

PERIODIC
FINANCIAL
INFORMATION

AS AT 30 SEPTEMBER 2021

SANLORENZO

CONTENTS

SANLORENZO GROUP	2
Corporate data.....	2
Corporate bodies.....	2
Group structure.....	4
REPORT ON OPERATIONS	5
Introduction.....	5
Group activities.....	5
Financial highlights.....	6
Main alternative performance indicators.....	7
Backlog performance.....	8
Consolidated results.....	9
Consolidated statement of financial position	14
Human resources.....	19
Main risks and uncertainties to which the Group is exposed.....	20
Other information.....	20
Significant events occurring during the quarter	21
Significant events after the close of the period.....	22
Business outlook.....	23
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2021	24
Condensed consolidated statement of financial position	24
Condensed consolidated statement of profit and loss and other comprehensive income.....	26
Condensed consolidated statement of changes in equity.....	28
Condensed consolidated statement of cash flows.....	29
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	31
Basis of preparation.....	31
Information on risks and financial instruments.....	33
Composition of the Group.....	33
DECLARATION OF THE MANAGER CHARGED WITH PREPARING THE COMPANY'S FINANCIAL REPORTS PURSUANT TO ARTICLE 154-BIS, PARAGRAPH 2, OF ITALIAN LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998	35

SANLORENZO GROUP

CORPORATE DATA

Sanlorenzo S.p.A.

Share capital €34,500,000 fully paid-in¹

Tax code and registration number in the Register of Companies of Riviera di Liguria - Imperia La Spezia Savona 00142240464

Registered office: Via Armezzone 3, Ameglia (SP)

Secondary offices:

- Viale San Bartolomeo 362, La Spezia;
- Via Marina di Levante, Viareggio (LU);
- Via Salvatori 56/58, Viareggio (LU);
- Via Dorsale 13, Massa.

www.sanlorenzoyacht.com

CORPORATE BODIES

Board of Directors²	Massimo Perotti	Chairman and Chief Executive Officer
	Marco Viti	Executive Director
	Carla Demaria	Executive Director
	Paolo Olivieri	Director and Deputy Chairman
	Cecilia Maria Perotti	Director
	Pietro Gussalli Beretta	Independent Director and Lead Independent Director
	Silvia Merlo	Independent Director
	Licia Mattioli	Independent Director
	Leonardo Luca Etro	Independent Director
Control, Risk and Sustainability Committee	Leonardo Luca Etro	Chairman
	Silvia Merlo	
	Cecilia Maria Perotti	
Remuneration Committee	Silvia Merlo	Chairperson
	Paolo Olivieri	
	Leonardo Luca Etro	

¹ On 21 April 2020, the Extraordinary Shareholders' Meeting approved a divisible share capital increase, excluding option rights, pursuant to Article 2441, paragraph 8 of the Italian Civil Code, of a maximum nominal value of €884,615, to be executed no later than 30 June 2029, through the issue of a maximum of 884,615 ordinary shares destined exclusively and irrevocably to service the 2020 Stock Option Plan, approved by the Ordinary Shareholders' Meeting on the same occasion. This capital increase has not yet been subscribed, even partially.

² Appointed by the Ordinary Shareholders' Meeting on 24 June 2019 and supplemented on 24 October 2019; will remain in office until the date of the shareholders' meeting called to approve the separate financial statements as at 31 December 2021.

Nomination Committee	Pietro Gussalli Beretta Licia Mattioli Paolo Olivieri	Chairman
Related-Party Transactions Committee	Licia Mattioli Silvia Merlo Pietro Gussalli Beretta	Chairperson
Board of Statutory Auditors ³	Andrea Caretti Margherita Spaini Roberto Marrani Luca Trabattoni Marina Scandurra	Chairman Standing Auditor Standing Auditor Alternate Auditor Alternate Auditor
Independent Auditing Firm ⁴	BDO Italia S.p.A.	
Manager charged with preparing the company's financial reports	Attilio Bruzzese	

³ Appointed by the Ordinary Shareholders' Meeting on 24 October 2019; will remain in office until the date of the shareholders' meeting called to approve the separate financial statements as at 31 December 2021.

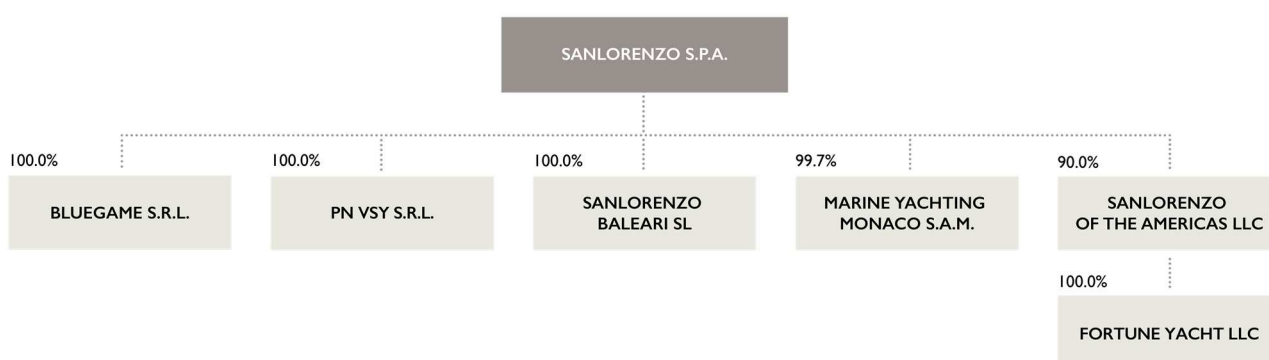
⁴ Appointed by the Ordinary Shareholders' Meeting on 23 November 2019 for nine financial years from 2019 to 2027.

GROUP STRUCTURE

The consolidated financial statements of Sanlorenzo Group as at 30 September 2021 include Sanlorenzo S.p.A. (Parent Company), five direct subsidiaries of Sanlorenzo S.p.A. – Bluegame S.r.l., PN VSY S.r.l., Marine Yachting Monaco S.A.M., Sanlorenzo Baleari SL and Sanlorenzo of the Americas LLC – and Fortune Yacht LLC, a company controlled indirectly through Sanlorenzo of the Americas LLC.

For more details, reference should be made to the note “Composition of the Group” in this report.

Corporate organisational chart of the Group as at 30 September 2021



Composition of the Group as at 30 September 2021

Company name	Registered office
Sanlorenzo S.p.A.	Ameglia (SP) – Italy
Bluegame S.r.l.	Ameglia (SP) – Italy
PN VSY S.r.l.	Viareggio (LU) – Italy
Sanlorenzo Baleari SL	Puerto Portals, Mallorca – Spain
Marine Yachting Monaco S.A.M.	Monte-Carlo – Principality of Monaco
Sanlorenzo of the Americas LLC	Fort Lauderdale (FL) – USA
Fortune Yacht LLC	Fort Lauderdale (FL) – USA

REPORT ON OPERATIONS

INTRODUCTION

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

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

GROUP ACTIVITIES

The Group is a global operator specialised in the design, production and sale of custom-made yachts, superyachts and sport utility yachts, which are fitted out and customised according to the requests and desires of an exclusive clientele, as well as in providing dedicated services to its clients.

Sanlorenzo is the only company in the sector operating under a single brand, both in the market for yachts between 24 and 38 metres long, where it has operated since its foundation in 1958, and in the market for metal superyachts of more than 40 metres in length.

The uniqueness of the product, the constant innovation of yacht design, in respect of Sanlorenzo's tradition, customer loyalty, collaborations with world-renowned designers, communication and the connection with art and culture saw the Group solidify its foothold in the luxury yachting market, which recognises Sanlorenzo brand as epitome of excellence and exclusivity.

The business model is based on the construction of a limited number of yachts per year, taking care of every detail and availing of the collaboration of a supply chain of more than 1,500 highly qualified craft companies, mostly located in the Alto Tirreno nautical district, with whom the Group has long-established relations.

Also thanks to the operational execution delegated to highly experienced and skilled craft companies, the Group can focus on the higher value-added phases, connected with direct interaction with the customer and targeted at creating new innovative and sustainable products, brand development and quality control.

Group activities are divided into three production divisions:

- Yacht Division, dedicated to the design, manufacturing and marketing of composite yachts between 24 and 38 metres long, under the Sanlorenzo brand;
- Superyacht Division, dedicated to the design, manufacturing and marketing of superyachts in aluminium and steel between 40 and 72 metres long, under the Sanlorenzo brand;
- Bluegame Division, dedicated to the design, manufacturing and marketing of composite sport utility yachts between 13 and 23 metres long, under the Bluegame brand.

