

PERIODIC
FINANCIAL
INFORMATION

AS AT 31 MARCH 2022

SANLORENZO



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SANLORENZO GROUP

CORPORATE DATA

SANLORENZO S.P.A.

Share Capital €34,596,912 fully paid-in¹

Company Register Riviere di Liguria - Imperia La Spezia Savona and tax code: 00142240464

VAT 00142240464

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

www.sanlorenzoyacht.com

CORPORATE BODIES

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

¹ On 21 April 2020, the Extraordinary Shareholders' Meeting approved a divisible share capital increase, excluding option rights, pursuant to Article 2441, paragraph 8 of the Italian Civil Code, of a maximum nominal value of €884,615, to be executed no later than 30 June 2029, through the issue of a maximum of 884,615 ordinary shares destined exclusively and irrevocably to service the 2020 Stock Option Plan, approved by the Ordinary Shareholders' Meeting on the same occasion. This capital increase was partially subscribed for a total of 96,912 shares.

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

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

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

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

GROUP STRUCTURE

The consolidated financial statements of the Sanlorenzo Group as at 31 March 2022 include Sanlorenzo S.p.A. (Parent Company), six companies directly controlled by Sanlorenzo S.p.A. – Bluegame S.r.l., PN Sviluppo 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 indirectly controlled through Sanlorenzo of the Americas LLC. For more details, please refer to the note “Composition of the Group” in this report.

SCOPE OF CONSOLIDATION AS AT 31 MARCH 2022



COMPOSITION OF THE GROUP AS AT 31 MARCH 2022

Company name	Registered office
Subsidiaries consolidated using the line-by-line method	
Sanlorenzo S.p.A.	Ameglia (SP) – Italy
Bluegame S.r.l.	Ameglia (SP) – Italy
PN Sviluppo S.r.l.	Viareggio (LU) – 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
Associates valued using the equity method	
Polo Nautico Viareggio S.r.l.	Viareggio (LU) – Italy
Restart S.p.A.	Milan (MI) – Italy
Carpensalda Yacht Division S.r.l.	Livorno (LI) – Italy
Sa.La. S.r.l.	Viareggio (LU) – Italy



REPORT ON OPERATIONS

INTRODUCTION

This periodic financial information as at 31 March 2022 (hereinafter “Periodic Financial Information as at 31 March 2022”) was approved by the Board of Directors of the Company on 5 May 2022 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 31 March 2022, which it makes available to the public.

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

GROUP ACTIVITIES

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

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.

The business model is based on the construction of a limited number of boats per year, taking care of every detail and relying on a supply chain of thousands of highly qualified artisan businesses, mostly located in the Upper Tyrrhenian Sea nautical district, with which the Group maintains long-standing relationships.

Thanks also to the operational execution delegated to highly experienced and skilled artisan businesses, the Group can dedicate itself to the higher value-added stages of production, the liaising with customers, the creation of innovative and sustainable new products, the promotion of the brand and the 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, under the Bluegame brand, of composite sport utility yachts between 13 and 23 metres long).

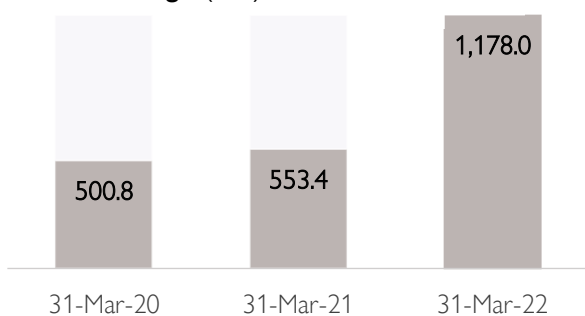
Sanlorenzo’s production is carried out in four shipyards located in La Spezia, Ameglia (SP), Viareggio (LU) and Massa. The sites operate within a 50km radius, within the nautical district sandwiched between the Apuan Alps and the Tyrrhenian Sea, between the northern Tuscan coast and the eastern Ligurian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

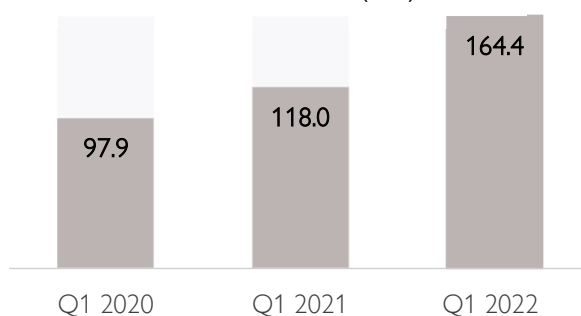
In addition, through the High-End Services division, established in 2020, the Group offers an exclusive range of dedicated services to Sanlorenzo and Bluegame clients, such as tailor-made leasing and financing in collaboration with Sanlorenzo partners, a monobrand charter programme (Sanlorenzo Charter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

FINANCIAL HIGHLIGHTS⁵

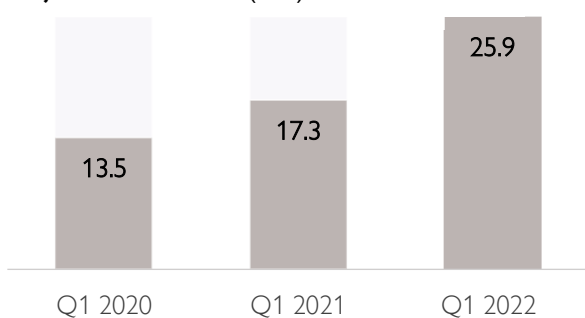
Gross backlog / (€m)



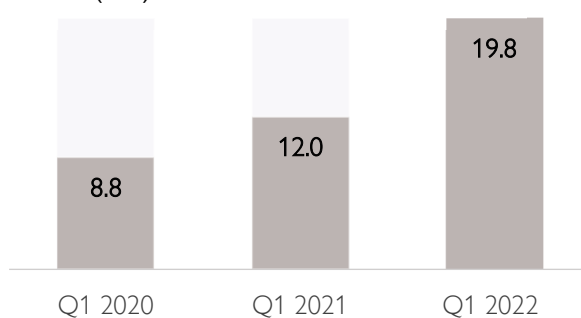
Net Revenues New Yachts / (€m)



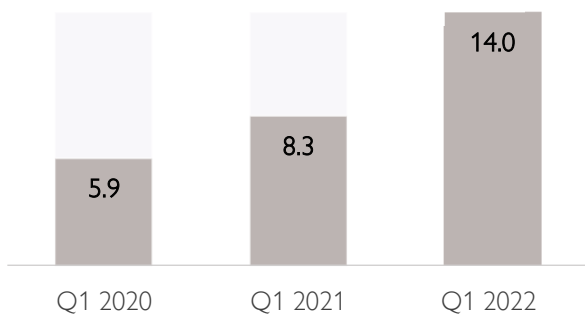
Adjusted EBITDA / (€m)



