



The Clean Air Group
Driving the Future

**INTERIM MANAGEMENT REPORT
AS AT 31 MARCH 2021**

CONTENTS

1. GENERAL INFORMATION
 - 1.1. Corporate officers and information
 - 1.2. Group Structure
 - 1.3. Landi Renzo Group Financial Highlights
 - 1.4. Significant events during the period

2. DIRECTORS' OBSERVATIONS ON BUSINESS PERFORMANCE
 - 2.1. Performance and notes on the main changes in the consolidated financial statements as at 31 March 2021
 - 2.2. Significant events after the end of the quarter and likely future developments

3. INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 March 2021
 - 3.1. General accounting standards and consolidation principles
 - 3.2. Consolidated Statement of Financial Position
 - 3.3. Consolidated Income Statement
 - 3.4. Consolidated Statement of Comprehensive Income
 - 3.5. Consolidated Cash Flow Statement
 - 3.6. Consolidated Statement of Changes in Shareholders' Equity

This press release is a translation. The Italian version prevails

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.

On 29 April 2021, the Shareholders' Meeting appointed Dario Patrizio Melpignano, who had been co-opted by the Board of Directors by resolution approved by the Board of Statutory Auditors on 13 November 2020 (following the resignation of Anton Karl from his position as Non-executive, independent director), as a director of Landi Renzo S.p.A., pursuant to art. 2386 of the Italian Civil Code and art. 14 of the Articles of Association.

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	Dario Patrizio Melpignano
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

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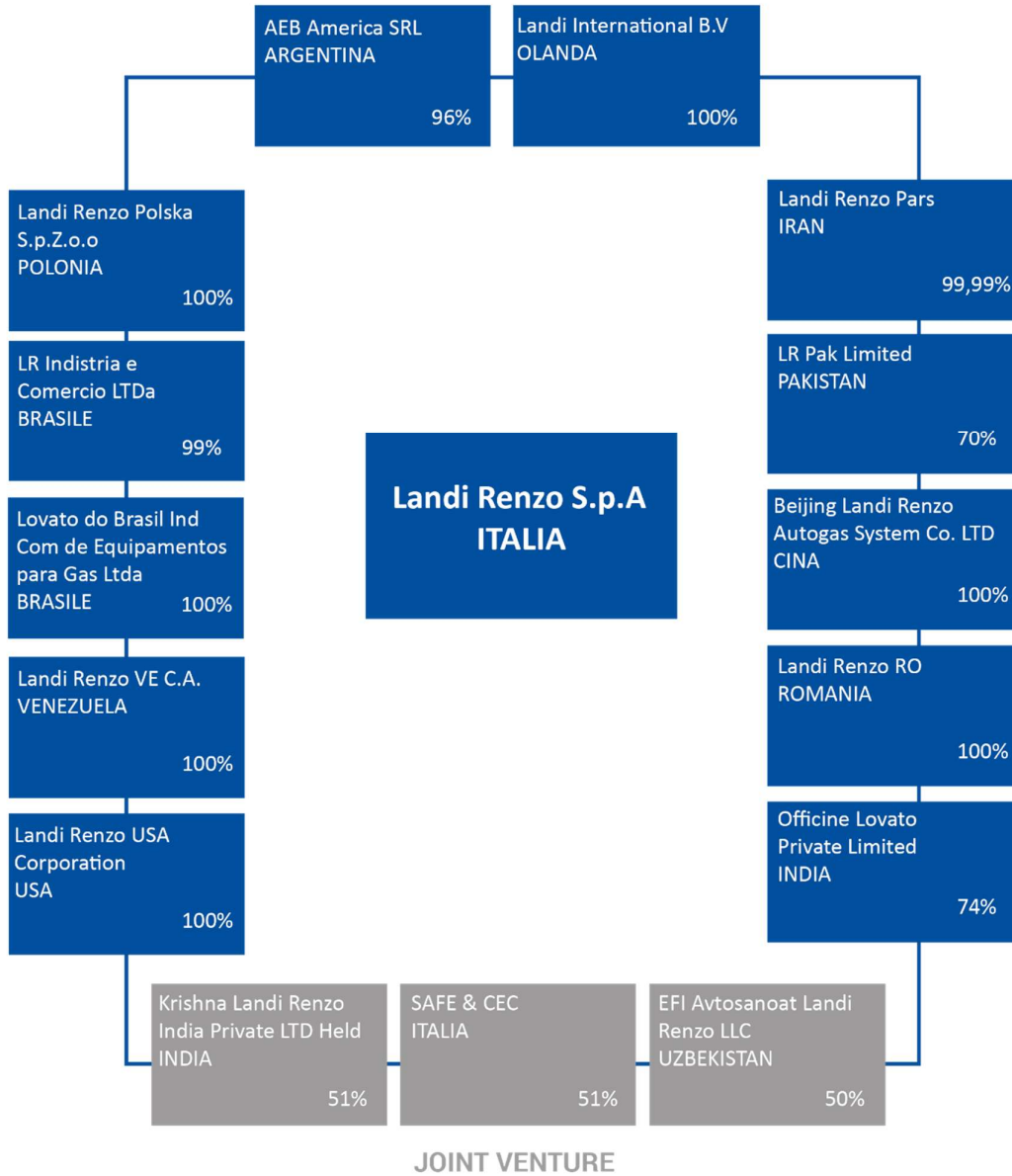
Share capital: Euro 11,250,000

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 2021	Q1 2020	Change	%
Revenue	33,259	37,170	-3,911	-10.5%
Adjusted Gross Operating Profit (EBITDA) (1)	508	2,884	-2,376	-82.4%
Gross operating profit (EBITDA)	357	2,440	-2,083	-85.4%
Net operating profit (EBIT)	-2,979	-603	-2,376	
Earnings before taxes (EBT)	-4,075	-1,551	-2,524	
Net profit (loss) for the Group and minority interests	-4,130	-1,374	-2,756	
Adjusted Gross Operating Profit (EBITDA) / Revenue	1.5%	7.8%		
Gross Operating Profit (EBITDA) / Revenue	1.1%	6.6%		
Net profit (loss) for the Group and minority interests / Revenue	-12.4%	-3.7%		

(Thousands of Euro)

STATEMENT OF FINANCIAL POSITION	31/03/2021	31/12/2020	31/03/2020
Net fixed assets and other non-current assets	105,552	107,128	103,901
Operating capital (2)	35,304	26,853	33,804
Non-current liabilities (3)	-4,752	-4,750	-5,055
NET INVESTED CAPITAL	136,104	129,231	132,650
Net financial position (4)	85,511	72,917	69,811
Net Financial Position - adjusted (5)	80,607	67,360	63,471
Shareholders' equity	50,593	56,314	62,839
BORROWINGS	136,104	129,231	132,650