Sanlorenzo's production is carried out in four shipyards located in La Spezia, Ameglia (SP), Viareggio (LU) and Massa. The sites operate within a 50km radius, within the nautical district sandwiched between the Apuan Alps and the Tyrrhenian Sea, between the northern Tuscan coast and the eastern Ligurian coast.

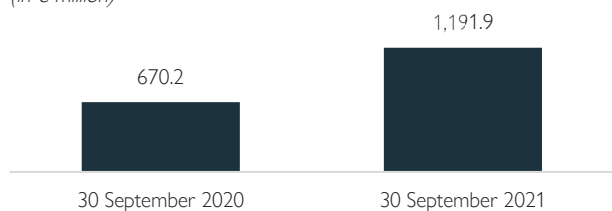
The sale of yachts is carried out both directly (through Sanlorenzo, other Group companies or intermediaries) and through brand representatives, each of which operates in one or more assigned regional zones.

In addition, through the High-End Services division, established in 2020, the Group offers an exclusive range of dedicated services to Sanlorenzo and Bluegame clients, such as tailor-made leasing and financing, a monobrand charter programme (Sanlorenzo Charter Fleet), maintenance, refit and restyling services (Sanlorenzo Timeless) and crew training at the Sanlorenzo Academy.

FINANCIAL HIGHLIGHTS⁵

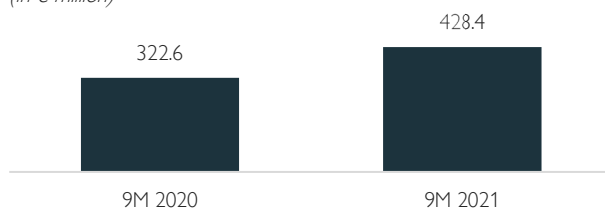
GROSS BACKLOG

(in € million)



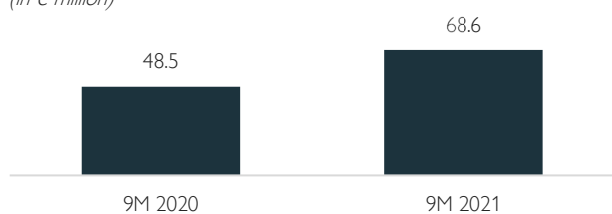
NET REVENUES NEW YACHTS

(in € million)



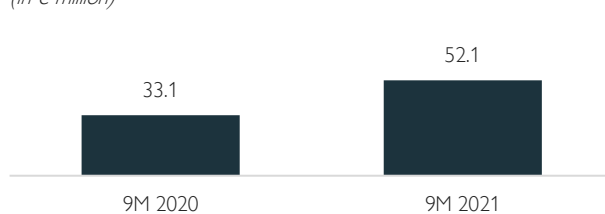
ADJUSTED EBITDA

(in € million)



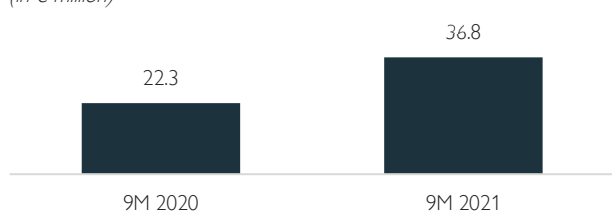
EBIT

(in € million)



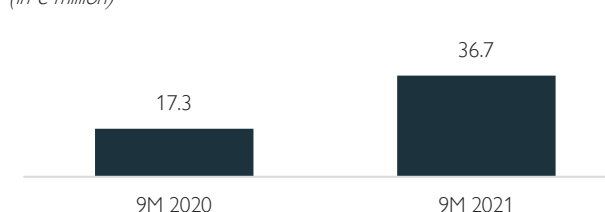
GROUP NET PROFIT

(in € million)



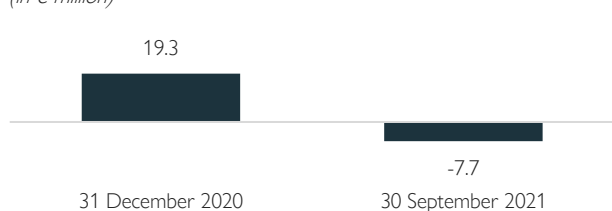
INVESTMENTS

(in € million)



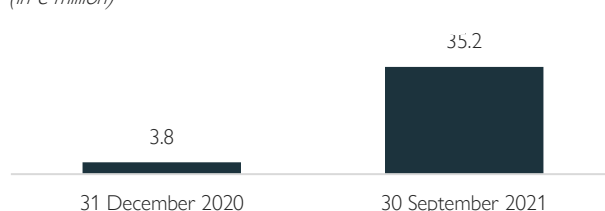
NET WORKING CAPITAL

(in € million)



NET FINANCIAL POSITION

(in € million)



⁵ For a description of the methods of calculating the indicators presented, reference should be made to the paragraph "Main alternative performance indicators" below.

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 alternative performance indicators used in this financial report are outlined below:

- **Backlog:** 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 year, 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 relating to yachts delivered during the year is conventionally cleared on 31 December;
- **Value of production:** calculated as the algebraic sum of the revenues from contracts with customers net of the commissions paid, the change in inventories of work in progress, semi-finished and finished products, other income and capitalised costs of own work;
- **Net Revenues New Yachts:** calculated as the algebraic sum of revenues from contracts with customers relating to new yachts net of commissions. In accordance with IFRS standards, the selling price of new yachts and, therefore, also the calculation of the associated revenues includes the difference between the value attributed contractually to the pre-owned boats traded in and their fair value;
- **EBITDA:** the Operating result (EBIT) before amortisation/depreciation;
- **EBITDA margin:** the ratio between EBITDA and Net Revenues New Yachts;
- **Adjusted EBITDA:** the Operating result (EBIT) before amortisation/depreciation adjusted for non-recurring items;
- **Adjusted EBITDA margin:** the ratio between Adjusted EBITDA and Net Revenues New Yachts;
- **Net fixed capital:** calculated as the sum of goodwill, intangible assets with a finite useful life, property, plant and equipment and net deferred tax assets, net of the corresponding non-current provisions;
- **Net working capital:** calculated as the sum of trade receivables, contract assets, inventories and other current assets, net of trade payables, contract liabilities, current provisions for risks and charges and other current liabilities;
- **Net trade working capital:** calculated as the sum of trade receivables, contract assets and inventories, net of trade payables and contract liabilities;
- **Net invested capital:** calculated as the sum of net fixed capital and net working capital;
- **Investments:** increases in property, plant and equipment and intangible assets with a finite useful life;
- **Net financial position:** calculated as defined by the new Guidelines issued by ESMA and reported in ESMA document 32-382-1138 of 4 March 2021 (Consob Warning Notice no. 5/21 for Consob Communication DEM/6064293, 28 July 2006), as the sum of liquidity (including cash equivalents and other current financial assets), net of current and non-current financial indebtedness, including the fair value of hedging derivatives. If positive, it indicates a net cash position.

BACKLOG PERFORMANCE

(€'000)	30 September		Change	
	2021	2020	2021 vs. 2020	2021 vs. 2020%
Gross backlog	1,191,876	670,218	521,658	+77.8%
<i>Of which current year</i>	<i>570,646</i>	<i>440,230</i>	<i>130,416</i>	<i>+29.6%</i>
<i>Of which subsequent years</i>	<i>621,230</i>	<i>229,988</i>	<i>391,242</i>	<i>+170.1%</i>
Net Revenues New Yachts for the period	428,440	322,623	105,817	+32.8%
Net backlog	763,436	347,595	415,841	+119.6%
<i>Of which current year</i>	<i>142,206</i>	<i>117,607</i>	<i>24,599</i>	<i>+20.9%</i>
<i>Of which subsequent years</i>	<i>621,230</i>	<i>229,988</i>	<i>391,242</i>	<i>+170.1%</i>

The gross backlog as at 30 September 2021 was equal to €1,191,876 thousand, against €670,218 thousand as at 30 September 2020. The increase on the same date of 2020 was equal to €521,658 thousand.