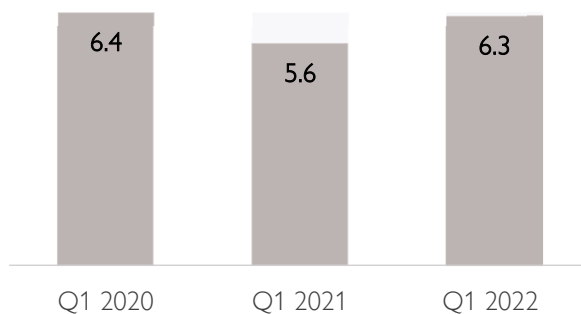
EBIT / (€m)



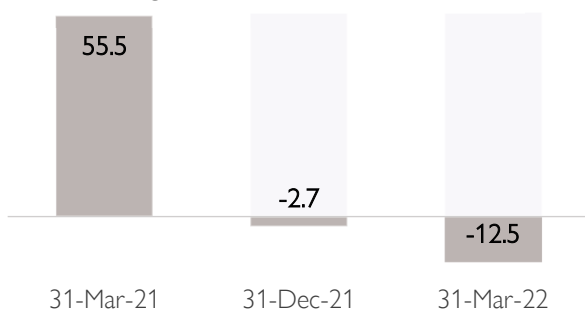
Group net profit / (€m)



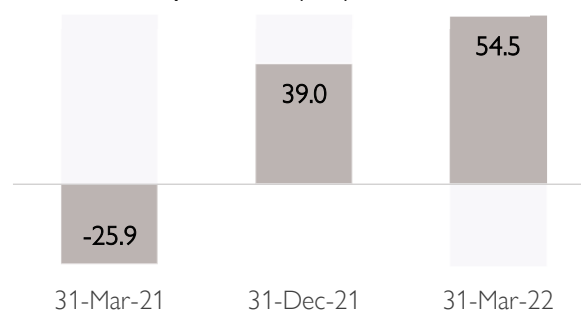
Investments / (€m)



Net working capital / (€m)



Net financial position / (€m)



⁵ For a description of the methods used to calculate the indicators, please refer to the paragraph "Alternative performance indicators".

ALTERNATIVE PERFORMANCE INDICATORS (API)

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

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

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

BACKLOG	It is calculated as the sum of the value of the orders and sales contracts signed with customers or brand representatives relating to yachts for delivery or delivered in the current financial year or for delivery in subsequent financial years. For each period, the value of the orders and contracts included in the backlog refers to the relative share of the residual value from 1 January of the year in question until the delivery date. The backlog related to the revenues 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 new yachts (recognised over time with the cost-to-cost method), net of commissions. Based on the IFRS, the calculation of new yacht sales revenues includes the difference between the value attributed contractually to the pre-owned boats subject to exchange and their relative fair value.
EBITDA	It is the Operating profit/loss (EBIT) before amortisation/depreciation.
EBITDA MARGIN	Indicates the ratio of EBITDA to Net Revenues New Yachts;
ADJUSTED EBITDA	It is the Operating profit/loss (EBIT) before amortisation/depreciation adjusted for non-recurring items.
ADJUSTED EBITDA MARGIN	It is the ratio of Adjusted EBITDA to Net Revenues New Yachts.
NET FIXED CAPITAL	It is calculated as the sum of goodwill, intangible assets with a finite useful life, 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, inventories and other current assets, net of trade payables, contract liabilities, provisions for current risks and charges and other current liabilities.
NET INVESTED CAPITAL INVESTMENTS	It is calculated as the sum of net fixed capital and net working capital. They refer to increases in property, plant and equipment and intangible assets with a finite useful life, net of the carrying amount of related disposals.

**NET FINANCIAL
POSITION**

It is calculated on the basis of guidelines issued by ESMA and reported in ESMA document 32-382-1138 of 4 March 2021 (Consob Warning Notice no. 5/21 for Consob Communication DEM/6064293, 28 July 2006), as the sum of liquidity (including cash equivalents and other current financial assets), net of current and non-current financial indebtedness, including the fair value of hedging derivatives. If positive, it indicates a net cash position.

BACKLOG PERFORMANCE

(€'000)	31 March		Change	
	2022	2021	2022 vs. 2021	2022 vs. 2021%
Gross backlog	1,178,029	553,411	624,618	+112.9%
of which current year	628,110	409,899	218,211	+53.2%
of which subsequent years	549,919	143,512	406,407	+283.2%
Net Revenues New Yachts for the period	164,389	118,011	46,378	+39.3%
Net backlog	1,013,640	435,400	578,240	+132.8%
of which current year	463,721	291,888	171,833	+58.9%
of which subsequent years	549,919	143,512	406,407	+283.2%

Gross backlog as at 31 March 2022 was €1,178,029 thousand, an increase of €624,618 thousand or 112.9%, compared to €553,411 thousand as at 31 March 2021.

(€'000)	Backlog		Change (order intake)
	1 January ⁶	31 March	Q1
Backlog 2022	915,632	1,178,029	262,397
of which current year	544,060	628,110	84,050
of which subsequent years	371,572	549,919	178,347
Backlog 2021	408,761	553,411	144,650
of which current year	305,072	409,899	104,827
of which subsequent years	103,689	143,512	39,823

The order intake in the first three months of 2022 amounted to €262,397 thousand, compared to €144,650 thousand in the same period of the previous year.

The high order intake, which involved all divisions and was supported by new products, was positively impacted by the increase in average selling prices made possible by the high-end positioning of the brand, an increase that was more pronounced for contracts with deliveries after 2022.

The amount of the gross backlog referred to the current year, for €628,110 thousand, allows an excellent coverage of the expected revenues in 2022. Furthermore, the visibility on revenues related to subsequent years, amounting to €549,919 thousand, is also significant thanks to an increased incidence of larger yachts, and in particular of superyachts with delivery dates up to 2026.

⁶ Opening the reference year with the net backlog as at 31 December of the previous year.

CONSOLIDATED ECONOMIC RESULTS

RECLASSIFIED INCOME STATEMENT

(€'000)	Three months ended 31 March				Change	
	2022	% Net Revenues New Yachts	2021	% Net Revenues New Yachts	2022 vs. 2021	2022 vs. 2021%
Net Revenues New Yachts	164,389	100.0%	118,011	100.0%	46,378	+39.3%
Net revenues from pre-owned boats, maintenance and other services	1,189	0.7%	22,074	18.7%	(20,885)	-94.6%
Other income	1,536	0.9%	895	0.8%	641	+71.6%
Operating costs	(141,220)	(85.9)%	(123,671)	(104.8)%	(17,549)	+14.2%
Adjusted EBITDA	25,894	15.8%	17,309	14.7%	8,585	+49.6%
Non-recurring costs	(189)	(0.1)%	(252)	(0.2)%	63	-25.0%
EBITDA	25,705	15.7%	17,057	14.5%	8,648	+50.7%
Amortisation/depreciation	(5,889)	(3.6)%	(5,024)	(4.3)%	(865)	+17.2%
EBIT	19,816	12.1%	12,033	10.2%	7,783	+64.7%
Net financial expenses	(205)	(0.1)%	(209)	(0.2)%	4	-1.9%
Net result from equity investments	28	-	4	-	24	+600.0%
Pre-tax profit	19,639	12.0%	11,828	10.0%	7,811	+66.0%
Income taxes	(5,413)	(3.3)%	(3,586)	(3.0)%	(1,827)	+50.9%
Net profit	14,226	8.7%	8,242	7.0%	5,984	+72.6%
Net (profit)/loss attributable to non-controlling interests	(241)	(0.2)%	18	-	(259)	-1,438.9%
Group net profit	13,985	8.5%	8,260	7.0%	5,725	+69.3%

