opportunity management

E1-2 - Policies related to climate change mitigation and adaptation
The Group has adopted an integrated approach to managing its activities in relation to material IROs concerning climate change, emissions and energy consumption, in line with the principles of the Environmental Policy. This policy is now extended to the companies Sanlorenzo S.p.A, Bluegame S.r.l. and its subsidiary ICY S.r.l.

To realise this commitment, an Environmental Management System (EMS) certified according to ISO 14001:2015 has been implemented, applied to all the main production sites of Sanlorenzo S.p.A, Bluegame S.r.l. and its subsidiary ICY S.r.l., and complying with stringent requirements for emission reduction and environmental protection. The Environmental Policy recognises respect for the environment as a fundamental element of responsible business management, promoting continuous performance improvement, including with regard to reducing emissions and climate change impacts.

In line with the requirements of UNI EN ISO 14001:2015 and Legislative Decree 152/06, the Parent Company sets the following general objectives for climate change and energy management through its Environmental Policy:

- Optimise the use of natural resources and reduce the environmental impact of energy and raw material consumption by adopting environmentally friendly and worker-safe technologies;
- Encourage environmental responsibility at all company levels, through information and training programmes for personnel;
- Develop new boat models that meet high standards of eco-sustainability.

The Environmental Policy applies to the companies of the Group, it is extended to Sanlorenzo S.p.A, Bluegame S.r.l. and its subsidiary ICY S.r.l, to all the people working within the Group, regardless of the type of contract, and its implementation is the responsibility of the CEO, the highest management level of the organisation. To ensure accessibility to stakeholders, the Policy is published on the company website and posted on company notice boards.

E1-3 - Actions and resources in relation to climate change policies
In implementation of the principles established in the aforementioned Environmental Policy, the Sanlorenzo Group, with the aim of countering the impacts of climate change and its energy consumption, has launched several initiatives to reduce emissions and improve energy efficiency, intervening on both its products and corporate infrastructures.

In particular, with reference to the efficiency of yacht performance, as previously mentioned, the R&D team is committed to developing innovative solutions to optimise fuel consumption and reduce environmental impact, through interventions aimed at reducing fuel consumption, lightening the yacht structure and optimising the shape of the hull to improve performance.

In this context, it should be noted that as of July 2024, the Group introduced the use of HVO (Hydrotreated Vegetable Oil) for all start-ups and tests of units produced by the yacht business unit, an initiative that will continue in 2025. At the same time, measures were taken to increase the energy efficiency of the plants, with a particular focus on the La Spezia site, where the old single-glazed windows were replaced with energy-efficient windows. Also with a view to energy optimisation, the use of electric heaters for heating and portable air conditioners for cooling was reduced, while the old transformers in the electrical substations, originally powered by mineral oil, were replaced with new, more efficient and sustainable resin transformers.

The focus on reducing emissions also extends to the management of purchased electricity, from which the Group's Scope 2 emissions are derived. To this end, Sanlorenzo S.p.A. expanded its photovoltaic capacity in 2024. A significant milestone was reached at the Ameglia, Viareggio, La Spezia and Massa plants, which use about 100% renewable energy thanks to the purchase of Guarantees of Origin; the Group also intends to progressively implement these types of intervention at other plants.

The total investment in 2024 is below the threshold limit set out in section ESRS 2 General Disclosures, BP-1 General basis for preparation of sustainability statements.

2.2.3 Metrics and targets

E1-4 - Targets related to climate change mitigation and adaptation

At present, the Sanlorenzo Group has not yet implemented a climate strategy for climate change mitigation. The Group intends to evaluate the definition of specific targets in the course of 2025, including, in addition to emission reduction targets, the evaluation of the possibility of adhering to the Science Based Targets Initiative (SBTi) standards.

However, the Group, as reported in GOV-3 Integration of sustainability-related performance in incentive schemes, has developed medium- to long-term Scope 1 and 2 Market-based GHG emission reduction targets for the 2023 consolidated scope.

E1-5 - Energy consumption and mix

In 2024, the Sanlorenzo Group's energy consumption can be broken down on the basis of the following sources:

- Electricity from conventional sources;
- Electricity from renewable sources;
- Self-produced and consumed electricity (renewable from photovoltaics);
- Methane gas;
- Fuels - Diesel (sea trials, company cars, transport and heating);
- Fuels - Petrol (company cars);
- Biofuels - HVO (sea trials).

The main components are fuel for sea trials and the company fleet, and purchased electricity. The following tables provide details of energy consumption by 2024, at Group level.

For the purpose of calculating energy intensity, the Group's high climate impact sectors were taken into account:

- C: manufacturing.
- G: wholesale and retail trade.
- G: repair of motor vehicles and motorcycles.
- L: real estate activities.

The turnover of these sectors totalled Euro 960.235 million. To this amount must be added the net revenues of the non-high-impact sectors amounting to Euro 3.182 million for total net revenues of Euro 963.417 million. Please refer to the "Consolidated statement of profit and loss and other comprehensive income" of the Annual Financial Report.

Tabella - Energy consumption and mix in MWhh

Type of energy consumption	u.m.[31]	2024
Fuel consumption from coal and coal products	MWh	-
Fuel consumption from crude oil and petroleum products	MWh	16,361
Fuel consumption from natural gas	MWh	7,323
Fuel consumption from other fossil sources	MWh	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	MWh	3,571
Total fossil energy consumption	MWh	27,255
Share of fossil sources in total energy consumption	%	61
Consumption from nuclear sources	MWh	-
Share of consumption from nuclear sources in total energy consumption	%	-
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	MWh	1,453
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	15,106
Consumption of self-generated non-fuel renewable energy	MWh	1,220
Total renewable energy consumption	MWh	17,779
Share of renewable sources in total energy consumption	%	39
Total energy consumption	**MWh**	**45,033**

[31] *Unit of measure.*

Self-generated energy (from renewable and non-renewable sources)

Breakdown of energy production by source	u.m.	2024
Energy production from non-renewable sources	MWh	-
Energy production from renewable sources	MWh	1,655

Below is the table containing the calculated energy intensity figure for 2024:

Energy intensity	u.m.	2024
Total energy consumption from high climate impact activities	MWh	45,018
Net revenue from high climate impact activities	Euro	960,235,000
Energy intensity of high-impact activities	**MWh/Euro**	**0.00005**

Estimation Methodology

In order to quantify energy consumption as required by the standard, the Sanlorenzo Group used the following conversion factors to calculate MWh:

Starting unit	Conversion unit	2024
1kWh	MWh	0.001
1l diesel (100% mineral diesel)	MWh	0.010561
1m³ natural gas	MWh	0.011177
1l of petrol	MWh	0.009732
1l of HVO	MWh	0.009931

Furthermore, in order to have an overall figure, the Group estimated the energy consumption of the following Nautor Swan Group companies:

- Nautor Swan Global Service SL.
- Nautor Swan Global Service UK Ltd.
- Nautor Swan Global Service USA LLC.
- Nautor Swan Global Service Pacific PTY Ltd.
- SYS Marina di Scarlino Yacht Service S.r.l..
- Nautor Swan S.r.l..
- Nautor Italy S.r.l..

These are offices, for which the Group pays a rent that includes all utilities, with a total of about 100 employees and have low energy consumption. Specifically, consumption was estimated by means of a MWh consumption index per person calculated from companies with similar characteristics having point data available to them.

During 2025, the Group is committed to improving data collection in order to minimise the use of estimates.

E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions

This section provides information on Scope 1, 2 and 3 GHG emissions generated by the Group's activities and indirectly along its value chain. For Scope 1 and Scope 2 reporting, the analysis, which has been implemented, includes CO_2 equivalent emissions from combustion processes, use of company vehicles, purchased electricity, air conditioning and refrigeration.

Below is the table containing data for Scope 1, Scope 2 and Scope 3 for the year 2024:

Direct and indirect emissions [32]	**u.m.**	**2024**
Total direct emissions (Scope 1)	t CO_2e	5,488
Share of Scope 1 emissions from regulated emissions trading systems	%	0%
Total indirect emissions associated with electricity generation (Scope 2) - Location based	**t CO_2e**	**7,545**
Total indirect emissions associated with electricity generation (Scope 2) - Market based	**t CO_2e**	**1,877**
Total indirect emissions (Scope 3)	**t CO_2e**	**466,890**
1. Purchased goods and services	t CO_2e	74,545
2. Capital goods	t CO_2e	11,454
3. Energy and fuel-related activities (not included in Scope 1 or Scope 2)	t CO_2e	2,099
4. Upstream transport and distribution	t CO_2e	27,770
5. Waste generated in operations	t CO_2e	260
6. Business travelling	t CO_2e	4,153
7. Employee commuting	t CO_2e	5,250
8. Upstream leased assets	t CO_2e	Not applicable
9. Downstream transportatione	t CO_2e	33,975
10. Processing of sold products	t CO_2e	Not applicable
11. Use of sold products	t CO_2e	304,934
12. End-of-life treatment of sold products	t CO_2e	2,257
13. Downstream leased assets	t CO_2e	Not applicable
14. Franchises	t CO_2e	Not applicable
15. Investments	t CO_2e	193
Total GHG emissions (with Scope 2 – location-based)	t CO_2e	479,923
Total GHG emissions (with Scope 2 – market-based)	t CO_2e	474,255

The intensity of GHG emissions in relation to the Group's net revenue is shown below.

[32] *Scope 1 and Scope 2 issues are only reported for Sanlorenzo and its subsidiaries, as Sanlorenzo does not exercise operational control over other entities, over which there is no financial control.*

Emissive intensity	u.m.	2024
Total emissions Scope 1, Scope 2 (Location-based), Scope 3	t CO_2e	479,923
Total emissions Scope 1, Scope 2 (Market-based), Scope 3	t CO_2e	474,255
Net revenues[33]	Euro	963,417,000
Emission intensity Scope 1, Scope 2 (Location-based), Scope 3	**tCO_2e/Euro**	**0.0005**
Emission intensity Scope 1, Scope 2 (Market-based), Scope 3	**tCO_2e/Euro**	**0.0005**

Estimation Methodology

The following emission factors were used to quantify Scope 1, 2 and 3 emissions:

The emission factors of Scope 1:

Source	Use	u.m.	EF (kgCO_2eq/u.m.)
Natural gas	Heating	MWh	182.90
Petrol	Company cars	MWh	241.86
Diesel	Sea trials	MWh	251.97
Diesel	Transport	MWh	251.97
Diesel	Heating	MWh	251.97
Diesel	Company cars	MWh	251.97
HVO	Sea trials	MWh	3.58
HVO	Company cars	MWh	3.58

33 *Please refer to Section E1-5 Energy consumption and mix.*

Emission factors Scope 2:

Source Location based	Use	u.m.	EF ($kgCO_2eq$/u.m.)
AIB Supplier Mix 2023	Italy	MWh	431
AIB Supplier Mix 2023	France	MWh	34
AIB Supplier Mix 2023	Spain	MWh	170
AIB Supplier Mix 2023	Finland	MWh	203
EPA 2024	United States (Florida)	MWh	369
IGES 2024	China	MWh	1,031

Source Market based	Use	u.m.	EF ($kgCO_2eq$/u.m.)
AIB Residual Mix 2023	Italy	MWh	501
AIB Residual Mix 2023	France	MWh	41
AIB Residual Mix 2023	Spain	MWh	282
AIB Residual Mix 2023	Finland	MWh	565
EPA 2024	United States (Florida)	MWh	369
IGES 2024	China	MWh	1,031

As far as Scope 3 is concerned, the methodology is given below:

- Category 1 - Purchased goods and services includes all upstream issues arising from the purchase of goods or services for the reporting year. The quantification of this category involved the application of the Spend-based method, using as input the economic value of the Group's expenditures during 2024. These amounts were multiplied by specific emission factors [34]. In addition, where available, primary data were used, expressed in mass combined with emission factors deduced mainly from LCA, EPD where available or alternatively from UK Government GHG Conversion Factors for Company Reporting (DEFRA 2024).
- The same Spend-based methodology was applied for Category 2 - Capital goods, which includes emissions arising from capital goods acquired during the reporting year.
- Category 3 - Fuel - and energy-related activities (not included in Scope 1 or Scope 2) was quantified through the application of the Average-data Method, using fuel and electricity consumption data from Scope 1 and Scope 2. These quantitative inputs were multiplied by[35] emission factors that take into account the extraction, transport, distribution and possible network losses of the energy carrier considered.

[34] *Environmentally Extended Input Output (EEIO) database, Eurostat.*
[35] *UK Government GHG Conversion Factors for Company Reporting (DEFRA 2024, 2021).*

- For the calculation of emissions related to logistics - upstream-downstream transport and distribution, the mass of goods transported, the means of transport used and the total distance travelled were taken into account. Through the application of the distance-based method, it was possible to utilise the previously mentioned point data using relevant emission factors according to the means of transport. In the event that such data were not available, the Spend-based method was used as previously described for Category 1.
- Category 5 - Waste generated in operations, includes emissions from the disposal and treatment of waste generated in own operations in the reporting year. The 'Waste-types specific method' was used to quantify emissions using emission factors for specific[36] waste types and treatment methods.
- For category 6 - Business travel, the distance-based method was applied, where available, using as input the distances travelled during business trips and specific emission factors[37] depending on the means of transport used. For the same category, expenses incurred for other business trips not previously mapped were valued using Spend-based methodology.
- Category 7 – Employee commuting, reports on employee home-work travel. For this category, responses from the 2024 survey were used for some Group companies, from which the average emission figure per employee was derived, which was then multiplied by the number of employees on the payroll as of 31 December 2024 for those companies for which no precise data were available.
- Category 11 - Use of sold products, includes emissions from boats produced during their use phase by attributing to the base year of the calculation the emissions generated throughout the life cycle from boats produced in the same year. Based on actual measurements, utilisation profiles were drawn up for each individual boat model sold. Each utilisation profile is characterised by a certain amount of fuel consumption, which was used to quantify the boat's in-use emissions, taking into account the average lifespan derived from literature data, the emission factor representative of fuel combustion (diesel) and the total number of boats sold.
- Category 12 - End-of-Life treatment of sold products, estimates the emissions generated by the disposal of end-of-life yachts. From the total number of boats sold and the quantitative data on the constituent materials, disposal profiles of the individual components being decommissioned were drawn up in relation to the geography of destination on the basis of statistical and literature data.
- Finally, for category 15 - Investments, the revenues of the individual investee companies were multiplied by the emission factor EEIO (Environmentally Extended Input Output Database) appropriate for the relevant economic sector to calculate emissions.

[36] *UK Government GHG Conversion Factors for Company Reporting (DEFRA 2024).*
[37] *UK Government GHG Conversion Factors for Company Reporting (DEFRA 2024).*

Specifically, for Scope 3 emission categories 1 and 12, it was necessary to use estimates and assumptions, for which there is an average degree of uncertainty resulting mainly from the emission factors used for the quantification of Category 1, and the activity data used for Category 2. For the remaining categories, the degree of uncertainty is low.

It is reported that for Category 1, the use of specific data is 2%, while for Category 6 it is 3%. As for Categories 3, 5, and 12, the calculation was entirely based on primary data. For all other categories of Scope 3, the quantification was carried out without using specific data.

Please note that the categories excluded from this report (Categories 8, 10, 13, 14) were deemed not applicable to the organisation.

E1-7 - GHG removals and GHG mitigation projects financed through carbon credits

The Sanlorenzo Group does not participate in activities to directly remove greenhouse gases from the atmosphere and does not purchase carbon credits to offset the company's carbon footprint.

In this context, it should be noted that the Sanlorenzo Group intends to define and pursue a decarbonisation strategy in the foreseeable future, to be implemented preferably through investments relating to energy efficiency and an increase in the current share of purchase or production of renewable energies, allowing the Group to act directly on its emission sources, without therefore resorting to the use of offsetting mechanisms, such as carbon credits.

E1-8 - Internal carbon pricing

At present, the Sanlorenzo Group has not adopted internal carbon pricing mechanisms..

2.3 ESRS E2 POLLUTION

2.3.1 Impact, risk and opportunity management

E2-1 - Policies related to pollution
Also for pollution, the Group has adopted an integrated approach to managing the impacts, risks and opportunities arising from its activities, aligning itself with the values and principles set out in the Environmental Policy, mentioned in section ESRS E1 Climate change on climate change.

As stated in section ESRS 2 General Disclosures, SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business mod, impacts and risks related to pollution mainly concern air emissions, water pollution caused by the release of substances and the use of harmful materials in production processes.

In order to translate the Group's commitment to managing these impacts, risks and opportunities into concrete actions, an Environmental Management System (EMS) certified according to ISO 14001:2015 has been implemented, applied to all the main production sites of Sanlorenzo S.p.A, Bluegame S.r.l. and its subsidiary ICY S.r.l., in compliance with strict environmental protection constraints.The Environmental Policy, which also covers suppliers and other players in the value chain, recognises respect for the environment as a fundamental principle of sound business management, promoting a continuous commitment to improving environmental performance and reducing impacts. This policy is now extended to the companies Sanlorenzo S.p.A, Bluegame S.r.l. and its subsidiary ICY S.r.l.

Working with a preventive approach to avoid pollution, the Group is committed to fully complying with applicable environmental laws and regulations. In particular, the Group aims to:

- Ensure compliance with all applicable environmental regulations.
- Promote continuous improvement of environmental performance and reduction of impacts.
- Take effective measures to prevent pollution in air, water and soil.

These principles are backed up by concrete actions that guide the Group's activities, further consolidating its commitment to responsible and sustainable management of environmental resources.

This policy to date does not explicitly call for the substitution and minimisation of the use of substances of concern, or their phasing out. Furthermore, as recalled in ESRS section E2-2, the Group presents actions to limit the use of substances of concern (e.g. acetone).

E2-2 - Actions and resources related to pollution
In the context of the commitments undertaken in relation to the aforementioned Environmental Policy, even in the absence of a specific action plan, the companies of the Sanlorenzo Group also implemented specific measures in 2024 to reduce pollution from industrial activities and production plants.

In particular, two mobile SOV extractors and a mobile dust extractor were acquired in 2024, with a higher capacity than the models previously in use. This intervention was carried out to optimise the air quality in workplaces, ensuring a healthier environment for employees and reducing air pollution in production sites. At the same time, Sanlorenzo S.p.A. took measures to limit the purchase of acetone, recognising its polluting nature. This initiative, consistent with the objectives of the company's Environmental Policy, contributes to reducing the use of environmentally harmful substances and promoting more sustainable industrial practices.

A further significant intervention, undertaken in 2024 at the La Spezia site, concerned the replacement of the existing boxes for inert and technical gases (oxygen and acetylene) with new transportable containers with reduced dimensions. The purpose of this action was to prevent unauthorised storage and to improve safety in storage operations.

Also in 2024, at the Ameglia, Viareggio and Massa sites, the existing activated carbon filters were replaced with new, more efficient abatement systems. This intervention effectively removes contaminants and unwanted substances through an absorption process, improving indoor air quality and reducing the environmental impact of emissions.

A further initiative aimed at preventing environmental pollution concerns the sustainable management of rainwater. In particular, a rainwater recovery system was initiated to reduce the risk of hazardous waste spills into the sea. This process allows potentially contaminated water to be intercepted and treated, preventing harmful substances from being released into the marine environment and preventing ecological damage.

The total investment in 2024 is below the threshold limit set out insection ESRS 2 General Disclosures, BP-1 General basis for preparation of sustainability statements.

2.3.2 Metrics and targets

E2-3 - Targets related to pollution

To date, the Sanlorenzo Group has not identified specific objectives related to the mitigation of its impacts, risks and opportunities related to pollution, nor has it adopted a structured system to assess the effectiveness of policies and actions on the subject.

E2-4 - Pollution of air, water and soil

In order to obtain the values of pollutants emitted, the Group monitors through legally required on-site sampling every six months the pollutants emitted by production plants subject to the Single Environmental Authorisation[38] (AUA). These pollutants are calculated from the samplings at the machinery that allow the concentration of pollutants to be measured in one hour of machinery operation. These values are then multiplied by the number of hours the machine remains active during the year.

The table (Table - Pollutants emitted to air, water and soil) shows the values sampled and re-proportioned over a period of 1 year, in order to make explicit the quantities of other pollutants emitted by the Group.

With reference to the generation and use of micro-plastics, the Group has assessed this aspect as not relevant, given the absence of operations or production phases, carried out both within its plants and along the value chain, that lead to the occurrence of this circumstance.

Table - Pollutants emitted to air, water and soil

	Pollutants emitted to air, water and soil			
Pollutants emitted	**u.m.**	**2024**		
		Air	**Water**	**Soil**
COV	t	18	NA	NA
NO_x	t	0.96	NA	NA
CO	t	0.16	NA	NA
Total	**t**	**19**	**NA**	**NA**

[38] *The AUA is an enabling measure, which came into force with Presidential Decree No. 59/2013, replacing seven environmental communications and authorisations in a single title.*

E2-5 - Substances of concern and substances of very high concern

The table below shows the pollutants of concern and very high concern generated, used, purchased or released by facilities as a result of production activity as substances in discharges (air, water and soil).

	u.d.m.	Substances of concern	Substances of very high concern
Total amount of substances of concern used during production or purchased	t	149	432
Carcinogenicity categories 1 and 2	t	12	432
Other hazard classes	t	137	-
Substances of concern released by plants	**t**	**3**	**-**
Substances of very high concern released by plants	**t**	**-**	**65**

2.4 ESRS E3 WATER AND MARINE RESOURCES

2.4.1 Impact, risk and opportunity management

E3-1 - Policies related to water and marine resources

The Sanlorenzo Group recognises the importance of the water resource as a common good of great value to be protected, even though no significant use of it is envisaged in the activities carried out in the production units directly controlled by the Group. In fact, process water withdrawals and discharges attributable to the processing phases that take place in the Group's shipyards are minimal, as the production processes do not require intensive use of water, with the exception of the pre-launch and pre-delivery boat washing phase in the storage area. In this context, the Sanlorenzo Group identified a material impact, both in its own operations and along the upstream value chain, in relation to water resources as present within the IRO-1 section. However, the Group has not, to date, adopted formalised policies specific to water consumption.

Furthermore, it should be noted that no material impacts, risks or opportunities have been identified in relation to marine resources, as the Group does not use these types of resources in its production activities, nor does it employ materials or processes that could contaminate water or significantly affect marine ecosystems.

E3-2 - Actions and resources related to water and marine resources

Although the Group's activities, as reported in section E3-1, do not require significant water use, it constantly monitors its water consumption; during 2024, no specific actions were taken in this regard, not even with respect to major suppliers, and, consequently, no significant investments or costs were incurred in relation to this issuea.

2.4.2 Metrics and targets

E3-3 - Targets related to water and marine resources

To date, the Sanlorenzo Group has not defined any objectives related to water use for its production plants, neither in relation to managing significant impacts related to water risk zones, nor in relation to reducing water consumption. Similarly, it did not define specific targets for its suppliers.

E3-4 - Water consumption

The main water withdrawals come from civil sources, such as the public aqueduct or wells. Consumption is mainly associated with the use of the toilets and showers in the changing rooms on the construction sites, which are available to the workers of the contractors. The amount of water withdrawn at Group-owned sites is detailed in the following chart (Table - Water withdrawal by source). The Group has no recycled, reused or stored water.

Water intensity in 2024 is 340 m^3 for Euro 963.417 million in Net Revenues. Please refer to the "Consolidated statement of profit and loss and other comprehensive income" of the Annual Financial Report.

To quantify water consumption as required by the standard, the Group estimated the water consumption of the following subsidiaries:

- Sanlorenzo of the Americas LLC
- Equinoxe S.r.l.
- Nautor Swan S.r.l. and certain of its subsidiaries (in detail Nautor Swan Global Service SL, Nautor Swan Global Service UK Ltd, Nautor Swan Global Service USA LLC, Nautor Swan Global Service Pacific PTY Ltd, SYS Marina di Scarlino Yacht Service S.r.l. and Nautor Italy S.r.l.)
- Simpson Marine Limited and its subsidiaries.

Since these companies operate in offices for which the Group pays rent including all utilities, water consumption is not directly recognised. Therefore, the calculation was made using an average consumption index in litres per person, based on point data from companies with similar characteristics.

During 2025, the Group is committed to improving data collection to minimise the use of estimates and ensure more accurate measurement of water consumption.

Table - Water withdrawal by source

Type of water sources	u.m.	Water withdrawal by source 2024 – All areas	Water withdrawal by source 2024 – Water-stressed areas, including those with high water stress
Third-party water	m^3	61,661	95,995
Fresh water	m^3	61,071	95,995
Other	m^3	590	-
Total water withdrawn	**m^3**	**61,661**	**95,995**
Fresh water	**m^3**	**61,071**	**95,995**
Other	**m^3**	**590**	**-**

Below is the table detailing water discharges for 2024.

Type of destination	u.m.	Water discharges by destination 2024 – All areas	Water discharges by destination 2024 – Water-stressed areas, including those with high water stress
Third-party water	**m^3**	61,321	95,995
Fresh water	**m^3**	61,071	95,995
Other	**m^3**	250	-
Total water discharged	**m^3**	**61,321**	**95,995**
Fresh water	**m^3**	**61,071**	**95,995**
Other	**m^3**	**250**	**-**

	Water consumption		
	u.m.	2024	
		All areas	Water-stressed areas, including those with high water stress
Total water consumption	**m^3**	**340**	**-**
Other	m^3	340	-

Water Intensity:

	Water intensity	
	u.m.	2024
Total water consumption	**m^3**	**340**
Net revenues	Euro	963,417,000
Water intensity	**m^3/Euro**	**0.0000004**

2.5 ESRS E4 BIODIVERSITY AND ECOSYSTEMS

2.5.1 Strategy

E4-1 - Transition plan and consideration of biodiversity and ecosystems in strategy and business model

To date, the Group has not carried out a structured resilience analysis with reference to its strategy and business model in relation to physical, transitional and systemic risks related to biodiversity and ecosystems, as no relevant risk factors have been identified in relation to these. In relation to the issue of biodiversity, the Group has in fact only assessed as relevant its impacts deriving, as reported in the ESRS 2 SBM-3 section, from the presence of protected natural areas in the vicinity of the Ameglia and Viareggio sites, and not concerning its value chain.

ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

The strategic locations of the Ameglia and Viareggio, located respectively inside and near protected natural areas, give them a particularly important role in the protection of terrestrial biodiversity. The Ameglia site stretches along the river Magra, within the Montemarcello-Magra-Vara Regional Park, an area characterised by the presence of three Special Areas of Conservation (SAC) that protect more than 60% of the remaining alluvial forests in Liguria. The Viareggio site, on the other hand, develops along the coast, near the boundary of the Migliarino-S. Rossore-Massaciuccoli Natural Park, recognised by UNESCO as a Biosphere Reserve 'Selve costiere di Toscana' (Tuscan Coastal Forests) and designated as a Natura 2000 Network SAC.

The Group's production and administrative activities in these areas could have impacts on local biodiversity, mainly related to various forms of pollution. Noise pollution, generated by the noise of shipyard operations, could disturb the local fauna, while air pollution, resulting from the emission of chemicals such as combustion gases and volatile compounds, could alter air quality. Water pollution is also a possible risk, as the presence of washable substances on the construction site could compromise groundwater quality and affect amphibious species. Finally, light pollution, caused by artificial lighting, could interfere with the animals' natural rhythms, altering their behaviour.

To mitigate these potential impacts, the Group operates in these locations in compliance with the environmental regulations imposed by the Park, specific protocols for the dredging of the Magra riverbed, and compliance with the requirements of ISO 14001:2015 certification, which guarantee sustainable management of activities while respecting the Earth's ecosystem.

In this context, it should be noted that the Group has not identified any significant negative impacts with regard to land degradation, desertification or soil sealing, and considers that its operations do not have significant effects on endangered species.

2.5.2 Impact, risk and opportunity management

E4-2 - Policies related to biodiversity and ecosystems

As reported in section E4-1, the Group has identified a significant impact on biodiversity due to the presence of production sites located in or adjacent to protected areas. In this context, the Group as yet has no formalised policy concerning the management of its impacts, risks, opportunities and dependencies related to biodiversity and ecosystems, which may occur or may affect the management of its own operations or the Group's value chain, or other aspects related to these issues such as product or component traceability.

In this context, it should be noted in any case that, in keeping with its Environmental Policy, which includes the company Sanlorenzo S.p.A, Bluegame S.r.l. and its subsidiary ICY S.r.l, the Group is committed to reducing the incidences deriving from its activities, also with reference to the study of solutions aimed at the use of innovative materials with a lower environmental impact, as specified below.

E4-3 - Actions and resources related to biodiversity and ecosystems

During 2024, no specific action was taken on biodiversity, not even with regard to major suppliers, and consequently, no significant investments or costs were incurred in relation to this issue.

2.5.3 Metrics and targets

E4-4 - Targets related to biodiversity and ecosystems

To date, the Sanlorenzo Group has not defined any objectives related to biodiversity for its production plants, neither in relation to managing significant impacts related to biodiversity risk zones. Similarly, it did not define specific targets for its suppliers.

E4-5 - Impact metrics related to biodiversity and ecosystems change

As recalled in ESRS 2 SBM-3 within this information section, the Ameglia and Viareggio sites are located in and near protected natural areas. The Ameglia site stretches 0.135 km² along the river Magra, within the Montemarcello-Magra-Vara Regional Park, an area characterised by the presence of three Special Areas of Conservation (SAC) that protect more than 60% of the remaining alluvial forests in Liguria. The Viareggio site, with an extension of 0.02 km², on the other hand, develops along the coast, near the boundary of the Migliarino-S. Rossore-Massaciuccoli Natural Park, recognised by UNESCO as a Biosphere Reserve 'Selve costiere di Toscana' (Tuscan Coastal Forests) and designated as a Natura 2000 Network SAC.

2.6 ESRS E5 RESOURCE USE AND THE CIRCULAR ECONOMY

2.6.1 Impact, risk and opportunity management

E5-1 - Policies related to resource use and circular economy

The Parent Company Sanlorenzo S.p.A. operates in compliance with the guidelines established in its Environmental Policy, which include, among others, the promotion and adoption of production solutions aimed at recovering and reusing raw materials such as fibreglass, minimising and optimally managing waste from the production cycle, promoting its differentiation and recovery, as well as promoting, as already mentioned, a process of designing boats that are, on the whole, characterised by high standards of eco-sustainability. This Policy, as already reported, will also be progressively extended with reference to the other production companies acquired in the course of 2024, in order to ensure a uniform and coordinated approach to the aspects most relevant to the Group in the ESG sphere. As of today, in fact, this policy is extended to the companies Sanlorenzo S.p.A, Bluegame S.r.l. and its subsidiary ICY S.r.l.

To date, the Group has not defined a specific policy on the phasing out of virgin resources.

E5-2 - Actions and resources related to resource use and circular economy

The Group has initiated several study and test activities for the introduction of alternative materials with a lower environmental impact on all 3 BUs of Sanlorenzo S.p.A. and Bluegame S.r.l.; with reference to Bluegame S.r.l., for example, tests are underway for the use of all-natural upholstery panels made of linen, jute or cotton. In addition, the production of Bluegame S.r.l. yachts, the HSV moulds were made using partially recycled carbon, with the aim of reducing the overall environmental impact. For the other BUs, the standardisation of crew furniture was planned, and for the superyacht a study of the Finite Element Method (FEM) was carried out in order to reduce the purchase of metal carpentry materials.

As far as waste management is concerned, the Group adopts a system that complies with current regulations, documenting loads and discharges and entrusting this activity to qualified personnel. On construction sites, specific signs were set up to facilitate the correct separation of waste by workers. Special attention is paid to the management of hazardous waste. In 2024, new tanks were installed at the La Spezia site to collect and contain any spills, as well as the purchase and installation of suitable bag holders for safer and more orderly waste management.

In addition, a specific area of focus was dedicated to the treatment of acetone, a hazardous substance under REACH. Regulation (EC) No. 1907/2006 and Regulation (EC) No. 1272/2008 (CLP) used in significant quantities in the processing of GRP. At the Massa site, two acetone distillers have been installed to recover 85% of the spent product, reducing the production of special hazardous waste and facilitating the reuse of the recovered substance for washing machinery and hand tools.

With regard to the initiatives of the subsidiary Oy Nautor Ab, which was acquired in 2024, the latter plans to identify a new strategic partner or, alternatively, to strengthen the cooperation with the current partner, currently in charge of waste management. The aim of this initiative is to optimise overall waste management by increasing recycling activities in a more detailed and systematic way.

The total investment in 2024 is below the threshold limit set out in in section ESRS 2 General Disclosures, BP-1 General basis for preparation of sustainability statements.

2.6.2 Metrics and targets

E5-3 - Targets related to resource use and circular economy

To date, the Group has not adopted specific targets related to resource use and circular economy. In this context, the group intends to start an initial evaluation process in order to define a plan containing specific targets for resource use and the circular economy.

E5-4 - Resource inflows

A total of 11,230 tonnes of materials were used among the Sanlorenzo Group's Business Units, 29% of which were renewable (wood materials).

Types of resource inflows	u.m.	Resource inflows
		2024
		Total weight of products
Propulsion motors, gearboxes, generators, azimuth POD	t	902
Electric motors, pumps, compressors, chillers, water purifiers, winches and tugs, machinery in general	t	222
Hydraulic systems, control units, actuators	t	105
Switchboards, battery chargers, frequency converters, transformers, cable reels, light fittings and lights	t	175
Electronics (audio/video, navigation and communication, transducers and antennas)	t	37
Household appliances, cold stores	t	57
Taps, sanitary fittings, handles, gym equipment	t	90
Tenders, jet skis, toys	t	29
Gangway, swim ladder, crane, stern lift	t	169
Riggings and lines	t	11
Total product inflows	**t**	**1,796**

Types of biological and technical material inflows	u.m.	Biological and technical material inflows 2024					
		Technical materials	Biological materials				
		Total weight	Total weight	Materials with a sustainability certificate	Information on certificates	Percentage of biological materials (%)
Plywood for partitioning	t	-	803	-	-	-
Wood for furniture/furnishings	t	-	2,063	-	-	-
Teak	t	-	166	-	-	-
Fabrics/upholstery/carpets	t	-	120	-	-	-
Marbles and Stones	t	-	132	-	-	-
Gelcoat	t	145	-	-	-	-
Laminating resin	t	1,508	-	-	-	-
Glass fibre for lamination	t	1,042	-	-	-	-
Carbon fibre for lamination	t	140	-	-	-	-
PU/PVC for lamination	t	193	-	-	-	-
Catalysts	t	32	-	-	-	-
Putty	t	208	-	-	-	-
Paints	t	152	-	-	-	-
Adhesives	t	146	-	-	-	-
Ferrous materials	t	2,126	-	-	-	-
Aluminium alloys	t	603	-	-	-	-
Stainless steel	t	389	-	-	-	-
Copper	t	239	-	-	-	-
Technopolymer pipes	t	144	-	-	-	-
Batteries	t	144	-	-	-	-
Crystals	t	302	-	-	-	-
Plastic	t	9	-	-	-	-
Lubricating oils	t	35	-	-	-	-
Insulation	t	390	-	-	-	-
Total	**t**	**7,947**	**3,283**	**-**	**-**	**-**

For the quantification of input weights, only products whose total weight per individual yacht exceeded 1,000 kg were considered. The total weight of incoming resources was determined on the basis of the construction progress and the delivery date of the yacht. For yachts fully built and delivered in the reporting year, the full weight was taken into account. For those delivered in the course of the year but with construction phases carried out in previous years, as well as for those still under construction but not yet delivered, the weight was determined on the basis of the percentage of progress noted in the administrative SAL (work progress report). In addition, a distinction was made between the different construction phases, in particular between the structural phase, which mainly concerned materials, and the outfitting phase, which mainly concerned products.

E5-5 - Resource outflows

The complexity and number of processes involved in the construction of yachts and superyachts makes efficient waste management essential, considering the different types of production waste generated (Table - Waste). In addition to production waste, the Group's plants can handle packaging from suppliers and water effluent from boat washing operations. In this context, the choice of materials and processes that ensure greater product durability not only reduces the production of waste, but also contributes to a more sustainable use of resources by limiting the need for frequent replacement and disposal during the life cycle of products.

It should be noted that the composition of waste is in line with the composition of input materials in section E5-4- resource inflows.

Table - Waste

Waste not intended for disposal	u.m.	2024
37. (b) Total	t	4,462
37. (b) Hazardous waste	t	503
37. (b) i. Preparation for re-use	t	-
37. (b) ii. Recycling	t	431
37. (b) iii. Other recovery operations	t	71
37. (b) Non-hazardous waste	t	3,960
37. (b) i. Preparation for re-use	t	185
37. (b) ii. Recycling	t	3,407
37. (b) iii. Other recovery operations	t	367
Waste intended for disposal		
37. (c) Total	t	538
37. (c) Hazardous waste	t	196
37. (c) i. Incineration	t	-
37. (c) ii. Landfill disposal	t	-
37. (c) iii. Other disposal operations	t	197
37. (c) Non-hazardous waste	t	341
37. (c) i. Incineration	t	38
37. (c) ii. Landfill disposal	t	-
37. (c) iii. Other disposal operations	t	303
37. (d) Non-recycled waste	t	1,161
37. (d) Percentage of non-recycled waste	%	23%
37. Total waste generated	**t**	**5,000**

	u.m.	2024
Hazardous waste	t	699
Of which radioactive waste	t	-

The Group is committed to the principles of the circular economy, directing the design of products with a focus on their durability and reparability. In this context, through its maintenance, restyling and refitting services, the Sanlorenzo Group is actively committed to extending the useful life of its products, thus helping to maximise their lifecycle and reduce their environmental impact, while guaranteeing high performance and quality over time. Specifically, the table below shows the expected durability of the Sanlorenzo Group's products compared to the average durability of its industry sector. (Table - Durability of products).

Table - Durability of products

	2024
Expected durability of products:	**30 years**
Average durability on an industrial basis[39]	20 years

Table - Recyclability in products

	2024	
	Total weight	Percentage
Recyclability in products	**8,682 tonnes**	**67%**
Recyclability in packaging	-	-

In order to calculate the recyclability of products, the Group started from the consolidated materials within E5-4 resource flows, biological and technical materials, inputs. This value in tonnes can be reconciled with the Group's total resources and materials.

[39] *This sectoral average was defined on the basis of the scientific papers "Wang, Y., Maidment, H., Boccolini, V., & Wright, L. (2022). Life cycle assessment of alternative marine fuels for super yacht. Regional Studies in Marine Science, 55, 102525." and "Summerscales, J., Geraghty, R., Graham-Jones, J., Pemberton, R., & Bray, S. (2025). Sustainability considerations for end-of-life fibre-reinforced plastic boats. Regional Studies in Marine Science, 83.".*

3. Social information

3.1 ESRS S1 OWN WORKFORCE

3.1.1 Strategy

ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

The Sanlorenzo Group conducted a Double Materiality analysis to identify the significant impacts the Group generates or could generate on its workforce, as well as the material risks and opportunities to which it could be exposed.

The main impacts, both positive and negative, that emerged from the analysis relate mainly to employee satisfaction and well-being, job creation, competitive remuneration policies, effective communication, aspects concerning safety at work, aspects concerning employees' expectations of growth and the creation of an inclusive environment, and finally aspects concerning the respect or violation of human rights. Policies and actions with respect to these impacts are fully described in the following sections.

The main risks and opportunities identified relate to the inability to guarantee equal pay opportunities, safety at work and the ability to ensure a positive working environment.

The impacts and risks mentioned do not refer to individual events, but rather occur as general phenomena that manifest themselves in the environment in which the Group operates, such as human rights and health and safety issues.

Activities potentially related to the risk of forced or child labour can be traced mainly along the upstream value chain, as the risk of such situations occurring directly among the Group's workers is reduced by compliance with local regulations.

In general, this double materiality analysis considered all categories of employees and workers on which the Sanlorenzo Group may have a significant negative or positive impact or that could significantly affect the Group. No categories of employees and/or workers with characteristics were found to be exposed to greater risks than the rest of the workforce. Similarly, no material risks or opportunities have been identified that exclusively concern specific groups of employees and/or collaborators within the organisation, but only aspects that uniformly affect the entire workforce. For more details regarding the employees and/or collaborators identified by the Group, please refer to ESRS 2, SBM-1 - Strategy, business model and value chain. For more details with respect to IROs and sub-topics material for the Group, please refer to ESRS 2, IRO.

3.1.2 Impacts, risks and opportunities management

S1-1 - Policies related to own workforce

Employees and the internal workforce are a key resource for the Group. To ensure a fair, inclusive and transparent working environment, the Sanlorenzo Group has developed a number of company policies, linked to material IROs, aimed at promoting respect, diversity and well-being for all.

The underlying policies, approved by the Board of Directors, define essential principles and guidelines for the Group's day-to-day operations and are accessible to all workers, both internal and in the value chain, ensuring widespread engagement in all company activities through the company intranet and the Group's website. The HR Director is responsible for their implementation. At the same time, it is the responsibility of each member of the workforce to know and respect them, thus contributing to maintaining a working environment based on trust and cooperation.

The policies related to IROs, resulted as material, are presented below. Policies that do not contain specific indications as to their applicability are intended for Sanlorenzo S.p.A. and Bluegame S.r.l.. For more information on linking IROs to sub-topics and sub-subtopics, please refer to ERSR 2, IRO:

- Code of Ethics: It constitutes an ethical framework of reference in the application of the provisions of Model 231, of which it is an essential part. It expresses the principles, commitments and ethical responsibilities that guide the conduct of the company's business and activities and are addressed to the plurality of the company's stakeholders;
- Corporate welfare policy: It aims to improve the well-being of employees by promoting a sustainable work-life balance. In addition, Sanlorenzo encourages dialogue and active staff involvement, listening to the needs of its workforce and proactively responding to emerging industry expectations and challenges;
- Whistleblowing Policy: policy concerning whistleblowing channels, for more information please refer to section ESRS G of this document;
- Corporate Safety Policy: In accordance with the provisions of ISO 45001:2018, Sanlorenzo has adopted a Corporate Safety Policy that pursues the commitments of dialogue and training on the subject, outlined through the following general objectives:
  - promoting the responsibility of employees at all levels towards health and safety and implementing information, education and training programmes;
  - effective planning of production activities in order to ensure hygiene and safety at work;
  - selecting suppliers that ensure alignment with the provisions of the Policy;
  - assessing and monitoring the activities of contractors for proper coordination of the different stages of the work processes and for adequate awareness of health and safety;
  - cooperating with public authorities and supervisory bodies.

Measures to promote equal treatment and opportunities between genders in the company organisation: In alignment with the main internal Group and national and international laws, regulations and disciplinary provisions[40], the "measures to promote equal treatment and opportunity for gender in the company organisation" formalise the Group's commitment to guaranteeing equal employment and professional advancement opportunities, without any discrimination, for all employees on the basis of their specific professional qualifications and performance capabilities. The implementation of the initiatives envisaged by the aforementioned measures is delegated to the Human Resources Function, which is required to develop action plans containing specific - quantifiable and measurable - objectives on the promotion of equal treatment and gender opportunities. To this end, the Function is also in charge of collecting and analysing relevant data to monitor the level of diversity among the Group's resources. Finally, the Function has the duty to report, at least once a year, to the Board of Directors and the Control, Risks and Sustainability Committee on the application of and compliance with the relevant measures, pointing out the presence of any critical issues or the need for priority action.

The following policies apply only to Simpson Marine:

- The recruitment policy includes internal procedures for approval, cost control and evaluation of the expected economic benefits of recruitment, ensuring support at local, regional or group level to maximise economic benefits. The Group CEO and HR Manager are responsible for implementing the policy, ensuring compliance with local regulations, including background checks, education verification, residency tests and criminal checks, if applicable. In addition, the policy ensures that employee qualifications and licences comply with local regulatory requirements, providing a level of confidence in the integrity of employees for role assignments. Implementation of the policy is entrusted to the Head of Human Resources, who may use third-party companies for the necessary checks.
- The policy on sales commissions for brokers and sales personnel aims to incentivise the motivation of the sales team by stipulating that the approval of commission payments is made by the COO or CEO. The accounting department is responsible for the calculation according to the agreed terms, while HR ensures timely payment.
- The Travel and Expense Reimbursement Policy establishes guidelines for cost control, defining reimbursement request procedures, processing times and spending limits for hotel accommodation. It is applicable to all employees and is managed by the Business Integration, HR and Accounting departments.
- The CPD policy for employee training and development guarantees learning opportunities, including product training, technical skills development and other

[40] *It is specified that the document has been drawn up ensuring alignment with the principles, declarations and requirements of the following national and international references: Code of Ethics of Sanlorenzo S.p.A.; Code of Corporate Governance, Italian Constitution, United Nations Universal Declaration of Human Rights, Fundamental Conventions of the International Labour Organisation, Charter of Fundamental Rights of the European Union and European Convention on Human Rights. The document is communicated and disseminated within the organisation, including through publication on the company intranet.*

educational paths, with the possibility of sponsorship by the company. It is applicable to all employees and its implementation is supervised by the Group CEO and the Head of Human Resources, with the support of the HR department..

The following policies apply only to Nautor Swan OY:

- The whistleblowing policy offers an anonymous way to report concerns, wrongdoings or issues that employees do not wish to address with their manager, HR department or union representatives. Separate channels are available for internal and external reporting, and the CEO and members of the Board of Directors are responsible for supervision. The policy was reviewed and approved by the CEO prior to publication and is currently in force.
- The remote working policy aims at ensuring a better work-life balance, increasing the efficiency of employees living away from the office and supporting parents in managing their children. Remote work is permitted one day a week, with the possibility of extending it to two days with the manager's authorisation, provided that the tasks can be performed remotely. The HR manager manages the implementation, and the policy was approved by the CEO before publication.
- The occupational health and safety policy ensures fast and effective medical care to reduce sick days. It is managed by the Health and Safety Manager in cooperation with the external occupational health and safety provider. The CEO approved the policy, which is currently in force.
- The Maternity protection policy requires that pregnant employees are transferred at an early stage to jobs with lower risks of exposure to hazardous substances or physically demanding work. It is managed by the departmental managers in cooperation with the occupational health and safety provider and received the CEO's approval before publication.
- The substance abuse policy aims to detect possible cases of drug abuse among employees and provide them with support for recovery. This is managed by the Health and Safety Manager, in cooperation with the health and safety provider. The CEO approved the policy, which is currently in force.
- The Nautor equality and non-discrimination policy aims to ensure a fair and inclusive working environment, with balanced representation of gender, native languages and age across departments. The company welcomes people of all ethnic origins and religions, pursuing these goals through clear principles. It is managed by departmental managers and the policy has been approved by the CEO.
- Labour regulations and guidelines for maintaining order describe the management of employment contracts and the measures to be taken in the event of violations of the rules. These regulations apply to all employees of Nautor Oy and are supervised by the Plant Manager. The policy was approved by the CEO and is currently in force.

The following policies apply only to Nautor Swan Global Service:

- The data management policy ensures proper handling of company information, with the HR manager and administration supported by an external consultant for its implementation.
- The policy for fair personnel selection ensures a non-discriminatory, gender-neutral recruitment process. The HR Manager supervises the implementation, with the support of external consultants.
- Policies for the prevention and management of situations of discrimination or abuse in the workplace regulate the processes of detection and intervention to avoid such issues. They are mandatory and managed by the HR Manager, in cooperation with external consultants.

During the year 2024, no significant changes were made to the Group's pre-existing policies.

The Sanlorenzo Group is committed to fully respecting human rights, including the rights of its workers, in accordance with the United Nations Guiding Principles, the ILO Declaration and the OECD Guidelines. This includes the prevention of discrimination, child and forced labour, and the guarantee of freedom of association and collective bargaining. The company constantly monitors, under the supervision of the Human Resources department, compliance with these rights. In addition, the Sanlorenzo Group promotes active involvement of its workers through regular consultations with representatives and trade unions. With regard to possible human rights violations, the company adopts anonymous reporting mechanisms, such as the whistleblowing procedure, and implements corrective actions through the HR department, which manages the resolution of problems, providing continuous training and periodic audits to ensure respect for human rights along the entire value chain.

Its labour force policies explicitly address human trafficking, forced or compulsory labour and child labour, and are fully compliant with relevant international instruments, with particular attention to the United Nations Guiding Principles on Business and Human Rights and the International Labour Organisation (ILO) Declaration. This alignment is guaranteed through the company's Code of Ethics, which enshrines respect for fundamental human rights, prohibits all forms of discrimination and promotes decent working conditions for all employees and collaborators, both direct and indirect.

S1-2 - Processes for engaging with own workers and workers' representatives about impact

The perspectives of the workforce are integrated into the decision-making processes through an articulated system of interactions, which includes both internal channels, such as monthly listening desks, interviews with the HR team throughout the career path and discussions with the Workers' Safety Representatives (RLS), and external instruments such as trade union representatives and bilateral commissions. The latter represent a space for structured discussion between the parties, with advisory, informative and propositional functions, facilitating the flow of information and the continuous improvement of working conditions. To complement these instruments, meetings are held every six months with the territorial trade union organisations and the RSU coordination.

Discussions with employees take place on a regular and structured basis: internal counters ensure monthly interaction, bilateral committees meet quarterly and meetings with territorial trade unions take place every six months. In addition, HR teams remain constantly available to provide support to employees when needed. The entire process is entrusted to the operational responsibility of the HR Director, a figure who ensures the constant monitoring of activities and the connection between the different company levels. The company does not adopt preferential communication channels for vulnerable categories of workers. All employees, regardless of their category, have equal access to the communication channels provided by the company.

