

REPUBLIC OF SAN MARINO
Tender Offer for €340,000,000 3.250% Notes due 24 February 2024

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San Marino, 9 May 2023. The Republic of San Marino (acting through the Most Excellent Chamber of the Republic of San Marino and the Ministry of Finance, the “**Republic**” or “**San Marino**”) hereby announces an invitation to the holders (“**Noteholders**”) of any and all of its outstanding €340,000,000 3.250% Notes due 24 February 2024 (ISIN: XS2239061927) (the “**Notes**”) to tender their Notes for purchase by the Republic for cash (the “**Invitation**”) on the terms and subject to the satisfaction or waiver of the New Financing Condition (as defined below) and the other conditions set out in the tender offer memorandum dated 9 May 2023 (the “**Tender Offer Memorandum**”) prepared in connection with the Invitation, and subject to the invitation and distribution restrictions set out below. Capitalised terms used herein but not defined have the meanings given to them in the Tender Offer Memorandum.

The Invitation is being made as part of the Republic’s commitment to mitigate the refinancing risks and alignment with its debt management strategy. Notes purchased by San Marino pursuant to the Invitation will be cancelled and will not be re-issued or re-sold. Notes that are not successfully tendered or otherwise accepted for purchase pursuant to the Invitation will remain outstanding.

The Republic is therefore inviting all Noteholders (subject to the restrictions described in the Tender Offer Memorandum) to offer their Notes for sale to it on the terms set out in the Tender Offer Memorandum.

Description of the Notes	ISIN / Common Code	Outstanding Principal	Purchase	Amount subject to the
		Amount	Price	Invitation
€340,000,000 3.250%	XS2239061927	/	€340,000,000	100 per cent.
Notes due	223906192			Any and all
24 February 2024				

Purchase Price and Accrued Interest

The Purchase Price for Notes accepted for purchase by San Marino pursuant to the Invitation will be 100 per cent. of the principal amount of the Notes validly tendered in the Invitation and accepted for purchase by San Marino.

The Republic will also pay an Accrued Interest Payment in respect of any Notes accepted for purchase pursuant to the Invitation.

Key Terms of the Invitation

Subject to the right of the Republic to extend, re-open, withdraw, terminate or amend the terms and conditions of the Invitation contained in the Tender Offer Memorandum, the Republic will purchase for cash the Notes validly tendered by Noteholders and accepted by the Republic. The Republic is not under any obligation to accept for purchase any Notes tendered pursuant to the Invitation. The Republic will have the right to accept or reject valid Tender Instructions in its sole and absolute discretion and for any reason.

New Financing Condition

San Marino announced on 9 May 2023 its intention to issue new euro-denominated fixed rate notes (the “**New Notes**”), subject to market conditions. Whether the Republic will accept for purchase Notes validly tendered in the Invitation is subject, without limitation, to the successful completion (in the sole determination of the Republic) of the issue of the New Notes (the “**New Financing Condition**”) or the waiver of the same.

If the New Financing Condition is not satisfied, the Republic reserves the right (at its sole discretion) to waive the New Financing Condition and proceed with the Invitation.

Priority Allocation of New Notes

A Noteholder that wishes to subscribe for the New Notes in addition to tendering Notes for purchase pursuant to the Invitation may receive priority (the “**New Issue Priority**”) in the allocation of the New Notes, subject to the issue of the New Notes and such Noteholder making a separate application for the purchase of such New Notes to the Dealer Manager (in its capacity as the manager of the issue of the New Notes) in accordance with the standard new issue procedures of the manager. When considering allocations of the New Notes, San Marino intends to give preference to those Noteholders who, prior to such allocation, have tendered, or indicated their

intention to tender, Notes pursuant to the Invitation. The aggregate principal amount of New Notes for which New Issue Priority will be given to such a Noteholder will be at the sole discretion of the Republic and may be less than or equal to the aggregate principal amount of Notes validly tendered or in respect of which a firm intention to tender has been indicated by such Noteholder in the Invitation and accepted for purchase by the Republic. San Marino is not obliged to allocate the New Notes to an investor which has validly tendered or indicated a firm intention to tender the Notes pursuant to the Invitation.