NET REVENUES NEW YACHTS

(€'000)	Three months ended 31 March		Change	
	2022	2021	2022 vs. 2021	2022 vs. 2021%
Revenue from contracts with customers (New Yachts)	169,866	121,196	48,670	+40.2%
Commissions (New Yachts)	(5,477)	(3,185)	(2,292)	+72.0%
Net Revenues New Yachts	164,389	118,011	46,378	+39.3%

Net Revenues New Yachts in the first three months of 2022 amounted to €164,389 thousand, up by 39.3% compared to €118,011 thousand in the same period of 2021.

In a dynamic of market growth, these important results benefit from a favourable mix due to increased volumes and higher average selling prices, particularly of superyachts, with an increased incidence of larger yachts in all divisions.

Net Revenues New Yachts by division

(€'000)	Three months ended 31 March				Change	
	2022	% of total	2021	% of total	2022 vs. 2021	2022 vs. 2021%
Yacht Division	117,239	71.3%	79,072	67.0%	38,167	+48.3%
Superyacht Division	32,832	20.0%	29,765	25.2%	3,067	+10.3%
Bluegame Division	14,318	8.7%	9,174	7.8%	5,144	+56.1%
Net Revenues New Yachts	164,389	100.0%	118,011	100.0%	46,378	+39.3%

The Yacht Division has generated Net Revenues New Yachts of €117,239 thousand, or 71.3% of the total, an increase of 48.3% compared to the first three months of 2021. The excellent sales results covered all the product ranges, and in particular the SX Line and the asymmetrical models of the SL Line.

The Superyacht Division generated Net Revenues New Yachts of €32,832 thousand, accounting for 20.0% of the total, a 10.3% increase on the first three months of 2021, driven by the Steel Line.

The Bluegame Division generated Net Revenues New Yachts of €14,318 thousand, equal to 8.7% of the total, up by 56.1% compared to the first three months of 2021, in particular thanks to the BGX Line.

Net Revenues New Yachts by geographical area

(€'000)	Three months ended 31 March				Change	
	2022	% of total	2021	% of total	2022 vs. 2021	2022 vs. 2021%
Europe	79,310	48.3%	59,771	50.7%	19,539	+32.7%
Americas	54,100	32.9%	24,450	20.7%	29,650	+121.3%
APAC	23,890	14.5%	25,984	22.0%	(2,094)	-8.1%
MEA	7,089	4.3%	7,806	6.6%	(717)	-9.2%
Net Revenues New Yachts	164,389	100.0%	118,011	100.0%	46,378	+39.3%

Europe recorded Net Revenues New Yachts of €79,310 thousand (of which €24,782 thousand generated in Italy), accounting for 48.3% of the total, up by 32.7% compared to the first three months of 2021.

The Americas recorded Net Revenues New Yachts equal to €54,100 thousand, accounting for 32.9% of the total, up by 121.3% compared to the first three months of 2021, with excellent results in the United States.

The APAC area recorded Net Revenues New Yachts equal to €23,890 thousand, accounting for 14.5% of the total, an 8.1% decline on the first three months of 2021, driven by sales in Hong Kong.

The MEA area recorded Net Revenues New Yachts equal to €7,089 thousand, accounting for 4.3% of the total, and down 9.2% compared to the first three months of 2021.

OPERATING RESULTS

(€'000)	Three months ended 31 March				Change	
	2022	% Net Revenues New Yachts	2021	% Net Revenues New Yachts	2022 vs. 2021	2022 vs. 2021%
EBIT	19,816	12.1%	12,033	10.2%	7,783	+64.7%
+ Amortisation/depreciation	5,889	3.6%	5,024	4.3%	865	+17.2%
EBITDA	25,705	15.7%	17,057	14.5%	8,648	+50.7%
+ Non-recurring costs	189	0.1%	252	0.2%	(63)	-25.0%
Adjusted EBITDA	25,894	15.8%	17,309	14.7%	8,585	+49.6%

EBIT was equal to €19,816 thousand, up by 64.7% on the first three months of 2021, with an incidence of 12.1% on Net Revenues New Yachts.

Amortisation/depreciation, equal to €5,889 thousand, rose by 17.2% on the first three months of 2021, as a result of the coming on stream of major investments made to develop new products and to increase production capacity. EBITDA stood at €25,705 thousand, up by 50.7% on the first three months of 2021, with an incidence of 15.7% on Net Revenues New Yachts.

EBITDA adjusted for non-recurring components of €189 thousand, consisting of non-monetary costs for the 2020 Stock Option Plan and expenses incurred for COVID-19, was equal to €25,894 thousand, up by 49.6% on the first three months of 2021, with an incidence of 15.8% on Net Revenues New Yachts, increasing by 110 basis point compared to the same period of 2021.

The steady increase in operating profitability is related to the change in product mix in favour of larger yachts in all divisions and the increase in average selling prices.

Despite the inflationary scenario, the impact of the increase in raw materials is limited and more than offset by the rise in sales prices, partly due to the prevalence of labour in the production cost structure. Increasingly close partnerships with suppliers secure the procurement of materials and key components at a pre-set price through the signing of multi-year contracts.

NET PROFIT

(€'000)	Three months ended 31 March				Change	
	2022	% Net Revenues New Yachts	2021	% Net Revenues New Yachts	2022 vs. 2021	2022 vs. 2021%
EBIT	19,816	12.1%	12,033	10.2%	7,783	+64.7%
Net financial expenses	(205)	(0.1)%	(209)	(0.2)%	4	-1.9%
Net result from equity investments	28	-	4	-	24	+600.0%
Pre-tax profit	19,639	12.0%	11,828	10.0%	7,811	+66.0%
Income taxes	(5,413)	(3.3)%	(3,586)	(3.0)%	(1,827)	+50.9%
Net profit	14,226	8.7%	8,242	7.0%	5,984	+72.6%
Net (profit)/loss attributable to non-controlling interests	(241)	(0.2)%	18	-	(259)	-1,438.9%
Group net profit	13,985	8.5%	8,260	7.0%	5,725	+69.3%

Net financial expenses amounted to €205 thousand, down 1.9% compared to the first three months of 2021.

Profit before tax for the period was €19,639 thousand, up by €7,811 thousand from €11,828 thousand in the first three months of 2021. As a percentage of Net Revenues New Yachts, it reached 12.0%, compared to 10.0% in the first three months of 2021.