With regard to the protection of workers' rights, the company did not adopt a global framework agreement, but signed the Corporate Supplementary Agreement (C.I.A.) for the four-year period 2023-2026, which ensures employees better treatment than that provided for in the reference CCNL (collective contract national labour). This agreement is the result of an in-depth analysis process, based on an ongoing dialogue with trade union representatives, aimed at understanding and responding effectively to the needs of the workforce.

To ensure constant improvement, the company adopts a system for monitoring the effectiveness of its commitment to the workforce, which involves the production of periodic reports, shared with the HR Director and the main corporate bodies, as well as analysis meetings with the suppliers of services dedicated to workers. In addition, the number of training hours provided is reported on a monthly basis, allowing a timely assessment of the impact of training initiatives and the professional development of employees.

The company directly manages the recruitment process through its HR Talent Acquisition team, which is in charge of identifying and selecting talent. Applications can be sent via the 'Work with us' section of the company website, where it is possible to submit a self application or apply for a specific open position. In addition, the company adopts specific channels for the placement of junior profiles, including:

- Sanlorenzo Nautical Day: An innovative and exclusive event aimed at university students, organised in the form of an in-house Career Day. Only the most deserving students from leading Italian universities can participate in these events, through invitation-only access following a pre-selection process. It is the only channel for the placement of undergraduates or graduates in internships and, each year, 4 to 6 editions are organised, spread between spring and autumn.
- Sanlorenzo Academy: A training programme aimed at developing specialised professionals in the nautical sector, to be employed within the Sanlorenzo Group. The Academy offers diversified courses, alternating between theoretical learning and practical experience, allowing participants to enjoy a unique training experience. Taking a course at the Sanlorenzo Academy allows to acquire skills related to the professions in the nautical sector, thanks also to the testimonials and experience of the Sanlorenzo Group's teachers and collaborators.

The Group is committed during 2025 to extending these processes and initiatives to its subsidiaries as well, particularly for the companies acquired during 2024 in order to complete the business integration process.

S1-3 - Processes to remediate negative impacts and channels for own workers to raise concerns

To ensure the well-being of the workforce, the company promotes a preventive approach through monthly meetings between the managers of the different areas and the HR team. These meetings are aimed at identifying any problems or complaints at an early stage and taking action to resolve them. The company encourages open and proactive communication, fostering a positive and tension-free working environment. To this end, employees are incentivised to use the HR team and company contact persons as listening and discussion points. In addition, the company has established Internal Job Posting procedures, which allow employees to apply for new professional opportunities within the organisation, fostering mobility and growth. If necessary, transfers between departments or locations, as well as possible redistribution of workloads, are also envisaged as part of actions to improve the well-being of employees and solve any problems.

In order to allow its employees to express concerns or needs in a direct and confidential manner, the company provided various communication channels. The HR Ticketing Portal allows requests and complaints related to the employment relationship to be submitted, while the HR Services Point offers a monthly counselling service to answer doubts or questions. Furthermore, in accordance with the provisions of Legislative Decree 24/2023, the company has implemented a Whistleblowing reporting system, which allows for the reporting of illegal, unethical or unsafe activities, while guaranteeing the confidentiality of the identities of whistleblowers and others involved. All employees were trained via an e-learning platform to understand the correct use of the tool. Finally, a direct e-mail channel was activated with the Supervisory Board, allowing further opportunities for reporting and feedback. Every request sent through the HR ticketing portal is processed on a daily basis, allowing response times to be tracked and ensuring effective handling of issues. With regard to the Whistleblowing system, complaints are analysed by the Whistleblowing Officer, identified in the figure of the Internal Audit Manager. Every complaint received is registered in the system, with an admissibility check and an acknowledgement sent within seven days. In the case of an admissible report, an investigation is started and feedback is provided to the whistleblower within three months. All steps and activities are tracked and monitored in the company's computer system. All information on reporting channels and how to use them is provided to new employees during the onboarding process, ensuring a clear and immediate understanding. In addition, the company periodically communicates any updates and changes to procedures through the e-mail channel, ensuring that all employees have access to the information they need to use the available reporting channels correctly. The company constantly monitors the effectiveness of the implemented communication and reporting channels by analysing the collected data. Detailed reports are prepared to assess both the timeliness and the quality of the answers provided. Reports on the services offered by the HR Services Point and the ticketing portal are submitted to the HR Director on a regular basis, in order to foster continuous process improvement and ensure the effectiveness of the actions taken.

All reporting and complaint channels are explained to employees during the induction process and supported by subsequent communication via e-mail and dedicated courses. Throughout the year, employees showed confidence in the tools provided, such as the ticketing portal and the HR Services Point service, which regularly receive requests, thus confirming them as effective tools for internal communication. Moreover, the Whistleblower, together with all the persons involved in the receipt and handling of reports, is required to ensure the strictest confidentiality with regard to the information received, in particular: the identity of the whistleblowers, of the persons involved or referred to in the report, as well as the content of the report and the relevant documentation, without prejudice to the need to comply with legal obligations.

S1-4 - Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

For the Sanlorenzo Group, the valorisation of human capital is an indispensable principle, witnessed by the numerous programmes the company develops to increase its employees' sense of belonging. The following initiatives are aimed at the employees of Sanlorenzo S.p.A. and Bluegame S.r.l. and are designed to respond to specific needs in order to promote employee well-being:

- The Solidarity Management of Holidays, Rol reduced hours, Ex-Holidays and PAR allows employees to voluntarily donate holiday hours to colleagues who need assistance for family members with serious health conditions. This measure is aimed at all employees with fixed-term and permanent employment contracts.
- The Edu.Care programme rewards the attainment of degrees by employees and their children, with awards ranging from Euro 800 for a diploma to Euro 1,800 for a doctorate. It is reserved for employees with a permanent contract.
- For the reimbursement for obtaining a boating licence, employees who obtain the qualification can receive a reimbursement of up to Euro 1,000, subject to presentation of documentation.
- The Group also offers support to new parents, with the extension of compulsory paternity leave, a supplement to the INPS allowance for optional leave and the possibility of reducing working hours after the child's first year. In addition, the Welcome Baby bonus of Euro 1,000 is intended for employees who have had a child since January 2023. For parents, welfare credits are provided for day care and extracurricular campuses: Euro 1,000 for children from 0 to 3 years and Euro 600 for children from 3 to 16 years.
- The Summer Internship Programme offers three-month paid summer internships to the adult children of employees, while the Time 4 Care programme grants a Euro 500 credit for leisure-related activities through the Welfare platform.

- Hourly flexibility allows employees to come in between 8:00 and 9:30 am, recovering hours at the end of the day. In addition, from 2025, smart working will be extended to new company areas, improving work-life balance.
- The performance bonus rewards employees on the basis of the achievement of company and individual targets, and is paid to all employees in the reference year. For strategic roles, there are also MBOs (Management by Objectives) and stock-options, incentive instruments based on the achievement of company objectives.

In addition, executive employees can take advantage of life and accident insurance and corporate credit cards to simplify the management of company travel. Company canteens are available to all employees, with a meal contribution, while company car benefits are reserved for executives and some managers, who can use a car for mixed use.

The Group considers the impact of its actions and initiatives, maintaining a constant focus on results for its workforce.

The total investment in 2024 is below the threshold limit set out in section ESRS 2 General Disclosures, BP-1 General basis for preparation of sustainability statements.

3.1.3 Metrics and targets

S1-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

To date, the Sanlorenzo Group has not adopted any specific targets related to its own workforce. In this context, the Group intends to initiate an initial process to assess their identification.

S1-6 - Characteristics of the undertaking's employees

As at 31 December 2024, the Sanlorenzo Group's workforce comprised 1,659 employees[41].

Table - Distribution of employees by country and gender as of 31 December 2024

Country	Women	Men	Total
Italy	328	844	1,172
EU	62	293	355
Non-EU	63	69	132
Total	**453**	**1,206**	**1,659**

The total number of employees is in line with the numbers reported in the financial reports.

Table - Distribution of employees by contract type and gender as of 31 December 2024

Contract type	Women	Men	Total
Permanent	437	1,151	1,588
Fixed-term	15	48	63
Non-guaranteed hours	1	7	8
Total	**453**	**1,206**	**1,659**

41 *The number of employees is shown in headcount as of 31 December 2024.*

Table - Total number of employees (headcount) by contract type and gender

Number of employees	as of 31 December 2024		
	Male	Female	Total
Total	**1,206**	**453**	**1,659**
Full-time	1,186	415	1,601
Part-time	20	38	58

Table - Employee turnover by gender as of 31 December 2024

	Male	Female	Total
Employees who left the Group	55	202	**257**
Turnover rate	12%	17%	**15%**

S1-8 - Collective bargaining coverage and social dialogue

The table below refers to the percentage of employees covered by collective agreements and social dialogue, in countries where it is applicable. The representation of workers and dialogue with their trade union representatives takes place in compliance with applicable local legislation and trade union agreements.

Table - Employees covered by collective bargaining agreements in the European Economic Area as of 31 December 2024

European Economic Area	Number of employees	Number of employees covered by collective bargaining agreements	% employees covered by collective bargaining agreements
Italy	1,172	1,172	100%
Finland	284	284	100%
France	2	2	100%
Spain	69	69	100%
Total	**1,527**	**1,527**	**100%**

Table - Employees covered by collective bargaining agreements outside the European Economic Area as of 31 December 2024

Outside the European Economic Area	Number of employees	Number of employees covered by collective bargaining agreements	% employees covered by collective bargaining agreements
USA	12	-	-
UK	6	-	-
Monaco	2	2	100%
China	10	-	-
Hong Kong	39	-	-
Indonesia	7	-	-
Malaysia	7	-	-
Singapore	12	-	-
Taiwan	6	-	-
Thailand	31	-	-
Total	**132**	**2**	**2%**

Table - Employees covered by employee representatives in the European Economic Area as of 31 December 2024

European Economic Area	Number of employees	Number of employees covered by workers' representatives	% Employees covered by workers' representatives
Italy	1,172	1,083	92%
France	2	1	50%
Total	**1,174**	**1,084**	**92%**

S1-9 - Diversity Metrics

The age distribution of employees is determined by categorising the total number of people into three groups: employees under 30, employees between 30 and 50 and employees over 50. The number of employees in each category is then divided by the total workforce, including both men and women, to ensure consistency in reporting.

Table - Total number of employees as of 31 December 2024

	Women	Men	Total
Executives	6	54	60
Middle managers	29	71	100
White collars	361	560	921
Blue collars	57	521	578
Total	**453**	**1,206**	**1,659**

Table - Total number of employees by age group as of 31 December 2024

	< 30	30-50	> 50	Total
Executives	-	26	34	60
Middle managers	2	67	31	100
White collars	250	531	140	921
Blue collars	130	266	182	578
Total	**382**	**890**	**387**	**1,659**

S1-10 - Adequate wage

The Group ensures that all its employees receive an adequate wage, in line with the applicable benchmarks of the individual countries in which it operates. The analysis performed for the purpose of calculating the aforementioned DR showed that 100% of the Group's employees receive an adequate salary..

S1-11 - Social protection

In Italy, the entire workforce is covered by the applied CCNL, so they are covered by social protection. The Sanlorenzo Group for foreign companies has policies, as described in section S1-1 to ensure compliance with employee social protection..

S1-12 - Persons with disabilities

A person with a disability is an individual whose health condition limits his or her ability to carry out certain activities, such as movement, work that could hinder full and effective participation in society. This definition ensures a standardised approach to identifying and reporting on employees with disabilities, in line with CSRD requirements..

Table - Employees with disabilities as of 31 December 2024

	Women	Men	Total
Employees with disabilities	13	20	33
Total number of employees	453	1,206	1,659
Percentage of employees with disabilities	**3%**	**2%**	**2%**

S1-13 - Training and skills development metrics

The Group is currently engaged in the development of a formalised employee performance appraisal system. Currently, performance appraisal is mainly provided for under the MBO system, applied to a proportion of personnel, as described in section ESRS 2 of this document. To date, the Group conducts periodic performance and career development reviews for about 40% of its employees, of whom 10% are women and 30% men.

Table - Employees who participated in periodic performance and career development reviews as of 31 December 2024

	Women	Men	Total
Executives	4	36	40
Middle managers	25	56	81
White collars	95	198	293
Blue collars	34	215	249
Total	**158**	**505**	**663**

Table - Average number of training hours per employee as of 31 December 2024

	Women	Men	Total
Executives	10	10	10
Middle managers	26	21	22
White collars	15	14	15
Blue collars	4	6	5
Total	**14**	**11**	**12**

S1-14 - Health and safety metrics

The Group implements initiatives to protect the health and safety of employees and workers of contractors with whom the Group cooperates and to ensure healthy workplaces..

Table - Workforce covered by health and safety management systems as of 31 December 2024

	Employees
Number of employees covered by health and safety management systems	1,511
% Employees covered by health and safety management systems	**91%**

Table - Occupational Injuries and Diseases as of 31 December 2024

	Employees
Number of deaths as a result of accidents at work	-
Number of deaths due to occupational diseases	-
Number of recordable occupational accidents	76
Number of hours worked	3,066,368
Recordable work accident rate	**25**
Number of recordable cases of occupational diseases	-
Number of days lost due to accidents at work	635
Number of days lost due to occupational diseases	-

S1-15 - Work-life balance metrics

The Group guarantees its employees, regardless of gender, the right to family leave. This commitment is in line with applicable labour regulations, promoting an inclusive and supportive work environment.

Table - Employees entitled to family leave as of 31 December 2024

	N.	%
Male	1198	72%
Female	447	27%
Total	**1,645**	**99%**

Table - Eligible employees who have taken family leave as of 31 December 2024

	N.	%
Male	64	5%
Female	28	6%
Total	**92**	**6%**

S1-16 - Compensation metrics (pay gap and total compensation)
In 2024, the gender pay gap calculated on the difference in the Group's gross hourly wages is 13%. This value was calculated by assuming the full hourly remuneration of employees, thus taking into account gross annual remuneration and any bonuses, as required within the ESRS glossary.

In the table - Annual Total Remuneration Index as at 31 December 2024, it can be seen that the annual total remuneration between the highest paid individual and the Group CEO and the median annual total remuneration of the Group's employees excluding the aforementioned person is 63.4.

Table - Annual Total Remuneration Index as of 31 December 2024

Euro	As of 31 December 2024
Total annual salary of the person with the highest salary	Euro 2,127,343
Median annual total remuneration for all employees (excluding the highest paid person)	Euro 33,560
Annual total remuneration index	**63,4**

S1-17 - Incidents, complaints and severe human rights impacts
During 2024, there were no incidents of discrimination, work-related incidents or serious violations of human rights within the workforce. However, the Group is committed to combating all forms of discrimination, promoting a culture that is inclusive and respectful of fundamental rights.li.

3.2 ESRS S2 WORKERS IN THE VALUE CHAIN

3.2.1 Strategy

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The Sanlorenzo Group conducted a Double Materiality Analysis, aimed at identifying and understanding both the significant impacts the Group could generate on workers along its value chain, and the risks and opportunities it could be exposed to.

The impacts that emerged from the analysis process refer mainly to aspects of safety at work, effective communication and human rights issues. Moreover, the impacts mentioned are not related to specific circumstances, but are generalised in the contexts in which the company operates.

On the other hand, among the risks, the main issues that emerged were the violation of human rights and occupational safety issues.

The double materiality analysis considered all categories of workers involved in the value chain, for each of which the Sanlorenzo Group could determine significant impacts, or in respect of which the Group could incur significant risks and opportunities.

The Sanlorenzo Group is committed to promoting ethical and sustainable practices along the entire value chain, taking a proactive approach to identify, prevent and reduce negative impacts related to working conditions and human rights. In this area, significant risks have been identified, including occupational accidents and illnesses, which can compromise workers' health and affect productivity. Furthermore, the Group has not identified specific geographic areas or commodities for which there is a significant risk of forced or child labour, as, in general, it recognises the risk of human rights violations in the case of workers in the value chain, such as child and forced labour, and is committed to actively preventing them. To this end, the Group constantly monitors the practices of its suppliers and adopts social responsibility policies to ensure respect for fundamental rights at all stages of the production process.

The Group is also committed to cooperating as far as possible with its suppliers, constantly monitoring their practices and promoting transparency and accountability throughout the value chain.

No targeted action has been taken to analyse how workers with specific characteristics, those employed in certain environments or performing particular tasks, may be more vulnerable to risks. This is because the risks identified by the Group involve the entire value chain, without distinction.

3.2.2 Impact, Risk and Opportunity management

S2-1 - Policies related to value chain workers
For details on the Code of Ethics and Occupational Health and Safety Policy, please refer to section S1-1.

The Sanlorenzo Group is committed to respecting human rights and workers' rights, in accordance with the United Nations Guiding Principles, the International Labour Organisation (ILO) Declaration and the OECD Guidelines. This commitment includes the prevention of all forms of discrimination, child and forced labour, and the guarantee of freedom of association and collective bargaining. The Sanlorenzo Group constantly monitors, under the supervision of the Human Resources department, the respect of these rights along the entire value chain.

In addition, the Sanlorenzo Group promotes active employee involvement through regular consultations with employee representatives and trade unions. It also raises awareness among its suppliers about workers' rights and demands full compliance with these principles, always with the support and guidance of the Human Resources department.

The Sanlorenzo Group adopts anonymous reporting mechanisms (whistleblowing procedure) and corrective procedures to address possible human rights violations. In the presence of negative impacts, the Human Resources Function is responsible for managing the resolution through corrective actions, training activities and periodic audits to ensure that rights are respected throughout the value chain.

Sanlorenzo S.p.A. policies in relation to workers along its value chain explicitly address human trafficking, forced or compulsory labour and child labour. To this end, a Protocol to combat illegal hiring was adopted, setting out concrete measures to prevent and counteract such practices. The Human Resources department is in charge of managing and implementing this protocol, ensuring full compliance with international regulations and constantly monitoring the value chain.

The Sanlorenzo Group is committed to ensuring that its policies on workers in the value chain comply with relevant international instruments, including the United Nations Guiding Principles on Business and Human Rights. Responsibility for the alignment and implementation of these policies lies with the human resources (HR) department, which ensures that business practices are in line with international standards and monitors compliance both internally and in the value chain. The HR department is also responsible for raising awareness at all levels of the Sanlorenzo Group and the value chain on the importance of complying with these principles and handling any issues related to workers' rights.

Furthermore, the Sanlorenzo Group reports that, to date, there have been no reported cases of non-compliance with the UN Guiding Principles on Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises, in relation to workers in the value chain, upstream and downstream. However, in the event of future reports, the Sanlorenzo Group undertakes to take prompt action to investigate the nature of such cases and take the necessary corrective action. The HR department will continuously monitor compliance with these international principles, both within the organisation and throughout the value chain, ensuring that every party involved meets the required standards.

S2-2 - Processes for engaging with value chain workers about impacts

The Sanlorenzo Group recognises the fundamental importance of listening to the views of workers along the entire value chain, as such listening is crucial to directing business decisions and effectively managing impacts on employees, both current and future. To ensure that their needs and concerns are adequately considered, the company promotes an ongoing dialogue with its suppliers and contractors, using methods such as regular meetings and communication via telephone or e-mail, during which issues related to working conditions and safety are addressed.

In addition, the Sanlorenzo Group is evaluating the introduction of more structured systems for collecting and managing feedback from workers, in order to foster direct and timely communication even in complex contexts so as to avoid fundamental aspects of workers' well-being being ignored or neglected.

Direct dialogue takes place mainly with the owners or managers of the companies that make up the value chain. However, the company recognises the importance of also involving workers or their legitimate representatives, whenever possible, to ensure a comprehensive understanding of working conditions. Therefore, the Sanlorenzo Group is committed to developing communication channels that allow the involvement of trusted delegates or trade union representatives, with the aim of fostering greater transparency and optimal management of issues related to workers' welfare throughout the value chain. The company aims to ensure that all relevant information on working conditions is shared clearly, while ensuring that workers are properly heard and protected. The involvement of workers or their representatives takes place mainly during the execution of contracts, with the aim of monitoring and managing working conditions throughout the duration of the contract. The frequency of meetings or communications is not fixed, but is organised according to specific needs and issues that may arise during the course of the contract. The operational responsibility for ensuring that this involvement takes place and that the results influence the company's approach lies with the HR Director and the Purchasing Director.

Sanlorenzo S.p.A. and Bluegame S.r.l., in a meeting with the company R.S.U., agreed on the renewal of the Corporate Supplementary Agreement for the four-year period 2023-2026. Among the main points in Industrial Relations, building on what was already in the previous contract, a company model was introduced to accompany foreign workers employed by contracting companies on a path of cultural integration. The first initiative are the cultural mediation desks, aimed at facilitating communication between individuals of different cultures and languages, but also created with the aim of providing assistance and orientation on territorial services and simplifying the use of public services. In the course of 2024, in accordance with the provisions of the Protocol to combat illegal hiring, counters were fully activated within the project at each of the four branches of the supply chain. In addition, the new Corporate Supplementary Agreement provides for the launch of language literacy and civic training courses. For this purpose, dedicated spaces will be made available at Sanlorenzo S.p.A. premises for the holding of meetings.

S2-3 - Processes to remediate negative impacts and channels for value chain workers to raise concerns

The company addresses significant negative impacts on workers in the value chain through a robust whistleblowing procedure, integrated into the 231 model. This mechanism allows anyone to report misconduct, including abuses of workers' rights, while ensuring utmost confidentiality in the handling of reports. Each report is examined through a defined investigation process. In case of irregularities, corrective measures are taken to mitigate the negative impacts. The effectiveness of these interventions is monitored periodically, including through the involvement of stakeholders and with the support of independent experts, to ensure an objective and transparent analysis. The company has set up an external whistleblowing channel, managed by an independent and specialised third party, which ensures full respect for the whistleblower's privacy and anonymity. Through this channel, workers can communicate directly with the company to report misconduct, including abuses of workers' rights along the value chain. The company also requires all suppliers and partners to implement secure and confidential reporting channels, in line with the principles of confidentiality and protection defined in its whistleblowing procedures. Through training and awareness-raising activities aimed at employees and suppliers, the company promotes a culture of transparency and safety, encouraging the responsible use of reporting mechanisms. Compliance with these requirements is continuously monitored, and the company actively cooperates with suppliers to improve the effectiveness and accessibility of reporting systems. Furthermore, in order to make the 231 procedure and the whistleblowing procedure easily accessible, the company has made these tools available on its website, thus ensuring that all workers in the value chain can learn about them and use them to report any concerns or needs.

S2-4 - Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

The company has developed a structured cultural integration model aimed at facilitating the integration of foreign workers employed by contractors. Attention to diversity and inclusion represents a fundamental value for the Sanlorenzo Group and is the subject of in-depth study within the regular Joint Committees. With this in mind, as of 1 March 2024, the company has set up cultural mediation desks with the aim of improving communication between people of different languages, offering assistance and orientation to territorial services and facilitating access to public services.

In addition, at the La Spezia site, free language literacy and civic training courses were launched, which can be used within dedicated company spaces, with the aim of promoting integration and cultural growth along the entire value chain. These initiatives were presented and valorised during the events Breakfast on site, informal meetings where the company offered food and drinks to the workers, facilitating exchange and discussion and collecting feedback directly from the participants.

The company is aiming to expand language literacy courses also at the Massa, Viareggio and Ameglia sites, with the intention of reaching an increasing number of workers and fostering even more widespread inclusion. At the same time, in cooperation with the territorial health units (ASL), the company intends to promote health prevention through the periodic presence of a specialised technician at construction sites. This service aims to facilitate access to health services for workers, including through the provision of a company PC, useful for carrying out, with the support of the technician, specific health-related administrative practices.

At present, the Sanlorenzo Group does not have a formalised plan for assessing the effectiveness of actions concerning workers in the value chain.

The total investment in 2024 is below the threshold limit set out in section ESRS 2 General Disclosures, BP-1 General basis for preparation of sustainability statements.

3.2.3 Metrics and targets

S2-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

To date, the Sanlorenzo Group has not adopted specific targets related to workers in the value chain. In this context, the Group intends to initiate an initial evaluation process with a view to defining a plan containing specific targets for employees in the value chain.

3.3 ESRS S4 CONSUMERS AND END-USERS

3.3.1 Strategy

ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The Sanlorenzo Group attaches great importance to understanding and managing the impacts, risks and opportunities related to consumers and end-users, both in its internal operations and along the entire value chain. These aspects are incorporated into the corporate strategy and business model, with the aim of ensuring long-term sustainable management.

In particular, the negative impacts identified do not refer to individual incidents but are linked to the context in which the company operates.

With regard to risks, specific issues emerged in the context of the double materiality analysis, including potential data breaches and the dissemination of inaccurate communications. Such events, in addition to generating additional costs for handling the issues, could compromise the Group's image.

Furthermore, the risks identified apply indiscriminately to consumers and end users to whom the Group addresses itself, without any limitation or exclusion.

The Sanlorenzo Group recognises the importance of seeking innovative solutions that respond to market developments, meet the needs of customers and consumers, and help mitigate the risks mentioned above. These factors are crucial for the protection and satisfaction of customers, as well as for the consolidation of trust in the brand.

3.3.2 Impact, Risk and Opportunity management

S4-1 - Policies related to consumers and end-users

To date, Sanlorenzo S.p.A. and Bluegame S.r.l. have not formalised specific policies related to consumers and end users.

The following policies apply to Nautor Swan only:

- The quality policy is based on the principles of safety, reliability and high performance to guarantee products and services that comply with applicable national and international standards. The main objective is to meet the expectations of all stakeholders through the continuous development of products, processes and systems, while maintaining a strong commitment to quality and business ethics. The policy encourages a corporate culture based on quality and ethical values, through communication, training and motivational activities. Furthermore, it promotes continuous interaction with customers and suppliers who are considered strategic partners in market development. The policy applies to the entire organisation and its stakeholders, and is overseen by the Quality Manager. Nautor adheres to the ISO 9001:2015 standard, maintaining a quality management system that complies with regulatory requirements and the company's strategic objectives. The policy is public and available on the company's website.

- The Warranty Policy defines the procedures for handling warranty claims, including conditions of acceptance, how claims are to be submitted, response time and execution of repairs. It also sets out the preliminary actions to be taken before receiving a response from Nautor and the limits of the guarantee. This policy covers warranty terms, associated costs and the parties involved in performance, with particular reference to yacht owners. The Customer Care Manager is responsible for implementing and monitoring the policy.

S4-2 - Processes for engaging with consumers and end- users about impacts

The Sanlorenzo Group involves its customers directly through customised meetings in order to gather feedback on products and services, with a particular focus on safety, innovation and sustainability. When direct interaction is not possible, the company makes use of its Brand Representatives and business partners, who, with their in-depth knowledge of consumer needs and expectations, act as trusted proxies. Customer engagement occurs at different stages during the life cycle of the company's products and initiatives. Initially, during the design and development of new yachts, the company gathers feedback from customers to ensure that the final product meets their expectations in terms of performance, aesthetics and sustainability. Thereafter, even after the purchase, the relationship continues with the monitoring of customer satisfaction and regular meetings to identify any areas for improvement. Interaction with customers takes place with constant frequency, through annual events and regular communications, both directly with customers and through the Brand Representative network. Operational responsibility for ensuring that customer involvement is carried out effectively lies with the Sales Department and the Service/After Sales Department, with support from the Sustainability Department on aspects of environmental and social impacts. The most responsible roles, ensuring that the results of involvement guide business decisions, are held by the Sales Director and the Service/After Sales Director. They work closely with the Management Committee, integrating consumer feedback into corporate strategies and decisions.

The Sanlorenzo Group evaluates the effectiveness of engagement through various instruments. One of the main ones is the continuous monitoring of customer satisfaction, whereby their evaluations are constantly collected. In addition, regular reports are prepared to analyse the feedback gathered from Brand Representatives and to review the actions taken in response to this feedback. As a result of these practices, the company was able to introduce concrete improvements, such as adopting more sustainable technologies and offering customisation options that better respond to customer and Brand Representative preferences.

The Sanlorenzo Group recognises the importance of taking into account the point of view of consumers and end- users who may be in situations of vulnerability or marginalisation, such as people with disabilities, minors and other sensitive groups. To meet these requirements, the company has taken some key measures. Firstly, it was committed to the inclusive design of yachts, taking into account specific needs, such as creating accessible spaces for people with reduced mobility. In addition, customisable solutions are provided on request to enhance the user experience for customers with special needs. Secondly, the Sanlorenzo Group initiated personnel training, raising awareness among and training the sales network, Brand Representatives and after-sales teams to be able to identify and respond appropriately to the needs of vulnerable customers.

S4-3 - Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

The Sanlorenzo Group takes a proactive approach to identifying and addressing negative impacts that may arise from its activities, products or services. When significant negative impacts occur, the company follows a structured process. First, an internal investigation is launched to immediately assess the causes and extent of the impact, involving the relevant departments such as Sales, Service/After Sales and Sustainability. Next, the company works with customers, directly involving interested consumers and/or end users, to understand their needs and expectations regarding the remedy. Based on the feedback received, customised solutions are implemented, which may include technical product interventions, economic support or other remedial measures. Finally, the effectiveness of the remedy is constantly monitored through follow-ups with the customers involved to ensure that the measures taken have adequately resolved the problem.

The Sanlorenzo Group offers several official channels for consumers and end-users to communicate their concerns or needs in a simple and effective way. The company aims to maintain as direct a communication channel as possible, avoiding intermediaries, to ensure a transparent and timely relationship with its customers. Firstly, there is the possibility of direct contact with customers, via a telephone or e-mail contact line. This allows customers to quickly express their concerns or ask questions, with the assurance that communications are traceable and efficiently resolved. In addition, Brand Representatives and the sales network play a key role as local points of contact, offering personalised assistance and ensuring that customers' specific needs are always listened to and met. In the event that the relationship does not involve direct involvement of the Shipyard with the customer, but does involve an intermediary such as the Brand Representative, the Sanlorenzo Group requires its official partners and distributors to ensure equivalent channels of communication to gather consumer concerns. This commitment is formalised through contracts that include specific clauses on complaint handling and after-sales service. In addition, the company carries out periodic monitoring of its partners to ensure that these requirements are properly met.

The Sanlorenzo Group adopts a rigorous process for handling complaints and reports, with the aim of ensuring continuous improvement and a timely and effective response to its customers' needs.

Every complaint or report is registered and monitored through a centralised management system, which allows recurring issues to be analysed and opportunities for improvement to be identified. This system allows an overview of situations and prompt intervention when necessary.

In addition, the company regularly collects feedback from consumers to assess the effectiveness of the communication channels and the adequacy of the responses provided. This active involvement of stakeholders allows us to constantly refine the way we interact with our customers, ensuring that every need is listened to and treated with care.

To monitor the overall effectiveness of the system, the Sanlorenzo Group uses specific performance indicators, such as response time and the percentage of complaints resolved. These KPIs are analysed periodically to check how well the channels are working and to make, if necessary, improvements that can further optimise the service offered.

The Sanlorenzo Group regularly monitors the level of awareness and use of available channels to express concerns or needs, mainly using different tools.

Regular contacts: The company organises face-to-face meetings with customers or uses company events to check whether customers are satisfied and whether they perceive the service process structures as accessible and effective.

Data monitoring: the Sanlorenzo Group analyses the utilisation rates of the available channels, such as the number of complaints received or direct contacts with Brand Representatives, to assess the effectiveness of the channels and identify possible areas for improvement.

After-sales feedback: During follow-ups with customers, specific questions are included to collect opinions on the effectiveness and transparency of the communication and assistance mechanisms offered.

In addition, the Sanlorenzo Group takes active measures to improve the visibility of these channels:

- Transparent Communications: The company provides clear and detailed information on contact channels, which are included in sales contracts and product manuals, to ensure that customers are always informed about how to get in touch with support.
- Involvement of Brand Representatives: The role of the sales network is strengthened to make local customers aware of the existence of and access to the available communication channels, thus improving the accessibility of services and their utilisation.

S4-4 - Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

The Sanlorenzo Group is actively committed to minimising the negative impacts of using its yachts. To this end, technological innovations were introduced to ensure safer and more environmentally friendly navigation, such as the use of advanced composite materials to improve energy efficiency and reduce fuel consumption. In addition, all boats are designed to minimise environmental impact, reducing emissions and noise, and adopting eco-friendly solutions. Continuous training is offered to Brand Representatives to optimise customer information and satisfaction, and to promote safe and sustainable use of the yachts, thus reducing the risk of damage or accidents.

The Sanlorenzo Group is also constantly striving to respond promptly to any significant impact that may occur. A concrete example of this commitment is the company's prompt reaction to a series of feedbacks received from customers concerning specific needs or requests regarding current models and units already delivered. These findings enabled an in-depth analysis of areas for improvement, leading to the development of targeted solutions and the implementation of technology upgrades in subsequent units. In particular, specific measures were taken to optimise the performance and efficiency of the yachts, thus meeting the requirements that emerged. Furthermore, in the event of accidents or problems, the after-sales service is always ready to intervene promptly, guaranteeing prompt assistance and adequate solutions to fully satisfy customers.

In addition to corrective actions, the Sanlorenzo Group has launched numerous initiatives to contribute positively to society and consumer welfare. A significant example is raising the awareness of ship owners on environmental issues, encouraging them to adopt renewable energy solutions on board their yachts.

To ensure the effectiveness of the actions taken, the Sanlorenzo Group has implemented an advanced continuous monitoring system. Yachts can be equipped with devices capable of collecting relevant data, enabling timely intervention when needed. Moreover, thanks to the direct connection with the sales network and ship owners, the company receives regular feedback from customers and end users. This continuous flow of information allows to constantly assess the level of customer satisfaction and adapt policies and solutions in real time, responding effectively to consumer needs and the evolving challenges of the industry.

The Sanlorenzo Group takes a systematic and analytical approach to identifying and managing actual or potential negative impacts on consumers and end users. The process starts with constant monitoring of product performance and the collection of feedback from customers, through dedicated channels and the support of the sales force.

When a critical issue is detected, a multi-disciplinary team, consisting of different corporate bodies, conducts a thorough root cause analysis. Based on this assessment, the most appropriate actions to mitigate or resolve the impact are identified, which may include technological improvements, design updates, adjustments to marketing practices or the implementation of supportive consumer policies.

The approach taken is not limited to solving a single problem, but also focuses on preventing future problems by strengthening project practices. The aim is to ensure the highest standards of safety, sustainability and comfort for shipowners. Furthermore, through direct and constant contact with customers and targeted training of the sales force, clear and transparent communication is ensured, always oriented towards end-user protection.

The Sanlorenzo Group ensures that negative impact management processes are not only affordable, but also highly effective. To this end, a highly qualified after-sales support team was set up, ready to intervene promptly to solve any problems. The effectiveness of the actions taken is constantly monitored through discussions with customers and the sales force, as well as through the collection of feedback following the interventions, in order to assess the level of satisfaction and further refine the solutions adopted.

The entire process is closely monitored to ensure that any corrective action is implemented in full compliance with the company's high standards and on time, guaranteeing a service of excellence in line with the brand values.

The Sanlorenzo Group has implemented a strategic plan to mitigate the main risks arising from the company's direct impacts and interactions with consumers and end users. The strategy adopted is based on proactive quality management, which includes the continuous improvement of design and production processes in order to reduce the risk of defects, failures or after-sales issues. At the same time, investments are made in advanced technologies for constant monitoring of yacht performance, thus ensuring early detection and resolution of any critical issues, preventing repercussions on consumer confidence and corporate reputation.

The systematic analysis of customer feedback enables the rapid identification of possible risks associated with the use of boats. The effectiveness of the measures taken is evaluated by means of key performance indicators (KPIs), which make it possible to monitor the achievement of the set objectives and to further refine the intervention strategies.

The Sanlorenzo Group recognises that sustainability and innovation are key strategic factors for its future development. With this in mind, advanced technological solutions are developed to improve the energy efficiency and sustainability of yachts, thus responding to the growing demand for environmentally friendly yachts from customers and legislative bodies. At the same time, the company explores the potential of emerging markets, characterised by a strong interest in luxury and boating, by offering products that meet the needs of new customer segments.

Among the initiatives underway, particular attention is being paid to strengthening the customisation of yachts, a distinctive element that responds to the growing demand for exclusive and tailor-made experiences by owners, in line with the corporate identity. In addition, through the Sanlorenzo Foundation, investments are promoted in social and environmental projects that not only consolidate the company's reputation and ethical commitment, but also foster new opportunities for interaction with consumers and local communities. These initiatives not only meet market expectations, but also contribute to strengthening customer loyalty and consolidating the brand's positioning in the luxury sector.

The Sanlorenzo Group adopts a preventive approach aimed at avoiding or minimising any negative impacts on consumers and end users, with particular attention to the design, marketing, sales and data management phases.

During the design phase, stringent practices are applied to ensure compliance with environmental regulations and ensure high safety standards, thus limiting potential risks to consumers. In marketing and sales, the company strives to provide transparent and accurate information on the yachts' characteristics, avoiding any form of misleading advertising.

As far as data management is concerned, the Sanlorenzo Group guarantees full compliance with privacy regulations, treating customers' personal information with the utmost confidentiality and security. The data is used exclusively for the improvement of the services offered and the customer experience, avoiding any use that does not comply with privacy protection principles.

Where tensions arise between the need to prevent negative impacts and other business needs, the approach taken is to find balanced solutions that maintain high ethical standards, while always putting consumer protection and long-term sustainability at the centre. This commitment is supported by a strong Code of Business Ethics and an internal governance system that ensures respect for the company's core values and principles.

The Sanlorenzo Group places a high value on respect for human rights and corporate social responsibility. At present, there are no reports of significant human rights incidents or critical issues concerning consumers or end users of the products and services offered.

However, constant monitoring of the supply chain is implemented to ensure full compliance of company operations with international human rights regulations. Furthermore, in relations with Brand Representatives, cooperation contracts include the obligation to adhere to the company's ethical principles, excluding any person who does not respect these values.

Should problems emerge in this area, they would be promptly reported and addressed through the necessary measures to ensure that they are resolved effectively and appropriately.

The Sanlorenzo Group has dedicated significant resources to managing material impacts, establishing a team of multidisciplinary experts to monitor and manage impacts throughout the product life cycle. The corporate structure includes, among others, a sustainability department, responsible for overseeing the environmental impact of yachts, a quality and safety team, which constantly assesses product performance, and a service/after-sales department, in charge of managing after-sales relations. In addition, the sales department plays a crucial role as a direct point of contact with customers, ensuring a continuous and proactive dialogue. Particular attention is paid to strict compliance with existing regulations on consumer rights and privacy protection. The different teams work in close synergy to identify, assess and manage material impacts, with a dual objective: promoting sustainability and ensuring a high level of customer satisfaction. This integrated approach makes it possible to pursue continuous improvement of business practices and processes.

The total investment in 2024 is below the threshold limit set out in secion ESRS 2 General Disclosures, BP-1 General basis for preparation of sustainability statements.

3.3.3 Metrics and targets

S4-5 - Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities

To date, the Sanlorenzo Group has not adopted specific targets related to consumers and end users. In this context, the group intends to start an initial evaluation process in order to define a plan containing specific targets for consumers and end users.

4. Governance information

4.1 ESRS G1 BUSINESS CONDUCT

4.1.1 Impact, risk and opportunity management

G1-1- Corporate culture and business conduct policies
The management of the Sanlorenzo Group's business is based on unavoidable ethical principles, including respect for legality, fairness, impartiality, transparency and integrity. These values guide corporate strategies and are reflected in policies aimed at ensuring responsible conduct.

Compliance with national and international regulations, combined with careful and competent management of company activities, ensures clear, complete and timely communication with stakeholders. In this context, risk management related to corruption and unfair competition is implemented through specific tools, shared with employees, Group companies and external stakeholders. In order to strengthen its commitment to spreading an ethical and transparent corporate culture, the Sanlorenzo Group has adopted policies and tools aimed at ensuring responsible conduct that complies with current regulations.

In the context of double materiality, a number of key aspects have been identified, including corporate culture, protection of whistleblowers, supplier relationship management, which will be disclosed in section G1-2 and G1-6, including payment practices, and anti-corruption, which will be dealt with in depth in section G1-3 and G1-4.These elements are material for at least one of the two perspectives of double materiality and represent the areas on which the Sanlorenzo Group has built its corporate policies.These policies are approved by the Board of Directors.

One of the key tools of this strategy is the Organisation, Management and Control Model ('Model 231'), which defines behavioural rules aimed at preventing the offences covered by Legislative Decree 231/01. Model 231 identifies the most sensitive areas of activity, including relations with the Public Administration, health and safety at work, environmental compliance, corruption between private individuals, management of IT systems and management of non-EU personnel.

An integral part of Model 231 is the Code of Ethics, which represents an ethical framework of reference for the company.This document sets out the principles, commitments and ethical responsibilities that guide the conduct of company business, actively involving all stakeholders. Furthermore, the Anti-Corruption Policy, integrated into the Code of Ethics, regulates corruption-related conduct, expressly forbidding any unlawful practice, with particular attention paid to the management of relations with public entities in order to avoid undue advantages for the Company.

To ensure the effectiveness of these tools, the Sanlorenzo Group has implemented an anonymous reporting system that allows employees and stakeholders to report possible violations of legal or internal regulations, including the Code of Ethics and other company regulations in accordance with Legislative Decree 24/2023 implementing EU Directive 2019/1937. The Whistleblower Officer is in charge of assessing the reports received, ensuring the confidentiality and protection of whistleblowers.

At the same time, in order to foster the dissemination and understanding of the company's policies on anti-corruption and the promotion of fair competition, the Sanlorenzo Group has launched several training and communication initiatives for all employees; for more information on training courses and their duration, please refer to section G1-3. Key documents such as Model 231 and the Code of Ethics are made available online, providing transparent and immediate access to all stakeholders. This strategy not only raises awareness of company policies, but also reinforces the Group's commitment to promoting an ethical and responsible business environment.

G1-2 - Management of relationships with suppliers

The selection of suppliers and contractors is a crucial process for ensuring compliance with legal regulations and ensuring high standards of quality, safety and sustainability along the entire supply chain. This process, managed by the Purchasing Offices, is specifically structured for each Business Unit. The Sanlorenzo Group stands out for the synergic approach between the Purchasing Offices and the Supply Chain Function, optimising production and guaranteeing maximum flexibility and timeliness in responding to shipowners' requests.

The selection of suppliers is based on fundamental criteria defined by Sanlorenzo S.p.A.'s policy on selecting and approving new suppliers and awarding contracts, including:

- Compliance with legal and ethical regulations;
- Production expertise to meet technical and quality requirements;
- Competitiveness and quality of results;
- Integrity and fairness in relations with the Group;
- Reputation and respect for the principles of equal opportunities;
- Economic and financial soundness, verified with tools such as Cerved;
- Price competitiveness and geographical localisation, with preference for local suppliers to promote "Made in Italy".

Purchasing Offices, in cooperation with the technical and quality functions, carry out on-site visits to verify the availability of personnel, working conditions, regulatory compliance and supply chain management, including subcontractors.

The Supply Chain Function is integrated into the business and reports directly to Operations for the Yacht Business Unit and to the Chair for the Superyacht Business Unit. For Bluegame, it is unified with the Purchasing Office, which reports to the CEO. The plants in Ameglia, Viareggio, La Spezia and Massa have a dedicated Supply Chain Management Office, supported by a Strategic Committee composed of key figures of the Group.

The Sanlorenzo Group is constantly looking for new suppliers who meet high standards of quality and sustainability, assessing the environmental and social impact of their activities. Relations with suppliers are based on fairness and transparency, with the aim of continuously improving ESG performance and strengthening the supply chain. The Group's proactive approach integrates sustainability and social responsibility criteria into all procurement decisions, ensuring compliance with environmental and social practices aligned with corporate values. The Sanlorenzo Group attaches great importance to transparency and mutual respect, especially in relations with SMEs, which are considered a key element of the supply chain. The Group adopts payment policies that avoid delays harmful to business partners, using financial instruments such as Dynamic Discounting and factoring to improve supplier liquidity.

The Sanlorenzo Group recognises the supply chain as a strategic pillar for business success and is committed to minimising economic, operational and social risks through targeted strategies. The financial stability of suppliers is monitored by Cerved, allowing detailed analyses to select reliable partners and diversify supply sources, reducing the risk of disruptions.

To ensure business continuity, the Group implements safety stocks and monitors suppliers' performance with digital platforms, enabling timely intervention in the event of a critical situation. On the ESG front, the Sanlorenzo Group uses tools such as Open-es to assign a sustainability rating to strategic suppliers, assessing environmental practices, workers' rights and social responsibility. Priority is given to suppliers certified according to international standards such as ISO 14001 and SA8000.

The Sanlorenzo Group also promotes social sustainability by favouring local suppliers, contributing to the economic development of communities and reducing the environmental impact of transport. The Group evaluates the adoption of CRIBIS' Margò platform to integrate ESG criteria into supplier selection, ensuring alignment with corporate values from the outset.

In short, the Sanlorenzo Group adopts a procurement management model based on transparency, social responsibility and sustainability, ensuring that every decision is oriented towards quality, fairness and protection of the environment and people.

G1-3 - Prevenzione e individuazione della corruzione attiva e passiva

As described in section G1-1, the Sanlorenzo Group adopts a structured and transparent approach to the prevention and management of corruption, both active and passive, through procedures and preventive measures in compliance with current regulations and the principles of corporate integrity. The Company has implemented an effective system to prevent, detect and manage episodes of corruption and unfair competition, ensuring fair and equitable business relations.

To promote the dissemination and awareness of anti-corruption policies both internally and externally, the Sanlorenzo Group makes key documents such as Model 231 and the Code of Ethics available online. This allows all stakeholders, including suppliers and business partners, easy access to information on compliance procedures.

Employee training is a key pillar of the anti-corruption strategy. To this end, the Sanlorenzo Group has developed a specific training programme for Sanlorenzo S.p.A. and Bluegame S.r.l. employees, accessible via the Skilla e-learning platform. This programme provides insights into the Code of Ethics and Model 231 and includes tests to monitor understanding of the topics covered. Training is compulsory both at the time of entry and with regular updates to ensure constant alignment with regulations.

The main measures taken to prevent and combat corruption include the prohibition of promising or granting money, goods or benefits of any kind to further corporate interests. In addition, it is forbidden to conclude contracts that do not comply with current regulations or to adopt pricing policies that restrict the freedom of choice of customers and suppliers. Any attempt to obtain undue advantages from third parties must be promptly reported to the hierarchical superior and to the Supervisory Board (SB). It is also prohibited to exploit relationships with public players to influence their actions in an unlawful manner or to obtain acts contrary to official duties.

The Sanlorenzo Group has implemented specific tools for managing the risk of corruption and unfair competition, sharing them with employees, subsidiaries and external collaborators. The company is committed to ensuring maximum transparency on its compliance policies and to continuously monitoring compliance with anti-corruption regulations.

Regarding the procedures of the Organisational Model Legislative Decree 231/2001, the investigation functions are entrusted to the Supervisory Board and the Internal Auditor. For the management of whistleblowing, a dedicated platform was introduced, with the Whistleblowing Officer identified as the Internal Auditor. The purpose of this procedure is to guarantee freedom of expression and information, encouraging the reporting of unlawful conduct and contributing to the prevention of corruption. The results of the investigations are communicated by Internal Audit to the Board of Directors and the Board of Auditors through half-yearly reports.

During the year, the company implemented two training courses dedicated to the prevention of corruption, available on the company's e-learning platform. Courses include:

- Organisational Model Legislative Decree 231/2001
- Whistleblowing

The training courses implemented addressed issues related to organisational rules and procedures aimed at preventing the commission of offences. In particular, the measures and channels available to the whistleblower, the conduct subject to whistleblowing, the requirements for access to protection, as well as the main theoretical and regulatory references on whistleblowing were examined.

In addition to training, up-to-date copies of company procedures were distributed to ensure the correct application of internal regulations. The course on the Organisational Model Legislative Decree 231/2001, since 2024 has been supplemented with mandatory training for new employees during the onboarding period. Training on the whistleblowing reporting procedure, launched in 2024, was made accessible to the entire corporate population, helping to improve levels of transparency and providing a safe and effective tool for reporting irregularities.

Anti-corruption training is accessible to all employees, regardless of their level of risk, to ensure a corporate culture based on ethics, responsibility and compliance with the law.

Specifically, all functions at risk (100%) are included in active and passive anti-corruption training programmes. In the course of 2024, 69% of the risk functions underwent training focused on Whistleblowing, while 23% focused on issues related to Legislative Decree 231/2001. For further details, please refer to the table 'Anti-corruption and bribery training'.

Anti-corruption and bribery training

Training	**2024**			
	Functions at risk	**Executives**	**OADC**	**Other own workers**
Training coverage				
Total	94	32	2	629
Total recipients of 231/2001 training	22	4	0	169
Total recipients of Whistleblowing training	65	12	0	489
Delivery method and duration				
Training via e-learning platform 231/2001	1 hour	1 hour	1 hour	1 hour
Training via e-learning platform Whistleblowing	30 minutes	30 minutes	30 minutes	30 minutes
Frequency				
Annual frequency	1	1	1	1

4.1.2 Metrics and Targets

G1-4 - Confirmed incidents of corruption or bribery
During 2024, there were no reported incidents of corruption within the Group. Consequently, no penalties for violation of anti-corruption laws were accounted for..

