

SANLORENZO

Sanlorenzo S.p.A.

Registered office in via Armezzone 3, Ameglia (SP) – Share capital €34,919,560 fully paid-in
Company Register of Riviera di Liguria – Imperia La Spezia Savona and tax code: 00142240464

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Traditional management and control system

Explanatory report on the first item on the agenda of the Ordinary Shareholders' Meeting

Authorisation for the purchase and disposal of treasury shares, pursuant to the combined provisions of Articles 2357 and 2357-ter of the Italian Civil Code, as well as Article 132 of Italian Legislative Decree no. 58 of 24 February 1998, and its implementing provisions.

Related and consequent resolutions.

Explanatory report on the first item on the agenda of the Ordinary Shareholders' Meeting

Item no. 1 on the Agenda - Authorisation for the purchase and disposal of treasury shares, pursuant to the combined provisions of Articles 2357 and 2357-ter of the Italian Civil Code, as well as Article 132 of Italian Legislative Decree no. 58 of 24 February 1998, and its implementing provisions. Related and consequent resolutions.

Dear Shareholders,

The Ordinary Shareholders' Meeting has been convened to examine and approve the proposal to authorise the purchase and disposal of ordinary shares of Sanlorenzo S.p.A. ("**Sanlorenzo**" or the "**Company**"), pursuant to the combined provisions of Articles 2357 and 2357-ter of the Italian Civil Code, as well as Article 132 of Legislative Decree no. 58 of 24 February 1998 (the Italian Consolidated Law on Finance or "**TUF**") and its implementing provisions, and in particular Article 144-bis of Consob Regulation no. 11971 of 14 May 1999, as amended (the "**Issuers' Regulation**"), without prejudice to the application of Regulation (EU) no. 596 of 16 April 2014 on market abuse ("**MAR Regulation**"), Commission Delegated Regulation (EU) no. 1052 of 8 March 2016 on the conditions applicable to share buybacks and stabilisation measures ("**Delegated Regulation**"), as well as the market practices permitted and approved from time to time by Consob pursuant to the MAR Regulation ("**Permitted Practices**").

Most recently, the Shareholders' Meeting had authorised the purchase and disposal of the Company's ordinary shares on 28 April 2022. This purchase authorisation had a duration of 18 months from the date of the aforementioned resolution and therefore expired on 28 October 2023, while the authorisation of disposal was granted without time limit.

Following the partial execution of the aforementioned resolution, as well as the previous authorisation to purchase treasury shares granted by the Shareholders' Meeting on 31 August 2020 and expired on 28 February 2022, as at the date of this Report, the Company holds 214,928 treasury shares (representing approximately 0.615% of the share capital), while the Company's subsidiaries do not hold any shares of the Company.

It therefore seems appropriate that the Company should once again be granted the power to purchase treasury shares, for the purposes set forth in Section 1 below.

It is therefore proposed that the Shareholders approve a new authorisation to purchase and dispose of treasury shares according to the terms described in this Report.

1. Reasons for requesting authorisation to purchase and dispose of treasury shares

The request for authorisation to purchase and disposal of treasury shares is intended to grant the Board of Directors of Sanlorenzo the power to purchase and dispose of treasury shares, in compliance with applicable regulations, for the purposes permitted by law, which include the purposes envisaged in the Permitted Practices, and in any case the following purposes:

- (i) support for the market liquidity of the shares issued by the Company; and/or
- (ii) to operate on the market from a medium-and long-term investment perspective; and/or
- (iii) to use excess liquidity; and/or
- (iv) to optimise the capital structure; and/or
- (v) to have securities holdings to be used for any future extraordinary finance transactions; and/or
- (vi) to use own shares as collateral for loans; and/or
- (vii) to use treasury shares – in any way, including, but not limited to, in addition to sale, exchange, contribution and any other non-cash disposal – as part of extraordinary transactions of interest of Sanlorenzo, including, but not limited to, exchanges of equity investments, acquisitions, mergers, spin-offs, capital transactions, other corporate and/or financial transactions; and/or
- (viii) to have treasury shares to service compensation plans based on financial instruments pursuant to applicable regulations for the benefit of directors, employees or contractors of the Company and/or its subsidiaries.

2. Maximum number, category and nominal value of the shares to which the authorisation refers

The requested authorisation entails the power to purchase, in one or more transactions and to an extent that will be freely determined – from time to time – by resolution of the Board of Directors, a maximum number of the Company’s ordinary shares, without nominal value, of 3,491,956 (equal to 10% of the share capital subscribed and paid-in at the date of this Report), in any case without

prejudice to compliance with the maximum limit set by Article 2357, paragraph 3 of the Italian Civil Code.

