INTERIM MANAGEMENT REPORT AT 31 MARCH 2020

CONTENTS

1. GENERAL INFORMATION

1.1. CORPORATE OFFICERS AND INFORMATION

On 29 April 2019, the Shareholders' Meeting of the parent company Landi Renzo S.p.A. elected the Board of Directors and the Board of Statutory Auditors for the period 2019-2021. They will therefore remain in office until the Shareholders' Meeting called to approve the Financial Statements for the year ending 31 December 2021. The Meeting changed the number of board members to nine. Also on the same date, the Board of Directors appointed Cristiano Musi as Chief Executive Officer and General Manager and confirmed Stefano Landi as Executive Chairman of the Board.

On the date this Interim Management Report was drafted, the company officers were as follows:

Board of Directors

Executive Chairman	Stefano Landi
Honorary Chairperson - Director	Giovannina Domenichini
Chief Executive Officer	Cristiano Musi
Director	Silvia Landi
Director	Angelo Iori
Director	Paolo Emanuele Maria Ferrero
Independent Director	Anton Karl
Independent Director	Sara Fornasiero (*)
Independent Director	Vincenzo Russi

Board of Statutory Auditors

Chairman of the Board of Statutory Auditors	Fabio Zucchetti
Statutory Auditor	Diana Rizzo
Statutory Auditor	Domenico Sardano
Alternate Auditor	Marina Torelli
Alternate Auditor	Gian Marco Amico di Meane

Control and Risks Committee

Chairperson	Sara Fornasiero
Committee Member	Angelo Iori
Committee Member	Vincenzo Russi

Remuneration Committee

Chairperson	Sara Fornasiero
Committee Member	Angelo Iori
Committee Member	Vincenzo Russi

Committee for Transactions with Related Parties

Chairperson	Sara Fornasiero
Committee Member	Vincenzo Russi

Supervisory Board (Italian Legislative Decree 231/01)

Chairperson	Jean-Paule Castagno
Board Member	Sara Fornasiero
Board Member	Domenico Sardano

Independent Auditing Firm	PricewaterhouseCoopers S.p.A.

Financial Reporting Manager	Paolo Cilloni

(*) The Director also holds the office of Lead Independent Director

Registered office and company details

Landi Renzo S.p.A.
Via Nobel 2/4
42025 Corte Tegge – Cavriago (RE) – Italy
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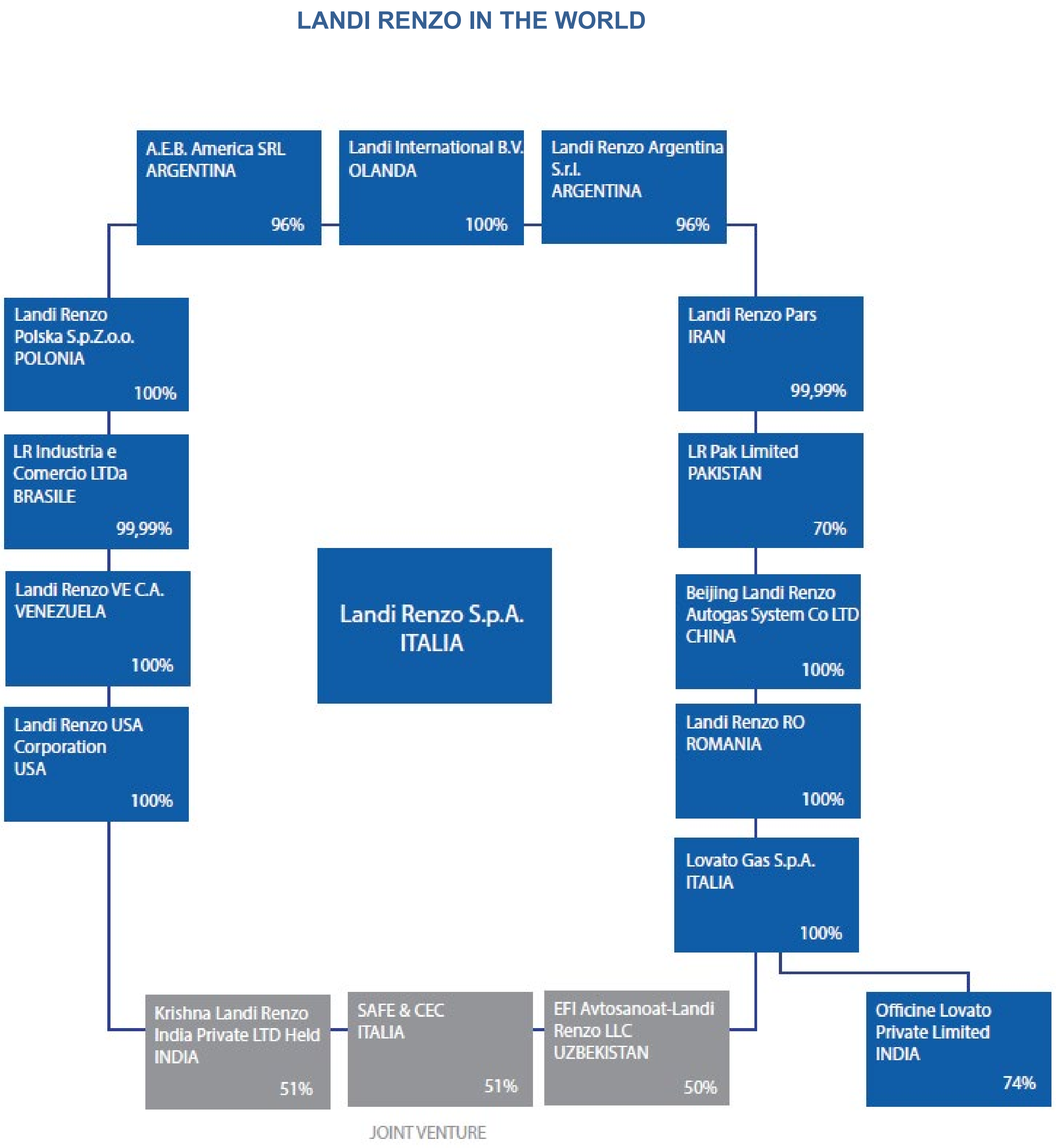
Share capital: Euro 11,250,000
Tax ID and VAT Reg. No. IT00523300358

This report is available online at:
www.landirenzogroup.com

1.2. GROUP STRUCTURE



1.3. LANDI RENZO GROUP FINANCIAL HIGHLIGHTS

(Thousands of Euro)

ECONOMIC INDICATORS FOR THE FIRST QUARTER	Q1 2020	Q1 2019	Change	%
Revenue	37,170	43,798	-6,628	-15.1%
Adjusted Gross Operating Profit (EBITDA) (1)	2,884	5,439	-2,555	-47.0%
Gross operating profit (EBITDA)	2,440	5,439	-2,999	-55.1%
Net operating profit (EBIT)	-603	2,275	-2,878	
Earnings before taxes (EBT)	-1,551	1,456	-3,007	
Net profit (loss) for the Group and minority interests	-1,374	590	-1,964	
Adjusted Gross Operating Profit (EBITDA) / Revenues	7.8%	12.4%		
Net operating profit (EBITDA)/Revenues	6.6%	12.4%		
Net profit (loss) for the Group and minority interests / Revenue	-3.7%	1.3%		