G1-6 - Payment Practices

The average time taken by the Group to pay an invoice, starting from the date on which the contractual or legal payment term begins to be calculated, is 65 days. The standard payment terms for the main categories of suppliers are presented in the table below.

In this regard, it should be noted that, as already mentioned in Sections G 1-2, the Group adopts payment policies and utilizes financial planning tools and debt management methodologies to ensure the timeliness of payments to all suppliers, including SMEs, which predominantly fall into the category of contractors listed in the following table.

Specifically, for calculation purposes, the Group has used Sanlorenzo S.p.A. as a homogeneous and representative reference sample.

Furthermore, as of the date of this document, there are no pending significant legal proceedings due to payment delays.

Payment Practices

Standard payment terms for the main supplier categories	Standard terms of payment	2024 Percentage of payments aligned to standard terms
Contractors	30-90 days	100%
Suppliers of materials	90-120 days	100%
Other	60-90 days	100%

certification of the consolidated sustainability report pursuant to article 154-bis of italian legislative decree no. 58 of 24 february 1998

The undersigned, Massimo Perotti, in his capacity as the Chairman and Chief Executive Officer of the Board of Directors, and Pier Francesco Acquaviva, in his capacity as Manager charged with preparing the sustainability report of Sanlorenzo S.p.A., hereby certify, pursuant to Article 154-bis, paragraph 5-ter, of Italian Legislative Decree no. no. 58 of 24 February 1998 (Italian Consolidated Law on Finance), that the Consolidated Sustainability Report included in the Report on Operations has been prepared:

- in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 and Italian Legislative Decree no. 125 of 6 September 2024;
- with the specifications adopted in accordance with Article 8, paragraph 4, of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

Ameglia, 10 March 2025

Cav. Massimo Perotti

Chairman and Chief Executive Officer

Pier Francesco Acquaviva

Manager charged with preparing the sustainability report


USA
2807

IV

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€'000)	Notes	31 December 2024	31 December 2023
ASSETS			
Non-current assets			
Property, plant and equipment	*16*	221,021	179,820
Goodwill	*17*	69,078	17,486
Other intangible assets	*18*	110,708	55,162
Equity investments and other non-current assets	*20, 37, 38, 39*	13,151	6,564
of which equity investments valued using the equity method		*13,067*	*3,829*
Net deferred tax assets	*14*	8,965	12,255
Total non-current assets		**422,923**	**271,287**
Current assets			
Inventories	*21*	126,349	85,421
Contract assets	22	264,646	185,572
Other financial assets, including derivatives	26	38,801	24,045
Trade receivables	23	26,278	22,522
Other current assets	24	93,469	59,725
Cash and cash equivalents	25	135,647	192,506
Total current assets		**685,190**	**569,791**
TOTAL ASSETS		**1,108,113**	**841,078**

(€'000)	Notes	31 December 2024	31 December 2023
EQUITY AND LIABILITIES			
EQUITY			
Capital	27	35,542	34,978
Share premium	27	102,569	84,442
Other reserves	27	194,911	146,012
Profit/(loss) for the period		103,121	92,839
Equity attributable to the owners of the Parent Company		**436,143**	**358,271**
Equity attributable to non-controlling interests	27	4,617	1,690
TOTAL EQUITY		**440,760**	**359,961**
Non-current liabilities			
Non-current financial liabilities	*28*	72,937	28,795
Other non-current liabilities	*31*	32,355	–
Non-current employee benefits	*32*	3,681	2,491
Non-current provision for risks and charges	*33*	11,203	14,404
Total non-current liabilities		**120,176**	**45,690**
Current liabilities			
Current financial liabilities, including derivatives	*28, 34*	72,432	47,270
Current provisions for risks and charges	*33*	16,059	8,571
Trade payables	*29*	285,501	203,812
Contract liabilities	*22*	113,924	125,441
Other current liabilities	*30*	55,409	37,597
Other current tax liabilities		2,706	2,241
Net current tax liabilities	*14*	1,146	10,495
Total current liabilities		**547,177**	**435,427**
TOTAL LIABILITIES		**667,353**	**481,117**
TOTAL EQUITY AND LIABILITIES		**1,108,113**	**841,078**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

(€'000)	Notes	31 December 2024	31 December 2023
Revenues	*8*	1,029,644	896,364
Selling expenses	*8*	(66,227)	(42,063)
Net revenues		**963,417**	**854,301**
Other income	*9*	19,419	11,367
TOTAL NET REVENUE AND INCOME		**982,836**	**865,668**
Increases in internal work	*10*	3,198	2,075
Costs for raw materials, consumables and finished products	*10*	(332,190)	(270,863)
Outsourcing	*10*	(323,471)	(295,025)
Change in inventories of work in progress, semi-finished and finished products	*10, 21*	41,113	17,961
Other service costs	*10*	(83,141)	(73,994)
Personnel expenses	*10*	(94,220)	(64,013)
Other operating costs	*10*	(9,112)	(5,948)
Accruals to provisions for risks and charges	*10, 33*	(8,653)	(18,375)
Total operating costs		**(806,476)**	**(708,182)**
OPERATING RESULT BEFORE AMORTISATION AND DEPRECIATION		**176,360**	**157,486**
Amortisation, depreciation and impairment losses of fixed assets	*11, 16, 18*	(37,083)	(31,604)
OPERATING RESULT		**139,277**	**125,882**
Financial income	*12*	5,882	6,131
Financial expense	*12*	(3,910)	(2,518)
Net financial income/(expense)		**1,972**	**3,613**
Income/(expense) from equity investments	*13*	(33)	(71)
Adjustments to financial assets	*13*	252	248
PRE-TAX PROFIT		**141,468**	**129,672**
Income taxes	*14*	(38,346)	(36,385)
PROFIT/(LOSS) FOR THE PERIOD		**103,122**	**93,287**
Attributable to:			
Shareholders of the parent company		103,121	92,839
Non-controlling interests		1	448

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(€'000)	31 December 2024	31 December 2023
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that will not be subsequently reclassified to net profit		
Actuarial change in accruals for employee benefits	81	(40)
Income taxes relating to actuarial changes in provisions for employee benefits	(23)	11
Total	**58**	**(29)**
Other comprehensive income which will be subsequently reclassified to net profit		
Changes in the cash flow hedge reserve	(3,422)	(834)
Income taxes related to changes in the cash flow hedge reserve	821	200
Change in the translation reserve	407	(11)
Total	**(2,194)**	**(645)**
Total other comprehensive income for the year, net of tax effect	**(2,136)**	**(674)**
COMPREHENSIVE NET PROFIT FOR THE PERIOD	100,986	92,613
Attributable to:		
Shareholders of the Parent Company	100,985	92,165
Non-controlling interests	1	448

(in Euro)	Notes	31 December 2024	31 December 2023
Group base net profit per share	*15*	2.95	2.67
Group diluted net profit per share	*15*	2.91	2.65

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€'000)	Share capital	Share premium	Other reserves	Profit for the period	Total Equity Group	Total Equity Minorities	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	-	-	(22,978)	-	(22,978)	-	(22,978)
Purchase of treasury shares	-	-	(3,313)	-	(3,313)	-	(3,313)
Treasury share sale	-	-	-	-	-	-	-
Stock option exercise	194	3,206	(292)	-	3,108	-	3,108
Other changes	-	-	758	-	758	(308)	450
Profit for the period	-	-	-	92,839	92,839	448	93,287
Other comprehensive income	-	-	(674)	-	(674)	-	(674)
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	–	–	(34,805)	–	(34,805)	–	(34,805)
Purchase of treasury shares	–	–	(8,506)	–	(8,506)	–	(8,506)
Treasury share sale	–	–	4,536	–	4,536	–	4,536
Stock option exercise	144	2,370	(215)	–	2,299	–	2,299
Other changes	420	15,757	(2,814)	–	13,363	2,926	16,289
Profit for the period	–	–	–	103,121	103,121	1	103,122
Other comprehensive income	–	–	(2,136)	–	(2,136)	–	(2,136)
Value as at 31 December 2024	**35,542**	**102,569**	**194,911**	**103,121**	**436,143**	**4,617**	**440,760**


New York Yacht Club
AMERICAN
MAGIC

CONSOLIDATED STATEMENT OF CASH FLOWS

(€'000)	Notes	31 December 2024	31 December 2023
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the year		103,122	93,287
Adjustments for:			
Depreciation of property, plant and equipment	11, 16	25,444	22,963
Amortisation of intangible assets	11, 18	11,639	8,641
Write-downs of tangible assets	11, 16	–	–
Adjustments to financial assets (other equity investments)	13	(219)	(177)
Net financial expense/(income)	12	(1,972)	(3,613)
Gain on sale of property, plant and equipment	16	(38)	(987)
Impairment losses on trade receivables	23	–	–
Income taxes	14	38,346	36,385
Changes in:			
Inventories	21	(28,729)	(31,977)
Contract assets	22	(78,591)	(16,937)
Trade receivables	23	1,668	(738)
Other current assets	24	(15,146)	663
Trade payables	29	67,533	47,833
Contract liabilities	22	(37,490)	(6,928)
Other current liabilities	30	2,344	1,759
Accruals for risks and charges and employee benefits	32, 33	(5,678)	6,372
Cash flow generated/(absorbed) by operating activities		**82,233**	**156,546**
Income taxes paid		(51,376)	(39,398)
Net cash flow generated/(absorbed) by operating activities		**30,857**	**117,148**
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Interest received	*12*	5,346	6,131
Proceeds from sale of property, plant and equipment	*16*	18	212
Proceeds from disposal of intangible assets	*18*	–	–

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(€'000)	Notes	31 December 2024	31 December 2023
Change in other equity investments and other non-current assets	*20, 37, 38, 39*	381	7,290
Acquisition of subsidiaries, associates or business units	*20, 37, 38, 39*	(41,394)	(20,207)
Acquisition of property, plant and equipment	*16*	(35,466)	(31,997)
Purchase of intangible assets	*18*	(13,860)	(12,504)
Net cash flow generated/(absorbed) by investment activities		**(84,975)**	**(51,075)**
CASH FLOW FROM FINANCING ACTIVITIES			
Financial interests and expense paid	*12*	(3,191)	(2,518)
Proceeds from the issue of share capital	*27*	2,514	3,400
Proceeds from loans/bank advances	*28*	59,108	25,121
Repayment of loans/bank advances	*28*	(27,405)	(33,181)
Changes in other financial assets and liabilities including derivatives	*26, 28, 34*	3,730	12,924
New financial leases	*28*	8,461	2,409
Repayment of financial leases	*28*	(4,944)	(1,233)
Assumption of new loans	*28*	–	–
Other changes in equity	*27*	(2,239)	(515)
Treasury share sale/(buy-back)	*27*	(3,970)	(3,313)
Dividends paid	*27*	(34,805)	(22,978)
Net cash flow generated/(absorbed) by financing activities		**(2,741)**	**(19,884)**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(56,859)**	**46,189**
Cash and cash equivalents at the beginning of the period		192,506	146,317
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**135,647**	**192,506**

notes to the consolidated 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 primarily in the design, building and sale of boats and pleasure boats in fibreglass, steel and aluminium together with all other materials. It also provides maintenance and charter services for all types of vessels, as well as services relating to these activities.

2. Basis of preparation

The consolidated financial statements as at 31 December 2024, approved by the Company's Board of Directors on 10 March 2025 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).
These consolidated financial statements as at 31 December 2024 include the consolidated statement of the 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 and the notes.
As regards the statement of financial position, the presentation format adopted provides for a distinction between current and non-current assets and liabilities, according to paragraphs 60 et seq. of IAS 1.
The presentation of the consolidated income statement adopts a classification of costs based on the type of expense.
The consolidated statement of cash flows was prepared based on the indirect method and is presented in compliance with IAS 7, classifying the financial flows between operating, investment and financing activities.
The details regarding the accounting standards adopted by the Group are specified in the paragraph "Accounting standards" of these consolidated financial statements.
The Notes to the Consolidated Financial Statements were supplemented with the additional information required by Consob and the measures it issued in implementation of article 9 of Italian Legislative Decree 38/2005 (Resolutions 15519 and 15520) of 27 July 2006 and Communication DEM/6064293 of 28 July 2006, pursuant to article 78 of the Issuers' Regulations, the EC document of November 2003 and, where applicable, the Italian Civil Code.
It should be noted that with reference to Consob Resolution no. 15519 of 27 July 2006 and Communication DEM/6064293 of 28 July 2006, the financial statements highlight significant relations with related parties in order to provide better information, and the income items deriving from non-recurrent events or transactions are recognised, when significant, separately in the management comments and in the financial information sections.

3. Functional and presentation currency

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

4. Basis of measurement

These consolidated annual 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 estimates and valuations

The preparation of annual consolidated financial statements and notes thereto in accordance with the IAS/IFRS requires the directors to apply accounting standards that may sometimes be affected by complex and subjective judgements and estimates, based on past experience and assumptions deemed reasonable and realistic in the circumstances.
The application of these estimates and assumptions affects the reporting amounts in the financial statement, such as the statement of financial position, the statement of profit and loss, other comprehensive income, the statement of cash flows and the disclosures included herein. The final figures of the financial statement items for which the aforementioned estimates and assumptions were used, may differ from those that were actually realised due to the uncertainties that characterise the assumptions and the conditions on which the estimates are based. Estimates and assumptions are periodically reviewed and the effects of each change are reflected in the period in which the estimate revision is made, if such revision affects only the current period or also in the following periods if the revision affects current and future periods.
The captions most affected by directors' judgements and estimates and for which a change in the circumstances underlying the assumptions applied could have a significant impact on the consolidated 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.

For further details, please refer to the specific notes and the paragraph "Accounting standards" of these financial statements.

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.

For further details, please refer to the specific notes and the paragraph "Accounting standards" of these financial statements.

6. References to accounting standards applied

In preparing these financial statements, the same accounting standards and criteria have been applied as in the preparation of the last annual financial statements, to which reference is made for a detailed explanation, with the exception of the following amendments and interpretations to the accounting standards applicable as of 1 January 2024, which, however, did not have a significant impact on the Annual Financial Statements.

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

Reference accounting standard	Effective date
Lease liabilities in a sale and leaseback (Amendments to IFRS 16 Leasing)	1 January 2024
Classification of liabilities between current and non-current (including Classification of liabilities between current and non-current - Extension of effective date) (Amendments to IAS 1 Presentation of Financial Statements)	1 January 2024
Non-current liabilities with covenants (Amendments to IAS 1 Presentation of Financial Statements)	1 January 2024
Supplier Finance Arrangements (Amendments to IAS 7 Cash Flow Statement and IFRS 7 Financial Instruments: Disclosures)	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
Classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026
Subsidiaries without public liability (IFRS 19)	1 January 2027
Presentation and disclosure in financial statements (IFRS 18)	1 January 2027

In addition to the aforementioned pronouncements, the IFRS Interpretations Committee (IFRIC) issued several agenda decisions during 2024, which do not constitute binding guidance. However, they state the reasons why the IFRIC did not include a topic on its agenda (or report it to the IASB) and how the requirements of IFRS Accounting Standards are to be applied.
Based on the preliminary analyses carried out, at present, no significant impact is expected on the Sanlorenzo Group.

ACCOUNTING STANDARDS

Significant accounting standards

The accounting standards described below have been consistently applied to all periods included in these consolidated financial statements, unless otherwise indicated (see also note "Significant accounting standards" in these financial statements).
Some items of the income and comprehensive income statements presented for comparative purposes have been reclassified or restated to reflect the change in a standard (see also note "Significant accounting standards" in these financial statements).

Basis of preparation

The consolidated financial statements as at 31 December 2024 include the consolidated statements of financial position, profit or loss, other comprehensive income, consolidated changes in equity, statement of cash flows, and the related accompanying notes.
The consolidated financial statements have been prepared in accordance with the "International Financial Reporting Standards" (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union. IFRS include the ruling International Accounting Standards (IAS) and all the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), previously called the Standing Interpretations Committee (SIC).
The consolidated financial statements have been prepared using the historical cost method (any exceptions to this method are explained below) and the going concern assumption. The Directors have in fact, determined that there are no significant uncertainties (as defined by paragraph 25 of IAS 1) on business continuity.
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.
The significant accounting standards adopted to prepare the consolidated financial statements applied to all the periods presented and by all the Group's companies are described below.
Unless specified otherwise, the accounting standards have been applied consistently to all the periods included in the consolidated financial statements. Please refer to note "Significant accounting standards" for more information and details regarding the application of the accounting standards.

Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred and the identifiable net assets acquired are usually recognised at fair value. The carrying amount of any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss for the period immediately. Transaction costs, except if related to the issue of debt or equity securities, are recognised as expenses when incurred.
The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Normally, these amounts are recognised in profit/(loss) for the year.

The potential consideration is booked at fair value on the acquisition date. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.
If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

Subsidiaries
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 at the same time, the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is acquired until the date on which it ends.

Non-controlling interests
Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.
Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions between shareholders.

Loss of control
When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity related to the subsidiary. Any profit or loss deriving from the loss of control is recognised in profit/(loss) for the year. Any interest retained in the former subsidiary is measured at fair value when control has been lost.

Equity-accounted investees
The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.
The Group has significant influence over financial and management policies of the associates, even though it does not have control or joint control.
Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation
In drafting the consolidated financial statements, intra-group transactions and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Foreign currency

Foreign currency transactions

Foreign currency transactions are translated into each company's functional currency of the Group at the exchange rate at the transaction-date.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss as finance expense.

Foreign operations

Assets and liabilities of foreign operations, including goodwill and fair value adjustments, are translated into euro, which is the Parent Company's functional currency and the consolidated financial statements' presentation currency. The closing rates are used. Revenue and costs of foreign operations are translated into €using the average period rates.
Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

Revenues from contracts with customers

In accordance with IFRS 15, revenues from contracts with customers are recognised when control of the good or service is transferred to the customer either over time or at a point in time.
In relation to pre-owned boats, since the acquisition of the same takes place following the sales of new boats and constitutes part of the payment of the agreed price, it should be noted that, according to IFRS 15, the sale price of new boats and therefore also the calculation of the related revenues reflects the difference between the contractually attributed value of the pre-owned boats and their relative fair value.
Contracts for the sale of new boats that meet the requirements for the recognition of revenue over time are classified as "contract assets" or "contract liabilities" depending on whether the difference between the fulfilment of the performance obligation by the Group and the progress payments received from the customer is positive or negative. In particular:

- Contract assets include the right to the consideration for the goods or services already transferred to the customer;
- Contract liabilities show the Group's obligation to transfer goods or services to the customer for which it has already received (or has the right to receive) consideration.

If a contract has more than one performance obligation, which is a promise to transfer a distinct good or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to a customer, classification as a contract asset or liability takes place considering all the performance obligations as a whole.
Assets and liabilities arising from contracts with customers where the revenue is recognised over time are measured using the cost-to-cost method, whereby the contract costs, revenue and profit or loss is recognised in line with fulfilment of the performance obligation (progress towards completion). The percentage of costs incurred at the reporting date is compared to the total costs to satisfy the performance obligation.

Conversely, if the requirements for the recognition of revenue over time are not met, revenue is recognised at a point in time. In this case, progress towards completion is recognised under inventories.
Contract assets are recognised net of any accumulated impairment losses.
Estimates are periodically updated and any economic effects are accounted for in the year in which the updates are made. Onerous contracts are treated in accordance with the methods described further on in this note.
The consideration for contracts in a currency other than the functional currency is measured by translating the accrued consideration, calculated using the percentage of completion method, using the closing rates. The Group's exchange rate risk policy requires that all contracts that expose cash flows to changes in exchange rates are hedged on time.
See note "Financial instruments – Fair values and risk management" for information on derivatives designated as hedging instruments.
Revenues related to maintenance, sales of spare parts and charter services activities are managed through spot orders from the client and are recognised on a "point in time" basis.

Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payment transactions

The Group implements share-based payment transactions settled with equity instruments, as part of the remuneration policy adopted for executive directors, general managers, managers with strategic responsibilities and employees with a permanent contract of employment and at least one office worker of Sanlorenzo S.p.A. and its directly or indirectly controlled subsidiaries.
The theoretical benefit attributed to the beneficiaries of the stock option plan is charged to the income statement, with a contra-entry in the shareholders' equity reserve, over the period during which the beneficiaries obtain the right to the incentives (vesting period).
The amount recognised as an expense is adjusted to reflect the actual number of incentives for which the conditions of continued service and non-market performance have vested, so that the final amount recognised as an expense is based on the number of incentives meeting those conditions as of the vesting date. In the case of incentives recognised in share-based payment whose conditions are not to be considered vesting, the fair value at the grant date of the share-based payment is measured to reflect those conditions. With reference to the non-vesting conditions, any differences between the assumptions on the allocation date and the actual ones will have no impact on the financial statements.
This benefit is quantified by measuring the fair value of the shares at the grant date using financial valuation techniques, including any market conditions in the valuation, and adjusting at each reporting date the number of rights expected to be granted.

Defined contribution plans
Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans
The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.
An independent actuary performs the calculation using the projected unit credit method. When the calculation generates a surplus, the Group recognises a net benefit asset to the extent of the asset ceiling, i.e. the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.
Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest for the year on the net liability/(asset) for defined benefits is calculated by applying to the net liability/(asset) the discount rate used to discount the defined benefit obligation, determined at the beginning of the year, considering any changes in the net liability/(asset) for defined benefits that occurred during the year following the contributions received and the benefits paid. Net interest and other expenses on the net defined benefit liability (asset) are recognised in profit or loss.
When changes are made to the benefits of a plan or when a plan is curtailed, the portion of the economic benefit relating to past service or the profit or loss resulting from the plan curtailment is recognised in the profit/(loss) of the year at the time of the adjustment or curtailment.

Other long-term employee benefits
The Group's net obligation in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. This benefit is discounted. Revaluations are recognised in profit/(loss) for the year when they arise.

Termination benefits
Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within twelve months of the reporting date, then they are discounted.

Public contributions

Government grants relating to costs incurred during the period are recognised in profit or loss as other income when the government grant becomes receivable. Other government grants relating to assets recorded in the balance sheet are initially recognised at fair value as deferred revenues if there is reasonable certainty that they will be received and that the Group will comply with the conditions for their receipt and are then recognised in profit/loss for the year as other income on a systematic basis over the useful life of the asset to which they refer.

Cost recognition

Costs are recognised when they relate to goods or services acquired or used in the period or on an accruals basis.

Financial income and expenses

Interest income or expense is recognised in profit and loss using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.
The effective interest rate is the rate that exactly discounts the estimated future payments or collections over the financial asset's useful life: – is the gross book value of the financial asset; or – at the amortised cost of the financial liability. In order to calculate interest income and expense, the effective interest rate is applied to the asset's gross carrying amount (when the asset is not impaired) or the liability's amortised cost. Moreover, when a financial asset is impaired after initial recognition, interest income is calculated by applying the effective interest rate to the financial asset's amortised cost. Should the financial asset no longer be impaired, the interest income is again calculated considering the asset's gross carrying amount.

Income taxes

The tax expense for the period includes the current and deferred taxes recognised in profit or loss, except for those related to business combinations or captions recognised directly in equity or other comprehensive income. The Group recognises interest and fines related to income taxes, including the accounting treatment to be applied to income taxes of an uncertain nature, in accordance with IAS 37 - Provisions, contingent liabilities and contingent assets, when they do not meet the definition of income taxes.

Current taxes

Current taxes comprise the expected tax payable or receivable on the taxable profit or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only when certain criteria are met.

Deferred taxes

Deferred taxes are recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognised for:

- temporary differences arising on the initial recognition of assets and liabilities in a transaction other than a business combination that does not affect either the accounting profit or loss or the taxable profit (or tax loss);
- They include temporary differences arising on investments in subsidiaries, associates and joint ventures where the Group is able to control when they will reverse and it is probable that the temporary differences will not reverse in the foreseeable future and taxable temporary differences recognised on goodwill; and
- taxable temporary differences related to the initial recognition of the goodwill.

Deferred tax assets are recognised for unused tax losses and tax credits, as well as for deductible temporary differences, to the extent that it is probable that future taxable income will be available against which such assets can be used. Future taxable income is defined on the basis of the cancellation of the relative deductible temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. These reductions must be reinstated when the probability of future taxable income increases.
Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that the Group will acquire future taxable profits again which they can be used.
Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.
Measurement of the deferred tax reflects the tax effects of how the Group expects to recover or settle the carrying amount of assets and liabilities at the reporting date.
Deferred tax assets and liabilities are offset only when certain criteria are met.

Trade receivables

Trade receivables arising on the sale of goods or services produced or sold by the Group are recognised under current assets. They are recognised at their nominal amount (shown in the invoice) net of any loss allowance, provided for on the basis of an estimate of the risk that the trade receivables will not be collected at the reporting date.
Trade receivables are subsequently measured at amortised cost, which is their initial recognition amount net of principal repayments, increased or decreased by amortisation applying the effective interest method to any difference between the initial carrying amount and their amount at repayment, less any adjustments (made directly or through the bad debts provision) due to a loss in value or because the trade receivables are not expected to be recovered.
On initial recognition, trade receivables without a significant financing component are initially measured at the transaction price.
The Group recognises impairment losses where there is objective evidence that it will not recover the amount from the counterparty in line with the contract terms.
Objective evidence includes events such as:

a) significant financial difficulty of the borrower;
b) pending legal disputes with the borrower about the recoverability of the amount;
c) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

The impairment loss is calculated as the difference between the carrying amount of the asset and the present value of the future cash flows recognised in profit or loss. Unrecoverable amounts are derecognised from the statement of financial position through the bad debts provision. If in subsequent periods, the reasons for the previous impairment losses cease to exist, the value of the assets is restored up to the value that would have derived from the valuation at amortised cost.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined according to the FIFO method. In the case of inventories of products manufactured by the Group, cost includes an appropriate share of production overheads based on normal operating capacity.

Property, plant and equipment

Recognition and measurement

Property, plant and equipment are measured at cost, including capitalised borrowing costs, net of depreciation and any impairment losses.
If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent costs

Subsequent costs are capitalised only when it is probable that the related future economic benefits will flow to the Group.

Depreciation/amortisation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives. Depreciation is generally recognised in profit/(loss) for the year. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for current and comparative periods are as follows:

Land and buildings	
Industrial buildings	3%
Buildings on third-party land	State concession term
Plant and equipment	
Plant and equipment	11.50%
Industrial and commercial equipment	
Industrial equipment	25%
Moulds and models	12.50%
Cradles	10%
Other assets	
Trade fair furniture and fittings	10%
Office furniture and equipment	12%
Furniture and electronic equipment	20%-25%
Light construction	10%
Vehicles	20%
Other	10%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Intangible assets and goodwill

Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Research expenditure is expensed under profit/(loss) when incurred. Development costs are capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, they are recognised in profit or loss as incurred. Subsequent to initial

recognition, capitalised development costs are measured at cost less accumulated amortisation and any accumulated impairment losses.
Other intangible assets with a finite useful life are recognised at cost less amortisation and any impairment losses.

Subsequent costs
Subsequent costs are capitalised only when they increase the expected future economic benefits attributable to the asset to which they refer. All other subsequent costs, including those relating to goodwill and internally generated trademarks, are charged to the profit/(loss) for the year in which they are incurred.

Depreciation/amortisation
Amortisation is calculated to write off the cost of intangible assets, except for goodwill and trademarks, less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.
The estimated useful lives for current and comparative periods are as follows:

Development costs	8 years - 12.50%
Software	5 years - 20%
Mooring	Transaction duration
Other	Based on the duration of individual transactions

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Cash and cash equivalents

Cash and cash equivalents include cash, deposits with banks or other credit institutions available for current operations, postal accounts and other cash equivalents as well as investments with a maturity of less than three months. Cash and cash equivalents are recognised at their fair value which is usually equal to their nominal amount.

Financial instruments

Recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.
A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, trade receivables without a significant financing component are initially measured at the transaction price.

Financial assets: classification and subsequent valuation

On initial recognition, financial assets are classified according to the valuation:

- amortised cost;
- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL).

The Group defines their classification in line with the business model within which the financial assets are held and the contractual cash flow characteristics of the financial asset.

Financial assets are not reclassified after their initial recognition unless the Group modifies the business model for the management of financial assets. In this case, all involved financial assets are reclassified on the first day of the year following the change made to the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This choice is made for each asset.

All financial assets not classified as valued at amortised cost or at FVOCI, as indicated above, are valued at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: assessment of the business model

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Financial assets: assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.
In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet the following condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate elements;
- elements on prepayments and extension; and
- contract terms that limit the Group's requests for cash flows to specific assets.

Financial assets: subsequent valuation and profits and losses

Financial assets measured at FVTPL: these assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the profit/(loss) for the period. See note "Financial instruments – Fair values and risk management" for information on derivatives designated as hedging instruments.

Financial assets measured at amortised cost: these assets are subsequently valued at amortised cost in accordance with the effective interest criterion. The amortised cost is decreased by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss of the year as are any derecognition gains or losses.

Debt securities measured at FVOCI: these assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit/(loss) of the year. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit/(loss) of the year.

Equity securities measured at FVOCI: these assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss of the year unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified contractual terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives and hedge accounting

The Group uses derivatives to hedge its exposure to currency and interest rate risks.

Derivatives are always measured at fair value through profit or loss, unless they qualify for hedge accounting for a specific risk related to the Group's underlying asset or liability or commitments.

At inception of the designed hedging relationship, the Group documents its risk management objective and strategy, the economic relationship between the hedged item and the hedging instrument and whether changes in the cash flows of the hedged item and the hedging instrument will offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument. The change in fair value of the forward element of forward exchange contracts (forward points) is separately accounted for as a cost of hedging and recognised in a cost of hedging reserve within equity.

If a hedged forecast transaction leads to the subsequent recognition of a non-financial asset or liability, for example, inventories, the gain or loss accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the asset or liability at recognition. The gain or loss for all other hedged planned transactions is reclassified from the hedging reserve and the costs of hedging reserve to profit or loss in the same year or years in which the hedged future cash flows affect profit or loss.
If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial asset or liability, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income taxes relating to transaction costs of an equity transaction are accounted for in accordance with IAS 12.

Repurchase and reissue of ordinary shares (treasury shares)

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity. The resulting surplus or deficit on the transaction is recognised under share premium.

Impairment losses

Non-derivative financial instruments and contract assets

The Group recognises bad debts provisions for ECLs on:

- financial assets measured at amortised cost;
- debt investments at FVOCI;
- contract assets.

The Group measures the bad debts provision as equal to the lifetime expected credit losses, except for that set out below for the 12-month expected credit losses:

- debt instruments with a low credit risk at the reporting date; and
- other debt securities and bank current accounts with a credit risk (i.e., the default risk expected over the financial instrument's term) that has not increased significantly since initial recognition.

The bad debts provision for trade receivables and contract assets is always measured considering their lifetime expected credit losses.
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

The Group considers reasonable and supportable information that is available without undue cost or effort that is indicative of significant increases in credit risk since initial recognition to estimate the expected credit losses. This includes quantitative and qualitative information and analyses, based on the Group's historical experience, on credit assessment as well as on information indicative of expected developments ("forward-looking information"). The credit risk of a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortised cost are deducted from the carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss of the year and is recognised in OCI.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing-off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Impaired non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the Group estimated the asset's recoverable amount. The recoverable value of goodwill is, on the other hand, estimated annually.
For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash-Generating Units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies.
The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.
An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss of the year. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.
An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

Provisions

A provision is recognised when, at the reporting date, the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation.
The discount rate used to calculate the present value of the liability reflects assessments of the time value of money and the risks specific to the liability. Changes in estimates are recognised in the income statement in the year the change takes place. The disclosure required by IAS 37 - Provisions, contingent assets and contingent liabilities is not provided for some disputes in order not to jeopardise the Group's position vis-à-vis these disputes or negotiations.
Risks for which a liability is solely possible are disclosed in the section of the notes on commitments and risks and no provision is made.
With respect to contract assets and liabilities, if the business plan is revised during the contract term and the contract becomes onerous, the portion of the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it is recognised in full in the period in which they are expected to be incurred and provided for in a "Provision for onerous contracts" under current liabilities. The reversal of these provisions is recognised as absorption within "Other operating revenues".

Leases

Determining whether an arrangement contains a lease

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If, in the case of a financial lease, the Group decides that it is not feasible to accurately divide the instalments, then an asset and liability are recognised in an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and a finance cost on the liability is recognised using the Group's incremental borrowing rate.

Leased assets

Leases of property, plant and equipment that transfer to the Group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Group's statement of financial position.

Lease payments

Payments relating to operating leases are recognised as a cost on a straight-line basis over the lease term. The incentives granted to the lessee are recognised as an integral part of the total cost of the lease over the lease term.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. Interest expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating result

The operating result is determined by the Group's operating activities that generate ongoing revenues and by other income and costs related to operating activities. Operating profit excludes net financial expense, share of profit of equity-accounted investees and income taxes.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

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. 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: when available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2: in the absence of a quoted price in an active market, inputs are used that are observable for the asset or liability, either directly (prices) or indirectly (price derivatives).
- Level 3: in the absence of data in Levels 1 and 2, input data related to the asset or liability that is not based on observable market data is used.

The Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If the inputs used to measure the fair value of an asset or liability fall into 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.

The Group records the transfers between the different levels of the fair value hierarchy at the end for the year in which the transfer has taken place. If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

7. Operating segments

The Sanlorenzo Group comprises the following operating segments:

- Yacht Division;
- Superyacht Division;
- Bluegame Division;
- Nautor Swan 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 motor yachts of a length between 24 metres and 40 metres, sold under the Sanlorenzo brand;
- the Superyacht range, refers to aluminium and steel motor superyachts with a length between 44 metres and 73 metres , marketed under the Sanlorenzo brand;
- the Bluegame range, refers to composite motor sport utility yachts with a length between 13 metres and 23 metres, marketed under the Sanlorenzo brand;
- the Nautor Swan range, acquired in August 2024, refers to sailing yachts, in carbon fibre and composite, and motor yachts, in composite, between 13 and 40 metres long, marketed under the Sanlorenzo brand.

As allowed by IFRS 8.12, 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.

PERFORMANCE FOR THE YEAR

8. Revenues and selling expenses

(€'000)	31 December 2024	31 December 2023	Change
Revenues from contracts with customers	1,029,644	896,364	133,280
Selling expenses	(66,227)	(42,063)	(24,164)
Net revenues	**963,417**	**854,301**	**109,116**

Revenues from contracts with customers

Revenues from contracts with customers, which relate to the sale of boats, 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 31 December 2024 revenues before selling expenses amounted to €1,029,644 thousand, an increase of €133,280 thousand compared to €896,364 thousand in the period at 31 December 2023.
A breakdown of revenues from contracts with customers by type is as follows.

(€'000)	31 December 2024	31 December 2023	Change
Revenues from the sale of new yachts	962,440	871,793	90,647
Revenues from the sale of pre-owned boats	33,125	10,434	22,691
Revenues from maintenance and other services	34,079	14,137	19,942
Revenues from contracts with customers	**1,029,644**	**896,364**	**133,280**

Revenues from the sale of new yachts came to €962,440 thousand as at 31 December 2024, up by €90,647 thousand compared to €871,793 thousand as at 31 December 2023.
Revenues from the sale of pre-owned boats as at 31 December 2024 was equal to €33,125 thousand, up €22,691 thousand compared to €10,434 thousand as at 31 December 2023.
Revenues for maintenance services, parts sales for all types of boats and other services amounted to €34,079 thousand as at 31 December 2024, with an increase of €19,942 thousand compared to €14,137 thousand as at 31 December 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 line is provided below:

(€'000)	31 December 2024	31 December 2023	Change
Yacht Division	593,132	550,592	42,540
Superyacht Division	293,434	252,980	40,454
Bluegame Division	96,930	92,792	4,138
Nautor Swan Division	46,148	–	46,148
Revenues from contracts with customers	**1,029,644**	**896,364**	**133,280**

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

(€'000)	31 December 2024	31 December 2023	Change
Italy	138,589	111,555	27,034
Europe (other countries)	482,992	497,062	(14,070)
USA	89,408	51,858	37,550
Americas (other countries)	88,889	58,299	30,590
APAC	103,421	95,649	7,772
MEA	126,345	81,941	44,404
Revenues from contracts with customers	**1,029,644**	**896,364**	**133,280**

Revenues are measured based on the consideration specified in the contract with the customer. In particular, the sale of new boats complies with the requirements for the fulfilment of the performance obligation over the period of time of construction of the boat ("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 expenses

(€'000)	31 December 2024	31 December 2023	Change
Commissions	(33,102)	(31,629)	(1,473)
Collection and handling costs for pre-owned boats	(33,125)	(10,434)	(22,691)
Selling expenses	**(66,227)**	**(42,063)**	**(24,164)**

Boat selling expenses include commissions and the costs of collecting, handling and selling pre-owned boats taken in trade-in.
In particular, commissions, which refer to the costs incurred by the Group for the brokerage activities performed by dealers and agents, increased in relation to the increase in revenues and the order book.
Collection and handling costs for pre-owned boats amounted to €33,125 thousand, an increase of €22,691 thousand compared to €10,434 thousand for the period ended 31 December 2023.

9. Other income

(€'000)	31 December 2024	31 December 2023	Change
Gains on disposals of assets	38	1,036	(998)
Other revenue	19,381	10,331	9,050
Other income	**19,419**	**11,367**	**8,052**

Other income realised in the period to 31 December 2024 amounted to €19,419 thousand, an increase of €8,052 thousand compared to the previous year.
Other revenues, amounting to €19,381 thousand, refer for the most part to the Parent Company, and mainly include income for services and chargebacks to suppliers, contingent assets, 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.

10. Operating costs

(€'000)	31 December 2024	31 December 2023	Change
Increases in internal work	(3,198)	(2,075)	(1,123)
Costs for raw materials, consumables and finished products	332,190	270,863	61,327
Outsourcing	323,471	295,025	28,446
Other service costs	83,141	73,994	9,147
Change in inventories of work in progress, semi-finished and finished products	(41,113)	(17,961)	(23,152)
Personnel expenses	94,220	64,013	30,207
Other operating costs	9,112	5,948	3,164
Accruals to provisions and impairment losses	8,653	18,375	(9,722)
Operating costs	**806,476**	**708,182**	**98,294**

Operating costs amounted to €806,476 thousand and €708,182 thousand for 2024 and 2023, respectively.
The increase compared to 31 December 2023, amounting to €98,294 thousand, is in line with the growth in revenues and reflects the effect of the change in scope for the months of competence.
The work performed by the Group and capitalised refers to the costs of the personnel involved in the development of new boats, 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 boat's interior and exterior.
The increases in the costs of raw materials, consumables and finished products and in the outsourcing costs mainly resulted from the increase in production volumes and, to a lesser extent, from the impact of inflationary phenomena over the past 24 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.
The change in inventories of work in progress, semi-finished and finished products was €(41,113) thousand and €(17,961) thousand respectively as at 31 December 2024 and 31 December 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 year.

The increase in personnel expenses, equal to €30,207 thousand between 31 December 2024 and 31 December 2023, follows the growth trend of personnel linked to the expansion of the group, as shown in the following table:

	31 December 2024	31 December 2023	Change
Executives	60	42	18
White collars	1,021	741	280
Blue collars	578	282	296
Total employees	**1,659**	**1,065**	**594**

The average by qualification is shown below:

	31 December 2024	31 December 2023	Change
Executives	62	45	17
White collars	991	672	319
Blue collars	593	262	331
Total employees	**1,646**	**979**	**667**

A breakdown of personnel expenses is as follows:

(€'000)	31 December 2024	31 December 2023	Change
Salaries and wages	71,652	47,841	23,811
Social security contributions	19,042	13,492	5,550
Post-employment benefits	3,526	2,680	846
Total personnel expense	**94,220**	**64,013**	**30,207**

Other operating costs mostly related to advertising for €5,170 thousand and €2,668 thousand in 2024 and 2023, respectively, and other sundry costs stood at €3,942 thousand and €3,280 thousand for 2024 and 2023, respectively. Between 2024 and 2023, other operating costs increased by €3,164 thousand.
As at 31 December 2024 accruals to provisions and impairment losses primarily included €7,174 thousand related to job order completion activities and €1,479 thousand related to accruals to provisions for risks and guarantees on vessels.

11. Amortisation, depreciation and impairment losses of fixed assets

(€'000)	31 December 2024	31 December 2023	Change
Amortisation of intangible assets	11,639	8,641	2,998
Depreciation of property, plant and equipment	25,444	22,963	2,481
Amortisation, depreciation and impairment losses	**37,083**	**31,604**	**5,479**

Amortisation, depreciation and impairment losses amounted to €37,083 thousand and €31,604 thousand as at 31 December 2024 and 2023, respectively, with an increase of €5,479 thousand due to the full implementation of the investments made and the effect of the change in the consolidation scope.
As at 31 December 2024, amortisation of intangible assets was equal to €11,639 thousand and mainly consisted of amortisation of development expenses for €9,447 thousand, amortisation of state concession of the La Spezia shipyard for €152 thousand, amortisation of the rights to use the Viareggio warehouses for €565 thousand and amortisation of software applications for €1,043 thousand.
Also at 31 December 2024, depreciation of tangible assets stood at €25,444 thousand, mainly referring to industrial and commercial equipment for €8,656 thousand, land and buildings for €6,432 thousand, other assets for €6,844 thousand and plants and machinery for €3,512 thousand.

12. Net financial income/(expense)

(€'000)	31 December 2024	31 December 2023	Change
Financial income	5,882	6,131	(249)
Financial expense	(3,910)	(2,518)	(1,392)
Net financial income/(expense)	**1,972**	**3,613**	**(1,641)**

Financial income amounted to €5,882 thousand and derived mainly from the investment of available liquidity. Please refer to Note 34 "Cash management" for more information on the investments made by the Parent Company.
Net financial income amounted to €1,972 thousand as at 31 December 2024, with a decrease of €1,641 thousand compared to 31 December 2023.

A breakdown of each item making up this caption is provided below:

(€'000)	31 December 2024	31 December 2023	Change
Interest income - third parties and credit institutions	776	1,016	(240)
Interest income on loans to associated companies	–	19	(19)
Income from financial investments	5,106	5,096	10
Financial income	**5,882**	**6,131**	**(249)**

(€'000)	31 December 2024	31 December 2023	Change
Interest expense - banks	(2,671)	(1,641)	(1,030)
Interest expense - third parties	(30)	(2)	(28)
Interest expense on lease liabilities	(215)	(108)	(107)
Other financial expense	(837)	(359)	(478)
Foreign exchange rate gains/(losses)	(157)	(408)	251
Financial expense	**(3,910)**	**(2,518)**	**(1,392)**

13. Net profit from equity investments and adjustments to financial assets

(€'000)	31 December 2024	31 December 2023	Change
Income/(expense) from equity investments	(33)	(71)	38
Adjustments to financial assets	252	248	4
Net profit from equity investments and adjustments to financial assets	**219**	**177**	**42**

Expenses from investments, totalling €33 thousand, include the net effect of the valuation at equity of all associated companies.
For more details and information on investments in associated companies, please refer to the note "Associated companies" in these financial statements.
Adjustments to financial assets mainly include the recognition of the fair value of financial instruments held by Sanlorenzo S.p.A. as part of the Company's strategy for investing and managing its cash for an amount of €223 thousand.
For more details and information on the composition of the portfolio, please refer to the note "Cash management" in these financial statements.

14. Income taxes

(€'000)	31 December 2024	31 December 2023	Change
Current taxes	(36,228)	(39,501)	3,273
Taxes relative to prior years	323	(1,607)	1,930
Deferred tax assets and liabilities	(2,441)	4,723	(7,164)
Income taxes	**(38,346)**	**(36,385)**	**(1,961)**

In 2024, income taxes stood at €38,346 thousand, up by €1,961 thousand over the previous year. This item consists of current taxes, equal to €36,228 thousand, taxes for prior years, equal to €(323) thousand, and the decrease in deferred tax assets and liabilities taken to the income statement, equal to €2,441 thousand. Current taxes decreased in 2024 by €3,273 thousand.
A reconciliation between the effective and theoretical tax expense is as follows:

(€'000)	31 December 2024	31 December 2023
Pre-tax profit	**141,468**	**129,672**
National tax rate	24%	24%
Theoretical income taxes	33,952	31,121
Non-relevant revenues and costs	(493)	(285)
IRAP	4,887	5,549
Income taxes	**38,346**	**36,385**

Income taxes in 2024 were equal to 27.1% of the Group's pre-tax result.

Current tax assets and liabilities

(€'000)	31 December 2024	31 December 2023	Change
Current tax assets	40,243	29,484	10,759
Current tax liabilities	(35,099)	(39,979)	4,880
Net assets/(liabilities) for current taxes	**5,144**	**(10,495)**	**15,639**

Net deferred tax assets

(€'000)	31 December 2024	31 December 2023	Change
Net deferred tax assets	8,965	12,255	(3,290)

Net deferred tax assets include the difference between deferred tax assets and liabilities that arose over the years.
Net deferred tax assets were equal to €8,965 thousand as at 31 December 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 made and impairment of pre-owned boats.
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 income taxes for the current year and previous years to be paid in subsequent years in line with applicable tax regulations.

The tables below show the changes, the nature and the amount of the temporary differences relating both to the amounts credited to the income statement and to other comprehensive income (OCI) for the year ended 31 December 2024.

(€'000)	Tax effect 1 January 2024	Change of the period	Tax effect 31 December 2024
DEFERRED TAX ASSETS			
Provisions for risks and charges	9,504	(2,468)	7,036
Other write-downs	418	299	717
Amortisation, depreciation and deferred assets	53	(289)	(236)
Other	2,984	1,563	4,547
Total deferred tax assets with impact on income statement	12,959	(895)	12,064
Total deferred tax assets	**12,959**	**(895)**	**12,064**
DEFERRED TAXES			
Amortisation of development costs over useful life	663	(265)	398
Other	-	2,667	2,667
Total deferred tax liabilities with impact on income statement	663	2,402	3,065
Effect of IAS 19	41	(7)	34
Total deferred tax liabilities from other comprehensive income (OCI)	41	(7)	34
Total deferred tax liabilities	704	2,395	3,099
NET DEFERRED TAX ASSETS	12,255	(3,290)	8,965

15. Earnings per share

The calculation of the earnings per share in the years ended 31 December 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 358,546 as at 31 December 2024 and 214,928 as at 31 December 2023.
Diluted earnings per share were determined by dividing the Group's profit for the period by the weighted average number of Sanlorenzo S.p.A. shares outstanding in the period, excluding treasury shares, increased by the number of shares that could potentially be issued.

(in Euro)	31 December 2024	31 December 2023
Profit for the year attributable to the shareholders of the Parent Company	103,120,685	92,839,230
Average number of shares for basic earnings per share	34,973,677	34,712,158
Basic earnings per share	**2.95**	**2.67**

(in Euro)	31 December 2024	31 December 2023
Profit for the year attributable to the shareholders of the Parent Company	103,120,685	92,839,230
Average number of shares for diluted earnings per share	35,414,763	35,085,110
Diluted earnings per share	**2.91**	**2.65**

ASSETS

16. Property, plant and equipment

Property, plant and equipment amounted to €221,021 thousand and €179,820 thousand as at 31 December 2024 and 31 December 2023, respectively.
A breakdown of the item and its changes over the year are provided in the table below.

(€'000)	Land and buildings	Industrial equipment	Plant and equipment	Other assets	Fixed assets in progress	Total
Historical cost	134,000	86,691	23,482	25,508	1,381	271,062
Accumulated amortisation, depreciation and impairment losses	(38,396)	(52,442)	(9,119)	(12,395)	–	(112,352)
Net carrying amount as at 01 January 2023	**95,604**	**34,249**	**14,363**	**13,113**	**1,381**	**158,710**
Changes 2023						
Additions	12,411	7,921	4,281	4,653	2,731	31,997
Disposals	(58)	(294)	(8)	(172)	(125)	(657)
Change in the scope of consolidation	9,269	281	2,346	1,399	20	13,315
Reclassifications	598	481	146	(42)	(970)	213
Amortisation	(6,966)	(8,750)	(2,592)	(4,655)	–	(22,963)
Utilisation of accrued amortisation	3	162	47	49	–	261
Fund reclassifications	(378)	(81)	(530)	(67)	–	(1,056)
Historical cost	156,220	95,080	30,247	31,346	3,037	315,930
Accumulated amortisation, 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 2024						
Additions	7,150	11,252	5,349	9,917	1,798	35,466
Disposals	(15)	(34)	(1)	(344)	(64)	(458)
Change in the scope of consolidation	5,896	7,846	1,061	10,990	8,906	34,699
Reclassifications	3,052	3,122	634	(3,709)	(6,512)	(3,413)
Amortisation	(6,432)	(8,656)	(3,512)	(6,844)	–	(25,444)
Utilisation of accrued amortisation	–	15	3	330	–	348
Fund reclassifications	1	–	46	(44)	–	3
Historical cost	172,303	117,266	37,290	48,200	7,165	382,224
Accumulated amortisation, depreciation and impairment losses	(52,168)	(69,752)	(15,657)	(23,626)	–	(161,203)
Net carrying amount as at 31 December 2024	**120,135**	**47,514**	**21,633**	**24,574**	**7,165**	**221,021**

The book value of property, plant and equipment at 31 December 2024 is made up as follows:

- Land and buildings equal to €120,135 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 (SP);
- Industrial equipment equal to €47,514 thousand: refers mostly to technical instrumentation, mainly owned by the Parent Company and the companies of the Nautor Swan Group, for scaffolding, for the handling and extraction of fiberglass moulds and for the creation of moulds.
- Plants and machinery equal to €21,633 thousand: they are mainly owned by the Parent Company and for the most part they relate to fire-fighting, electrical, hydraulic and suction systems.
- Other assets for €24,574 thousand: these refer for €9,827 thousand to the Parent Company and the remainder to the other Group companies. Other assets mainly relate to office furniture and equipment, motor vehicles and internal vehicles, equipment for trade fairs and electronic machines.
- Fixed assets in progress equal to €7,165 thousand: mainly refer to the Parent Company and the companies of the Nautor Swan Group and mainly include costs for the creation of new models and moulds.

