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Regolamentata  
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Oggetto : PR - CONSOB approves the prospectus

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| <i>Testo del comunicato</i> |
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Vedi allegato.



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## CONSOB APPROVES THE (EU) PROSPECTUS FOR THE RIGHTS ISSUE AND ADMISSION TO TRADING OF THE SHARES RESULTING FROM THE CAPITAL INCREASE FOR A MAXIMUM AMOUNT OF EURO 59,625,000

### PUBLICATION OF THE PROSPECTUS

**Caviago (RE), July 14, 2022** - Landi Renzo S.p.A. ("**Landi Renzo**" or the "**Company**"), announces that today Consob has approved - by note no. 0458563/22 of July 13, 2022 - the (EU) Recovery Prospectus (the "**Prospectus**") relating to the rights offering and admission to trading on Euronext STAR Milan organized and managed by Borsa Italiana S.p.A. ("**Euronext STAR Milan**") of the Landi Renzo shares arising from the paid-in capital increase, for a maximum total amount of Euro 59,625,000, approved by the extraordinary shareholders' meeting of April 29, 2022 (the "**Capital Increase**"), the final terms and conditions of which were determined by the Board of Directors of the Company on July 11, 2022 and disclosed in a press release issued on the same date.

In particular, it should be noted that the Prospectus sets out the risk factors relating to Landi Renzo Group and to the ordinary shares of Landi Renzo arising from the Capital Increase resolved upon by the shareholders' meeting on April 29, 2022.

It is hereby specify that the Capital Increase will be implemented through the issuance of a maximum of no. 112,500,000 ordinary shares, with a par value of Euro 0.10 each, with regular dividend entitlement (the "**New Shares**"), to be offered to the shareholders on a pre-emptive basis, in the ratio of no. 1 New Share for every no. 1 ordinary share held, for a subscription price equal to Euro 0.53, including share premium, per each New Share, for an aggregate amount (including share premium) equal to Euro 59,625,000, of which Euro 11,250,000.00 as share capital and Euro 48,375,000.00 as share premium (the "**Offering**").

The timetable of the Offering provides that the option rights (the "**Option Rights**"), valid for the subscription of the New Shares, may be exercised, under penalty of forfeiture, from July 18, 2022, to August 4, 2022, (included) (the "**Subscription Period**"), and the Option Rights may be traded on Euronext STAR Milan from July 18, 2022 to July 29, 2022 (included).

Any Option Rights not exercised within the term of the Subscription Period will be offered on Euronext STAR Milan for at least two trading days, unless early closure occurs, within the month following the end of the Subscription Period, pursuant to Article 2441, paragraph 3, of the Italian Civil Code (the "**Rights Auction**"). The eventual dates of the Rights Auction will be communicated to the public through press release.

It should be noted that GBD Green by definition S.p.A. ("**GBD**"), the majority shareholder of Landi Renzo starting from July 1, 2022 - as a result of the contribution in nature made in its favor by Girefin S.p.A. and Gireimm S.r.l. of the entire equity investment held by the latter in the Company - (with a stake equal to 59.1068% in the relevant share capital), has irrevocably undertaken, (this commitment not be backed by a guarantee of exact performance), to subscribe, for a maximum total amount of Euro 50 million (including any share premium) (a) the portion of the Capital Increase to which it is entitled (*i.e.*, 59.1068% of the amount of the Capital Increase) equal to approximately Euro 35.2 million, as well as (b) any Option Rights, eventually not exercised, up to an amount equal to approximately Euro 14.8 million (the "**Subscription Undertaking**"). The Subscription Undertaking will lapse if the Capital Increase is not executed by September 30, 2022. Pursuant to the terms of the Subscription Undertaking, part of the portion of the Capital Increase



to which GBD is entitled on a pro quota basis, amounting to approximately Euro 18.1 million, will be subscribed and executed by voluntary set-off, pursuant to Article 1252 of the Civil Code, of GBD's credit vis-à-vis the Company.