(Thousands of Euro)

KEY INDICATORS	31/03/2021	31/12/2020	31/03/2020
Operating capital / Turnover (rolling 12 months)	25.5%	18.9%	18.3%
Net Financial Position / Shareholders' equity	169.0%	129.5%	111.1%
Adjusted net financial position (5) / Adjusted EBITDA (rolling 12 months)	14.29	8.40	2.68
Personnel (peak)	557	547	589

(Thousands of Euro)

CASH FLOWS	31/03/2021	31/12/2020	31/03/2020
Gross operational cash flow	-8,861	6,800	-3,940
Net Cash flow for investment activities	-1,337	-11,611	-2,825
Gross FREE CASH FLOW	-10,198	-4,811	-6,765
Non-recurring expenditure for voluntary resignation incentives	0	-495	0
Net FREE CASH FLOW	-10,198	-5,306	-6,765
Repayment of leases (IFRS 16)	-580	-2,399	-558
Overall cash flow	-10,778	-7,705	-7,323

(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 instruments.

1.4. SIGNIFICANT EVENTS DURING THE PERIOD

- In January 2021, Landi Renzo S.p.A. became part of H2-ICE, a partnership between five Italian companies, with Punch Torino and AVL Italia as the lead companies, and with the participation of Industria Italiana Autobus and TPER, in order to create a hydrogen fuelled internal combustion engine. Landi Renzo S.p.A., active for more than two years in the development of components and solutions for hydrogen mobility, dedicated in particular to the Mid & Heavy Duty (LCV, Buses and Trucks) and Off Road segment, both for FCEV (fuel cell electric vehicle) and for hydrogen engines, will specifically handle the development and manufacture of components for hydrogen engines to be used in buses and trucks.
- In January 2021, the Landi Renzo Group and Mahindra & Mahindra Limited (M&M), part of the Mahindra Group and one of the main Indian engine manufacturers, entered into an agreement for the creation of a new generation of CNG engine tractors for agricultural applications. The understanding is based on the meeting between the specific requirements of Mahindra & Mahindra, the most sold tractor brand in the world, which is becoming increasingly oriented towards the use of alternative energy sources, and Landi Renzo, specialised in engineering solutions and components for alternative gas and hydrogen mobility in the Mid & Heavy Duty and Off Road segments. Landi Renzo S.p.A. will develop the entire tailor-made control and injection system for Monofuel tractors according to OEM standards, while Mahindra & Mahindra will handle the development of the basic engine, optimising combustion and mechanical aspects starting from the existing Diesel version. The pilot project is already under way, and by the end of 2021 the first CNG tractor prototype will be ready for testing, equipped with engine control and CNG injection systems entirely developed and supplied by the Landi Renzo Group.

2. DIRECTORS' OBSERVATIONS ON BUSINESS PERFORMANCE

The Covid-19 pandemic continues to negatively impact the domestic and international economic and financial system, slowing down its recovery. Thanks to the experience gained, the governments of the various countries avoided total lockdowns as much as possible, instead enacting partial and/or variable lockdowns depending on contagion trends, in order to minimise the effects on the economy as much as possible. This approach, which allows for less restrictions on people mobility, in conjunction with the positive results of the initial vaccination campaigns and the initiatives to support the automotive industry enacted by the governments of the main manufacturing countries, made it possible to close the quarter with global vehicle production up by 14% compared to the same period of the previous year, but in any event well below the levels recorded prior to Covid. In detail, before being struck by the pandemic, the Chinese market and the Indian market drove growth in production, with an increase of 78.2% and 22.8%, respectively, compared to the first quarter of the previous year. On the other hand, European and US vehicle manufacturing volumes are still below those observed in the first quarter of 2020.

UNRAE (Association of foreign car makers operating in Italy) data relating to registrations in the first quarter of 2021 show an increase in the Italian market compared to the same period of the previous year of 28.7%, which was however negatively impacted by the fact that the month of March 2020 was highly influenced by the start of the total lockdown imposed by the government. The comparison with respect to the first quarter of 2019 instead shows a decline of 16.8%, confirming that the market is still significantly below pre-Covid levels. The same trends can be seen in the European market, which shows substantial stability in registrations compared to the same period of the previous year (+0.9%), but still far below the first quarter of 2019 (-25.7%). The measures defined by the various governments of manufacturing countries to support the market and the automotive industry, connected to the drive towards research on more sustainable mobility, without a doubt helped to limit the market downturn.

Within this context, gas mobility is still considered a valid alternative for the achievement of more “green” and sustainable mobility. Registrations in Italy of vehicles with gas engines (CNG and LPG) indeed continue to represent roughly 8% of the total, with electric and hybrid vehicle registrations rising significantly to the detriment of diesel and petrol vehicle market shares. As further confirmation, there was an increase in Europe of CNG stations to 4,000 as well as LNG stations (now around 400), with the expectation of further growth by 2030 (10,000 CNG stations and 2,000 LNG stations forecast).

Unlike the OEM channel, the After Market channel is experiencing more difficulty due to the limited people mobility, also thanks to the large-scale recourse to smart working, which caused uncertainty in the market and frequent deferrals by consumers of vehicle conversion decisions. In particular, the economies of the Asia and Latam areas, the main international markets of the After Market channel, are still highly impacted by the spread of the pandemic.

In any event, it is now clear that governments finally have an instrument available which can lead us out of the tunnel of economic crisis. Thanks to an effort never before seen in history, the scientific community was able to develop an effective weapon against the spread of the pandemic in record time: vaccines. As confirmation of this approach, the countries that have applied more incisive and prompt vaccination policies, like the United Kingdom, are currently seeing very significant declines in contagion as well as deaths, triggering a re-opening of activities, including commercial ones, and a progressive return to normal.

After such a long period of instability, the recovery in international trade is having negative and unexpected effects. In particular, severe problems remain with respect to the availability and prices of raw materials and components, especially electronics, which are even causing production slowdowns and interruptions, including in the automotive sector.

As regards the Landi Renzo Group, the management is continuing to monitor the situation and is promptly implementing all of the required countermeasures to protect the health of its workers, both in Italy and abroad. Indeed, the distribution to employees of personal protection equipment has continued, travel is still limited both in Italy and abroad, and periodic sanitisation is carried out at the offices as well as the production plants. Internal and conduct procedures aimed at guaranteeing social distancing are also constantly updated based on pandemic trends. Furthermore, dedicated insurance policies were taken out to further protect any workers infected by Covid-19 in the workplace.