In 2024, tangible assets increased by €35,466 thousand and refer to assets in progress for €1,798 thousand, industrial equipment for €11,252 thousand, buildings for €7,150 thousand, other assets for €9,917 thousand and plants for €5,349 thousand.

In the 2024 financial year, the decreases amounted to €458 thousand, net of the related accumulated depreciation equal to €348 thousand and mainly concerned the disposal and transfer of motor vehicles and internal transport means.

The change in the scope of consolidation amounting to €34,699 thousand represents the effect of the acquisition of the new subsidiaries in 2024.

Depreciation for the 2024 financial year amounted to €25,444 thousand and compared to 2023 increased by €2,481 thousand due to the completed acquisitions and investments made during the year.

17. 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 19 Impairment test).
For impairment testing purposes, goodwill acquired as part of a business combination is allocated to the individual Cash-Generating Units (or groups of CGUs) that are expected will benefit from the combination synergies, in line with the minimum level for which that goodwill is monitored by the Group.

After its initial recognition, goodwill is valued at cost net of accumulated impairment.

(€'000)	31 December 2024	31 December 2023	Change
Goodwill	69,078	17,486	51,592

Goodwill amounted to €69,078 thousand as at 31 December 2024.
The increase compared to the previous period, totalling €51,592 thousand, is due for €43,652 thousand to the acquisition of control of the Nautor Swan Group and for €7,940 thousand to the acquisition of control of the Simpson Group.
The main reasons for recognising goodwill are the synergies in technology, production and sales that can be achieved between the Group's companies and the Nautor Swan Group and in the organisational and distribution chain with the Marine Simpson Group.
Goodwill recognised in respect of the aforementioned acquisitions will not be deductible for tax purposes.
For further details on these acquisitions, see Note 37 "Business combinations and asset acquisitions".

18. Other intangible assets

Other intangible assets stood at €110,708 thousand as at 31 December 2024 and €55,162 thousand as at 31 December 2023.

(€'000)	Concessions, licences, trademarks and similar rights	Other fixed assets	Development costs	Fixed assets in progress	Total
Historical cost	29,403	2,671	55,247	3,879	91,200
Accumulated amortisation, depreciation and impairment losses	(9,165)	(2,653)	(28,008)	–	(39,826)
Net carrying amount as at 1 January 2023	**20,238**	**18**	**27,239**	**3,879**	**51,374**
Changes 2023					
Additions	1,187	22	8,130	3,165	12,504
Disposals	–	–	(53)	(30)	(83)
Change in the scope of consolidation	82	28	–	–	110
Reclassifications	(11)	–	2,319	(2,334)	(26)
Amortisation	(1,755)	(39)	(6,847)	–	(8,641)
Utilisation of accrued amortisation	–	–	17	–	17
Fund reclassifications	(93)	–	–	–	(93)
Historical cost	30,661	2,721	65,643	4,680	103,705
Accumulated amortisation, depreciation 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 2024					
Additions	2,059	–	6,819	4,982	13,860
Disposals	–	–	–	–	–
Change in the scope of consolidation	41,523	10	10,949	–	52,482
Reclassifications	864	–	1,290	(1,311)	843
Amortisation	(2,163)	(29)	(9,447)	–	(11,639)
Utilisation of accrued amortisation	–	–	–	–	–
Fund reclassifications	(5)	–	5	–	–
Historical cost	75,107	2,731	84,701	8,351	170,890
Accumulated amortisation, depreciation and impairment losses	(13,181)	(2,721)	(44,280)	–	(60,182)
Net carrying amount as at 31 December 2024	**61,926**	**10**	**40,421**	**8,351**	**110,708**

As at 31 December 2024, other intangible assets include:

- Concessions, licences and trademarks and similar rights amounting to €61,926 thousand: mainly related to the Parent Company as well as to the recognition of the effect of the PPA on the Group's financial statements. In detail, the item is mainly composed of the recognition of the Swan brand for €34,760 thousand and the Simpson brand for €6,064 thousand also as a result of the price allocation process (for more details, please refer to paragraph "37. Business Combination and asset acquisition"), as well as the concession acquired together with the former Cantieri San Marco business unit in 2018 for €2,649 thousand, trademark and patents of the Parent Company for €3,765 thousand, two mooring rights acquired by the Parent Company until 2067 in "Porto Mirabello", port facility in La Spezia for €1,609 thousand, net, the right of use for the Viareggio buildings acquired in previous years for €8,616 thousand, software for €1,656 thousand and sundry rights for €2,466 thousand.
- Other fixed assets equal to €10 thousand.
- Development costs, equal to €40,421 thousand: comprising costs to design and develop new boats incurred mainly by the Parent Company and Bluegame.
- Assets under development equal to €8,351 thousand, mostly consisting of development costs for the design and study of new boat models incurred mainly by the Parent Company and Bluegame.

The line "Change in consolidation scope" shown in the table indicates the increase in intangible assets resulting from the acquisition of control of the Simpson Marine Group and the Nautor Swan Group for an amount equal to €52,482 thousand (for further details, please refer to paragraph "37. Business Combination and asset acquisition").

Recoverability of development costs

As at 31 December 2024 and 2023, other intangible assets include projects to develop new boats and innovative fibreglass, steel and aluminium solutions for medium to large boats in the amount of €40,421 thousand and €30,805 thousand, respectively.
Its design costs, over 8 years, were amortised based on a 12.5% rate.
Projects normally take between one to three years to develop (roughly 18 months for fibreglass boats) 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 boat design). However, the Group may incur design costs after this if it decides to improve the boat, 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 business forecasts, company management deems that the development costs recognised as at 31 December 2024 are recoverable.

19. Impairment test

With regard to goodwill and intangible assets with indefinite useful life, the impairment test was carried out in compliance with the provisions of the accounting standard IAS 36, which provides for two different configurations of recoverable value, represented by the value in use and the fair value less costs of disposal. Paragraph 18 of IAS 36 defines the "recoverable amount" as "the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use". In this case, as it was not possible to measure the fair value of the assets being tested for impairment, the estimate of their recoverable amount as at 31 December 2024 was made based on the values based on the concept of value in use.

The value in use was calculated with reference to the estimated operating cash flows foreseen for the three-year period 2025-2027, derived from the economic-financial data of the 2024 Preliminary Financial Statements, which constituted the starting basis for the projections for the three-year period of reference, prepared by Management solely for the purpose of calculating the impairment test by resolution of the Board of Directors on 13 February 2025.

The value in use thus obtained was compared with the carrying amount of net operating capital employed, including goodwill and other intangible assets with indefinite useful life, revealing a surplus (i.e., positive difference - so-called headroom - between the recoverable amount and the carrying amount) of about 202% with respect to the carrying amount.

The WACC was used as the discount rate and was estimated as follows:

- the risk-free rate was taken to be equal to the average rate of return on 10-year government bonds, i.e. 3.7%;
- an equity risk premium of 7.26% was used;
- a beta-levered coefficient was measured considering a basket of listed companies active in the same sector as the group and was equal to 0.83.

The cost of debt was estimated to be equal to 3.57%.

A debt to equity ratio of 32.69% was also used, equal to the average debt to equity ratio of a basket of comparables.

Application of this model led to the calculation of a discount rate of 7.74%.

The terminal value was calculated using the "perpetuity" formula, assuming a growth rate "g" of 1.8% and a normalised operating cash flow using the projections for 2027, the last year of the plan taken as reference for impairment test purposes.

The model's sensitivity to changes in these parameters was also tested, to test its robustness and accuracy.

In particular, the model was tested under the assumption of a change in the discount and growth rates of up to 1% and of a 10% decrease in the cash flows estimated based on forecasts. This sensitivity analysis did not suggest the presence of asset impairment.

From the analysis of the base scenario and the sensitivity analyses estimated on the basis of changes in the main parameters of the impairment test, it therefore appears that the value of goodwill and other intangible assets with indefinite useful life recorded in the Group's financial statements is recoverable.

The following table shows the WACC, growth rate "g" and percentage of operating cash flow that individually would make the CGU's recoverable amount equal to its carrying amount as at 31 December 2024.

	Base scenario	WACC	Growth rate	Operating cash flows
WACC	7.74%	19.66%	7.74%	7.74%
Growth rate "g"	1.80%	1.80%	-13.72%	1.80%
Operating cash flows	100.00%	100.00%	100.00%	33.15%

In the document '*European common enforcement priorities for 2024 corporate reporting*' of October 2024, ESMA continues to draw attention to the importance of appropriately reflecting aspects of climate, physical or transition risks in the financial projections adopted to estimate the recoverable amount of intangible assets with indefinite useful lives.
Therefore, in order to also reflect the climatic perspective, updated assumptions reflecting the most recent developments and the latest available information were used to perform the impairment test as governed by IAS 36. In particular, during the preparation of the Consolidated Financial Statements as at 31 December 2024, as already done in the previous year, climate risks were also taken into consideration in the annual assessment of the value of goodwill, in order to determine the basic assumptions used in applying the valuation models for determining the recoverable value of the goodwill recognised in the Consolidated Financial Statements. In addition, in light of the characteristics of the Group's operations, although climate risks were considered for the purpose of the impairment test, these risks were deemed not material for said purposes.
With regard to tangible and intangible assets with a finite useful life, the Group, on the basis of the provisions of accounting standard IAS 36, verified the presence of indicators that could have led to an impairment of these assets. These analyses did not reveal the need to make any adjustments to the carrying value of tangible and intangible assets with a finite useful life.

20. Equity investments and other non-current assets

(€'000)	**31 December 2024**	**31 December 2023**	**Change**
Investments in associated companies measured at equity	13,067	3,829	9,238
Equity investments in other companies	36	35	1
Financing to associates	–	2,700	(2,700)
Other financial instruments	48	–	48
Equity investments and other non-current assets	**13,151**	**6,564**	**6,587**

The changes relating to the item equity investments and other non-current assets that occurred during the financial years 2023 and 2024 are detailed in the table below:

(€'000)	Equity investments in associates	Equity investments in other companies	Financing to associates	Other financial instruments	Total
Value as at 31 December 2022	**7,241**	**35**	**4,150**	**–**	**11,426**
Investments in the year	–	–	–	–	–
Decreases due to company liquidation	(10)	–	–	–	(10)
Measured with the equity method	(71)	–	–	–	(71)
Write-down for loss coverage	–	–	–	–	–
Change in the scope of consolidation	(3,331)	–	(1,450)	–	(4,781)
Value as at 31 December 2023	**3,829**	**35**	**2,700**	**–**	**6,564**
Investments in the year	–	1	–	40	41
Valuation with the equity method	(88)	–	–	–	(88)
Reclassifications	–	–	(2,700)	–	(2,700)
Change in the scope of consolidation	9,326	–	–	8	9,334
Value as at 31 December 2024	**13,067**	**36**	**–**	**48**	**13,151**

Investments in associates valued using the equity method amounted to €13,067 thousand and €3,829 thousand as at 31 December 2024 and 31 December 2022, respectively.
The item Valuation with the equity method refers to the pro-rata net result for the year of the companies valued using the equity method for a negative amount of €88 thousand relating mainly to the results achieved by Carpensalda Yacht Division S.r.l. and Sa.La. S.r.l.
The item Change in consolidation perimeter, positive in the amount of €9,326 thousand, refers to the valuation at equity of the associated companies in the Nautor Swan Group and the recognition at Fair Value of the option to purchase the residual investment in the subsidiary BTC AB, as described in section "37. Business Combination and asset acquisition".
Investments in other companies amounted to €36 thousand and related to investments that are fairly negligible in companies and consortia.

21. Inventories

(€'000)	31 December 2024	31 December 2023	Change
Raw materials and consumables	17,116	14,471	2,645
Work in progress and semi-finished products	77,241	49,677	27,564
Finished products	34,251	22,338	11,913
Allowance for inventory write-down	(2,259)	(1,065)	(1,194)
Inventories	**126,349**	**85,421**	**40,928**

Inventories amounted to €126,349 thousand and €85,421 thousand as at 31 December 2024 and 31 December 2023, respectively.
Inventories of raw materials and consumables include the materials necessary to build the boats.
Work in progress and semi-finished products relate to the boat construction contracts that have not been finalised with the customer before year end. The change observed between 31 December 2024 and 31 December 2023 follows the consistent increase in sales achieved during the year and the development of the related deliveries.
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, also through the indications of an independent third party, the uniqueness of each boat 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 boat 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 boats' machinery and instruments.

The allowance for inventory write-down, including finished products and raw materials, recorded a net increase of €1,194 thousand, mainly related to the adjustment of the value of raw materials to the estimated realisable value, and an increase of €1,409 thousand relative to the coverage of costs referring to work on used boats sold in the period.

(€'000)	Balance
Allowance for inventory write-down as at 31 December 2023	**1,065**
Allocations	1,509
Utilisations	(315)
Allowance for inventory write-down as at 31 December 2024	**2,259**

22. 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)	31 December 2024	31 December 2023	Change
Contract assets (gross)	885,946	740,912	145,034
Advances received from customers	(621,300)	(555,340)	(65,960)
Contract assets (net)	**264,646**	**185,572**	**79,074**

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).
The net balance of assets arising from contracts as at 31 December 2024 includes a positive amount of €663 thousand relating to the fair value measurement of exchange rate risk hedging derivatives on contracts denominated in US dollars; as at 31 December 2023, this amount was negative for €22 thousand.

Net contract liabilities are as follows:

(€'000)	31 December 2024	31 December 2023	Change
Payables for work to be carried out	11,262	16,952	(5,690)
Total advances received from customers	723,962	663,829	60,133
Advances deducted from contract assets	(621,300)	(555,340)	(65,960)
Contract liabilities (net)	**113,924**	**125,441**	**(11,517)**

The item had a net balance of €113,924 thousand and €125,441 thousand as at 31 December 2024 and 31 December 2023, respectively.

23. Trade receivables

(€'000)	31 December 2024	31 December 2023	Change
Receivables from customers	27,949	23,200	4,749
Loss allowance	(1,671)	(678)	(993)
Trade receivables	**26,278**	**22,522**	**3,756**

Trade receivables amounted to €26,278 thousand and €22,522 thousand as at 31 December 2024 and 31 December 2023, respectively. As at 31 December 2024, trade receivables increased compared with 31 December 2023, by €3,756 thousand.
Trade 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 2024 are as follows:

(€'000)	Balance
Provision for allowance as at 31 December 2023	**678**
Uses/releases	–
Allocations	135
Change in the scope of consolidation	858
Loss allowance as at 31 December 2024	**1,671**

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

(€'000)	31 December 2024	31 December 2023	Change
Italy	10,625	13,446	(2,821)
Europe (other countries)	13,062	3,986	9,076
Americas	502	2,140	(1,638)
APAC	1,475	2,851	(1,376)
MEA	614	99	515
Receivables from customers	**26,278**	**22,522**	**3,756**

A breakdown of receivables from customers by due date is as follows:

31 December 2024 (€'000)	Not expired	Overdue for (dd)		
		0-365	366-730	>730
Receivables from customers	23,826	2,703	130	370
Loss allowance	(863)	(316)	(125)	(367)
Receivables for customers to be invoiced	920	–	–	–
Receivables from customers	**23,883**	**2,387**	**5**	**3**

24. Other current assets

(€'000)	31 December 2024	31 December 2023	Change
Advances to suppliers	40,192	29,027	11,165
Other receivables	5,357	4,140	1,217
Other tax assets	25,544	10,104	15,440
Costs to obtain the contracts	10,001	10,202	(201)
Accrued income and prepaid expenses	12,375	6,252	6,123
Other receivables and other current assets	**93,469**	**59,725**	**33,744**

Other current assets amounted to €93,469 thousand and €59,725 thousand as at 31 December 2024 and 31 December 2023, respectively. All receivables in this category are considered collectible and therefore no impairment has been made on them.

25. Cash and cash equivalents

(€'000)	31 December 2024	31 December 2023	Change
Bank and postal current accounts	135,466	192,429	(56,963)
Cash on hand	181	77	104
Cash	**135,647**	**192,506**	**(56,859)**

Cash and cash equivalents amounted to €135,647 thousand and €192,506 thousand as at 31 December 2024 and 31 December 2023, respectively.
For further information on the change in cash and cash equivalents, reference should be made to the cash flow statement.

26. Other financial assets, including derivatives

(€'000)	31 December 2024	31 December 2023	Change
Financial receivables from associated companies	2,719	–	2,719
Derivatives	609	2,536	(1,927)
Other financial instruments	34,231	21,509	12,722
Other financial receivables	1,242	–	1,242
Other financial assets	**38,801**	**24,045**	**14,756**

Derivatives amounted to €609 thousand and €2,536 thousand as at 31 December 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 reporting dates. 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 loans and borrowings may increase.

Other financial instruments include listed bonds and certificates, used mainly by the parent company to deploy excess liquidity. For further details, please refer to the note "Cash management" in these financial statements.

For further details regarding financial risk hedging instruments, please refer to the note "Financial instruments - Fair value and risk management" in these financial statements.

EQUITY AND LIABILITIES

27. 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	–	–	(34,805)	–	(34,805)	–	(34,805)
Treasury share sale	–	–	4,536	–	4,536	–	4,536
Purchase of treasury shares	–	–	(8,506)	–	(8,506)	–	(8,506)
Stock option exercise	144	2,370	(215)	–	2,299	–	2,299
Other changes	420	15,757	(2,814)	–	13,363	2,926	16,289
Profit for the period	–	–	–	103,121	103,121	1	103,122
Other comprehensive income	–	–	(2,136)	–	(2,136)	–	(2,136)
Value as at 31 December 2024	**35,542**	**102,569**	**194,911**	**103,121**	**436,143**	**4,617**	**440,760**

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	–	(34,805)	–	–	–	–	–	–	–	(34,805)
Treasury share sale	–	–	–	–	4,536	–	–	–	–	4,536
Purchase of treasury shares	–	–	–	–	(8,506)	–	–	–	–	(8,506)
Stock option exercise	–	–	–	(215)	–	–	–	–	–	(215)
Other changes	–	–	3,586	1,479	–	(744)	(48)	(7,219)	132	(2,814)
Profit for the period	–	–	–	–	–	–	–	–	–	–
Other comprehensive income	–	–	–	–	–	(2,600)	58	406	–	(2,136)
Value as at 31 December 2024	**6,996**	**180,937**	**12,859**	**1,876**	**(10,233)**	**(1,143)**	**(213)**	**(500)**	**4,332**	**194,911**

Share capital and share premium

Ordinary shares

As at 31 December 2024, the Parent Company's share capital amounted to €35,542 thousand, fully paid up, and consisted of 35,542,472 ordinary shares, increased compared to 31 December 2023 due to the subscription of the capital increase to service the 2020 Stock Option Plan for 143,627 shares in the year. On 30 September 2024, the Extraordinary Shareholders' Meeting resolved to increase the share capital in an indivisible manner, with the exclusion of the option right pursuant to Article 2441, paragraph 4 of the Civil Code, by a nominal amount of €420,489.00 and a share premium of €15,756,878.36, through the issue of a maximum number of 420,489 ordinary shares of Sanlorenzo with no nominal value and intended for subscription by Sawa S.r.l. with sole shareholder.

On 24 September 2020, the Company launched a treasury share buy-back program 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 program based on the authorisation resolution by the Ordinary Shareholders' Meeting of 28 April 2022, a plan which concluded on 28 October 2023.

On 12 December 2023, the Ordinary Shareholders' Meeting approved a third share buy-back programme, which began on 9 February 2024. As at 31 December 2024, the Company held 358,546 treasury shares, equal to 1.01% of the subscribed and paid-up share capital.

Share premium

The share premium reserve includes the amount equal to €102,569 thousand, resulting from the capital increase transactions carried out by shareholders in the 2011 and 2013 financial years, from its partial use in the 2014 financial year for the free increase in the share capital of the Parent Company, from the decrease of €19,539 thousand due to the impact of the reverse merger with WindCo, the capital increase connected to the IPO transaction completed in 2019 equal to €65,160 thousand net of placement commissions, from the increase occurred during 2023 and 2024 for €3,206 thousand and €2,370 thousand referring to the exercise of the options relating to the Stock Option Plan and the increase of €15,757 thousand for the payment in shares of one third of 60% of the shares at the First Closing for the purchase of the Nautor Swan Group.

Other reserves

(€'000)	31 December 2024	31 December 2023	Change
Legal reserve	6,996	6,957	39
Extraordinary reserve	180,937	128,821	52,116
Consolidation reserve	12,859	9,273	3,586
Stock option reserve	1,876	612	1,264
Reserve for treasury shares in portfolio	(10,233)	(6,263)	(3,970)
Cash flow hedge reserve	(1,143)	2,201	(3,344)
Reserve FTA/OCI	(213)	(223)	10
Reserve from offsetting of exchange differences/CTA	(656)	278	(934)
Post-merger reserve	49	49	–
Merger surplus	107	107	–
Profit from previous years	4,332	4,200	132
Other reserves	**194,911**	**146,012**	**48,899**

The item comprises:

- Legal reserve, which includes the allocation of period profits 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 €180,937 thousand and €128,821 thousand as at 31 December 2024 and 31 December 2023, respectively. The increase is due to the allocation of prior year profit, net of dividends distributed in 2024.
- 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 €12,859 thousand and a balance of €9,273 thousand as at 31 December 2024 and 31 December 2023, respectively.
- The Stock option reserve, recognised for a positive value of €1,876 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 stock incentive plan approved by the Ordinary Shareholders' Meeting of 21 April 2020 and reserved for executive directors and key employees of Sanlorenzo and its subsidiaries. For further details regarding this plan, please refer to the note "Share-based payments" in these financial statements.

- the Reserve for treasury shares in the portfolio, negative for €10,233 thousand, is related to the purchase of 58,666 treasury shares carried out during 2020, 64,536 treasury shares carried out during 2022, 91,726 treasury shares carried out during 2023, 256,715 treasury shares carried out during 2024, as well as the sale of 113,097 treasury shares, for a total of 358,546 treasury shares.
- Cash flow hedge reserve, relating to the Parent Company, was a negative €1,143 thousand as at 31 December 2024 and a positive €2,201 thousand as at 31 December 2023.
- Reserve FTA/OCI, which was affected by the transition of the financial statements to IFRS, in the amount of €(213) thousand as at 31 December 2024 and €(223) as at 31 December 2023.
- Reserve from elimination of exchange differences for €(656) thousand and €278 thousand as at 31 December 2024 and 31 December 2023, respectively.
- Post-merger reserve of the Company with capital contributions from the shareholders for €49 thousand as at 31 December 2024 and 31 December 2023, respectively. This reserve has not changed.
- the merger surplus of €107 thousand relates to the Parent Company and was formed following the merger by incorporation with Eureka Imbarcazioni S.r.l., which took place in 2012, and with PN VSY S.r.l. in 2022.
- Profits from previous years for €4,332 thousand and €4,200 thousand respectively as at 31 December 2024 and 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 €4,617 thousand as at 31 December 2024 compared to €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 2024, dividends were paid in the total amount of €34,805 thousand.

Capital management

The objective of the Group's capital management policies is the creation of value for Shareholders and support for the future development of the Group through the maintenance of an adequate level of capitalisation, which permits access to external sources of funding under advantageous conditions. The Group manages the capital structure and carries out adjustments in line with the changes in the general economic conditions and the strategic objectives.

28. Financial liabilities

(€'000)	31 December 2024	31 December 2023	Change
Bank loans and borrowings (beyond 12 months)	53,598	23,031	30,567
Other loans and borrowings – IFRS 16 (beyond 12 months)	19,339	5,764	13,575
Non-current financial liabilities	**72,937**	**28,795**	**44,142**
Short-term bank loans (within 12 months)	64,190	43,971	20,219
of which bank loans	*28,273*	*20,806*	*7,467*
of which advances	*26,864*	*22,923*	*3,941*
of which other short-term loans	*9,053*	*242*	*8,811*
Other short-term loans and borrowings – IFRS 16	6,179	3,258	2,921
Hedging derivative liabilities	2,063	41	2,022
Current financial liabilities	**72,432**	**47,270**	**25,162**
Financial liabilities	**145,369**	**76,065**	**69,304**

Non-current loans and borrowings amounted to €72,937 thousand and €28,795 thousand as at 31 December 2024 and 31 December 2023, respectively. They mainly refer to long-term loans and borrowings stipulated by the Parent Company for €44,015 thousand and €18,509 thousand as at 31 December 2024 and 31 December 2023, respectively.
The non-current portion of other loans and borrowings amounted to €19,339 thousand and €5,764 respectively as at 31 December 2024 and 31 December 2023 and refers to the impact of application of IFRS 16.
Current loans and borrowings, equal to €72,432 thousand and €47,270 thousand as at 31 December 2024 and 31 December 2023, respectively, referred to:

- the current portion of the bank loans for €28,273 thousand and €20,806 thousand, respectively as at 31 December 2024 and 31 December 2023, including the book value of the loans due within 12 months and the accruals of related interest due to the financing institutions;
- advances in the amount of €26,864 thousand, referring mainly to Bluegame;
- other short-term financial payables of €9,053 thousand as at 31 December 2024 related to current account balances;
- other loans and borrowings of €6,179 thousand and €3,258 thousand respectively as at 31 December 2024 and 31 December 2023, entirely referred to the effect of the application of IFRS 16;
- liabilities for derivatives, hedging foreign exchange and interest rate risks, totalling €2,063 thousand and €41 thousand as at 31 December 2024 and 31 December 2023, respectively.

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

(€'000)	31 December 2023	31 December 2022	Change
Within 1 year	72,432	47,270	25,162
From 1 to 5 years	66,672	25,737	40,935
Over 5 years	6,265	3,058	3,207
Total	**145,369**	**76,065**	**69,304**

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	2,022
New loan proceeds/advances	62,139
Repayment of loans/advances	(20,164)
Changes in other short-term financial liabilities	8,811
New lease finance (IFRS 16)	23,741
Repayment of lease finance (IFRS 16)	(7,245)
Financial liabilities as at 31 December 2024	**145,369**

The breakdown of net financial debt of Sanlorenzo Group as at 31 December 2024 and as at 31 December 2023 is reported below:

(€'000)		31 December 2024	31 December 2023
A	Cash	135,647	192,506
B	Cash equivalents	–	–
C	Other current financial assets	38,801	24,045
D	**Liquidity (A + B + C)**	**174,448**	**216,551**
E	Current financial debt	(42,940)	(28,285)
F	Current portion of non-current financial debt	(29,492)	(18,985)
G	**Current financial indebtedness (E + F)**	**(72,432)**	**(47,270)**
H	**Net current financial indebtedness (G + D)**	**102,016**	**169,281**
I	Non-current financial debt	(72,937)	(28,795)
J	Debt instruments	–	–
K	Non-current trade and other payables	–	–
L	**Non-current financial indebtedness (I + J + K)**	**(72,937)**	**(28,795)**
M	**Total financial indebtedness (H+L)**	**29,079**	**140,486**

For details, see the Report on Operations.

As at 31 December 2024, like 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. As at 31 December 2024, these parameters were complied with.

Loan	Parameter	Limit
Banco BPM unsecured loan €10m 30.06.26	Net financial position/EBITDA	< 2.50
Intesa Sanpaolo unsecured loan €20m 30.06.26 (Circular Economy)	Net financial position/EBITDA	< 1.80
Intesa Sanpaolo unsecured loan €20m 30.06.26 (Circular Economy)	Net Financial Position/Equity	< 1.3
UniCredit unsecured loan €6m 30.09.25	Net financial position/EBITDA	< 2.50
UniCredit unsecured loan €6m 30.09.25	Net Financial Position/Equity	< 0.90
UniCredit unsecured loan €6m 30.09.25	EBITDA/Financial expense	> 6.5
UniCredit unsecured loan €10m 30.06.26	Net financial position/EBITDA	< 2.50
UniCredit unsecured loan €10m 30.06.26	Net Financial Position/Equity	< 0.90
UniCredit unsecured loan €10m 30.06.26	EBITDA/Financial expense	> 6.5
Banco BPM unsecured loan €20m 31.12.29	Net financial position/EBITDA	< 2.50
Banco BPM unsecured loan €20m 31.12.29	Net Financial Position/Equity	< 1.3
Intesa Sanpaolo unsecured loan €15m 31.07.29	Net financial position/EBITDA	< 2.00
Intesa Sanpaolo unsecured loan €15m 31.07.29	Net Financial Position/Equity	< 1.3
UniCredit unsecured loan €10m 30.06.26	Net financial position/EBITDA	< 2.50
UniCredit unsecured loan €10m 30.06.26	Net Financial Position/Equity	< 1.3
UniCredit unsecured loan €10m 30.06.26	EBITDA/Financial expense	> 6.5
UniCredit unsecured loan €4.5m 30.09.25	Net financial position/EBITDA	< 2.50
UniCredit unsecured loan €4.5m 30.09.25	Net Financial Position/Equity	< 0.90
UniCredit unsecured loan €4.5m 30.09.25	EBITDA/Financial expense	> 6.5

The following table shows the conditions and due dates of the loans as at 31 December 2024 and 31 December 2023, respectively.

(€'000)	Nominal interest rate	Year of maturity/ repayment	31 December 2024					
			Nominal value	Accounting records	Carrying amount	Within 1 year	From 1 to 5 years	Over 5 years
Sanlorenzo S.p.A.								
Banco BPM - Unsecured loan €10m 30.06.26	0.6%	2026	3,158	(2)	3,156	2,102	1,054	–
Banco BPM - Mortgage loan €7.41m 31.12.30	1.3%	2030	4,114	–	4,114	604	2,737	773
Banco BPM - Unsecured loan €20m 31.12.29	4.3%	2029	20,000	(40)	19,960	3,992	15,968	–
Intesa Sanpaolo - Unsecured loan €20m 30.06.26 (Circular Economy)	0.3%	2026	6,667	(13)	6,654	4,436	2,218	–
Intesa Sanpaolo - Unsecured €15m 31.07.29	4.3%	2029	15,000	(21)	14,979	2,992	11,987	–
UniCredit - Unsecured loan €6m 30.09.25	0.4%	2025	1,125	(1)	1,124	1,124	–	–
UniCredit - Unsecured loan €10m 30.06.26	0.4%	2026	3,158	(3)	3,155	2,103	1,052	–
UniCredit - Unsecured loan €10m 31.08.29	4.1%	2029	10,000	(23)	9,978	1,992	7,986	–
Simest - Facilitated loan "Capitalisation" 31.12.27	0.6%	2027	360	–	360	120	240	–
Simest - Facilitated loan for "Fairs and Exhibitions" 08.04.25	0.1%	2025	15	–	15	15	–	–
Total Sanlorenzo S.p.A.			**63,597**	**(102)**	**63,495**	**19,480**	**43,242**	**773**
Bluegame S.r.l.								
Unicredit - Unsecured loan €4.5m 30.09.25	4.0%	2025	844	(1)	843	843	–	–
Simest - Facilitated loan "Capitalisation" 31.12.27	0.6%	2027	312	–	312	89	223	–
Total Bluegame S.r.l.			**1,156**	**(1)**	**1,155**	**932**	**223**	**–**
Equinoxe S.r.l.								
UniCredit - Unsecured loan €150k 30.06.27	1.5%	2027	76	–	76	30	46	–
Total Equinoxe S.r.l.			**76**	**–**	**76**	**30**	**46**	**–**
I.C.Y. S.r.l.								
Banco BPM - Unsecured loan €200k 28.02.25	4.6%	2025	12	–	12	12	–	–
Crédit Agricole - Unsecured loan €220k 05.09.24	5.8%	2024	–	–	–	–	–	–
Unicredit - Mortgage loan €2m 31.10.2034	4.8%	2034	2,000	–	2,000	200	800	1,000
Total I.C.Y. S.r.l.			**2,012**	**–**	**2,012**	**212**	**800**	**1,000**
Polo Nautico Viareggio S.r.l.								
BPER - Unsecured loan €500k 30.09.27	1.5%	2027	273	–	273	114	159	–
Cassa di Risparmio di Volterra - Unsecured loan €300k 10.11.27	2.2%	2027	185	–	185	55	130	–
Total Polo Nautico Viareggio S.r.l.			**458**	**–**	**458**	**169**	**289**	**–**
Sanlorenzo of the Americas LLC								
Intesa Sanpaolo - Uncommitted credit facility $10m	5.7%	to revocation	4,960	–	4,960	4,960	–	–
Total Sanlorenzo of the Americas LLC			**4,960**	**–**	**4,960**	**4,960**	**–**	**–**

	31 December 2023						
	Nominal value	Accounting records	Carrying amount	Within 1 year	From 1 to 5 years	Over 5 years	
							Sanlorenzo S.p.A.
	5,263	(3)	5,260	2,103	3,157	–	Banco BPM - Unsecured loan €10m 30.06.26
	4,683	–	4,683	639	2,627	1,417	Banco BPM - Mortgage loan €7.41m 31.12.30
	–	–	–	–	–	–	Banco BPM - Unsecured loan €20m 31.12.29
	11,111	(21)	11,090	4,436	6,654	–	Intesa Sanpaolo - Unsecured loan €20m 30.06.26 (Circular Economy)
	–	–	–	–	–	–	Intesa Sanpaolo - Unsecured €15m 31.07.29
	2,625	(2)	2,623	1,499	1,124	–	UniCredit - Unsecured loan €6m 30.09.25
	5,263	(5)	5,258	2,103	3,155	–	UniCredit - Unsecured loan €10m 30.06.26
	–	–	–	–	–	–	UniCredit - Unsecured loan €10m 31.08.29
	480	–	480	120	360	–	Simest - Facilitated loan "Capitalisation" 31.12.27
	45	–	45	30	15	–	Simest - Facilitated loan for "Fairs and Exhibitions" 08.04.25
	29,470	**(31)**	**29,439**	**10,930**	**17,092**	**1,417**	**Total Sanlorenzo S.p.A.**
							Bluegame S.r.l.
	1,969	(2)	1,967	1,124	843	–	Unicredit - Unsecured loan €4.5m 30.09.25
	357	–	357	89	268	–	Simest - Facilitated loan "Capitalisation" 31.12.27
	2,326	**(2)**	**2,324**	**1,213**	**1,111**	**–**	**Total Bluegame S.r.l.**
							Equinoxe S.r.l.
	107	–	107	31	76	–	UniCredit - Unsecured loan €150k 30.06.27
	107	**–**	**107**	**31**	**76**	**–**	**Total Equinoxe S.r.l.**
							I.C.Y. S.r.l.
	80	–	80	69	11	–	Banco BPM - Unsecured loan €200k 28.02.25
	36	–	36	36	–	–	Crédit Agricole - Unsecured loan €220k 05.09.24
	–	–	–	–	–	–	Unicredit - Mortgage loan €2m 31.10.2034
	116	**–**	**116**	**105**	**11**	**–**	**Total I.C.Y. S.r.l.**
							Polo Nautico Viareggio S.r.l.
	341	–	341	91	250	–	BPER - Unsecured loan €500k 30.09.27
	240	1	241	57	184	–	Cassa di Risparmio di Volterra - Unsecured loan €300k 10.11.27
	581	**1**	**582**	**148**	**434**	**–**	**Total Polo Nautico Viareggio S.r.l.**
							Sanlorenzo of the Americas LLC
	5,079	–	5,079	5,079	–	–	Intesa Sanpaolo - Uncommitted credit facility $10m
	5,079	**–**	**5,079**	**5,079**	**–**	**–**	**Total Sanlorenzo of the Americas LLC**

(€'000)	Nominal interest rate	Year of maturity/ repayment	31 December 2024					
			Nominal value	Accounting records	Carrying amount	Within 1 year	From 1 to 5 years	Over 5 years
Duerre S.r.l.								
Banco BPM - Mortgage loan €3m 31.05.32	4.7%	2032	1,577	–	1,577	175	1,064	338
Unicredit - Mortgage loan €500k 31.05.27	5.9%	2027	93	–	93	41	52	–
Unicredit - Unsecured loan €750k 31.07.26	2.0%	2026	245	–	245	153	92	–
BPER - Unsecured loan €500k 09.11.26	1.7%	2026	244	–	244	127	117	–
Banca Cambiano 1884 - Unsecured loan €300k 01.02.24	5.0%	2024	–	–	–	–	–	–
Banca Cambiano 1884 - Unsecured loan €500k 01.11.26	5.4%	2026	–	–	–	–	–	–
Banca Progetto - Unsecured loan €120k 31.05.26	7.2%	2026	–	–	–	–	–	–
Banca Progetto - Unsecured loan €380k 31.05.26	7.2%	2026	–	–	–	–	–	–
Medio Credito Centrale - Unsecured loan €500k 19.11.26	4.8%	2026	205	–	205	101	104	–
Deutsche Bank - Credit Facility €4.2m	4.3%	to revocation	4,035	–	4,035	–	4,035	–
Total Duerre S.r.l.			**6,399**	**–**	**6,399**	**597**	**5,464**	**338**
Sea Energy S.r.l.								
Banco BPM - Unsecured loan €380k 31.08.30	6.0%	2030	83	–	83	34	49	–
Banco BPM - Unsecured loan €200k 28.06.27	1.8%	2027	201	–	201	30	171	–
Total Sea Energy S.r.l.			**284**	**–**	**284**	**64**	**220**	**–**
Swan Group								
Oy Nautor AB - Nordea Bank - €3m 31.12.2025	6.2%	2025	1,000	–	1,000	1,000	–	–
ClubSwan Racing - Credit Agricole	0.6%	2026	12	–	12	–	12	–
NSGS - Santander - €1.1m 09.04.2026	2.3%	2026	378	–	378	282	96	–
NSGS - Santander - €182k 16.03.2027	4.0%	2027	87	–	87	38	49	–
NSGS - Santander - €400k 10.06.2027	3.6%	2027	250	–	250	100	150	–
NSGS - Santander - €230k 08.02.2026	2.0%	2026	69	–	69	59	10	–
NSGS - Santander - €500k 15.03.2026	4.0%	2026	142	–	142	106	36	–
NSGS - Santander - €600k 26.03.2029	3.3%	2029	516	–	516	115	401	–
NSGS - BBVA - €200k 18.01.2026	2.1%	2026	56	–	56	52	4	–
NSGS - Caixa bank - €600k 19.09.2031	4.2%	2031	522	–	522	77	310	135
Total Swan Group			**3,032**	**–**	**3,032**	**1,829**	**1,068**	**135**
Group total			**81,974**	**(103)**	**81,871**	**28,273**	**51,352**	**2,246**

	31 December 2023						
	Nominal value	Accounting records	Carrying amount	Within 1 year	From 1 to 5 years	Over 5 years	
							Duerre S.r.l.
	1,749	–	1,749	170	996	583	Banco BPM - Mortgage loan €3m 31.05.32
	134	–	134	41	93	–	Unicredit - Mortgage loan €500k 31.05.27
	397	–	397	151	246	–	Unicredit - Unsecured loan €750k 31.07.26
	368	–	368	124	244	–	BPER - Unsecured loan €500k 09.11.26
	11	–	11	11	–	–	Banca Cambiano 1884 - Unsecured loan €300k 01.02.24
	363	–	363	123	240	–	Banca Cambiano 1884 - Unsecured loan €500k 01.11.26
	61	–	61	61	–	–	Banca Progetto - Unsecured loan €120k 31.05.26
	201	–	201	201	–	–	Banca Progetto - Unsecured loan €380k 31.05.26
	304	–	304	100	204	–	Medio Credito Centrale - Unsecured loan €500k 19.11.26
	2,256	–	2,256	2,256	–	–	Deutsche Bank - Credit Facility €4.2m
	5,844	**–**	**5,844**	**3,238**	**2,023**	**583**	**Total Duerre S.r.l.**
							Sea Energy S.r.l.
	229	–	229	29	200	–	Banco BPM - Unsecured loan €380k 31.08.30
	117	–	117	33	84	–	Banco BPM - Unsecured loan €200k 28.06.27
	346	**–**	**346**	**62**	**284**	**–**	**Total Sea Energy S.r.l.**
							Swan Group
	–	–	–	–	–	–	Oy Nautor AB - Nordea Bank - €3m 31.12.2025
	–	–	–	–	–	–	ClubSwan Racing - Credit Agricole
	–	–	–	–	–	–	NSGS - Santander - €1.1m 09.04.2026
	–	–	–	–	–	–	NSGS - Santander - €182k 16.03.2027
	–	–	–	–	–	–	NSGS - Santander - €400k 10.06.2027
	–	–	–	–	–	–	NSGS - Santander - €230k 08.02.2026
	–	–	–	–	–	–	NSGS - Santander - €500k 15.03.2026
	–	–	–	–	–	–	NSGS - Santander - €600k 26.03.2029
	–	–	–	–	–	–	NSGS - BBVA - €200k 18.01.2026
	–	–	–	–	–	–	NSGS - Caixa bank - €600k 19.09.2031
	–	**–**	**–**	**–**	**–**	**–**	**Total Swan Group**
	43,869	**(32)**	**43,837**	**20,806**	**21,031**	**2,000**	**Group total**

29. Trade payables

(€'000)	31 December 2024	31 December 2023	Change
Payables to suppliers	282,632	202,488	80,144
Payables to associated companies	2,869	1,324	1,545
Trade payables	**285,501**	**203,812**	**81,689**

Trade payables include payables to suppliers and to associated companies.
Payables to suppliers present a balance of €282,632 thousand and €202,488 thousand as of 31 December 2024 and 31 December 2023, respectively, while payables to associated companies present a balance of €2,869 thousand.
A breakdown of payables to suppliers between current and non-current is provided in the following table:

(€'000)	31 December 2024	31 December 2023	Change
Payables to suppliers	282,632	202,488	80,144
of which current	*282,632*	*202,488*	*80,144*
Payables to suppliers	**282,632**	**202,488**	**80,144**

The following table shows the breakdown of payables to suppliers by geographical area:

(€'000)	31 December 2024	31 December 2023	Change
Italy	256,986	188,755	68,231
Europe (other countries)	21,923	10,617	11,306
Americas	2,825	2,345	480
APAC	577	292	285
MEA	321	479	(158)
Payables to suppliers	**282,632**	**202,488**	**80,144**

30. Other current liabilities

(€'000)	31 December 2024	31 December 2023	Change
Social security contributions	4,110	2,843	1,267
Other liabilities	25,689	16,464	9,225
Accrued expenses and deferred income	25,610	18,290	7,320
Other current liabilities	**55,409**	**37,597**	**17,812**

Social security contributions refer to payables outstanding at the end of the year. The item consists of amounts due to INPS, INAIL and Previndai (Italian social security institutions) for contributions due on wages and salaries. They were equal to €4,110 thousand as at 31 December 2024 and €2,843 thousand as at 31 December 2023.
Other payables amounted to €25,689 thousand and €16,464 thousand as at 31 December 2024 and 31 December 2023, respectively.
Accrued expenses and deferred income were up between 2023 and 2024 by €7,320 thousand. Deferred income mainly refers to commissions due, which accrue according to the progress of work on the construction of boats.

31. Other non-current liabilities

(€'000)	31 December 2024	31 December 2023	Change
Other non-current liabilities	32,355	-	32,355
Other non-current liabilities	**32,355**	**–**	**32,355**

Other non-current liabilities refer to the Parent Company and include the recognition of the payable of €32,355 thousand for the 40% share to be paid to Sawa S.r.l. with sole shareholder at the Second Closing (April 2028).

32. Employee benefits

(€'000)	31 December 2024	31 December 2023
Opening balance	**2,491**	**1,109**
Change in the scope of consolidation	838	1,095
Allocations	368	255
Interest	64	57
Utilisations	(162)	(164)
Present value as at 31 December	**3,599**	**2,352**
Net actuarial gains/(losses) based on past experience	69	66
Net actuarial gains/(losses) arising on changes to demographic assumptions	1	–
Net actuarial gains/(losses) arising on changes to financial assumptions	12	73
Closing balance	**3,681**	**2,491**

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.
In accordance with IAS 19, post-employment benefits are measured using actuarial valuation methods performed by an external expert. These methods are revised when necessary.
Post-employment benefits amounted to €3,681 thousand as at 31 December 2024.
The main financial and demographical assumptions are set out below with annual turnover rates and possible advances given to employees used to determine the present value of the liability related to post-employment benefits.

FINANCIAL ASSUMPTIONS

	31 December 2024	31 December 2023
Annual discount rate	3.38%	3.17%
Annual inflation rate	2.00%	2.00%
Annual growth rate of post-employment benefits	3.00%	3.00%
Annual remuneration growth rate	0.50%	0.50%

DEMOGRAPHICAL ASSUMPTIONS

Mortality	ISTAT 2022
Disability	INPS tables by age and gender
Retirement	100% upon achievement of AGO requirements

ANNUAL TURNOVER AND TFR ADVANCE FREQUENCIES

	31 December 2024	31 December 2023
Advances	1.00%	1.00%
Turnover rate	1.50%	1.50%

As at 31 December 2024, net actuarial gains based on past experience were equal to €69 thousand. These are gains/(losses) due to variations from one valuation to another in terms of new, outgoing and retired employees, requests for advances, etc. that differ from those assumed. There was also a net actuarial gain arising on changes in financial assumptions equal to €12 thousand.

33. 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	30	614	–	3,819	–	4,463
Utilisations	(780)	–	–	(964)	–	(1,744)
Business combinations	2,075	4,953	–	–	–	7,028
Other changes/reclassifications	–	–	(168)	(400)	(4,892)	(5,460)
Amount as at 31 December 2024	**8,630**	**11,934**	**–**	**3,949**	**2,749**	**27,262**

Provisions for risks and charges include the following items:

- Provision for disputes: this provision was established to cover risks related to litigation or potential liabilities of a civil and tax nature. Utilisations refer to the portion of provisions used to close out certain items of a statutory nature.
- Provision for warranty risks: 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 warranty risks covers the new boats of the Parent Company and the subsidiary Bluegame S.r.l. This item showed a balance of €11,934 thousand as at 31 December 2024 and €6,367 thousand as at 31 December 2023, and the change was mainly due to the effect of the business combinations finalised during the period. The warranty period is two years for new boats and one year for pre-owned boats.
- Provisions for risks on pre-owned boats: as at 31 December 2024, it amounted to €3,949 thousand and refers to the commitment for withdrawing pre-owned on new boats.
- Contract completion provision: this amounted to €2,749 thousand and refers to the reclassification of the provision previously included in contract liabilities.

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

(€'000)	31 December 2024	31 December 2023	Change
Provision for warranties	**11,934**	**6,367**	**5,567**
of which current	*9,572*	*4,307*	*5,265*
of which non-current	*2,362*	*2,060*	*302*
Total	**11,934**	**6,367**	**5,567**

Administrative and in-court proceedings

Administrative and in-court 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.

Tax proceedings

As already described in the Financial Report for the previous financial year, the Parent Company, in April and May 2023, initiated two appeals before the First Instance Tax Court of La Spezia against two notices of adjustment and settlement of mortgage and land registry taxes issued by the Revenue Agency - Provincial Directorate of La Spezia and referring to real estate purchases concluded at the end of 2020. With these notices, the Revenue Agency contested the value attributed to the properties for the purposes of settling mortgage and land registry taxes, liquidating and ascertaining higher taxes for €277 thousand in addition to penalties for €277 thousand and legal interest. In October 2024, following the conclusion of various negotiations with the aforementioned tax authority, the Parent, through its defence attorneys, entered into two settlement agreements, in which the value of the real estate on which the mortgage and cadastral taxes were calculated was significantly reduced, with a consequent reduction in the tax claim, which went from €573 thousand (including taxes, interest and penalties) plus additional interest and accessory charges to €80 thousand (including taxes and penalties) plus additional interest and accessory charges; the Parent Company subsequently paid the reconciled amount in December 2024. The aforementioned conciliatory agreements were then filed with the Tax Court of First Instance of La Spezia in January 2025.
With reference to the Research and Development Tax Credit relating to the 2015 tax year, amounting to €266 thousand, on 1 August 2024, a specific dispute was initiated with the Revenue Agency - Regional Directorate of Liguria and the Parent Company, during which the Revenue Agency contested the existence of the necessary requirements for the relevance of the costs for the purposes of determining the aforementioned tax credit.
In the course of this discussion, the Parent Company also informed the Revenue Agency that it had started the procedure to select an external expert, qualified and registered in the appropriate register, to certify the investments made for the purposes of their relevance for the tax credit in question. On 1 November 2024, the Parent, through its defence attorneys, sent a memorandum to the Revenue Agency, complete with the relative documentation, in which it contested what had been raised by the Revenue Agency, which, on 12 December 2024, notified the Parent of the deed of recovery of the aforementioned tax credit. The Parent, through its defence attorneys, also taking into consideration the recent issuance of the certification by the external expert,

filed with Mimit and from which results a positive opinion in favour of the Parent, on 8 February 2025 submitted to the Revenue Agency - Regional Directorate of Liguria the petition for the activation of the procedure of assessment with adhesion. At the moment, no meeting has been scheduled with the Revenue Agency.
With reference to the subsidiary Bluegame, it should be noted that on 24 September 2024, the Revenue Agency - Provincial Directorate of La Spezia carried out a targeted access, for the tax period 2021, aimed at i) the correct use of the ceiling formed in the years prior to 2021 and the consequent VAT credit already received as reimbursement, as well as ii) the detection of any useful element for control purposes. On 29 November 2024, an adversarial hearing was held, during which Bluegame, through its defence attorneys, submitted a memorandum to the Revenue Agency, in which it provided information and documentation useful to clarify what had been raised by the Verifiers. As of today, there are no updates on this issue.