(Thousands of Euro)

STATEMENT OF FINANCIAL POSITION	31/03/2020	31/12/2019	31/03/2019
Net fixed assets, other non-current assets and rights of use	103,901	104,826	105,296
Operating capital (2)	33,804	28,920	27,244
Non-current liabilities (3)	-5,055	-5,646	-7,794
NET INVESTED CAPITAL	132,650	128,100	124,746
Net financial position (4)	69,811	61,767	64,158
Net Financial Position - adjusted (5)	63,471	55,210	59,697
Shareholders' Equity	62,839	66,333	60,588
BORROWINGS	132,650	128,100	124,746

(Thousands of Euro)

KEY INDICATORS	31/03/2020	31/12/2019	31/03/2019
Operating capital / Turnover (rolling 12 months)	18.3%	15.1%	14.4%
Net financial debt (5) / Shareholders' Equity	101.0%	93.1%	98.5%
Adjusted net financial debt (5) / EBITDA (rolling 12 months)	2.68	2.10	2.36
Personnel (peak)	589	571	503

(Thousands of Euro)

CASH FLOWS	31/03/2020	31/12/2019	31/03/2019
Gross operational cash flow	-3,940	8,533	-3,860
Net cash flow for investment activities	-2,825	-8,664	-2,269
Gross FREE CASH FLOW	-6,765	-131	-6,129
Non-recurring expenditure for voluntary resignation incentives and TFR (post-employment benefits)	0	-132	0
Net FREE CASH FLOW	-6,765	-263	-6,129
Repayment of leases (IFRS 16)	-558	-2,260	-631
Overall cash flow	-7,323	-2,523	-6,760

(1) The data does not include the recognition of non-recurring costs. As EBITDA is not identified as an accounting measure under IAS/IFRS, it may be calculated in different manners. EBITDA is a measure used by the company's management to monitor and evaluate its operating performance. Management believes that EBITDA is an important parameter to measure the company's operating performance, as it is not influenced by the effects of the different criteria for determining the tax base, the amount and characteristics of invested capital and relative amortisation and depreciation policies. The company's way of calculating EBITDA may not be the same as the methods adopted by other companies/groups, and therefore its value may not be comparable with the EBITDA calculated by others.

(2) This is calculated as the difference between Trade Receivables, Inventories, Other Current Assets and Trade Payables, Tax liabilities, Other Current Liabilities.

(3) These are calculated by totalling Deferred Tax Liabilities, Defined Benefit Plans for employees and Provisions for Risks and Charges.

(4) The net financial position is calculated in accordance with the provisions of Consob Communication DEM/6064293 of 28 July 2006.

(5) Not including the effects of the adoption of IFRS 16 - Leases and the fair value of financial derivative contracts.

1.4. SIGNIFICANT EVENTS DURING THE PERIOD

- Landi Renzo and Snam4Mobility, a subsidiary of Snam and leading infrastructure operator in the natural gas and biomethane transport sector, signed a collaboration agreement to boost sustainable mobility powered by compressed natural gas (CNG) in Italy. The aim of the joint initiative is to raise awareness among users of both the environmental advantages (a significant reduction in CO_2 and PM10 emissions) and financial benefits (savings in fuel costs) arising from mobility fuelled by natural gas and biomethane. Based on the agreement signed, Landi Renzo will deal with the natural gas conversion of the vehicle models selected together with Snam4Mobility as the most suitable to boost the use of CNG in the mobility sector. Natural gas conversion (retrofit) is an immediate and cost-effective solution to reduce CO_2 emissions and above all pollutant emissions. At present, cars powered by natural gas in Italy total around 1 million, with over 1,380 service stations operating. The aim of Snam4Mobility is to increase the number of methane gas distributors, guaranteeing a balanced distribution nationwide, through direct investments and agreements with various operators in the sector. In total, Snam's investments in sustainable CNG and LNG (liquefied natural gas) mobility will total Euro 100 million in 2023; the company will also invest Euro 250 million in developing new biomethane plants.

- Landi Renzo signed an agreement with the Egyptian gas authorities for the joint development of a pilot project for the production, assembly and sale of systems and components for natural gas vehicles, using an already existing production plant. The agreement will also promote Landi Renzo technology for the dual fuel diesel conversion of buses and provide support for the conversion of 0 km vehicles of main automotive manufacturers, their importers and fleet operators in Egypt. At the same time, SAFE&CEC S.r.l., an investee of Landi Renzo and leader in the design and production of equipment for the distribution of natural gas and biomethane, signed an agreement to support the growth of the natural gas distribution network in Egypt.

- Landi Renzo signed a new 48-month loan agreement with a leading domestic credit institution for a nominal Euro 3 million. This made it possible to further strengthen its capital structure and increase the Group's liquidity.

- Landi Renzo was selected by the Emilia-Romagna Region for a significant grant co-funded by the European Union's European Regional Development Fund as part of the ERDF Emilia-Romagna ROP 2014/2020, for an innovative project aiming to develop latest generation injectors for CNG and hydrogen. This new family of injectors (named AGI – Advanced Gas Injectors) will intercept future mobility development trends, improving performance and further reducing consumption as well as emissions, creating the first CNG direct injection and opening up to new market segments, such as hydrogen mobility.

2. DIRECTORS' OBSERVATIONS ON BUSINESS PERFORMANCE

The spread of the coronavirus (COVID-19) the world over is having significant effects on the international economic and financial system. In order to limit the propagation of the virus, many countries have introduced stringent and drastic measures, involving both lockdowns and border closures, with severe effects on production activities as well as international trade. And it was precisely market globalisation, which has been one of the key elements of global economic development over the last few decades, that amplified the effects of the economic crisis at global level. The international economic crisis generated by that pandemic has unique characteristics, namely:

- the crisis has struck both supply and demand, with production activities as well as consumption significantly downsized, and it is distinguished by extremely sudden changes, deriving from the contagion limitation initiatives that had to be implemented by the various governments as the epidemic spread;
- there is serious uncertainty concerning the methods and timing of the recovery, which will likely not be immediate and linked to any new outbreaks at national and international level;
- the traditional forecasting and sensitivity systems are unsuited to predict market trends, so it is necessary to continuously update forecasts, also on the basis of the political decisions taken by governments.