Given the Group's technological and innovative bent, in order to reduce to a minimum any possibility of contact between workers, recourse to telecommuting continues to be favoured as much as possible (called "smart working" in Italy). In particular, thanks to the simulation software based on forecasting models developed internally, our research and development team, as already took place during the lockdown period, was able to continue its new product development activities irrespective of the restrictions imposed by the government to limit the pandemic.

Research and development activities saw the continuation of projects started in the previous year as well as the launch of new initiatives, namely:

- development of an injection and regulation system for testing on compatibility with the Euro 7 standard;
- redefinition and validation of a pressure regulator for Heavy Duty vehicles, expected to begin production in the second half of 2021;
- finalisation of the development of an LNG regulator;
- re-design and validation in the laboratory of the new family of high-pressure and high capacity injectors for applications in Heavy Duty vehicles;
- development and testing in the field of the integrated manifold for fuel-cell applications for Hydrogenics, one of the global leaders in the hydrogen mobility sector;
- development for the world of hydrogen mobility of a high-pressure regulator and a smart dosing system, in order to introduce a new way of managing the injection of hydrogen into the fuel cell;
- development of a new conversion unit for vehicles with indirect injection systems and initiation of a project for the development of the new direct injection management system;
- development and validation of a mono-fuel master unit for Mid-Heavy Duty applications.

Following Research and Development activities, a new CNG reducer with innovative characteristics was recently launched in the market.

The management continues to deploy initiatives to minimise as much as possible effects on the Group's profit capacity and liquidity, in particular through:

- constant cost monitoring, with the resulting postponement or limitation of costs not deemed priorities;
- postponement, when possible, of making non-strategic investments;
- recourse to social safety nets;
- management and monitoring of the financial situation through short/medium and long-term cash forecasts.

The management is also maintaining continuous, close 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.

In light of what is set forth above, the first quarter of 2021 closed with revenues of Euro 33,259 thousand (-10.5% compared with the same period of the previous year), while Adjusted EBITDA was in any event confirmed as positive (Euro 508 thousand).

Sales in the OEM channel equal to Euro 14,616 thousand, represent 43.9% of the total (46.9% as at 31 March 2020) and were down as a result of the problems identified in international markets for the procurement of raw materials and components, which required a top OEM customer, which is focusing on LPG bifuel engines to develop its “green” product range, to interrupt production, with the resulting postponement of some important orders expected for the quarter.

Sales in the After Market channel, amounting to Euro 18,643 thousand (Euro 19,720 thousand at 31 March 2020), primarily relate to orders from distributors and authorised installers, both domestic and foreign, and are down primarily due to issues identified in the Latam area, still hard hit by the spread of the pandemic. Nonetheless, positive signs of a recovery are being seen in the North African market, which is marking clear improvements and experiencing considerable increases in sales and rising orders.

2.1. PERFORMANCE AND NOTES ON THE MAIN CHANGES IN THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 March 2021

The following table sets out the main economic indicators of the Group for the first three months of 2021 compared with the same period in 2020.

(Thousands of Euro)	31/03/2021	%	31/03/2020	%
Revenues from sales and services	33,259	100.0%	37,170	100.0%
Other revenues and income	134	0.4%	51	0.1%
Operating costs	-32,885	-98.9%	-34,337	-92.4%
Adjusted gross operating profit	508	1.5%	2,884	7.8%
Non-recurring costs	-151	-0.5%	-444	-1.2%
Gross operating profit	357	1.1%	2,440	6.6%
Amortisation, depreciation and impairment	-3,336	-10.0%	-3,043	-8.2%
Net operating profit	-2,979	-9.0%	-603	-1.6%
Financial income (expenses) and exchange rate differences	-1,278	-3.8%	-969	-2.6%
Profit (loss) from equity investments measured using the equity method	182	0.5%	21	0.1%
Profit (loss) before tax	-4,075	-12.3%	-1,551	-4.2%
Taxes	-55	-0.2%	177	0.5%
Net profit (loss) for the Group and minority interests, including:	-4,130	-12.4%	-1,374	-3.7%
Minority interests	30	0.1%	-6	0.0%
Net profit (loss) for the Group	-4,160	-12.5%	-1,368	-3.7%

The main economic indicators were down in the first three months of 2021 compared with the same period of the previous year, due to the effects of the resumption of the global spread of the Covid-19 pandemic, in addition to the different sales mix.

The consolidated revenues for the first three months of 2021 were Euro 33,259 thousand, a reduction of Euro 3,911 thousand (-10.5%) compared with the same period in the previous year. Although adjusted Gross Operating Profit (EBITDA) was down compared with the same period of the previous year, it was in any event positive (Euro 508 thousand), despite the market situation. Gross Operating Profit (EBITDA) was positive at Euro 357 thousand (Euro 2,440 thousand at 31 March 2020). The decrease of margins recorded during the quarter was primarily linked to the different sales mix, growing pricing competition in the After Market channel and the increase at international level of raw material costs.

Net Operating Profit (EBIT) for the period was Euro -2,979 thousand (Euro -603 thousand, as at 31 March 2020), after accounting for amortisation, depreciation and impairment of Euro 3,336 thousand (Euro 3,043 thousand as at 31 March 2020), of which Euro 554 thousand due to the application of IFRS 16 - Leases (Euro 519 thousand as at 31 March 2020).

Financial expenses alone totalled Euro 821 thousand, up compared with the same period of the previous year (Euro 738 thousand) after the six-year medium/long-term loan was taken out in July 2020 from a pool of banks, 90% backed

by the SACE guarantee, for a nominal amount of Euro 21 million, with two years of pre-amortisation, intended to support the Group's financial commitments.

The exchange effects were negative at Euro 511 thousand as at 31 March 2021 (negative Euro 261 thousand as at 31 March 2020), primarily from valuation and due to the impacts generated by the Covid-19 pandemic on the currencies in which the Group operates, particularly in the Latam area.

SEGMENT REPORTING

The Group operates directly only in the Automotive segment and indirectly in the "Infrastructure" 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 2021, to provide a better understanding of the impact of this business unit on the Group's accounts.

As specified below in this interim report, in April 2021 Landi Renzo S.p.A. and Clean Energy Fuels Corp entered into an agreement to amend the shareholders' agreements of the investee company SAFE&CEC S.r.l., which will provide Landi Renzo S.p.A. with greater decision-making autonomy, allowing it to exercise control over SAFE&CEC S.r.l. pursuant to international accounting standards (IFRS 10) and resulting in its line-by-line consolidation already in the second quarter of 2021.