Administrative proceedings

At the date of approval of these consolidated financial statements, the Group is not involved in any significant administrative proceedings or proceedings that management believes, at this time, could result in a significant liability.
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. The item includes the fair value of the derivative instruments outstanding at each reference date.
Specifically, as at 31 December 2024, the Group had the following derivatives in its portfolio:

- forward agreements relating to sales of US dollars against euros for a notional total of €85,475 thousand taken out by the Parent Company and Bluegame designated as hedges of the amounts received in US dollars by the subsidiary Sanlorenzo of the Americas LLC;
- interest rate swaps for a notional total of €15,766 thousand taken out by the Parent Company and Bluegame S.r.l. and designated as interest rate hedges 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)	31 December 2024	31 December 2023	Change
Derivative assets			
Currency hedges	77	1,264	(1,187)
Interest rate hedges	532	1,272	(740)
Total assets	**609**	**2,536**	**(1,927)**
Derivative liabilities			
Currency hedges	(2,063)	(41)	(2,022)
Interest rate hedges	–	–	–
Total liabilities	**(2,063)**	**(41)**	**(2,022)**

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 period.

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.
As at 31 December 2024, the Group had the following financial instruments in its portfolio:

- unrestricted time deposits for €38,000 thousand, included in cash and cash equivalents and measured at fair value level 1;
- listed bonds and certificates of investment-grade issuers with a market value of €31,751 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)	31 December 2024	31 December 2023	Change
Unrestricted time deposits	38,000	115,000	(77,000)
Listed bonds and certificates	31,751	20,928	10,823
Insurance policies	843	–	843
Total cash invested	**70,594**	**135,928**	**(65,334)**

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 boat 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 31 December 2024, the Group has bank credit lines to meet liquidity needs of €169,986 thousand[42]. , of which €130,788 thousand not used, in addition to €174,448 thousand of cash (including €38,801 thousand of financial investments) and against a total gross debt of €145,369 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.

For further details on the maturity dates of the financial debt, see the note "Financial liabilities" in these financial statements.

Exposure to interest rate fluctuation

The Group is exposed to changes in interest rates on its medium-long term floating rate debt instruments, entirely referring to the €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 31 December 2024, the Group has 5 interest rate swaps in place for a total notional amount of €15,766 thousand.

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

The following table shows an analysis of the sensitivity of derivative instruments on interest rates, carried out by applying to the portfolio a variation, positive or negative, of the interest rate curve in €of 10 basis points.

(€'000)	Fair value as at 31 December 2024	Change +10 basis points	Change -10 basis points
Interest rate hedges	532	550	515

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 €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 boat, 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 31 December 2024, it had forward contracts for the sale and purchase of US dollars relating to collections to be received for a total notional amount of €85,475 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 €are residual and sporadic, and therefore no hedging operations are carried out.

The translation risk concerns the conversion into €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.

The following table shows an analysis of the sensitivity of derivatives on exchange rates, carried out by applying to the portfolio a variation, positive or negative, of the €against the US dollar equal to 5%.

(€'000)	Fair value as at 31 December 2024	Appreciation of 5% of US Dollar against Euro	Depreciation of 5% of US Dollar against Euro
Currency hedges	532	1,902	(5,456)

GROUP STRUCTURE

37. Subsidiaries

These Consolidated Financial Statements as at 31 December 2024 were prepared on the basis of the accounting positions of the Parent Company and its subsidiaries, adjusted to ensure compliance with 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 at the same time, the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is acquired until the date on which it ends.
The following table provides information, as at 31 December 2024, relating to name, registered office, currency, share capital, 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 – 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%
Nautor Swan S.r.l.	Florence – Italy	Euro	6,500,000	100.00%	–
Nautor Italy S.r.l.***	Florence – Italy	Euro	340,000	–	100.00%
Clubswan Racing S.r.l.***	Florence – Italy	Euro	30,000	–	55.00%
SYS Marina di Scarlino Yacht Service S.r.l. *****	Scarlino (GR) – Italy	Euro	50,000	–	100.00%
Oy Nautor AB***	Jakobstad/Pietarsaari – Finland	Euro	1,230,000	–	100.00%

Company name	Registered office	Currency	Share capital (currency unit)	Percentage of ownership	
				Direct	Indirect
Oy NH Fastigheter AB****	Jakobstad/Pietarsaari – Finland	Euro	50,000	–	100.00%
Nautor Swan Global Service SL****	Badalona (Barcelona) – Spain	Euro	147,308	–	52.48%
Nautor Swan Global Service UK Ltd*****	Sarisbury Green (Southampton) – United Kingdom	British Pound Sterling	100	–	100.00%
Nautor Swan Global Service USA LLC*****	Newport (RI) – USA	USD	0	–	100.00%
Nautor Swan Global Service Pacific PTY Ltd*****	Brisbane (Queensland) – Australia	Australian dollars	100	–	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 Australia Pty Ltd******	Toronto (New South Wales) – Australia	Australian dollars	1,000	–	100.00%
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%

Note e legenda:

* *Via Bluegame S.r.l.*
** *Via Sanlorenzo of the Americas LLC*
*** *Via Nautor Swan S.r.l.*
**** *Via Oy Nautor AB*
***** *Via Nautor Swan Global Service SL*
****** *Via Simpson Marine Limited*
******* *Via Simpson Marine Sailing Yachts Limited*

37. Business combinations and asset acquisitions

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.

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 indefinite 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 €7,940 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)	As at 31 December 2024		
	Carrying amount	Adjustments	Fair value
Non-current assets	2,003	14,004	16,007
Current assets	22,862	–	22,862
Total assets	**24,865**	**14,004**	**38,869**
Non-current liabilities	(3,792)	–	(3,792)
Current liabilities	(19,396)	–	(19,396)
Total liabilities	**(23,188)**	**–**	**(23,188)**
Total net assets			**15,681**

Fair value of consideration paid	
Cash and net assets	1,677
Trademark	6,064
Goodwill	7,940
Total	**15,681**

Acquisition of the Nautor Swan Group

On 1 August 2024, Sanlorenzo S.p.A. and Sawa S.r.l. with sole shareholder, a company controlled by Leonardo Ferragamo, signed a Binding Agreement providing for the sale by Sawa S.r.l. with sole shareholder 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, 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 aforementioned Contract, 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. with sole shareholder, 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 €32,355 thousand, and paid €16,177 thousand in escrow account, to be released in correspondence with the capital increase reserved for Sawa S.r.l. with sole shareholder.
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 implies an issue of 420,489 shares in favour of Sawa S.r.l. with sole shareholder against the Initial Closing value of €16,177,367.36 to be paid in shares.
The total consideration for the transaction amounted to €80,887 thousand and the accounting of the acquisition was determined on a provisional basis.
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 implemented led to allocating part of the difference between the purchase price and the Fair Value of the net assets acquired to the brand, classified as an intangible asset with indefinite useful life, know-how, and the valorisation of the option for the purchase of the residual investment in the associate BTC AB. Goodwill was determined residually, in anticipation of future economic benefits from assets that cannot be individually identified and recognised.
The valuations made led to the estimate of a higher value for the Nautor Swan brand in the amount of €24,360 thousand, the recognition of the net Fair Value of Know How in the amount of €4,387 thousand, the recognition of the Fair Value of the option to purchase the residual investment in the associate BTC AB in the amount of €8,737 thousand, and the recognition of goodwill in the amount of €43,319 thousand (see the 'Adjustment' column of the table below under 'Non-current assets').

This allocation process is provisional in nature, as 12 months have not yet elapsed since the Company acquired the Nautor Swan Group.

(€'000)	As at 31 December 2024		
	Carrying amount	Adjustments	Fair value
Non-current assets	48,591	80,804	129,395
Current assets	26,758	–	26,758
Total assets	**75,349**	**80,804**	**156,153**
Non-current liabilities	(21,372)	–	(21,372)
Current liabilities	(53,894)	–	(53,894)
Total liabilities	**(75,266)**	**–**	**(75,266)**
Total net assets			**80,887**

Fair value of consideration paid	
Cash and net assets	83
Trademark	24,360
Know How	4,387
BTC option	8,738
Goodwill	43,319
Total	**80,887**

The main reasons for recognising goodwill are the synergies in technology, production and sales that can be achieved between the Group's companies and the Nautor Swan Group and in the organisational and distribution chain with the Simpson Group.

39. Associated companies

At 31 December 2024, the Parent Company holds the following equity investments in associated companies, included in the Company's financial statements with the equity method:

Company name	Registered office	Currency	Share capital (currency unit)	Percentage of ownership	
				Direct	Indirect
Carpensalda Yacht Division S.r.l.	Pisa – Italy	Euro	8,000,000	48.00%	–
Sa.La. S.r.l.*	Viareggio (LU) – Italy	Euro	50,000	–	48.00%
Mediterranean Yacht Management Sarl**	Monte-Carlo – Principality of Monaco	Euro	3,750	–	25.00%
Batbranschens Teknologicentrum BTC AB***	Jakobstad/Pietarsaari – Finland	Euro	67,275	–	37.50%
Simpson Yacht Charter Co. Limited****	Phuket - Thailand	Thai baht	50,000	–	49.00%

Note e legenda:
* *Tramite Carpensalda Yacht Division S,r,l,,*
** *Tramite Nautor Swan S,r,l,,*
*** *Tramite OY Nautor AB,*
**** *Tramite Simpson Marine Limited,*

ADDITIONAL INFORMATION

40. Commitments

The most significant contractual commitments undertaken with third parties as at 31 December 2024 refer to:

- a corporate guarantee issued by the Parent Company on a credit line granted to a brand representative amounting to €9,000 thousand;
- sundry sureties for a total of €965 thousand related to state concessions, public administrations and others.

41. Contingent liabilities

Legal proceedings of various kinds relating to the normal course of business are ongoing.
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.

42. Share-based payments

On 21 April 2020, the Shareholders' Meeting of Sanlorenzo S.p.A. approved, pursuant to and for the purposes of article 114-bis of Italian Legislative Decree no. 58 of 24 February 1998 (Italian Consolidated Law on Finance), the adoption of an incentive and loyalty plan called "Stock Option Plan 2020" 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.
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 31 December 2024, a total of 879,743 options have been granted.
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.
As at 31 December 2024, a total of 861,445 options (relating to the years 2020, 2021, 2022 and 2023) were exercisable; 621,983 options had been exercised since the start of the plan and by the end of the financial year.

Performance Shares Plan 2024

The Shareholders' Meeting held on 26 April 2024 resolved on a new long-term incentive compensation plan (LTI), in the form of a share-based compensation plan involving Sanlorenzo shares, aimed at executive directors, general managers, executives with strategic responsibilities and managers, as well as non-employee top managers, of the Company and the Group's companies. The assignment of rights under the 2024 Performance Shares Plan was decided by the board of directors on 13 May 2024 in accordance with the provisions of the plan itself,

subject to the favourable opinion of the Remuneration Committee of 10 May 2024, and the related rights will vest, and the corresponding shares will be assigned, in the financial year 2027.
The granting of rights under the 2024 Performance Shares Plan was decided by the Board of Directors on 13 May 2024 in accordance with the provisions of the plan itself, subject to the favourable opinion of the Remuneration Committee on 10 May 2024, and the rights will vest, and the corresponding shares will be granted, in the financial year 2027.
The performance targets to which the actual awarding of the shares is linked are financial parameters, namely (x) the Group's cumulative EBITDA of the financial years 2025, 2026 and 2027 and (y) the Group's Net Financial Position punctually as at 31 December 2027 and non-financial sustainability (ESG - Environmental, Social and Governance) parameters. For the year 2024, 10,589 rights accrued.

2024-2028 LTI Plan

The shareholders' meeting of 26 April 2024 resolved on a second performance share plan involving Sanlorenzo shares relating to the period 2024-2028 (the "2024-2028 LTI Plan"), aimed at executive directors, general managers, executives with strategic responsibilities, managers and non-employee collaborators with top management positions of the Company and of the Group companies - and which differs from the 2024 Performance Shares Plan due to the different vesting period and also in that it subordinates the vesting of the Rights to the achievement of performance targets but, unlike the 2024 Performance Shares Plan, the achievement of the targets results in the assignment of a fixed number of shares (while the failure to achieve the targets results in the non-assignment of the shares) - no new assignments are possible.
The grant of rights under the LTI Plan 2024-2028 was decided by the Board of Directors on 13 May 2024 in accordance with the provisions of the plan itself, subject to the favourable opinion of the Remuneration Committee on 10 May 2024, and the relevant rights will vest, and the corresponding shares will be granted, ultimately in the financial year 2029. The total amount of rights is 174,000.

Simpson Plan

The shareholders' meeting of 26 April 2024 resolved on an incentive compensation plan involving financial instruments for a limited number of executive directors, managers, employees and associates of the company Simpson Marine Ltd ('Simpson'), a subsidiary of the Company, and involving Simpson shares (unlisted) (the 'Simpson Plan'), for directors, employees and associates of Simpson in senior positions, no new assignments being possible. The Simpson Plan does not provide performance objectives for the accrual of the rights attributed to its beneficiaries.

Foreign Commercial Subsidiaries Plan

In relation to the incentive compensation plan involving financial instruments, intended for a director of the companies Sanlorenzo Baleari S.L. ("Sanlorenzo Baleari"), Sanlorenzo Côte D'Azur S.A.S. ("Sanlorenzo Côte D'Azur") and Sanlorenzo Monaco S.A.M. ("Sanlorenzo Monaco" and, jointly with Sanlorenzo Balearic Islands and Sanlorenzo Côte D'Azur, "Sanlorenzo MED"), controlled by the Company, and relating to (unlisted) Sanlorenzo Balearic Islands, Sanlorenzo Côte D'Azur and Sanlorenzo Monaco shares (the "Foreign Commercial Subsidiary Plan"), no new assignments are possible.

43. 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 related-party transactions" 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 2024, outstanding transactions with related parties regard primarily business and financial transactions carried out under market conditions, as listed below.

Holding Happy Life S.r.l.
On 13 September 2021, the Board of Directors of Sanlorenzo, following the positive opinion of the Related Party Transactions Committee on 30 July 2021, approved the sale to HHL of the prototype of the superyacht 50Steel equipped with a Reformer Fuel Cell system, designed together with Siemens Energy, capable of transforming green methanol into hydrogen and subsequently into electricity to power the yacht's hotellerie services without the hydrogen being stored on board, and with a patented 'HER' (Hidden Engine Room) system, a revolutionary on-board concept that modifies the traditional layout of the boat, allowing for a new engine room layout. The contract of sale of this boat was signed on 12 July 2022. The deed of sale of the yacht was signed in June 2024.

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 company in September 2023 in the role of Sales Manager Yacht, after being hired by the subsidiary Bluegame S.r.l. with an apprenticeship contract; the transaction was examined by the Board of Directors on 9 November 2020.

The tables below provide details on transactions with related parties as at 31 December 2024 impacting the income statement as well as the balance sheet.

(€'000)	**Revenues**	**Other service costs**	**Personnel expenses**
Holding Happy Life S.r.l.	23,862	(55)	–
Cesare Perotti	–	–	(79)
Directors, statutory auditors and managers with strategic responsibilities	–	(4,977)	(2,986)
Total related parties	**23,862**	**(5,032)**	**(3,065)**
Total consolidated financial statements	**982,836**	**(83,141)**	**(94,220)**
Incidence %	*2.4%*	*6.1%*	*3.3%*

(€'000)	**Trade receivables**	**Other current liabilities**
Holding Happy Life S.r.l.	68	–
Cesare Perotti	–	7
Directors, statutory auditors and managers with strategic responsibilities	–	1,784
Total related parties	**68**	**1,791**
Total consolidated financial statements	**26,278**	**55,409**
Incidence %	*0.3%*	*3.2%*

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 year is provided below:

(€'000)	**31 December 2024**
Emoluments	4,809
Remuneration for participation in committees	44
Total remuneration paid to the Board of Directors	**4,853**

(€'000)	**31 December 2024**
Total remuneration paid to the Board of Statutory Auditors (excluding statutory increases)	123
Total remuneration paid to the Board of Statutory Auditors	**123**

(€'000)	**31 December 2024**
Total remuneration paid to the Managers with strategic responsibilities	**3,065**
of which gross annual salary	*1,108*
of which bonus	*515*
of which Fair Value of shares in incentive plans	*935*

Remuneration to the Independent Auditing Firm

The Consolidated Financial Statements are audited by BDO Italia S.p.A. in accordance with the assignment conferred by the Shareholders' Meeting of 23 November 2019, which runs for nine financial years (2019-2027). Pursuant to article 149-duodecies of the Issuers' Regulations, the remuneration paid to the Independent Auditing Firm is provided below.

(€'000)	Party that provided the service	Remuneration for 2024
Statutory Audit	BDO Italia S.p.A.	228
Statutory Audit	RSM Società di Revisione e Organizzazione Contabile S.p.A.	8
Statutory Audit	RSM Spain Holding Company SL	16
Statutory Audit	TC Group Holdings Limited	8
Statutory Audit	KPMG OY AB	50
Statutory Audit	Baker Tilly Revisa S.p.A.	9
Total remuneration paid to the Independent Auditing Firm		**319**

Information pursuant to article 1, paragraph 125, of Law no. 124, 4 August 2017

During 2024, the grants in the following table were awarded to the companies of the Group.

Beneficiary	Amount recognised (Euro)	Description
Bluegame S.r.l.	10,734	Tax credit for incremental advertising investments in newspapers, periodicals and local television and radio stations
Equinoxe S.r.l.	39,001	Automatic tax measures and non-repayable grants in support of business and the economy (as amended by C(2022) 171 final on SA 101076)
Equinoxe S.r.l.	39,001	Automatic tax measures and non-repayable grants in support of business and the economy (as amended by C(2022) 171 final on SA 101076)
Equinoxe S.r.l.	16,334	Urgent measures to support businesses and economic operators, labour, health and territorial services, related to the COVID-19 emergency, as well as to contain the effects of price increases in the electricity sector.
I.C.Y. S.r.l.	48,692	Training 4.0 tax credit
Clubswan Racing S.r.l.	2,000	Automatic tax measures and non-repayable grants in support of business and the economy (as amended by C(2022) 171 final on SA 101076)
Clubswan Racing S.r.l.	2,000	Automatic tax measures and non-repayable grants in support of business and the economy (as amended by C(2022) 171 final on SA 101076)
Sea Energy S.r.l.	1,440	Tax incentives for investing in innovative start-ups

Pursuant to the provisions of article 125-quinquies of Law no. 124 of 04 August 2017, for any further disbursements received, reference should be made to the indications contained in the National Register of State Aid pursuant to article 52 of Law no. 234 of 24 December 2012.

Management and coordination activities

In addition to the situation of control pursuant to article 93 of Italian Legislative Decree no. 58 of 24 February 1998 (Italian Consolidated Law on Finance), the parent company 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.
Pursuant to Article 2427 of the Italian Civil Code no. 22 quinquies and sexies, the company that prepares the consolidated financial statements of the largest group of companies to which the company belongs is Holding Happy Life S.r.l. with registered office in Turin, Via Ettore De Sonnaz 19, while the company that prepares the consolidated financial statements of the smallest group is Sanlorenzo S.p.A.

Ameglia, 10 March 2025

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

certification of the consolidated financial statements pursuant to Article 154-bis of Italian Legislative Decree no. 58 of 24 February 1998

1. The undersigned, Massimo Perotti, in his capacity as the Chairman and Chief Executive Officer of the Board of Directors 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 (Italian Consolidated Law on Finance):
   - 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 consolidated financial statements for 2024.
2. From the application of the administrative and accounting procedures for the preparation of the annual consolidated financial statements as at 31 December 2024, no significant facts need to be reported.
3. It is hereby also stated that:
   - 3.1 the annual consolidated 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 report on operations includes reliable analysis on the performance, result of operations and the business of the issuer and of all entities included in the consolidated financial statements as well as description of principal risks and uncertainties to which they are exposed.

Ameglia, 10 March 2025

Mr. Massimo Perotti

Chairman and Chief Executive Officer

Attilio Bruzzese

Manager charged with preparing the company's financial reports


SANLORENZO

V

ANNUAL FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

accounting statements

ANNUAL STATEMENT OF FINANCIAL POSITION

(€'000)	Notes	31 December 2024	31 December 2023
ASSETS			
Non-current assets			
Property, plant and equipment	*15*	143,094	141,134
Goodwill	*16*	8,667	8,667
Other intangible assets	*17*	51,297	48,593
Equity investments and other non-current assets	*19, 36, 37*	133,710	35,903
of which equity investments valued using the equity method		*3,690*	*3,778*
Net deferred tax assets	*14*	6,419	9,235
Total non-current assets		**343,187**	**243,532**
Current assets			
Inventories	*20*	82,229	59,540
Contract assets	*21*	245,107	150,069
Other financial assets, including derivatives	*25*	49,047	24,557
Trade receivables	*22*	25,660	18,639
Other current assets	*23*	73,799	55,600
Cash and cash equivalents	*24*	111,996	183,138
Total current assets		**587,838**	**491,543**
TOTAL ASSETS		**931,025**	**735,075**

(€'000)	Notes	31 December 2024	31 December 2023
EQUITY			
Share capital	*26*	35,542	34,978
Share premium	*26*	102,569	84,442
Other reserves	*26*	178,387	132,163
Profit/(loss) for the period		94,013	86,960
Total equity		**410,511**	**338,543**
Non-current liabilities			
Non-current financial liabilities	*27*	50,564	21,659
Other non-current liabilities	*30*	32,355	–
Non-current employee benefits	*31*	574	632
Non-current provision for risks and charges	*32*	**8,050**	**12,942**
Total non-current liabilities		**91,543**	**35,233**
Current liabilities			
Current financial liabilities, including derivatives	*27, 33*	23,930	12,733
Current provisions for risks and charges	*32*	10,479	8,722
Trade payables	*28*	251,680	183,302
Contract liabilities	*21*	108,892	115,183
Other current liabilities	*29*	32,513	29,918
Other current tax liabilities		1,477	1,783
Net current tax liabilities	*14*	–	9,658
Total current liabilities		**428,971**	**361,299**
TOTAL LIABILITIES		**520,514**	**396,532**
TOTAL EQUITY AND LIABILITIES		**931,025**	**735,075**

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

(€'000)	Notes	31 December 2024	31 December 2023
Revenues	*8*	812,371	783,317
Selling expenses	*8*	(36,001)	(31,186)
Net revenues		**776,370**	**752,131**
Other income	*9*	14,476	8,851
Total net revenue and income		**790,846**	**760,982**
Increases in internal work	*10*	2,000	1,715
Costs for raw materials, consumables and finished products	*10*	(243,402)	(222,874)
Outsourcing	*10*	(298,092)	(278,950)
Change in inventories of work in progress, semi-finished and finished products	*10, 20*	25,403	17,373
Other service costs	*10*	(55,904)	(64,128)
Personnel expenses	*10*	(58,470)	(50,906)
Other operating costs	*10*	(5,533)	(4,660)
Accruals to provisions for risks and charges	*10, 32*	(5,483)	(16,053)
Total operating costs		**(639,481)**	**(618,483)**
Operating result before amortisation and depreciation		**151,365**	**142,499**
Amortisation, depreciation and impairment losses of fixed assets	*11, 15, 17*	(26,734)	(26,428)
Operating result		**124,631**	**116,071**
Financial income	*12*	6,519	6,720
Financial expense	*12*	(1,408)	(1,458)
Net financial income/(expense)		**5,111**	**5,262**
Income/(expense) from equity investments	*13*	(88)	(71)
Adjustments to financial assets	*13*	223	689
Pre-tax profit		**129,877**	**121,951**
Income taxes	*14*	(35,864)	(34,991)
PROFIT/(LOSS) FOR THE YEAR		**94,013**	**86,960**

(€'000)	31 December 2024	31 December 2023
Other comprehensive income		
Other comprehensive income that will not be subsequently reclassified to net profit		
Actuarial change in accruals for employee benefits	(10)	(40)
Income taxes relating to actuarial changes in provisions for employee benefits	3	11
Total	**(7)**	**(29)**
Other comprehensive income which will be subsequently reclassified to net profit		
Changes in the cash flow hedge reserve	(3,235)	(768)
Income taxes related to changes in the cash flow hedge reserve	776	184
Total	**(2,459)**	**(584)**
Total other comprehensive income for the year, net of tax effect	**(2,466)**	**(613)**
COMPREHENSIVE NET PROFIT FOR THE YEAR	**91,547**	**86,347**

PROSPETTO DELLE VARIAZIONI DEL PATRIMONIO NETTO D'ESERCIZIO

(in migliaia di Euro)	Share capital	Share premium	Total other reserves	Legal reserve	Extraordinary reserve	Other reserves	Profit for the period	Total equity
Value as at 31 December 2022	**34,784**	**81,236**	**95,181**	**6,878**	**88,523**	**(220)**	**63,355**	**274,556**
Allocation of profit for the year	–	–	63,355	79	63,276	–	(63,355)	–
Dividends distributed	–	–	(22,978)	–	(22,978)	–	–	(22,978)
Purchase of treasury shares	–	–	(3,313)	–	–	(3,313)	–	(3,313)
Stock option exercise	194	3,206	(292)	–	–	(292)	–	3,108
Other changes	–	–	823	–	–	823	–	823
Profit for the period	–	–	–	–	–	–	86,960	86,960
Other comprehensive income	–	–	(613)	–	–	(613)	–	(613)
Value as at 31 December 2023	**34,978**	**84,442**	**132,163**	**6,957**	**128,821**	**(3,615)**	**86,960**	**338,543**
Allocation of profit for the year	–	–	86,960	39	86,921	–	(86,960)	–
Dividends distributed	–	–	(34,805)	–	(34,805)	–	–	(34,805)
Purchase of treasury shares	–	–	(8,506)	–	–	(8,506)	–	(8,506)
Treasury share sale	–	–	4,536	–	–	4,536	–	4,536
Stock option exercise	144	2,370	(215)	–	–	(215)	–	2,299
Other changes	420	15,757	720	–	–	720	–	16,897
Profit for the period	–	–	–	–	–	–	94,013	94,013
Other comprehensive income	–	–	(2,466)	–	–	(2,466)	–	(2,466)
Value as at 31 December 2024	**35,542**	**102,569**	**178,387**	**6,996**	**180,937**	**(9,546)**	**94,013**	**410,511**

STATEMENT OF CASH FLOWS

(€'000)	Notes	31 December 2024	31 December 2023
Cash flow from operating activities			
Profit for the year		94,013	86,960
Adjustments for:			
Depreciation of property, plant and equipment	*11, 15*	18,780	18,909
Amortisation of intangible assets	*11, 17*	7,954	7,519
Write-downs of tangible assets	*11, 15*	–	–
Adjustments to financial assets (other equity investments)	*13*	(135)	(618)
Net financial expense/(income)	*12*	(5,111)	(5,262)
Gain on sale of property, plant and equipment	*15*	(18)	(58)
Impairment losses on trade receivables	*22*	–	–
Income taxes	*14*	35,864	34,991
Changes in:			
Inventories	*20*	(22,689)	(16,779)
Contract assets	*21*	(95,038)	6,109
Trade receivables	*22*	(7,021)	6,094
Other current assets	*23*	(18,199)	(7,214)
Trade payables	*28*	68,378	46,104
Contract liabilities	*21*	(6,291)	(27,460)
Other current and non-current liabilities	*29, 30*	40,499	753
Accruals for risks and charges and employee benefits	*31, 32*	(3,193)	5,088
Cash flow generated/(absorbed) by operating activities		**107,793**	**155,136**
Income taxes paid		(48,562)	(36,021)
Net cash flow generated/(absorbed) by operating activities		**59,231**	**119,115**
Cash flow from investment activities			
Interest received	*12*	6,519	6,720
Proceeds from sale of property, plant and equipment	*15*	18	212
Proceeds from disposal of intangible assets	*17*	–	–
Change in other equity investments and other non-current assets	*19, 36, 37*	(997)	611
Acquisition of subsidiaries, associates or business units	*19*	(80,391)	(6,436)
Acquisition of property, plant and equipment	*15*	(20,846)	(21,541)
Purchase of intangible assets	*17*	(10,658)	(10,075)
Net cash flow generated/(absorbed) by investment activities		**(106,355)**	**(30,509)**

(€'000)	Notes	31 December 2024	31 December 2023
Cash flow from financing activities			
Financial interests and expense paid	*12*	(1,408)	(1,458)
Proceeds from the issue of share capital	*26*	2,514	3,400
Proceeds from loans/bank advances	*27*	44,796	–
Repayment of loans/bank advances	*27*	(10,740)	(31,292)
Changes in other financial assets and liabilities including derivatives	*25, 27, 33*	(22,166)	11,149
New financial leases	*27*	6,842	237
Repayment of financial leases	*27*	(3,120)	(483)
Assumption of new loans	*27*	–	–
Other changes in equity	*26*	(1,961)	(81)
Purchase of treasury shares	*26*	(3,970)	(3,313)
Dividends paid	*26*	(34,805)	(22,978)
Net cash flow generated/(absorbed) by financing activities		**(24,018)**	**(44,819)**
Net change in cash and cash equivalents		**(71,142)**	**43,787**
Cash and cash equivalents at the beginning of the period		183,138	139,351
Cash and cash equivalents at the end of the period		**111,996**	**183,138**

notes to the 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 Company designs, builds and sells boats and pleasure boats in fibreglass, steel and aluminium together with all other materials. It also provides maintenance and charter services for all types of vessels.

2. Basis of preparation

These financial statements as at 31 December 2024 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 financial statements as at 31 December 2024, approved by the Board of Directors of the Company on 10 March 2025, include the statement of financial position, statement of profit/(loss) for the year and the other comprehensive income, statement of cash flow and statement of changes in equity and the notes.
As regards the statement of financial position, the presentation format adopted provides for a distinction between current and non-current assets and liabilities, according to paragraphs 60 et seq. of IAS 1.
The presentation of the statement of profit and loss adopts a classification of costs based on the type of expense.
The statement of cash flow was prepared based on the indirect method and is presented in compliance with IAS 7, classifying the financial flows between operating, investment and financing activities.
Information on the accounting standards adopted by the Company is provided in the paragraph "Accounting standards" of these financial statements.
The Notes to the Annual Financial Statements were supplemented with the additional information required by Consob and the measures it issued in implementation of article 9 of Italian Legislative Decree 38/2005 (Resolutions 15519 and 15520) of 27 July 2006 and Communication DEM/6064293 of 28 July 2006, pursuant to article 78 of the Issuers' Regulations, the EC document of November 2003 and, where applicable, the Italian Civil Code.
It should be noted that with reference to Consob Resolution no. 15519 of 27 July 2006 and Communication no. DEM/6064293 of 28 July 2006, the financial statements highlight significant relations with related parties in order to provide better information, and the income items deriving from non-recurrent events or transactions are recognised, when significant, separately in the management comments and in the financial information sections.

3. Functional and presentation currency

These financial statements are presented in Euro, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4. Basis of measurement

These annual 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 estimates and valuations

The preparation of annual financial statements and notes thereto in accordance with the IAS/IFRS requires the directors to apply accounting standards that may sometimes be affected by complex and subjective judgements and estimates, based on past experience and assumptions deemed reasonable and realistic in the circumstances. The application of these estimates and assumptions affects the reporting amounts in the financial statement, such as the statement of financial position, the statement of profit and loss, other comprehensive income, the statement of cash flows and the disclosures included herein. The final figures of the financial statement items for which the aforementioned estimates and assumptions were used, may differ from those that were actually realised due to the uncertainties that characterise the assumptions and the conditions on which the estimates are based. Estimates and assumptions are periodically reviewed and the effects of each change are reflected in the period in which the estimate revision is made, if such revision affects only the current period or also in the following periods if the revision affects current and future periods.
The captions most affected by directors' judgements and estimates and for which a change in the circumstances underlying the assumptions applied could have a significant impact on the consolidated 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 Company exercises significant influence over an investee company;
- consolidation: whether the Company has de facto control over an investee.

A number of the Company'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 Company 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.

For further details, please refer to the specific notes and the paragraph "Accounting standards" of these financial statements.

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 bad debts provision for trade receivables and contract assets; key assumptions used to determine the expected credit losses.

For further details, please refer to the specific notes and the paragraph "Accounting standards" of these financial statements.

6. References to accounting standards applied

In preparing these financial statements, the same accounting standards and criteria have been applied as in the preparation of the last annual financial statements, to which reference is made for a detailed explanation, with the exception of the following amendments and interpretations to the accounting standards applicable as of 1 January 2024, which, however, did not have a significant impact on the Annual Financial Statements.

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

Reference accounting standard	Effective date
Lease liabilities in a sale and leaseback (Amendments to IFRS 16 Leasing)	1 January 2024
Classification of liabilities between current and non-current (including Classification of liabilities between current and non-current - Extension of effective date) (Amendments to IAS 1 Presentation of Financial Statements)	1 January 2024
Non-current liabilities with covenants (Amendments to IAS 1 Presentation of Financial Statements)	1 January 2024
Supplier Finance Arrangements (Amendments to IAS 7 Cash Flow Statement and IFRS 7 Financial Instruments: Disclosures)	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
Classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026
Subsidiaries without public liability (IFRS 19)	1 January 2027
Presentation and disclosure in financial statements (IFRS 18)	1 January 2027

In addition to the aforementioned pronouncements, the IFRS Interpretations Committee (IFRIC) issued several agenda decisions during 2024, which do not constitute binding guidance. However, they state the reasons why the IFRIC did not include a topic on its agenda (or report it to the IASB) and how the requirements of IFRS Accounting Standards are to be applied.
Based on the preliminary analyses carried out, at present, no significant impact is expected on Sanlorenzo.

ACCOUNTING STANDARDS

Significant accounting standards

The accounting standards described below have been consistently applied to all periods included in these annual financial statements, unless otherwise indicated (see also note "Significant accounting standards" in these financial statements).
Some items of the income and comprehensive income statements presented for comparative purposes, where necessary, have been reclassified or restated to reflect the change in a standard (see also note "Significant accounting standards" in these financial statements) or the change in classifications of some components.

Basis of preparation

The annual financial statements as at 31 December 2024 include the statement of financial position, the statement of profit/(loss) for the year and other comprehensive income, the statement of changes in equity, the statement of cash flow and the corresponding explanatory notes.
The financial statements have been prepared in accordance with the "International Financial Reporting Standards" (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union. IFRS include the ruling International Accounting Standards (IAS) and all the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), previously called the Standing Interpretations Committee (SIC).
The annual financial statements have been prepared using the historical cost method (any exceptions to this method are explained below) and the going concern assumption. The Directors have in fact, determined that there are no significant uncertainties (as defined by paragraph 25 of IAS 1) on business continuity.
Among the options allowed by IAS 1, the Company 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.
The significant accounting standards adopted to prepare the annual financial statements applied to all the periods presented in the Company's financial statements are described below.
Unless specified otherwise, the accounting standards have been applied consistently to all the periods included in the annual financial statements. Please refer to note "Significant accounting standards" for more information and details regarding the application of the accounting standards.

Foreign currency transactions

Foreign currency transactions are recorded in €by applying to the amount in foreign currency the spot rate of exchange between the €and the foreign currency in effect as at the transaction date.
Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss as finance expense.

Revenues from contracts with customers

In accordance with IFRS 15, revenues from contracts with customers are recognised when control of the good or service is transferred to the customer either over time or at a point in time.
In relation to pre-owned boats, since the acquisition of the same takes place following the sales of new boats and constitutes part of the payment of the agreed price, it should be noted that, according to IFRS 15, the sale price of new boats and therefore also the calculation of the related revenues reflects the difference between the contractually attributed value of the pre-owned boats and their relative fair value.
Contracts for the sale of new boats that meet the requirements for the recognition of revenue over time are classified as "contract assets" or "contract liabilities" depending on whether the difference between the fulfilment of the performance obligation by the Company and the progress payments received from the customer is positive or negative. In particular:

- Contract assets include the right to the consideration for the goods or services already transferred to the customer;
- contract liabilities show the Company's obligation to transfer goods or services to the customer for which it has already received (or has the right to receive) a consideration.

If a contract has more than one performance obligation, which is a promise to transfer a distinct good or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to a customer, classification as a contract asset or liability takes place considering all the performance obligations as a whole.
Assets and liabilities arising from contracts with customers where the revenue is recognised over time are measured using the cost-to-cost method, whereby the contract costs, revenue and profit or loss is recognised in line with fulfilment of the performance obligation (progress towards completion).The percentage of costs incurred at the reporting date is compared to the total costs to satisfy the performance obligation.
Conversely, if the requirements for the recognition of revenue over time are not met, revenue is recognised at a point in time. In this case, progress towards completion is recognised under inventories.
Contract assets are recognised net of any accumulated impairment losses.
Estimates are periodically updated and any economic effects are accounted for in the year in which the updates are made. Onerous contracts are treated in accordance with the methods described further on in this note.
The consideration for contracts in a currency other than the functional currency is measured by translating the accrued consideration, calculated using the percentage of completion method, using the closing rates.The Company's exchange rate risk policy requires that all contracts that expose cash flows to changes in exchange rates are hedged on time.

See note "Financial instruments – Fair values and risk management" for information on derivatives designated as hedging instruments.
Revenues related to maintenance, sales of spare parts and charter services activities are managed through spot orders from the client and are recognised on a "point in time" basis.

Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payment transactions

The Company implements share-based payment transactions settled with equity instruments, as part of the remuneration policy adopted for executive directors, general managers, managers with strategic responsibilities and employees with a permanent contract of employment and at least one office worker of Sanlorenzo S.p.A. and its directly or indirectly controlled subsidiaries.
The theoretical benefit attributed to the beneficiaries of the stock option plan is charged to the income statement, with a contra-entry in the shareholders' equity reserve, over the period during which the beneficiaries obtain the right to the incentives (vesting period).
The amount recognised as an expense is adjusted to reflect the actual number of incentives for which the conditions of continued service and non-market performance have vested, so that the final amount recognised as an expense is based on the number of incentives meeting those conditions as of the vesting date. In the case of incentives recognised in share-based payment whose conditions are not to be considered vesting, the fair value at the grant date of the share-based payment is measured to reflect those conditions. With reference to the non-vesting conditions, any differences between the assumptions on the allocation date and the actual ones will have no impact on the financial statements.
This benefit is quantified by measuring the fair value of the shares at the grant date using financial valuation techniques, including any market conditions in the valuation, and adjusting at each reporting date the number of rights expected to be granted.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans
The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.
An independent actuary performs the calculation using the projected unit credit method. When the calculation generates a surplus, the Company recognises a net benefit asset to the extent of the asset ceiling, i.e. the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.
Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest for the year on the net liability/(asset) for defined benefits is calculated by applying to the net liability/(asset) the discount rate used to discount the defined benefit obligation, determined at the beginning of the year, considering any changes in the net liability/(asset) for defined benefits that occurred during the year following the contributions received and the benefits paid. Net interest and other expenses on the net defined benefit liability (asset) are recognised in profit or loss.
When changes are made to the benefits of a plan or when a plan is curtailed, the portion of the economic benefit relating to past service or the profit or loss resulting from the plan curtailment is recognised in the profit/(loss) of the year at the time of the adjustment or curtailment.

Other long-term employee benefits
The Company's net obligation in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. This benefit is discounted. Revaluations are recognised in profit/(loss) for the year when they arise.

Termination benefits
Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within twelve months of the reporting date, then they are discounted.

Public contributions

Government grants relating to costs incurred during the period are recognised in profit or loss as other income when the government grant becomes receivable. Other government grants relating to assets recorded in the balance sheet are initially recognised at fair value as deferred revenues if there is reasonable certainty that they will be received and that the Company will comply with the conditions for their receipt and are then recognised in profit/loss for the year as other income on a systematic basis over the useful life of the asset to which they refer.

Cost recognition

Costs are recognised when they relate to goods or services acquired or used in the period or on an accruals basis.

Financial income and expenses

Interest income or expense is recognised in profit and loss using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established. The effective interest rate is the rate that exactly discounts the estimated future payments or collections over the financial asset's useful life: – is the gross book value of the financial asset; or – at the amortised cost of the financial liability. In order to calculate interest income and expense, the effective interest rate is applied to the asset's gross carrying amount (when the asset is not impaired) or the liability's amortised cost. Moreover, when a financial asset is impaired after initial recognition, interest income is calculated by applying the effective interest rate to the financial asset's amortised cost. Should the financial asset no longer be impaired, the interest income is again calculated considering the asset's gross carrying amount.

Income taxes

The tax expense for the period includes the current and deferred taxes recognised in profit or loss, except for those related to business combinations or captions recognised directly in equity or other comprehensive income. The Company recognises interest and fines related to income taxes, including the accounting treatment to be applied to income taxes of an uncertain nature, in accordance with IAS 37 - Provisions, contingent liabilities and contingent assets, when they do not meet the definition of income taxes.

Current taxes

Current taxes comprise the expected tax payable or receivable on the taxable profit or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only when certain criteria are met.

Deferred taxes

Deferred taxes are recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognised for:

- temporary differences arising on the initial recognition of assets and liabilities in a transaction other than a business combination that does not affect either the accounting profit or loss or the taxable profit (or tax loss);
- temporary differences arising on investments in subsidiaries, associates and joint ventures where the Company is able to control when they will reverse and it is probable that the temporary differences will not reverse in the foreseeable future and taxable temporary differences recognised on goodwill; and
- taxable temporary differences related to the initial recognition of the goodwill.

Deferred tax assets are recognised for unused tax losses and tax credits, as well as for deductible temporary differences, to the extent that it is probable that future taxable income will be available against which such assets can be used. Future taxable income is defined on the basis of the cancellation of the relative deductible temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. These reductions must be reinstated when the probability of future taxable income increases.
Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that the Company will acquire future taxable profits again which they can be used.
Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.
Measurement of the deferred tax reflects the tax effects of how the Company expects to recover or settle the carrying amount of assets and liabilities at the reporting date.
Deferred tax assets and liabilities are offset only when certain criteria are met.

Trade receivables

Trade receivables arising on the sale of goods or services produced or sold by the Company are recognised under current assets. They are recognised at their nominal amount (shown in the invoice) net of any loss allowance, provided for on the basis of an estimate of the risk that the trade receivables will not be collected at the reporting date.

Trade receivables are subsequently measured at amortised cost, which is their initial recognition amount net of principal repayments, increased or decreased by amortisation applying the effective interest method to any difference between the initial carrying amount and their amount at repayment, less any adjustments (made directly or through the bad debts provision) due to a loss in value or because the trade receivables are not expected to be recovered.

On initial recognition, trade receivables without a significant financing component are initially measured at the transaction price.

The Company recognises impairment losses where there is objective evidence that it will not recover the amount from the counterparty in line with the contract terms.

Objective evidence includes events such as:

a) significant financial difficulty of the borrower;

b) pending legal disputes with the borrower about the recoverability of the amount;

c) c) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

The impairment loss is calculated as the difference between the carrying amount of the asset and the present value of the future cash flows recognised in profit or loss. Unrecoverable amounts are derecognised from the statement of financial position through the bad debts provision. If in subsequent periods, the reasons for the previous impairment losses cease to exist, the value of the assets is restored up to the value that would have derived from the valuation at amortised cost.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined according to the FIFO method. In the case of inventories of products manufactured by the Company, cost includes an appropriate share of production overheads based on normal operating capacity.

Property, plant and equipment

Recognition and measurement

Property, plant and equipment are measured at cost, including capitalised borrowing costs, net of depreciation and any impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent costs

Subsequent costs are capitalised only when it is probable that the related future economic benefits will flow to the Company.

Depreciation/amortisation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives. Depreciation is generally recognised in profit/(loss) for the year. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for current and comparative periods are as follows:

Land and buildings	
Industrial buildings	3%
Buildings on third-party land	State concession term
Plant and equipment	
Plant and equipment	11.50%
Industrial and commercial equipment	
Industrial equipment	25%
Moulds and models	12.50%
Cradles	10%
Other assets	
Trade fair furniture and fittings	10%
Office furniture and equipment	12%
Furniture and electronic equipment	20%-25%
Light construction	10%
Vehicles	20%
Other	10%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Intangible assets and goodwill

Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Research expenditure is expensed under profit/(loss) when incurred. Development costs are capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, they are recognised in profit or loss as incurred. Subsequent to initial recognition, capitalised development costs are measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets with a finite useful life are recognised at cost less amortisation and any impairment losses.

Subsequent costs

Subsequent costs are capitalised only when they increase the expected future economic benefits attributable to the asset to which they refer. All other subsequent costs, including those relating to goodwill and internally generated trademarks, are charged to the profit/(loss) for the year in which they are incurred.

Depreciation/amortisation

Amortisation is calculated to write off the cost of intangible assets, except for goodwill and trademarks, less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for current and comparative periods are as follows:

Development costs	8 years - 12.50%
Software	5 years - 20%
Mooring	Transaction duration
Other	Based on the duration of individual transactions

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Cash and cash equivalents

Cash and cash equivalents include cash, deposits with banks or other credit institutions available for current operations, postal accounts and other cash equivalents as well as investments with a maturity of less than three months. Cash and cash equivalents are recognised at their fair value which is usually equal to their nominal amount.

Financial instruments

Recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.
A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, trade receivables without a significant financing component are initially measured at the transaction price.

Financial assets: classification and subsequent valuation

On initial recognition, financial assets are classified according to the valuation:

- amortised cost;
- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL).

The Company defines their classification in line with the business model within which the financial assets are held and the contractual cash flow characteristics of the financial asset.
Financial assets are not reclassified after their initial recognition unless the Company modifies the business model for the management of financial assets. In this case, all involved financial assets are reclassified on the first day of the year following the change made to the business model.
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This choice is made for each asset. .
All financial assets not classified as valued at amortised cost or at FVOCI, as indicated above, are valued at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: assessment of the business model

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Financial assets: assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet the following condition. For assessment purposes, the Company takes into consideration:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate elements;
- elements on prepayments and extension; and
- contract terms that limit the Company's requests for cash flows to specific assets.

Financial assets: subsequent valuation and profits and losses

Financial assets measured at FVTPL: these assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the profit/(loss) for the period. See note "Financial instruments – Fair values and risk management" for information on derivatives designated as hedging instruments.

Financial assets measured at amortised cost: these assets are subsequently valued at amortised cost in accordance with the effective interest criterion. The amortised cost is decreased by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss of the year as are any derecognition gains or losses.

Debt securities measured at FVOCI: these assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit/(loss) of the year. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit/(loss) of the year.

Equity securities measured at FVOCI: these assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss of the year unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified contractual terms is recognised at fair value.
On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives and hedge accounting

The Company uses derivatives to hedge its exposure to currency and interest rate risks.
Derivatives are always measured at fair value through profit or loss, unless they qualify for hedge accounting for a specific risk related to the Company's underlying asset or liability or commitments.
At inception of the designed hedging relationship, the Company documents its risk management objective and strategy, the economic relationship between the hedged item and the hedging instrument and whether changes in the cash flows of the hedged item and the hedging instrument will offset each other.

CASH FLOW HEDGES

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.
The Company designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument. The change in fair value of the forward element of forward exchange contracts (forward points) is separately accounted for as a cost of hedging and recognised in a cost of hedging reserve within equity.
If a hedged forecast transaction leads to the subsequent recognition of a non-financial asset or liability, for example, inventories, the gain or loss accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the asset or liability at recognition. The gain or loss for all other hedged planned transactions is reclassified from the hedging reserve and the costs of hedging reserve to profit or loss in the same year or years in which the hedged future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial asset or liability, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income taxes relating to transaction costs of an equity transaction are accounted for in accordance with IAS 12.

Repurchase and reissue of ordinary shares (treasury shares)

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity. The resulting surplus or deficit on the transaction is recognised under share premium.

Impairment losses

Non-derivative financial instruments and contract assets

The Company recognises bad debts provisions for ECLs on:

- financial assets measured at amortised cost;
- debt investments at FVOCI;
- contract assets.

The Company measures the bad debts provision as equal to the lifetime expected credit losses, except for that set out below for the 12-month expected credit losses:

- debt instruments with a low credit risk at the reporting date; and
- other debt securities and bank current accounts with a credit risk (i.e., the default risk expected over the financial instrument's term) that has not increased significantly since initial recognition.