In compliance with Article 2357, paragraph 1 of the Italian Civil Code, the purchases may be made exclusively within the limits of the distributable profits and the available reserves resulting from the last approved financial statements and may concern exclusively shares fully paid-in.

The authorisation request allows the Board of Directors to dispose of the shares in portfolio at any time and to a freely determinable extent, in one or more transactions and even before the quantity of treasury shares that can be purchased has been exhausted, and also to repurchase the shares after their disposal, provided that the limits of the law and the maximum limit of the purchase authorisation as indicated above are respected.

The authorisation request therefore grants the Board of Directors the power to carry out repeated, successive purchase and sale transactions (or other acts of disposal) of treasury shares, including on a revolving basis, and including for fractions of the maximum quantity authorised, so that, at all times, the quantity of shares subject to the proposed purchase and owned by the Company does not exceed the limits set by law and by the authorisation of the Shareholders' Meeting and, in any case, such purchase is carried out in compliance with the applicable provisions of the TUF, the Issuers' Regulations, the MAR Regulation, the Delegated Regulation and, if applicable, the Permitted Practices.

3. Useful information for purposes of a complete assessment of compliance with the provision of Article 2357, paragraph 3, of the Italian Civil Code

As at the date of this Report, the subscribed and paid-in share capital of Sanlorenzo was €34,919,560 and is represented by 34,919,560 ordinary shares, without nominal value.

On 21 April 2020 the Extraordinary Shareholders' Meeting of Sanlorenzo 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 €884,615.00, 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, as approved by the Sanlorenzo Ordinary Shareholders' Meeting of 21 April 2020, all under the terms and conditions set out in the resolution.

As at the date of this Report, 419,560 Sanlorenzo ordinary shares have been subscribed to as a result of this capital increase and 465,055 ordinary shares may still be subscribed.

As at the date of this Report, Sanlorenzo holds no. 214,928 treasury shares, whereas its subsidiaries do not hold shares in Sanlorenzo.

The subsidiaries will be given specific instructions to promptly report any purchases of shares carried out pursuant to Article 2359-*bis* of the Italian Civil Code.

4. Requested duration of the authorisation

The authorisation to purchase treasury shares has been requested for the period of 18 (eighteen) months from the date of the relevant authorising resolution by the Ordinary Shareholders' Meeting.

Within this period, the Board of Directors may make the purchases on one or more occasions and at any time, to the extent and in the time frame freely determined in compliance with the applicable regulations, with the timing and as gradually as deemed appropriate in the interest of Sanlorenzo.

The authorisation to dispose of treasury shares in portfolio or that may be purchased under the authorisation that may be granted by the Shareholders' Meeting is requested without time limits, due to the absence of time limits pursuant to current provisions and the advisability of allowing the Board of Directors to avail itself of maximum flexibility, also in terms of timing, to carry out the acts of disposal.

Acts of disposal of the treasury shares can be carried out at any time and to a freely determinable extent, in one or more transactions and even before the quantity of treasury shares that can be purchased has been exhausted, with the timing and graduality deemed appropriate by the Board of Directors of Sanlorenzo in the company's interest; it will also be possible to repurchase the shares after their disposal, provided that the limits of the law and the maximum limit of the purchase authorisation as indicated above are respected.

5. Minimum and maximum prices

5.1 Minimum and maximum prices for treasury share purchases

It is proposed to authorise the purchase of treasury shares – in compliance with all applicable regulations – at a price not more than 20% higher or lower than the reference price recorded on the

Euronext Milan regulated market organised and managed by Borsa Italiana S.p.A. in the trading session preceding each individual transaction.

5.2 Price for treasury share disposals

It is proposed to authorise the sale and other acts of disposal of treasury shares in portfolio or which may be acquired by virtue of the authorisation that may be granted by the Shareholders' Meeting:

- (i) if transacted in cash – at a price that is not more than 20% lower than the reference price recorded on the Euronext Milan regulated market organised and managed by Borsa Italiana S.p.A. in the trading session preceding each individual transaction;
- (ii) if transacted – in any manner, including but not limited to, in addition to sale, through exchange, contribution and any other non-cash disposal – in the context of extraordinary transactions of interest to Sanlorenzo, including, by way of example but not limited to, the exchange of equity investments, acquisitions, mergers, spin-offs, share capital transactions, other corporate and/or financial transactions, according to the economic terms and conditions that will be determined by the Sanlorenzo Board of Directors from time to time based on the nature and characteristics of the transaction, also taking into consideration the market performance of the Sanlorenzo stock and the Company's best interest;
- (iii) with regard to shares servicing compensation plans based on financial instruments for the benefit of directors, employees or contractors of the Company and/or its subsidiaries, according to the terms and conditions set forth in the regulations of such plans,

it being understood, in any case, that the proceeds of any act of disposal of treasury shares may be used for further purchases of shares, until the expiry of the authorisation requested by the Shareholders' Meeting, within the limits provided for by the latter and by the regulations in force.