Breakdown of sales by geographical area

First quarter of 2021 compared to first quarter of 2020

(Thousands of Euro)							
Geographical distribution of revenues	At 31/03/2021	% of revenues	At 31/03/2020	% of revenues	Change	%	
Italy	4,268	12.8%	6,640	17.9%	-2,372	-35.7%	
Europe (excluding Italy)	17,856	53.7%	20,547	55.3%	-2,691	-13.1%	
America	3,246	9.8%	3,851	10.3%	-605	-15.7%	
Asia and Rest of the World	7,889	23.7%	6,132	16.5%	1,757	28.7%	
Total	33,259	100.0%	37,170	100.0%	-3,911	-10.5%	

Regarding the geographical distribution of revenues, during the first three months of 2021 the Group achieved 87.2% (82.1% as at 31 March 2020) of its consolidated revenues abroad (53.7% in Europe and 33.5% outside Europe). In more detail:

Italy

The Italian market, accounting for 12.8% of overall turnover (17.9% in the first quarter of 2020), was down by 35.7% compared with the same period of the previous year, primarily due to the difficulties recorded in the After Market channel, particularly struck by the resumption in contagion and the resulting limitations of people mobility, which triggered uncertainty in the market and the frequent deferral by consumers of vehicle conversion decisions. Data

made public by UNRAE (Association of foreign car makers operating in Italy) relating to the Italian market show that gas engine (CNG and LPG) vehicle registrations continue to represent around 8% of the total. Registrations of electric and hybrid vehicles seen in recent months indeed increased significantly, to the detriment of the market shares of diesel and petrol vehicles, confirming that gas mobility is a valid solution for more “green” mobility.

Europe

The rest of Europe represents 53.7% of total sales (55.3% in the first quarter of 2020), with a decline of 13.1%, mainly attributable to the issues identified in international markets for the procurement of raw materials and components, which forced one of our customers, a leading automotive manufacturer, to suspend production, thus deferring some of the important orders expected for the quarter.

America

Sales on the American continent in the first three months of 2021, amounting to Euro 3,246 thousand (Euro 3,851 thousand at 31 March 2020), marked a decrease of 15.7%. In particular, the Latam area continues to be impacted quite significantly by the effects of the Covid-19 pandemic.

Asia and Rest of the World

The Asia and Rest of the World markets, equal to 23.7% of total turnover (16.5% in the first three months of 2020), were up by 28.7% thanks to the positive performance of the North African market.

Profitability

In the first three months of 2021, the adjusted Gross Operating Profit (adjusted EBITDA), net of non-recurring costs of Euro 151 thousand, was positive at Euro 508 thousand, equivalent to 1.5% of revenues, down compared with the same period of the previous year (Euro 2,884 thousand and equal to 7.8% as at 31 March 2020).

(Thousands of Euro)	31/03/2021	31/03/2020	Change
NON-RECURRING COSTS			
Strategic consultancy	-67	-400	333
COVID-19 costs	-40	0	-40
Medium/long-term performance bonus	-44	-44	0
Total	-151	-444	293

Costs of raw materials, consumables and goods and changes in inventories decreased overall to Euro 19,311 thousand at 31 March 2021 compared with Euro 19,445 thousand at 31 March 2020, a downturn connected to the reduction in volumes and the different sales mix as well as the worldwide increase in the costs of raw materials.

The costs of services and use of third-party assets amounted to Euro 7,614 thousand, compared with Euro 8,567 thousand in the first three months of the previous year, a considerable decline both due to the reduction in costs for production, technical and commercial services and thanks to the cost reduction interventions undertaken by the management. These costs are inclusive of strategic consulting (Euro 67 thousand) and costs incurred by the company to deal with the Covid-19 emergency (Euro 40 thousand), particularly relating to expenses for sanitising the workplace.

Personnel costs, amounting to Euro 5,603 thousand (Euro 6,263 thousand as at 31 March 2020), declined following the initiatives undertaken by the management to limit labour costs, including by making recourse to recourse to social safety nets. The Group had a total of 557 employees, basically in line with the end of the previous year (547). The

Group heavily invested in highly specialised resources to support the increasing research and development performed for new products and solutions, particularly for the Heavy Duty market and for hydrogen mobility, capitalised when they meet the requirements laid out in IAS 38.

Net Operating Profit (EBIT) for the period was Euro -2,979 thousand (Euro -603 thousand, as at 31 March 2020), after accounting for amortisation, depreciation and impairment of Euro 3,336 thousand (Euro 3,043 thousand as at 31 March 2020), of which Euro 554 thousand due to the application of IFRS 16 - Leases (Euro 519 thousand as at 31 March 2020).

Total financial expenses (interest income, interest charges and exchange rate differences) amounted to Euro 1,278 thousand (Euro 969 thousand as at 31 March 2020) and include negative exchange effects of Euro 511 thousand (negative and equal to Euro 261 thousand as at 31 March 2020), primarily from valuation. Financial expenses alone totalled Euro 821 thousand, up compared with the same period of the previous year (Euro 738 thousand) after the six-year medium/long-term loan was taken out in July 2020 from a pool of banks, 90% backed by the SACE guarantee, for a nominal amount of Euro 21 million, with two years of pre-amortisation, intended to support the Group's financial commitments.

At 31 March 2021, the effect of the valuation of equity investments using the equity method was a positive Euro 182 thousand (positive at Euro 21 thousand as at 31 March 2020). This includes the Group's share of the profits for the period from the Group's Joint Ventures. In particular, this positive result can be attributed to the performance of the joint venture Krishna Landi Renzo which, during the first quarter 2021, considerably increased its sales to a leading Indian OEM customer, with revenues of Euro 5.3 million.

The first quarter of 2021 closed with a pre-tax loss (EBT) of Euro 4,075 thousand (loss of Euro 1,551 as at 31 March 2020).

The net result of the Group and minority interests as at 31 March 2021 showed a loss of Euro 4,130 thousand compared with a Group and minority interest loss of Euro 1,374 thousand at 31 March 2020.

The net result for the quarter ending as at 31 March 2021 was negative at Euro -4,160 thousand compared with a negative result of Euro -1,368 thousand in the same period of the previous year.

Performance of the “Infrastructure” segment

The “Infrastructure” segment was subject in 2017 to a strategic aggregation agreement 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 quarter of 2021, the Infrastructure segment achieved a consolidated value of production of Euro 17,556 thousand, up 22.9% compared with the same period of the previous year (Euro 14,283 thousand), adjusted EBITDA of Euro 439 thousand (Euro 273 thousand at 31 March 2020), and a post-tax loss of Euro 626 thousand.