(€'000)	Backlog			
	31 December 2020 ⁶	31 March 2021	30 June 2021	30 September 2021
Backlog	408,761	553,411	810,740	1,191,876
<i>Of which current year</i>	<i>305,072</i>	<i>409,899</i>	<i>497,982</i>	<i>570,646</i>
<i>Of which subsequent years</i>	<i>103,689</i>	<i>143,512</i>	<i>312,758</i>	<i>621,230</i>

(€'000)	Change (order intake)			
	Q1 2021	Q2 2021	Q3 2021	Total 9M 2021
Order intake	144,650	257,329	381,136	783,115
<i>Of which current year</i>	<i>104,827</i>	<i>88,083</i>	<i>72,664</i>	<i>265,574</i>
<i>Of which subsequent years</i>	<i>39,823</i>	<i>169,246</i>	<i>308,472</i>	<i>517,541</i>

The order intake in the first nine months of 2021 was equal to €783,115 thousand, of which €381,136 thousand in the third quarter. The excellent result, which saw the backlog in strong increase during 2021, is related to a very robust market growth, a trend started in the last months of 2020 that has gradually involved all segments of the Group, first of all the Yacht Division. In particular, the backlog increase during the third quarter was led by the extraordinary performance of the Superyacht Division.

Extremely positive has been the outcome of the three boat shows that were held in September (Cannes Yachting Festival, Genoa Boat Show and Monaco Yacht Show), which have seen the start of numerous commercial negotiations, partially already closed with the signing of sales contracts, regarding in particular the recently launched products (SL90 Asymmetric, SL120 Asymmetric, SD118 for the Yacht Division and BG72 for Bluegame) and the new X-Space range of the Superyacht Division which will be presented in 2022. Thanks to the high-end positioning of the brand, the Group was also able to increase the average selling prices, starting from the sales made in the third quarter.

The amount of the gross backlog for the current year, equal to €570,646 thousand, involves high visibility on the expected 2021 revenues. The visibility on revenues of subsequent years is also significant and amounted to €621,230 thousand, fostered by an increased incidence of larger yachts in all divisions, with delivery dates until 2024.

⁶ Conventionally discharged from the amounts related to yachts delivered during the reference year.

CONSOLIDATED RESULTS

Reclassified income statement

(€'000)	Nine months ended 30 September				Change	
	2021	% Net Revenues New Yachts	2020	% Net Revenues New Yachts	2021 vs. 2020	2021 vs. 2020%
Net Revenues New Yachts	428,440	100.0%	322,623	100.0%	105,817	+32.8%
Net revenues from pre-owned boats, maintenance and other services	66,334	15.5%	42,728	13.2%	23,606	+55.2%
Other income	3,356	0.8%	2,632	0.8%	724	+27.5%
Operating costs	(429,491)	(100.3)%	(319,462)	(99.0)%	(110,029)	+34.4%
Adjusted EBITDA	68,639	16.0%	48,521	15.0%	20,118	+41.5%
Non-recurring costs	(690)	(0.1)%	(1,098)	(0.3)%	408	-37.2%
EBITDA	67,949	15.9%	47,423	14.7%	20,526	+43.3%
Depreciation and amortisation	(15,826)	(3.7)%	(14,314)	(4.4)%	(1,512)	+10.6%
EBIT	52,123	12.2%	33,109	10.3%	19,014	+57.4%
Net financial expense	(822)	(0.2)%	(1,578)	(0.5)%	756	-47.9%
Adjustments to financial assets	(14)	-	33	0.0%	(47)	-142.4%
Pre-tax profit	51,287	12.0%	31,564	9.8%	19,723	+62.5%
Income taxes	(14,179)	(3.3)%	(9,435)	(2.9)%	(4,744)	+50.3%
Net profit	37,108	8.7%	22,129	6.9%	14,979	+67.7%
Net (profit)/loss attributable to non-controlling interests	(296)	(0.1)%	197	0.1%	(493)	-250.3%
Group net profit	36,812	8.6%	22,326	6.9%	14,486	+64.9%

Value of production

(€'000)	Nine months ended 30 September		Change	
	2021	2020	2021 vs. 2020	2021 vs. 2020%
Revenues	508,086	379,053	129,033	+34.0%
Commissions	(13,312)	(13,702)	390	-2.8%
Change in inventories of work in progress, semi-finished and finished products	(18,027)	25,335	(43,362)	-171.2%
Other income	3,356	2,632	724	+27.5%
Capitalised costs for own work	1,480	946	534	+56.4%
Value of production	481,583	394,264	87,319	+22.1%

The value of production in the first nine months of 2021 was equal to €481,583 thousand, with a 22.1% increase on the same period in 2020, mainly thanks to the growth in revenues, both from new yachts and pre-owned boats. The decrease of change in inventories of work in progress, semi-finished and finished products, equal to €43,362 thousand compared to the same period of 2020, was due to the reduction in inventories of pre-owned boats and work in progress products as a result of the increase in sales to end customers during the period.

Net Revenues New Yachts

(€'000)	Nine months ended 30 September		Change	
	2021	2020	2021 vs. 2020	2021 vs. 2020%
Revenue from contracts with customers (New Yachts)	442,142	335,642	106,500	+31.7%
Commissions (New Yachts)	(13,702)	(13,019)	(683)	+5.2%
Net Revenues New Yachts	428,440	322,623	105,817	+32.8%

Net Revenues New Yachts in the first nine months of 2021 were equal to €428,440 thousand, a 32.8% increase on the €322,623 thousand recorded in the same period of 2020. Net Revenues New Yachts increased in all divisions and geographic areas, led by the excellent performance in the Americas and Europe.

In a context of strong market acceleration, this performance is a result of both a rise in volumes due to the high collection of new orders and an increase in average selling prices, specifically for superyachts, with a product mix that has an increased incidence of larger yachts in all divisions.

Net Revenues New Yachts by division

(€'000)	Nine months ended 30 September				Change	
	2021	% of total	2020	% of total	2021 vs. 2020	2021 vs. 2020%
Yacht Division	263,328	61.5%	202,577	62.8%	60,751	+30.0%
Superyacht Division	133,241	31.1%	99,825	30.9%	33,416	+33.5%
Bluegame Division	31,871	7.4%	20,221	6.3%	11,650	+57.6%
Net Revenues New Yachts	428,440	100.0%	322,623	100.0%	105,817	+32.8%

The Yacht Division generated Net Revenues New Yachts of €263,328 thousand, accounting for 61.5% of the total, a 30.0% increase on the first nine months of 2020. The excellent sales performance concerned all product ranges, and in particular the SX line (with the SX112 model introduced in 2020), the SD line (with the new SD118 model presented at the Cannes Yachting Festival) and the SL line (with the asymmetrical models).

The Superyacht Division generated Net Revenues New Yachts of €133,241 thousand, accounting for 31.1% of the total, a 33.5% increase on the nine months of 2020, driven by the Steel Line and the new X-Space Line, which was extremely well received even before its launch, expected in 2022.

The Bluegame Division generated Net Revenues New Yachts of €31,871 thousand, accounting for 7.4% of the total, up by 57.6% compared to the first nine months of 2020, thanks in particular to the results of the BGX line, with the introduction of the second model BGX60, launched in 2020, and the first sales of the new BG72 model, recently presented at the Cannes Yachting Festival.

Net Revenues New Yachts by geographical area

(€'000)	Nine months ended 30 September				Change	
	2021	% of total	2020	% of total	2021 vs. 2020	2021 vs. 2020%
Europe	224,318	52.3%	186,141	57.8%	38,177	+20.5%
Americas	102,692	24.0%	46,538	14.4%	56,154	+120.7%
APAC	70,590	16.5%	60,114	18.6%	10,476	+17.4%
MEA	30,840	7.2%	29,830	9.2%	1,010	+3.4%
Net Revenues New Yachts	428,440	100.0%	322,623	100.0%	105,817	+32.8%

Europe recorded Net Revenues New Yachts equal to €224,318 thousand (of which €44,168 thousand generated in Italy), accounting for 52.3% of the total, up by 20.5% on the first nine months of 2020, with the highest increases in Russia, Germany and Italy.

The Americas recorded Net Revenues New Yachts equal to €102,692 thousand, accounting for 24.0% of the total, up by 120.7% compared to the first nine months of 2020, with excellent results in the United States.

The APAC area recorded Net Revenues New Yachts equal to €70,590 thousand, accounting for 16.5% of the total, a 17.4% increase on the first nine months of 2020, driven by sales in Hong Kong.

The increase in revenues in APAC and in the Americas, markets that are strategic for the Group's growth, also through the acquisition of new customers, continued in line with the strong acceleration in sales in these areas started in the second half of 2020.

The MEA area recorded Net Revenues New Yachts equal to €30,840 thousand, accounting for 7.2% of the total, a slight increase compared to the first nine months of 2020.