Income taxes, calculated as management's best estimate, were equal to €5,413 thousand, against €3,586 thousand in the first three months of 2021. Income taxes for the period were 27.6% of the pre-tax profit.

The Group's net profit for the period was €13,985 thousand, up by 69.3% from €8,260 thousand in the first three months of 2021. As a percentage of Net Revenues New Yacht increases from 7.0% in the first three months of 2021 to 8.5% in the same period of 2022.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

BALANCE SHEET RECLASSIFIED ACCORDING TO SOURCES AND USES

(€'000)	31 March	31 December	31 March	Change	
	2022	2021	2021	31 March 2022 vs. 31 December 2021	31 March 2022 vs. 31 March 2021
USES					
Net fixed capital	203,076	192,848	166,149	10,228	36,927
Net working capital	(12,539)	(2,713)	55,471	(9,826)	(68,010)
Net invested capital	190,537	190,135	221,620	402	(31,083)
SOURCES					
Equity	245,057	229,141	195,742	15,916	49,315
(Net financial position)	(54,520)	(39,006)	25,878	(15,514)	(80,398)
Total sources	190,537	190,135	221,620	402	(31,083)

NET FIXED CAPITAL AND INVESTMENTS

Net fixed capital

(€'000)	31 March	31 December	31 March	Change	
	2022	2021	2021	31 March 2022 vs. 31 December 2021	31 March 2022 vs. 31 March 2021
Goodwill	8,667	8,667	8,667	-	-
Intangible assets with finite useful life	45,513	45,276	41,227	237	4,286
Property, plant and equipment	135,181	134,988	111,801	193	23,380
Other equity investments and non-current assets	10,915	446	416	10,469	10,499
Net deferred tax assets	5,597	5,963	6,193	(366)	(596)
Non-current employee benefits	(1,313)	(1,058)	(899)	(255)	(414)
Non-current provisions for risks and charges	(1,484)	(1,434)	(1,256)	(50)	(228)
Net fixed capital	203,076	192,848	166,149	10,228	36,927

Net non-current assets as at 31 March 2022 amounted to €203,076 thousand, up by €10,228 thousand compared to the end of 2021 and up by €36,927 thousand compared to 31 March 2021, as a result of investments related to the increase in production capacity and the development of new models as well as the acquisition of a minority interest in Carpensalda Yacht Division S.r.l., and some loans granted to associates, the effects of which are included in "Equity investments and other non-current assets".

For further details on the investment in Carpensalda Yacht Division S.r.l., reference should be made to the paragraph "Significant events occurring during the quarter".

Investments

(€'000)	Three months ended 31 March		Change	
	2022	2021	2022 vs. 2021	2022 vs. 2021%
Land and buildings	(742)	384	(1,126)	-293.2%
Industrial equipment	1,300	1,302	(2)	-0.2%
Plants and equipment	797	491	306	+62.3%
Other assets	2,643	1,126	1,517	+134.7%
Fixed assets in progress	516	259	257	+99.2%
Total changes in property, plant and equipment	4,514	3,562	952	+26.7%
Concessions, licences, trademarks and similar rights	88	48	40	+83.3%
Other assets	-	-	-	-
Development costs	1,244	1,069	175	+16.4%
Fixed assets in progress	496	962	(466)	-48.4%
Total changes in intangible assets with a finite useful life	1,828	2,079	(251)	-12.1%
Net investments in the period	6,342	5,641	701	+12.4%

Net investments made in the first three months of 2022 amounted to €6,342 thousand, up by 12.4% compared to €5,641 thousand in the same period of 2021.

Total investments represented 3.9% of Net Revenues New Yachts for the first quarter of 2022, compared to 4.8% for the same period in the prior year, and are broken down as follows:

- €3,171 thousand, i.e. 50.0% of the total, for investments made on research, product development and the creation of models and moulds;
- €1,995 thousand, i.e. 31.5% of the total, dedicated to increase production capacity;
- €666 thousand, i.e. 10.5% of the total, for recurring industrial investments (equipment and plant);
- €510 thousand, i.e. 8.0% of the total, related to other investments.

In particular, investments are reported net of the sale of a building intended for offices that the Company had acquired in September 2021 together with the new production site in Massa for a net residual book value of approximately €2.1 million (including the amounts of the related equipment).

NET WORKING CAPITAL

(€'000)	31 March	31 December	31 March	Change	
	2022	2021	2021	31 March 2022 vs. 31 December 2021	31 March 2022 vs. 31 March 2021
Inventories	73,609	68,269	83,627	5,340	(10,018)
Trade receivables	4,988	18,310	19,113	(13,322)	(14,125)
Contract assets	121,876	117,194	122,033	4,682	(157)
Trade payables	(98,689)	(120,125)	(108,108)	21,436	9,419
Contract liabilities	(129,293)	(102,948)	(51,156)	(26,345)	(78,137)
Other current assets	51,008	54,337	34,196	(3,329)	16,812
Current provisions for risks and charges	(12,230)	(11,380)	(12,421)	(850)	191
Other current liabilities	(23,808)	(26,370)	(31,813)	2,562	8,005
Net working capital	(12,539)	(2,713)	55,471	(9,826)	(68,010)

Net working capital as at 31 March 2022 was negative for €(12,539) thousand, compared to a negative figure of €(2,713) thousand as at 31 December 2021, down by €9,826 thousand. Compared to the figure as at 31 March 2021, positive for €55,471 thousand, net working capital as at 31 March 2022 decreased by €68,010 thousand.

(€'000)	31 March	31 December	31 March	Change	
	2022	2021	2021	31 March 2022 vs. 31 December 2021	31 March 2022 vs. 31 March 2021
Inventories	73,609	68,269	83,627	5,340	(10,018)
Trade receivables	4,988	18,310	19,113	(13,322)	(14,125)
Contract assets	121,876	117,194	122,033	4,682	(157)
Trade payables	(98,689)	(120,125)	(108,108)	21,436	9,419
Contract liabilities	(129,293)	(102,948)	(51,156)	(26,345)	(78,137)
Net trade working capital	(27,509)	(19,300)	65,509	(8,209)	(93,018)

Net trade working capital as at 31 March 2022 was equal to €(27,509) thousand, compared to €(19,300) thousand as at 31 December 2021 and €65,509 thousand as at 31 March 2021.

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

(€'000)	31 March	31 December	31 March	Change	
	2022	2021	2021	31 March 2022 vs. 31 December 2021	31 March 2022 vs. 31 March 2021
Raw and ancillary materials and consumables	9,290	8,539	6,810	751	2,480
Work in progress and semi-finished products	36,528	31,760	47,175	4,768	(10,647)
Finished products	27,791	27,970	29,642	(179)	(1,851)
Inventories	73,609	68,269	83,627	5,340	(10,018)

Inventories as at 31 March 2022 were equal to €73,609 thousand, up by €5,340 thousand compared to 31 December 2021 and down by €10,018 thousand compared to 31 March 2021.