Despite the negative effects on the international economy of the continuation of the Covid-19 pandemic, the SAFE&CEC Group continues to show improving results and an order portfolio capable of covering a good part of the current year. The SAFE&CEC Group has been awarded important orders, including a contract for the supply and

assembly of more than 150 compressors in Egypt for the companies Gastech (Egyptian International Gas Technology) and NGVC (Natural Gas Vehicles Company) linked to the ambitious natural gas mobility transformation plan launched by the Egyptian government, with significant investments in the country's infrastructure network and the objective of transforming the majority of the fleet on the road to CNG, including Passenger Cars as well as local public transport and heavy-duty transport.

As specified below in this interim report, in April 2021 Landi Renzo S.p.A. and Clean Energy Fuels Corp entered into an agreement to amend the shareholders' agreements of the investee company SAFE&CEC S.r.l., which will provide Landi Renzo S.p.A. with greater decision-making autonomy, allowing it to exercise control over SAFE&CEC S.r.l. pursuant to international accounting standards (IFRS 10) and resulting in its line-by-line consolidation already in the second quarter of 2021.

Invested capital

(Thousands of Euro)			
Statement of Financial Position	31/03/2021	31/12/2020	31/03/2020
Trade receivables	37,134	39,353	38,027
Inventories	46,966	42,009	48,064
Trade payables	-49,847	-53,509	-54,348
Other net current assets (liabilities)	1,051	-1,000	2,061
Net operating capital	35,304	26,853	33,804
Tangible assets	12,650	13,212	11,924
Intangible assets	49,783	50,460	50,870
Right-of-use assets	4,401	4,975	6,056
Other non-current assets	38,718	38,481	35,051
Fixed capital	105,552	107,128	103,901
TFR (employee severance pay), other provisions and others	-4,752	-4,750	-5,055
Net invested capital	136,104	129,231	132,650
Financed by:			
Net Financial Position (*)	85,511	72,917	69,811
Group shareholders' equity	51,076	56,787	63,158
Minority interests	-483	-473	-319
Borrowings	136,104	129,231	132,650
Ratios	31/03/2021	31/12/2020	31/03/2020
Net operating capital	35,304	26,853	33,804
Net operating capital/Turnover (rolling)	25.5%	18.9%	18.3%
Net invested capital	136,104	129,231	132,650
Net capital employed/Turnover (rolling)	98.2%	90.7%	71.6%

(*) The net financial position at 31 March 2021 is inclusive of Euro 4,509 thousand for financial liabilities for rights of use deriving from the application of IFRS 16 - Leases and Euro 395 thousand for derivative financial instruments.

Net operating capital at the end of the period stood at Euro 35,304 thousand, up compared with the same figure at 31 December 2020 (Euro 26,853 thousand). In terms of percentages on rolling turnover, there was an increase in this figure, from 18.9% as at 31 December 2020 to the current 25.5% (18.3% as at 31 March 2020).

Trade receivables stood at Euro 37,134 thousand, a decrease compared with 31 December 2020 (Euro 39,353 thousand). The analyses performed did not bring to light relevant critical issues in terms of Group customer solvency. As at 31 March 2021, derecognised receivables assigned through factoring with crediting on maturity stood at Euro 11.5 million (Euro 11.7 million as at 31 December 2020).

Trade payables are down by Euro 3,662 thousand from Euro 53,509 thousand as at 31 December 2020 to Euro 49,847 thousand as at 31 March 2021.

Inventories, amounting to Euro 46,966 thousand (Euro 42,009 thousand as at 31 December 2020), are up following significant acquisitions of electronic components, traditionally carried out in the initial quarter of the year, as well as acquisitions of other strategic components, carried out by the Group to handle current procurement difficulties linked to raw material shortages in the market in order to guarantee production continuity.

Fixed capital, amounting to Euro 105,552 thousand and inclusive of Euro 4,401 thousand for right-of-use assets recognised pursuant to IFRS 16 - Leases, is basically aligned with the year ended 31 December 2020.

As at 31 March 2021, TFR (employee severance indemnity) and other provisions of Euro 4,752 thousand were in line with 31 December 2020.

Net invested capital (Euro 136,104 thousand, equal to 98.2% of rolling turnover) is up slightly compared with 31 December 2020 (Euro 129,231 thousand, equal to 90.7% of rolling turnover).

Net financial position and cash flows

(Thousands of Euro)	31/03/2021	31/12/2020	31/03/2020
Cash and cash equivalents	15,180	21,914	21,648
Current financial assets	2,780	2,801	2,822
Current Bank financing and borrowings	-29,420	-23,108	-34,335
Current Right-of-use liabilities	-2,098	-2,228	-1,988
Other current financial liabilities	-376	-378	-210
Net short term indebtedness	-13,934	-999	-12,063
Non-current Bank financing and borrowings	-68,349	-68,181	-53,396
Non-current Right-of-use liabilities	-2,411	-2,871	-4,193
Other non-current financial liabilities	-422	-408	0
Liabilities for derivative financial instruments	-395	-458	-159
Net medium-long term indebtedness	-71,577	-71,918	-57,748
Net Financial Position	-85,511	-72,917	-69,811
Net Financial Position - adjusted (*)	-80,607	-67,360	-63,471

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

The Net Financial Position as at 31 March 2021 is indeed equal to Euro 85,511 thousand (Euro 72,917 thousand as at 31 December 2020), of which Euro 4,509 thousand due to the application of IFRS 16 - Leases and Euro 395 thousand due to the fair value of derivative financial instruments. Without considering the effects arising from the adoption of this accounting standard and the fair value of derivative financial instruments, the Net Financial Position as at 31 March 2021 would have been equal to Euro 80,607 thousand.

Given the continuation of the negative effects of the Covid-19 pandemic in the first quarter of 2021 as well, with the ensuing instability of the international economic and financial system, the management has continued to place extreme attention on the financial situation, and in particular on short/medium and long-term cash forecasts. In any event, the Group has been capable of handling its financial commitments, also thanks to the six-year loan taken out from a pool of banks in July 2020 for a nominal amount of Euro 21 million, 90% backed by the SACE guarantee, with a pre-amortisation period of two years.

