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Societa' : LANDI RENZO

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*Testo del comunicato*

Vedi allegato

## Press Release

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### **Landi Renzo: Board of Directors approves results as of December 31, 2023**

**Green light for capital increases amounting to a maximum of €45 million, of which the first up to €25 million under option and guaranteed up to €20 million by majority shareholder GBD- Green by definition and the second reserved for Invitalia for €20 million**

- Consolidated revenues amounted to €303.3 million, in line with the previous year (€306.3 million).
- Consolidated adjusted EBITDA was equal to €7.0 million, compared to €15.3 million in the same period of the previous year; consolidated EBITDA was €0.1 (€11.0 million as of December 31, 2022).
- Revenues of Green Transportation segment amounted to €212.9 million, compared to €201.7 million in the same period of the previous year. Adjusted EBITDA was equal to €3.1 million, down from the same period of the previous year (€9.3 million). The FY2023 highlights a positive trend in margins over 12 months, with strong rebounding results starting from the second quarter of the year.
- Revenues of Clean Tech Solutions segment amounted to €90.4 million, compared to €104.6 million in the previous year; adjusted EBITDA as of December 31, 2023 was €3.9 million, down from the same period of last year (€6 million).
- Consolidated net result was negative and equal to €36.4 million, compared to a negative result from the Group and third parties amounting to €14.3 million as of December 31, 2022.
- Consolidated Net Financial Debt amounting to €112.4 million (€92.3 million as of December 31, 2022).
- Share capital increases up to a maximum of €45 million were approved, to be proposed at the shareholders' meeting to be convened by September, 2024. The transaction, which is part of the Financial Manoeuvre that was previously approved by the Company's Board of Directors, provides for a capital increase under option for a maximum total of €25 million guaranteed up to €20 million by the majority shareholder GBD - Green by Definition S.p.A., and conditional on the execution of the former for at least €20 million, a capital increase of €20 million reserved for Invitalia, the national development Agency, which will see the entry of Fondo salvaguardia imprese, promoted by the Ministry of Enterprise and Made in Italy (MIMIT), and managed by Invitalia itself, into Landi Renzo's shareholding.

*Cavriago (RE), August 05, 2024* - The Board of Directors of Landi Renzo S.p.A., chaired by Stefano Landi, met today and approved the Company's draft Financial Statements and the Consolidated Financial Statements as of December 31, 2023.

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*"In 2023, the Group kept investing in both Green Transportation and Clean Tech Solutions segments. Sustainable mobility and infrastructure sectors continue to play a central role in the global energy transition processes, and the dynamics observed during this year have confirmed the rationale behind our Group's development strategy, despite the fact that some areas, such as hydrogen, have been affected by some exogenous trends that are highlighting longer implementation times than initially expected. The appointment of Eng. Stupenengo as CEO has enabled Landi Renzo to reach an important turning point. Under her leadership, the Group approved a capital strengthening operation, which will allow us to stabilise the Company's financial structure, and a new Business Plan, capable of reflecting the renewed context in which the Group operates and give new impetus to the growth path of both divisions. The signing of the agreements concerning the Financial Manoeuvre represented the last formal step necessary for the approval of the 2023 financial results: now that it has been concluded, we will be able to start a new chapter in our history with renewed confidence"* **commented Stefano Landi, Chairman of Landi Renzo S.p.A.**

**Annalisa Stupenengo, CEO of Landi Renzo S.p.A., added:** *"The work done in the first six months of my mandate was reflected first and foremost in a renewed product portfolio and an acceleration of the go-to-market process. On the Green Transportation front, we improved management processes by focusing on sales channels to increase profitability and reduce complex dependencies. On the Clean Tech Solutions front, we closely followed the intrinsic growth of the market, also favoured by institutional initiatives involving an increasing number of countries. In this area, backed by a very competitive product range recognised by the market, we have focused on improving customer proximity to offer increasingly customised solutions for individual projects, also leveraging the synergies achievable at Group level. With the approval of the financial manoeuvre, we have laid the foundations for a solid long-term growth path, the course of which will be indicated by the new five-year Business Plan. The first step was represented by the signing of the agreements with the bank and with Invitalia, which will allow us to stabilise the Company's capital profile, and thanks to which the Group will be able to benefit from all the necessary resources to make the most of the embedded opportunities in both sectors in which we operate."*

### Key Consolidated results as of December 31, 2023

Landi Renzo Group reported consolidated revenues in FY2023 equal to €303.3 million, substantially in line with the previous year (€306.3 million).

Adjusted EBITDA as of December 31, 2023, is equal to €7.0 million, compared to €15.3 million in the same period of the previous year, while EBITDA amounted to €0.1 million (€11.0 million as of December 31, 2022), including non-recurring costs amounting to €6.9 million (€4.2 million as at December 31, 2022).

EBIT of the period is negative and amounts to €16.6 million (negative and equal to €6.0 million as of December 31, 2022) due to amortization and depreciation of €16.7 million (€17.1 million as of December

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31, 2022), of which €3.4 million were due to the application of IFRS 16 – Leases (€3.5 million as of December 31, 2022).

Total financial expenses (interest income, interest expense, and exchange rates effects) amounted to €11.8 million (€8 million as of December 31, 2022) and included negative exchange rate effects, mainly currency-related, amounting to €1.6 million (negative and amounting to €1.5 million as of December 31, 2022).

FY2023 closes with Earnings Before Taxes (EBT) negative and amounting to €29.8 million. As of December 31, 2022, the Earnings Before Taxes (EBT) was negative and amounted to €13.9 million.

Group and third-party's Net Result, as of December 31, 2023, showed a loss equal to €36.4 million, after accounting for write-downs of deferred tax assets in the amount of €6.4 million and charges for hyperinflation equal to €1.3 million, compared to a Group and third-party's negative result of €14.3 million as of December 31, 2022.