It should also be noted that on April 28, 2022, Girefin S.p.A. and Gireimm S.r.l., at that date controlling shareholders of Landi Renzo, entered into with Itaca Equity Holding S.p.A. ("Itaca") an investment agreement (the "**Investment Agreement**") providing for the entry by Itaca, as a medium-long term minority investor, in the share capital of Landi Renzo, through GBD, and that, in execution of the Investment Agreement, Itaca (or a corporate vehicle wholly owned by it) will subscribe a reserved capital increase of GBD, for a total amount, including any share premium, up to Euro 39.4 million, but in any event no lower than Euro 33.5 million (the "**GBD Reserved Capital Increase**"), in order to provide GBD with the funds necessary to subscribe, for a total maximum amount of Euro 50 million, (x) on the first day of the Subscription Period, its pro quota of the Capital Increase, amounting to a total of approximately Euro 35.2 million (of which approximately Euro 17.2 million through the cash contribution deriving from the GBD Reserved Capital Increase, and approximately Euro 18.1 million through the voluntary set-off, pursuant to Article 1252 of the Italian Civil Code, of GBD's credit vis-à-vis the Company), and (y) the Option Rights not exercised, if any.

The Capital Increase is not assisted by guarantee and/or placement consortium.

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As per the request received by Consob on July 13, 2022 pursuant to Article 114, paragraph 5, of Legislative Decree 58/98 (TUF), the following information contained in the Prospectus is provided:

- ***Risk Factors 4.1.1.1 - Risks related to the financial and economic performance of Landi Renzo Group and uncertainties arising from the possible continuation of the Covid-19 pandemic and the conflict between Russia and Ukraine***

*The Covid-19 pandemic has significantly affected Landi Renzo Group's business, leading to negative impacts on the Group's results in the two-year period 2020-2021. In fiscal year 2021, the Group EBIT is negative for Euro 2.9 million (compared to the corresponding figure of 2020, negative for Euro 5.5 million) and the Group net result is negative for approximately Euro 1 million (compared to the corresponding figure of 2020 negative for Euro 7.7 million). In the first quarter of 2022, the Group net result was negative for Euro 3.1 million (compared to the corresponding figure for the first quarter of 2021 negative for Euro 4.2 million). It should be noted that the income statement figures for 2021 and the first quarter of 2022 benefit, compared to 2020 and the first quarter of 2021, from the effects of the change in the perimeter of consolidation of the Landi Renzo Group which occurred after the first quarter of 2021. Without considering the effects of this change, the Group's net result for 2021 would have been resulted in a loss of approximately Euro 9.3 million and the Group's net result for the first quarter of 2022 would have been resulted in a loss of Euro 2.4 million. As at the Prospectus Date, the Landi Renzo Group remains exposed to (i) the effects connected to the Covid-19 pandemic and (ii) the risks connected to the current and future global, European and Italian political and economic situation, as well as the possible worsening of global economic conditions (including the increase in the price of raw materials such as oil and gas and the rise in the cost of energy), which have also been worsened by the recent political and military tensions between Russia and Ukraine, the evolution and political and economic impact of which are characterized by high uncertainty.*

*In order to counter the deterioration of its economic and financial situation and to strengthen its competitive position on the market, Landi Renzo Group has launched a number of initiatives and, in particular (i) starting*