In the event that a Noteholder validly tenders Notes pursuant to the Invitation, such Notes will remain subject to the conditions of the Invitation as set out in the Tender Offer Memorandum irrespective of whether that Noteholder receives all, part or none of any allocation of New Notes for which it has applied.

Noteholders should note that the pricing and allocation of the New Notes are expected to take place prior to the Expiration Deadline for the Invitation and any Noteholder that wishes to subscribe for New Notes in addition to tendering existing Notes for purchase pursuant to the Invitation should therefore provide, as soon as practicable, to the Dealer Manager any indications of a firm intention to tender Notes for purchase pursuant to the Invitation and the principal amount of Notes that it intends to tender in order for this to be taken into account as part of the New Notes allocation process.

Tender Instructions

Only Direct Participants may submit Tender Instructions. Each Noteholder that is not a Direct Participant must arrange for the Direct Participant through which such Noteholder holds its Notes to submit a valid Tender Instruction on its behalf to the relevant Clearing System before the deadlines specified by the relevant Clearing System. In order to participate in, and be eligible to receive the Purchase Price and Accrued Interest Payment pursuant to, the Invitation, Noteholders must validly tender their Notes by delivering, or arranging to have delivered on their behalf, a valid Tender Instruction that is received by Morrow Sodali Limited (the “**Information and Tender Agent**”) by 5 p.m., CEST time, on 16 May 2023 (the “**Expiration Deadline**”). **Once submitted, Tender Instructions will be irrevocable** except in the limited circumstances described in the Tender Offer Memorandum.

Tender Instructions must be submitted in respect of a minimum principal amount of Notes of not less than €100,000, being the minimum denomination of the Notes, and integral multiples of €1,000 in excess thereof. Tender Instructions which relate to a nominal amount of Notes of less than €100,000 will be rejected.

The Republic may, in its sole and absolute discretion, extend, re-open, amend, waive any condition of or terminate the Invitation at any time (subject to applicable laws and regulations and as provided in the Tender Offer Memorandum). Details of any such extension, re-opening, amendment, waiver or termination will be announced as provided in the Tender Offer Memorandum as soon as reasonably practicable after the relevant decision is made.

Expected Timetable of Events

The times and dates below are indicative only. All times are Central European time.

Events	Times and Dates
<i>Commencement of the Invitation</i>	
Announcement of the Invitation. Tender Offer Memorandum available from the Tender Offer Website (as defined below), subject to registration and eligibility confirmation of the invitation and distributions restrictions.	9 May 2023
Announcement of the Republic’s intention to issue New Notes, subject to market conditions.	
<i>Expiration Deadline</i>	
Final deadline for receipt of valid Tender Instructions by the Information and Tender Agent in order for Noteholders to be able to participate in the Invitation.	5.00 p.m. CEST on 16 May 2023
<i>Announcement of Results</i>	
Announcement of whether the Republic will accept (subject to satisfaction or waiver of the New Financing Condition on or prior to the Settlement Date) valid tenders of Notes pursuant to the Invitation and, if so accepted, the results of the Invitation.	As soon as reasonably practicable on 17 May 2023

Settlement Date

Subject to satisfaction or waiver of the New Financing Condition on or prior to 19 May 2023 to the Settlement Date, expected Settlement Date for the Invitation.

The above important times and dates are indicative only and are subject to the right of the Republic to extend, re-open, amend and/or terminate the Invitation (subject to applicable laws and regulations and as provided in the Tender Offer Memorandum). Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would need to receive instructions from a Noteholder in order for that Noteholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Invitation, before the deadlines specified in the Tender Offer Memorandum. The deadlines set by any such intermediary and each Clearing System for the submission of Tender Instructions will be earlier than the relevant deadlines specified above.