Work in progress and semi-finished products refer to those orders whose contract with the customer has not yet been finalised at the close of the period. The decrease recorded between 31 March 2022 and 31 March 2021, equal to €(10,647) thousand, reflects the progressive increase in backlog.

Inventories of finished products as at 31 March 2022 were €27,791 thousand, substantially stable compared to 31 December 2021. 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 €12,854 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 did not have a material impact on the figure as at 31 March 2021.

(€'000)	31 March 2022	31 December 2021	31 March 2021	Change	
				31 March 2022 vs. 31 December 2021	31 March 2022 vs. 31 March 2021
A Cash	151,037	141,272	65,665	9,765	85,372
B Cash equivalents	-	-	-	-	-
C Other current financial assets	1,643	317	1	1,326	1,642
D Liquidity (A + B + C)	152,680	141,589	65,666	11,091	87,014
E Current financial payable	(3,012)	(3,824)	(11,998)	812	8,986
F Current portion of non-current financial debt	(29,076)	(29,651)	(23,471)	575	(5,605)
G Current financial indebtedness (E + F)	(32,088)	(33,475)	(35,469)	1,387	3,381
H Net current financial indebtedness (G + D)	120,592	108,114	30,197	12,478	90,395
I Non-current financial debt	(66,072)	(69,108)	(56,075)	3,036	(9,997)
J Debt instruments	-	-	-	-	-
K Non-current trade and other payables	-	-	-	-	-
L Non-current financial indebtedness (I + J + K)	(66,072)	(69,108)	(56,075)	3,036	(9,997)
M Total financial debt (H+L)	54,520	39,006	(25,878)	15,514	80,398

The net financial position of the Group as at 31 March 2022 shows a net cash equal to €54,520 thousand, compared to a net cash equal to €39,006 thousand as at 31 December 2021 and a net debt of €(25,878) thousand as at 31 March 2021. The net financial position shows an improvement of €15,514 thousand compared to 31 December 2021 and €80,398 thousand compared to 31 March 2021, an excellent result, considering the seasonal trends of the sector that tend to penalise the first quarter, achieved thanks to the strong operating cash generated from the growth in revenues and the significant order intake.

Cash as at 31 March 2022 amounted to €151,037 thousand, an increase of €9,765 thousand compared to 31 December 2021, and of €85,372 thousand compared to 31 March 2021. As at 31 March 2022, the Group also has bank credit lines to meet liquidity needs amounting to €132,108 thousand⁷, almost entirely unused.

Among financial liabilities, lease liabilities included pursuant IFRS 16 totalled €6,530 thousand (of which €4,823 thousand non-current and €1,707 thousand current) compared to €4,819 thousand as at 31 December 2021 and €3,184 thousand as at 31 March 2021.

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

Reclassified consolidated statement of cash flows

(€'000)	31 March 2022	31 March 2021	Change
EBITDA	25,705	17,057	8,648
Taxes paid	(7,653)	-	(7,653)
Change in inventories	(5,340)	(1,413)	(3,927)
Change in net contract assets and liabilities	21,663	(4,095)	25,758
Change in trade receivables and payments on account to suppliers	12,204	(101)	12,305
Change in trade payables	(21,436)	(29,131)	7,695
Change in provisions and other assets and liabilities	5,522	(4,801)	10,323
Operating cash flow	30,665	(22,484)	53,149
Change in non-current fixed assets (investments)	(6,342)	(5,641)	(701)
Business acquisitions and other changes	(3,682)	656	(4,338)
Free cash flow	20,641	(27,469)	48,110
Interest and financial charges	(216)	(272)	56
Other cash flows and changes in shareholders' equity	(4,911)	(1,966)	(2,945)
Change in net financial position	15,514	(29,707)	45,221
Net financial position at the beginning of the period	39,006	3,829	35,177
Net financial position at the end of the period	54,520	(25,878)	80,398

EQUITY

(€'000)	31 March 2022	31 March 2021
Share capital	34,597	34,500
Reserves	196,127	153,371
Group profit	13,985	8,260
Group equity	244,709	196,131
Net equity attributable to non-controlling interests	348	(389)
Equity	245,057	195,742

The Parent Company's share capital as at 31 March 2022 amounts to €34,597 thousand, fully paid-in, and is composed of 34,596,912 ordinary shares.

On 21 April 2020, the Extraordinary Shareholders' Meeting of Sanlorenzo S.p.A. has approved a divisible share capital increase, excluding option rights, pursuant to Article 2441, paragraph 8 of the Italian Civil Code, of a maximum nominal value of €884,615, to be executed no later than 30 June 2029, through the issue of a maximum number of 884,615 ordinary Sanlorenzo shares destined exclusively and irrevocably to service the 2020 Stock Option Plan. This capital increase was partially subscribed for 96,512 shares.

On 24 September 2020, the Company initiated the share buy-back program based on the authorisation resolution approved by the Ordinary Shareholders' Meeting on 31 August 2020. As a result of share purchases since the inception of the program, as at 31 March 2022, the Company held 58,666 treasury shares, unchanged from 31 December 2021, representing 0.170% of its subscribed and paid-in share capital. In accordance with the terms of the above resolution, the purchase program ended on 28 February 2022.

HUMAN RESOURCES

	31 March 2022		31 December 2021		Change	
	Units	% of total	Units	% of total	2022 vs. 2021	2022 vs. 2021%
Sanlorenzo S.p.A.	573	90.1%	539	90.3%	34	+6.3%
Bluegame S.r.l.	46	7.2%	38	6.4%	8	+21.1%
PN VSY S.r.l.	3	0.5%	6	1.0%	(3)	-50.0%
Sanlorenzo Baleari SL	3	0.5%	3	0.5%	-	-
Sanlorenzo of the Americas LLC	11	1.7%	11	1.8%	-	-
Group employees	636	100%	597	100%	39	+6.5%

As at 31 March 2022, the Sanlorenzo Group employed a total of 636 employees, of which 90.1% at the Parent Company, recording an increase of 6.5% on 31 December 2021, consistent with the growth in revenues.

	31 March 2022		31 December 2021		Change	
	Units	% of total	Units	% of total	2022 vs. 2021	2022 vs. 2021%
Managers	37	5.8%	36	6.0%	1	+2.8%
White collars	512	80.5%	471	78.9%	41	+8.7%
Blue collars	87	13.7%	90	15.1%	(3)	-3.3%
Group employees	636	100%	597	100%	39	+6.5%

At category level, white collar workers recorded a bigger increase during the period, with an increase of 41 staff members compared to 31 December 2021.

	31 March 2022		31 December 2021		Change	
	Units	% of total	Units	% of total	2022 vs. 2021	2022 vs. 2021%
Italy	622	97.8%	583	97.7%	39	+6.7%
Rest of Europe	3	0.5%	3	0.5%	-	-
United States	11	1.7%	11	1.8%	-	-
Group employees	636	100%	597	100%	39	+6.5%

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 31 March 2022.