Operating results

(€'000)	Nine months ended 30 September				Change	
	2021	% Net Revenues New Yachts	2020	% Net Revenues New Yachts	2021 vs. 2020	2021 vs. 2020%
EBIT	52,123	12.2%	33,109	10.3%	19,014	+57.4%
+ Amortisation/depreciation	15,826	3.7%	14,314	4.4%	1,512	+10.6%
EBITDA	67,949	15.9%	47,423	14.7%	20,526	+43.3%
+ Non-recurring costs	690	0.1%	1,098	0.3%	(408)	-37.2%
Adjusted EBITDA	68,639	16.0%	48,521	15.0%	20,118	+41.5%

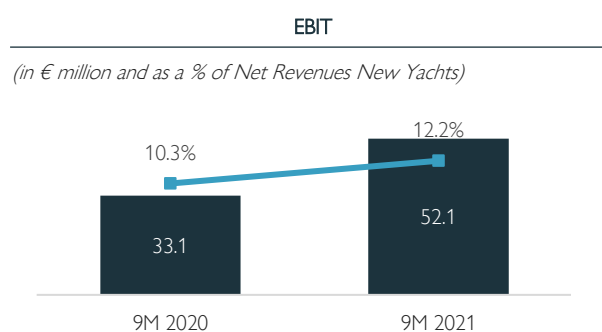
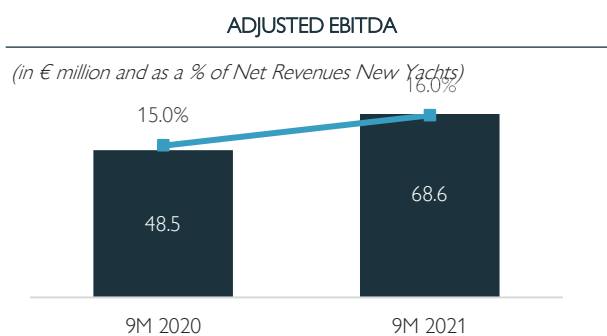
EBIT was equal to €52,123 thousand, up by 57.4% on the first nine months of 2020, with an incidence of 12.2% on Net Revenues New Yachts.

Amortisation/depreciation, equal to €15,826 thousand, rose by 10.6% on the first nine months of 2020, as a result of the coming on stream of major investments made to develop new products and to increase production capacity. EBITDA stood at €67,949 thousand, up by 43.3% on the first nine months of 2020, with an incidence of 15.9% on Net Revenues New Yachts.

EBITDA adjusted for non-recurring components of €690 thousand, consisting of non-monetary costs for the 2020 Stock Option Plan and expenses incurred for COVID-19, was equal to €68.639 thousand, up by 41.5% on the first nine months of 2020, with an incidence of 16.0% on Net Revenues New Yachts, increasing by one percentage point compared to the same period of 2020.

The significant and constant increase in operating profits is due to the efficiencies generated by the optimisation of the new production capacity and the resultant greater absorption of fixed costs.

Profitability also benefited from the shift in product mix towards larger yachts in all divisions and from the increase in average selling prices, which offset the increase in raw material costs.



Net profit

(€'000)	Nine months ended 30 September				Change	
	2021	% Net Revenues New Yachts	2020	% Net Revenues New Yachts	2021 vs. 2020	2021 vs. 2020%
EBIT	52,123	12.2%	33,109	10.3%	19,014	+57.4%
Net financial expense	(822)	(0.2)%	(1,578)	(0.5)%	756	-47.9%
Adjustments to financial assets	(14)	-	33	-	(47)	-142.4%
Pre-tax profit	51,287	12.0%	31,564	9.8%	19,723	+62.5%
Income taxes	(14,179)	(3.3)%	(9,435)	(2.9)%	(4,744)	+50.3%
Net profit	37,108	8.7%	22,129	6.9%	14,979	+67.7%
Net (profit)/loss attributable to non-controlling interests	(296)	(0.1)%	197	0.1%	(493)	-250.3%
Group net profit	36,812	8.6%	22,326	6.9%	14,486	+64.9%

Net financial expense was equal to €822 thousand, down by 47.9% compared to the first nine months of 2020, thanks to a lower indebtedness and improved financial conditions applied to the Group by financial institutions, also following the refinancing of certain lines of credit at more favourable interest rates.

The pre-tax profit for the period was equal to €51,287 thousand, up by €19,723 thousand, against €31,564 thousand in the first nine months of 2020. The percentage incidence on Net Revenues New Yachts reached 12.0%, against 9.8% in the first nine months of 2020.

Income taxes, calculated as management's best estimate, were equal to €14,179 thousand, against €9,435 thousand in the first nine months of 2020. Income taxes for the period were equal to 27.6% of pre-tax profit.

Group net profit for the period was up by €36,812 thousand, up by 64.9%, against €22,326 thousand in the first nine months of 2020. The incidence on Net Revenues New Yachts increased from 6.9% in the first nine months of 2020 to 8.6% in the same period of 2021.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Balance sheet reclassified according to sources and uses

(€'000)	30 September	31 December	30 September	Change	
	2021	2020	2020	30 September 2021 vs. 31 December 2020	30 September 2021 vs. 30 September 2020
USES					
Net fixed capital	185,853	162,308	150,907	23,545	34,946
Net working capital	(7,682)	19,254	27,589	(26,936)	(35,271)
Net invested capital	178,171	181,562	178,496	(3,391)	(325)
SOURCES					
Equity	213,330	185,391	173,408	27,939	39,922
(Net financial position)	(35,159)	(3,829)	5,088	(31,330)	(40,247)
Total sources	178,171	181,562	178,496	(3,391)	(325)

Net fixed capital and investments

Net fixed capital

(€'000)	30 September	31 December	30 September	Change	
	2021	2020	2020	30 September 2021 vs. 31 December 2020	30 September 2021 vs. 30 September 2020
Goodwill	8,667	8,667	8,667	-	-
Intangible assets with a finite useful life	41,916	36,434	34,898	5,482	7,018
Property, plant and equipment	131,430	112,491	106,100	18,939	25,330
Equity investments and non-current assets	422	412	409	10	13
Net deferred tax assets	6,193	6,538	2,723	(345)	3,470
Non-current employee benefits	(1,262)	(845)	(908)	(417)	(354)
Non-current provision for risks and charges	(1,513)	(1,389)	(982)	(124)	(531)
Net fixed capital	185,853	162,308	150,907	23,545	34,946

Net fixed capital as at 30 September 2021 was equal to €185,853 thousand, an increase of €23,545 thousand compared to the end of 2020 and of €34,946 thousand compared to 30 September 2020, mainly related to the investments to increase production capacity and to develop new models made during the period.

Investments

(€'000)	30 September		Change	
	2021	2020	2021 vs. 2020	2021 vs. 2020%
Land and buildings	20,118	890	19,228	+2,160.4%
Industrial equipment	4,946	5,282	(336)	-6.4%
Plant and equipment	1,249	1,183	66	+5.6%
Other assets	2,485	1,528	957	+62.6%
Fixed assets in progress	2,207	4,519	(2,312)	-51.2%
Total increases in property, plant and equipment	31,005	13,402	17,603	+131.3%
Concessions, licences, trademarks and similar rights	151	149	2	+1.3%
Other assets	-	-	-	-
Development costs	2,950	1,612	1,338	+83.0%
Fixed assets in progress	2,617	2,170	447	+20.6%
Total increases in intangible assets with a definite useful life	5,718	3,931	1,787	+45.5%
Investments in the year	36,723	17,333	19,390	+111.9%

The investments made in the first nine months of 2021 amounted to €36,723 thousand, more than doubled compared to €17,333 thousand in the same period of 2020, of which:

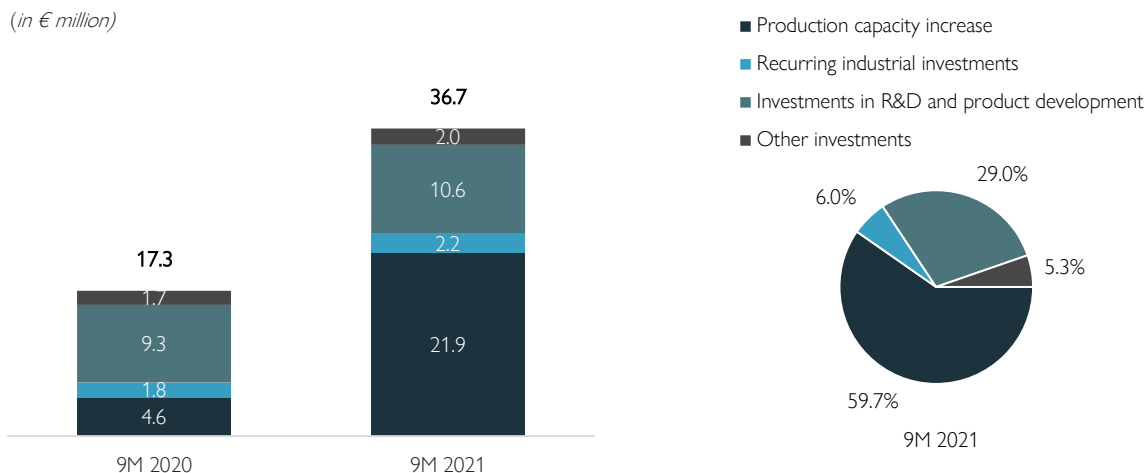
- €21,920 thousand connected to increase in production capacity;
- €10,633 thousand for investments for product development and the creation of models and moulds;
- €2,207 thousand linked to recurring industrial investments (equipment and plant);
- €1,963 thousand relating to other investments.