Net Financial Debt as of December 31, 2023, was equal to €112.4 million (€92.3 million as of December 31, 2022), of which €12.9 million due to the application of the international accounting principle IFRS 16 - Leases, a total negative €0.5 million related to the fair value of derivative financial instruments and €0.5 million related to the liability for the Put/Call relating to the Metatron Control System shares.

Adjusted Net Financial Debt, i.e. net of these amounts, would have amounted to €98.6 million, of which €82.0 million was attributable to the Green Transportation segment and €16.6 million to the Clean Tech Solutions segment.

### Performance of the “Green Transportation” operating sector

Revenues of Green Transportation sector as of December 31, 2023, amounted to €212.9 million, with an increase of €11.2 million (+5.5%), driven by rising volumes in the OEM channel.

The Group's revenues in the OEM channel amounted to €137.8 million, (+30.8 million compared to December 31, 2022). Said growth was driven by an increase in sales to car manufacturers operating in both the 'passenger car' and 'Mid&Heavy Duty' sectors.

Sales in the After Market channel, equal to €75.8 million (compared to €94.7 million as of December 31, 2022), are mainly related to orders from distributors and authorised installers, both domestic and foreign, and they reflect the slowdown in sales in some Latam and Eastern European markets.

As for the sales distribution by geographical area in the Green Transportation sector:

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- Group's sales in Italy increased compared to the same period of the previous year (+4.3%);
- the rest of Europe accounted for 58.6% of total sales (50.2% in 2022) and grew by 18.6%, driven by sales to a major OEM customer;
- sales generated in FY2023 in the American continent, amounting to €17.9 million (€29.5 million as of December 31, 2022), reported a drop of 39.5%, caused by the continuation of the delicate macroeconomic situation in South American countries, in particular Brazil and Argentina;
- markets in Asia and the rest of the World, accounting for 20.9% of total turnover (22.9% in 2022), are essentially in line with the previous period.

As of December 31, 2023, adjusted EBITDA of the Green Transportation sector, is positive and amounts to €3.1 million, equal to 1.5% of revenues, decreasing from the same period of the previous year (€9.3 million and equal to 4.6% of revenues). This was mainly due to a different sales mix and to the increase in fixed costs necessary to strengthen the structure.

However, it should be noted that the Green Transportation segment recorded a positive trend in margins during FY2023, which started with a negative adjusted EBITDA amounting to €2.5 million in the first quarter and ended with a positive adjusted EBITDA of €1.8 million achieved in Q4 2023, an effect of a marked turnaround starting from the second half of the year.

EBITDA of the Green Transportation segment was negative and amounted to €2.3 million, including non-recurring costs of €5.4 million (€3.7 million in 2022).

### Performance of the "Clean Tech Solutions" operating segment

In the financial year ended on December 31, 2023, the Clean Tech Solutions segment reported revenues amounting to €90.4 million, down from €104.6 million in the previous year. This trend is attributable to both the slowdown in production, especially in the third quarter, and the postponement of some major orders planned for 2023 to the following financial year.

Adjusted EBITDA amounted to €3.9 million (or 4.3% of revenue) compared to €6.0 million in the same period of the previous year (or 5.7% of revenue). This trend is due to a contraction of revenues, rising installation costs and the increased impact of non-compressible direct costs.

EBITDA was positive and equal to €2.4 million (€5.5 million as of December 31, 2023), including non-recurring costs of €1.5 million.

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### Key performance highlights of Landi Renzo S.p.A. (Parent Company) as of December 31, 2023

In FY2023, Landi Renzo S.p.A. reported revenues of €142.9 million, compared to €144.0 million in the same period of the previous year. EBITDA was negative and amounted to €2.5 million compared to 6.6 million as of December 31, 2022, while Net Financial Debt is negative and equal to €81.7 million (negative €77.2 million excluding the effects of applying IFRS 16 and the fair value of derivative financial contracts) compared to negative €68.5 million as of December 31, 2022 (negative €64.3 million excluding the effects of applying IFRS 16 and the fair value of derivative financial contracts).

At the end of the period, the Parent Company had 287 employees (279 employees as of December 31, 2022).

### Business Continuity

Over the past few years, the Group's economic and financial performance has been negatively impacted by, inter alia, a series of exogenous events such as the Covid-19 pandemic and, most recently, the outbreak of the Russian-Ukrainian conflict, which caused turbulence in global energy dynamics (particularly in CNG and LNG prices), leading to growing inflationary pressures, as well as difficulties in the procurement of certain raw materials, which impacted both the demand for the products supplied by the Group and the related margins.

In this context and with reference to the financial parameters to be reviewed as of June 30, 2023, and December 31, 2023, on the main medium-and-long-term loans taken out by Landi Renzo S.p.A., it should be noted that during the year, the Company submitted to the banking institutions the request for a waiver letter containing a number of specific requests for consent and/or waiver, in particular with reference to the failure to comply with the parameter on financial leverage (the so-called "Leverage Ratio") as of June 30, 2023 and the assumed hypothesis of failure to comply with the same as of December 31, 2023.

Following the precise negotiations that took place, on September 11, 2023, all the financing banks issued waiver letters through which they confirmed their consent to the "one-off" waiver of this financial parameter with reference to the calculation dates of June 30 and December 31, 2023 (the "covenant holiday"). It should also be noted that these waiver letters also provided for compliance with further conditions, including the updating of the business plan, with the request that this should be subject to an Independent Business Review ("IBR") by an independent industrial advisor, as well as the establishment and maintenance of a balance of Group cash and cash equivalents at December 31, 2023, equal to a minimum amount of no less than €38 million, conditions that have been met.

With reference to the financial parameters as of December 31, 2023, envisaged on the bond issued by the subsidiary SAFE S.p.A. and underwritten by Finint (Finanziaria Internazionale Investments SGR S.p.A.), it should be noted that, on December 29, 2023, Finint SGR issued a relative waiver letter that provided for the consent to the "one-off" waiver of compliance with the financial parameters (holiday period) with

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reference to the calculation date of December 31, 2023.