Further Information

The Invitation is described in full in the Tender Offer Memorandum which is available from the <https://projects.morrowsodali.com/SanMarino> (the “Tender Offer Website”) (subject to registration and eligibility confirmation and the invitation and distributions restrictions), operated by the Information and Tender Agent for the purpose of the Invitation. Goldman Sachs International is the Dealer Manager for the Invitation. Requests for information in relation to the Invitation should be directed to:

DEALER MANAGER

Goldman Sachs International
Shoe Lane, 25
EC4A 4AU London
United Kingdom

Email: liabilitymanagement.eu@gs.com
Attn: Liability Management

Requests for information in relation to the procedures for tendering Notes in the Invitation and the submission of Tender Instructions should be directed to:

INFORMATION AND TENDER AGENT

Morrow Sodali Limited
Email: sanmarino@investor.morrowsodali.com
Tender Offer Website: <https://projects.morrowsodali.com/SanMarino>

In London:
103 Wigmore Street
London W1U 1QS
United Kingdom
Telephone: +44 20 4513 6933

In Hong Kong:
The Hive
33-35 Hillier Street
Sheung Wan
Telephone: +852 2319 4130

DISCLAIMER

Each Noteholder is solely responsible for making its own independent appraisal of all matters as such Noteholder deems appropriate (including those relating to the Invitation) and each Noteholder must make its own decision, based upon its own judgement and upon advice from such financial, accounting, legal, regulatory and tax advisers as it has deemed necessary, as to whether to tender any or all of its Notes for purchase pursuant to such Invitation.

This announcement must be read in conjunction with the Tender Offer Memorandum. This announcement and the Tender Offer Memorandum contain important information which should be read carefully before any decision is made with respect to the Invitation. If you are in any doubt as to the contents of the Tender Offer Memorandum or the action you should take, it is recommended you seek your own financial, accounting, regulatory and legal advice, including in respect of any legal, tax and regulatory consequences, immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial, tax, regulatory or legal adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to tender such Notes pursuant to the Invitation. None of the Republic, the Dealer Manager or the Information and Tender Agent, or any of their

respective directors, officers, employees, agents or affiliates (including parent companies) or any of the Republic's ministers or departments is acting for any Noteholder, makes any recommendation whether Noteholders should tender Notes pursuant to the Invitation or will be responsible to any Noteholder for providing any protections which would be afforded to its clients or for providing advice in relation to the Invitation, and accordingly none of the Dealer Manager, the Information and Tender Agent or any of their respective directors, officers, employees, agents or affiliates (including parent companies) or any of the Republic's ministers or departments assumes any responsibility for any failure by the Republic to disclose information with regard to the Republic or the Notes which is material in the context of the Invitation and which is not otherwise publicly available.

None of the Dealer Manager, the Information and Tender Agent, the Republic or any of their respective directors, officers, employees, agents or affiliates (including parent companies) or any of the Republic's ministers or departments make any representation or recommendation whatsoever regarding the Invitation, or any recommendation as to whether Noteholders should tender Notes in the Invitation.

New Notes

Any investment decision to purchase any New Notes should be made solely on the basis of the information contained in the preliminary offering circular dated 9 May 2023 (the "**Offering Circular**") and no reliance is to be placed on any representations other than those contained in the Offering Circular.

The New Notes are not being, and will not be, offered or sold in the United States. Nothing in this announcement nor in the Tender Offer Memorandum constitutes an offer to sell or the solicitation of an offer to buy the New Notes in the United States or any other jurisdiction. Securities may not be offered, sold or delivered in the United States absent registration under, or an exemption from the registration requirements of, the United States Securities Act of 1933, as amended (the "**Securities Act**"). The New Notes have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons.