In particular, during the third quarter, three acquisitions of industrial facilities located next to the Company's shipyards of Viareggio, Massa and La Spezia were concluded, for a total amount of €19,182 thousand (including transaction costs), which will result in a significant increase in production capacity to respond to an acceleration in sales. For more details on these transactions, reference should be made to the paragraph "Significant events occurring during the quarter" of this report.

Investments in research and development for the creation of new products rose by 14.5% compared to the first nine months of 2020, in line with the strategy to expand the product ranges and introduce innovations and technologies geared heavily towards sustainability principles.

BREAKDOWN OF INVESTMENTS BY NATURE

(in € million)



Net working capital

(€'000)	30 September 2021	31 December 2020	30 September 2020	Change	
				30 September 2021 vs. 31 December 2020	30 September 2021 vs. 30 September 2020
Inventories	68,108	82,214	93,151	(14,106)	(25,043)
Trade receivables	21,502	17,233	16,193	4,269	5,309
Contract assets	104,106	112,938	104,018	(8,832)	88
Trade payables	(107,630)	(137,238)	(124,449)	29,608	16,819
Contract liabilities	(90,193)	(46,156)	(59,570)	(44,037)	(30,623)
Other current assets	33,707	30,434	32,268	3,273	1,439
Current provisions for risks and charges	(7,336)	(12,679)	(8,438)	5,343	1,102
Other current liabilities	(29,946)	(27,492)	(25,584)	(2,454)	(4,362)
Net working capital	(7,682)	19,254	27,589	(26,936)	(35,271)

Net working capital as at 30 September 2021 was negative for €(7,682) thousand, compared to a positive figure of €19,254 thousand as at 31 December 2020, down by €26,936 thousand. Net working capital as at 30 September 2021 was down by €35,271 thousand, compared to a positive figure of €27,589 thousand as at 30 September 2020.

(€'000)	30 September 2021	31 December 2020	30 September 2020	Change	
				30 September 2021 vs. 31 December 2020	30 September 2021 vs. 30 September 2020
Inventories	68,108	82,214	93,151	(14,106)	(25,043)
Trade receivables	21,502	17,233	16,193	4,269	5,309
Contract assets	104,106	112,938	104,018	(8,832)	88
Trade payables	(107,630)	(137,238)	(124,449)	29,608	16,819
Contract liabilities	(90,193)	(46,156)	(59,570)	(44,037)	(30,623)
Net trade working capital	(4,107)	28,991	29,343	(33,098)	(33,450)

Net trade working capital as at 30 September 2021 was equal to €(4,107) thousand, compared to €28,991 thousand as at 31 December 2020 and €29,343 thousand as at 30 September 2020.

The performance of net working capital is consistent with the business seasonality, also in view of the concentration of yacht deliveries in the summer months, and influenced by the backlog increase, with a positive impact on inventories and contract assets and liabilities.

(€'000)	30 September 2021	31 December 2020	30 September 2020	Change	
				30 September 2021 vs. 31 December 2020	30 September 2021 vs. 30 September 2020
Raw materials and consumables	8,379	6,121	6,648	2,258	1,731
Work in progress and semi-finished products	32,909	45,123	43,728	(12,214)	(10,819)
Finished products	26,820	30,970	42,775	(4,150)	(15,955)
Inventories	68,108	82,214	93,151	(14,106)	(25,043)

Inventories as at 30 September 2021 were equal to €68,108 thousand, down by €14,106 thousand compared to 31 December 2020 and €25,043 thousand compared to 30 September 2020.

Work in progress and semi-finished products refer to those orders whose contract with the customer has not yet been finalised at the close of the period. The decrease recorded between 31 December 2020 and 30 September 2021, equal to €12,214 thousand, reflects the progressive increase in backlog.

Inventories of finished products were equal to €26,820 thousand as at 30 September 2021, down by €4,150 thousand compared to 31 December 2020. Inventories of pre-owned boats include yachts already sold at the end of the period to be delivered in subsequent months, for a value of €8,067 thousand.

Net financial position

Pursuant to Consob communication no. DEM/6064293/2006, the following table shows the ESMA net financial position. The format and information provided below were adjusted to reflect the updates in the ESMA document 32-382-1138 of 4 March 2021. These updates had no significant impact on the periods considered.

('000)	30 September 2021	31 December 2020	30 September 2020	Change	
				30 September 2021 vs. 31 December 2020	30 September 2021 vs. 30 September 2020
A Cash	139,119	94,359	100,876	44,760	38,243
B Cash equivalents	-	-	-	-	-
C Other current financial assets	-	647	674	(647)	(674)
D Liquidity (A + B + C)	139,119	95,006	101,550	44,113	37,569
E Current financial debt	(4,161)	(2,560)	(5,226)	(1,601)	1,065
F Current portion of non-current financial debt	(26,228)	(25,872)	(35,096)	(356)	8,868
G Current financial indebtedness (E + F)	(30,389)	(28,432)	(40,322)	(1,957)	9,933
H Net current financial indebtedness (G + D)	108,730	66,574	61,228	42,156	47,502
I Non-current financial debt	(73,571)	(62,745)	(66,316)	(10,826)	(7,255)
J Debt instruments	-	-	-	-	-
K Non-current trade and other payables	-	-	-	-	-
L Non-current financial indebtedness (I + J + K)	(73,571)	(62,745)	(66,316)	(10,826)	(7,255)
M Total financial indebtedness (H + L)	35,159	3,829	(5,088)	31,330	40,247

The net financial position of the Group at 30 September 2021 shows a net cash position of €35,159 thousand, compared to a net cash position of €3,829 thousand at 31 December 2020 and a net debt position of €(5,088) thousand at 30 September 2020. Against the same period of the previous year, the net financial position shows an improvement of €40,247 thousand, thanks to the strong cash generation from operating activities, linked to the growth in revenues and the relevant collection of new orders, despite significant investments made during the third quarter.

Cash as at 30 September 2021 was equal to €139,119 thousand, up by €44,760 thousand compared to 31 December 2020 and by €38,243 thousand compared to 30 September 2020. As at 30 September 2021, the Group had bank lines of credit to meet its liquidity need equal to €131,837 thousand⁷, almost entirely unused. Among financial liabilities, lease liabilities (included pursuant IFRS 16) were equal to €3,110 thousand, of which €2,271 thousand non-current and €839 thousand current.

The breakdown of bank debt shows the increased weight of the non-current component, following the disbursement of a five-year loan for an amount of €20 million at the end of the first half and the refinancing of certain lines of credit in the third quarter, with a consequent lengthening of maturities.

⁷Not including lines of credit for reverse factoring and confirming.

Reclassified consolidated statement of cash flows

<i>(€'000)</i>	30 September 2021	30 September 2020
EBITDA	67,949	47,423
Taxes paid	(13,389)	(3,859)
Changes in inventories	14,106	(30,840)
Change in net contract assets and liabilities	52,869	23,999
Change in trade receivables and advances to suppliers	(1,147)	3,932
Change in trade payables	(29,608)	(27,740)
Change in provisions and other assets and liabilities	(9,190)	9,473
Operating cash flow	81,590	22,388
Change in non-current assets (investments)	(36,723)	(17,333)
Business acquisitions and other changes	696	-
Free cash flow	45,563	5,055
Interest and financial charges	(989)	(1,545)
Other changes in equity	(13,244)	464
Change in net financial position	31,330	3,975
Net financial position at the beginning of the period	3,829	(9,063)
Net financial position at the end of the period	35,159	(5,088)

Equity

<i>(€'000)</i>	30 September 2021	31 December 2020
Share Capital	34,500	34,500
Reserves	141,963	116,738
Group profit	36,812	34,508
Group equity	213,275	185,746
Equity attributable to non-controlling interests	55	(355)
Equity	213,330	185,391

The Parent Company's share capital as at 30 September 2021 was equal to €34,500 thousand, fully paid-in, divided among 34,500,000 ordinary shares, unchanged compared to 31 December 2020.