In July 2023, also in order to better cope with the complex macroeconomic context briefly summarised above, the Board of Directors of Landi Renzo S.p.A. co-opted Ing. Annalisa Stupenengo as Chief Executive Officer and General Manager of the Group, entrusting her with the task of preparing the new business plan 2024-2028 (the "**Business Plan**"), drafted with the support of a leading strategic consulting firm and which was approved by the Board of Directors of Landi Renzo S.p.A. on January 23, 2024. As requested by the lender banks, the Business Plan was subject to an IBR by an independent industrial advisor, which confirmed the substantial sustainability of its assumptions and which, together with the absence of any exogenous events during the first few months of the year such as to invalidate the estimates made, allowed the Company's Board of Directors to confirm the Business Plan on July 17, 2024.

Moreover, in this context, the management appointed a financial advisor to analyse the Group's economic-financial situation and to assist in the formulation of a strategy to reorganise and optimise the financial structure (the '**Financial Optimisation Project**'), at the same time initiating negotiations with the banks to redefine the medium-long term loan agreements.

On July 17, 2024, the Board of Directors of Landi Renzo S.p.A. approved the Financial Optimisation Project, mandating the Chairman and the Chief Executive Officer, severally, to sign the relevant documents in the context of the rescheduling of the agreements with the banks and to do all that is necessary to implement it.

In consideration of the timing related to the definition of the rescheduling of the medium-and-long-term financing agreements with the banking institutions and the reorganisation and optimisation of the financial structure inherent to it, the Board of Directors decided to update the calendar of board meetings and shareholders' meetings on several occasions for the approval of the financial data as of December 31, 2023.

The Financial Optimisation Project is based on three main guidelines:

1. a capitalisation of Landi Renzo S.p.A. through an injection of new equity to be implemented by means of a capital increase under option for a total amount (including share premium) of up to €25 million, through the issue of ordinary shares, with regular dividend entitlement, which are guaranteed up to an amount equal to €20 million by the current majority shareholder of Landi Renzo S.p.A, GBD - Green by definition S.p.A. ("GBD"), to be offered under option to the shareholders of the Company pursuant to Article 2441 of the Italian Civil Code and to be paid up both through cash contributions and through the voluntary set-off, pursuant to Article 1252 of the Italian Civil Code, of receivables claimed by the underwriters from the Company (the "Capital Increase Under Option");
2. a capitalisation of Landi Renzo S.p.A. by means of an injection of new equity to be implemented through an inseparable capital increase in cash reserved to Invitalia - Agenzia nazionale per l'attrazione degli investimenti e lo sviluppo d'impresa S.p.A. ("**Invitalia**"), as manager of the "Fondo

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per la salvaguardia dei livelli occupazionali e la prosecuzione dell'attività di impresa", - for a total amount (including share premium) of €20 million, through the issuance of unlisted special category shares, which are convertible into ordinary shares in the 1:1 ratio, having the same characteristics as the outstanding ordinary shares in addition to certain administrative rights recognised in the Bylaws (the "Reserved Capital Increase" and together with the Capital Increase Under Option, the "Transaction"); and

3. a rescheduling of the repayment profile of the Company's existing medium-long term financial indebtedness towards its lending banks (i.e. Intesa Sanpaolo S.p.A., Unicredit S.p.A. and Sagitta SGR S.p.A., on behalf of the closed-end alternative investment fund reserved for professional investors, called "UTP Restructuring Corporate", the latter having taken over from Banco BPM S.p.A. in July 2024, jointly, the "Banks"), which is consistent with the generation of operating cash flows to service the debt in light of the economic-financial projections set forth in the Business Plan, as well as the results of the sensitivity scenario prepared by the independent industrial advisor under the IBR.

It is worth noting that, upon completion of the full payment of the Capital Increase Under Option and the Reserved Capital Increase, expected by December 31, 2024, the Company will acquire new equity for a total maximum amount of €45 million and, in any case, not less than €40 million.

As part of the above-mentioned process of rescheduling the medium-and-long-term financing agreements with the banks, as well as the Transaction involving the entry of Invitalia, the Board of Directors' meeting of August 5, 2024, took note of:

- the signing, on August 1, 2024, of the investment agreement between GBD, Invitalia and, limited to certain contractual clauses, Gireimm S.r.l., Girefin S.p.A. and Itaca GAS S.r.l. (the "Shareholders of GBD"), shareholders of 100% of the share capital of GBD, (the "**Investment Agreement**") of which they received a copy signed by all the parties concerned on August 1, 2024, which provides, inter alia, for the commitment of GBD to subscribe its *pro-quota* share of the Capital Increase Under Option (the "**Minimum Guaranteed Share**"), as well as to subscribe for any unexercised rights post-auction for a maximum amount of €20 million, inclusive of the Minimum Guaranteed Share (the "**Maximum Guaranteed Share**") under the terms and conditions set forth in the Investment Agreement with the specification that the execution of the subscription commitments of the Capital Increase Under Option and of the Reserved Capital Increase is subject to the following conditions (the "**Conditions Precedent**"):

i) the approval by the Extraordinary Shareholders' Meeting of the Company to mandate, pursuant to article 2443 of the Italian Civil Code, to the Board of Directors the proxy for the Capital Increase Under Option and for the Reserved Capital Increase, establishing that the subscription price of the shares, equal for both increases, will be determined by the Board of Directors close to the subscription period for the Capital Increase Under Option;

ii) the exercise of the Proxy by the Board of Directors of the Company and the setting of the