The bad debts provision for trade receivables and contract assets is always measured considering their lifetime expected credit losses.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

The Company considers reasonable and supportable information that is available without undue cost or effort that is indicative of significant increases in credit risk since initial recognition to estimate the expected credit losses. This includes quantitative and qualitative information and analyses, based on the Company's historical experience, on credit assessment as well as on information indicative of expected developments (''forward-looking information''). The credit risk of a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a debt or an advance payment by the Company that it would have not otherwise been taken into consideration;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Bad debts provisions for financial assets measured at amortised cost are deducted from the carrying amount of the assets. For debt securities at FVOCI, the bad debts provision is charged to profit or loss of the year and is recognised in OCI.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing-off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Impaired non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the Company estimated the asset's recoverable amount. The recoverable value of goodwill is, on the other hand, estimated annually.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash-Generating Units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss of the year. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

Provisions

A provision is recognised when, at the reporting date, the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation.
The discount rate used to calculate the present value of the liability reflects assessments of the time value of money and the risks specific to the liability. Changes in estimates are recognised in the income statement in the year the change takes place. The disclosure required by IAS 37 - Provisions, contingent assets and contingent liabilities is not provided for some disputes in order not to jeopardise the Company's position vis-à-vis these disputes or negotiations.
Risks for which a liability is solely possible are disclosed in the section of the notes on commitments and risks and no provision is made.
With respect to contract assets and liabilities, if the business plan is revised during the contract term and the contract becomes onerous, the portion of the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it is recognised in full in the period in which they are expected to be incurred and provided for in a "Provision for onerous contracts" under current liabilities. The reversal of these provisions is recognised as absorption within "Other operating revenues".

Leases

Determining whether an arrangement contains a lease

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If, in the case of a financial lease, the Company decides that it is not feasible to accurately divide the instalments, then an asset and liability are recognised in an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and a finance cost on the liability is recognised using the Company's incremental borrowing rate.

Leased assets

Leases of property, plant and equipment that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.
Assets held under other leases are classified as operating leases and are not recognised in the Company's statement of financial position.

Lease payments

Payments relating to operating leases are recognised as a cost on a straight-line basis over the lease term. The incentives granted to the lessee are recognised as an integral part of the total cost of the lease over the lease term. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. Interest expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating result

The operating result is determined by the Company's operating activities that generate ongoing revenues and by other income and costs related to operating activities. Operating profit excludes net financial expense, share of profit of equity-accounted investees and income taxes.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting standards and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. 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: when available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2: in the absence of a quoted price in an active market, inputs are used that are observable for the asset or liability, either directly (prices) or indirectly (price derivatives).
- Level 3: in the absence of data in Levels 1 and 2, input data related to the asset or liability that is not based on observable market data is used.

The Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If the inputs used to measure the fair value of an asset or liability fall into 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.

The Company records the transfers between the different levels of the fair value hierarchy at the end for the year in which the transfer has taken place. If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

7. Operating segments

The Company is composed of the following operating divisions:

- Yacht Division;
- Superyacht Division.

The operating divisions have been identified in accordance with IFRS 8 as the components of the Company:

- 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 primarily basis for segmentation identified by the Company. 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.

As allowed by IFRS 8.12, 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.

PERFORMANCE FOR THE YEAR

8. Revenues and selling expenses

(€'000)	31 December 2024	31 December 2023	Change
Revenues from contracts with customers	812,371	783,317	29,054
Selling expenses	(36,001)	(31,186)	(4,815)
Net revenues	**776,370**	**752,131**	**24,239**

Revenues from contracts with customers

Revenues from contracts with customers, which relate to the sale of boats, 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 31 December 2024 revenues before selling expenses amounted to €812,371 thousand, an increase of €29,054 thousand compared to €783,317 thousand at 31 December 2023.

A breakdown of revenues from contracts with customers by type is as follows:

(€'000)	31 December 2024	31 December 2023	Change
Revenues from the sale of new yachts	791,736	773,729	18,007
Revenues from the sale of pre-owned boats	9,762	–	9,762
Revenues from maintenance and other services	10,873	9,588	1,285
Revenues from contracts with customers	**812,371**	**783,317**	**29,054**

Revenues from the sale of new boats came to €791,736 thousand as at 31 December 2024, up by €18,007 compared to 31 December 2023.
Revenues from the sale of used boats amounted to €9,762 thousand as at 31 December 2024.
Revenues for maintenance services, parts sales for all types of boats and other services amounted to €10,873 thousand as at 31 December 2024 and €9,588 thousand as at 31 December 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 line is provided below:

(€'000)	31 December 2024	31 December 2023	Change
Yacht Division	521,075	530,612	(9,537)
Superyacht Division	291,296	252,705	3,8591
Revenues from contracts with customers	**812,371**	**783,317**	**29,054**

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

(€'000)	31 December 2024	31 December 2023	Change
Italy	105,875	93,554	12,321
Europe (other countries)	385,408	438,034	(52,626)
USA	57,491	29,830	27,661
Americas (other countries)	73,394	54,470	18,924
APAC	65,641	90,388	(24,747)
MEA	124,562	77,041	47,521
Revenues from contracts with customers	**812,371**	**783,317**	**29,054**

Revenues are measured based on the consideration specified in the contract with the customer. In particular, the sale of new boats complies with the requirements for the fulfilment of the performance obligation over the period of time of construction of the boat ("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 expenses

(€'000)	31 December 2024	31 December 2023	Change
Commissions	(26,239)	(31,186)	4,947
Collection and handling costs for pre-owned boats	(9,762)	–	(9,762)
Selling expenses	**(36,001)**	**(31,186)**	**(4,815)**

Boat selling expenses include commissions and the costs of collecting, handling and selling pre-owned boats taken in trade-in.
In particular, commissions, which refer to the costs incurred by the Company for the intermediation activity carried out by dealers and agents, are slightly down compared to the previous year.
Costs for the collection and management of pre-owned boats amounted to €9,762 thousand as at 31 December 2024.

9. Other income

(€'000)	31 December 2023	31 December 2022	Change
Gains on disposals of assets	18	58	(40)
Other revenue	14,458	8,793	5,665
Other income	**14,476**	**8,851**	**5,625**

Other income at 31 December 2024 amounted to €14,476 thousand, an increase of €5,625 thousand compared to €8,851 thousand at 31 December 2023.
Other revenues mainly include income for services and chargebacks to suppliers, insurance reimbursements, contingent assets 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.

10. Operating costs

(€'000)	31 December 2024	31 December 2023	Change
Increases in internal work	(2,000)	(1,715)	(285)
Costs for raw materials, consumables and finished products	243,402	222,874	20,528
Outsourcing	298,092	278,950	19,142
Other service costs	55,904	64,128	(8,224)
Change inventories of work in progress, semi-finished and finished products	(25,403)	(17,373)	(8,030)
Personnel expenses	58,470	50,906	7,564
Other operating costs	5,533	4,660	873
Accruals to provisions and impairment losses	5,483	16,053	(10,570)
Operating costs	**639,481**	**618,483**	**20,998**

Operating costs amounted to €639,481 thousand and €618,483 thousand for 2024 and 2023, respectively. The increase on the previous year, amounting to €20,998 thousand, is in line with the growth in revenues.
The work performed by the Company and capitalised refers to the costs of the personnel involved in the development of new boats, 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.
Outsourcing chiefly related to naval carpentry services, turnkey furnishings for yachts and superyachts, electrical and plumbing work and the fitting of the boat'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 24 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.
The change in inventories of work in progress, semi-finished and finished products was €(25,403) thousand and €(17,373) thousand respectively as at 31 December 2024 and 31 December 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, equal to €7,564 thousand between 31 December 2024 and 31 December 2023, follows the growth trend of personnel linked to the expansion of the Group, as shown in the following table:

	31 December 2024	31 December 2023	Change
Executives	34	37	(3)
White collars	651	585	66
Blue collars	72	81	(9)
Total employees	**757**	**703**	**54**

The average by qualification is shown below:

	31 December 2024	31 December 2023	Change
Executives	35	39	(4)
White collars	622	526	96
Blue collars	72	86	(14)
Total employees	**729**	**651**	**78**

A breakdown of personnel expenses is as follows:

(€'000)	31 December 2024	31 December 2023	Change
Salaries and wages	43,501	37,544	5,957
Social security contributions	12,449	11,107	1,342
Post-employment benefits	2,520	2,255	265
Total personnel expense	**58,470**	**50,906**	**7,564**

Other operating costs related to advertising for €2,060 thousand and €2,586 thousand as at 31 December 2023 and 2024, respectively, and other sundry costs stood at €2,600 thousand and €2,947 thousand as at 31 December 2023 and 2024, respectively.
As at 31 December 2024 accruals to provisions and impairment losses included €5,133 thousand related to job order completion activities and €350 thousand related to accruals to provisions for risks and guarantees on vessels.

11. Amortisation, depreciation and impairment losses of fixed assets

(€'000)	31 December 2024	31 December 2023	Change
Amortisation of intangible assets	7,954	7,519	435
Depreciation of property, plant and equipment	18,780	18,909	(129)
Amortisation, depreciation and impairment losses	**26,734**	**26,428**	**306**

Amortisation, depreciation and impairment losses amounted to €26,734 thousand and €26,428 thousand respectively as at 31 December 2024 and 2023. The increase in depreciation and amortisation, equal to €306 thousand, is related to the investments made during the period.
As at 31 December 2024, amortisation of intangible assets was equal to €7,954 thousand and mainly consisted of amortisation of development expenses for €6,742 thousand, amortisation of state concession of the La Spezia shipyard for €152 thousand, amortisation of the rights to use the Viareggio warehouses for €565 thousand and amortisation of software applications for €304 thousand.
As at 31 December 2024 depreciation stood at €18,780 thousand and mainly consisted of depreciation of industrial and commercial equipment (€7,172 thousand), land and buildings (€5,197 thousand) and plant and equipment (€2,749 thousand).
In accordance with IAS 8 and IAS 38, the Sanlorenzo brand is no longer subject to amortisation as it is qualified, following a change of estimate in relation to the useful life, from intangible assets with a finite useful life to intangible assets with indefinite useful life.

12. Net financial income/(expense)

(€'000)	31 December 2024	31 December 2023	Change
Financial income	6,519	6,720	(201)
Financial expense	(1,408)	(1,458)	50
Net financial income/(expense)	**5,111**	**5,262**	**(151)**

Net financial income amounted to €5,111 thousand as at 31 December 2024 compared to €5,262 as at 31 December 2023.
Financial income amounted to €6,519 thousand and derived mainly from the investment of available liquidity. Please refer to Note 33 "Cash management" for more information on the investments made by the company.
A breakdown of each item making up this caption is provided below:

(€'000)	31 December 2024	31 December 2023	Change
Interest income - third parties and credit institutions	621	1,001	(380)
Interest income on loans to subsidiaries	779	604	175
Interest income on loans to associated companies	–	19	(19)
Income from financial investments	5,106	5,096	10
Other income	13	–	13
Financial income	**6,519**	**6,720**	**(201)**

(€'000)	31 December 2024	31 December 2023	Change
Interest expense - banks	(991)	(698)	(293)
Interest expense - third parties	(3)	(2)	(1)
Interest expense on lease liabilities	(129)	(44)	(85)
Other financial expense	(365)	(284)	(81)
Foreign exchange rate gains/(losses)	80	(430)	510
Financial expense	**(1,408)**	**(1,458)**	**50**

13. Net profit from equity investments and adjustments to financial assets

(€'000)	31 December 2024	31 December 2023	Change
Income/(expense) from equity investments	(88)	(71)	(17)
Adjustments to financial assets	223	689	(466)
Net profit from equity investments and adjustments to financial assets	**135**	**618**	**(483)**

Expenses from equity investments, amounting to €88 thousand, include the valuation at equity of the associated companies (Carpensalda Yacht Division S.r.l.).
For more details and information on investments in associated companies, please refer to the note "Associated companies" in these financial statements.
Adjustments to financial assets of €223 thousand mainly refer to the recognition of the fair value of financial instruments held by Sanlorenzo as part of the Company's strategy for investing and managing its cash.
For more details and information on the composition of the portfolio, please refer to the note "Cash management" in these financial statements.

14. Income taxes

(€'000)	31 December 2024	31 December 2023	Change
Current taxes	(32,536)	(37,117)	4581
Taxes relative to prior years	(513)	(1,585)	1072
Deferred tax assets and liabilities	(2,815)	3711	(6,526)
Income taxes	**(35,864)**	**(34,991)**	**(873)**

In 2024, income taxes stood at €(35,864) thousand, up by €(873) thousand over the previous year. This item consists of current taxes, equal to €(32,536) thousand, taxes for prior years, equal to €(513) thousand, including the provision made to take into account any tax liabilities abroad, and the change in deferred tax assets and liabilities, equal to €2,815 thousand.

A reconciliation between the effective and theoretical tax expense is as follows: Income taxes in 2024 were equal to 27.6% of the pre-tax result.

(€'000)	31 December 2024	31 December 2023
Pre-tax profit	**129877**	**121951**
Tax rate	24%	24%
Theoretical IRES	31,170	29,268
Non-deductible costs and charges	(3,372)	452
Non-taxable positive components	(218)	(1,318)
Effect changes temporary and other differences	3,533	1,428
IRAP	4,751	5,161
Income taxes	**35,864**	**34,991**

Current tax assets and liabilities

(€'000)	31 December 2024	31 December 2023	Change
Current tax assets	37,961	27,027	10,934
Current tax liabilities	(31,860)	(36,685)	4,825
Net assets/(liabilities) for current taxes	**6,101**	**(9,658)**	**15,759**

Net deferred tax assets

(€'000)	31 December 2024	31 December 2023	Change
Net deferred tax assets	6,419	9,235	(2,816)

Net deferred tax assets include the difference between deferred tax assets and liabilities that arose over the years. Net deferred tax assets were equal to €6,419 thousand as at 31 December 2024 and €9,235 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 income taxes for the current year and previous years to be paid in subsequent years in line with applicable tax regulations.
The tables below show the changes, the nature and the amount of the temporary differences relating both to the amounts credited to the income statement and to other comprehensive income (OCI) for the year ended 31 December 2024.

(€'000)	Tax effect 1 January 2024	Use 2024	Accruals 2024	Tax effect as at 31 December 2024
Deferred tax assets				
Loss allowance	91	–	–	91
Provisions for risks and charges	8,863	(5,290)	2,238	5,811
Write-down tangible assets	47	–	–	47
Unpaid membership fees	–	–	5	5
Impairment of pre-owned yachts	70	(70)	341	341
Deferral R&D	53	(47)	–	6
Legal fees	242	(242)	–	–
Debt accounting at amortised cost	46	(25)	–	21
Obsolete inventories	210	–	28	238
Other	–	–	–	–
Total deferred tax assets with impact on income statement	**9,622**	**(5,674)**	**2,612**	**6,560**
Total deferred tax assets	**9,622**	**(5,674)**	**2,612**	**6,560**

(€'000)	Tax effect 1 January 2024	Use 2024	Accruals 2024	Tax effect as at 31 December 2024
Deferred taxes				
Amortisation of development costs over useful life	353	(246)	–	107
Total deferred tax liabilities with impact on income statement	**353**	**(246)**	**–**	**107**
Effect of IAS 19	34	–	–	34
Total deferred tax liabilities from other comprehensive income (OCI)	**34**	**–**	**–**	**34**
Total deferred tax liabilities	**387**	**(246)**	**-**	**141**
Net deferred tax assets	**9,235**	**(5,428)**	**2,612**	**6,419**

ASSETS

15. Property, plant and equipment

Property, plant and equipment amounted to €143,094 thousand and €141,134 thousand as at 31 December 2024 and 31 December 2023, respectively.
A breakdown of the item and its changes over the year are provided in the table below.

(€'000)	Land and buildings	Industrial equipment	Plant and equipment	Other assets	Fixed assets in progress	Total
Historical cost	126,065	77,126	22,244	20,050	999	246,484
Accumulated amortisation, depreciation and impairment losses	(38,097)	(50,027)	(9,066)	(10,593)	–	(107,783)
Net carrying amount as at 31 December 2022	**87,968**	**27,099**	**13,178**	**9,457**	**999**	**138,701**
Changes 2023						
Additions	6,861	5,709	3,330	3,161	2,480	21,541
Disposals	(58)	(50)	(8)	(142)	(125)	(383)
Reclassifications	366	148	146	–	(587)	73
Amortisation	(6,393)	(6,983)	(2,319)	(3,214)	–	(18,909)
Utilisation of accrued amortisation	3	13	1	94	–	111
Fund reclassifications	–	–	–	–	–	–
Historical cost	**133,234**	**82,933**	**25,712**	**23,069**	**2,767**	**267,715**
Accumulated amortisation, depreciation and impairment losses	(44,487)	(56,997)	(11,384)	(13,713)	–	(126,581)
Net carrying amount as at 31 December 2023	**88,747**	**25,936**	**14,328**	**9,356**	**2,767**	**141,134**

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(€'000)	Land and buildings	Industrial equipment	Plant and equipment	Other assets	Fixed assets in progress	Total
Changes 2024						
Additions	5,472	6,666	3,888	4,121	699	20,846
Disposals	(12)	(20)	–	(318)	(65)	(415)
Reclassifications	176	1,600	589	25	(2,390)	–
Depreciation/amortisation	(5,197)	(7,172)	(2,749)	(3,662)	–	(18,780)
Utilisation of accrued amortisation	–	3	–	306	–	309
Fund reclassifications	–	–	–	–	–	–
Historical cost	**138,870**	**91,179**	**30,189**	**26,897**	**1,011**	**288,146**
Accumulated amortisation, depreciation and impairment losses	(49,684)	(64,166)	(14,133)	(17,069)	–	(145,052)
Net carrying amount as at 31 December 2024	**89,186**	**27,013**	**16,056**	**9,828**	**1,011**	**143,094**

As at 31 December 2024, property, plant and equipment included:

- Land and buildings equal to €89,186 thousand: these mostly refer to the Company's buildings located at the production facilities in Ameglia (SP), Viareggio (LU), Massa (MS) and La Spezia (SP).
- Industrial equipment for €27,013 thousand: these mostly refer to technical equipment, for scaffolding, handling and fibreglass moulding extraction and the realisation of moulds.
- Plants and machinery equal to €16,056 thousand: for the most part they relate to fire-fighting, electrical, hydraulic and suction systems.
- Other assets equal to €9,828 thousand: mainly include office furniture and fittings, trade fair equipment and electronic equipment.
- Assets in progress equal to €1,011 thousand: mainly consist of costs incurred for the realisation of new models and moulds.

In 2024, increases in property, plant and equipment amounted to €20,846 thousand and primarily related to industrial equipment for €6,666 thousand, buildings for €5,472 thousand, other assets for €4,121 thousand and plants for €3,888 thousand.
In 2024, disposals were equal to €415 thousand, net of accumulated depreciation for €309 thousand and concerned mainly the sale of motor vehicles and internal transport means.
Amortisation and depreciation in 2024 was equal to €18,780 thousand, €129 thousand lower than in 2023.

16. Goodwill

Goodwill is recognised in the 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 Company makes it necessary to test it for impairment also during preparation of the interim reports (in this regard, see note 18 Impairment test).
For impairment testing purposes, goodwill acquired as part of a business combination is allocated to the individual Cash-Generating Units (or groups of CGUs) that are expected will benefit from the combination synergies, in line with the minimum level for which that goodwill is monitored by the Company.
After its initial recognition, goodwill is valued at cost net of accumulated impairment.

(€'000)	31 December 2024	31 December 2023	Change
Goodwill	8,667	8,667	-

Goodwill amounted to €8,667 thousand as at 31 December 2024 and 31 December 2023 and relates to the deficit deriving from the 2008 merger by incorporation of the former parent company Happy Life S.r.l together with its subsidiary FlyOpen S.p.A. into Sanlorenzo S.p.A.
The balance of €8,667 thousand is net of depreciation and amortisation recognised up until the date of First Time Adoption of IFRS. The Company applied the exemption, provided by IFRS 1.C1 for business combinations, which allows the first-time adopter not to apply IFRS 3 retrospectively to business combinations that occurred before the date of transition to IFRSs.

17. 1. Other intangible assets

Other intangible assets stood at €51,297 thousand as at 31 December 2024 and €48,593 thousand as at 31 December 2023.
A breakdown of the item at each date presented and changes therein is provided below.

(€'000)	Concessions, licences, trademarks and similar rights	Other fixed assets	Development costs	Fixed assets in progress	Total
Historical cost	28,232	1,676	50,113	3,170	83,191
Accumulated amortisation, depreciation and impairment losses	(9,068)	(1,670)	(26,350)	–	(37,088)
Net carrying amount as at 31 December 2022	**19,164**	**6**	**23,763**	**3,170**	**46,103**
Changes 2023					
Additions	351	–	7,169	2,555	10,075
Disposals	–	–	(53)	(29)	(82)
Reclassifications	–	–	1,969	(1,969)	–
Depreciation/amortisation	(1,487)	(1)	(6,031)	–	(7,519)
Utilisation of accrued amortisation	–	–	16	–	16
Fund reclassifications	–	–	–	–	–
Historical cost	**28,583**	**1676**	**59,198**	**3,727**	**93,184**
Accumulated amortisation, depreciation and impairment losses	(10,555)	(1,671)	(32,365)	–	(44,591)
Net carrying amount as at 31 December 2023	**18,028**	**5**	**26,833**	**3,727**	**48,593**
Changes 2024					
Additions	421	–	6,006	4,231	10,658
Disposals	–	–	–	–	–
Reclassifications	21	1	1,289	(1,311)	–
Depreciation/amortisation	(1,211)	(1)	(6,742)	–	(7,954)
Utilisation of accrued amortisation	–	–	–	–	–
Fund reclassifications	–	–	–	–	–
Historical cost	**29,025**	**1,677**	**66,493**	**6,647**	**103,842**
Accumulated amortisation, depreciation and impairment losses	(11,766)	(1,672)	(39,107)	–	(52,545)
Net carrying amount as at 31 December 2024	**17,259**	**5**	**27,386**	**6,647**	**51,297**

As at 31 December 2024, other intangible assets were composed as follows:

- Concessions, licences, trademarks and similar rights of €17,259 thousand: in detail, this item is composed of the concession acquired together with the business unit of the former Cantieri San Marco for €2,649 thousand, trademark and patents of the Company for €3,765 thousand, mooring rights acquired by the Company until 2067 in La Spezia in "Porto Mirabello" amounting to €1,609 thousand, the right of use for the properties in Viareggio for €8,616 thousand acquired with the demerger of Polo Nautico in previous years and software for €620 thousand.
- Other fixed assets equal to €5 thousand.
- Development costs in the amount of €27,386 thousand: these are represented by the costs for the development and design of new vessels incurred by the Company and it should be noted that no indicators have been identified that would lead to the presumption that capitalised development costs have been impaired.
- Assets under development equal to €6,647 thousand, mostly consisting of development costs for the design and study of new boat models.

In 2024, increases were equal to €10,658 thousand and related to assets under development for €4,231 thousand, development costs for €6,006 thousand and trademarks, patents, rights on use of buildings and mooring rights for €421 thousand.
Depreciation and amortisation in 2024 was equal to €7,954 thousand, €435 thousand higher than in 2023 as a result of the investments made during the year.

Recoverability of development costs

As at 31 December 2024 and 2023, other intangible assets include projects to develop new boats and innovative fibreglass, steel and aluminium solutions for medium to large boats in the amount of €27,386 thousand and €26,833 thousand, respectively.

Its design costs, over 8 years, were amortised based on a 12.5% rate.

Projects normally take between one to three years to develop (roughly 18 months for fibreglass boats) 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 boat design). However, the Group may incur design costs after this if it decides to improve the boat, 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 business forecasts, company management deems that the development costs recognised as at 31 December 2024 are recoverable.

18. Impairment test

With regard to goodwill and intangible assets with indefinite useful life, the impairment test was carried out in compliance with the provisions of the accounting standard IAS 36, which provides for two different configurations of recoverable value, represented by the value in use and the fair value less costs of disposal. Paragraph 18 of IAS 36 defines the "recoverable amount" as "the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use". In this case, as it was not possible to measure the fair value of the assets being tested for impairment, the estimate of their recoverable amount as at 31 December 2024 was made based on the values based on the concept of value in use.

The value in use was calculated with reference to the estimated operating cash flows foreseen for the three-year period 2025-2027, derived from the economic-financial data of the 2024 Preliminary Financial Statements, which constituted the starting basis for the projections for the three-year period of reference, prepared by Management solely for the purpose of calculating the impairment test by resolution of the Board of Directors on 13 February 2025.

The value in use thus obtained was compared with the carrying amount of net operating capital employed, including goodwill and other intangible assets with indefinite useful life, revealing a surplus (i.e., positive difference - so-called headroom - between the recoverable amount and the carrying amount) of about 505% with respect to the carrying amount.

The WACC was used as the discount rate and was estimated as follows:

- the risk-free rate was taken to be equal to the average rate of return on 10-year government bonds, i.e. 3.7%;
- an equity risk premium of 7.26% was used;
- a beta-levered coefficient was measured considering a basket of listed companies active in the same sector as the group and was equal to 0.83.

The cost of debt was estimated to be equal to 3.57%.

A debt to equity ratio of 32.69% was also used, equal to the average debt to equity ratio of a basket of comparables.

Application of this model led to the calculation of a discount rate of 7.74%.

The terminal value was calculated using the "perpetuity" formula, assuming a growth rate "g" of 1.8% and a normalised operating cash flow using the projections for 2027, the last year of the plan taken as reference for impairment test purposes.
The model's sensitivity to changes in these parameters was also tested, to test its robustness and accuracy.
In particular, the model was tested under the assumption of a change in the discount and growth rates of up to 1% and of a 10% decrease in the cash flows estimated based on forecasts. This sensitivity analysis did not suggest the presence of asset impairment.
From the analysis of the base scenario and the sensitivity analyses estimated on the basis of changes in the main parameters of the impairment test, it therefore appears that the value of goodwill and other intangible assets with indefinite useful life recorded in the Company's financial statements is recoverable.
The following table shows the WACC, growth rate "g" and percentage of operating cash flow that individually would make the CGU's recoverable amount equal to its carrying amount as at 31 December 2024.

	Base scenario	WACC	Growth rate	Operating cash flows
WACC	7.74%	36.94%	7.74%	7.74%
Growth rate (g)	1.80%	1.80%	-48.09%	1.80%
Operating cash flows	100.00%	100.00%	100.00%	16.51%

In the document '*European common enforcement priorities for 2024 corporate reporting*' of October 2024, ESMA continues to draw attention to the importance of appropriately reflecting aspects of climate, physical or transition risks in the financial projections adopted to estimate the recoverable amount of intangible assets with indefinite useful lives.
Therefore, in order to also reflect the climatic perspective, updated assumptions reflecting the most recent developments and the latest available information were used to perform the impairment test as governed by IAS 36. In particular, during the preparation of the Consolidated Financial Statements as at 31 December 2024, as already done in the previous year, climate risks were also taken into consideration in the annual assessment of the value of goodwill, in order to determine the basic assumptions used in applying the valuation models for determining the recoverable value of the goodwill recognised in the Consolidated Financial Statements. In addition, in light of the characteristics of the Group's operations, although climate risks were considered for the purpose of the impairment test, these risks were deemed not material for said purposes.
With regard to tangible and intangible assets with a finite useful life, the Company, on the basis of the provisions of accounting standard IAS 36, verified the presence of indicators that could have led to an impairment of these assets. These analyses did not reveal the need to make any adjustments to the carrying value of tangible and intangible assets with a finite useful life.

19. Equity investments and other non-current assets

(€'000)	31 December 2024	31 December 2023	Change
Equity investments in subsidiaries	112,069	15,501	96,568
Equity investments in associates	3,690	3778	(88)
Equity investments in other companies	35	34	1
Financing to subsidiaries and associates	17,916	16,590	1,326
Equity investments and other non-current assets	**133,710**	**35,903**	**97,807**

Financing to subsidiaries and associates refers to long-term investments.
The changes relating to the item equity investments and other non-current assets in the reporting year are detailed in the table below:

(€'000)	Equity investments in subsidiaries	Equity investments in associates	Equity investments in other companies	Financing to subsidiaries and associates	Total
Value as at 31 December 2022	**5,684**	**7,230**	**34**	**4,150**	**17,098**
Investments in the year	6,436	–	–	–	6,436
Valuation with the equity method	–	(71)	–	–	(71)
Change in the scope of consolidation	3,381	(3,381)	–	(1,450)	(1,450)
Other changes	–	–	–	13,890	13,890
Value as at 31 December 2023	**15,501**	**3,778**	**34**	**16,590**	**35,903**
Investments in the year	96,568	–	1	–	96,569
Valuation with the equity method	–	(88)	–	–	(88)
Change in the scope of consolidation	–	–	–	–	–
Other changes	–	–	–	1,326	1,326
Value as at 31 December 2024	**112,069**	**3,690**	**35**	**17,916**	**133,710**

Investments in subsidiaries amounted to €112,069 thousand and €15,501 thousand respectively as at 31 December 2024 and 31 December 2023. The increase is related to the acquisition of the investment in the Simpson Marine Group and the Nautor Swan Group.

The table below shows the figures from the financial statements as at 31 December 2024.

Company name	Capital capital	%	Nominal value (Euro)	Book value (Euro)	Share of equity (Euro)	Equity (Euro)	Profit/(loss) for the year (Euro)
Bluegame S.r.l. Ameglia (SP) - Italy	Euro 100,000	100%	100,000	1,035,500	21,308,823	21,308,823	5,862,615
PN Sviluppo S.r.l. Viareggio (LU) - Italy	Euro 40,000	100%	40,000	6,5000	40,411	40,411	(1,892)
Polo Nautico Viareggio S.r.l. Viareggio (LU) - Italy	Euro 667,400	53%	353,722	357,303	446,002	841,513	18,086
Sanlorenzo Arbatax S.r.l. Tortolì (NU) - Italy	Euro 10,000	100%	10,000	270,000	869,481	869,481	485,865
Equinoxe S.r.l. Turin (TO) - Italy	Euro 184,536	100%	184,536	2,100,000	457,400	457,400	68,183
Duerre S.r.l. Vicopisano (PI) - Italy	Euro 1,000,000	66%	660,000	5,381,663	680,758	1,031,451	(416,282)
Sea Energy S.r.l. Viareggio (LU) - Italy	Euro 25,000	65%	16,250	3,152,500	805,098	1,238,612	172,886
Sanlorenzo of the Americas LLC Fort Lauderdale (FL) - USA	USD 2,000,000	99.9%	1,925,114	2,423,366	6,929,010	6,935,946	(291,400)
Sanlorenzo Baleari SL Puerto Portals, Mallorca – Spain	Euro 500,000	100%	500,000	500,000	(2,623,281)	(2,623,281)	(142,538)
Sanlorenzo Côte d'Azur S.A.S. Cannes - France	Euro 1,000	100%	1,000	1,000	406,866	406,866	(878,379)
Sanlorenzo Monaco S.A.M. Monte-Carlo - Principality of Monaco	Euro 150,000	99.7%	150,000	215,000	(800,455)	(800,455)	(406,501)
Simpson Marine Limited Hong Kong - Hong Kong	HKD 10,240,000	95%	9,728,000	15,680,574	2,431,466	2,559,438	(4,756,212)
Nautor Swan S.r.l. Florence - Italy	Euro 6,500,000	100%	6,500,000	80,886,837	24,248,578	24,248,578	(1,671,210)

As at 31 December 2024, the impairment exercise was carried out for significant investments and investments whose book value is significantly higher than the portion of equity held (Sanlorenzo Baleari SL, Sanlorenzo of The Americas LLC, Simpson Marine Limited and Nautor Swan S.r.l.). This exercise confirmed that the carrying value of these investments is fully recoverable. With regard to the investment held in Duerre S.r.l., considering the business and market prospects, it is deemed that there are no indicators of impairment such as to adjust the carrying value of the investment.
Investments in associates valued using the equity method amounted to €3,690 thousand and €3,778 thousand as at 31 December 2024 and 31 December 2023, respectively. The item refers to the investment held in the associated companies Carpensalda Yacht Division.
Investments in other companies amounted to €35 thousand as at 31 December 2024, and are represented by investments that are fairly negligible in companies and consortia, not falling under the consolidation scope.

20. Inventories

(€'000)	31 December 2024	31 December 2023	Change
Raw materials and consumables	9,941	10,407	(466)
Work in progress and semi-finished products	57,895	47,828	10,067
Finished products	16,466	2,305	14,161
Allowance for inventory write-down	(2,073)	(1,000)	(1,073)
Inventories	**82,229**	**59,540**	**22,689**

Inventories amounted to €82,229 thousand and €59,540 thousand as at 31 December 2024 and 31 December 2023, respectively.
Inventories of raw materials and consumables include the materials necessary to build the boats.
Work in progress and semi-finished products relate to the boat construction contracts that have not been finalised with the customer before year end. The change observed between 31 December 2024 and 31 December 2023 is related to the preparation of products to meet market needs.
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.
Inventories of pre-owned boats include yachts already sold at the closing date of the period to be delivered in the following months for a value of €1,034 thousand.

During the valuation process of pre-owned boats, the Company 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, also through the indications of an independent third party, the uniqueness of each boat 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 Company compared with the competition, provides for each boat that is part of the programme to be valued, managed and reconditioned by the Company's personnel in order to guarantee the efficacy of the boats' machinery and instruments. The valuation of pre-owned boats is based on an independent expert appraisal which considers the factors mentioned above and each boat's general conditions.
The allowance for inventory write-down, including finished products and raw materials, recorded an increase of €1,323 thousand, related to the adjustment of the value of raw materials to the estimated realisable value and the coverage of costs referring to work on used boats sold in the period and a decrease of €250 thousand relating to the use of the fund set aside in previous financial years.

(€'000)	Balance
Allowance for inventory write-down as at 31 December 2023	**1,000**
Allocations	1,323
Utilisations	(250)
Allowance for inventory write-down as at 31 December 2024	**2,073**

21. 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)	31 December 2024	31 December 2023	Change
Contract assets (gross)	795,736	654,749	140,987
Advances received from customers	(550,629)	(504,680)	(45,949)
Contract assets (net)	**245,107**	**150,069**	**95,038**

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).

The net balance of assets arising from contracts as at 31 December 2024 includes a positive amount of €663 thousand relating to the fair value measurement of currency hedges on contracts denominated in US dollars; as at 31 December 2023, this amount was negative for an amount equal to €22 thousand.
Net contract liabilities are as follows:

(€'000)	31 December 2024	31 December 2023	Change
Payables for work to be carried out	7,870	15,841	(7,971)
Total advances received from customers	651,651	604,022	47,629
Advances deducted from contract assets	(550,629)	(504,680)	(45,949)
Contract liabilities (net)	**108,892**	**115,183**	**(6,291)**

The item had a net balance of €108,892 thousand and €115,183 thousand as at 31 December 2024 and 31 December 2023, respectively.

22. Trade receivables

(€'000)	31 December 2024	31 December 2023	Change
Receivables from customers	15,005	15,938	(933)
Trade receivables from subsidiaries and associates	11,326	3,372	7,954
Loss allowance	(671)	(671)	–
Trade receivables	**25,660**	**18,639**	**7,021**

Trade receivables amounted to €25,660 thousand and €18,639 thousand as at 31 December 2024 and 31 December 2023, respectively. As at 31 December 2024, trade receivables increased compared with 31 December 2023, by €7,021 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.
There were no changes in the loss allowance during the year.

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

(€'000)	31 December 2024	31 December 2023	Change
Italy	6,972	11,623	(4,651)
Europe (other countries)	13,281	4,068	9,213
Americas	3,917	2,784	1,133
APAC	917	65	852
MEA	573	99	474
Receivables from customers	**25,660**	**18,639**	**7,021**

A breakdown of receivables from customers by due date is as follows:

31 December 2024 (€'000)	Not expired	Overdue for (dd)		
		0-365	366-730	>730
Receivables from customers	22,316	2,459	77	280
Loss allowance	–	(314)	(77)	(280)
Receivables for customers to be invoiced	1,199	–	–	–
Receivables from customers	**23,515**	**2,145**	**–**	**–**

23. Other current assets

(€'000)	31 December 2024	31 December 2023	Change
Advances to suppliers	37,232	32,843	4,389
Other receivables	2,518	2,653	(135)
Other tax assets	15,717	5,192	10,525
Costs to obtain the contracts	9,001	10,045	(1,044)
Accrued income and prepaid expenses	9,331	4,867	4,464
Other receivables and other current assets	**73,799**	**55,600**	**18,199**

Other current assets amounted to €73,799 thousand and €55,600 thousand as at 31 December 2024 and 31 December 2023, respectively. All receivables in this category are considered collectible and therefore no impairment has been made on them.
During the year ended 31 December 2024, the item shows an increase of €18,199 thousand mainly due to higher advance payments for taxes paid.
Costs to obtain contracts related to agency commissions were down by €1,044 thousand. Agency fees were recognised in the income statement based on a time approach that follows the work in progress on a boat.

24. Cash and cash equivalents

(€'000)	31 December 2024	31 December 2023	Change
Bank and postal current accounts	111,910	183,075	(71,165)
Cash on hand	86	63	23
Cash	**111,996**	**183,138**	**(71,142)**

Cash and cash equivalents amounted to €111,996 thousand and €183,138 thousand as at 31 December 2024 and 31 December 2023, respectively. For further information on the change in cash and cash equivalents, reference should be made to the cash flow statement.

25. Other financial assets, including derivatives

(€'000)	31 December 2024	31 December 2023	Change
Financial receivables from subsidiaries and associates	15,905	621	15,284
Derivatives	598	2,427	(1,829)
Other financial instruments	31,752	21,509	10,243
Other financial receivables	792	–	792
Other financial assets	**49,047**	**24,557**	**24,490**

Financial receivables from subsidiaries and associates, equal to €15,905 thousand as at 31 December 2024 relate to loans granted to Group companies. The increase is mainly due to the disbursement of loans to SWAN Group companies.
Derivatives amounted to €598 thousand and €2,427 thousand as at 31 December 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 reporting dates. The Company uses derivatives to hedge against the risk of fluctuations in US dollars for its sales in that currency and the risks that interest rates on its loans and borrowings may increase.
The item Other financial instruments includes a time deposit, bonds and a guaranteed capital life insurance contract, used by the Company to deploy excess liquidity.
For further details regarding financial risk hedging instruments, please refer to the note "Financial instruments - Fair value and risk management" in these financial statements.

EQUITY AND LIABILITIES

26. Share capital and reserves

Company's equity

The next table provides a breakdown of the Company's equity.

(€'000)	Share capital	Share premium	Other reserves	Profit for the period	Total equity
Value as at 31 December 2023	**34,978**	**84,442**	**132,163**	**86,960**	**338,543**
Allocation of profit for the year	-	-	86,960	(86,960)	-
Dividends distributed	-	-	(34,805)	-	(34,805)
Treasury share sale	-	-	4,536	-	4,536
Purchase of treasury shares	-	-	(8,506)	-	(8,506)
Stock option exercise	144	2,370	(215)	-	2,299
Other changes	420	15,757	720	-	16,897
Other comprehensive income	-	-	(2,466)	-	(2,466)
Profit for the period	-	-	-	94,013	94,013
Value as at 31 December 2024	**35,542**	**102,569**	**178,387**	**94,013**	**410,511**

The following table shows details of Other reserves.

(€'000)	Legal reserve	Extraordinary reserve	Stock option reserve	Treasury shares reserve	Cash flow hedge reserve	Reserve FTA/OCI	Other reserves	Total other reserves
Value as at 31 December 2023	**6,957**	**128,821**	**612**	**(6,263)**	**2,092**	**(223)**	**167**	**132,163**
Allocation of profit for the year	39	86,921	-	-	-	-	-	86,960
Dividends distributed	-	(34,805)	-	-	-	-	-	(34,805)
Treasury share sale	-	-	-	4,536				4,536
Purchase of treasury shares	-	-	-	(8,506)	-	-	-	(8,506)
Stock option exercise	-	-	(215)	-	-	-	-	(215)
Other changes	-	-	1,479	-	(776)	17	-	720
Other comprehensive income	-	-	-	-	(2,459)	(7)	-	(2,466)
Value as at 31 December 2024	**6,996**	**180,937**	**1,876**	**(10,233)**	**(1,143)**	**(213)**	**167**	**178,387**

Share capital and share premium

Ordinary shares

As at 31 December 2024, the Parent Company's share capital amounted to €35,542 thousand, fully paid up, and consisted of 35,542,472 ordinary shares, increased compared to 31 December 2023 due to the subscription of the capital increase to service the 2020 Stock Option Plan for 143,627 shares in the year. On 30 September 2024, the Extraordinary Shareholders' Meeting resolved to increase the share capital in an indivisible manner, with the exclusion of the option right pursuant to Article 2441, paragraph 4 of the Civil Code, by a nominal amount of €420,489.00 and a share premium of €15,756,878.36, through the issue of a maximum number of 420,489 ordinary shares of Sanlorenzo with no nominal value and intended for subscription by Sawa S.r.l. with sole shareholder.

On 24 September 2020, the Company launched a treasury share buy-back program 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 program based on the authorisation resolution by the Ordinary Shareholders' Meeting of 28 April 2022, a plan which concluded on 28 October 2023.

On 12 December 2023, the Ordinary Shareholders' Meeting approved a third share buy-back programme, which began on 9 February 2024. As at 31 December 2024, the Company held 358,546 treasury shares, equal to 1.01% of the subscribed and paid-up share capital.

Share premium

The share premium reserve includes the amount of €102,569 thousand, resulting from the capital increase transactions carried out by shareholders in the 2011 and 2013 financial years, from its partial use in the 2014 financial year for the free increase in the Company's share capital, from the decrease of €19,539 thousand due to the impact of the reverse merger with WindCo and the capital increase connected to the IPO transaction completed in 2019 equal to €65,160 thousand net of placement commissions, from the increase occurred during 2023 and 2024 for €3,206 thousand and €2,370 thousand respectively referring to the exercise of the options relating to the Stock Option Plan and from the increase of €15,757 thousand for the payment in shares of one-third of 60% of the shares at the First Closing for the purchase of the Nautor Swan Group.

Other reserves

(€'000)	31 December 2024	31 December 2023	Change
Legal reserve	6,996	6,957	39
Extraordinary reserve	180,937	128,821	52,116
Stock option reserve	1,876	612	1,264
Reserve for treasury shares in portfolio	(10,233)	(6,263)	(3,970)
Cash flow hedge reserve	(1,143)	2,092	(3,235)
Reserve FTA/OCI	(213)	(223)	10
Demerger surplus	11	11	–
Post-merger reserve	49	49	–
Merger surplus	107	107	–
Other reserves	**178,387**	**132,163**	**46,224**

The item comprises:

- The legal reserve, which includes the allocation, equal to €6,996 thousand, made by the Company according to the provisions of the Italian Civil Code.
- Extraordinary reserve of €180,937 thousand and €128,821 thousand as at 31 December 2024 and 31 December 2023, respectively. The increase in the reserve is due to the appropriation of profit for the year ended 31 December 2023 to reserves, net of dividends paid. A restriction was placed on the extraordinary reserve for €6,370,000, pursuant to article 110, paragraph 8, of Italian Decree-Law no. 104 of 14 August 2020, converted with amendments by Law no. 126 of 13 October 2020.
- The stock option reserve, recognised for a positive value of €1,876 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 stock incentive plan approved by the Ordinary Shareholders' Meeting of 21 April 2020 and reserved for executive directors and key employees of Sanlorenzo and its subsidiaries. For further details regarding this plan, please refer to the note "Share-based payments" in these financial statements.
- The reserve for treasury shares in portfolio of €(10,233) thousand as at 31 December 2024 was created with the launch of the treasury share buy-back program approved by the Company.
- The Cash flow hedge reserve was positive and equal to €(1,143) thousand as at 31 December 2024 and positive for €2,092 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 €(213) thousand as at 31 December 2024 and €(223) as at 31 December 2023.
- Post-merger reserve with capital contributions from the shareholders for €49 thousand as at 31 December 2024 and 31 December 2023, respectively.

- The Merger surplus of €107 thousand was formed following the merger by incorporation with Eureka Imbarcazioni S.r.l., which took place in 2012, and with PN VSY S.r.l. in 2022.
- The Demerger surplus, equal to €11 thousand, was created by the demerger of Polo Nautico Viareggio S.r.l. in 2019.

The following table provides a breakdown of shareholders' equity items with an indication of their possibility of utilisation and distributability.

(€'000)	Amount	Possibility of use*	Portion available	Summary of uses made in the three previous years	
				For loss coverage	For other reasons
Share capital	35542	B	35,542	–	–
Share premium **	102569	A - B - C	102,569	–	–
Legal reserve	6996	B	6,996	–	–
Extraordinary reserve	180937	A - B - C	180,937	–	–
Stock option reserve	1876	A - B	1,876	–	–
Treasury shares reserve	(10,233)	–	–	–	–
Cash flow hedge reserve	(1,143)	–	–	–	–
Reserve FTA/OCI	(213)	–	–	–	–
Post-merger reserve	49	A - B - C	49	–	–
Merger surplus	107	A - B - C	107	–	–
Demerger surplus	11	A - B - C	11	–	–
Total	**316498**		**328,087**		
Non-distributable portion			**87,837**		
Residual distributable portion			**240,250**		

Notes and keys:

* Possibility of use: "A" for capital increase; "B" for coverage of losses; "C" for distribution to shareholders.

** Share premium fully available after allocation of the minimum amount (20% of the share capital) to the legal reserve.

Capital management

The objective of the Company's capital management policies is the creation of values for Shareholders and support for the future development of the Company through the maintenance of an adequate level of capitalisation, which permits access to external sources of funding under advantageous conditions. The Company manages the capital structure and carries out adjustments in line with the changes in the general economic conditions and the strategic objectives.

27. Financial liabilities

(€'000)	31 December 2024	31 December 2023	Change
Bank loans and borrowings (beyond 12 months)	44,015	18,509	25,506
Other loans and borrowings – IFRS 16 (beyond 12 months)	6,549	3,150	3,399
Non-current financial liabilities	**50,564**	**21,659**	**28,905**
Short-term bank loans (within 12 months)	19,924	10,949	8,975
- of which bank loans	*19,480*	*10,930*	*8,550*
- of which other short-term loans	*444*	*19*	*425*
Other short-term loans and borrowings – IFRS 16	2,066	1,743	323
Hedging derivative liabilities	1,940	41	1,899
Current financial liabilities	**23,930**	**12,733**	**11,197**
Financial liabilities	**74,494**	**34,392**	**40,102**

Non-current loans and borrowings, standing at €50,564 thousand and €21,659 thousand as at 31 December 2024 and 31 December 2023, respectively, referred primarily to long-term loans and borrowings.
The non-current portion of Other loans and borrowings amounted to €6,549 thousand as at 31 December 2024 and refers to the effect of application of accounting standard IFRS 16.
Current loans and borrowings, equal to €23,930 thousand and €12,733 thousand as at 31 December 2024 and 31 December 2023, respectively, referred to:

- the current portion of bank loans for €19,924 thousand and €10,949 thousand, respectively as at 31 December 2024 and 31 December 2023, including the book value of the loans due within 12 months and the accruals of related interest due to the financing institutions;
- loans and borrowings to other lenders for €2,066 thousand, fully referred to the effect of application of accounting standard IFRS 16;
- liabilities for derivatives, hedging foreign exchange and interest rate risks, totalling €1,940 thousand and €41 thousand as at 31 December 2024 and 31 December 2023, respectively.

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

(€'000)	31 December 2024	31 December 2023	Change
Within 1 year	23,930	12,733	11,197
From 1 to 5 years	46,175	19,426	26,749
Over 5 years	4,389	2,233	2,156
Total	**74,494**	**34,392**	**40,102**

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

(€'000)	
Financial liabilities as at 31 December 2023	**34,392**
Changes in fair value of derivatives	1,899
New loan proceeds/advances	44,796
Repayment of loans/advances	(10,740)
Changes in other short-term financial liabilities	425
New lease finance (IFRS 16)	6,842
Repayment of lease finance (IFRS 16)	(3,120)
Financial liabilities as at 31 December 2024	**74,494**

The breakdown of net financial debt of the Company as at 31 December 2024 and as at 31 December 2023 is provided below:

(€'000)		31 December			
		2024	of which intra-group	2023	of which intra-group
A	Cash	111,996	–	183,138	–
B	Cash equivalents	–	–	–	–
C	Other current financial assets	49,047	13,205	24,557	621
D	**Liquidity (A + B + C)**	**161,043**	**13,205**	**207,695**	**621**
E	Current financial debt	(2,383)	–	(60)	–
F	Current portion of non-current financial debt	(21,547)	–	(12,673)	–
G	**Current financial indebtedness (E + F)**	**(23,930)**	**–**	**(12,733)**	**–**
H	**Net current financial indebtedness (G + D)**	**137,113**	**13,205**	**194,962**	**621**
I	Non-current financial debt	(50,564)	–	(21,659)	–
J	Debt instruments	–	–	–	–
K	Non-current trade and other payables	–	–	–	–
L	**Non-current financial indebtedness (I + J + K)**	**(50,564)**	**–**	**(21,659)**	**–**
M	**Total financial indebtedness (H+L)**	**86,549**	**13,205**	**173,303**	**621**

For details, see the Report on Operations.
As at 31 December 2024, like in previous years, the Company 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 2024, these parameters were complied with.