The Automotive segment has been significantly impacted by this crisis, which has led many OEM manufacturers to suspend their production, temporarily closing their plants located in the countries involved in the pandemic, with an estimated loss of 22-30% of the vehicles manufactured at global level in 2020 (source: Alix Partners, IHS Market). UNRAE (Association of foreign car makers operating in Italy) data show that in March 2020 alone, there was an 85.4% decline in vehicle registrations in the Italian market (-35.2% in the first quarter of 2020) and a 51.8% decrease in the European market (-26.3% in the first quarter of 2020), a downturn that was further aggravated in April by almost no registrations at all due to the lockdown (-97.5% in the Italian market compared with the same period of the previous year). The worldwide spread of the COVID-19 pandemic has had highly negative effects on the international markets, which are particularly negatively impacting the Automotive segment, in particular:

- Italy, China, France, UK, India and many other countries, especially in the Latam area, have made recourse to stringent lockdown and/or border closure measures, leading to the largest mass quarantine ever adopted at global level. Indeed, it is estimated that currently roughly one-third of the global population is living under various restrictive and lockdown measures;
- due to the lockdown measures, economists are expecting a decline in gross domestic product in Europe (-7.5%) and worldwide (-2.8%) in 2020, much more severe than that recorded during the 2009 economic and financial crisis, with impacts on employment as well as consumption. Despite the current uncertainties due to the extreme fluidity of the situation, a significant recovery is expected only starting from 2021;
- the slowdown or interruption in production activities and individual mobility is resulting in a drop in oil demand, with impacts on prices, entailing the most significant crude oil production cut ever agreed upon by the oil producing countries (9.7 million barrels per day from May to June, equal to 10% of global production);
- the more economically fragile countries that already had situations of economic and political instability, particularly in South America, are seeing considerable devaluations of their currencies against both the euro and the dollar.

The Landi Renzo Group immediately enacted decisive and prompt measures to protect the health of its workers in Italy and abroad, working to minimise the effects on the Group’s earnings capacity and liquidity as much as possible. In this context, employees were provided with personal protection equipment, travel was suspended both in Italy and abroad, new internal behavioural procedures were defined to guarantee social distancing and periodic sanitisation is carried out at the offices as well as the production plants. Furthermore, dedicated insurance policies were taken out to protect any workers infected by COVID-19 in the workplace.

This enabled the Group to guarantee production continuity until the lockdown imposed by the Italian government in mid-March, which required production to be suspended at the Cavriago and Vicenza plants. Following analogous interventions by the respective governments, production was also interrupted at the plants of the Group's top OEM customers, thus making it necessary to suspend activities at the Landi Renzo Polska and Landi Renzo Romania plants. Given the Group's technological and innovative bent, in order to reduce to a minimum any possibility of contact between workers and to enable where possible the continuation of activities, including internal control and financial reporting processes, hardware and software IT instruments were strengthened, in order to favour recourse to remote working as much as possible. In particular, our research and development team, thanks to simulation software based on internally developed forecast models, was able to continue its new product development activities, including on new projects for the Heavy-Duty market.

In the meantime, the management maintained continuous contact with customers and suppliers in order to best interpret international market trends and avoid supply issues for orders in the portfolio and to guarantee the necessary procurement in order to discourage production interruptions.

Furthermore, so as to support the production suspensions planned for the lockdown period, the parent company Landi Renzo S.p.A. and its Italian subsidiary Lovato Gas S.p.A. activated the temporary lay-off scheme ("CIGO") on a precautionary basis, as permitted by Italian Decree-Law 18/2020 (the so-called "Decreto Cura Italia"), for a total of 285 employees for a 9-week period.

The current international economic context strongly influenced the Group's results in the first quarter of 2020 and particularly sales in March, when the lockdown began in Italy and in other European countries. The Group's revenues from sales as at 31 March 2020 came out to Euro 37,170 thousand, with a decline of 15.1% compared with the same period of the previous year, while adjusted EBITDA was Euro 2,884 thousand, equal to 7.8% of revenues (12.4% as at 31 March 2019). On the basis of orders in the portfolio and delivery forecasts for March, when the Italian government declared the lockdown, the turnover that the Group could have achieved lacking the negative effects of COVID-19 has been estimated by the management at more than Euro 45 million, higher than that recorded in the first quarter of 2019. This confirms the increasing market interest in gas mobility.

Sales in the OEM channel, equal to Euro 17,195 thousand, representing 46.3% of the total (45.5% as at 31 March 2019), are primarily due to orders from several top European automotive manufacturers which are using LPG bifuel engines to develop their "green" product ranges and which have confirmed the Landi Renzo Group as their strategic partner, given its well established experience in the sector. Sales in the After Market channel, amounting to Euro 19,975 thousand, primarily relate to orders from wholesalers and authorised installers, both domestic and foreign.

The Net Financial Position as at 31 March 2020 is Euro 69,811 thousand, of which Euro 6,181 thousand due to the application of IFRS 16 - Leases and Euro 159 thousand due to the fair value of derivative financial contracts. Without considering the effects arising from the adoption of this accounting standard and the fair value of financial derivative contracts, the net financial position as at 31 March 2020 would have been equal to Euro 63,471 thousand, after investments for Euro 2,830 thousand. The management is paying particularly close attention to the financial position, cash forecasts and the financing options proposed by the government to support companies and which the Group intends to access in order to consolidate its capital structure and boost available liquidity. From this standpoint, Landi Renzo signed a new 48-month loan agreement with a leading domestic credit institution for a nominal Euro 3 million to guarantee an adequate level of liquidity to support its current operations. The management also contacted major financial institutions to access the instruments provided under Italian Decree-Law 23/2020 (the so-called "Decreto Liquidità" for liquidity). Currently, on the basis of the financial forecasts prepared by the management and considering the amount of liquidity available as at 31 March 2020, equal to Euro 21.6 million, the Group's financial position is deemed under control.

2.1. PERFORMANCE AND NOTES ON THE MAIN CHANGES IN THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2020

The following table sets out the main economic indicators of the Group for the first three months of 2020 compared with the same period in 2019.

(Thousands of Euro)	31/03/2020	%	31/03/2019	%	Change	%
Revenues from sales and services	**37,170**	**100.0%**	**43,798**	**100%**	**-6,628**	15.1%
Other revenues and income	51	0.1%	203	0.5%	-152	74.9%
Operating costs	-34,337	-92.4%	-38,562	-88.0%	4,225	11.0%
Adjusted gross operating profit	**2,884**	**7.8%**	**5,439**	**12.4%**	**-2,555**	**47.0%**
Non-recurring costs	-444	-1.2%	0	0.0%	-444	100.0%
Gross operating profit	**2,440**	**6.6%**	**5,439**	**12.4%**	**-2,999**	**55.1%**
Amortisation, depreciation and impairment	-3,043	-8.2%	-3,164	-7.2%	121	3.8%
Net operating profit	**-603**	**-1.6%**	**2,275**	**5.2%**	**-2,878**	**N/a**
Financial income (expenses) and exchange rate differences	-969	-2.6%	-709	-1.6%	-260	-36.7%
Profit (loss) from equity investments measured using the equity method	21	0.1%	-110	-0.3%	131	N/a
Profit (loss) before tax	**-1,551**	**-4.2%**	**1,456**	**3.3%**	**-3,007**	**N/a**
Current and deferred taxes	177	0.5%	-866	-2.0%	1,043	N/a
Net profit (loss) for the Group and minority interests, including:	**-1,374**	**-3.7%**	**590**	**1.3%**	**-1,964**	**N/a**
Minority interests	-6	0.0%	-13	0.0%	7	53.8%
Net profit (loss) for the Group	**-1,368**	**-3.7%**	**603**	**1.4%**	**-1,971**	**N/a**

The consolidated revenues for the first three months of 2020 were Euro 37,170 thousand, a reduction of Euro 6,628 thousand (-15.1%) compared with the same period in the previous year. This reduction is essentially correlated with the effects of the global spread of the coronavirus (COVID-19) and the resulting lockdown imposed by the governments of the countries most impacted by that pandemic. On the basis of orders in the portfolio and delivery forecasts for March, when the Italian government declared the lockdown, the turnover that the Group could have achieved lacking the negative effects of COVID-19 has been estimated by the management at more than Euro 45 million, higher than that recorded in the first quarter of 2019. This confirms the increasing market interest in gas mobility.