in December 2021, discussions with lending institutions aimed at obtaining the recognition of waivers in relation to the verification of the financial parameters as at December 31, 2021 envisaged by certain financial contracts and the rescheduling of the related maturities, which led (a) to the obtainment, on February 9, 2022, of a waiver that the banks involved would not take over the financial covenant referring to the date of December 31, 2021 (NFP/EBITDA, i.e., up to 2.25x as regards the Syndicated Loan Agreement - as defined below - and up to 4.50x as regards the SACE Guaranteed Loan Agreement - as defined below; the verification of this covenant is on a half-yearly basis) provided for by the relevant loan agreements on condition that the Capital Increase is carried out by June 30, 2022 for an amount of at least Euro 25.4 million (the waiver therefore being a “covenant holiday”, without the need for a further covenant holiday) (the “First Waiver on Financing”) and, on the same date, the rescheduling of the instalments falling due on December 31, 2021 provided for in the same contracts, (b) in consideration of the non-occurrence of the condition referred to in letter (a) above, to the obtainment on June 30, 2022, with reference only to the Syndicated Loan Agreement, that the banks involved would not take over the financial covenant referring to the date of June 30, 2022 (NFP/EBITDA, i.e., up to 2.25x) on condition that by September 30, 2022 the Issuer carries out the Capital Increase for an amount of at least Euro 50 million (the waiver thus consisting of a so-called “covenant holiday”, without the need for a waiver of the covenant) (the “New Waiver on the Loan”) and (c) the new refinancing agreements referred to below; (ii) actions aimed at strengthening its presence both in the Green Transportation sector, with the start, as of August 5, 2021, of the process of acquiring the entire share capital of Metatron, and in the Clean Tech Solutions sector, with the start, as of January 2022, of the process of acquiring the entire share capital of Idro Meccanica; and (iii) actions to reduce fixed and overhead costs.

Based on these actions, on March 15, 2022, the Issuer’s Board of Directors approved the 2022-2025 Plan, which envisages the Group’s growth as a specialist along the entire value chain in the bio-methane and hydrogen segments. Based on the actions of the Plan, it is expected that the Group’s adjusted EBITDA will grow over the Plan period at a CAGR of more than 25% compared to the 2021 figure of Euro 22 million (determined on the basis of the same consolidation area of the Group underlying the Plan). From a financial point of view, the Plan assumes, for the purpose of achieving the objectives in the Plan’s arc and for the implementation of the underlying strategies, that (a) the Issuer will carry out a capital increase of Euro 60 million in 2022 (see below), (b) the medium-long term bank debt of the Group deriving from the Syndicated Loan Agreement signed by the Company in June 2019 (the “**Syndicated Loan Agreement**”) and from the Loan Agreement with SACE Guarantee signed by the Company, with the same credit institutions in July 2020 (the “**Loan Agreement with SACE Guarantee**”), debt whose total amount is equal to Euro 73 million as of December 31, 2021, be refinanced; (c) the lending banks do not request, during the Plan period, repayment of their receivables in advance of the contractually defined due dates.

On April 28, 2022, the Old Shareholders, who on that date held the controlling interest in the share capital of Landi Renzo, signed the Investment Agreement with Itaca, which provides for the entry of Itaca, as a medium-long term minority investor, in the share capital of Landi Renzo, through NewCo (also, GBD Green by definition S.p.A.). This entry will take place through the execution of the Reserved Capital Increase of NewCo, i.e. the capital increase of NewCo reserved for Itaca for a total amount, including any share premium, up to Euro 39.4 million but in any case at least equal to Euro 33.5 million (as regards the timing of the execution of the capital increase of NewCo, see below). In execution of the provisions of the Investment Agreement: (i) on June 13, 2022, NewCo was established by the Old Shareholders; (ii) on July 1, 2022, the contribution in kind by the Old Shareholders (each to the extent of its respective competence) of the controlling interest in the share capital of Landi Renzo (the “Contribution in Kind”) was completed; (iii) on July 1, 2022, the transfer to NewCo by the Old Shareholders of the credit arising from the shareholders’ loan



granted by Girefin to the Issuer on February 9, 2022 for an amount of approximately Euro 18.1 million (the "Credit", the "Transfer of the Credit" and the "Shareholders' Loan", respectively) was finalized.

On April 29, 2022, the Extraordinary Shareholders' Meeting of the Company resolved to grant the Board of Directors the power, pursuant to Article 2443 of the Italian Civil Code, to increase the share capital, in one or more tranches, up to a maximum amount (including any share premium) of Euro 60 million through the issue of ordinary shares with the same characteristics as those in circulation, to be offered under option to shareholders in accordance with article 2441 of the Italian Civil Code, to be paid up either through cash contributions or through voluntary compensation, in accordance with article 1252 of the Italian Civil Code, of amounts due to the Company by subscribers, to be subscribed in any case by December 31, 2023.

