

SANLORENZO

Innovation and Sustainability: Sanlorenzo and MAN partner to develop the first yacht with a bi-fuel engine

Sanlorenzo, in partnership with MAN, presents the project for the creation of the first yacht with bi-fuel green methanol propulsion, capable of reducing emissions during navigation by up to 70%, setting a new standard for sustainability in the yachting sector.

Press Release, 21 January 2025 – Today at the Blue Innovation Dock at **Boot Düsseldorf**, a press conference was held titled “*Innovation and Sustainability: Sanlorenzo and MAN partner to develop the first yacht with a bi-fuel engine*”. During the event, **Sanlorenzo** presented the innovative project, developed in partnership with **MAN**, for the creation of the **first bi-fuel green methanol propulsion system**. This groundbreaking system will be installed on the new **50 X-Space** and will enable a **reduction in navigation emissions by up to 70%**.

The project is part of the “*Road to 2030*” strategy, reaffirming the company’s pioneering role in technological innovation aimed at reducing environmental impact and positioning sustainability as a strategic lever for business growth. This ambitious path **anticipates and exceeds global and European regulatory standards**, with the goal of developing the first carbon-neutral yacht by the end of the decade, supported by strategic partnerships with international players.

“We are proud to present today, alongside a major global player like MAN, an ambitious project that we are confident will contribute to revolutionizing the entire yachting sector,” stated **Cav. Massimo Perotti, Executive Chairman and CEO of the Sanlorenzo Group**. “Today, the choice in favor of sustainable mobility and yachting is not optional. Now more than ever, the industry and infrastructure services have the critical role of promoting the most sustainable development of the sector possible, leveraging the collaboration of all stakeholders involved. Innovation has always been one of Sanlorenzo’s core values, and once again, we confirm our role as pioneers in introducing cutting-edge technological solutions. In this sense, the 50 X-Space project will set a new benchmark for sustainability in yachting, benefiting not only the sector but beyond.”

“At MAN Engines, we are committed to simplifying our customers’ business through leading sustainable solutions. The use of alternative fuels, hybrid and battery technologies is a central part of our green transformation. We are pleased to be able to contribute further to the reduction of CO₂ emissions in this project with the methanol bi-fuel drive in cooperation with Sanlorenzo and our other partners.”, said **Mikael Lindner, Head of MAN Engines**.

In 2024, Sanlorenzo made significant strides toward sustainability with the launch of two groundbreaking models: the **50Steel**, the world’s first yacht equipped with a green methanol Fuel Cell system capable of converting methanol into hydrogen and then into electricity to power onboard *hotellerie* systems through a fully carbon-neutral process; and the **BGH-HSV** (Hydrogen Support Vessel) by Bluegame, the first *chase boat* powered exclusively by hydrogen, achieving zero emissions. This vessel can reach speeds of 50 knots with a range of 180 miles and was designed to support two challenger teams in the most recent edition of the America’s Cup.

Methanol: A Key Choice for the Future of Yachting

The decision to use methanol for bi-fuel engine propulsion stems from the fact that this fuel is **one of the most promising alternatives for the future of maritime transport**: it is liquid at ambient temperature, biodegradable, and safe to handle. It does not require dedicated infrastructure, only the adaptation of existing facilities, and is already

available in over 100 ports globally. Additionally, if produced from renewable sources (so-called “green methanol”), it is a zero-emission fuel, in line with net-zero goals. Furthermore, the number of vessels with methanol engines and “green corridors” for its use is steadily increasing, especially in Northern Europe, where green methanol is available for passenger ships.

Although recreational boating represents only 0.22% of greenhouse gas emissions within the entire maritime sector, Sanlorenzo has made sustainability a **strategic priority, surpassing the targets set by the International Maritime Organization (IMO) and the European Union**. With the launch of the 50 X-Space, scheduled for 2027, which will enable a 70% reduction in navigation emissions, Sanlorenzo will significantly exceed not only the IMO’s 70% reduction target for 2040 but also the more ambitious 55% target set by the EU’s Fit for 55 agenda for 2030.

The LIFE MYSTIC Project

The bi-fuel propulsion system to be installed on the 50 X-Space is part of the **LIFE MYSTIC** project, promoted and co-financed by the European Union. The shipyard has joined this initiative in collaboration with **Ranieri Tonissi**, one of MAN’s development partners for the engines, and **Nanni Industries** for the generators. Coordinated by Sanlorenzo, the project was launched in June 2024, will last 54 months, and involves a **total investment of over 4.8 million euros**, with 60% of the funding covered by EU grants under the “Circular Economy and Quality of Life” funding line of the LIFE program.

LIFE MYSTIC aims to install two high-speed, four-stroke MAN diesel engines and two four-stroke diesel generators from Nanni Industries aboard a yacht—adapted to operate on a green methanol/diesel bi-fuel combination. The goal is to test the engines and generators for yachts powered by a mix of diesel and methanol, with significant expected results:

- Reduction of greenhouse gas emissions: 150 t/y CO₂eq
- Reduction in fossil fuel primary energy consumption: 700 MWh/y
- Reduction in air quality contamination: 630 kg/y

Sanlorenzo will be responsible for adapting the yacht’s design by reconfiguring the diesel fuel tanks to accommodate methanol and integrating the new distribution system, completing the bi-fuel conversion of the entire vessel. Due to its complexity, LIFE MYSTIC represents a **significant step forward in the sustainability journey of the yachting sector** and will bring **benefits to the entire maritime industry**, promoting technological development and strengthening the alternative fuel distribution chain.