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subscription price of the ordinary shares and special class shares according to the methodology and criteria provided for in the Investment Agreement;

iii) the approval by the Ordinary Shareholders' Meeting of the Company of the resolutions concerning the composition of the corporate bodies of Landi Renzo S.p.A. following the signing of the Investment Agreement;

iv) the adoption by the Extraordinary Shareholders' Meeting of Landi Renzo S.p.A. of the new Articles of Association and the Apostille which will provide that the amendments made to the Bylaws will become effective only on the date and at the same time as Invitalia fully subscribes the Reserved Capital Increase;

v) determination of the value of Landi Renzo S.p.A. prior to the Capital Increase by means of a fairness opinion produced by an independent advisor appointed by Invitalia, which also takes into account an evaluation, carried out on the basis of a commonly accepted methodology such as the internal rate of return or the net present value, of the return on the investment or a benchmarking of the said investment, as well as the growth and development prospects of the Landi Renzo Group and the sectors in which it operates - in order to verify that such value is equal to or greater than that which will be determined by the Board of Directors of Landi Renzo S.p.A. in the context of the Transaction in accordance with the terms of the Investment Agreement;

vi) the approval by Consob of the prospectus relating to the Transaction;

vii) the signature between the Company and the Banks of the binding agreements (albeit subject to conditions precedent) relating to the Financial Manoeuvre;

viii) the completion of the Capital Increase Under Option with the subscription, if the terms and conditions under the Investment Agreement are met, of the Maximum Guaranteed Share by GBD; and

ix) the issue of the POSI Policy and, for the purpose of such issue, the full payment of the relevant premiums and costs by Landi Renzo S.p.A. in accordance with the terms and conditions of the Investment Agreement;

- the fact that in July 2024, the Ministry of Enterprise and Made in Italy confirmed that there were no obstacles to the acceptance of the relaunch programme submitted by the Company to Invitalia and subsequently formalised in the above-mentioned Investment Agreement;
- the signing, on August 1, 2024, of the amending agreement relating to the medium-and-long-term financing agreement for a maximum total amount of €21 million signed on June 29, 2022, between Landi Renzo S.p.A. and the financing banks, backed by an irrevocable guarantee enforceable on demand issued by SACE S.p.A, pursuant to Decree-Law no. 23/2020 and the agreement amending the medium-long-term unsecured loan agreement for a maximum total amount of €52 million signed on June 29, 2022, also between Landi Renzo S.p.A. and the financing banks (jointly, the "**Amending Agreements**"), a copy of which - signed by all the parties concerned - was delivered on August 1, 2024, providing in particular for (a) the rescheduling of the current repayment plans; (b) the resetting of the "Leverage Ratio" financial parameter, on the understanding that, with reference to the calculation dates of June 30, 2024 and December 31, 2024, the aforesaid financial parameter will not be reviewed; (c) the introduction of the new "Adjusted

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Ebitda" financial parameter to be review with reference exclusively to the calculation dates of June 30, 2025, and December 31, 2025; and (d) with reference only to the financing agreement with SACE guarantee, the introduction of a prohibition on the distribution of dividends and/or the purchase of treasury shares until the end of the financial year 2024, with the specification that the Amending Agreements shall become effective (retroactive to 28 June 2024) upon the fulfilment of the conditions precedent provided for (the "**Conditions Precedent of the Banks**") including, inter alia, the execution by GBD of a payment for the future share capital increase in Landi Renzo S. p.A. for an amount equal to € 14,981,665.33 by August 5, 2024 (the "**Payment**") and will *also* be resolutively conditional, *inter alia*, on the failure to complete, by December 31, 2024, the Transaction for an amount of at least €40 million (the "**Resolutive Condition**"). In this regard, it should be noted that all of the Banks' Conditions Precedent (considering that the aforesaid payment for future capital increase has already been made) have all been fulfilled to date;

- of the signing, on August 1, 2024, by GBD and the Shareholders of GBD of a commitment (the "**Equity Commitment Letter**") providing for the irrevocable commitment of GBD and the Shareholders of GBD to the Banks, (i) subject to the approval of the Company's draft statutory financial statements as of December 31, 2023 by the Company's Board of Directors, to make the Payment no later than August 5, 2024 (in this regard, it should be noted that on August 2, 2024, GBD made the Payment to the Company in an amount equal to the Minimum Guaranteed Share corresponding to €14,981,665.33); and (ii) subject to the occurrence of the Conditions Precedent set forth in the Investment Agreement with the exception of the Suspensive Condition referred to in the bullet (viii) above, to subscribe for the Minimum Guaranteed Share by offsetting the Payment pursuant to Article 1252 of the Italian Civil Code, as well as to subscribe for the Maximum Guaranteed Share under the terms and conditions set forth in the Investment Agreement.

In view of the fact that:

- the Capital Increase Under Option and the Reserved Capital Increase represent a fundamental element of the Financial Manoeuvre;
- the completion of the Capital Increase Under Option and the Reserved Capital Increase are subject to an articulated procedural process due to the technical aspects provided for both by the rules that regulate the market and the legal ones underlying the Investment Agreement, which provides for Conditions Precedent, the occurrence of some of which depends on the occurrence of events beyond the Company's control, such as the obtaining of a fairness opinion provided by an independent advisor appointed by Invitalia that determines the value of Landi Renzo S. p.A. prior to the Capital Increase Under Option and that verifies that such value is equal to or higher than the value that will be determined by the Board of Directors of Landi Renzo S.p.A. for the purposes of the Transaction;
- as of today, the aforementioned fairness opinion is unavailable and consequently it is not possible "objectively" to know what the independent advisor's determinations will be,

it is estimated that, in the absence of the fulfillment of the Condition Precedent relating to the "fairness opinion" by December 31, 2024, there is a significant uncertainty that may raise doubts about the

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company's ability to continue to operate as a functioning entity, as this circumstance could have an impact on the successful outcome of the Capital Increase Under Option and the Reserved Capital Increase and consequently on the financial Manoeuvre as a whole.