On June 29, 2022, the Issuer and the lending banks that are counterparties to the Loan Agreement with SACE Guarantee and the Syndicated Loan Agreement signed agreements to refinance the total amount of debt, equal to Euro 73 million at December 31, 2021, deriving from the aforesaid agreements. These agreements consist of the signing of new loan agreements, the "New Loan Agreement with SACE Guarantee" and the "New Syndicated Loan Agreement", for a total amount of Euro 73 million, the final maturities of which, with respect to those of the Loan Agreement with SACE guarantee and the Syndicated Loan Agreement, are subsequent to the 2022-2025 time horizon of the Plan. On the basis of these agreements, the execution of the Capital Increase for an amount of not less than Euro 50 million by September 30, 2022 is the resolute and suspensive condition, respectively, of the New Loan Agreement with SACE Guarantee (already effective as from June 29, 2022, relating to a debt of Euro 21 million; as of the Prospectus Date, the Loan Agreement with SACE Guarantee is no longer in force) and the New Syndicated Loan Agreement (not yet effective as of the Prospectus Date, concerning a debt of Euro 52 million; as of the Prospectus Date, the syndicated loan agreement is still in force). It should be noted that certain of the Group's loan agreements, including the New Syndicated Loan Agreement and the New Loan Agreement with SACE Guarantee, place certain limits on the distribution of dividends and reserves. Failure to carry out the Capital Increase for an amount of at least Euro 50 million by the deadline of September 30, 2022 would entail (i) the right of the banks to request early repayment of the debt arising from the New Syndicated Loan Agreement with SACE Guarantee (Euro 21 million), (ii) the failure of the New Syndicated Loan Agreement to come into force and (iii) in light of the content of the New Loan Waiver dated June 30, 2022 the right of the banks to request early repayment of the debt arising from the Syndicated Loan Agreement (Euro 46 million, following payment of the instalment due on June 30, 2022 of approximately Euro 6 million), since the condition underlying the covenant holiday referring to the verification of the covenant as of June 30, 2022 would not be met.

On July 1, 2022, GBD Green by definition S.p.A. - a shareholder that, as at the Prospectus Date, holds 59.1068% of the Issuer's share capital - has undertaken the Subscription Undertaking to the Issuer to subscribe for a maximum total amount equal to Euro 50 million (including any share premium) (a) the portion of the Capital Increase to which it is entitled, i.e. for an amount equal to approximately Euro 35.2 million, as well as (b) any Option Rights not exercised, up to an amount equal to approximately Euro 14.8 million. The Subscription Undertaking will cease to be valid if the Capital Increase is not executed by September 30, 2022. The Subscription Undertaking is not backed by a guarantee of exact fulfilment. According to the terms of the Subscription Undertaking, a portion of the portion of the Capital Increase, equal to approximately Euro 18.1 million, will be subscribed and executed by voluntary set-off, pursuant to article 1252 of the Italian Civil Code, of NewCo's receivable from the Issuer. Note that as at the Prospectus Date GBD Green by definition S.p.A., the controlling shareholder of Landi Renzo, does not have the liquidity necessary to subscribe for the cash portion of the Issuer's Capital Increase (i.e. for approximately Euro 31.9 million); under the terms of the



*Investment Agreement, such liquidity is to be raised through the proceeds of the Reserved Capital Increase of NewCo, which, as far as the Issuer is aware, is expected to be executed in time for NewCo to subscribe for its share of the Capital Increase on the first day of the Option Period.*

*On July 11, 2022, the Board of Directors of the Company executed the proxy relating to the Capital Increase, setting the subscription price of the New Shares at Euro 0.53 per New Share (the value of the Contribution in Kind, equal to Euro 0.60 per share, was adjusted to Euro 0.53). Please note that the Capital Increase is not assisted by guarantee and/or placement syndicates.*