MAIN RISKS AND UNCERTAINTIES TO WHICH THE GROUP IS EXPOSED

The Group's activities are exposed to a series of risks and uncertainties that could influence its financial position, results of operations and cash flows, which are summarised below.

For more details on the risks to which the Group is exposed, please refer to the Annual Financial Report as at 31 December 2021, as there have been no changes compared to what was described therein concerning the risks to which the Group is exposed and how they are handled by management.

MARKET AND OPERATING RISKS

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

FINANCIAL RISKS

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

ADDITIONAL INFORMATION

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

On 24 September 2020, the Company initiated the share buy-back program based on the authorisation resolution issued by the Ordinary Shareholders' Meeting on 31 August 2020. As a result of share purchases since the inception of the program, as at 31 March 2022, the Company held 58,666 treasury shares, unchanged from 31 December 2021, representing 0.170% of its subscribed and paid-in share capital. In accordance with the terms of the above resolution, the purchase program ended on 28 February 2022.

SIGNIFICANT EVENTS OCCURRING DURING THE QUARTER

ACQUISITION OF A MINORITY INTEREST IN CARPENSALDA YACHT DIVISION S.R.L.

On 10 February 2022, Sanlorenzo S.p.A. entered into an agreement to purchase equity interests held by MEC Carpensalda S.a.s., a strategic supplier active in the production of metal structures, in Carpensalda Yacht Division S.r.l. ("CYD"). Specifically, on 4 February 2022, MEC Carpensalda had transferred to CYD, a newly incorporated company, the business unit relating to carpentry and welding activities for the construction and assembly of metal structures in iron and light alloys for shipyards, including, among others, two production sites, one in the Navicelli Canal area in Pisa and one in Livorno. With this transaction, Sanlorenzo has acquired a 48% stake in CYD's share capital for €3,840,000. The remaining shares of the company are held 50% by MEC Carpensalda and 2% by a third party.

Subsequently, on 25 February 2022, CYD has acquired all of the shares of Sa.La S.r.l. (formerly Sala S.n.c.) from the previous shareholders for €1,666,666. The company operates in the sector of the processing, cutting and moulding of metal sheets and has a production site in Viareggio (LU).

This strategic partnership in the metal carpentry supply chain will allow Sanlorenzo to secure the supply of key works, indirectly increasing the production capacity at the service of the Superyacht Division.

CONFLICT BETWEEN RUSSIA AND UKRAINE

In view of the conflict between Russia and Ukraine, the Company confirms that its exposure towards customers of Russian nationality is marginal and spread over three financial years.

It should be noted that these are subjects who are not affected by international sanctions at an individual level (the so-called "Specially Designated Nationals") and that as of this reporting date no orders have been cancelled by customers. The Company considers the related risk to be very limited, in view of the advances received by customers on yachts under construction and their ownership retained by the shipyard, as well as in view of the numerous market requests, particularly from potential European and American customers.

The Group implements constant monitoring of the situation and updates on the international sanctions front, in line with the rigorous Know Your Customer procedures and Sanctions Compliance Program adopted by all Group companies.

Moreover, the Group has no suppliers located in Russia and in the areas affected by the conflict.

SIGNIFICANT EVENTS AFTER THE CLOSE OF THE QUARTER

SANLORENZO ORDINARY SHAREHOLDERS' MEETING

On 28 April 2022, the Ordinary Shareholders' Meeting of Sanlorenzo was held on first call and issued the following main resolutions:

- approval of the financial statements as at 31 December 2021 and proposal for the allocation of profit which made provision, inter alia, for the distribution of a dividend of €0.60 per share, double the amount distributed in 2021, with payment as at 4 May 2022;
- approval of the first section of the Remuneration Report relating to the remuneration policy and resolved in a favourable sense on the second section;
- appointment of the new Board of Directors, made up of 12 members, 6 of whom meet the independence requirements, and the new Board of Statutory Auditors;
- approval of the request for authorisation to purchase and dispose of treasury shares up to a maximum of 3,453,550 shares.

ACQUISITION OF A MINORITY INTEREST IN DUERRE S.R.L.

On 29 April 2022, Sanlorenzo S.p.A. has acquired a 33% stake in Duerre S.r.l., a historic company active since the 1940s in the handcrafted production of very high-quality furniture intended in particular for superyachts, in the amount of €3,400,000, in addition to an earn-out clause for a total of €600,000 based on the achievement of specific results.

OUTLOOK

The strong acceleration of the yachting sector continues to be supported, in the luxury segment, by the growth of Ultra High Net Worth Individuals (UHNWIs), particularly in North America and APAC. The expansion of the potential clientele is combined with a significantly increasing interest in yachting, driven by a renewed pursuit of well-being in freedom and safety, all needs that a yacht can satisfy.

Sanlorenzo continues to benefit from the unique characteristics of its business model: high-end brand positioning, exclusive yachts, always at the forefront of sustainable innovation, rigorously made-to-measure and distributed through a small number of brand representatives, flexible cost structure, close liaison with art and design.

In order to continue to create value in a responsible manner, the Group's strategy is based on the following development guidelines.

Strengthening presence in North America and APAC

Areas with strong potential arising from the expected high growth of UHNWIs, North America and APAC are key markets for the Group's future growth. The direct presence in the United States through the subsidiary Sanlorenzo of the Americas LLC allows to offer yachts specifically designed and built according to the requirements of American customers and a more timely and effective after-sales service, an element in which the Company intends to further invest. This successful model could be replicated in APAC in the medium term, with the establishment of a local subsidiary.

Evolution of superyacht selling prices

In a fast-growing sector, the market's appreciation of the quality of the product and the consequent positioning of the brand in superyachts are opening up to progressively reduce the price gap with the best North European shipyards, particularly in the segment above 500GT, with an acceleration starting from the second half of 2021.

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

The robust product pipeline includes the launch of three new ranges, one for each division (SP Line for the Yacht Division, X-Space Line for the Superyacht Division and BGM for Bluegame) through which Sanlorenzo enters new high-potential market segment, with proposals offering novel functions, strongly inspired by sustainability criteria. The introduction of innovations and technologies aimed at reducing the environmental impact of yachts is at the heart of Research and Development activities, focused today on the marine use of fuel cells, an activity that is accelerating thanks to the strategic agreement with Siemens Energy.

Enhancement of High-End Services offering

Consistent with the philosophy of research of utmost excellence and with its market positioning, the Group is strengthening the offer of High-End Services, entirely focused on the proposal of a package of services intended exclusively for Sanlorenzo customers, including tailor-made leasing and financing, the world's first monobrand charter program (Sanlorenzo Charter Fleet), maintenance, restyling and refitting services (Sanlorenzo Timeless) and training programs for crew members at the Sanlorenzo Academy. The strengthening of the value proposition in the field of services aims to increase the loyalty of existing customers and attract new ones, with a 360° made-to-measure approach, in which the excellence of manufacturing, high quality, innovation and design is combined with the exclusivity of the relationship with the customer.