On 21 April 2020, the Extraordinary Shareholders' Meeting of Sanlorenzo S.p.A. approved a divisible share capital increase, excluding option rights, pursuant to Article 2441, paragraph 8 of the Italian Civil Code, of a maximum nominal value of €884,615, to be executed no later than 30 June 2029, through the issue of a maximum of 884,615 ordinary Sanlorenzo shares allocated exclusively and irrevocably to service the 2020 Stock Option Plan. This capital increase has not yet been subscribed, even partially.

On 24 September 2020, the Company launched the share buy-back programme based on the authorisation resolution approved by the Ordinary Shareholders' Meeting of 31 August 2020. As a result of the share purchases since the programme launch, as at 30 September 2021, the Company held 58,666 treasury shares, unchanged with respect to 31 December 2020 and equal to 0.170% of the subscribed and paid-in share capital.

HUMAN RESOURCES

	30 September 2021		31 December 2020		Change	
	Units	% total	Units	% total	2021 vs. 2020	2021 vs. 2020%
Sanlorenzo S.p.A.	535	91.2%	476	92.8%	59	+12.4%
Bluegame S.r.l.	33	5.6%	26	5.1%	7	+26.9%
PN VSY S.r.l.	6	1.0%	-	-	6	-
Sanlorenzo Baleari SL	3	0.5%	1	0.2%	2	+200.0%
Marine Yachting Monaco S.A.M.	-	-	-	-	-	-
Sanlorenzo of the Americas LLC	10	1.7%	10	1.9%	-	-
Fortune Yacht LLC	-	-	-	-	-	-
Group employees	587	100%	513	100%	74	+14.4%

As at 30 September 2021, the Sanlorenzo Group employed a total of 587 employees, of which 91.2% at the Parent Company, recording an increase of 14.4% on 31 December 2020, consistent with the growth in revenues.

	30 September 2021		31 December 2020		Change	
	Units	% of total	Units	% of total	2021 vs. 2020	2021 vs. 2020%
Managers	37	6.3%	32	6.2%	5	+15.6%
White collars	458	78.0%	392	76.5%	66	+16.8%
Blue collars	92	15.7%	89	17.3%	3	+3.4%
Group employees	587	100%	513	100%	74	+14.4%

At category level, white collar workers recorded the larger increase during the period, with 66 staff members added since 31 December 2020.

	30 September 2021		31 December 2020		Change	
	Units	% of total	Units	% of total	2021 vs. 2020	2021 vs. 2020%
Italy	574	97.8%	502	97.9%	72	+14.3%
Rest of Europe	3	0.5%	1	0.2%	2	+200.0%
United States	10	1.7%	10	1.9%	-	-
Group employees	587	100%	513	100%	74	+14.4%

The distribution by geographic area sees the largest number of employees employed in Italy, equal to 97.8% of the Group's total as at 30 September 2021.

MAIN RISKS AND UNCERTAINTIES TO WHICH THE GROUP IS EXPOSED

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

For more details on the risks to which the Group is exposed, reference should be made to the Annual Financial Report as at 31 December 2020, as there have been no changes compared to what was described therein concerning the risks to which the Group is exposed and how they are handled by management.

Market and operating risks

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

Financial risks

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

OTHER INFORMATION

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

On 24 September 2020, the Company launched the share buy-back programme based on the authorisation resolution from the Ordinary Shareholders' Meeting of 31 August 2020. As a result of the share purchases carried out since the start of the programme, as at 30 September 2021, the Company held 58,666 treasury shares, unchanged with respect to 31 December 2020 and equal to 0.170% of the subscribed and paid-in share capital.

SIGNIFICANT EVENTS OCCURRING DURING THE QUARTER

Acquisition of Viareggio Superyachts business unit

On 8 July 2021, PN VSY S.r.l., a wholly-owned subsidiary of Sanlorenzo S.p.A., completed the acquisition of the Viareggio Superyachts S.r.l. business unit in liquidation, including a building located in Viareggio near the Sanlorenzo shipyards, as well as plants and equipment, for a value of approximately €4.8 million (net of transaction costs). The building, with a production area of approximately 3,000 square metres, is used for the fitting out of metal superyachts, notably of the new X-Space line.

Exclusive partnership with Siemens Energy for the development of technological solutions to reduce the environmental impact of the yachts

On 6 September 2021, Sanlorenzo has announced the signing with Siemens Energy of an exclusive partnership for the joint development of solutions for the integration of fuel cell technology in the yachting sector from 24 to 80 metres and two contracts for the development and the purchase of new generation diesel electric and hybrid systems.

The agreement will enable the creation of new technologies aimed at significantly reducing the impact of yacht usage on the marine ecosystem.

The collaboration will be implemented in three areas:

- methanol fuel cell systems for generating electricity on board, which allow the vessel to generate electricity when the engines and generators are off, significantly extending the time spent at anchor and manoeuvring without consuming diesel fuel. The first prototype will be installed on a 50 metres Sanlorenzo hybrid superyacht currently in advanced design, whose delivery is expected in 2024;
- new-generation diesel electric propulsion systems aimed at reducing GHG emissions and fuel consumption, with a significant evolution in terms of energy efficiency and reduction of overall dimensions, intended for application on yacht models over 50 metres. The first signed order covers the application on three Sanlorenzo units from 50 to 70 metres;
- new-generation hybrid propulsion systems designed to reduce GHG emissions and fuel consumption, with a significant optimisation in terms of size, costs and ease of use, intended for use on yachts below 50 metres. The first signed order is for implementation on the new SD90S model which will see the light during 2022.

Award of tender for the acquisition of a warehouse facility in La Spezia

On 22 July 2021, Sanlorenzo was the winner of an auction for a property complex of approximately 7,000 square metres located in La Spezia adjacent to the Company's shipyards, to be used as a warehouse due to the increased production needs of the Superyacht Division. The purchase and payment of the price, equal to approximately €1.5 million (net of transaction costs), were completed on 17 September 2021.

Partnership with Crédit Agricole Leasing Italia for the lease purchase of yachts

On 20 September 2021, Sanlorenzo and Crédit Agricole Leasing Italia announced the terms of an important partnership thanks to which Sanlorenzo will recommend Crédit Agricole Leasing Italia as partner for the lease purchase of yachts and superyachts to its European clients, providing them a tailor-made service and dedicated conditions.

Such partnership is part of the enhancement of High-End Services, a division entirely focused on the proposal of a 360° package of services, to which only Sanlorenzo clients have access: tailor-made leasing/financing packages,

Sanlorenzo Charter Fleet, Sanlorenzo Timeless (refit and restyling services) and crew training at the Sanlorenzo Academy.

Acquisition of a facility in Massa

On 17 May 2021, in the context of an arrangement with creditors, Sanlorenzo was the winner of an auction for the acquisition of an industrial facility located in Massa, near the Company's shipyards, consisting of two warehouses for a total area of approximately 15,000 square metres, an office building and outdoor areas for around 11,000 square metres, at a total price of around €11.6 million (net of transaction costs). The facility, whose purchase was completed on 30 September 2021, will be used for the production of semi-finished composite products in the first months of 2022, following certain revamping works.

SIGNIFICANT EVENTS AFTER THE CLOSE OF THE PERIOD

Auctions for the acquisition of Perini Navi assets

On 15 February 2021, Ferretti Group and Sanlorenzo announced their intention to create a NewCo based on a 50:50 joint venture, in order to present an offer to acquire Perini Navi, declared bankrupt by the Court of Lucca on 29 January 2021. The company - Restart S.p.A. - was established on 28 April 2021 to take part in the auction for the sale of certain assets of Perini Navi, called following the confirmation on 30 April 2021 of the bankruptcy of the company by the Court of Appeal of Florence and the subsequent awarding of the shipyard in Turkey.

The first auction, held on 30 July 2021, concerning the two shipyards in Viareggio and La Spezia, the Perini brand, a yacht under construction and other assets, had a total starting price of €62.5 million. The second auction, held on 30 September 2021, had a total starting price of €56.25 million, with the possibility to submit bids with a 5% reduction of the starting price.

Based on the results of the assessments carried out, while reconfirming the interest in Perini Navi, Ferretti Group and Sanlorenzo decided not to take part in these auctions, for which no bids were submitted.