*As at the Prospectus Date, the Group's total estimated net financial requirements for the twelve months following the Prospectus Date amount to approximately Euro 32 million. The proceeds of the Capital Increase - net of the expenses of the Offer (Euro 1 million) and of the portion of the Capital Increase which, by virtue of NewCo's Subscription Undertaking, will be subscribed through voluntary compensation, pursuant to Article 1252 of the Italian Civil Code, of the Credit deriving from the Shareholders' Loan (approximately Euro 18.1 million) - amount to approximately Euro 40.5 million. These proceeds are intended in part to contribute to covering the Group's overall net financial requirements for the twelve months following the Prospectus Date and in part to support the Group's growth operations by external lines (these operations are not reflected in the 2022-2025 Plan). In the event that the Capital Increase is not carried out and timely further action is taken to raise the necessary financial resources to meet the above financial requirements, the Group's financial resources are expected to be exhausted by October 31, 2022.*

*That said, investors' attention is drawn to the following. The ability of Landi Renzo Group to counter its own economic and financial deterioration caused mainly by the Covid-19 pandemic and, in particular, to develop adjusted EBITDA, as well as to reverse the trend (from negative to positive) of EBIT over the Plan period, is closely linked to the implementation of the actions underlying the Plan in accordance with the expected measures and timing. The Group's ability to pursue its growth strategy, an objective to be pursued by means of external growth transactions (these transactions are not reflected in the Plan), is closely linked (in addition to implementation of the Plan in accordance with the expected measures and timing) to the successful completion of the Capital Increase. Even if the Capital Increase is carried out in full, there is no certainty that the Landi Renzo Group will be able to identify investment opportunities consistent with the expected profitability targets.*

*Although the profitability dynamics underlying the Plan are deemed by the Group to be consistent with the level of the financial parameters set out in the financing agreements (as last entered into on June 29, 2022) and in the Group's bond loan to such an extent as to allow them to be complied with throughout the duration of the Plan, however, in view of the uncertainties that characterize the assumptions of the Plan, including those related to the evolution of the Covid-19 pandemic and the conflict between Russia and Ukraine, the Landi Renzo Group is exposed to the risk that its financial and economic performance may differ negatively, even significantly, from that expected. In such a circumstance, in the absence of alternative actions, the proceeds of the Capital Increase would be allocated - for the portion exceeding that allocated to cover the Group's overall net financial requirements for the twelve months following the Prospectus Date - instead of financing external growth operations, to initiatives aimed at mitigating the negative effects on the Group's profitability also deriving from the development of the Covid-19 pandemic and the conflict between Russia and Ukraine.*

*If the Capital Increase is not carried out or is carried out only partially, no or limited financial resources will flow to the Company. In such circumstances: (i) if the Issuer were not able to take timely further action to*



cover the Group's overall net financial requirements for the twelve months following the Prospectus Date, the prospect of the Issuer and the Group continuing as a going concern would be compromised, also as a result of the possible request by the lending banks for early repayment, both of the debt arising from the Syndicated Loan Agreement and of the debt arising from the New Loan Agreement with SACE Guarantee (these debts are included in the estimate of the above financial requirements) (ii) if the economic and financial performance of the Group over the period of the Plan were to be worse than expected, partly because of the continuation of the pandemic and/or the conflict between Russia and Ukraine, the Group might not be able to counter the further deterioration of its economic and financial situation, with a significant negative impact on the value of its investment in Landi Renzo shares. **Such circumstances could result in the partial or total loss of the capital invested in Landi Renzo shares.**

- **Risk Factors 4.1.1.2 - Risks related to the non-implementation of the 2022-2025 Plan**