Strengthening key supply chains

Craftsmanship is at the core of Sanlorenzo's business model: partnerships and minority investments in key suppliers and contractors will allow to ensure the procurement of strategic materials and works, indirectly increase production capacity, increase the agility and flexibility of production processes, maintain strict quality control and extend Sanlorenzo's standards of responsibility and sustainability to the supply chain.

Minority investments in the capital of key suppliers such as Carpensalda Yacht Division, active in metal carpentry sector, and in Duerre, an artisan producer of high-quality furniture, are part of this program for strengthening the strategic supply chains.

GUIDANCE FOR 2022

In light of the results as at 31 March 2022 and in particular the soundness of the order backlog – 91% of which is sold to final clients – which covers approximately 87% of Net Revenues New Yachts envisaged for the current year⁸, while constantly monitoring the evolution of the general environment, the Company confirms its expectations of double-digit growth in the main metrics and the following guidance for 2022⁹.

(€ million and margin in % of Net Revenues New Yachts)	2020 Actual	2021 Actual	2022 Guidance	Change 2022 vs. 2021 ¹⁰
Net Revenues New Yachts	457.7	585.9	700 – 740	+23%
Adjusted EBITDA	70.6	95.5	122 – 130	+32%
Adjusted EBITDA margin	15.4%	16.3%	17.4% – 17.6%	+120 bps
Group net profit	34.5	51.0	66 – 70	+34%
Investments	30.8	49.2	45 – 48	-6%
Net financial position	3.8	39.0	62 – 66	+25

Ameglia, 5 May 2022

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

⁸ Calculation on the average of the guidance interval.

⁹ On a like-for-like basis and excluding potential extraordinary transactions.

¹⁰ Calculated on the average of the guidance interval.



CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€'000)	31 March 2022	31 December 2021
ASSETS		
Non-current assets		
Property, plant and equipment	135,181	134,988
Goodwill	8,667	8,667
Intangible assets with finite useful life	45,513	45,276
Equity investments and other non-current assets	10,915	446
Net deferred tax assets	5,597	5,963
Total non-current assets	205,873	195,340
Current assets		
Inventories	73,609	68,269
Contract assets	121,876	117,194
Other financial assets, including derivatives	1,643	317
Trade receivables	4,988	18,310
Other current assets	51,008	54,337
Cash and cash equivalents	151,037	141,272
Total current assets	404,161	399,699
TOTAL ASSETS	610,034	595,039

(€'000)

31 March 2022

31 December 2021

EQUITY AND LIABILITIES

EQUITY

Share capital	34,597	34,539
Share premium reserve	78,148	77,197
Other reserves	117,979	66,295
Profit/(loss) for the period	13,985	51,007
Equity attributable to the shareholders of the Parent Company	244,709	229,038
Equity attributable to non-controlling interests	348	103
TOTAL EQUITY	245,057	229,141

Non-current liabilities

Non-current financial liabilities	66,072	69,108
Non-current employee benefits	1,313	1,058
Non-current provisions for risks and charges	1,484	1,434
Total non-current liabilities	68,869	71,600

Current liabilities

Current financial liabilities, including derivatives	32,088	33,475
Current provisions for risks and charges	12,230	11,380
Trade payables	98,689	120,125
Contract liabilities	129,293	102,948
Other current liabilities	24,430	22,638
Other current tax liabilities	45	2,146
Net income tax liabilities	(667)	1,586
Total current liabilities	296,108	294,298

TOTAL LIABILITIES

364,977 **365,898**

TOTAL EQUITY AND LIABILITIES

610,034 **595,039**

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

(€'000)	31 March 2022	31 March 2021
Revenues	171,055	143,505
Commissions	(5,477)	(3,420)
Net revenues	165,578	140,085
Other income	1,536	895
TOTAL NET REVENUE AND INCOME	167,114	140,980
Increases in assets for internal work	460	484
Raw materials, consumables and finished products	(57,860)	(54,802)
Outsourcing	(55,231)	(46,590)
Change in inventories of work in progress, semi-finished and finished products	4,928	(1,718)
Other service costs	(14,317)	(8,227)
Personnel expense	(12,582)	(10,858)
Other operating costs	(1,863)	(978)
Accruals to provisions for risks and charges	(4,944)	(1,234)
Total operating costs	(141,409)	(123,923)
OPERATING RESULT BEFORE AMORTISATION/DEPRECIATION	25,705	17,057
Amortisation, depreciation and impairment of fixed assets	(5,889)	(5,024)
OPERATING RESULT	19,816	12,033
Financial income	11	63
Financial expenses	(216)	(272)
Net financial income/(expenses)	(205)	(209)
Share of profit/(loss) of equity-accounted investees, net of tax	28	-
Adjustments to financial assets	-	4
PRE-TAX PROFIT	19,639	11,828
Income taxes	(5,413)	(3,586)
PROFIT/(LOSS) FOR THE PERIOD	14,226	8,242
Attributable to:		
Shareholders of the Parent company	13,985	8,260
Non-controlling interests	241	(18)

(€'000)

31 March 2022

31 March 2021

OTHER COMPREHENSIVE INCOME

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

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

Other comprehensive income which will be subsequently reclassified to net profit

Changes in the cash flow hedge reserve	1,365	(1,370)
Income taxes related to changes in the cash flow hedge reserve	(328)	329
Change in the translation reserve	-	-
Total	1,037	(1,041)

Total other comprehensive income for the year, net of tax effect	1,037	(1,041)
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COMPREHENSIVE NET PROFIT FOR THE PERIOD	15,263	7,201
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Attributable to:

Shareholders of the Parent company	15,022	7,219
Non-controlling interests	241	(18)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€'000)	Share capital	Share premium reserve	Other reserves	Profit for the period	Equity attributable to the shareholders of the Parent Company	Equity attributable to non-controlling interests	Total Equity
Balance as at 31 December 2020	34,500	76,549	40,189	34,508	185,746	(355)	185,391
Allocation of profit for the year	-	-	34,508	(34,508)	-	-	-
Dividends distributed	-	-	-	-	-	-	-
Stock option exercise	-	-	-	-	-	-	-
Other changes	-	-	3,166	-	3,166	(16)	3,150
Profit for the period	-	-	-	8,260	8,260	(18)	8,242
Other comprehensive income	-	-	(1,041)	-	(1,041)	-	(1,041)
Value as at 31 March 2021	34,500	76,549	76,822	8,260	196,131	(389)	195,742
Value as at 31 December 2021	34,539	77,197	66,295	51,007	229,038	103	229,141
Allocation of profit for the year	-	-	51,007	(51,007)	-	-	-
Dividends distributed	-	-	(1)	-	(1)	-	(1)
Stock option exercise	58	951	(86)	-	923	-	923
Other changes	-	-	(273)	-	(273)	4	(269)
Profit for the period	-	-	-	13,985	13,985	241	14,226
Other comprehensive income	-	-	1,037	-	1,037	-	1,037
Value as at 31 March 2022	34,597	78,148	117,979	13,985	244,709	348	245,057