The following table illustrates the trend in total cash flow:

(Thousands of Euro)	31/03/2021	31/12/2020	31/03/2020
Gross operational cash flow (1)	-8,861	6,800	-3,940
Net cash flow for investment activities	-1,337	-11,611	-2,825
Gross Free Cash Flow	-10,198	-4,811	-6,765
Non-recurring expenditure for voluntary resignation incentives	0	-495	0
Net Free Cash Flow	-10,198	-5,306	-6,765
Repayment of leases (IFRS 16)	-580	-2,399	-558
Overall cash flow	-10,778	-7,705	-7,323

(1) inclusive of non-recurring disbursement

In the first quarter of 2021, cash absorption amounted to Euro 10.8 million (absorption of Euro 7.3 million in the first quarter of 2020), primarily linked to the lower margins due to the global continuation of the pandemic, as well as the increase in operating capital, particularly due to higher inventories, with ensuing effects on the Group's operational cash flows.

The net free cash flow for the period was a negative Euro 10.2 million, of which a negative Euro 8.9 million generated by operations and a negative Euro 1.3 million by net investments.

With regards to foreign exchange gains/losses, the significant change in the translation reserve recorded in the first quarter of 2021 was primarily linked to the decision to use the effective market exchange rate in place of the official rate for the translation of the income statement and balance sheet data of our non-strategic subsidiary. This decision is linked to the fact that the official exchange rate is now applicable only to transactions for essential goods, which does not include the Group's products, and therefore it is now inadequate to provide a true and fair representation of the Group's profit and loss, financial position and cash flows. As a result, for the translation of balances in foreign currency, the exchange rate identified by the Central Bank of the reference country was adopted, which is different from the official rate, as financial transactions in foreign currency of our subsidiary now take place exclusively on the basis of that exchange rate, defined on a daily basis by that central bank.

Investments

Investments in property, plant, machinery and other equipment totalled Euro 822 thousand (Euro 1,283 thousand as at 31 March 2020) and refer to the investments made by the Group for new production lines needed to cover the increasing orders from a leading OEM customer.

The increase in intangible assets amounted to Euro 1,081 thousand (Euro 1,547 thousand at 31 March 2020) and mainly referred to the capitalisation of the costs of development projects relating to new products for the OEM and After Market channels, as well as for the Heavy Duty segment and for Hydrogen mobility, which meet the requirements of IAS 38 for recognition as balance sheet assets.

2.1.2. Results of Parent Company

In the first three months of 2021, Landi Renzo S.p.A. generated revenues of Euro 27,014 thousand compared with Euro 27,625 thousand in the same period of the prior year. The Gross Operating Profit (EBITDA) totalled Euro 399 thousand (inclusive of Euro 151 thousand in non-recurring costs), compared with Euro 1,615 thousand at 31 March 2020 (inclusive of Euro 444 thousand in non-recurring costs), while the net financial position was Euro -88,317 thousand (Euro -83,894 thousand, net of the effects deriving from the application of IFRS 16 Leases and the fair value of financial derivative contracts) compared with Euro -78,971 thousand at 31 December 2020 (Euro -74,041 thousand, net of the effects deriving from the application of IFRS 16 and the fair value of derivative financial instruments).

At the end of the first three months of 2021, the Parent Company's workforce numbered 316 employees, basically in line with 31 December 2020 (318).

2.1.3. Impact of the Covid-19 pandemic on the activities of the Landi Renzo Group

In the first quarter of 2021, the Landi Renzo Group closely monitored the evolution of the resumption of contagion in order to face and prevent the issues generated by its global spread. The management has been paying particularly close attention to the financial position and short/medium and long-term cash forecasts. Thanks to the six-year loan taken out by Landi Renzo S.p.A. from a pool of banks in July 2020 for a nominal amount of Euro 21 million, 90% backed by the SACE guarantee, with a pre-amortisation period of two years, the Group has consolidated its financial structure, which has allowed it to pursue its business objectives in the short and medium term. Management initiatives also continued to be taken to reduce labour costs, including by making recourse to social safety nets, and limit non-essential costs, in addition to postponing non-strategic investments.

As regards credit risk, please note that the Landi Renzo Group operates in both the OEM and After Market channels. The OEM channel is represented by major automotive manufacturers with high credit standing, which substantially respected the commercial due dates established, while the After Market channel, instead including distributors and workshops, was more impacted by the effects of the pandemic, which is continuing to result in significant declines in conversions, especially in the Latam area. This resulted, to a different extent depending on geographical area, in a slowdown in collections and the need for careful and continuous monitoring of the situation by the management. In any event, the analyses performed did not bring to light relevant critical issues in terms of Group customer solvency.

As concerns the supply chain, in the first quarter of 2021 evident difficulties were identified in the international markets due to the shortage of raw materials and certain types of components. Therefore, the Group has made significant financial efforts to purchase electronic materials and strategic components in order to guarantee production continuity over the coming months.

The international economic context continues to influence the Group's results. Indeed, the first quarter of 2021 closed with revenues from sales of Euro 33,259 thousand, marking a decline of 10.5% compared with the previous year. Nonetheless, Adjusted EBTDA was in any event positive at Euro 508 thousand.

The Net Financial Position as at 31 March 2021 is indeed equal to Euro 85,511 thousand (Euro 72,917 thousand as at 31 December 2020), of which Euro 4,509 thousand due to the application of IFRS 16 - Leases and Euro 395 thousand due to the fair value of derivative financial instruments. Without considering the effects arising from the adoption of this accounting standard and the fair value of derivative financial instruments, the Net Financial Position as at 31 March 2021 would have been equal to Euro 80,607 thousand.

The Group is continuing to constantly evaluate the impacts of the pandemic on the economic and financial results, ready to enact, aside from what has already been done, any additional actions intended to preserve the Group's profitability and financial position, responding as quickly as possible to constantly evolving scenarios.

2.1.4. 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 include:

- the service contracts between Gireimm S.r.l. for rent of the property used as the operational headquarters of Landi Renzo S.p.A. located in Corte Tegge - Caviago;
- 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 Caviago;
- the service contracts between Reggio 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 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.

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

Significant events after closing of the period

Please note the following significant events after the end of the first three months of 2021 and to date:

- in April 2021, Landi Renzo S.p.A. and Clean Energy Fuels Corp entered into an agreement to amend the shareholders' agreements of the investee company SAFE&CEC S.r.l., active in the "Infrastructure" sector, as approved on 12 April 2021 by the Board of Directors Landi Renzo S.p.A.. The transaction was originally planned with the incorporation of the company SAFE&CEC S.r.l. in 2017, when the "Infrastructure" segment

was subject to a strategic aggregation agreement 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 change in the shareholders' agreements will provide Landi Renzo S.p.A. with greater decision-making autonomy, allowing it to exercise control over SAFE&CEC S.r.l. and resulting in its line-by-line consolidation pursuant to the international accounting standards (IFRS 10) starting from the second quarter 2021. The shares of the two shareholders remained unchanged (51% for Landi Renzo S.p.A. and 49% for Clean Energy Fuels Corp).