With specific reference to Landi Renzo S.p.A.'s ability to continue to operate as a functioning entity, the Company's Board of Directors, on the basis of the information currently available, also taking into account the forecasts included in the Liquidity Plan sent to the bank in execution of the signed agreement, believes that there are no circumstances and/or elements at present that would lead to the assumption, in addition to what has been described above, that:

- generally, the Conditions Precedent do not occur within the expected timeframe;
- the independent advisor's fairness opinion may indicate that the value of Landi Renzo prior to the Transaction (so-called fair value) is lower than that which will be determined by the Company's Board of Directors in the context of the Transaction, the Company having at its disposal elements (such as, inter alia, the values resulting from the impairment test and the Company's consolidated equity accounting as of December 31, 2023) that suggest that the Company's "fair value" should be higher than the share subscription price in the context of the Transaction, also in consideration of the fact that for the purposes of determining the subscription price of the shares in the context of the Transaction, the Board of Directors will also take into account the performance of Landi Renzo's stock in the months prior to the Transaction, a performance that does not reflect to date the "fair value" of the Company according to the elements available to the Company itself, and with the clarification that a discount with respect to the TERP should be applied to the price thus determined;
- the Transaction could not be completed by December 31, 2024 at the latest.

Consequently, although there is significant uncertainty regarding the use of the assumption of business continuity related to the absence of the fulfillment of the condition precedent relating to the "fairness opinion" by December 31, 2024, no indicators or circumstances have emerged that would lead to the assumption that the value of Landi Renzo prior to the capital increase resulting from the "fairness opinion" will be lower than that which will be determined by the Board of Directors of Landi Renzo S. p. A. for the purposes of capital increases, and therefore, albeit under the uncertainties typical of similar proceedings, the use of the assumption of business continuity in the drafting of the consolidated financial statements of Landi Renzo Group and the separate financial statements of Landi Renzo S.p.A. as of December 31, 2023 is deemed appropriate.

### Significant events following the end of the fiscal year

After the end of the financial year and up to today's date, it should be noted that:

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- On January 23, 2024 the Board of Directors of Landi Renzo S.p.A. approved the 2024-2028 Business Plan, which was drawn up with the support of a leading strategic consulting firm.
- On March 8, 2024, the Board of Directors of Landi Renzo S.p.A. reviewed the calendar of board meetings and shareholders' meetings aimed at approving the Group's financial results as of December 31, 2023 (as well as approving the Group's Q1 2024). The amendment was required as a result of the Company's need to reschedule its medium- and long-term financing agreements with financial institutions, which was carried out with the support of Mediobanca as financial advisor, with the mandate of supporting the Company in analysing the Group's economic-financial situation and to assist in the development of a strategy to reorganise and optimise its financial structure. In this context, the Board of Directors also reviewed the preliminary consolidated 'unaudited' results as of December 31, 2023, in terms of Revenues, Adjusted Ebitda and Net Financial Debt.
- On July 10, 2024, the Board of Directors of Landi Renzo S.p.A. announced to the market that it had received the support of the banks for the rescheduling of the medium-and long-term financing agreements in the context of a capital strengthening operation that provides for the entry of the Fondo salvaguardia imprese, promoted by the Ministry of Enterprise and Made in Italy (MIMIT) and managed by Invitalia, the National Agency for Development, into the shareholding structure of Landi Renzo S.p.A.. The entry will take place through a capital increase under option for a total maximum of €25 million guaranteed up to €20 million by the majority shareholder GBD - Green by Definition S.p.A., and conditional on the execution of the former for at least €20 million, a capital increase of €20 million reserved for Invitalia.

In this context, Landi Renzo S.p.A. received:

- communication by Invitalia of its Board of Directors' approval of the investment in Landi Renzo, an investment subject to certain conditions precedent, including the favourable outcome of the necessary ministerial authorisations and the finalisation of the contractual documentation relating to the Financial Optimisation Project
  - adherence by the banks that contracted the pool financing (Banco BPM S.p.A., Intesa Sanpaolo S.p.A. and UniCredit S.p.A.) to the proposed financial and capital optimisation project. In fact, all the banks resolved in favour of extending the maturities of the credit lines, confirmed the existing economic conditions, and agreed on new covenant levels.
- On July 17, 2024, Landi Renzo's Board of Directors approved the financial optimisation project (the 'Financial Manoeuvre') aimed at stabilising the Company's capital structure and ensuring that it has the resources to implement the new five-year business plan. The approved manoeuvre is based on three pillars:
    - I. a capital increase under option for a maximum total amount of €25 million guaranteed up to €20 million by the majority shareholder GBD – Green by Definition S.p.A.; and
    - II. a €20 million share capital increase reserved for Invitalia;
    - III. and a rescheduling of the financial reimbursement of the Company's existing medium- and-

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long-term financial debt towards the financing banks.

- On July 17, 2024, as well, the Board of Directors of Landi Renzo, after receiving the non-binding approval by the Committee for Related Party Transactions, authorised the renewal of the lease agreements with Gireimm S.r.l. (a related party pursuant to the Related Party Procedure as Gireimm S.r.l, together with Girefin S.p.A., companies that are part of the Landi Trust, indirectly hold, through GBD - Green by Definition S.p.A., the control of the Company), on the building for commercial and production use located in Cavriago (RE), as well as on the prefabricated boxes designated as technical and technological plants serving the productive property compendium. The operation has been considered as “operation between related parties of Lesser Significance” by the Related Party Transactions Committee in accordance with applicable laws and regulations.
- As recently disclosed to the market on July 23, 2024, the Board of Directors of Landi Renzo S.p.A. in view of the timelines related to the Financial Manoeuvre, as well as for the signing of the agreements inherent to it, updated the calendar of board meetings and shareholders' meetings.
- On August, 1 2024, in the context and implementation of the financial manoeuvre approved on July 17, 2024 by the Board of Directors (the “Financial Manoeuvre”), GBD Green by definition S.p.A. (“GBD”) the Company’s majority shareholder, Invitalia, as well as, with regards to certain provisions, Girefin S.p.A. (“Girefin”), Gireimm S.r.l. (“Gireimm”) and Itaca GAS S.r.l. (“Itaca GAS”), the shareholders of GBD, signed an investment agreement governing, *i.a.*, the implementation of a capital increase under option to the current Company’s shareholders for a total maximum amount of €25 million (the “Capital Increase Under Option”), which is guaranteed up to €20 million by the majority shareholder GBD, and conditional on the execution of the first capital increase for an amount of at least €20 million, of a second capital increase for €20 million reserved to Invitalia, through the issue of special class unlisted shares (the “Reserved Capital Increase”), increases that will be submitted to the approval of the competent corporate bodies (the “Investment Agreement”).  
Under the Investment Agreement, as of the implementation date of the Reserved Capital Increase, subject to the fulfilment of a set of conditions precedent, (i) Girefin, Gireimm and Itaca GAS will enter into a shareholders’ agreement with Invitalia, which will govern some obligations undertaken by GBD shareholders, in relation to the circulation of GBD’s shares, (ii) GBD and Invitalia will sign shareholders’ agreement relating to Landi Renzo’s governance concerning, *i.a.*, the recognition to Invitalia of some administrative rights relating to the special class shares underwritten by Invitalia, as well as the circulation of the Company’s shares held by GBD and Invitalia, and (iii) Girefin and Gireimm sign an agreement with Itaca GAS, amending the shareholders’ agreement that was entered into on July 14, 2022, regulating, *i.a.*, the circulation of GBD’s shares and the governance of both GBD and Landi Renzo.
- On August 1, 2024, as well, the agreements amending the medium-and-long-term financing pool