On 26 October 2021, Ferretti Group and Sanlorenzo, through Restart S.p.A., presented to the official receiver of the Tribunal of Lucca an irrevocable proposal for the acquisition of the entire corporate complex of Perini Navi, which includes the shipyards in Viareggio and La Spezia, brands and patents, the share capital of Perini Navi U.S.A. Inc., a land in Pisa, a yacht under construction and existing legal relationships with employees and other third parties.

Following the submission of the proposal, on 2 November 2021 a third auction was called at a total starting price of €47.0 million, corresponding to a reduction of 24.8% on the appraisal reports filed by the experts in the bankruptcy proceedings. The examination of the offers will take place on 22 December 2021 and, in the event of a tender, minimum bid increments will amount to €500 thousand. The winning bidders will undertake specific commitments to safeguarding jobs and maintaining production in the shipyards of Viareggio.

BUSINESS OUTLOOK

The strong growth dynamics of the yachting sector are being consolidated over the months, fostered, in the luxury segment, by the expansion of potential customers belonging to the Ultra High Net Worth Individuals, which are constantly increasing in terms of both number and wealth, particularly in the United States and APAC.

In this context, Sanlorenzo continues to benefit from the unique characteristics of its business model: high-end positioning of the brand, yachts always at the forefront of innovation, rigorously made-to-measure for a restricted club of selected and loyal customers, close liaison with art and design, distribution through a limited number of brand representatives, flexible cost structure.

The expected growth, partly already reflected in the backlog as at 30 September 2021, is fostered by a robust product pipeline, envisaging the launch in 2022 of three new ranges – SP (“Smart Performance”), X-Space and BGM (Bluegame Multi-hull) – with which Sanlorenzo tap into new market segments, characterized by novel functions and strongly inspired by sustainability criteria. These are the principles that also guide Research and Development, focused today in particular on diesel electric yachts and marine application of fuel cells, activity that will receive a strong acceleration thanks to the strategic agreement with Siemens Energy.

In parallel, the Group is enhancing the offer of the High-End Services Division, established in 2020, entirely focused on the proposal of a package of services, to which only Sanlorenzo clients will have access, including tailor-made leasing and financing, the first monobrand charter fleet (Sanlorenzo Charter Fleet), maintenance, refit and restyling services (Sanlorenzo Timeless) and crew training at the Sanlorenzo Academy.

The Group also continues to carry on the programme to constantly increase operating profit margins, fostered by the efficiencies generated by the optimisation of new production capacity, in further expansion thanks to the investments made in the third quarter, and the increase in the prices of new orders.

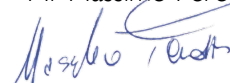
In light of all of the above, also by virtue of a backlog for the year 2021 equal to €570,646 thousand, about 91% covered by final clients, the Company confirms the guidance⁸ for the current year disclosed with the approval of the Half-Yearly Financial Report on 13 September 2021, which provides a double-digit growth of the main metrics.

<i>(in millions of Euro, unless indicated otherwise)</i>	<i>Actual</i>		<i>Guidance</i>
	<i>2019</i>	<i>2020</i>	<i>2021</i>
Net Revenues New Yachts	455.9	457.7	565 – 575
Adjusted EBITDA	66.0	70.6	92 – 94
Adjusted EBITDA margin (in % of Net Revenues New Yachts)	14.5%	15.4%	16.2% – 16.3%
Group net profit	27.0	34.5	47 – 48
Investments	51.4	30.8	45 – 47
Net financial position	(9.1)	3.8	20 – 22

Ameglia, 4 November 2021

On behalf of the Board of Directors
Chairman and Chief Executive Officer

Mr Massimo Perotti



⁸ In the absence of material impacts arising from additional restrictions related to the COVID-19 pandemic and excluding the contribution from potential extraordinary operations.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2021

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(€'000)</i>	30 September 2021	31 December 2020
ASSETS		
Non-current assets		
Property, plant and equipment	131,430	112,491
Goodwill	8,667	8,667
Intangible assets with a finite useful life	41,916	36,434
Equity investments and other non-current assets	422	412
Net deferred tax assets	6,193	6,538
Total non-current assets	188,628	164,542
Current assets		
Inventories	68,108	82,214
Contract assets	104,106	112,938
Other financial assets, including derivatives	-	647
Trade receivables	21,502	17,233
Other current assets	33,707	30,434
Cash and cash equivalents	139,119	94,359
Total current assets	366,542	337,825
TOTAL ASSETS	555,170	502,367

EQUITY AND LIABILITIES**EQUITY**

Share capital	34,500	34,500
Share premium	76,549	76,549
Other reserves	65,414	40,189
Profit/(loss) for the period	36,812	34,508
Equity attributable to the owners of the Parent Company	213,275	185,746
Equity attributable to non-controlling interests	55	(355)
Total equity	213,330	185,391
Non-current liabilities		
Non-current financial liabilities	73,571	62,745
Non-current employee benefits	1,262	845
Non-current provisions for risks and charges	1,513	1,389
Total non-current liabilities	76,346	64,979
Current liabilities		
Current financial liabilities, including derivatives	30,389	28,432
Current provisions for risks and charges	7,336	12,679
Trade payables	107,630	137,238
Contract liabilities	90,193	46,156
Other current liabilities	21,531	18,366
Other current tax liabilities	670	2,105
Net current tax liabilities	7,745	7,021
Total current liabilities	265,494	251,997
TOTAL LIABILITIES	341,480	316,976
TOTAL EQUITY AND LIABILITIES	555,170	502,367

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

<i>(€'000)</i>	30 September 2021	30 September 2020
Revenues	508,086	379,053
Commissions	(13,312)	(13,702)
Net revenues	494,774	365,351
Other income	3,356	2,632
TOTAL NET REVENUE AND INCOME	498,130	367,983
Increases in internal work	1,480	946
Raw materials, consumables and finished products	(181,678)	(152,175)
Outsourcing	(147,264)	(125,445)
Change in inventories of work in progress, semi-finished and finished products	(18,027)	25,335
Other service costs	(39,139)	(33,147)
Personnel expenses	(33,235)	(27,616)
Other operating costs	(3,696)	(2,766)
Accruals to provisions for risks and charges	(8,622)	(5,692)
Total operating costs	(430,181)	(320,560)
OPERATING RESULT BEFORE AMORTISATION AND DEPRECIATION	67,949	47,423
Amortisation, depreciation and impairment losses of fixed assets	(15,826)	(14,314)
OPERATING RESULT	52,123	33,109
Financial income	167	22
Financial expense	(989)	(1,600)
Net financial income/(expense)	(822)	(1,578)
Share of profit/(loss) of equity-accounted investees, net of tax	-	-
Adjustments to financial assets	(14)	33
PRE-TAX PROFIT	51,287	31,564
Income taxes	(14,179)	(9,435)
PROFIT/(LOSS) FOR THE PERIOD	37,108	22,129
Attributable to:		
Shareholders of the Parent Company	36,812	22,326
Non-controlling interests	296	(197)

(€'000)

30 September 2021

30 September 2020

OTHER COMPREHENSIVE INCOME

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

Actuarial change in accruals for employee benefits	-	39
Income taxes relating to actuarial changes in provisions for employee benefits	-	(11)
Total	-	28

Other comprehensive income which will be subsequently reclassified to net profit

Changes in the cash flow hedge reserve	(1,844)	519
Income taxes related to changes in the cash flow hedge reserve	514	(145)
Change in the translation reserve	-	-
Total	(1,330)	374

Other comprehensive income for the period, net of tax effect (1,330) 402

COMPREHENSIVE NET PROFIT FOR THE PERIOD 35,778 22,531

Attributable to:

Shareholders of the Parent Company	35,482	22,728
Non-controlling interests	296	(197)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

<i>(€'000)</i>	Share capital	Share premium	Other reserves	Profit for the period	Equity attributable to the owners of the Parent Company	Equity attributable to non-controlling interests	Total equity
Value as at 31 December 2020	34,500	76,549	40,189	34,508	185,746	(355)	185,391
Allocation of profit for the year	-	-	33,977	(34,508)	(531)	(296)	(827)
Effect of cash flow hedge reserve	-	-	(1,844)	-	(1,844)	-	(1,844)
Dividends distributed	-	-	(10,275)	-	(10,275)	-	(10,275)
Other changes	-	-	3,367	-	3,367	410	3,777
Profit for the period	-	-	-	36,812	36,812	296	37,108
Value as at 30 September 2021	34,500	76,549	65,414	36,812	213,275	55	213,330