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Sanlorenzo

For over 60 years, Sanlorenzo has been a **worldwide-recognized Made in Italy icon**, producing **custom-built, top-of-the-line** motoryachts that blend **quality, design and craftsmanship with the most advanced and sustainable engineering and technological solutions**.

The shipyard, the world’s first mono-brand in the production of yachts and superyachts over 24m, was founded in 1958 in Limite sull’Arno, near Florence, by two shipwrights, Gianfranco Cecchi and Giuliano Pecchia. In 1972 it was taken over by Giovanni Jannetti, and the headquarters moved to Viareggio, before being relocated to Ameglia (SP) in 1999. In 2005, **Massimo Perotti** - with twenty years of experience in the sector - picked up the baton by purchasing the Company. Under his leadership, Sanlorenzo registered an extraordinary growth: net revenue from new yachts increased from €42 million in 2004 to €915-950 million as per the 2024 Guidance. In 2019 the Company was listed on the Euronext STAR Milan segment of the Italian Stock Exchange.

Today, the production of the Yacht (in composite from 24 to 40m) and Superyacht (metal from 44 to 73m) Business Units of Sanlorenzo is distributed across 6 shipyards: La Spezia, Ameglia, Viareggio, Massa, Arbatax (Sardinia) and Pisa. In addition, the production of the Group is also articulated into

the Bluegame Business Unit (in composite between 13 and 23m); and the Nautor Swan Business Unit (sailing yachts in carbon fibre and composite, and motor yachts in composite, between 13 and 39m, as well as the divisions ClubSwan Racing, dedicated to the organization of the sports activities, and Nautor Swan Global Service dedicated to refit).

The strong drive for innovation that has characterised the Company's vision has enabled the Group to introduce numerous solutions over the years that have profoundly changed the yachting world, such as the **terraces within the hull**, the **asymmetrical layout** or the **open space concept on board**. Fundamental throughout this journey was the close collaboration with the world of design and architecture, developed entrusting the realisation of the interiors of its yachts to authoritative signatures such as Rodolfo Dordoni, Citterio Viel, Piero Lissoni (since 2018 Art Director of the Company), Patricia Urquiola and Studio Christian Liaigre.

If design, innovation and art were the drivers of the 2010-2020 decade in Sanlorenzo's vision, for the decade up to 2030 the focus lies on sustainability and technological revolution, attention to the supply chain and services dedicated to its clientele.

The Company has set out a clear path toward carbon neutrality, the "**Road to 2030**," which is embodied in exclusive strategic agreements with the world's largest players in the fields of mobility and sustainable energy, such as Siemens Energy, Rolls-Royce Solution GmbH - Global Marine (MTU) and MAN Truck & Bus SE, for the development of the most innovative and environmentally friendly solutions for Sanlorenzo and subsidiary Bluegame's yachts, such as green methanol and hydrogen, which will revolutionize the boating world in the coming years.

Two important milestones have been achieved in 2024, in terms of both technological and sustainable innovation of Sanlorenzo. The launch and delivery of the **Superyacht 50Steel**, with the first installation of the Fuel Cell system powered by hydrogen reformed directly on board from green methanol, for power generation feeding hotellerie services - resulting from the exclusive agreement with Siemens Energy and certified by Lloyd's Register -, and the delivery of the two **Bluegame BGF** tenders, with foils and powered exclusively by hydrogen and zero emissions, which competed in the America's Cup in October as "chase boat" for both the New York Club American Magic team and the French Orient Express team.

Furthermore, 2024 marks a year of important acquisitions for Sanlorenzo. That of the **Nautor Swan Group**, worldwide iconic brand engaged in the design, construction, sale and refit of top-end sailing yachts with Swan, Maxi Swan, and ClubSwan range, as well as motor yachts under Swan Shadow, Swan OverShadow and Swan Arrow models; and the acquisition of **Simpson Marine**, leading player in distribution in the South East Asian market with 12 sales offices and 10 service points, with a representation from Hong Kong, and offices in China, Taiwan, Singapore, Thailand, Malaysia, Indonesia, and in Ho Chi Minh and Sydney. In 2024 **Sanlorenzo MED** was also established, a direct sales and service centre based in the major Mediterranean hubs of Monaco, Palma de Mallorca and Cannes.

Consistent with its identifying values, Sanlorenzo's commitment to sustainability and the promotion of marine culture is also expressed through two prestigious projects. The **Fondazione Sanlorenzo**, established by the Perotti family, which, born in 2021, implements actions aimed at supporting Italy's minor islands and improving the economic and social conditions of their communities, starting with their youngest members. **Sanlorenzo Arts Venice**, the Group's new cultural research center, a founding member of the Venice World Capital of Sustainability Foundation: a hybrid space dedicated to culture and the arts, encapsulating Sanlorenzo's values of sustainability, innovation and design, which aims to contribute to a global movement to foster positive change, for a more sustainable future.