6. Procedures for carrying out purchases and disposals

Purchase transactions must be carried out, including through the trading of options or derivative financial instruments on Sanlorenzo shares, in compliance with applicable regulations and, in particular, in such a way as to allow for the respect of the equal treatment of shareholders in accordance with the provisions of Article 132 of the TUF, Article 144-*bis* of the Issuers' Regulation and the regulations on market abuse and therefore, inter alia, with the MAR Regulation, the Delegated Regulation and, if applicable, the Permitted Practices.

Disposals of treasury shares in portfolio or that may be purchased pursuant to the authorisation that may be granted by the Shareholders' Meeting may be carried out in any manner deemed appropriate in the interest of the Company and for the pursuit of the purposes set forth in this proposed resolution, at any time and to an extent that may be freely determined, in one or more transactions and even before having exhausted the quantity of treasury shares that may be purchased; it will also be possible to repurchase the shares after their disposal, provided that the legal limits and the maximum limit of the purchase authorisation as set forth above are respected. Disposals of treasury shares may take place in the manner deemed most appropriate by the Board of Directors in the interest of the Company, through and outside the stock exchange, and in any case in compliance with current regulations and, where applicable, the Permitted Practices.

The shares to be used for the management's stock incentive plans will be assigned according to the methods and terms set forth in the regulations of the relative plans.

7. Information on purchase for the reduction of share capital

The purchase of treasury shares subject to this authorisation request is not for the purpose of reducing Sanlorenzo's share capital.

Effects of the approval of the resolution authorising the purchase of treasury shares pursuant to Article 44-bis of the Issuers' Regulation

Pursuant to Article 44-bis, paragraph 1 of the Issuers' Regulation, "*treasury shares held by the issuer, even indirectly, are excluded from the share capital on which the relevant shareholding is calculated for the purposes of Article 106, paragraphs 1, 1-bis, 1-ter and 3, letter b), of the Consolidated Law*" and therefore for the purposes of the obligation to tender a total takeover bid.

Pursuant to Article 44-bis, paragraph 2 of the Issuers' Regulation, the above Article 44-bis, paragraph 1 of the Issuers' Regulation "*does not apply where the thresholds indicated in Article 106, paragraphs 1, 1-bis, 1-ter and 3, letter b) of the Consolidated Law are exceeded due to the purchase of treasury shares undertaken, directly or indirectly, by the issuer in execution of a resolution which, without prejudice to the provisions of Articles 2368 and 2369 of the Italian Civil Code, has also been approved with the favourable vote of the majority of the shareholders of the issuer, present at the shareholders' meeting, other than the shareholder or shareholders who hold, separately or jointly,*

the majority shareholding, absolute or relative, provided that it exceeds 10%" (the "whitewash mechanism").

Therefore, the Shareholders are hereby informed that, should the shareholders' resolution authorising the purchase of the Company's treasury shares, which is the subject of this Report, be approved with the majorities set forth in the above Article 44-*bis*, paragraph 2 of the Issuers' Regulation, the treasury shares purchased by the Company pursuant to said authorising resolution will not be excluded from the share capital (and therefore will be counted as part of it) when calculating whether one or more shareholders exceed the relevant thresholds pursuant to Article 106 of the TUF.

In any event, the provisions of Article 44-*bis*, paragraph 4 of the Issuers' Regulations remain in effect. According to these provisions, treasury shares acquired as a result of transactions carried out in the following manner are not excluded from the share capital on which the relevant shareholding is calculated for the purposes of Article 106 of the TUF "*a) in accordance with the procedures indicated in Consob Resolution No. 16839 of 19 March 2009, for the holding and disposal of securities for use as consideration in extraordinary transactions, including those involving the exchange of equity investments, already resolved*" and "*b) for the fulfilment of obligations arising from compensation plans approved pursuant to Article 114-*bis* of the Consolidated Law*".

In light of the foregoing, the Board of Directors submits the following proposal for resolution for your approval.