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agreements that were previously signed on June 29, 2022 (the “MLT Pool Financing”) were also signed between the Company and the financing banks (i.e. UniCredit S.p.A., Intesa Sanpaolo S.p.A. and Sagitta SGR S.p.A, the latter replacing Banco BPM S.p.A.) in order to implement the Financial Manoeuvre, as per the Company’s previous announcements dated July 10, 2024, and July 17, 2024. More specifically, through these amending agreements, a rearrangement was made to the repayment profile of the MLT Pool Financing, in line with the generation of the cash flows to service the debt set forth in the 2024-2028 Business Plan, as well as a consequent rearrangement of the financial ratios set forth therein, all while confirming the economic terms and conditions in force. These amending agreements will come into effect (with backdated status to June 28, 2024) by August 30, 2024, upon completion of the conditions precedent set forth therein, and will be subject to, *i.a.*, the execution of the Capital Increase Under Option and the Reserved Capital Increase according to the agreed timetable.

### Foreseeable management development

The slow decrease in inflationary phenomena on a global scale and the persistence of various conflict situations will continue to affect the several markets in which the Group operates, also in 2024.

The Group's new business plan, with a horizon of 2024-2028, confirms a first year of the plan with performance in continuity with FY2023, with a strong focus of the management in implementing the business and financial initiatives necessary for the development of the subsequent years of the plan.

In the "Green Transportation" segment, results are expected to be in line with FY2023, albeit with a more balanced sales mix between Aftermarket, OEM - Passenger car and OEM - Mid&Heavy Duty, with a related benefit in terms of margins.

In the “Clean Tech Solutions” segment, the gradual increase in projects linked to the biomethane and hydrogen markets and positioned along the entire value chain continues. However, the strong connection of these initiatives to government incentives and the still incipient stage of development of new markets suggest a still transitional year, with acceleration expected in the second half of the year.

### Approval of the Report on Corporate Governance and Ownership Structure, the Report on Remuneration and the Consolidated Non-Financial Statement

The Board of Directors approved the Report on Corporate Governance and Ownership Structure pursuant to Article 123-bis of Legislative Decree 58/1998 relating to the financial year 2023 and the Report on Remuneration 2024 and on the compensation paid in 2023 pursuant to Article 123-ter of Legislative Decree 58/1998 and 84-quater of the Regulation issued by Consob with resolution no. 11971 of 1999, as well as the Consolidated Non-Financial Statement pursuant to Legislative Decree 254/2016, incorporated in the Financial Annual Report on 2023.

### Convening the Annual General Meeting of Shareholders by September, 2024

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The Board of Directors voted to mandate the Chairman of the Board of Directors to convene the Ordinary and Extraordinary Shareholders' Meeting by September, 2024, in a single call, to deliberate on, among others, the approval of the annual financial statements as of December 31, 2023, the report on the remuneration policy, the appointment of the auditing firm, as well as proposals for capital increase pursuant to Article 2443 of the Italian Civil Code and certain amendments to the company's bylaws.

*Pursuant to Article 154-bis, paragraph 2, of Italian Legislative Decree No. 58 of February 24, 1998, the Financial Reporting Manager in charge of drawing the Company's financial statements, Paolo Cilloni, declares that the accounting information contained in this press release corresponds to the documented results, books, and accounting records.*

*This press release is also available on the corporate website [www.landirenzogroup.com](http://www.landirenzogroup.com)*

**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.

This press release is a translation. The Italian version will prevail

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(thousands of Euro)

	31/12/2023	31/12/2022 Restated
<b>CONSOLIDATED INCOME STATEMENT</b>		
<b>Revenues from sales and services</b>	<b>303,339</b>	<b>306,297</b>
Other revenues and income	2,305	1,249
Cost of raw materials, consumables and goods and change in inventories	-189,468	-188,979
Costs for services and use of third-party assets	-57,699	-54,780
Personnel costs	-51,010	-47,218
Allocations, write downs and other operating expenses	-7,378	-5,525
<b>Gross Operating Profit</b>	<b>89</b>	<b>11,044</b>
Amortization, depreciation and impairment	-16,706	-17,077
<b>Net Operating Profit</b>	<b>-16,617</b>	<b>-6,033</b>
Financial income	1,460	1,129
Financial expenses	-11,646	-7,630
Exchange gains (losses)	-1,626	-1,453
Income (expenses) from hyperinflation	-1,272	-217
Income (expenses) from equity investments	-224	-275
Income (expenses) from joint venture measured using the equity method	107	597
<b>Profit (Loss) before tax</b>	<b>-29,818</b>	<b>-13,882</b>
Taxes	-6,621	-385
<b>Net profit (loss) for the Group and minority interests, including:</b>	<b>-36,439</b>	<b>-14,267</b>
Minority interests	-1,270	14
<b>Net profit (loss) for the Group</b>	<b>-35,169</b>	<b>-14,281</b>
<b>Basic earnings (loss) per share (calculated on 225,000,000 shares)</b>	<b>-0.1563</b>	<b>-0.0635</b>
<b>Diluted earnings (loss) per share</b>	<b>-0.1563</b>	<b>-0.0635</b>