Loan	Parameter	Limit
Banco BPM unsecured loan €10m 30.06.26	Net financial position/EBITDA	< 2.50
Intesa Sanpaolo unsecured loan €20m 30.06.26 (Circular Economy)	Net financial position/EBITDA	< 1.80
Intesa Sanpaolo unsecured loan €20m 30.06.26 (Circular Economy)	Net Financial Position/Equity	< 1.3
UniCredit unsecured loan €6m 30.09.25	Net financial position/EBITDA	< 2.50
UniCredit unsecured loan €6m 30.09.25	Net Financial Position/Equity	< 0.90
UniCredit unsecured loan €6m 30.09.25	EBITDA/Financial expense	> 6.5
UniCredit unsecured loan €10m 30.06.26	Net financial position/EBITDA	< 2.50
UniCredit unsecured loan €10m 30.06.26	Net Financial Position/Equity	< 0.90
UniCredit unsecured loan €10m 30.06.26	EBITDA/Financial expense	> 6.5
Banco BPM unsecured loan €20m 31.12.29	Net financial position/EBITDA	< 2.50
Banco BPM unsecured loan €20m 31.12.29	Net Financial Position/Equity	< 1.3
Intesa Sanpaolo unsecured loan €15m 31.07.29	Net financial position/EBITDA	< 2.00
Intesa Sanpaolo unsecured loan €15m 31.07.29	Net Financial Position/Equity	< 1.3
UniCredit unsecured loan €10m 30.06.26	Net financial position/EBITDA	< 2.50
UniCredit unsecured loan €10m 30.06.26	Net Financial Position/Equity	< 1.3
UniCredit unsecured loan €10m 30.06.26	EBITDA/Financial expense	> 6.5

The following table shows the conditions and due dates of the loans as at 31 December 2024 and 31 December 2023, respectively.

(€'000)	Nominal interest rate	Year of maturity/ repayment	31 December 2024					
			Nominal value	Accounting records	Carrying amount	Within 1 year	From 1 to 5 years	Over 5 years
Sanlorenzo S.p.A.								
Banco BPM - Unsecured loan €10m 30.06.26	0.6%	2026	3,158	(2)	3,156	2,102	1,054	–
Banco BPM - Mortgage loan €7.41m 31.12.30	1.3%	2030	4,114	–	4,114	604	2,737	773
Banco BPM - Unsecured loan €20m 31.12.29	4.3%	2029	20,000	(40)	19,960	3,992	15,968	–
Intesa Sanpaolo - Unsecured loan €20m 30.06.26 (Circular Economy)	0.3%	2026	6,667	(13)	6,654	4,436	2,218	–
Intesa Sanpaolo - Unsecured €15m 31.07.29	4.3%	2029	15,000	(21)	14,979	2,992	11,987	–
UniCredit - Unsecured loan €6m 30.09.25	0.4%	2025	1,125	(1)	1,124	1,124	–	–
UniCredit - Unsecured loan €10m 30.06.26	0.4%	2026	3,158	(3)	3,155	2,103	1,052	–
UniCredit - Unsecured loan €10m 31.08.29	4.1%	2029	10,000	(23)	9,978	1,992	7,986	–
Simest - Facilitated loan "Capitalisation" 31.12.27	0.6%	2027	360	–	360	120	240	–
Simest - Facilitated loan for "Fairs and Exhibitions" 08.04.25	0.1%	2025	15	–	15	15	–	–
Total Sanlorenzo S.p.A.	**63,597**	**(102)**	**63,495**	**19,480**	**43,242**	**773**	**43.242**	**773**

31 December 2023						
Nominal value	Accounting records	Carrying amount	Within 1 year	From 1 to 5 years	Over 5 years	
						Sanlorenzo S.p.A.
5,263	(3)	5,260	2,103	3,157	–	Banco BPM - Unsecured loan €10m 30.06.26
4,683	–	4,683	639	2,627	1,417	Banco BPM - Mortgage loan €7.41m 31.12.30
–	–	–	–	–	–	Banco BPM - Unsecured loan €20m 31.12.29
11,111	(21)	11,090	4,436	6,654	–	Intesa Sanpaolo - Unsecured loan €20m 30.06.26 (Circular Economy)
–	–	–	–	–	–	Intesa Sanpaolo - Unsecured €15m 31.07.29
2,625	(2)	2,623	1,499	1,124	–	UniCredit - Unsecured loan €6m 30.09.25
5,263	(5)	5,258	2,103	3,155	–	UniCredit - Unsecured loan €10m 30.06.26
–	–	–	–	–	–	UniCredit - Unsecured loan €10m 31.08.29
480	–	480	120	360	–	Simest - Facilitated loan "Capitalisation" 31.12.27
45	–	45	30	15	–	Simest - Facilitated loan for "Fairs and Exhibitions" 08.04.25
29,470	**(31)**	**29,439**	**10,930**	**17,092**	**1,417**	**Total Sanlorenzo S.p.A.**

28. Trade payables

(€'000)	31 December 2024	31 December 2023	Change
Payables to suppliers	237,443	172,861	64,582
Payables to subsidiaries	11,401	9,117	2,284
Payables to associated companies	2,836	1,324	1,512
Trade payables	**251,680**	**183,302**	**68,378**

Trade payables include payables to suppliers and payables to subsidiaries and associates.
Payables to suppliers amounted to €237,443 thousand and €172,861 thousand as at 31 December 2024 and 31 December 2023, respectively.
Payables to subsidiaries show a balance of €11,401 thousand as at 31 December 2024 and €9,117 thousand as at 31 December 2023.
Payables to associated companies show a balance of €2,836 thousand as at 31 December 2024 and €1,324 thousand as at 31 December 2023.

A breakdown of trade payables as current and non-current is as follows:

(€'000)	31 December 2024	31 December 2023	Change
Payables to suppliers	237,443	172,861	64,582
of which current	*237,443*	*172,861*	*64,582*
Payables to suppliers	**237,443**	**172,861**	**64,582**

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

(€'000)	31 December 2024	31 December 2023	Change
Italy	224,838	165,215	59,623
Europe (other countries)	11,355	6,447	4,908
Americas	828	664	164
APAC	115	274	(159)
MEA	307	261	46
Payables to suppliers	**237,443**	**172,861**	**64,582**

29. Other current liabilities

(€'000)	31 December 2024	31 December 2023	Change
Social security contributions	2,316	2,103	213
Other liabilities	16,761	13,574	3,187
Accrued expenses and deferred income	13,436	14,241	(805)
Other current liabilities	**32,513**	**29,918**	**2,595**

Social security contributions refer to the position at the reporting date and mainly include amounts to INPS, INAIL and Previndai (Italian social security institutions) for contributions due on wages and salaries. They were equal to €2,316 thousand as at 31 December 2024 and €2,103 thousand as at 31 December 2023, up by €213 thousand.

Other payables show a balance as at 31 December 2024 equal to €16,761 thousand and are mainly represented by the payable to employees for salaries and accruals.

Accrued expenses and deferred income were down between 2023 and 2024 by €805 thousand. Deferred income mainly refers to suspended revenues relating to margins on sales of boats and commissions due, which accrue according to the progress of work on the construction of boats.

30. Other non-current liabilities

(€'000)	31 December 2024	31 December 2023	Change
Other non-current liabilities	32,355	–	32,355
Other non-current liabilities	**32,355**	**–**	**32,355**

Other non-current liabilities include the recognition of the payable of €32,355 thousand for the 40% share to be paid to Sawa S.r.l. with sole shareholder at the Second Closing (April 2028).

31. Employee benefits

(€'000)	31 December 2024	31 December 2023
Opening balance	**632**	**623**
Allocations	–	–
Interest	20	23
Utilisations	(68)	(54)
Incoming and outgoing employees	–	–
Present value as at 31 December	**584**	**592**
Net actuarial gains/(losses) based on past experience	2	16
Net actuarial gains/(losses) arising on changes to demographic assumptions	–	–
Net actuarial gains/(losses) arising on changes to financial assumptions	(12)	24
Closing balance	**574**	**632**

The payable related to Post-employment benefits include the benefits accrued by employees at the reporting date, net of any advances received or amounts transferred to the Italian Previndai, Gomma Plastica, Cometa or other pension plans or the INPS treasury fund.
In accordance with IAS 19, the payable related to post-employment benefits using actuarial valuation methods performed by an external expert. These methods are revised when necessary.
The main financial and demographical assumptions are set out below with annual turnover rates and possible advances given to employees used to determine the present value of the group's liability related to post-employment benefits.
Post-employment benefits are recognised by the Group's Italian and international 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.

FINANCIAL ASSUMPTIONS

	31 December 2024	31 December 2023
Annual discount rate	3.38%	3.17%
Annual inflation rate	2.00%	2.00%
Annual growth rate of post-employment benefits	3.00%	3.00%
Annual remuneration growth rate	0.50%	0.50%

DEMOGRAPHICAL ASSUMPTIONS

Mortality	ISTAT 2022
Disability	INPS tables by age and gender
Retirement	100% upon achievement of AGO requirements

ANNUAL TURNOVER AND TFR ADVANCE FREQUENCIES

	31 December 2024	31 December 2023
Advances	1.00%	1.00%
Turnover rate	1.50%	1.50%

32. Provisions for risks and charges

(€'000)	Provision for dispute risks	Provision for warranties	Provision for write-down of investment	Provisions for risks on pre-owned boats	Provision for exchange rates fluctuations	Contract completion provision	Total
Amount as at 31 December 2023	**5,334**	**5,170**	**2,387**	**964**	**168**	**7,641**	**21,664**
Allocations	–	350	–	2,539	–	–	2,889
Utilisations	–	–	–	(964)	–	–	(964)
Other changes/reclassifications	–	–	–	–	(168)	(4,892)	(5,060)
Amount as at 31 December 2024	**5,334**	**5,520**	**2,387**	**2,539**	**–**	**2,749**	**18,529**

Provisions for risks and charges include the following items:

- Provision for dispute risks: this provision was established to cover risks related to civil and tax disputes for an amount of €5,334 thousand as of 31 December 2024 and refers to the amount set aside as a precautionary measure by the Company to settle such disputes. For more details, please see the paragraph below. For more details, please see the paragraph below.
- 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 financial year and for which revenues have therefore been booked;The provision for warranties covers the new boats of the Company. The item stood at €5,520 thousand as at 31 December 2024 and €5,170 thousand as at 31 December 2023. The warranty period is two years for new boats and one year for pre-owned boats.
- Provision for losses on equity investments: this had been set up in order to align the investment in the subsidiary Sanlorenzo Baleari SL to parent's share of its equity.This item shows a balance of €2,387 thousand for the year ended 31 December 2024.
- Provisions for risks on pre-owned boats: as at 31 December 2024, it amounted to €2,539 thousand and refers to the commitment for withdrawing pre-owned on new boats.
- Contract completion provision: this amounted to €2,749 thousand and refers to the reclassification of the provision previously included in contract liabilities.

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

(€'000)	31 December 2024	31 December 2023	Change
Provision for warranties	5,520	5,170	350
of which current	*3,771*	*3,421*	*350*
of which non-current	*1,749*	*1,749*	–
Provision for warranties	**5,520**	**5,170**	**350**

The main proceedings and inspections involving the Company are described below.

Administrative and in-court proceedings

Administrative and in-court proceedings in which the company is involved

The Company, at the approval date of these annual financial statements, is involved in legal proceedings as part of its normal business activities. They could lead to fines or compensation for damage imputable to the Company. As far as the Company is aware, these legal proceedings are normal, given the Company's operations and size. Specifically, at the approval date of these annual financial statements, the Company is not involved in any legal proceedings that could have a significant adverse effect. However, it cannot be excluded that their outcome could negatively affect the Company's financial position, performance and cash flow in the future.

Assisted by its legal advisors, the Company has not set up a specific provision for possible liabilities that could arise from the proceedings in its financial statements as it deems that a negative outcome in said disputes is either not possible or remote.

However, the Company 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 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 Company.

The main proceedings and inspections involving the Company are described below.

Tax proceedings

As already described in the Financial Report for the previous financial year, the Parent Company, in April and May 2023, initiated two appeals before the First Instance Tax Court of La Spezia against two notices of adjustment and settlement of mortgage and land registry taxes issued by the Revenue Agency - Provincial Directorate of La Spezia and referring to real estate purchases concluded at the end of 2020. With these notices, the Revenue Agency contested the value attributed to the properties for the purposes of settling mortgage and land registry taxes, liquidating and ascertaining higher taxes for €277 thousand in addition to penalties for €277 thousand and legal interest. In October 2024, following the conclusion of various negotiations with the aforementioned tax authority, the Parent, through its defence attorneys, entered into two settlement agreements, in which the value of the real estate on which the mortgage and cadastral taxes were calculated was significantly reduced, with a consequent reduction in the tax claim, which went from €573 thousand (including taxes, interest and penalties) plus additional interest and accessory charges to €80 thousand (including taxes and penalties) plus additional interest and accessory charges; the Parent Company subsequently paid the reconciled amount in December 2024. The aforementioned conciliatory agreements were then filed with the Tax Court of First Instance of La Spezia in January 2025.

With reference to the Research and Development Tax Credit relating to the 2015 tax year, amounting to €266 thousand, on 1 August 2024, a specific dispute was initiated between Revenue Agency - Regional Directorate of Liguria and the Parent Company, during which the Revenue Agency contested the existence of the necessary requirements for the relevance of the costs for the purposes of determining the aforementioned tax credit.

In the course of this discussion, the Parent Company also informed the Revenue Agency that it had started the procedure to select an external expert, qualified and registered in the appropriate register, to certify the investments made for the purposes of their relevance for the tax credit in question. On 1 November 2024, the Parent, through its defence attorneys, sent a memorandum to the Revenue Agency, complete with the relative documentation, in which it contested what had been raised by the Revenue Agency, which, on 12 December 2024, notified the Parent of the deed of recovery of the aforementioned tax credit. The Parent, through its defence attorneys, also taking into consideration the recent issuance of the certification by the external expert, filed with Mimit and from which results a positive opinion in favour of the Parent, on 8 February 2025 submitted to the Revenue Agency - Regional Directorate of Liguria the petition for the activation of the procedure of assessment with adhesion. At the moment, no meeting has been scheduled with the Revenue Agency.

Administrative proceedings

At the date of approval of these financial statements, the Company is not involved in any significant administrative proceedings or proceedings that management believes, at this time, could result in a significant liability.

At the date of these financial statements, the 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

33. Derivatives

The Company uses derivatives to hedge against the risk of fluctuations in exchange and interest rates. The item includes the fair value of the derivative instruments outstanding at each reference date.
As at 31 December 2024, the Company had the following derivatives in its portfolio:

- forward agreements relating to sales of US dollars against euros for a notional total of €80,339 thousand designated as instruments hedging amounts received in US dollars by the subsidiary Sanlorenzo of the Americas LLC;
- interest rate swaps for a notional total of €14,922 thousand designated as instruments hedging interest rates on floating rate medium/long-term loans.

As the derivatives used by the Company 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)	31 December 2024	31 December 2023	Change
Derivative assets			
Currency hedges	77	1,221	(1,144)
Interest rate hedges	521	1,206	(685)
Total assets	**598**	**2,427**	**(1,829)**
Derivative liabilities			
Currency hedges	(1,940)	(41)	(1,899)
Interest rate hedges	–	–	–
Total liabilities	**(1,940)**	**(41)**	**(1,899)**

At the end of each period, the Company 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 period.

34. 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.
As at 31 December 2024, the Company had the following financial instruments in its portfolio:

- unrestricted time deposits for €38,000 thousand, included in cash and cash equivalents and measured at fair value level 1;
- listed bonds and certificates of investment-grade issuers with a market value of €31,751 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)	31 December 2024	31 December 2023	Change
Unrestricted time deposits	38,000	115,000	(77,000)
Listed bonds and certificates	31,751	20,928	10,823
Total cash invested	**69,751**	**135,928**	**(66,177)**

35. Financial Risk Management

Credit risk

Credit risk represents the Company'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 boat 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 Company business, the Company 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 Company 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 the Company 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 its financial position.
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 Company, with the objective of ensuring effective management of financial resources.
The Company 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 Company 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 Company 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 31 December 2024, the Company has bank credit lines to meet liquidity needs of €185,500 thousand, in addition to €161,043 thousand of cash and against a total gross debt of €74,494 thousand (including lease liabilities and the fair value of derivatives).
For further details on the maturity dates of the financial debt, see the note "Financial liabilities" in these financial statements.

Exposure to interest rate fluctuation

The Company is exposed to changes in interest rates on its medium-long term floating rate debt instruments, entirely referring to the €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 Company 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 31 December 2024, Sanlorenzo has 4 interest rate swaps in place for a total notional amount of €14,922 thousand.
The following table shows an analysis of the sensitivity of derivative instruments on interest rates, carried out by applying to the portfolio a variation, positive or negative, of the interest rate curve in €of 10 basis points.

(€'000)	Fair value as at 31 December 2024	Change +10 basis points	Change -10 basis points
Interest rate hedges	521	538	504

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 €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 Company 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 derivative financial instruments. In particular, when setting the sale price in foreign currency, the Company, 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 vessel, increased by the financial component (cost of carry) connected with the expected timing of receipts from the sale. On these maturities, the Company carries out hedging operations through derivative instruments, 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 31 December 2024, the Company had forward contracts for the sale of US dollars relating to collections to be received for a total notional amount of €80,339 thousand.
The following table shows an analysis of the sensitivity of derivatives on exchange rates, carried out by applying to the portfolio a variation, positive or negative, of the €against the US dollar equal to 5%.

(€'000)	Fair value as at 31 December 2024	Appreciation of 5% of US Dollar against Euro	Depreciation of 5% of US Dollar against Euro
Currency hedges	521	1,408	(5,476)

As far as costs are concerned, as production is carried out in Italy with Italian suppliers and contractors, costs in currencies other than the €are residual and sporadic, and therefore no hedging operations are carried out.

GROUP STRUCTURE

36. Subsidiaries

The following table provides information, as at 31 December 2024, concerning the name and registered office of all subsidiaries, as well as the Company's direct or indirect holdings in their share capital.

Company name	Registered office	Currency	Share capital (currency unit)	Percentage of ownership	
				Direct	Indirect
Bluegame S.r.l.	Ameglia (SP) – Italy	Euro	100,000	100.00%	–
I.C.Y. S.r.l.*	Adro (BS) – Italy	Euro	100,000	–	60.00%
Equinoxe S.r.l.	Turin – 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%
Nautor Swan S.r.l.	Florence – Italy	Euro	6,500,000	100.00%	–
Nautor Italy S.r.l.***	Florence – Italy	Euro	340,000	–	100.00%
Clubswan Racing S.r.l.***	Florence – Italy	Euro	30,000	–	55.00%
SYS Marina di Scarlino Yacht Service S.r.l. *****	Scarlino (GR) – Italy	Euro	50,000	–	100.00%
Oy Nautor AB***	Jakobstad/Pietarsaari – Finland	Euro	1,230,000	–	100.00%
Oy NH Fastigheter AB****	Jakobstad/Pietarsaari – Finland	Euro	50,000	–	100.00%
Nautor Swan Global Service SL****	Badalona (Barcelona) – Spain	Euro	147,308	–	52.48%
Nautor Swan Global Service UK Ltd*****	Sarisbury Green (Southampton) – United Kingdom	British Pound Sterling	100	–	100.00%

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Company name	Registered office	Currency	Share capital (currency unit)	Percentage of ownership	
				Direct	Indirect
Nautor Swan Global Service USA LLC*****	Newport (RI) – USA	USD	0	–	100.00%
Nautor Swan Global Service Pacific PTY Ltd*****	Brisbane (Queensland) – Australia	Australian dollars	100	–	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 Australia Pty Ltd******	Toronto (New South Wales) – Australia	Australian dollars	1,000	–	100.00%
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%

Notes and keys:

*	Via Bluegame S.r.l.
**	Via Sanlorenzo of the Americas LLC.
***	*** Via Nautor Swan S.r.l.
****	Via Oy Nautor AB
*****	Via Nautor Swan Global Service SL
******	Via Simpson Marine Limited
*******	Via Simpson Marine Sailing Yachts Limited
********	Via Simpson Marine (SEA) Pte Ltd.

37. Associated companies

At 31 December 2024, the Company holds the following equity investments in associated companies, included in the Company's financial statements with the equity method.

Company name	Registered office	Currency	Share capital (currency unit)	Percentage of ownership	
				Direct	Indirect
Carpensalda Yacht Division S.r.l.	Pisa – Italy	Euro	8,000,000	48.00%	–
Sa.La. S.r.l.*	Viareggio (LU) – Italy	Euro	50,000	–	48.00%
Mediterranean Yacht Management Sarl**	Monte-Carlo – Principality of Monaco	Euro	3,750	–	25.00%
Batbranschens Teknologicentrum BTC AB***	Jakobstad/Pietarsaari – Finland	Euro	67,275	–	37.50%
Simpson Yacht Charter Co. Limited****	Phuket - Thailand	Thai baht	50,000	-	49.00%

Notes and keys:

* Via Carpensalda Yacht Division S.r.l.

** Via Nautor Swan S.r.l.

*** Via OY Nautor AB Limited (through Simpson Marine Limited).

**** Via Simpson Marine Limited.

ADDITIONAL INFORMATION

38. Commitments

The most significant contractual commitments undertaken with third parties as at 31 December 2024 refer to:

- a corporate guarantee issued by the Parent Company on a credit line granted to a brand representative amounting to €9,000 thousand;
- sundry sureties for a total of €965 thousand related to state concessions, public administrations and others.
- credit mandates for bank credit facilities granted to the controlled companies Bluegame S.r.l. and Simpson Marine LTD for €56,000 thousand and to the company Sanlorenzo of the Americas LLC for USD 15,000 thousand.

39. Contingent liabilities

Legal proceedings are ongoing for events related to the normal business activities mainly related to some civil proceedings mostly with customers and insurance companies.
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.

40. Share-based payments

On 21 April 2020, the Shareholders' Meeting of Sanlorenzo S.p.A. approved, pursuant to and for the purposes of article 114-bis of Italian Legislative Decree no. 58 of 24 February 1998 (Italian Consolidated Law on Finance), the adoption of an incentive and loyalty plan called "Stock Option Plan 2020" 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.
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 31 December 2024, a total of 879,743 options have been granted.
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.
As at 31 December 2024, a total of 861,445 options (relating to the years 2020, 2021, 2022 and 2023) were exercisable; 621,983 options had been exercised since the start of the plan and by the end of the financial year.

Performance Shares Plan 2024

The Shareholders' Meeting held on 26 April 2024 resolved on a new long-term incentive compensation plan (LTI), in the form of a share-based compensation plan involving Sanlorenzo shares, aimed at executive directors, general managers, executives with strategic responsibilities and managers, as well as non-employee top managers, of the Company and the Group's companies. The assignment of rights under the 2024 Performance Shares Plan was decided by the board of directors on 13 May 2024 in accordance with the provisions of the plan itself, subject to the favourable opinion of the Remuneration Committee of 10 May 2024, and the related rights will vest, and the corresponding shares will be assigned, in the financial year 2027.
The granting of rights under the 2024 Performance Shares Plan was decided by the Board of Directors on 13 May 2024 in accordance with the provisions of the plan itself, subject to the favourable opinion of the Remuneration Committee on 10 May 2024, and the rights will vest, and the corresponding shares will be granted, in the financial year 2027.
The performance targets to which the actual awarding of the shares is linked are financial parameters, namely (x) the Group's cumulative EBITDA of the financial years 2025, 2026 and 2027 and (y) the Group's Net Financial Position punctually as at 31 December 2027 and non-financial sustainability (ESG - Environmental, Social and Governance) parameters. For the year 2024, 10,589 rights accrued.

2024-2028 LTI Plan
The shareholders' meeting of 26 April 2024 resolved on a second performance share plan involving Sanlorenzo shares relating to the period 2024-2028 (the "2024-2028 LTI Plan"), aimed at executive directors, general managers, executives with strategic responsibilities, managers and non-employee collaborators with top management positions of the Company and of the Group companies - and which differs from the 2024 Performance Shares Plan due to the different vesting period and also in that it subordinates the vesting of the Rights to the achievement of performance targets but, unlike the 2024 Performance Shares Plan, the achievement of the targets results in the assignment of a fixed number of shares (while the failure to achieve the targets results in the non-assignment of the shares) - no new assignments are possible.
The grant of rights under the LTI Plan 2024-2028 was decided by the Board of Directors on 13 May 2024 in accordance with the provisions of the plan itself, subject to the favourable opinion of the Remuneration Committee on 10 May 2024, and the relevant rights will vest, and the corresponding shares will be granted, ultimately in the financial year 2029. The total amount of rights is 174,000.

Simpson Plan
The shareholders' meeting of 26 April 2024 resolved on an incentive compensation plan involving financial instruments for a limited number of executive directors, managers, employees and associates of the company Simpson Marine Ltd ('Simpson'), a subsidiary of the Company, and involving Simpson shares (unlisted) (the 'Simpson Plan'), for directors, employees and associates of Simpson in senior positions, no new assignments being possible. The Simpson Plan does not provide performance objectives for the accrual of the rights attributed to its beneficiaries.

Foreign Commercial Subsidiaries Plan
In relation to the incentive compensation plan involving financial instruments, intended for a director of the companies Sanlorenzo Baleari S.L. ("Sanlorenzo Baleari"), Sanlorenzo Côte D'Azur S.A.S. ("Sanlorenzo Côte D'Azur") and Sanlorenzo Monaco S.A.M. ("Sanlorenzo Monaco" and, jointly with Sanlorenzo Balearic Islands and Sanlorenzo Côte D'Azur, "Sanlorenzo MED"), controlled by the Company, and relating to (unlisted) Sanlorenzo Balearic Islands, Sanlorenzo Côte D'Azur and Sanlorenzo Monaco shares (the "Foreign Commercial Subsidiary Plan"), no new assignments are possible.

41. Related parties and intra-group transactions

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 related-party transactions" adopted by the Group, available on the Company's website (www.sanlorenzoyacht.com) under the "Corporate Governance" section, are described below.
In 2024, outstanding transactions with related parties regard primarily business and financial transactions carried out under market conditions, as listed below.

Holding Happy Life S.r.l.
On 13 September 2021, the Board of Directors of Sanlorenzo, following the positive opinion of the Related Party Transactions Committee on 30 July 2021, approved the sale to HHL of the prototype of the superyacht 50Steel equipped with a Reformer Fuel Cell system, designed together with Siemens Energy, capable of transforming green methanol into hydrogen and subsequently into electricity to power the yacht's hotellerie services without the hydrogen being stored on board, and with a patented 'HER' (Hidden Engine Room) system, a revolutionary on-board concept that modifies the traditional layout of the boat, allowing for a new engine room layout. The contract of sale of this boat was signed on 12 July 2022. The deed of sale of the yacht was signed in June 2024.

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 company in September 2023 in the role of Sales Manager Yacht, after being hired by the subsidiary Bluegame S.r.l. with an apprenticeship contract; the transaction was examined by the Board of Directors on 9 November 2020.
The tables below provide information on transactions with related parties as at 31 December 2024 impacting the income statement as well as the balance sheet:

(€'000)	Revenues	Other costs for services	Personnel expenses
Holding Happy Life S.r.l.	23,862	(90)	–
Cesare Perotti	–	–	(79)
Directors, statutory auditors and managers with strategic responsibilities	–	(2,381)	(2,971)
Total related parties	**23,862**	**(2,471)**	**(3,050)**
Total financial statements	**790,846**	**(55,904)**	**(58,470)**
Incidence %	*3.0%*	*4.4%*	*5.2%*

(€'000)	Trade receivables	Other current liabilities
Holding Happy Life S.r.l.	68	–
Cesare Perotti	–	7
Directors, statutory auditors and managers with strategic responsibilities	–	605
Total related parties	**68**	**612**
Total financial statements	**25,660**	**32,513**
Incidence %	*0.3%*	*1.9%*

In addition, the following relationships, which are excluded from the previous statements, as relating to transactions under standard conditions, similar to those normally applied to non-related parties for equivalent transactions, or based on regulated tariffs:

- Confindustria Nautica: industry association to which Sanlorenzo adheres and in which the Chairman Massimo Perotti and the executive director Carla Demaria are members of the board;
- I Saloni Nautici S.r.l.: company that organises the Genoa Boat Show and of which the executive director Carla Demaria is Chair.

Intra-group relations and transactions with associated companies

The main transactions finalised by Sanlorenzo S.p.A. with the companies of the Group are:

- trade relations: primarily distribution agreements governing the sales of products and agency commissions within the territories under their scope, as well as the conditions in terms of trade management;
- financial relations: primarily interest-bearing financial agreements among the subsidiaries and the Company;
- service relations: primarily related to technical support services provided by the Company to the subsidiaries.

The Company deems that all the relations among the companies of the Group do not qualify as atypical or unusual as they fall under the ordinary course of the Group's activities.
The following tables provide information on the financial and economic relations and of the transactions with Group companies carried out by the Company during the year.

(€'000)	Revenues	Costs for raw materials, consumables and finished products	Outsourcing	Other service costs	Net financial income/(expense)
Sanlorenzo Baleari SL	18	–	–	(394)	77
Sanlorenzo Monaco S.A.M.	224	–	–	–	62
Bluegame S.r.l.	2,173	(38)	–	(9)	–
Polo Nautico Viareggio S.r.l.	58	–	–	(1,106)	122
Sanlorenzo Arbatax S.r.l.	–	–	–	(73)	250
Sanlorenzo of the Americas LLC	76,931	(11)	(254)	(3,701)	76
Duerre S.r.l.	31	(5,370)	(15,607)	(8)	–
Sea Energy S.r.l.	24	(16)	(2,531)	–	–
Sanlorenzo Côte d'Azur S.A.S.	380	–	–	(51)	20
Nautor Italy Srl	–	–	–	–	44
Nautor Swan Srl	38	–	–	–	48
OY Nautor AB	300	–	–	–	8
SYS Marina di Scarlino S.r.l.	–	–	(3)	(1)	10
Simpson Marine (Thailand) co. Ltd	3	–	–	–	–
Simpson Marine Indonesia	19	–	–	–	–
Simpson Marine Ltd	95,079	(22)	–	(1,111)	64
Simpson Marine (SEA) pte Ltd	28	–	–	(166)	–
Total	**175,306**	**(5,457)**	**(18,395)**	**(6,620)**	**781**
Total financial statements	**790,846**	**(243,402)**	**(298,092)**	**(55,904)**	**5,111**
Incidence %	*22.2%*	*2.2%*	*6.2%*	*11.8%*	*15.3%*

(€'000)	Equity investments and other non-current assets	Other financial assets, including derivatives	Other current assets	Trade receivables	Contract liabilities	Trade payables
Sanlorenzo Baleari SL	5,189	–	–	135	–	979
Sanlorenzo Monaco S.A.M.	3,295	–	–	710	–	1,105
Bluegame S.r.l.	–	–	–	3,624	–	2
Polo Nautico Viareggio S.r.l.	2,278	130	–	829	–	268
Sanlorenzo Arbatax S.r.l.	5,659	–	–	233	–	540
Sanlorenzo of the Americas LLC	–	–	–	3,545	15,423	2,970
Duerre S.r.l.	1,000	75	4,742	–	–	3,193
Sea Energy S.r.l.	–	–	–	–	–	1,275
Sanlorenzo Cite D'Azur Sas	495	800	–	614	–	582
PN Sviluppo S.r.l.	–	–	–	20	–	–
Nautor Italy Srl	–	4,500	–	47	–	–
Nautor Swan Srl	–	4,700	–	82	–	–
OY Nautor AB	–	2,000	–	315	–	–
SYS Marina di Scarlino S.r.l.	–	1,000	–	9	–	–
Simpson Marine Ltd	–	–	–	859	19,006	376
Simpson Marine (SEA) pte Ltd	–	–	–	–	–	111
Total	**17,916**	**13,205**	**4,742**	**11,022**	**34,429**	**11,401**
Total financial statements	**133,710**	**49,047**	**73,799**	**25,660**	**108,892**	**251,680**
Incidence %	*13.4%*	*26.9%*	*6.4%*	*42.9%*	*31.6%*	*4.5%*

The following tables provide information on the financial and economic relations and of the transactions with associated companies carried out by the Company during the year.

(€'000)	Revenues	Outsourcing
Carpensalda Yacht Division S.r.l.	23	(12,447)
Mediterranean Yacht Mgmt Sarl	16	–
Total	**39**	**(12,447)**
Total financial statements	**790,846**	**(298,092)**
Incidence %	-	*4.2%*

(€'000)	Other financial assets, including derivatives	Trade receivables	Other current assets	Trade payables
Carpensalda Yacht Division S.r.l.	2,700	300	1,418	2,836
Mediterranean Yacht Mgmt Sarl	–	4	–	–
Total	**2,700**	**304**	**1,418**	**2,836**
Total financial statements	**49,047**	**25,660**	**73,799**	**251,680**
Incidence %	*5.5%*	*1.2%*	*1.9%*	*1.1%*

Remunerations paid by the Company

The remuneration paid by the Company to the members of the Board of Directors, the members of the Board of Statutory Auditors and the Managers with strategic responsibilities during the year is provided below.

(€'000)	31 December 2024
Emoluments	2,257
Remuneration for participation in committees	44
Total remuneration paid to the Board of Directors	**2,301**

(€'000)	31 December 2024
Total remuneration paid to the Board of Statutory Auditors (excluding statutory increases)	80
Total remuneration paid to the Board of Statutory Auditors	**80**

(€'000)	31 December 2024
Total remuneration paid to the Managers with strategic responsibilities	**3,050**
of which gross annual salary	*1,108*
of which bonus	*515*
of which Fair Value of shares in incentive plans	*935*

Remuneration to the Independent Auditing Firm

The Financial Statements are audited by BDO Italia S.p.A. in accordance with the assignment conferred by the Shareholders' Meeting of 23 November 2019, which runs for nine financial years (2019-2027).
Pursuant to article 149-duodecies of the Issuers' Regulations, the remuneration paid to the Independent Auditing Firm is provided below.

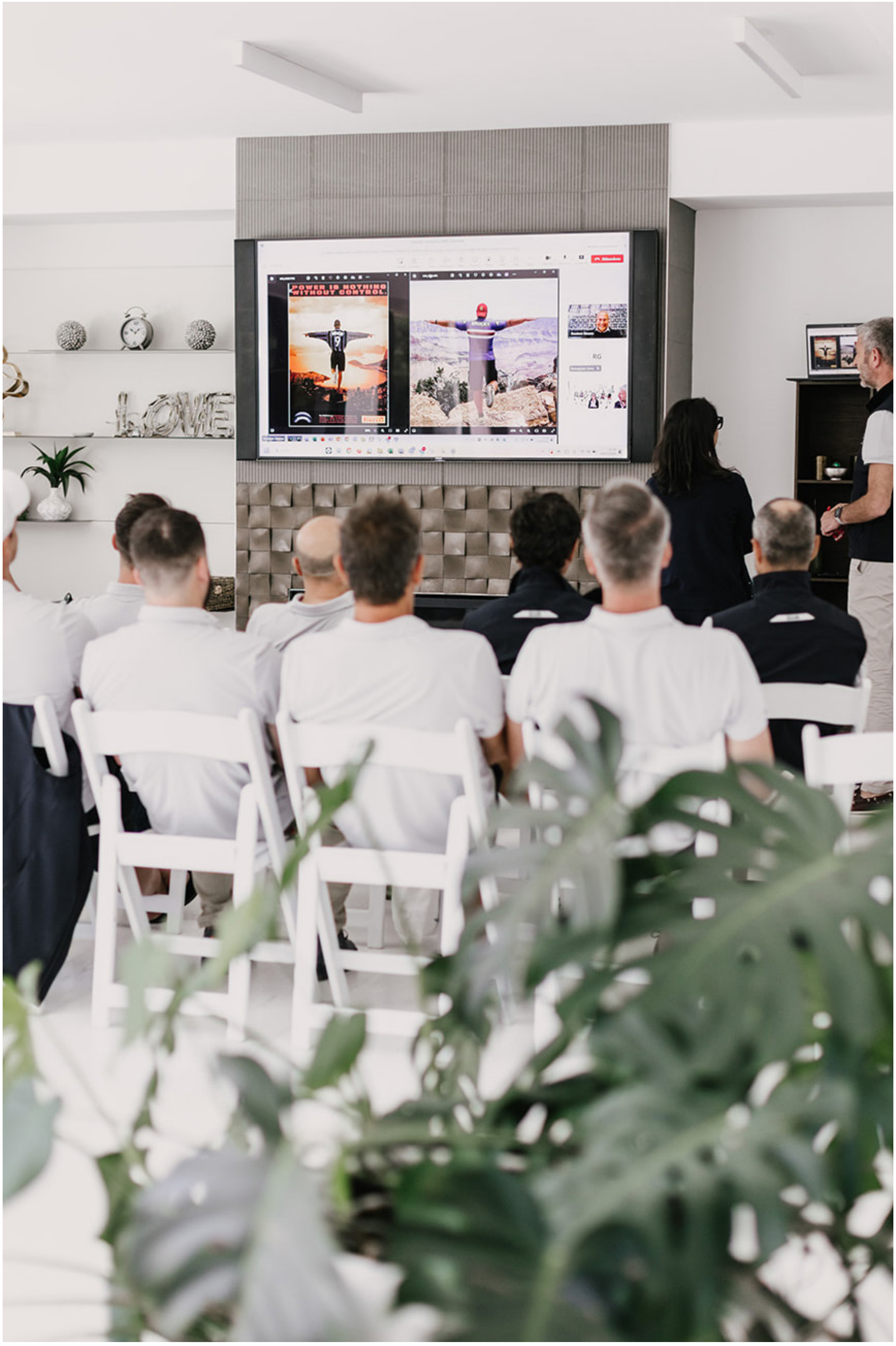
(€'000)	Party that provided the service	Remuneration for 2024
Statutory Audit	BDO Italia S.p.A.	141
Total remuneration paid to the Independent Auditing Firm		**141**

Information pursuant to article 1, paragraph 125, of Law no. 124, 4 August 2017

No aid was granted to the company during 2024.
Pursuant to the provisions of article 125-quinquies of Law no. 124 of 04 August 2017, for any further disbursements received, reference should be made to the indications contained in the National Register of State Aid pursuant to article 52 of Law no. 234 of 24 December 2012.

Management and coordination activities

In addition to the situation of control pursuant to article 93 of Italian Legislative Decree no. 58 of 24 February 1998 (Italian Consolidated Law on Finance), the parent company 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.
Pursuant to Article 2427 of the Italian Civil Code no. 22 quinquies and sexies, the company that prepares the consolidated financial statements of the largest group of companies to which the company belongs is Holding Happy Life S.r.l. with registered office in Turin, Via Ettore De Sonnaz 19, while the company that prepares the consolidated financial statements of the smallest group is Sanlorenzo S.p.A.


POWER IS NOTHING
WITHOUT CONTROL.
LOVE

proposed approval of the financial statements and allocation of the result for the year

The Board of Directors submits for approval the Annual financial statements as at 31 December 2024 and proposes that the Shareholders' Meeting approve:

a) the annual financial statements of Sanlorenzo S.p.A., which show a net profit for the year equal to €94,012,991;

b) a proposal to allocate the net profit for the year as follows:
   - to legal reserve for €112,823;
   - to the Shareholders as dividend in the amount of €1.00 for each of the shares in circulation on the ex-dividend date, excluding treasury shares held at that date;
   - to the extraordinary reserve, the residual profit.

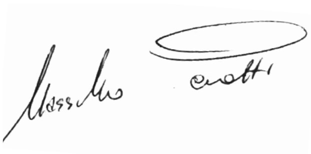
c) to reduce the restriction on the extraordinary reserve to the maximum amount of €6,370,000, pursuant to article 110, paragraph 8, of the Italian Decree-Law no. 104 of 14 August 2020, converted with amendments by Italian Law no. 126 of 13 October 2020.

Ameglia, 10 March 2025

For the Board of Directors

Chairman and Chief Executive Officer

Mr. Massimo Perotti




SANLORENZO
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certification of the annual financial statements pursuant to article 154-bis of italian legislative decree no. 58 of 24 February 1998

1. The undersigned, Massimo Perotti, in his capacity as the Chairman and Chief Executive Officer of the Board of Directors 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 (Italian Consolidated Law on Finance):
   - 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 annual financial statements for 2024.
2. From the application of the administrative and accounting procedures for the preparation of the annual financial statements as at 31 December 2024, no significant facts need to be reported.
3. It is hereby also stated that:
   3.1 the annual 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 view of the issuer's financial position, results and cash flows.

   3.2 The report on operations includes reliable analysis on the performance, result of operations and the business of the issuer and of all entities included in the consolidated financial statements as well as description of principal risks and uncertainties to which they are exposed.

Ameglia, 10 March 2025

Mr. Massimo Perotti

Chairman and Chief Executive Officer

Attilio Bruzzese

Manager charged with preparing
the company's financial reports


VIRTUOSITY

VI

REPORTS FROM THE INDEPENDENT AUDITING FIRM

Sanlorenzo S.p.A.

Independent auditors' limited assurance report on the consolidated sustainability statement pursuant to article 14-bis of Legislative Decree no. 39 of 27 January 2010

Consolidated sustainability statement at 31 December 2024

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

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Tel: +39 02 58.20.10
www.bdo.it

Viale Abruzzi, 94
20131 Milano

Independent auditors' limited assurance report on the consolidated sustainability statement pursuant to article 14-bis of Legislative Decree no. 39 of 27 January 2010

To the shareholders of
Sanlorenzo S.p.A.

Conclusion

Pursuant to articles 8 and 18.1 of Legislative Decree no. 125 of 6 September 2024 (the "Decree"), we have been engaged to perform a limited assurance engagement on the 2024 consolidated sustainability statement of the Sanlorenzo Group (the "Group") prepared in accordance with article 4 of the Decree, presented in the specific section of the report on operations.

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the Group's 2024 consolidated sustainability statement has not been prepared, in all material respects, in accordance with the reporting standards endorsed by the European Commission pursuant to Directive 2013/34/EU (the European Sustainability Reporting Standards, "ESRS");
- the information presented in the "Disclosure pursuant to article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)" section required by article 8 of Regulation (EU) 2020/852 of 18 June 2020 (the "taxonomy regulation") of the consolidated sustainability statement has not been prepared, in all material respects, in accordance with article 8 of the taxonomy regulation.

Basis for conclusion

We have performed the limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia). The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our responsibilities under that standard are further described in the "*Auditors' responsibilities for the limited assurance engagement on the consolidated sustainability statement*" section of our report. We are independent in accordance with the ethics and independence rules and standards applicable in Italy to sustainability assurance engagements.
Our firm applies International Standard on Quality Management (ISQM Italia) 1 and, accordingly, is required to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We believe that the evidence we have acquired is sufficient and appropriate to provide a basis for our conclusion.

Other matters

In the specific section "Disclosure pursuant to article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)" in accordance with article 8 of the taxonomy regulation, the 2024 consolidated sustainability statement presents the 2023 comparative information required by article 8 of the taxonomy regulation, which has not been subjected to an assurance engagement.

Responsibilities of the directors and the board of statutory auditors of Sanlorenzo S.p.A. for the consolidated sustainability statement

The directors are responsible for designing and implementing the procedures to identify the information included in the consolidated sustainability statement in accordance with the ESRS (the “materiality assessment process”) and for the description of these procedures in the “Impact, risk and opportunity management - IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities” section of the consolidated sustainability statement.

The directors are also responsible for the preparation of a consolidated sustainability statement in accordance with article 4 of the Decree, which contains the information identified through the materiality assessment process, including:

- compliance with the ESRS;
- compliance of the information presented in the “Disclosure pursuant to article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)” section with article 8 of the Taxonomy Regulation.

Moreover, the directors are responsible, within the terms established by the Italian law, for designing, implementing and maintaining such internal controls as they determine is necessary to enable the preparation of a consolidated sustainability statement in accordance with article 4 of the Decree that is free from material misstatement, whether due to fraud or error. They are also responsible for selecting and applying appropriate methods to produce disclosures and formulating assumptions and estimates about specific information on sustainability matters that are reasonable in the circumstances.

The board of the statutory auditors is responsible for overseeing, within the terms established by the Italian law, compliance with the Decree’s provisions.

Inherent limitations in preparing the consolidated sustainability statement

As discussed in section “ESRS 2 - General Disclosures - BP-2 - Disclosures in relation to specific circumstances”, for the purpose of disclosing forward-looking information in accordance with the ESRS, the directors are required to prepare such information based on assumptions, described in the consolidated sustainability statement, regarding future events and the Group’s actions that are not necessarily expected to occur. Actual results are likely to be different from the forecast sustainability information since anticipated events frequently do not occur as expected and the variation could be material.

As discussed in section “ESRS 2 - General Disclosures - BP-2 - Disclosures in relation to specific circumstances” and in section “E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions”, disclosures about greenhouse gas Scope 3 emissions are subject to more inherent limitations than those on Scope 1 and Scope 2 emissions, given the lack of availability and relative precision of information used for determining both qualitative and quantitative Scope 3 information from value chain.

As discussed in the section “ESRS 2 General Disclosures - BP-2 - Disclosures in Relation to Specific Circumstances” and in the paragraph “E5-4 - Resource inflows”, disclosures provided about materials used in the production of products are subject to more inherent limitations than other metrics due to the assumptions and estimation methodologies applied.

Auditors’ responsibilities for the limited assurance engagement on the consolidated sustainability statement

Our objectives are to plan and perform procedures in order to obtain limited assurance about whether the consolidated sustainability statement is free from material misstatement, whether due to fraud or error, and to issue an assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of intended users taken on the basis of the consolidated sustainability statement.

As part of a limited assurance engagement in accordance with SSAE (Italia), we exercise professional judgement and maintain professional skepticism throughout the engagement.

Our responsibilities include:

- considering risks to identify disclosures where a material misstatement is likely to occur, whether due to fraud or error;
- designing and performing procedures to address disclosures where a material misstatement is likely to occur. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- directing, supervising and performing the limited assurance engagement on the consolidated sustainability statement and assuming full responsibility for the conclusion on the consolidated sustainability statement.

Summary of the work performed

A limited assurance engagement involves carrying out procedures to obtain evidence as a basis for our conclusion.

The procedures performed are based on our professional judgement and include inquiries, primarily of the Sanlorenzo S.p.A.'s personnel responsible for the preparation of the information presented in the consolidated sustainability statement, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

We have performed the following main procedures:

- we gained an understanding of the Group's business model, strategies and operating environment with regard to sustainability matters;
- we gained an understanding of the processes underlying the generation, recording and management of the qualitative and quantitative information disclosed in the consolidated sustainability statement;
- we gained an understanding of the process adopted by the Group to identify and assess material sustainability-related impacts, risks and opportunities, based on the double materiality principle;
- we identified disclosures where a material misstatement was likely to occur, whether due to fraud or error;
- we designed and performed procedures, based on our professional judgement, to respond to identified risks of material misstatement;
- we gained an understanding of the process adopted by the Group to determine taxonomy-eligible activities and whether they were aligned under the taxonomy regulation and checked the related disclosures presented in the consolidated sustainability statement;
- we checked the consistency of the disclosures contained in the consolidated sustainability statement with those included in the consolidated financial statements pursuant to the applicable financial reporting framework, the underlying accounting records or the accounting management figures;
- we checked the structure and presentation of disclosures included in consolidated sustainability statement in accordance with the ESRS;
- we obtained the representation letter.

Milan, 26 March 2025

BDO Italia S.p.A.

Signed in the original by

Alberto Corradi
Partner

SANLORENZO S.p.A.

Independent auditor's report pursuant to article 14 of Legislative Decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537/2014

Consolidated financial statements as at December 31, 2024

As disclosed by the Directors on page 2, the accompanying financial statements of Sanlorenzo S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into English solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

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BDO

Tel: +39 02 58.20.10
www.bdo.it

Viale Abruzzi, 94
20131 Milano

Independent auditor's Report
pursuant to article 14 of Legislative Decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537/2014

To the Shareholders of
Sanlorenzo S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Sanlorenzo Group (the "Group"), which comprise the consolidated statement of financial position as at December 31,2024, the consolidated statement of comprehensive income, the consolidated income statement, the consolidated statement of changes in shareholders' equity and the consolidated statement of cash flow for the year then ended and notes to the consolidated financial statements, including material information on the accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Sanlorenzo Group as at December 31,2024 and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 9 of Legislative Decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated financial statements* section of our report. We are independent of Sanlorenzo S.p.A. (the "Parent") in accordance with the ethical and independence requirements applicable in Italy to the audit of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Bari, Bologna, Brescia, Cagliari, Firenze, Genova, Milano, Napoli, Padova, Roma, Torino, Verona

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Codice Fiscale, Partita IVA e Registro Imprese di Milano n. 07722780967 - R.E.A. Milano 1977842
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Key audit matter	Audit procedures addressing the key audit matter
Contract assets and liabilities We refer to notes n. 22 "Contract assets and liabilities" The Sanlorenzo Group recorded in the consolidated financial statements as of December 31 2024 assets for contract amounting to Euro 264.646 thousand (equal to 23,88% of total assets and Contract liabilities amounting to Euro 113.924 thousand (equal to 10,28% of total equity and liabilities). Assets for construction refer to ongoing contracts measured using the cost-to-cost method as the contract terms have already been finalized with the customer. They are recognized 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 progress payments received from the customers. Conversely, if the progress payments are greater than the related contract assets, the difference is recognized as a contract liability The forecast of total costs requires a high level of management judgement and an error in this stage could lead to a wrong valuation of the construction contracts (and consequently of operating revenue) that could be significant. The correct measurement of the stage of completion of the construction contracts and of the possible related liabilities represents a key audit matter due to the magnitude of the amounts involved and due to the high level of management judgement.	Our main audit procedures performed in response to the key audit matter regarding contract assets and liabilities included the following: ▪ We performed an understanding and evaluation of the internal control system with reference to the construction contracts. ▪ We performed comparative analysis by comparing the budget of the full life costs with the one for sister vessels and with the budgets obtained in past years, in order to verify significant fluctuations. ▪ For each new construction contract we obtained and examined the contract (and their amendments and modifications agreed with the client, if any) and verified that the total revenues were in accordance with the contracts. ▪ We discussed with the Project Managers and with the management control team in order to understand main fluctuations and evaluate the reasonableness of the budgets and their updates. ▪ We analyzed and verified the process of attribution of the costs incurred to the related construction contract and we checked the balance between general accounting and industrial accounting for a sample of. ▪ We performed substantive procedures in order to test the correct attribution of the costs to the related construction contract. ▪ We verified the percentage of completion computed by comparing the costs incurred at the reporting date with the estimated full life costs, for a sample of. ▪ We performed substantive procedures on the closing of the accounting for the constructions delivered during the financial year. We verified the completeness and accuracy of the disclosures in the notes.