Proposed resolution

“The Shareholders’ Meeting of Sanlorenzo S.p.A., which met in ordinary session,

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

resolves

- I. to authorise the Board of Directors of Sanlorenzo S.p.A. to purchase ordinary shares of Sanlorenzo S.p.A., on one or more occasions and to a freely determinable extent, for a period***

of 18 (eighteen) months from the date of this resolution, for the purposes referred to in the aforementioned Explanatory Report of the Board of Directors and within the limits, under the conditions and procedures referred to in the same Report, to be considered as applied in full, and in particular according to the procedures specified below:

- (i) the maximum number of shares to be purchased is 3,491,956 (three million four hundred ninety-one thousand nine hundred fifty-six), subject, in any case, to compliance with the maximum limit provided for in Article 2357, paragraph 3 of the Italian Civil Code;*
- (ii) the purchases will be carried out – in compliance with all applicable regulations – at a price that is not more than 20% (twenty percent) higher or lower than the reference price recorded on the Euronext Milan regulated market organised and managed by Borsa Italiana S.p.A. in the trading session preceding each individual transaction;*
- (iii) in any case, purchases may only take place within the limits of the distributable profit and available reserves resulting from the latest approved financial statements and may only concern fully paid-in shares;*
- (iv) purchases will be carried out in accordance with applicable regulations, and in particular in such a way as to allow observance of the equal treatment of shareholders, in accordance with the provisions of Article 132 of the TUF, and in compliance with Article 144-bis of Consob Regulation no. 11971 of 14 May 1999, as amended ("**Issuers' Regulation**"), and any other applicable regulations as well as, to the extent applicable, by market practices permitted and approved by Consob pursuant to the MAR Regulation (the "**Permitted Practices**");*

- 2. to authorise the Board of Directors of Sanlorenzo S.p.A., pursuant to Article 2357-ter of the Italian Civil Code, to dispose in whole and/or in part of its treasury shares, without time limits, establishing the price and methods of disposal in the manner deemed most appropriate in the interest of the Company and in compliance with applicable regulations, in the manner and for the purposes set forth in the Board of Directors' Explanatory Report and within the limits, conditions and terms set forth in said Report, to be considered fully referred to, and in particular – in compliance with the terms, conditions and requirements established by applicable regulations as well as, where applicable, by the Permitted Practices, in particular*

where the shares are used to support the liquidity on the market of Sanlorenzo S.p.A. shares – in the manner set out below:

- (i) treasury shares may be subject to acts of disposal on one or more occasions, in amounts freely determinable, even before the quantity of treasury shares that can be purchased has been exhausted; it will also be possible to repurchase the shares after their disposal, provided that the limits of the law and the maximum limit of the purchase authorisation as indicated above are respected;*
 - (ii) the acts of disposal, if transacted in cash, may not be undertaken at a price more than 20% (twenty percent) lower than the reference price recorded on the Euronext Milan regulated market organised and managed by Borsa Italiana S.p.A. in the trading session prior to each individual transaction;*
 - (iii) if the acts of disposal of the shares are transacted – in any manner, including but not limited to, in addition to sale, through exchange, contribution and any other non-cash disposal – in the context of extraordinary transactions of interest to Sanlorenzo S.p.A., including, by way of example but not limited to, the exchange of equity investments, acquisitions, mergers, spin-offs, share capital transactions, other corporate and/or financial transactions, according to the economic terms and conditions of the transaction that will be determined by the Sanlorenzo S.p.A. Board of Directors from time to time based on the nature and characteristics of the transaction, also taking into consideration the market performance of the Sanlorenzo S.p.A. stock and the Company's best interest;*
 - (iv) the shares servicing the compensation plans based on financial instruments for the benefit of directors, employees or contractors of the Company and/or its subsidiaries will be assigned to the beneficiaries of the plans in the manner and under the terms indicated in the regulations of the plans;*
- 3.** *to confirm and grant, as far as may be necessary, the Board of Directors of Sanlorenzo S.p.A. the faculty and all the broadest, more appropriate powers necessary to carry out any activity, take any resolution and enter into any deed to implement the resolutions referred to in the preceding points and to see to the disclosure to the market in relation thereto, pursuant to applicable laws and regulations, with the power to delegate its powers, duties and*

responsibilities to the Chairman of the Board of Directors, the Vice Chairman of the Board of Directors and other of its members, including severally among them."

La Spezia, 10 November 2023

For the Board of Directors

The Chairman

Cav. Massimo Perotti