The main economic indicators were down in the first quarter of 2020 compared with the same period of the previous year, primarily due to:

- the effects of the global spread of COVID-19, which entailed a significant reduction in turnover starting in March;
- the different sales mix compared with the same period of the previous year, due to growing sales to a major OEM customer with which a significant agreement has been entered into for the supply of components for LPG

engines, which has appealing outlooks for the coming years and competitive sale prices, with impacts on profit margins.

As a result, fixed costs had a significant impact on turnover, despite the actions immediately taken by the Group to limit costs, which will have effects especially on the results in the coming months.

The adjusted Gross Operating Profit (EBITDA) was Euro 2,884 thousand as at 31 March 2020, compared with Euro 5,439 thousand in the same period of the previous year, while the Gross Operating Profit (EBITDA) was positive at Euro 2,440 thousand, down by 55.1% compared with the same period of the previous year (Euro 5,439 thousand).

The Net Operating Profit (EBIT) was Euro -603 thousand, compared with a positive Euro 2,275 thousand in the same period of the previous year.

Segment reporting

The Group operates directly only in the Automotive segment and indirectly in the "Gas Distribution and Compressed Natural Gas" segment through the joint venture SAFE & CEC S.r.l., which, in accordance with the contractual governance system – which meets the joint control requirements as stipulated by IFRS 11 – is consolidated according to the equity method. This paragraph provides information about the trend in this segment in the first three months of 2020, to provide a better understanding of the impact of this business unit on the Group's accounts.

Breakdown of sales by geographical area

First quarter of 2020 compared to first quarter of 2019

(Thousands of Euro)

Geographical distribution of revenues	At 31/03/2020	% of revenues	At 31/03/2019	% of revenues	Change	%
Italy	6,640	17.9%	8,832	20.2%	-2,192	-24.8%
Europe (excluding Italy)	20,547	55.3%	22,456	51.3%	-1,909	-8.5%
America	3,851	10.3%	4,124	9.4%	-273	-6.6%
Asia and Rest of the World	6,132	16.5%	8,386	19.1%	-2,254	-26.9%
Total	**37,170**	**100.0%**	**43,798**	**100.0%**	**-6,628**	**-15.1%**

Regarding the geographical distribution of revenues, during the first three months of 2020 the Group achieved 82.1% (79.8% as at 31 March 2019) of its consolidated revenues abroad (55.3% in Europe and 26.8% outside Europe). As also highlighted in detail below, the spread struck all markets, also due to their growing interconnection within an increasingly global market.

Italy

Sales in Italy (Euro 6,640 thousand) were down by Euro 2,192 thousand (-24.8%) compared with the same period of the previous year. According to UNRAE (Association of foreign car makers operating in Italy) data, vehicle registrations in the first quarter of 2020 were down by 35.2% compared with the same period of the previous year, a decrease caused essentially by the spread of COVID-19 and the resulting lockdown, which generated an 85.4%

decline in registrations in March. Bi-fuel vehicle registrations during the quarter accounted for 8.4% of total vehicles registered (compared to 7.8% in the previous year).

Europe

The change in revenues in Europe, at Euro 1,909 thousand (-8.5%), can be attributed for the most part to the closure of production facilities by several top automotive manufacturers following the lockdown imposed by the relative national governments to handle the COVID-19 pandemic.

America

Sales in the first three months of 2020 on the American continent amounted to Euro 3,851 thousand, basically stable compared with the same period of the previous year (Euro 4,124 thousand), also due to the fact that those countries were struck by COVID-19 only later on. These countries, also given their economic and political instability, did however suffer from significant devaluations of their currencies against the Euro during the quarter, with considerable impacts on sales forecasts in the coming months.

Asia and Rest of the World

This area reported a decrease of 26.9% (equal to Euro 2,254 thousand) compared with the first three months of 2019 as a result of the effects of COVID-19 in the North African area.

Profitability

In the first three months of 2020, the adjusted Gross Operating Profit (adjusted EBITDA), net of non-recurring costs of Euro 444 thousand, was positive with Euro 2,884 thousand, equivalent to 7.8% of revenues, down compared with the same period of the previous year (Euro 5,439 thousand and equal to 12.4% of revenues).

(Thousands of Euro)

Non-recurring costs	31/03/2020	31/03/2019	Change
Strategic consultancy	400	0	400
Medium/long-term performance bonus	44	0	44
Total	**444**	**0**	**444**

Costs of raw materials, consumables and goods and changes in inventories dropped overall from Euro 22,806 thousand as at 31 March 2019 to Euro 19,445 thousand as at 31 March 2020, marking a decrease of Euro 3,361 thousand, mainly related to the reduction in the Group's turnover.

The costs of services and use of third-party assets amounted to Euro 8,567 thousand, compared with Euro 8,487 thousand in the same period of the previous year.

Personnel costs amounted to Euro 6,263 thousand (Euro 6,727 thousand as at 31 March 2019). The Group had a total of 589 employees, essentially in line with the end of the previous year (571). Overall, personnel costs were down as the Group heavily invested in highly specialised resources to support the increasing research and development performed for new products and solutions, capitalised when they meet the requirements laid out in IAS 38. In particular, a new research and development office was opened in Turin with a view to creating a centre of excellence for mechatronic components and systems for the Heavy-Duty market.

The Net Operating Profit (EBIT) for the period was Euro -603 thousand (positive, in the amount of Euro 2,275 thousand, as at 31 March 2019), after accounting for amortisation, depreciation and impairment of Euro 3,043 thousand (Euro 3,164 thousand as at 31 March 2019), of which Euro 519 thousand due to the application of IFRS 16 – Leases (Euro 558 thousand as at 31 March 2019).

Total financial expenses (interest income, interest charges and exchange rate differences) amounted to Euro 969 thousand, up compared with the same period of 2019 (Euro 709 thousand) due to the exchange effects recorded during the quarter (negative in the amount of Euro 261 thousand) compared with the same period of the previous year (positive at Euro 192 thousand), a change due to the higher instability seen in exchange rates regarding the currencies in which the Group operates and linked to the effects of the ongoing pandemic on the financial markets. Financial expenses alone instead amounted to Euro 738 thousand, down compared with the same period of the previous year after a medium/long-term loan agreement was entered into in June 2019 with a pool of three major banks (BPM – mandated lead arranger and bookrunner, Intesa Sanpaolo and Unicredit) for a total of Euro 65 million under more favourable economic conditions.

In the first three months of 2020, the valuation of equity investments valued using the equity method is a positive Euro 21 thousand (Euro -110 thousand as at 31 March 2019). This includes the Group's share of the profits for the period from the Group’s Joint Ventures.