- On 29 April 2021, the Shareholders' Meeting of Landi Renzo S.p.A. resolved, amongst other things:
 - to cover the operating loss of Euro 6,283,624.66 by utilising the extraordinary reserve in full, which is now cancelled out, and the share premium reserve, which is reduced to Euro 28,945,566.50. Furthermore, the Shareholders' Meeting approved the placement of a tax suspension restriction equal to Euro 4,082,083.55 on the share premium reserve for the realignment of the tax value of the AEB trademark to its statutory value, pursuant to Law Decree no. 104/2020, art. 110, paragraph 8;
 - to approve, with reference to the Report on the remuneration policy and on remuneration paid, drafted pursuant to Articles 123- of Italian Legislative Decree 58/98 and 84- of the regulation approved with Consob resolution no. 11971 of 19 May 1999, the first section pursuant to Article 123-, paragraph 3-, of Italian Legislative Decree 58/98 and voted in favour with reference to the second section pursuant to Article 123-ter, paragraph 6, of Italian Legislative Decree 58/98;
 - to approve the proposal relating to the authorisation to purchase and dispose of treasury shares;
 - to appoint Dario Patrizio Melpignano, who had been co-opted by the Board of Directors by resolution approved by the Board of Statutory Auditors on 13 November 2020 (following the resignation of Anton Karl from his position as Non-executive, independent director), as a director of Landi Renzo S.p.A., pursuant to art. 2386 of the Italian Civil Code and art. 14 of the Articles of Association.
- In May, Landi Renzo S.p.A. was ranked amongst the 150 Italian companies recognised as "2021 Sustainability Leaders" according to research by Statista, a leader in market research specialised in business data ranking and analysis, carried out in collaboration with Il Sole 24 Ore. The analysis was performed on over 1,200 companies and reviewed 35 indicators (KPIs) in 3 sustainability macro-areas (environmental, social and corporate governance), and attests to the Landi Renzo Group's commitment to promoting and bringing to life the values underpinning Corporate Social Responsibility.
- In May, Landi Renzo S.p.A. and FPT Industrial S.P.A.. the world's largest company for the design and manufacture of sustainable, low environmental impact engines, signed two memoranda of understanding to assess possible collaboration on projects relating to clean fuels, particularly for the development of natural-gas and hydrogen technologies.

In the Natural Gas sector, the signing of the memoranda of understanding is intended to support the development of new fuel injection and management systems tailored for FPT Industrial applications, using Landi Renzo Group dedicated components. The collaboration will aim at optimizing the performance of the entire gas system and engine, evaluating how best to integrate Landi Renzo Group components into both compressed natural gas and liquefied natural gas applications.

Collaboration on hydrogen sector will consider to cover areas of development that leverage the synergies that compressed natural gas and liquefied natural gas can offer in bridging the introduction of hydrogen to the transportation sector, from its use as a blend in natural gas to up to 100% hydrogen.

Considering that the green economy and sustainable mobility will play a key role in all industrial transportation segments and in recognition of the strengths and values of each other's business and

technological capabilities, the two companies will explore potential collaborations on developing complete, efficient and fully sustainable mobility solutions.

Likely future developments

Despite the slower-than-expected performance in the first quarter of 2021 and current raw material procurement problems, encouraging signs continue to be seen concerning an imminent economic recovery. For both the Landi Renzo Group and the SAFE&CEC Group, the forecasts in terms of turnover and margins provided when the results as at 31 December 2020 were published are confirmed.

Cavriago, 14 May 2021

Chief Executive Officer
Cristiano Musi

3. INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 March 2021

3.1. GENERAL ACCOUNTING STANDARDS AND CONSOLIDATION PRINCIPLES

3.1.1. Preamble

The Interim Management Report as at 31 March 2021, which has not been audited, has been prepared in compliance with art. 154 of Italian Legislative Decree no. 58 of 24 February 1998, as amended, and with the (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 2021 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. In this regard it should be noted that in April 2021 Landi Renzo S.p.A. and Clean Energy Fuels Corp signed an agreement amending the shareholders' agreement governing the subsidiary SAFE & CEC S.r.l., which will confer greater decision-making autonomy on Landi Renzo S.p.A., enabling it to exercise control over SAFE & CEC S.r.l. and therefore consolidate it line by line pursuant to IFRS 10 starting from second quarter 2021.

Unless specified otherwise below, the accounting standards, and the valuation and consolidation criteria used in preparing the Interim Management Report as at 31 March 2021 are not different to those used in drawing up the consolidated financial statements closed at 31 December 2020, to which please refer for further information.

As well as the interim values as at 31 March 2021 and 2020, the financial data for the year ended on 31 December 2020 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 2020. 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 valuation 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 recognizing 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 2020, to which you may refer for a more complete description of such aspects.

The significant change in the translation reserve recorded in the first quarter of 2021 was primarily linked to the decision to use the effective market exchange rate in place of the official rate for the translation of the income statement and balance sheet data of our non-strategic subsidiary. This decision is linked to the fact that the official exchange rate is now applicable only to transactions for essential goods, which does not include the Group's products, and therefore it is now inadequate to provide a true and fair representation of the Group's profit and loss, financial position and cash flows. As a result, for the translation of balances in foreign currency, the exchange rate identified by the Central Bank of the reference country was adopted, which is different from the official rate, as financial transactions in foreign currency of our subsidiary now take place exclusively on the basis of that exchange rate, defined on a daily basis by that central bank.

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 scope of consolidation at 31 March 2021 compared with 31 December 2020.