MiFID II product governance – The target market for the New Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**").

UK MiFIR product governance – The target market for the New Notes is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**").

The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129.

The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

No action has been or will be taken in any jurisdiction in relation to the New Notes to permit a public offering of securities.

INVITATION AND DISTRIBUTION RESTRICTIONS

Neither this announcement nor the Tender Offer Memorandum constitutes an invitation to participate in the Invitation in any jurisdiction in which, or to any person to or from whom, it is unlawful to make such invitation or for there to be such participation under applicable securities laws and regulations. The distribution of this announcement and the Tender Offer Memorandum in certain jurisdictions may be restricted by laws and regulations. Persons into whose possession this announcement and/or the Tender Offer Memorandum comes are required by each of the Republic, the Dealer Manager and the Information and Tender Agent to inform themselves about, and to observe, any such restrictions.

Italy

None of the Invitation, this announcement, the Tender Offer Memorandum or any other documents or materials relating to the Invitation have been or will be submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) pursuant to Italian laws and regulations. The Invitation is being carried out in the Republic of Italy (“**Italy**”) as an exempted offer pursuant to article 101-*bis*, paragraph 3-*bis* of the Italian Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”) and article 35-*bis*, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended. Holders or beneficial owners of the Notes may tender their Notes in the Invitation through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended, and Italian Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB, or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties *vis-à-vis* its clients in connection with the Notes, the Invitation or the Tender Offer Memorandum.

France

The Invitation is not being made, directly or indirectly, to the public in the Republic of France. Neither this announcement, the Tender Offer Memorandum nor any other document or material relating to the Invitation has been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*), other than individuals, in each case acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French Code Monétaire et Financier, are eligible to participate in the Invitation. None of this announcement and the Tender Offer Memorandum has been and will be submitted for clearance to nor approved by the Autorité des Marchés Financiers.

United Kingdom

The communication of this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Invitation is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the FSMA. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Financial Promotion Order**”)) or persons who are within Article 43(2) of the Financial Promotion Order or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order.

General

The Tender Offer Memorandum does not constitute an offer to buy or the solicitation of an offer to sell Notes (and tenders of Notes in the Invitation will not be accepted from Noteholders) in any circumstances in which such offer or solicitation appears to be unlawful, provided that Noteholders may not rely on the Republic, the Dealer Manager or the Information and Tender Agent or their respective affiliates or their respective directors, employees, agents, or advisers in connection with the determination as to the legality of their participation in the Invitation or as to the other matters referred to below. In those jurisdictions where the securities, blue sky or other laws require the Invitation to be made by a licensed broker or dealer or similar and any of the Dealer Manager or their respective affiliates is such a licensed broker or dealer or similar in any such jurisdiction, the Invitation shall be deemed to be made by such Dealer Manager or such affiliate, as the case may be, on behalf of the Republic in such jurisdiction.

Persons into whose hands the Tender Offer Memorandum comes are required by the Republic and the Dealer Manager to comply with all applicable laws and regulations in each country or jurisdiction in or from which they tender Notes in the Invitation or possess, distribute or publish the Tender Offer Memorandum or any

related offering material, in all cases at their own expense.

In addition, each Noteholder participating in the Invitation will also be deemed to give certain representations in respect of the other jurisdictions referred to above and generally as set out in *“Procedures for Participating in the Invitation”* in the Tender Offer Memorandum. Any tender of Notes for purchase pursuant to the Invitation from a Noteholder that is unable to make these representations will be rejected. Each of the Republic, the Dealer Manager and the Information and Tender Agent reserves the right, in its absolute discretion (and without prejudice to the relevant Noteholder’s responsibility for the representations made by it), to investigate, in relation to any tender of Notes for purchase pursuant to the Invitation, whether any such representation given by a Noteholder is correct and, if such investigation is undertaken and as a result the Republic determines (for any reason) that such representation is not correct, such tender will be rejected.