The first three months also closed with a pre-tax loss of Euro 1,551 thousand (profit of Euro 1,456 as at 31 March 2019).

The net result of the Group and minority interests as at 31 March 2020 showed a loss of Euro 1,374 thousand compared with a Group and minority interest profit of Euro 590 thousand for the same period in 2019.

The net result for the period as at 31 March 2020 was negative at Euro 1,368 thousand compared to a positive result of Euro 603 thousand in the same period of 2019.

Gas Distribution and Compressed Natural Gas operating segment performance

The “Gas Distribution and Compressed Natural Gas” segment was the subject in 2017 of a strategic aggregation with Clean Energy Fuels Corp, the aim of which was to create the world’s second-largest group in the sector, in terms of business volume. The aggregation was based on the establishment of a newco called SAFE & CEC S.r.l. and subsequent contribution of 100% of SAFE S.p.A. by the Landi Group and 100% of Clean Energy Compressor Ltd (now “IMW Industries Ltd”) by Clean Energy Fuels Corp. In accordance with the contractually required governance system, which reflects the joint control agreement between the two shareholders, the Group’s share is classified as a “joint venture” pursuant to international accounting standards (IFRS 11) and consolidated via the equity method.

During the first three months of 2020, the “Gas Distribution and Compressed Natural Gas” segment achieved consolidated net sales of Euro 14,283 thousand (+14.7% compared with 31 March 2019), adjusted EBITDA of Euro 273 thousand (Euro 338 thousand at 31 March 2019), and a post-tax profit of Euro 42 thousand (compared to a loss of Euro 291 thousand as at 31 March 2019). Production was temporarily interrupted only in the Group’s Italian plant due to the lockdown imposed by the Italian Government, while production continued at the plant in Canada, a country that until now has only been slightly impacted by the epidemic. This enabled the Group to limit the negative effects of the pandemic on its quarterly economic and financial results, even making it possible to reach turnover levels higher than in the same period of the previous year. On the basis of existing orders, if the lockdown had not been imposed, based on management estimates first quarter 2020 revenues would have further improved compared with the same period of the previous year, confirming the Group's good performance and the stability of its business. Although the order portfolio of the SAFE&CEC Group is better than in the previous year, the international spread of the COVID-19 pandemic is causing significant delays in the completion of projects under way.

Invested capital

(Thousands of Euro)

Statement of Financial Position	31/03/2020	31/12/2019	31/03/2019
Trade receivables	38,027	40,545	34,498
Inventories	48,064	39,774	42,375
Trade payables	-54,348	-51,935	-49,592
Other net current assets	2,061	536	-37
Net operating capital	**33,804**	**28,920**	**27,244**
Tangible assets	11,924	11,578	12,254
Intangible assets	50,870	50,858	51,289
Right-of-use assets	6,056	6,402	4,616
Other non-current assets	35,051	35,988	37,137
Fixed capital	**103,901**	**104,826**	**105,296**
TFR (post-employment benefits) and other provisions	-5,055	-5,646	-7,794
Net invested capital	**132,650**	**128,100**	**124,746**
Financed by:			
Net Financial Position *(*)*	69,811	61,767	64,158
Group Shareholders' Equity	63,158	66,665	60,886
Minority interests	-319	-332	-298
Borrowings	**132,650**	**128,100**	**124,746**

Ratios	31/03/2020	31/12/2019	31/03/2019
Net operating capital	33,804	28,920	27,244
Net operating capital/Turnover (rolling)	18.3%	15.1%	14.4%
Net invested capital	132,650	128,100	124,746
Net capital employed/Turnover (rolling)	71.6%	66.8%	65.7%

(*) The net financial position as at 31 March 2020 included Euro 6,181 thousand for financial liabilities for rights of use deriving from the adoption of IFRS 16 – Leases and Euro 159 thousand relating to the fair value of derivative financial contracts.

Net working capital at the end of the period stood at Euro 33,804 thousand. This is an increase compared to the same figure recorded on 31 December 2019, of Euro 4,884 thousand, mainly as a result of the increase in inventories, which was only partially offset by the increase in trade payables and the decline in trade receivables. In terms of percentages on rolling turnover, there was an increase in this figure, from 15.1% as at 31 December 2019 to the current 18.3% (14.4% as at 31 March 2019).

Trade receivables stood at Euro 38,027 thousand, a decrease compared with 31 December 2019 (Euro 40,545 thousand). As at 31 March 2020, derecognised receivables assigned through factoring with crediting on maturity stood at Euro 26.5 million (Euro 26.4 million as at 31 December 2019).

Closing inventories, totalling Euro 48,064 thousand (Euro 39,774 thousand as at 31 December 2019), increased due to:

- the effects of the lockdown imposed by the governments of various countries due to the spread of COVID-19, which prevented the Group from sending the important orders planned for delivery in March to its customers;
- the procurement of strategic components in the initial months of the year to allow for the continuity of the Group's production and reduce to a minimum the risks of possible stock disruptions caused by supply issues linked to the interruption of production activities by Asian suppliers after the spread of the virus in that geographical area.

Trade payables are up by Euro 2,413 thousand from Euro 51,935 thousand as at 31 December 2019 to Euro 54,348 thousand as at 31 March 2020.

Fixed capital, amounting to Euro 103,901 thousand and inclusive of Euro 6,056 thousand for right-of-use assets recognised pursuant to IFRS 16 – Leases, is aligned with the year ended 31 December 2019 and with the same period of the previous year.

As at 31 March 2020, TFR (post-employment benefits) and other provisions of Euro 5,055 thousand were in line with 31 December 2019.

Net invested capital (Euro 132,650 thousand, equal to 71.6% of rolling turnover) is in line with December 2019 (Euro 128,100 thousand, equal to 66.8% of rolling turnover) as well as with the same period of the previous year (Euro 124,746 thousand, equal to 65.7% of rolling turnover).

Net financial position and cash flows

(Thousands of Euro)

	31/03/2020	31/12/2019	31/03/2019
Cash and cash equivalents	21,648	22,650	17,156
Current financial assets	2,822	2,801	0
Bank financing and borrowings	-34,335	-29,460	-25,026
Right-of-use liabilities	-1,988	-1,992	-1,470
Bonds issued	0	0	-3,863
Other borrowings	-210	-210	-419
Net short term indebtedness	**-12,063**	**-6,211**	**-13,622**
Borrowings	-53,396	-50,991	-23,117
Right-of-use liabilities	-4,193	-4,535	-2,991
Bonds issued	0	0	-24,218
Other borrowings	0	0	-210
Liabilities for derivative financial instruments	-159	-30	0
Net medium-long term indebtedness	**-57,748**	**-55,556**	**-50,536**
Net Financial Position	**-69,811**	**-61,767**	**-64,158**
Net Financial Position - adjusted (*)	**-63,471**	**-55,210**	**-59,697**

(*) Not including the effects of the adoption of IFRS 16 – Leases and the fair value of derivative contracts

The Net Financial Position as at 31 March 2020 is Euro 69,811 thousand (Euro 61,767 as at 31 December 2019 and Euro 64,158 thousand as at 31 March 2019), of which Euro 6,181 thousand due to the application of IFRS 16 – Leases and Euro 159 thousand due to the fair value of derivative financial contracts. Without considering the effects arising from the adoption of this accounting standard and the fair value of financial derivative contracts, the net financial position as at 31 March 2020 would have been equal to Euro 63,471 thousand, after investments for Euro 2,830 thousand. The management is paying particularly close attention to the financial position, cash forecasts and the financing options proposed by the government to support companies and which the Group intends to access in order to consolidate its capital structure and boost available liquidity. From this standpoint, given the continuous evolution of the contagion situation in Asian markets, Landi Renzo signed a new 48-month loan agreement with a leading domestic credit institution for a nominal Euro 3 million to guarantee an adequate level of liquidity to support its current operations. The management also contacted major financial institutions to access the instruments provided under Italian Decree-Law 23/2020 (the so-called "Decreto Liquidità" for liquidity). The Group's financial position is currently deemed under control.