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(€'000)	31 March 2022	31 March 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	14,226	8,242
Adjustments for:		
Depreciation of property, plant and equipment	4,291	3,668
Amortisation of intangible assets	1,598	1,356
Impairment on intangible assets and goodwill	-	-
Adjustments to financial assets (other equity investments)	(28)	(4)
Net financial expenses	205	209
Gain on sale of property, plant and equipment	(124)	(4)
Impairment losses on trade receivables	-	-
Income taxes	5,413	3,586
Changes in:		
Inventories	(5,340)	(1,413)
Contract assets	(4,682)	(9,095)
Trade receivables	13,322	(1,880)
Other current assets	3,329	(3,762)
Trade payables	(21,436)	(29,131)
Contract liabilities	26,345	5,000
Other current liabilities	44	1,080
Accruals for risks and charges and employee benefits	1,155	(336)
Cash flow generated/(absorbed) by operating activities	38,318	(22,484)
Income taxes paid	(7,653)	-
Net cash flow generated/(absorbed) by operating activities	30,665	(22,484)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	11	63
Proceeds from sale of property, plant and equipment	28	-
Proceeds from disposal of intangible assets	-	-
Change in other equity investments and other non-current assets	(6,481)	593
Acquisition of subsidiaries or business units, net of cash acquired	(3,840)	-
Acquisition of property, plant and equipment	(4,514)	(3,562)
Acquisition of intangible assets with finite useful life	(1,828)	(2,079)
Cash flow generated/(absorbed) by investing activities	(16,624)	(4,985)
CASH FLOWS FROM FINANCING ACTIVITIES		
Financial interest and expense paid	(216)	(272)
Proceeds from the issue of share capital	1,009	-
Proceeds from loans	17	9,089
Repayment of loans	(6,019)	(6,029)
Changes in other financial assets and liabilities including derivatives	(1,459)	1,709
New finance leases	1,791	762
Repayment of finance leases	(80)	(4,518)
Assumption of new loans	-	-
Other changes in equity	682	(1,966)
Share buy-back	-	-
Dividends paid	(1)	-
Net cash flow generated/(absorbed) by financing activities	(4,276)	(1,225)

(€'000)	31 March 2022	31 March 2021
NET CHANGE IN CASH AND CASH EQUIVALENTS	9,765	(28,694)
Cash and cash equivalents at the beginning of the period	141,272	94,359
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	151,037	65,665



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

BASIS OF PREPARATION

INTRODUCTION

This periodic financial information as at 31 March 2022 (hereinafter “Periodic Financial Information as at 31 March 2022”) was approved by the Board of Directors of the Company on 5 May 2022 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 31 March 2022, which it makes available to the public.

BASIS OF PREPARATION

The Periodic Financial Information as at 31 March 2022 has been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and endorsed by the European Union, including all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC).

For the purposes of preparing Periodic Financial Information as at 31 March 2022, the provisions of IAS 34 (“Interim Financial Reporting”), relating to infra-annual financial reporting, were not adopted, given that the Group applies this standard to half-yearly financial reports and not to quarterly reports.

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

The Periodic Financial Information as at 31 March 2022 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 31 March 2022 includes the consolidated statement of the financial position, consolidated statement of profit and loss and the other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the period from 1 January to 31 March 2022.

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

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 31 March 2022 was prepared using the historical cost method, with the exception of derivative financial instruments, which were recognised at fair value as required by IFRS 9 - “Financial Instruments”, and on a going concern basis. The Directors, in fact, have checked that there are no material uncertainties (as defined in IAS 1 paragraph 25) in relation to the going-concern assumption.

FUNCTIONAL AND PRESENTATION CURRENCY

The Periodic Financial Information as at 31 March 2022 is presented in Euro, the functional currency of the Parent Company. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

USE OF ESTIMATES AND VALUATIONS

The preparation of the Periodic Financial Information as at 31 March 2022 in application of the IAS/IFRS requires the Directors to apply accounting standards that may sometimes be affected by complex and subjective valuations and estimates, based on past experience and assumptions deemed reasonable and realistic in the circumstances.

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

Reference should be made to the consolidated financial statements as at 31 December 2021 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 2021.

BASIS OF CONSOLIDATION

The Periodic Financial Information as at 31 March 2022 includes the interim financial statements 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 is acquired until the date on which it ends.

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

SUMMARY OF ACCOUNTING STANDARDS APPLIED

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

IMPAIRMENT TEST

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 31 March 2022, 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 impairment indicators was assessed, as required by paragraph 12 of IAS 36. In assessing the results as at 31 March 2022, 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 affect 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 31 March 2022 does not include all information on risk management. There were no changes with reference to the consolidated financial statements as at 31 December 2021 regarding the risks to which the Group is exposed and their management.

GROUP STRUCTURE

SUBSIDIARIES

The Periodic Financial Information as at 31 March 2022 includes Sanlorenzo S.p.A. (Parent Company), six companies directly controlled by Sanlorenzo S.p.A. - Bluegame S.r.l., PN Sviluppo 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 indirectly controlled through Sanlorenzo of the Americas LLC.

The following table provides information, as at 31 March 2022, concerning the name and registered office of all subsidiaries, as well as the Group's direct or indirect holding in their share capital.

Company name	Registered office	Currency	Share capital (currency unit)	Holding	
				Direct	Indirect
Bluegame S.r.l.	Ameglia (SP) – Italy	Euro	100,000	100.0%	-
PN Sviluppo S.r.l.	Viareggio (LU) – Italy	Euro	40,000	100.0%	-
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	USD	2,000,000	90.0%	-
Fortune Yacht LLC	Fort Lauderdale (FL) – USA	USD	1,000	-	90.0%

ASSOCIATED COMPANIES

As at 31 March 2022, the Parent Company holds the following equity investments in associated companies, which are reported in the financial statements drawn up according to the equity method:

Company name	Registered office	Currency	Share capital (currency unit)	Percentage of ownership	
				Direct	Indirect
Polo Nautico Viareggio S.r.l.	Viareggio (LU) – Italy	Euro	667,400	49.81%	-
Restart S.p.A. (through PN Sviluppo S.r.l.)	Milan (MI) – Italy	Euro	50,000	-	50.00%
Carpensalda Yacht Division S.r.l.	Livorno (LI) - Italy	Euro	8,000,000	48.00%	-
Sa.La. S.r.l. (through Carpensalda Yacht Division S.r.l.)	Viareggio (LU) – Italy	Euro	50,000	-	48.00%

On 29 April 2022, the Parent Company also acquired a 33.00% interest in Duerre S.r.l., a company active in the artisanal production of high-quality furniture.

Ameglia, 5 May 2022

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

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

The undersigned Attilio Bruzzese, Chief Financial Officer of the Sanlorenzo Group, in his capacity as Manager charged with preparing the company's financial reports, declares that the Periodic Financial Information as at 31 March 2022 corresponds to the documented results, books and accounting records.

Ameglia, 5 May 2022

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



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