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(thousands of Euro)	31/12/2023	31/12/2022
<b>ASSETS</b>		
<b>Non-current assets</b>		
Land, property, plant, machinery and other equipment	13,232	14,015
Development expenditure	9,987	11,141
Goodwill	80,132	80,132
Other intangible assets with finite useful lives	15,034	17,263
Right-of-use assets	11,945	13,618
Equity investments measured using the equity method	2,498	2,496
Other non-current financial assets	902	847
Other non-current assets	0	1,710
Deferred tax assets	8,745	14,109
Non-current assets for derivative financial instruments	39	103
<b>Total non-current assets</b>	<b>142,514</b>	<b>155,434</b>
<b>Current assets</b>		
Trade receivables	72,821	73,559
Inventories	76,260	76,680
Contract work in progress	17,377	20,429
Other receivables and current assets	17,355	17,148
Current financial assets	20,647	0
Current assets for derivative financial instruments	0	412
Cash and cash equivalents	26,495	62,968
<b>Total current assets</b>	<b>230,955</b>	<b>251,196</b>
<b>TOTAL ASSETS</b>	<b>373,469</b>	<b>406,630</b>

(thousands of Euro)	31/12/2023	31/12/2022
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<b>Shareholders' Equity</b>		
Share capital	22,500	22,500
Other reserves	77,596	91,698
Profit (loss) for the period	-35,169	-14,281
<b>Total Shareholders' Equity of the Group</b>	<b>64,927</b>	<b>99,917</b>
Minority interests	5,277	5,967
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>70,204</b>	<b>105,884</b>
<b>Non-current liabilities</b>		
Non-current bank loans	67,785	8,169
Other non-current financial liabilities	18,503	24,456
Non-current liabilities for right-of-use	10,090	11,314
Provisions for risks and charges	6,244	5,484
Defined benefit plans for employees	3,257	3,413
Deferred tax liabilities	3,048	2,910
Liabilities for derivative financial instruments	515	0
<b>Total non-current liabilities</b>	<b>109,442</b>	<b>55,746</b>
<b>Current liabilities</b>		
Bank financing and short-term loans	51,987	103,629
Other current financial liabilities	7,459	3,956
Current liabilities for right-of-use	2,792	3,196
Trade payables	100,115	98,033
Tax liabilities	2,440	3,697
Other current liabilities	29,030	32,489
<b>Total current liabilities</b>	<b>193,823</b>	<b>245,000</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>373,469</b>	<b>406,630</b>



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(thousands of Euro)		
<b>CONSOLIDATED CASH FLOWS STATEMENT</b>	<b>31/12/2023</b>	<b>31/12/2022 Restated</b>
<b>Financial flows deriving from operating activities</b>		
Pre-tax profit (loss) for the period	-29,818	-13,882
<i>Adjustments for:</i>		
Depreciation of property, plant and machinery	4,192	4,233
Amortisation of intangible assets	9,089	9,363
Depreciation of right-of-use assets	3,425	3,481
Loss (profit) from disposal of tangible and intangible assets	-13	-121
Impairment loss on receivables	1,090	1,066
Net financial charges	11,812	7,954
Net expenses (income) form hyperinflation	1,272	217
Net expenses (income) form equity investments	224	274
Net expenses (income) form equity investments measured using the equity method	-107	-597
	<b>1,166</b>	<b>11,988</b>
<i>Changes in:</i>		
Inventories and work in progress	3,472	-9,725
Trade receivables and other receivables	430	-9,460
Trade payables and other payables	-3,395	19,349
Provisions and employee benefits	682	-10
<b>Cash generated from operation</b>	<b>2,355</b>	<b>12,142</b>
Interest paid	-8,564	-5,210
Interest received	452	1,050
Taxes paid	-1,209	-2,590
<b>Net cash generated (absorbed) from operating activities</b>	<b>-6,966</b>	<b>5,392</b>
<b>Financial flows from investment</b>		
Proceeds from sale of property, plant and machinery	825	121
Purchase of property, plant and machinery	-4,043	-2,487
Purchase of intangible assets	-520	-433
Development expenditure	-5,396	-5,538
Variation in consolidation area	0	-30,683
<b>Net cash absorbed by investment activities</b>	<b>-9,134</b>	<b>-39,020</b>
<b>Free Cash Flow</b>	<b>-16,100</b>	<b>-33,628</b>
<b>Financial flows from financing activities</b>		
Disbursements (reimbursement) of medium/long-term loans	-1,360	15,008
Change in short-term bank debts	6,884	-1,411
Share capital increase (*)	0	58,554
Repayment of leases IFRS 16	-3,808	-3,872
<b>Net cash generated (absorbed) by financing activities</b>	<b>1,716</b>	<b>68,279</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-14,384</b>	<b>34,651</b>
Cash and cash equivalents as at 1 January	62,968	28,039
Decrease/(increase) in short term deposit (**)	-20,647	0
Effect of exchange rate fluctuations on cash and cash equivalents	-1,442	278
<b>Cash and cash equivalents at the end of the period</b>	<b>26,495</b>	<b>62,968</b>