3.2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Thousands of Euro)			
ASSETS	31/03/2021	31/12/2020	31/03/2020
Non-current assets			
Land, property, plant, machinery and other equipment	12,650	13,212	11,924
Development expenditure	9,188	9,506	8,488
Goodwill	30,094	30,094	30,094
Other intangible assets with finite useful lives	10,501	10,860	12,288
Right-of-use assets	4,401	4,975	6,056
Equity investments measured using the equity method	22,870	22,509	22,378
Other non-current financial assets	809	921	335
Other non-current assets	2,850	2,850	3,420
Deferred tax assets	12,189	12,201	8,918
Total non-current assets	105,552	107,128	103,901
Current assets			
Trade receivables	37,134	39,353	38,027
Inventories	46,966	42,009	48,064
Other receivables and current assets	7,097	6,712	8,721
Other Current financial assets	2,780	2,801	2,822
Cash and cash equivalents	15,180	21,914	21,648
Total current assets	109,157	112,789	119,282
TOTAL ASSETS	214,709	219,917	223,183

(Thousands of Euro)			
SHAREHOLDERS' EQUITY AND LIABILITIES	31/03/2021	31/12/2020	31/03/2020
Shareholders' equity			
Share capital	11,250	11,250	11,250
Other reserves	43,986	53,199	53,276
Profit (loss) for the period	-4,160	-7,662	-1,368
Total Shareholders' equity of the Group	51,076	56,787	63,158
Minority interests	-483	-473	-319
TOTAL SHAREHOLDERS' EQUITY	50,593	56,314	62,839
Non-current liabilities			
Non-current bank loans	68,349	68,181	53,396
Other non-current financial liabilities	422	408	0
Non-current liabilities for rights of use	2,411	2,871	4,193
Provisions for risks and charges	3,005	2,897	3,139
Defined benefit plans for employees	1,440	1,556	1,560
Deferred tax liabilities	307	297	356
Liabilities for derivative financial instruments	395	458	159
Total non-current liabilities	76,329	76,668	62,803
Current liabilities			
Bank financing and short-term loans	29,420	23,108	34,335
Other current financial liabilities	376	378	210
Current liabilities for rights of use	2,098	2,228	1,988
Trade payables	49,847	53,509	54,348
Tax liabilities	1,288	2,677	1,645
Other current liabilities	4,758	5,035	5,015
Total current liabilities	87,787	86,935	97,541
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	214,709	219,917	223,183

3.3. CONSOLIDATED INCOME STATEMENT

(Thousands of Euro)

	31/03/2021	31/03/2020
CONSOLIDATED INCOME STATEMENT		
Revenues from sales and services	33,259	37,170
Other revenues and income	134	51
Cost of raw materials, consumables and goods and change in inventories	-19,311	-19,445
Costs for services and use of third-party assets	-7,614	-8,567
Personnel costs	-5,603	-6,263
Allocations, write-downs and other operating expenses	-508	-506
Gross operating profit	357	2,440
Amortisation, depreciation and impairment	-3,336	-3,043
Net operating profit	-2,979	-603
Financial income	54	30
Financial expenses	-821	-738
Exchange gains (losses)	-511	-261
Profit (loss) from joint ventures valued using the equity method	182	21
Profit (loss) before tax	-4,075	-1,551
Taxes	-55	177
Net profit (loss) for the Group and minority interests, including:	-4,130	-1,374
Minority interests	30	-6
Net profit (loss) for the Group	-4,160	-1,368
Basic earnings (loss) per share (calculated on 112,500,000 shares)	-0.0370	-0.0122
Diluted earnings (loss) per share	-0.0370	-0.0122

3.4. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Thousands of Euro)

	31/03/2021	31/03/2020
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
Net profit (loss) for the Group and minority interests:	-4,130	-1,374
<i>Profits/losses that will not be subsequently reclassified in the income statement</i>		
Remeasurement of employee defined benefit plans (IAS 19)	29	47
Total profits/losses that will not be subsequently reclassified in the income statement	29	47
<i>Profits/losses that could subsequently be reclassified in the income statement</i>		
Measurement of investments with the equity method	179	-938
Fair value of derivatives, change for the period	47	-1,174
Exchange rate differences from the translation of foreign operations	-1,890	-98
Total profits/losses that could subsequently be reclassified in the income statement	-1,664	-2,210
Profits/losses recorded directly in Shareholders' Equity after tax effects	-1,635	-2,163
Total consolidated income statement for the period	-5,765	-3,537
Profit (loss) for Shareholders of the Parent Company	-5,755	-3,550
Minority interests	-10	13

3.5. CONSOLIDATED CASH FLOW STATEMENT

(Thousands of Euro)		
CONSOLIDATED CASH FLOW STATEMENT	31/03/2021	31/03/2020
Financial flows deriving from operating activities		
Pre-tax profit (loss) for the period	-4,075	-1,551
<i>Adjustments for:</i>		
Depreciation of property, plant and machinery	1,002	976
Amortisation of intangible assets	1,780	1,548
Depreciation of right-of-use assets	554	519
Loss (Profit) from disposal of tangible and intangible assets	131	-37
Share-based incentive plans	44	44
Impairment loss on receivables	0	3
Net financial charges	1,278	969
Expenses (Income) from equity investments measured using the equity method	-182	-21
	532	2,450
<i>Changes in:</i>		
Inventories	-4,957	-8,290
Trade receivables and other receivables	1,946	1,123
Trade payables and other payables	-5,965	1,664
Provisions and employee benefits	20	-492
Cash generated from operations	-8,424	-3,545
Interest paid	-314	-319
Interest received	2	9
Income taxes paid	-125	-85
Net cash generated (absorbed) by operations	-8,861	-3,940
Financial flows from investments		
Proceeds from the sale of property, plant and machinery	566	5
Purchase of property, plant and machinery	-822	-1,283
Purchase of intangible assets	-82	-221
Development expenditure	-999	-1,326
Net cash absorbed by investment activities	-1,337	-2,825
Free Cash Flow	-10,198	-6,765
Financial flows from financing activities		
Disbursements (reimbursements) of loans to associates	0	0
Disbursements (reimbursements) of medium/long-term loans	-31	3,000
Change in short-term bank debts	6,525	4,259
Repayment of leases (IFRS 16)	-580	-558
Net cash generated (absorbed) by financing activities	5,914	6,701
Net increase (decrease) in cash and cash equivalents	-4,284	-64
Cash and cash equivalents at 1 January	21,914	22,650
Effect of exchange rate fluctuation on cash and cash equivalents	-2,450	-938
Closing cash and cash equivalents	15,180	21,648

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 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 investments using 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
Performance share			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
Balance as at 31 December 2020	11,250	2,250	11,364	30,718	8,867	-7,662	56,787	-188	-285	56,314
Profit (loss) for the year						-4,160	-4,160	30		-4,130
Actuarial gains/losses (IAS 19)			29				29			29
Translation difference			-1,850				-1,850	-40		-1,890
Valuation of investments using equity method			179				179			179
Change in the cash flow hedge reserve			47				47			47
Total overall profits/losses	0	0	-1,595	0	0	-4,160	-5,755	30	-40	-5,765
Share-based incentive plans			44				44			44
Allocation of profit			-7,662			7,662	0	6	-6	0
Balance as at 31 March 2021	11,250	2,250	2,151	30,718	8,867	-4,160	51,076	-152	-331	50,593

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 2021

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 2021 corresponds to the accounting documents, ledgers and records.

Cavriago, 14 May 2021

Financial Reporting
Manager
Paolo Cilloni