The Group's net financial position increased compared with 31 December 2019 primarily due to:

- the increase in net operating capital, connected particularly to the increase in inventories, and
- outflows for investments in tangible and intangible assets for a total of Euro 2,830 thousand, mainly for costs for development projects on new products for the OEM channel and for the Heavy-Duty market (Euro 1,326 thousand).

The following table illustrates the trend in total cash flow:

(Thousands of Euro)	31/03/2020	31/12/2019	31/03/2019
Gross operational cash flow (1)	-3,940	8,533	-3,860
Net cash flow for investment activities	-2,825	-8,664	-2,269
Gross Free Cash Flow	**-6,765**	**-131**	**-6,129**
Non-recurring expenditure for voluntary resignation incentives and TFR (post-employment benefits)	0	-132	0
Net Free Cash Flow	**-6,765**	**-263**	**-6,129**
Repayment of leases (IFRS 16)	-558	-2,260	-631
Overall cash flow	**-7,323**	**-2,523**	**-6,760**

(1) before non-recurring expenditure

The net free cash flow for the period was Euro -6,765 thousand, of which Euro 3,940 thousand absorbed by operations, and Euro 2,825 thousand by investments.

Investments

Investments in property, plant, machinery and other equipment totalled Euro 1,283 thousand (Euro 579 thousand as at 31 March 2019) and refer to purchases of plant and machinery, new production moulds as well as testing/control equipment and instruments.

The increase in intangible assets amounted to Euro 1,547 thousand (Euro 1,711 thousand as at 31 March 2019) and mainly related to the capitalisation of costs of development projects for new products, and particularly for the Heavy-Duty market, for Euro 1,326 thousand, which meet the requirements of IAS 38 for recognition as balance sheet assets.

2.1.2. Results of Parent Company

As at 31 March 2020, Landi Renzo S.p.A. had generated revenues of Euro 27,625 thousand, a decline of 15.8% compared with the same period of the previous year (Euro 32,823 thousand), while EBITDA was Euro 1,615 thousand (Euro 4,745 thousand at 31 March 2019).
The net financial position as at 31 March 2020 was Euro 73,800 thousand (Euro 68,262 thousand net of IFRS 16 effects and the fair value of derivative financial contracts), compared with a net financial position of Euro 66,675 thousand as at 31 December 2019.

2.1.3. Transactions with related parties

The Landi Group deals with related parties at market conditions considered to be normal in the markets in question, taking account of the characteristics of the goods and the services supplied.

Transactions with related parties listed below include:

- the service contracts between Gireimm S.r.l. and Landi Renzo S.p.A. for rent of the property used as the operational headquarters of the Parent Company and the subsidiaries located in Corte Tegge – Cavriago;
- the service contracts between Gestimm S.r.l., a company in which a stake is held through the parent company Girefin S.p.A., and the company Landi Renzo S.p.A. for rent of the production plant on Via dell’Industria in Cavriago;
- the service contracts between Emilia Properties LLC, a company in which a stake is held through the parent company Girefin S.p.A., for the rents on properties used by the US company;
- supply of goods to the joint venture Krishna Landi Renzo India Private Ltd Held and to the joint venture EFI Avtosanoat-Landi Renzo LLC;
- supply of services between Landi Renzo S.p.A. and SAFE&CEC S.r.l. relating to the chargeback of service and IT costs;
- short-term loan between Landi Renzo S.p.A and SAFE S.p.A, besides relative interest.

The Landi Renzo Group deals with related parties at conditions considered to be arm's length on the markets in question, taking account of the characteristics of the goods and the services supplied.

2.2. SIGNIFICANT EVENTS AFTER THE END OF THE QUARTER AND LIKELY FUTURE DEVELOPMENTS

Significant events after the end of the quarter

After the end of the quarter and up to the present date we point out that:

- on 29 April 2020, the majority shareholders Girefin S.p.A. and Gireimm S.r.l., the holders of 54.662% and 4.444%, respectively, of the share capital and 68.709% and 5.587% of total voting rights, announced their intention to vote against the proposal on the third item on the agenda for the Shareholders' Meeting of 8 May 2020 in relation to the authorisation to purchase and dispose of treasury shares. That contrary vote was justified exclusively by the desire not to preclude the Company from access to the business liquidity support measures introduced by Italian Decree-Law no. 23 of 8 April 2020 (the so-called "Decreto Liquidità"). Article 1, paragraph 2, letter i) of the *Decreto Liquidità* in fact includes amongst the conditions for being able to benefit from the facilitations for access to credit the lack of approval by the requesting company and any other company in the group to which it belongs of any share buyback in the course of 2020.

- On 08 May 2020, the Shareholders' Meeting of Landi Renzo S.p.A. resolved, amongst other things:

  - to allocate profit for the period of Euro 2,705,828.03 to the reserve and, in particular, as the statutory reserve has already reached one-fifth of the share capital, Euro 360,174.74 to the unavailable reserve for the equity measurement of investments (pursuant to Article 6, paragraph 1, letter a) of Italian Legislative Decree 38/2005) and the remainder (Euro 2,345,653.29) to the extraordinary reserve;
  - to approve, with reference to the Report on the remuneration policy and on remuneration paid, drafted pursuant to Articles 123-*ter* of Italian Legislative Decree 58/98 and 84-*quater* of the regulation approved with Consob resolution no. 11971 of 19 May 1999, the first section pursuant to Article 123-*ter*, paragraph 3-*bis*, of Italian Legislative Decree 58/98 and to vote in favour with reference to the second section pursuant to Article 123-*ter*, paragraph 6, of Italian Legislative Decree 58/98;
  - not to approve the proposal relating to the authorisation to purchase and dispose of treasury shares, after revocation of the resolution passed by the Shareholders' Meeting on 29 April 2019 (insofar as it was not utilised);
  - to amend Article 6-*bis* of the articles of association on increased voting rights in order to align the rules laid out in the articles of association with the most recent Consob interpretation.

- Following the relaxation in May of the lockdown measures, after a complete sanitisation and reorganisation of internal organisational procedures aiming to guarantee respect for safe distancing rules, the Italian, Polish and Romanian plants were re-opened. Although activities are limited due to the current situation of uncertainty in the international markets, the Group is in any event working to manage the situation as effectively as possible and to be ready for the market recovery phase.