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(€'000)	30 September 2021	30 September 2020
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period	37,108	22,129
Adjustments for:		
Depreciation of property, plant and equipment	11,520	9,876
Amortisation of intangible assets	4,306	4,438
Impairment losses on intangible assets and goodwill	-	-
Adjustments to financial assets (other equity investments)	14	(33)
Net financial expense	822	1,578
Gain on sale of property, plant and equipment	(1)	(24)
Impairment losses on trade receivables	-	-
Income taxes	14,179	9,435
Changes in:		
Inventories	14,106	(30,840)
Contract assets	8,832	(16,129)
Trade receivables	(4,269)	4,075
Other current assets	(3,273)	13,739
Trade payables	(29,608)	(27,740)
Contract liabilities	44,037	40,128
Other current liabilities	2,008	(3,704)
Accruals for risks and charges and employee benefits	(4,802)	(681)
Cash flow generated/(absorbed) by operating activities	94,979	26,247
Income taxes paid	(13,389)	(3,859)
Net cash flow generated/(absorbed) by operating activities	81,590	22,388
CASH FLOW FROM INVESTMENT ACTIVITIES		
Interest received	167	22
Proceeds from sale of property, plant and equipment	29	36
Proceeds from disposal of intangible assets	-	-
Change in other equity investments and other non-current assets	525	13
Acquisition of subsidiaries or business units, net of cash acquired	(25)	-
Acquisition of property, plant and equipment	(31,005)	(13,402)
Acquisition of intangible assets with a finite useful life	(5,718)	(3,931)
Net cash flow generated/(absorbed) by investment activities	(36,027)	(17,262)
CASH FLOW FROM FINANCING ACTIVITIES		
Financial interests and expense paid	(989)	(1,600)
Proceeds from the issue of share capital	-	-
Proceeds from loans	42,796	53,488
Repayment of loans	(27,869)	(27,084)
Changes in other financial assets and liabilities including derivatives	2,334	5,867
New finance lease	516	4,839
Repayment of finance lease	(4,347)	(395)
Assumption of new loans	-	-
Other changes in equity	(2,969)	497
Share buy-back	-	(48)
Dividends paid	(10,275)	-
Net cash flow generated/(absorbed) by financing activities	(803)	35,564

Sanlorenzo S.p.A.

Periodic financial information as at 30 September 2021

29

<i>(€'000)</i>	30 September 2021	30 September 2020
NET CHANGE IN CASH AND CASH EQUIVALENTS	44,760	40,690
Cash and cash equivalents at the beginning of the period	94,359	60,186
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	139,119	100,876

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PREPARATION

Introduction

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

Sanlorenzo S.p.A., as a company listed on Euronext STAR Milan segment of the Italian Stock Exchange, is subject to the provisions of Article 2.2.3 of the Stock Exchange Regulations. On the basis of these regulations, the Company has prepared the Periodic Financial Information as at 30 September 2021, which it makes available to the public.

Basis of preparation

The Periodic Financial Information as at 30 September 2021 has been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and endorsed by the European Union, including all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC).

For the purposes of preparing Periodic Financial Information as at 30 September 2021, the provisions of IAS 34 (“Interim Financial Reporting”), relating to infra-annual financial reporting, were not adopted, given that the Group applies this standard to half-yearly financial reports and not to quarterly reports.

The accounting principles and criteria adopted for the preparation of the Periodic Financial Information as at 30 September 2021 are consistent with those used for the preparation of the consolidated financial statements as at 31 December 2020 to which reference should be made for more details.

The Periodic Financial Information as at 30 September 2021 has been prepared on the basis of the accounting positions of the Parent Company and its subsidiaries, adjusted accordingly to ensure they conform to the IFRS.

The Periodic Financial Information as at 30 September 2021 includes the consolidated statement of the financial position, consolidated statement of profit and loss and the other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the period from 1 January to 30 September 2021.

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

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

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

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

Basis of measurement

The Periodic Financial Information as at 30 September 2021 was prepared using the historical cost method, with the exception of derivative financial instruments, which were recognised at fair value as required by IFRS 9 - "Financial Instruments", and on a going concern basis. The Directors, in fact, have checked that there are no material uncertainties (as defined in IAS 1.25) in relation to the going-concern assumption.

Functional and presentation currency

The Periodic Financial Information as at 30 September 2021 is presented in Euro, the functional currency of the Parent Company. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Use of judgements and estimates

The preparation of the Periodic Financial Information as at 30 September 2021 in application of the IAS/IFRS requires the Directors to apply accounting standards that may sometimes be affected by complex and subjective judgements and estimates, based on past experience and assumptions deemed reasonable and realistic in the circumstances.

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

Reference should be made to the consolidated financial statements as at 31 December 2020 in relation to the main areas requiring the use of judgements and estimates, specifying that there are no changes in the main sources of uncertainty of estimates compared to those reported in the consolidated financial statements as at 31 December 2020.

Consolidation criteria

The Periodic Financial Information as at 30 September 2021 includes the interim financial statements as at 30 September 2021 of the Parent Company and those of the Italian and foreign subsidiaries specifically prepared. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The consolidation criteria adopted in the preparation of this Periodic Financial Information as at 30 September 2021 are the same as those adopted and reported in the consolidated financial statements as at 31 December 2020.

Summary of accounting standards applied

In the preparation of this Periodic Financial Information as at 30 September 2021, the same accounting principles and preparation criteria were applied as those used in the preparation of the consolidated financial statements as at 31 December 2020, to which reference should be made.

Impairment testing

The Company decided to perform the impairment test on goodwill and on development expenditure at the end of each year.

For the preparation of the Periodic Financial Information as at 30 September 2021, the Company assessed, on the basis of information from external and internal sources, whether there were indications of impairment of assets. At Group level, the existence of indicators of impairment was assessed as required by paragraph 12 of IAS 36. In assessing the results as at 30 September 2021, the Company considered that there were no trigger events and it was not necessary to carry out impairment testing; these trends will be carefully monitored in the coming months in order to promptly identify elements that may determine the need to carry out the aforementioned tests.

INFORMATION ON RISKS AND FINANCIAL INSTRUMENTS

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

The Periodic Financial Information as at 30 September 2021 does not include all information on risk management. There were no changes with reference to the consolidated financial statements as at 31 December 2020 regarding the risks to which the Group is exposed and their management.

COMPOSITION OF THE GROUP

Subsidiaries

The Periodic Financial Information as at 30 September 2021 includes Sanlorenzo S.p.A. (Parent Company), five direct subsidiaries of Sanlorenzo S.p.A. - Bluegame S.r.l., PN VSY S.r.l., Marine Yachting Monaco S.A.M., Sanlorenzo Baleari SL and Sanlorenzo of the Americas LLC - and Fortune Yacht LLC, a wholly-owned subsidiary of Sanlorenzo of the Americas LLC, and therefore controlled indirectly.

The following table summarises information, as at 30 September 2021, concerning the name and registered office of all subsidiaries, as well as Sanlorenzo Group's direct or indirect holding in their share capital.

Company name	Registered office	Currency	Capital (currency unit)	Holding	
				Direct	Indirect
Bluegame S.r.l.	Ameglia (SP) – Italy	Euro	100,000	100.0%	-
PN VSY S.r.l.	Viareggio (LU) – Italy	Euro	10,000	100.0%	-
Sanlorenzo Baleari SL	Puerto Portals, Mallorca – Spain	Euro	500,000	100.0%	-
Marine Yachting Monaco S.A.M.	Monte-Carlo – Principality of Monaco	Euro	150,000	99.7%	-
Sanlorenzo of the Americas LLC	Fort Lauderdale (FL) – USA	US dollar	2,000,000	90.0%	-
Fortune Yacht LLC	Fort Lauderdale (FL) – USA	US dollar	1,000	-	90.0%

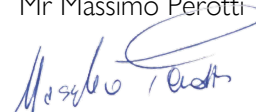
Associated companies

The Parent Company holds the following equity investments in associated companies, included in the Company's financial statements with the equity method:

- 49.81% stake in Polo Nautico Viareggio S.r.l. ("Polo Nautico"), which manages an area of approximately 7,000 square metres on the seafront, complete with mooring quays and the relevant equipment and services in Viareggio;
- 50% stake in Restart S.p.A., a 50:50 joint venture with Ferretti Group established on 28 April 2021 to take part in the auction for the acquisition of the Perini Navi S.p.A. assets.

Ameglia, 4 November 2021

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



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

The undersigned Attilio Bruzzese, Chief Financial Officer of the Sanlorenzo Group, in his capacity as Manager charged with preparing the company's financial reports, declares that the Periodic Financial Information as at 30 September 2021 corresponds to the documented results, books and accounting records.

Ameglia, 4 November 2021

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

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