On March 15, 2022, the Issuer's Board of Directors approved the 2022-2025 Plan. According to the Plan, the Group's turnover in the period 2022-2025 is expected to grow at a CAGR of more than 12% compared to the 2021 consolidated turnover of approximately Euro 302.6 million (pro-forma considering the full consolidation of the Indian joint venture Krishna Landi Renzo and SAFE&CEC as of January 1, 2021 and backdating the Metatron Acquisition and the Idro Meccanica Acquisition to the same date) and therefore reaching the amount of Euro 488.8 million in 2025, with the *Green Transportation* segment going from representing approximately 68% of revenues in 2021, again with the same scope, to approximately 65% in 2025, and the *Clean Tech Solutions* segment going from representing approximately 32% of revenues in 2021 to approximately 35% in 2025. *Adjusted EBITDA*, again over the same timeframe and with the same scope, is expected to grow at a CAGR of more than 25% compared to the 2021 figure of Euro 22 million, and therefore reach Euro 63.8 million in 2025, with the Green Transportation segment increasing from representing approximately 65% of *adjusted EBITDA* in 2021 to approximately 64% of *adjusted EBITDA* in 2025, and the *Clean Tech Solutions* segment increasing from representing approximately 35% of *adjusted EBITDA* in 2021 to approximately 36% of *adjusted EBITDA* in 2025. On the other hand, no other external growth operations are reflected in the 2022-2025 Plan.

*The Group is exposed to the risk that the 2022-2025 Plan - according to which, among other things, the Group's EBIT will turn from negative to positive in 2023 - will not be implemented, or that it will be implemented according to different procedures and deadlines with respect to those planned, due to both internal circumstances and external factors, with possible detrimental effects on the financial position and results of operations of the Issuer and the Group. It should be noted that most of the assumptions underlying the 2022-2025 Plan are characterised by a high degree of uncertainty, as they are beyond the control of the Company's directors. The Group's 2025 revenue and adjusted EBITDA are expected to derive from orders that are not yet included in the Group's order book as at the Prospectus Date. Among the assumptions underlying the Plan characterised by a high degree of uncertainty are those relating to the evolution of the Covid-19 pandemic and the conflict between Russia and Ukraine. Failure to implement the Plan, or failure to implement the Plan in accordance with the terms and measures set forth therein, would jeopardise the Group's ability to counter the deterioration of its financial and economic situation.*

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The Prospectus, prepared among the first in Italy in accordance with the simplified disclosure regime pursuant to Article 14-bis of Regulation (EU) 2017/1129, has been published in accordance with applicable



regulations and is available at the registered office of the Company in Cavriago (RE), Via Nobel 2/4, as well as on the website [www.landirenzogroup.it](http://www.landirenzogroup.it), section Capital increase.

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*This press release does not constitute an offer to sell or a solicitation of an offer to buy or subscribe for any securities. In particular, this press release and the information contained herein does not constitute an offer or solicitation to subscribe for or purchase any securities in the United States of America, Australia, Canada or Japan or any other country in which such an offer or solicitation is subject to authorisation by local authorities or otherwise prohibited by law. This announcement, any part of it or its distribution may not form the basis of, or be relied upon in connection with, any contract or investment decision. The securities referred to herein have not been, and will not be, registered in the United States of America under the United States Securities Act of 1933 (as amended) (the “Securities Act”), or in Australia, Canada or Japan or any other country in which such offer or solicitation is subject to authorization by local authorities or otherwise prohibited by law. The securities referred to herein may not be offered or sold in the United States of America or to U.S. persons unless they are registered under the Securities Act or there is an applicable exemption to registration under the Securities Act. Landi Renzo S.p.A. does not intend to register any offer in the United States of America. Any public offering will be made exclusively in Italy in accordance with applicable laws. This document does not constitute a prospectus within the meaning of Regulation (EU) 2017/1129. A prospectus for the purpose of admission to trading of the newly issued ordinary shares of Landi Renzo S.p.A. will be published in accordance with applicable regulations.*

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**Landi Renzo** is the global leader in the natural gas, biomethane and hydrogen sustainable mobility and infrastructure sector. The Group stands out for its extensive presence at global level in over 50 countries, generating nearly 90% of its revenues abroad. Landi Renzo S.p.A. has been listed on the Euronext STAR Milan segment of Borsa Italiana since June 2007.

For more information:

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