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(Euro)	31/12/2023	31/12/2022
Revenues from sales and services	142,939,543	144,036,240
Other revenue and income	1,405,460	33,652
Cost of raw materials, consumables and goods and change in inventories	-88,260,191	-86,079,188
Costs for services and use of third party assets	-32,494,524	-30,943,567
Personnel expenses	-21,669,934	-17,883,047
Accruals, impairment losses and other operating expenses	-4,416,421	-2,614,557
<b>Gross Operating Profit</b>	<b>-2,496,067</b>	<b>6,549,533</b>
Amortization, depreciation and impairment losses	-11,077,237	-11,267,998
<b>Net Operating Profit</b>	<b>-13,573,304</b>	<b>-4,718,465</b>
Financial income	906,307	1,080,659
Financial expenses	-8,877,108	-5,541,762
Exchange gains (losses)	-657,074	905,054
Gains (Losses) on equity investments	-7,568,805	-8,941,603
Gains (Losses) on joint venture valuate using the equity method	107,186	596,066
<b>Profit (Loss) before tax</b>	<b>-29,662,798</b>	<b>-16,620,051</b>
Taxes	-5,504,505	870,225
<b>Net profit (loss) of the period</b>	<b>-35,167,303</b>	<b>-15,749,826</b>

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(Euro)		
<b>ASSETS</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
<b>Non-current assets</b>		
Property, plant and equipment	7,945,845	8,668,411
Development expenditure	7,252,338	8,037,197
Goodwill	30,094,311	30,094,311
Other intangible assets with finite useful lives	5,690,254	7,081,928
Right-of-use assets	4,055,309	4,589,549
Investments in equity	55,431,055	55,170,403
Investments in associated companies and joint ventures	2,497,874	2,496,458
Other non-current financial assets	1,024,527	964,329
Other non-current assets	0	1,710,000
Deferred tax assets	6,277,592	11,551,897
Non-current assets for derivative financial instruments	0	37,335
<b>Total non-current assets</b>	<b>120,269,105</b>	<b>130,401,818</b>
<b>Current assets</b>		
Trade receivables	24,122,346	27,772,077
Receivables from subsidiaries	23,928,687	23,989,668
Inventories	41,236,544	42,602,777
Other receivables and current assets	5,932,628	6,911,261
Other current financial assets	20,211,843	2,000,000
Current assets for derivative financial instruments	0	407,443
Cash and cash equivalents	7,797,779	39,363,664
<b>Total current assets</b>	<b>123,229,827</b>	<b>143,046,890</b>
<b>TOTAL ASSETS</b>	<b>243,498,932</b>	<b>273,448,708</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
<b>Shareholders' equity</b>		
Share capital	22,500,000	22,500,000
Other reserves	62,639,292	79,223,860
Profit (loss) of the period	-35,167,303	-15,749,826
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>49,971,898</b>	<b>85,974,034</b>
<b>Non-current liabilities</b>		
Non-current bank loans	61,234,621	0
Other non-current financial liabilities	12,016,261	15,918,684
Non-current liabilities for right-of-use	2,815,844	2,922,470
Provisions for risks and charges	18,830,999	13,357,997
Defined benefit plans for employees	997,212	948,443
Liabilities for derivative financial instruments	514,770	0
<b>Total non-current liabilities</b>	<b>96,409,707</b>	<b>33,147,594</b>
<b>Current liabilities</b>		
Bank overdrafts and short-term loans	26,684,570	85,958,688
Other current financial liabilities	5,259,706	3,786,244
Current liabilities for right-of-use	1,194,507	1,675,352
Trade payables	54,761,619	55,463,727
Payables to subsidiaries	3,177,194	1,919,630
Tax liabilities	1,067,923	984,002
Other current liabilities	4,971,717	4,539,437
<b>Total current liabilities</b>	<b>97,117,236</b>	<b>154,327,080</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>243,498,932</b>	<b>273,448,708</b>

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(Thousands of Euro)	31/12/2023	31/12/2022
<b>CASH FLOWS STATEMENT</b>		
<b>Financial flows deriving from operating activities</b>		
Pre-tax profit (loss) for the period	-29,663	-16,620
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	2,750	2,735
Amortisation of intangible assets	6,571	6,843
Depreciation of right-of-use assets	1,757	1,690
Loss (Profit) on the sale of tangible and intangible assets	-113	-17
Impairment loss on trade receivables	217	630
Net finance expenses	8,628	-3,556
Loss (Profit) attributable to investments valued using equity method	-107	8,345
	<b>-9,960</b>	<b>50</b>
<i>Changes in:</i>		
inventories	1,366	-8,110
trade receivables and other receivables	4,346	-7,301
trade payables and other payables	687	16,166
provisions and employee benefits	5,522	-580
<b>Cash generated from operation</b>	<b>1,961</b>	<b>225</b>
Interest paid	-6,569	-4,345
Interest received	57	1,037
income taxes paid	0	0
<b>Net cash generated (absorbed) from operating activities</b>	<b>-4,551</b>	<b>-3,083</b>
<b>Financial flow from investment</b>		
Proceeds from sale of property, plant and equipment	266	45
Purchase of property, plant and equipment	-2,316	-1,736
Purchase of intangible assets	-371	-208
Development expenditure	-4,023	-4,247
Purchase of equity investments	0	-25,571
<b>Net cash absorbed by investment activities</b>	<b>-6,444</b>	<b>-31,717</b>
<b>Free Cash Flow</b>	<b>-10,995</b>	<b>-34,800</b>
<b>Financial flow from financing activities</b>		
Disbursements (reimbursement) of loans to associates	2,000	-2,000
Disbursements (reimbursement) of medium/long-term loans	-4,483	18,449
Change in short-term bank debts	4,014	-6,067
Share capital increase(*)	0	58,554
Repayment of leases IFRS 16	-1,890	-1,828
<b>Net cash generated (absorbed) by financing activities</b>	<b>-359</b>	<b>67,108</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-11,354</b>	<b>32,308</b>
Cash and cash equivalents as at 1 January	39,364	7,056
Net decrease/(Increase) in short-term deposits (**)	-20,212	0
Cash and cash equivalents at the end of the period	7,798	39,364
(*) net of expenses incurred		
(**) active financing of fixed deposit		