Likely future developments

Following the global spread of the COVID-19 epidemic and the resulting negative effects on the international economic and financial system, already during the approval of the financial report as at 31 December 2019 the management was unable to provide, considering the extreme uncertainty and market instability, an estimate on the likely future evolution of the Landi Renzo Group for the year 2020, reserving the right to announce it later on.

Given the continuation of the situation of extreme uncertainty in market conditions as well as the restrictions adopted by the various countries on business operations, the management reserves the right to provide an update on forecasts for the year under way as soon as there is more clarity and visibility with respect to the evolution of the pandemic and the overall impact of the crisis.

Cavriago, 15 May 2020

Chief Executive Officer
Cristiano Musi

3. INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2020

3.1. GENERAL ACCOUNTING STANDARDS AND CONSOLIDATION PRINCIPLES

3.1.1. Preamble

The Interim Management Report as at 31 March 2020, which has not been audited, has been prepared in compliance with art. 154-*ter* of Italian Legislative Decree no. 58 of 24 February 1998, as amended, and with the *Regolamento Emittenti* (Issuers' Regulations) issued by Consob (Italian Securities and Exchange Commission). Therefore, the provisions of the IAS on infra-annual financial information (IAS 34 – Interim Financial Reporting) were not adopted.

The Interim Management Report as at 31 March 2020 has been prepared in accordance with the IAS/IFRS. To this end, the data of the separate financial statements of the Italian and foreign subsidiaries have been reclassified and adjusted accordingly.

The line-by-line method is used for consolidation, which consists of stating all the items of assets and liabilities in their entirety, excluding the joint ventures SAFE & CEC S.r.l. and Krishna Landi Renzo India Private LTD Held, which are consolidated using the equity method.

The accounting standards, and the valuation and consolidation criteria used in preparing the Interim Management Report as at 31 March 2020 are not different to those used in drawing up the consolidated financial statements closed at 31 December 2019, to which please refer for further information.

As well as the interim values as at 31 March 2020 and 2019, the financial data for the year ended on 31 December 2019 is shown for the purpose of comparison.

The functional and reporting currency is the Euro. Figures in the schedules and tables herein are in thousands of Euro.

3.1.2. Amendments and revised accounting standards applied by the Group for the first time

The accounting standards and calculation methods used for the preparation of this interim management report were not modified compared to those used to prepare the consolidated financial statements at 31 December 2019.
Please note that the valuation and measurement of the accounting items shown are based on International Accounting Standards and the relative interpretations currently in force, and that no new accounting standards were applied early.

3.1.3. Consolidation procedures and accounting criteria

The preparation of the Interim Management Report requires the directors to apply accounting standards and methods that are sometimes based on difficult and subjective assessments and estimates derived from past experience and based on assumptions that are considered reasonable and realistic given the circumstances. Application of these estimates and assumptions affects the amounts presented in the financial statements, such as the Consolidated Statement of Financial Position, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Shareholders' Equity and the Consolidated Cash Flow Statement,

and in disclosures provided. Estimates are used in recognising goodwill, impairment of fixed assets, development expenditure, taxes, provisions for bad debts and inventories write-down, employee benefits and other provisions. The estimates and assumptions are reviewed periodically and the effects of all changes are normally reflected immediately on the income statement.
However, some valuation processes, especially the more complex ones such as establishing any loss in value of non-current assets, are normally carried out to a fuller extent only during the preparation of the annual financial statements, when all the necessary information is available, except for those cases in which there are impairment indicators that require an immediate assessment of possible losses in value.
The Group performs activities that do not on the whole present significant seasonal or cyclical variations in total sales over the year, except for the signing of new supply contracts for the OEM channel which may involve planned and differing delivery schedules in the individual quarters.

The policies and principles of the Landi Renzo Group for the identification, management and control of risks related to the activity are described in detail in the Consolidated Financial Statements as at 31 December 2019, to which you may refer for a more complete description of such aspects.

3.1.4. Scope of consolidation

The scope of consolidation includes the Parent Company Landi Renzo S.p.A. and the companies in which it holds a direct or indirect controlling stake according to IFRS. There has been no change to the consolidation scope, as at 31 March 2020, compared to 31 December 2019.

Adoption of simplification of reporting obligations pursuant to Consob Resolution no. 18079 of 20 January 2012.

Under Article 3 of Consob Resolution no. 18079 of 20 January 2012, Landi Renzo S.p.A. decided to adopt the opt-out system envisaged by Articles 70, par. 8, and 71, par. 1-*bis* of Consob Regulation no. 11971/99 (as amended). It is therefore able to opt out from the disclosure of the information documents listed in Annex 3B to the Consob Regulation, on occasion of significant mergers, demergers, increases in capital through contribution of goods in kind, acquisitions and disposals.

3.2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Thousands of Euro)

ASSETS	31/03/2020	31/12/2019	31/03/2019
Non-current assets			
Land, property, plant, machinery and other equipment	11,924	11,578	12,254
Development expenditure	8,488	8,228	7,347
Goodwill	30,094	30,094	30,094
Other intangible assets with finite useful lives	12,288	12,536	13,848
Right-of-use assets	6,056	6,402	4,616
Equity investments measured using the equity method	22,378	23,530	22,593
Other non-current financial assets	335	334	383
Other non-current assets	3,420	3,420	3,991
Deferred tax assets	8,918	8,704	10,170
Total non-current assets	**103,901**	**104,826**	**105,296**
Current assets			
Trade receivables	38,027	40,545	34,498
Inventories	48,064	39,774	42,375
Other receivables and current assets	8,721	7,337	7,744
Other current financial assets	2,822	2,801	0
Cash and cash equivalents	21,648	22,650	17,156
Total current assets	**119,282**	**113,107**	**101,773**
TOTAL ASSETS	**223,183**	**217,933**	**207,069**

(Thousands of Euro)

SHAREHOLDERS' EQUITY AND LIABILITIES	31/03/2020	31/12/2019	31/03/2019
Shareholders' Equity			
Share capital	11,250	11,250	11,250
Other reserves	53,276	49,367	49,033
Profit (loss) for the period	-1,368	6,048	603
Total Shareholders' Equity of the Group	**63,158**	**66,665**	**60,886**
Minority interests	-319	-332	-298
TOTAL SHAREHOLDERS' EQUITY	**62,839**	**66,333**	**60,588**
Non-current liabilities			
Non-current bank loans	53,396	50,991	23,117
Other non-current financial liabilities	0	0	24,428
Non-current liabilities for rights of use	4,193	4,535	2,991
Provisions for risks and charges	3,139	3,609	5,652
Defined benefit plans for employees	1,560	1,630	1,709
Deferred tax liabilities	356	407	433
Liabilities for derivative financial instruments	159	30	0
Total non-current liabilities	**62,803**	**61,202**	**58,330**
Current liabilities			
Bank financing and short-term loans	34,335	29,460	25,026
Other current financial liabilities	210	210	4,282
Current liabilities for rights of use	1,988	1,992	1,470
Trade payables	54,348	51,935	49,592
Tax liabilities	1,645	2,134	1,728
Other current liabilities	5,015	4,667	6,053
Total current liabilities	**97,541**	**90,398**	**88,151**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**223,183**	**217,933**	**207,069**