Key audit matter	Audit procedures addressing the key audit matter
Assessment of the Recoverability of the Carrying Amount of Intangible Assets with Indefinite Useful life We refer to notes n. 17 “Goodwill”, n.18 “Other intagibles assets” and n. 19 “Impairment Test” The carrying amount of goodwill reported in the consolidated financial statements at 31st December 2024 is Euro 69.078 thousand (equal to the 6,23% on total assets) is relating to the deficit merger by incorporation, which took place in 2008, in Sanlorenzo S.p.A., of the ex-parent company Happy Life S.r.l together with its subsidiary FlyOpen S.p.A., and from the consolidation of the acquisitions of the Equinoxe Group and the companies I.C.Y. S.r.l., Duerre S.r.l., Sea Energy S.r.l and from the consolidation of the Nautor Swan Group and the Simpson Marine Group. Intangible assets with an indefinite useful life, relating to brands, mainly arising from the purchase of the Simpson Marine Group and the Nautor Swan Group. For the purpose of the impairment test, a Cash Generating Unit (“CGU”) has been identified represented by the total operating assets of the Sanlorenzo Group as a whole. As it was not possible to measure the fair value of the assets being tested for impairment as at December 31 2024, the directors have subjected goodwill and intangibles assets with an indefinite useful life to impairment test, estimating the recoverable value based on value configurations founded on the value in use, as it is not possible to identify the fair value of the assets subject to verified. The value in use was calculated by referring to the estimate of operational cash flows for the three-year period 2025-2027, derived from the economic-financial forecasts deducible from the projections 2025-2027, discounted. This item was considered significant for the audit given its magnitude as well as the subjectivity and complexity inherent to the evaluation process; the recoverability of goodwill is related to the occurrence of the assumptions underlying the strategic plan, the discount rates, discounting and future growth used and additional parameters characterized by subjectivity.	Our main audit procedures performed in response to the key audit matter regarding the recoverability of goodwill included the following: ▪ We understood and evaluated the methodology adopted by management to perform the impairment test on the Cash Generating Unit. ▪ we performed reasonableness test on the main assumptions used by directors for the projections 2025-2027. ▪ We verified the accuracy of the impairment test model used by management through an independent re-computation and by comparing the results obtained. ▪ We recalculated the discount rates used by management for the CGU and the growth rate with the support of specialists from the BDO network. ▪ We performed sensitivity analysis in order to evaluate if changes in the discount and growth rates could lead to an impairment. We verified the completeness and accuracy of the disclosures in the notes.

Responsibilities of the Directors and the Board of Statutory Auditors for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union and the Italian regulations implementing article 9 of Legislative Decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and for the appropriate use of the going concern basis in preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the Parent Sanlorenzo S.p.A. or ceasing operations exist, or have no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with ISA Italia, we exercised professional judgment and maintained professional skepticism throughout the audit. We also have:

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

- obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We have communicated with those charged with governance, as properly identified in accordance with ISA Italia, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have also provided those charged with governance with a statement that we have complied with ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described those matters in our auditor's report.

Other information communicated pursuant to article 10 of Regulation (EU) no. 537/2014

On November 29 2019, the Shareholders' meeting of Sanlorenzo S.p.A. appointed us to perform the statutory audit of its separate and consolidated financial statements for the years ending from December 31 2019 to December 31 2027.

We declare that we did not provide the prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) no. 537/2014, and that we remained independent of the Company in conducting the audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors are responsible for the application of the requirements of Delegated Regulation (EU) 2019/815 of European Commission regarding the regulatory technical standards pertaining the electronic reporting format specifications (ESEF - European Single Electronic Format) (hereinafter the "Delegated Regulation") to the consolidated financial statements at December 31 2024 to be included in the annual financial report.

We have performed the procedures required under Auditing Standard (SA Italia) no. 700B in order to express an opinion on the compliance of the consolidated financial statements with the requirements of the Delegated Regulation.

In our opinion, the consolidated financial statements at December 31 2024 have been prepared in XHTML format and have been marked-up, in all material respects, in compliance with the provisions of Delegated Regulation (EU) 2019/815.

Opinion and statement pursuant to article 14, paragraph 2, letters e), e-bis) and e-ter), of Legislative Decree no. 39/10 and article 123-bis, paragraph 4, of Legislative Decree no. 58/98

The directors are responsible for the preparation of the group's reports on operations and on corporate governance and ownership structure of the Sanlorenzo Group as at December 31 2024, including their consistency with the related consolidated financial statements and their compliance with the applicable law.

We have performed the procedures required under Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98 with the consolidated financial statements;
- express an opinion on the compliance of the report on operations, excluding the section that includes the consolidated sustainability statement, and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98 with the applicable law;
- issue a statement of any material misstatements in the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98.

In our opinion, the report on operations and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98 are consistent with the group's consolidated financial statements at December 31 2024.

Moreover, in our opinion, excluding the section which includes the consolidated sustainability statement, the report on operations and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4 of Legislative Decree no. 58/98 have been prepared in compliance with the applicable law.

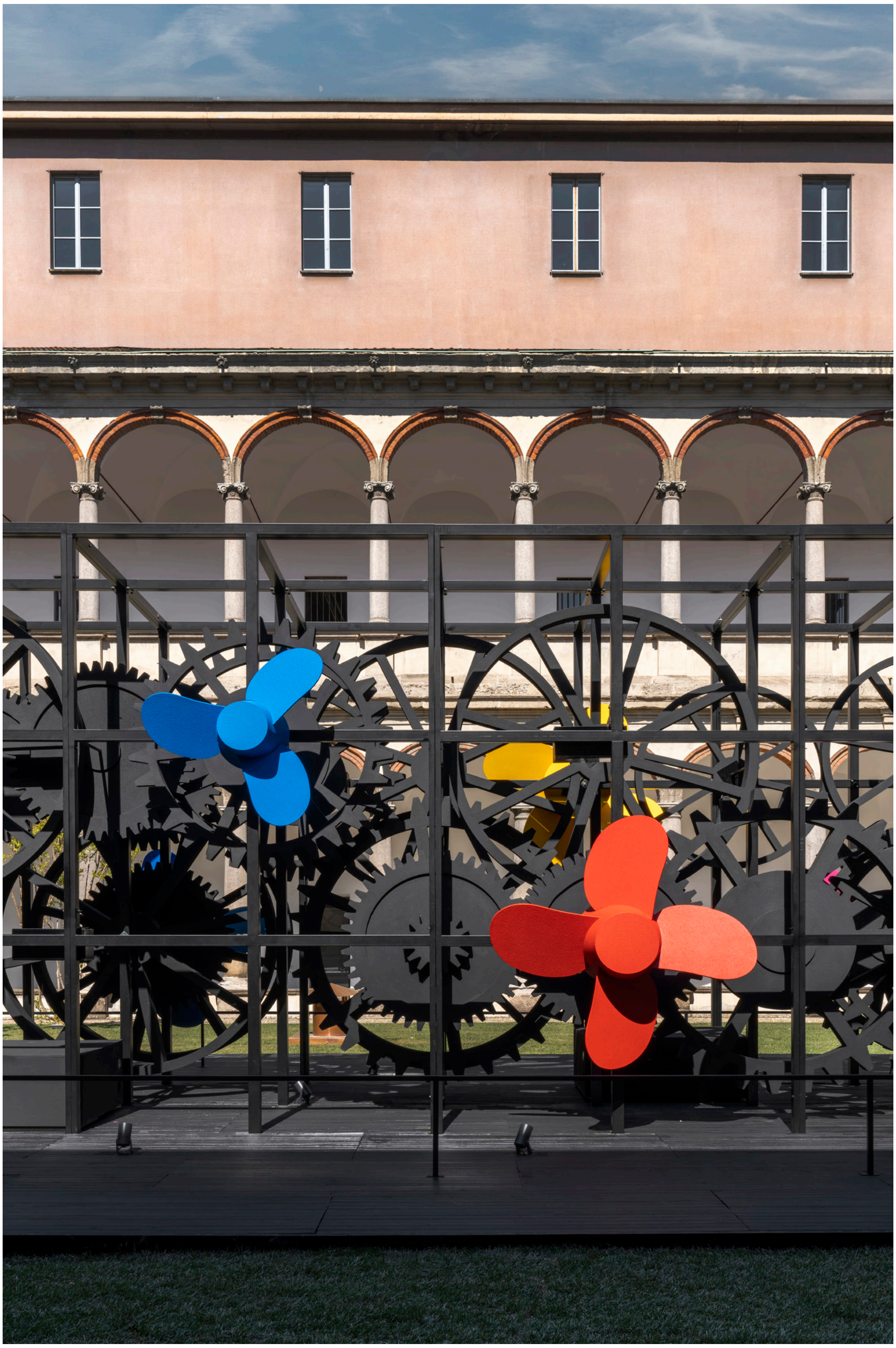
With reference to the statement pursuant to article 14, paragraph 2, letter e-ter), of Legislative Decree no. 39/10 based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Our opinion on compliance with the applicable law does not extend to the report on operations' section which includes the consolidated sustainability statement. The conclusion on the compliance of this section with the legislation governing its preparation and with the disclosure requirements of article 8 of Regulation (EU) 2020/852 is included in the assurance report issued in accordance with article 14-bis of Legislative Decree no. 39/10.

Milano, March 26th,2025

BDO Italia S.p.A.
Signed by

Alberto Corradi
Partner



SANLORENZO S.p.A.

Independent auditor's report pursuant to article 14 of Legislative Decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537/2014

Financial statements as at 31st December 2024

As disclosed by the Directors on page 2, the accompanying financial statements of Sanlorenzo *S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into English solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.*

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BDO

Tel: +39 02 58.20.10
www.bdo.it

Viale Abruzzi, 94
20131 Milano

Independent auditor's Report
pursuant to article 14 of Legislative Decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537/2014

To the Shareholders of
Sanlorenzo S.p.A.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Sanlorenzo S.p.A. (the "Company"), which comprise the statement of financial position as at December 31 2024, the income statement, the statement of comprehensive income, the statement of changes in shareholders' equity and the statement of cash flow for the year then ended, and notes to the financial statements, including material information on the accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of Sanlorenzo S.p.A.as at December 31 2024 and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 9 of Legislative Decree no. 38/05.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the financial statements* section of our report. We are independent of Sanlorenzo S.p.A. (the "Company") in accordance with the ethical and independence requirements applicable in Italy to the audit of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Audit procedures addressing the key audit matter
Contract assets and liabilities We refer to note no. 21 *Contract assets and liabilities*. Sanlorenzo S.p.A. recorded in its financial statements at December 31 2024 assets for construction contracts amounting to Euro 245.107 thousand (equal to 26,33% on total assets) and liabilities for construction contracts amounting to Euro 108.892 thousand (equal to 10,28% on total liabilities and net equity). Assets for construction contracts 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 progress payments received from the customers. Conversely, if the progress payments are greater than the related contract assets, the difference is recognised as a contract liability. The forecast of total costs requires a high level of management judgement and an error in this stage could lead to a wrong valuation of the construction contracts (and consequently of operating revenue) that could be significant. The correct measurement of the stage of completion of the construction contracts and of the possible related liabilities represents a key audit matter due to the magnitude of the amounts involved and due to the high level of management judgement.	Our main audit procedures performed in response to the key audit matter regarding contract assets and liabilities included the following: ▪ We performed an understanding and evaluation of the internal control system with reference to the construction contracts. ▪ We performed comparative analysis by comparing the budget of the full life costs with the one for sister vessels and with the budgets obtained in past years, in order to verify significant fluctuations. ▪ For each new construction contract we obtained and examined the contract (and their amendments and modifications agreed with the client, if any) and verified that the total revenues were in accordance with the contracts. ▪ We discussed with the Project Managers and with the management control team in order to understand main fluctuations and evaluate the reasonableness of the budgets and their updates. ▪ We analysed and verified the process of attribution of the costs incurred to the related construction contract and we checked the balance between general accounting and industrial accounting for a sample of. ▪ We performed substantive procedures in order to test the correct attribution of the costs to the related construction contract. ▪ We verified the percentage of completion computed by comparing the costs incurred at the reporting date with the estimated full life costs, for a sample of. ▪ We performed substantive procedures on the closing of the accounting for the constructions delivered during the financial year. ▪ We verified the completeness and accuracy of the disclosures in the notes.

Key audit matter	Audit procedures addressing the key audit matter
Recoverability of goodwill	
We refer to note no. 16 "goodwill" and note no. 18 "impairment test" The carrying amount of goodwill reported in the financial statements at December 31 2024 is Euro 8.667 thousand (equal to the 0,93% on total assets) is relating to the deficit merger by incorporation, which took place in 2008, in Sanlorenzo S.p.A., of the former parent company Happy Life S.r.l. together with its subsidiary FlyOpen S.p.A. For the purpose of the impairment test, a Cash Generating Unit ("CGU") has been identified represented by the total operating assets of Sanlorenzo as a whole. As it was not possible to measure the fair value of the assets being tested for impairment as at 31 December 2024, the directors have subjected goodwill to impairment test, estimating the recoverable value based on value configurations founded on the value in use, as it is not possible to identify the fair value of the assets subject to verified. The value in use was calculated by referring to the estimate of operational cash flows for the three-year period 2025-2027, derived from the economic-financial forecasts deducible from the projections 2025-2027, discounted. This item was considered significant for the audit given its magnitude as well as the subjectivity and complexity inherent to the evaluation process; the recoverability of goodwill is related to the occurrence of the assumptions underlying the strategic plan, the discount rates, discounting and future growth used and additional parameters characterized by subjectivity.	Our main audit procedures performed in response to the key audit matter regarding the recoverability of goodwill included the following: ▪ We understood and evaluated the methodology adopted by management to perform the impairment test on the Cash Generating Unit. ▪ we performed reasonableness test on the main assumptions used by directors for the projections 2025-2027. ▪ We verified the accuracy of the impairment test model used by management through an independent re-computation and by comparing the results obtained. ▪ We recomputed the discount rates used by management for the CGU and the growth rate with the support of specialists from the BDO network. ▪ We performed sensitivity analysis in order to evaluate if changes in the discount and growth rates could lead to an impairment. ▪ We verified the completeness and accuracy of the disclosures in the notes.

Responsibilities of the Directors and the Board of Statutory Auditors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union and the Italian regulations implementing article 9 of Legislative Decree no. 38/05 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the Company or ceasing operations exist,or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, within the terms established by Italian law, the Company's financial reporting process.

Auditor's responsibilities for the audit of the separate financial statements

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

As part of an audit in accordance with ISA Italia, we exercised professional judgment and maintained professional skepticism throughout the audit. We also have:

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

We have communicated with those charged with governance, as properly identified in accordance with ISA Italia, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have also provided those charged with governance with a statement that we have complied with ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. We described these matters in our auditor's report.

Other information communicated pursuant to article 10 of Regulation (EU) no. 537/2014

On November 23 2019, the Shareholders' meeting of Sanlorenzo S.p.A. appointed us to perform the statutory audit of its separate and consolidated financial statements for the years ending from December 31 2019 to December 31 2027.

We declare that we did not provide the prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) no. 537/2014, and that we remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on other legal and regulatory requirements

Opinion on the compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of Sanlorenzo S.p.A. are responsible for the application of the requirements of Delegated Regulation (EU) 2019/815 of European Commission regarding the regulatory technical standards pertaining the electronic reporting format specifications (ESEF - European Single Electronic Format) (hereinafter the "Delegated Regulation") to the financial statements at December 31 2024 to be included in the annual financial report.

We have performed the procedures required under Auditing Standard (SA Italia) no. 700B in order to express an opinion on the compliance of the financial statements at December 31 2024 with the requirements of the Delegated Regulation.

In our opinion, the financial statements at December 31 2024 have been prepared in XHTML format and have been marked-up in compliance with the provisions of Delegated Regulation (EU) 2019/815.

Opinion and statement pursuant to article 14, paragraph 2, letters e), e-bis) and e-ter), of Legislative Decree no. 39/10 and article 123-bis, paragraph 4, of Legislative Decree no. 58/98

The directors are responsible for the preparation of a directors' report and a report on corporate governance and ownership structure at December 31 2024, including their consistency with the related financial statements and their compliance with the applicable law.

We have performed the procedures required under Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98 with the financial statements;
- express an opinion on the compliance of the report on operations, excluding the section that includes the consolidated sustainability statement, and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98 with the applicable law;
- issue a statement of any material misstatements in the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98.

In our opinion, the report on operations and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis, paragraph 4, of Legislative Decree no. 58/98 are consistent with the company's financial statements at December 31 2024.

Moreover, in our opinion, excluding the section which includes the consolidated sustainability statement, the report on operations and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative Decree no. 58/98 have been prepared in compliance with the applicable law.

With reference to the statement pursuant to Article 14, paragraph 2, letter e-ter), of Legislative Decree no. 39/10 based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Our opinion on compliance with the applicable law does not extend to the report on operations' section which includes the consolidated sustainability statement. the conclusion on the compliance of this section with the legislation governing its preparation and with the disclosure requirements of article 8 of Regulation (EU) 2020/852 is included in the assurance report issued in accordance with article 14-bis of Legislative Decree no. 39/10.

Milano, March 26th,2025

BDO Italia S.p.A.
Signed by

Alberto Corradi
Partner

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REPORT FROM THE BOARD OF STATUTORY AUDITORS

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Report of the Board of Statutory Auditors to the Shareholders' Meeting of

SANLORENZO S.p.A.

pursuant to Articles. 153 of Italian Legislative Decree no. 58/1998 and 2429, paragraph 2, of the Italian Civil Code

Shareholders,

In accordance with the provisions of Article 153 of Italian Legislative Decree no. 58 of 24 February 1998 (the Italian Consolidated Law on Finance or "TUF"), of Article 2429 paragraph 2, of the Italian Civil Code, the indications provided by Consob on corporate controls, with particular regard to Consob Communication no. 1025564 of 6 April 2001 and subsequent amendments and additions, the Corporate Governance Code, considering the Rules of Conduct for the Board of Statutory Auditors of Listed Companies, as last updated in December 2024 by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (Italian Professional Order of Tax Advisors) ("CNDCEC"), the Board of Statutory Auditors of Sanlorenzo S.p.A. (the "Company"), hereby reports to you on its supervisory activities during FY 2024.

- **Summary of the Board of Statutory Auditors' activities**

The Board of Statutory Auditors, in compliance with Article 149 of the TUF and Article 2403 of the Italian Civil Code, organised its activities in order to monitor:

- observance of the law and the By-laws;
- compliance with the principles of proper administration; on the adequacy of the organisational structure;
- adequacy of the internal control system;
- reliability and adequacy of the administrative-accounting system in correctly representing management events;
- concrete implementation of the Corporate Governance Code, which the Company has stated it will adhere to;
- cohesiveness of the provisions issued to the Group companies for the purposes of fulfilling the communication obligations set forth by law (pursuant to Article 114, paragraph 2, of the TUF);
- transactions with related parties and intercompany transactions;
- correct fulfilment of the obligations in relation to the market abuse regulations (the "*Market Abuse Regulation*"), as well as on corporate disclosure and savings protection.

The Board of Statutory Auditors, that drafts this report, declares that all its members respect the regulatory provisions issued by Consob in relation to the maximum number of offices and, in this regard, has stated the relevant engagements fulfilled for this purpose, in the Company's Report on

Corporate Governance and Ownership Structures, drafted in accordance with Article 123-bis of the TUF, made available on the Company's website, on which it has no profiles to highlight for the purposes of its competence.

- **Significant events during the year**

The Annual Financial Report for the year ended 31 December 2024 acknowledges the significant events that occurred during the year, including the following:

1. On 5 March 2024, the acquisition of 95% of the share capital of Simpson Marine Limited from Mr. Michael Rowland Simpson was completed. The Group already represented Sanlorenzo as a distributor in several key countries in the APAC area, having operated there for decades as one of the main dealers. The Board of Statutory Auditors oversaw the acquisition process as envisaged in the strategic guidelines of the 2023-25 Business Plan, and monitored the start of the reorganisation of the acquired Group, aimed at rationalising the corporate structure;

2. on 3 July 2024, a Development Agreement was signed with the Ministry of Enterprise and Made in Italy (MIMIT), Invitalia and the Region of Tuscany. Such Agreement provides for the implementation of a major business investment programme, activities for which the Board of Statutory Auditors has requested updates from, and consulted with the current Auditor in charge (BDO);

3. On 1 August 2024, the acquisition was signed for the group controlled by Nautor Swan S.r.l. from Sawa S.r.l., a company wholly owned by Mr. Leonardo Ferragamo. The Group engages in the design, production, and marketing of sailing yachts under the Swan brand. Therefore, Dr Leonardo Ferragamo joined the shareholder structure of Sanlorenzo through the full subscription by Sawa S.r.l. of its allocated portion of the capital increase resolved by the Extraordinary Shareholders' Meeting of 30 September 2024 and has also become a member of the Board of Directors, assuming the role of Vice-Chairman. The Board of Statutory Auditors supervised the entire decision-making and negotiation process leading to the aforementioned acquisition and acknowledged the initiation of the business integration processes, from which significant synergies are expected.

Report of the Board of Statutory Auditors to the Shareholders' Meeting of

SANLORENZO S.p.A.

pursuant to Articles. 153 of Italian Legislative Decree no. 58/1998 and 2429, paragraph 2, of the Italian Civil Code

- **Significant events after year-end**

The Annual Financial Report as at 31 December 2024 discloses significant events occurring after the end of the financial year, with particular attention to operational developments related to the acquisitions described in the previous paragraph.

- **Supervision of observance of the law and the By-laws**

During the year ended on 31 December 2024, the Board of Statutory Auditor held a total of thirteen (13) meetings, drafting the related minutes which detail the control and supervisory activities carried out.

The Board of Statutory Auditors also attended all meetings of the Board of Directors and its internal committees, as well as the Shareholders' Meetings, for a total of twenty-eight (28) meetings, in addition to frequent interactions with other governance bodies and senior management.

Participation in the meetings of the Board of Directors and the relevant Committees, the information gathered and the consequent supervisory activities, enabled the Board of Statutory Auditors to ascertain that the Company operates in observance of the laws, the regulations and the company By-laws.

In particular, the rules that govern the operation of the corporate bodies, the Company's activities as well as the recommendations of the institutional bodies are subject to constant monitoring by the officers in charge who, in possession of adequate professionalism for the different specialisations, correctly apply them by making use, if necessary, also of the opinions of expert professionals in the individual disciplines.

- **Supervision of respect for the principles of proper administration**

Company activities are constantly monitored and are targeted at preserving and safeguarding company assets as well as creating value. At the meetings of the Board of Directors, the following are, among other things, carefully analysed and subject to in-depth debate:

- The operating performance;
- The periodic operating and financial results and the forecast data;
- The most significant transactions and any proposed investments, acquisitions and disinvestments, by evaluating their risks, by conducting in-depth analyses of the competitive scenarios, reference markets, cost effectiveness, the impact of the transactions on the Group, as well as their consistency and compatibility with the available resources;

- any transactions with related parties in accordance with the procedure adopted by the Company;
- the most significant transactions of the subsidiaries, the economic performance and the equity structure of said subsidiaries, taking into account the particular situations of the reference markets in which they operate.

The Board of Statutory Auditors is not aware of any transactions that are manifestly imprudent, hazardous or not in keeping with the board resolutions and the interests of the Company and the Shareholders.

The directives as per the resolutions of the Board of Directors are executed by the top management and by the administrative, sales and productive structure based on compliance criteria.

During the course of the financial year, when requested or even appropriate, the Board of Statutory Auditors expressed its views, and opinion, to the Board of Directors and/or the board Committees.

From an operating perspective, the Board of Statutory Auditors has gathered the information, requested the necessary material, encouraged meetings with the Managers responsible for preparing the Company's financial reports, with the heads of management control, with the Internal Audit Function and with the Secretary of the Board of Directors.

The Board of Statutory Auditors has constantly interacted and exchanged information with BDO Italia S.p.A., an Independent Auditing Firm pursuant to Article 14 of Italian Legislative Decree no. 39 of 27 January 2010, and Article 10 of Regulation (EU) no. 537/2014, responsible for the Statutory Audit of the separate and consolidated financial statements and of the sustainability report, pursuant to and for the purposes of Italian Legislative Decree no. 125/2024. The exchange of information has been aligned with the new provisions introduced by Italian Legislative Decree no. 136/2024, the so-called “Correttivo-ter” of the Code on Crisis and Insolvency (CCII), with a view to extending the obligation to report any situations of “crisis” (financial distress) or insolvency of the company to the Statutory Auditor.

No matters have arisen requiring highlighting in this Report, nor have any reprehensible facts been reported or observed during the course of the statutory audit.

The Board of Statutory Auditors has also constantly exchanged information with the Supervisory Body pursuant to Italian Legislative Decree 231/2001 on the effectiveness, observance and the update of the Organisation, Management and Control Model referred to in Italian Legislative Decree 231/2001.

Report of the Board of Statutory Auditors to the Shareholders' Meeting of

SANLORENZO S.p.A.

pursuant to Articles. 153 of Italian Legislative Decree no. 58/1998 and 2429, paragraph 2, of the Italian Civil Code

- **Supervision of the adequacy of the organisational structure**

The Board of Statutory Auditors reviewed the organisational charts, responsibility levels, delegated authorities, and flow of directives, assessing the overall adequacy of the organisational structure. In this regard, attention is drawn to the establishment of the Corporate General Management Department, headed by the former Head of Human Resources, Mr. Pier Francesco Acquaviva, aimed at managing the HR, ICT, AFC, Legal and Sustainability functions at Group level.

The Board of Statutory Auditors, in the context of its supervisory activities, acknowledges that on a quarterly basis the Board of Directors has confirmed compliance with the combined provisions of Articles 2380-bis, 2086, paragraph 2 (as amended by Article 375 of the Code of Crisis and Insolvency, Italian Legislative Decree no. 14 of 12 January 2019) and 2381, paragraph 3, of the Italian Civil Code and 2381, paragraph 5, of the Italian Civil Code.

The Board of Statutory Auditors, acting as the Internal Control and Audit Committee, has been able to ascertain that the offices in charge gather the useful and necessary information also from the subsidiaries and that they respond with adequate and effective actions. The procedures used for the purposes and the directives issued, relating to economic-management control, are sufficient to adequately carry out said activities. Such an assumption has also been confirmed by the Independent Auditing Firm.

- **Supervision of the adequacy of the internal control system**

With reference to the supervision of the adequacy and effectiveness of the internal control system, also pursuant to current Article 19 of Italian Legislative Decree no. 39/2010 and Article 150, paragraph 4, of Italian Legislative Decree no. 58/1998, the Board of Statutory Auditors held monthly meetings with the head of the Internal Audit Department and other company functions, and participated in the meetings of the Control, Risks and Sustainability Committee.

The Board of Statutory Auditors has supervised the adequacy of the internal control and risk management system (ICRMS) implemented by the Company and its Group, verifying its concrete functioning and, as far as it is concerned, has monitored the timely activation of the internal control safeguards.

In particular, the Board of Statutory Auditors:

- acknowledged the periodic judgement of the adequacy of the ICRMS issued, based on the prior opinion of the Control, Risks and Sustainability Committee, by the Board of Directors;

- examined the periodic report of the Control, Risks and Sustainability Committee issued on a six-monthly basis in support of the Board of Directors;
- took part in all meetings of the Control, Risks and Sustainability Committee, by also acquiring information on the initiatives that the Committee deemed appropriate to promote or request in relation to specific themes;
- verified the autonomy, independence and functionality of the Internal Audit Department, maintaining a constant liaison with it;
- periodically discussed with the head of the Internal Audit Department in order to evaluate the audit plan and its findings, both in the setting phase and during the analysis of the audits carried out and the related follow-ups;
- acquired knowledge of the activities of the Supervisory Body established by the Company in compliance with the provisions contained in Italian Legislative Decree no. 231/2001 through specific disclosures and update meetings regarding the activity carried out by said party;
- obtained information from the managers of the company functions involved in the internal control and risk management system;
- met and exchanged information with the Chairman and Chief Executive Officer, appointed to supervise the internal control and risk management system, with which he shared his observations regarding the points of attention noted.

In light of all the above, the increase of the scope of observation, the analyses carried out and the information acquired by the appointed Auditor, the SB and the Internal Auditor, compel the Board of Statutory Auditors to recommend the opportunity of also pursuing adequate developments, additions and integrations of the Company's Internal Control and Risk Management System, in a logic of reinforcement, given the Group's expansion and new operations in the field of sustainability reporting.

The Board also reported that the disclosure obligations under Articles 123-ter, 150, paragraph 4, and 154-bis of the TUF were properly complied with.

Report of the Board of Statutory Auditors to the Shareholders' Meeting of

SANLORENZO S.p.A.

pursuant to Articles. 153 of Italian Legislative Decree no. 58/1998 and 2429, paragraph 2, of the Italian Civil Code

- **Supervision of the reliability of the administrative system and the supervisory activities on the financial disclosure process**

The Board verified the existence of adequate rules and procedures for the monitoring of the process of collection, formation and dissemination of financial information.

It also acknowledged that the CFO, also in the role of Manager responsible for preparing the Company's financial reports, confirmed that:

- the powers and means granted by the Board of Directors are adequate and appropriate;
- he/she had direct access to all the necessary information for the production of accounting data;
- he/she participated in the internal information flows for accounting purposes and approved the associated company procedures.
- the financial statements of the Company as at 31 December 2024 are prepared in accordance with the IAS/IFRS issued by the International Accounting Standards Board (IASB).

During the periodic meetings held with the Board of Statutory Auditors, the Independent Auditing Firm did not report any findings as regards the administrative-accounting system, evaluated on the basis of its capacity to correctly represent company events, the prompt updating of corporate accounts, the proper keeping of the books, as well the timely fulfilment of tax and contribution obligations.

Therefore, the Board expresses a judgement of substantial adequacy of the financial disclosure preparation process and does not have any observations to present to the Shareholders' Meeting.

It should be noted that pursuant to Article 4, paragraph 7, of the Transparency Directive 2004/109/EC, as amended by Directive 2013/50/EC, the Annual Financial Report has been prepared in a single electronic reporting format (ESEF), the technical standards of which, as developed by ESMA, are contained in Regulation No. 2019/815.

The Board of Statutory Auditors took note of the certificates issued by the CEO and the Manager in charge of preparing Sanlorenzo's corporate accounting documents regarding the adequacy of the administrative-accounting system in relation to the company's characteristics and the effective application of the administrative and accounting procedures for the preparation of Sanlorenzo's separate financial statements and the consolidated financial statements of the Sanlorenzo Group. Furthermore, it supervised the financial reporting process, including by obtaining information from the Company's Management.

No evidence emerged from the analyses conducted and information collected to suggest that the company's administrative-accounting system is inadequate or unreliable in accurately reflecting the operational events.

- **Supervision of monitoring pursuant to Italian Legislative Decree 39/2010 - verification of the independence of the Independent Auditing Firm**

The Board of Statutory Auditors recalls that as part of the listing process, the Shareholders' Meeting held on 23 November 2019 entrusted the engagement for the statutory audit pursuant to Article 17 of Italian Legislative Decree no. 39/2010, for the financial years 2019-2027, to BDO Italia S.p.A., whose fees are detailed in the Notes to the Financial Statements, to which reference should be made.

In this context, during 2024, the Board of Statutory Auditors monitored the statutory audit of the annual and consolidated accounts and the independence of the auditing firm, which did not take on any additional tasks in addition to the audit activity.

Within the framework of relations between the control body and the Auditor set forth in paragraph 3 of Article 150 of the TUF, and in light of the powers of the Board of Statutory Auditors as the internal control and audit committee, the Board of Statutory Auditors held the appropriate meetings on a regular basis with the company tasked to perform the independent audit, during which relevant data and information was exchanged for the performance of the respective duties. The Board of Statutory Auditors also promoted meetings with the Independent Auditing Firm specifically targeted at acquiring information on the preparation of the financial statements for the year ended as at 31 December 2024. In particular, the Board examined the *Audit Plan* made available and illustrated at a specific meeting by BDO S.p.A. on 20 November 2024 and, as the Internal Control and Audit Committee, monitored its progress in subsequent meetings.

The Chairman and Chief Executive Officer, together with the two Managers responsible for preparing the financial reports, issued the certifications required by Article 154-bis of the TUF, both at the end of both the separate financial statements and the consolidated financial statements, as well as for the sustainability report included in the Company's Report on Operations as at 31 December 2024.

Report of the Board of Statutory Auditors to the Shareholders' Meeting of

SANLORENZO S.p.A.

pursuant to Articles. 153 of Italian Legislative Decree no. 58/1998 and 2429, paragraph 2, of the Italian Civil Code

On 26 March 2025, the Independent Auditing Firm issued the reports pursuant to Articles 14 and 14-bis of Italian Legislative Decree no. 39/2010 and Article 10 of EU Regulation 537/2014, whereby it certified that:

- the separate financial statements of the Company and the consolidated financial statements of the Group as at 31 December 2024 provide a true and fair view of the Company's financial position, results of operations and cash flows for the year then ended in accordance with IFRS as adopted by the European Union, as well as the measures issued in implementation of Article 9 of Italian Legislative Decree no. 38/2005;
- the Report on Operations and the specific information contained in the Report on Corporate Governance and Ownership Structures indicated in Article 123-bis, paragraph 4, of Italian Legislative Decree no. 58/1998 are consistent with the Company's separate financial statements and with the Group's consolidated financial statements as at 31 December 2024 and prepared in accordance with the law;
- the assessment of the Group's Consolidated Sustainability Report as at 31 December 2024 shows no evidence suggesting it has not been prepared in accordance with the European Commission's adopted reporting principles, as per Directive 2013/34/EU, nor that the details provided do not comply, in all material respects, with the guidelines set out in EU Regulation 852/2020 (Taxonomy Regulation);
- the opinion on the separate financial statements and the consolidated financial statements, as expressed in the aforementioned Reports, aligns with the content of the Additional Report prepared pursuant to Article 11 of EU Regulation 537/2014. This Report was delivered to the Board of Statutory Auditors, acting as the Internal Control and Audit Committee on 26 March 2025, which shall promptly forward it, attached hereto, to the Administrative Body without any comments;
- the separate financial statements as at 31 December 2024 have been prepared in the XHTML format in accordance with the provisions of Delegated Regulation (EU) 2019/815;
- the Group's consolidated financial statements as at 31 December 2024 have been prepared in XHTML format and, in all material respects, comply with the provisions of Delegated Regulation (EU) 2019/815.

Report of the Board of Statutory Auditors to the Shareholders' Meeting of

SANLORENZO S.p.A.

pursuant to Articles. 153 of Italian Legislative Decree no. 58/1998 and 2429, paragraph 2, of the Italian Civil Code

In the aforementioned Reports, the Independent Auditing Firm has not highlighted any qualifications, emphasis of matter paragraphs, nor statements issued pursuant to Article 14(2)(d) and (e) of Italian Legislative Decree no. 39/2010.

On 26 March 2025, the Independent Auditing Firm also confirmed, as per their annual schedule, their independence pursuant to Article 6, paragraph 2, letter a) of EU Regulation no. 537/2014.

The Board oversaw, for matters within its competence, the general approach of the separate financial statements and the consolidated financial statements and verified the consistency of the valuation procedures applied with the international accounting standards; in particular, it should be noted that, in accordance with the indications of the joint Bank of Italy/Consob/Isvap document no. 4 of 3 March 2010, the consistency of the Impairment Test procedure with the provisions of IAS 36 was subject to a formal and autonomous approval by the Board of Directors

The impairment procedure, as approved in a dedicated meeting of the Control, Risks and Sustainability Committee, as well as its methodological framework and application, have been monitored by the Board of Statutory Auditors through targeted meetings with management and the Independent Auditing Firm.

The notes to the financial statements contain the information and results of the subsequent measurement process conducted with the assistance of a qualified external expert. Following the application of the procedure, whose methodology was positively assessed by the Control, Risks and Sustainability Committee and the Auditor, the Company did not make any write-downs.

The Board of Statutory Auditors has carried out its own checks on compliance with the laws relating to the preparation of the draft separate financial statements and the consolidated financial statements of the Group as at 31 December 2024,along with the respective explanatory notes and the accompanying Report on Operations, both directly and with the assistance of the department managers, as well as through the information obtained from the Independent Auditing Firm, and on this point has no comments to make to the Shareholders' Meeting.

The draft separate financial statements and the consolidated financial statements are accompanied by the required declarations of conformity signed by the CEO and the Managers responsible for the preparation of the corporate accounting documents.

Report of the Board of Statutory Auditors to the Shareholders' Meeting of

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pursuant to Articles. 153 of Italian Legislative Decree no. 58/1998 and 2429, paragraph 2, of the Italian Civil Code

- **Supervisory activities on the process of preparation of the Consolidated Sustainability Report**

The Board supervised the entire ongoing process and the compliance plan for the implementation of the *Corporate Sustainability Reporting Directive* (CSRD) and *the European Sustainability Reporting Standards* (ESRS).

With reference to the provisions of Italian Legislative Decree no. 125 of 6 September 2024, which implemented EU Directive no. 2022/2464 (CSRD), the Board of Statutory Auditors supervised the adequacy of the procedures, processes and structures governing the preparation of the sustainability report, verifying compliance with the provisions set forth in the aforementioned Italian Decree and other applicable regulations.

The Board of Statutory Auditors supervised the processes of risk management, adherence to national and EU legislations, and the preparation of the 2024 Consolidated Sustainability Report, ascertaining that the Company has, among other things, identified the impacts and risks and carried out the so-called double materiality analysis, as required by the applicable regulations.

Supervisory activities were also implemented through specific meetings of the Board of Statutory Auditors held in 2024, continuing into the early months of 2025, attended by the Team dedicated to the preparation of the Sustainability Report, the Sustainability Manager, and the engaged Advisor Deloitte S.p.A.

Additionally, the Board of Statutory Auditors reviewed the sustainability governance structure adopted by the company, in which the newly appointed Sustainability Manager plays a central role. Within the scope of their strategic responsibilities, the Sustainability Manager has identified the medium- and long-term ESG-related objectives, validated the double materiality analysis, and defined the guidelines for the internal control model pursuant to Italian Legislative Decree no. 125/2024.

The Board of Statutory Auditors monitored the Sustainability Reporting process and the related procedures implemented by the Company; in addition, it monitored the effectiveness of the systems set up for internal control, quality and risk management as well as internal audit with regard to sustainability reporting, which is currently being implemented and will need to reflect the need for an overall enhancement at Group level.

The Board of Statutory Auditors has also verified that the Independent Auditing Firm duly issued the assurance report on the compliance of the Consolidated Sustainability Report pursuant to

Articles 8 and 18, paragraph 1, of Italian Legislative Decree no. 125/2024, verifying that the assurance engagement covered all the information provided by the Independent Auditing Firm itself, complementing the audit activities performed on the Sustainability Report.

Based on the activities carried out and the information acquired in the course of its supervisory activities, the Board of Statutory Auditors, also in its capacity as the Internal Control and Audit Committee, has no observations to report in relation to the aspects for which it is responsible, except for the aforementioned need for strengthening and ad hoc training courses for managers.

The Board of Auditors also held meetings and exchanged information and documents with the Manager charged with preparing the sustainability report, who illustrated the implementation of the Control Model pursuant to Italian Legislative Decree no. 125/2024, adopted by the Sanlorenzo Group to comply with the obligations deriving from the new Article 154-bis of Italian Legislative Decree no. 58/1998 on the subject of drawing up the Sustainability Report and related certification obligations, as well as with the Internal Auditor, who in turn illustrated the performance of controls on sustainability reporting, aimed at ensuring the truthfulness, consistency, reliability and correctness of the information contained in the Sustainability Report. The Board did not receive any evidence of particular critical issues from these subjects.

The Board of Statutory Auditors has also acknowledged the certification issued by the Manager charged with preparing the sustainability report, regarding the compliance of the Sustainability Report with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 and Italian Legislative Decree no. 125 of 6 September 2024, as well as its preparation in accordance with the specifications adopted pursuant to Article 8(4) of Regulation (EU) 2020/852 of the European Parliament on Taxonomy, as also confirmed by the Independent Auditing Firm.

Based on the review of the Sanlorenzo Group's 2024 Consolidated Sustainability Report, the Independent Auditing Firm BDO Italia S.p.A. did not identify any matters indicating that the 2024 Consolidated Sustainability Report of the Sanlorenzo Group has not been prepared, in all material respects, in accordance with:

- the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013, and Italian Legislative Decree no. 125 of 6 September 2024;

- the specifications adopted pursuant to Article 8 (4) of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

- **Supervision of the concrete implementation of corporate governance rules**

The Company subscribes to the Corporate Governance Code, issued by the Corporate Governance Committee promoted by Borsa Italiana S.p.A.

This Board of Statutory Auditors evaluated the methods of practical application of the Code in question, with reference to the application principles and criteria, with no observations to make in this regard.

The Board of Statutory Auditors has no observations concerning the consistency of the remuneration policy with the recommendations of the Corporate Governance Code, while recommending that focus be placed on maintaining clearly defined and realistically achievable ESG objectives for determining the variable component of remuneration.

In view of the newly acquired status as a large issuer, the Board of Statutory Auditors has drawn attention to the Recommendations set out in the Annual Letter from the Chair of the Corporate Governance Committee to the Chairs of Boards of Directors.

The Board of Statutory Auditors acknowledges compliance of the regulatory provisions governing gender balance.

- **Supervision on relations with subsidiaries and parent companies**

The Board of Statutory Auditors ascertained that the Company's organisational departments issue the necessary provisions to the Group companies to provide the public with the information required by Article 114 of the TUF in observance of the conditions pursuant to Article 36 of Consob Resolution No. 16191/2007 (the "*Markets Regulation*").

As of the date of preparation of this report, the Board of Statutory Auditors has not received any communications from the boards of auditors of the subsidiaries and affiliated companies containing observations to be reported.

- **Supervision of transactions with related parties - Atypical and/or unusual transactions**

The latest version of the RPT Procedure dates back to the update of 10 March 2022, in which the Board of Directors incorporated the adjustment made by Consob Resolution No. 22144 of 22 December 2021, the provisions of which came into force on 31 December 2021.

During the year, the Board of Statutory Auditors monitored the Company's compliance.

Report of the Board of Statutory Auditors to the Shareholders' Meeting of

SANLORENZO S.p.A.

pursuant to Articles. 153 of Italian Legislative Decree no. 58/1998 and 2429, paragraph 2, of the Italian Civil Code

The 2024 Annual and Consolidated Financial Statements disclose the effects of the related-party transactions on the results of operations and financial position, along with a description of the relevant transactions.

In 2024, no transactions with related parties classified, pursuant to the Related Parties Procedure, as of greater importance were presented for the attention of the relevant Committee, nor were any urgent transactions entered into with related parties.

The Board of Statutory Auditors assessed the information provided by the Board of Directors in the 2024 Separate Financial Statements regarding intercompany transactions and transactions with related parties, represented by:

- trade relations: primarily distribution agreements governing the sales of products and agency commissions within the territories under their scope, as well as the conditions in terms of trade management;
- financial relations: primarily interest-bearing financial agreements among the subsidiaries and the Company;
- service relations: primarily related to technical support services provided by the Company to the subsidiaries.

As far as it is aware, no atypical and/or unusual transactions were entered into in 2024, as defined by Consob communication DEM/6064293 of 28 July 2006.

The Board of Statutory Auditors has performed a comprehensive and detailed assessment of the information and analyses provided regarding all the aforementioned types of transactions which, based on the evidence gathered during its supervisory activities, were found to have been carried out under economic terms and conditions that appeared, in each instance, appropriate and consistent with the company's best interest.

- **Omissions and reprehensible facts. Initiatives undertaken**

As part of the questions asked to the Company during the Shareholders' Meetings of 26 April and 30 September 2024, the Board of Statutory Auditors was notified by a shareholder of potential circumstances under Article 2408 of the Italian Civil Code, conditional upon certain events which ultimately did not occur; consequently, the Board of Statutory Auditors concluded that such scenarios did not materialise.

Report of the Board of Statutory Auditors to the Shareholders' Meeting of

SANLORENZO S.p.A.

pursuant to Articles. 153 of Italian Legislative Decree no. 58/1998 and 2429, paragraph 2, of the Italian Civil Code

In short, during the company year ended as at 31 December 2024, the Board of Statutory Auditors did not receive any statements pursuant to Article 2408 of the Italian Civil Code, nor any complaints from third parties.

The Board of Statutory Auditors, during the monitoring activities carried out during the year, did not highlight any omissions, censurable events or serious irregularities and, therefore, does not believe it necessary to send reports and proposals to the Shareholders' Meeting pursuant to Article 153 of the TUF.

- **Opinions rendered**

At the beginning of 2025, concerning the financial year 2024, the Board of Statutory Auditors provided the required opinions, including those mandated by law and regulations, particularly:

- The opinion of the Board of Statutory Auditors on the appointment of the Manager responsible thereof pursuant to and for the purposes of Italian Legislative Decree no. 125/2024 and Article 154, paragraph 5-ter, of the TUF.
- The opinion on the economic integration, for CSRD purposes, of the Independent Auditing Firm's Proposal dated 16 November 2021 regarding the engagement for the limited assurance review of the NFS of SL S.p.A. for the financial years 2021-2027.

- **The self-assessment**

The Board of Statutory Auditors acknowledges the following as also required by the Corporate Governance Code:

- in the first few months of 2025, the Board of Directors carried out a process of self-assessment of the size, composition and functioning of the Board itself and its Committees; the process, which concluded positively, was directed with the coordination of the Lead Independent Director;
- the Board of Statutory Auditors verified the process implemented by the Board of Directors to evaluate the independence of directors qualified as "independent"; equally, it first ascertained the existence of the requirements of its own independence, transmitting the outcome thereof to the Board of Directors.
- in line with the recommendations of the Rules of Conduct of the Board of Statutory Auditors of Listed Companies by the CNDCEC, the Board of Statutory Auditors carried out the self-assessment activity pertaining to its composition and functioning, examining and discussing the related outcomes during dedicated meetings;

- on 22 January 2025, the Board of Statutory Auditors, in compliance with the aforementioned Standard Q.1.7, drafted and produced its Annual Self-Assessment Report to the Board of Directors.
- on 13 February 2025, the Board of Statutory Auditors issued its End-of-Term Report, recommending its publication on the company's website.

- **Proposals concerning the annual financial statements and their approval and matters within the competence of the Board of Statutory Auditors**

In reference to all the considerations formulated in this Report, the Board of Statutory Auditors does not identify any impediments to approval of Sanlorenzo S.p.A.'s financial statements for the year ended as at 31 December 2024, as presented to you by the Board of Directors, and expresses a favourable opinion on the proposed allocation of profit for the year.

* * *

Milan - Turin, 27 March 2025

THE BOARD OF STATUTORY AUDITORS

- ENRICO FOSSA

- ANDREA CARETTI

- MARGHERITA SPAINI

Sanlorenzo S.p.A.

Registered office
Via Armezzone, 3
19031 Ameglia (SP) - Italy
Tel. +39 0187 6181

Secondary offices
La Spezia Shipyards
Viale San Bartolomeo, 362
19126 La Spezia (SP) - Italy
Tel. +39 0187 545700

Viareggio Shipyards
Via Luigi Salvatori, 58
55049 Viareggio (LU) - Italy
Tel. +39 0584 38071

Massa Shipyards
Via Dorsale, 13
54100 Massa (MS) - Italy
Tel. +39 0187 6181

Legal information
Share Capital €35,542,472 fully paid-in
Tax code and registration number in the Register of Companies
of Riviere di Liguria - Imperia La Spezia Savona 00142240464
VAT 01109160117

Contacts
www.sanlorenzoyacht.com
investor.relations@sanlorenzoyacht.com

External Assurance

BDO

Project

Graph.x

Typesetting

Red Point Srl

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