3.3. CONSOLIDATED INCOME STATEMENT

(Thousands of Euro)

CONSOLIDATED INCOME STATEMENT	31/03/2020	31/03/2019
Revenues from sales and services	37,170	43,798
Other revenues and income	51	203
Cost of raw materials, consumables and goods and change in inventories	-19,445	-22,806
Costs for services and use of third-party assets	-8,567	-8,487
Personnel costs	-6,263	-6,727
Allocations, write-downs and other operating expenses	-506	-542
Gross operating profit	**2,440**	**5,439**
Amortisation, depreciation and impairment	-3,043	-3,164
Net operating profit	**-603**	**2,275**
Financial income	30	19
Financial expenses	-738	-920
Exchange gains (losses)	-261	192
Income (expenses) from equity investments measured using the equity method	21	-110
Profit (loss) before tax	**-1,551**	**1,456**
Taxes	177	-866
Net profit (loss) for the Group and minority interests, including:	**-1,374**	**590**
Minority interests	-6	-13
Net profit (loss) for the Group	-1,368	603
Basic earnings (loss) per share (calculated on 112,500,000 shares)	-0.0122	0.0054
Diluted earnings (loss) per share	-0.0122	0.0054

3.4. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Thousands of Euro)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	31/03/2020	31/03/2019
Net profit (loss) for the Group and minority interests:	**-1,374**	**590**
Profits/losses that will not be subsequently reclassified in the income statement		
Remeasurement of employee defined benefit plans (IAS 19)	47	-53
Total profits/losses that will not be subsequently reclassified in the income statement	**47**	**-53**
Profits/losses that could subsequently be reclassified in the income statement		
Exchange rate differences from the translation of foreign operations	-938	64
Measurement of investments with the equity method	-1,174	411
Fair value of derivatives, change for the period	-98	0
Total profits/losses that could subsequently be reclassified in the income statement	**-2,210**	**475**
Profits/losses recorded directly in Shareholders' Equity after tax effects	**-2,163**	**422**
Total consolidated income statement for the period	**-3,537**	**1,012**
Profit (loss) for Shareholders of the Parent Company	-3,550	1,034
Minority interests	13	-22

3.5. CONSOLIDATED CASH FLOW STATEMENT

(Thousands of Euro)

CONSOLIDATED CASH FLOW STATEMENT	31/03/2020	31/03/2019
Financial flows deriving from operating activities		
Pre-tax profit (loss) for the period	-1,551	1,456
Adjustments for:		
Depreciation of property, plant and machinery	976	1,119
Amortisation of intangible assets	1,548	1,488
Depreciation of right-of-use assets	519	558
Loss (Profit) from disposal of tangible and intangible assets	-37	-21
Share-based incentive plans	44	0
Impairment loss on receivables	3	1
Net financial charges	969	709
Income (expenses) attributable to equity investments measured using the equity method	-21	110
	2,450	**5,420**
Changes in:		
Inventories	-8,290	-3,480
Trade receivables and other receivables	1,123	764
Trade payables and other payables	1,664	-5,530
Provisions and employee benefits	-492	219
Cash generated from operations	**-3,545**	**-2,607**
Interest paid	-319	-380
Interest received	9	8
Taxes paid	-85	-881
Net cash generated (absorbed) by operations	**-3,940**	**-3,860**
Financial flows from investments		
Proceeds from the sale of property, plant and machinery	5	21
Purchase of property, plant and machinery	-1,283	-579
Purchase of intangible assets	-221	-302
Development expenditure	-1,326	-1,409
Net cash absorbed by investment activities	**-2,825**	**-2,269**
Free Cash Flow	**-6,765**	**-6,129**
Financial flows from financing activities		
Repayment of leases (IFRS 16)	-558	-631
Disbursements (reimbursements) of medium/long-term loans	3,000	-5
Change in short-term bank debts	4,259	8,781
Net cash generated (absorbed) by financing activities	**6,701**	**8,145**
Net increase (decrease) in cash and cash equivalents	**-64**	**2,016**
Cash and cash equivalents at 1 January	22,650	15,075
Effect of exchange rate fluctuation on cash and cash equivalents	-938	65
Closing cash and cash equivalents	**21,648**	**17,156**

3.6. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Thousands of Euro)

	Share capital	Statutory reserve	Extraordinary and other reserves	Share premium reserve	Future share capital increase contributions	Profit (loss) for the year	Group Shareholders' Equity	Profit (Loss) attributable to minority interests	Capital and reserves attributable to minority interests	Total Shareholders' Equity
Balance at 31 December 2018	**11,250**	**2,250**	**2,096**	**30,718**	**8,867**	**4,671**	**59,852**	**-138**	**-138**	**59,576**
Effect of IFRS 16 adoption							**0**			**0**
Balance as at 1 January 2019	**11,250**	**2,250**	**2,096**	**30,718**	**8,867**	**4,671**	**59,852**	**-138**	**-138**	**59,576**
Profit (loss) for the year						603	**603**	-13		**590**
Actuarial gains/losses (IAS 19)			-53				**-53**			**-53**
Translation difference			484				**484**		-9	**475**
Total overall profits/losses	**0**	**0**	**431**	**0**	**0**	**603**	**1,034**	**-13**	**-9**	**1,012**
Allocation of profit			4,671			-4,671	**0**	138	-138	**0**
Balance as at 31 March 2019	**11,250**	**2,250**	**7,198**	**30,718**	**8,867**	**603**	**60,886**	**-13**	**-285**	**60,588**
Balance as at 31 December 2019	**11,250**	**2,250**	**7,532**	**30,718**	**8,867**	**6,048**	**66,665**	**-66**	**-266**	**66,333**
Profit (loss) for the year						-1,368	**-1,368**	-6		**-1,374**
Actuarial gains/losses (IAS 19)			47				**47**			**47**
Translation difference			-957				**-957**		19	**-938**
Valuation of equity investments using the net equity method			-1,174				**-1,174**			**-1,174**
Change in the cash flow hedge reserve			-98				**-98**			**-98**
Total overall profits/losses	**0**	**0**	**-2,182**	**0**	**0**	**-1,368**	**-3,550**	**-6**	**19**	**-3,537**
Share-based plans			43				**43**			**43**
Allocation of profit			6,048			-6,048	**0**	66	-66	**0**
Balance as at 31 March 2020	**11,250**	**2,250**	**11,441**	**30,718**	**8,867**	**-1,368**	**63,158**	**-6**	**-313**	**62,839**

STATEMENT PURSUANT TO ARTICLE 154-*bis*, PAR. 2, OF ITALIAN LEGISLATIVE DECREE NO. 58 DATED 24 FEBRUARY 1998

Subject: Interim Management Report as at 31 March 2020

I, the undersigned, Paolo Cilloni, the Financial Reporting Manager of Landi Renzo S.p.A.,

declare

in accordance with Article 154-*bis*, par. 2 of the Finance Consolidation Act (Italian Legislative Decree 58/1998) that the accounting information contained in the Interim Management Report as at 31 March 2020 corresponds to the accounting documents, ledgers and records.

Cavriago, 15 May 2020

Financial Reporting
Manager
Paolo Cilloni