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Vedi allegato

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Landi Renzo: Board of Directors approves financial results as of June 30, 2024

- **Consolidated revenues** were equal to €139.1 million, compared to €151.8 million in the same period of the previous year.
- **Adjusted EBITDA** amounted to €0.1 million compared to €3.9 million as of June 30, 2023. It should be noted that in the second quarter of 2024, there was an improvement in value compared to the negative result posted in the first quarter of the same year (positive adjusted EBITDA and equal to €0.5 million in the second quarter compared to negative adjusted EBITDA and equal to €0.5 million in the first quarter).
EBITDA was negative and amounted to €3.7 million (negative and equal to €0.3 million as of June 30, 2023).
- In the first six months of the year, the **Green Transportation** segment posted revenue of €102.5 million, broadly in line with the previous year's (€104.3 million). Adjusted EBITDA was positive and amounted to €0.7 million, an improvement over the first half of the previous year (positive and equal to €0.2 million).
- **Clean Tech Solutions** segment revenues amounted to €36.7 million, with a slight decrease from the first quarter of 2023 (€47.5 million); adjusted EBITDA was negative and amounted to €0.7 million, compared to positive €3.8 million in the previous year.
- **Net Result** was negative and equal to €18.5 million compared to negative net result amounting to €20.9 million as of June 30, 2023.
- **Net Financial Position** of the Group was negative and amounted to €135.3 million, compared to €112.4 million as of December 31, 2023.

Cavriago (RE), September 6, 2024 - The Board of Directors of Landi Renzo, chaired by Stefano Landi, met today and approved the Company's quarterly Financial Statements as of June 30, 2024.

"The results of the first six months of the year, while below expectations when compared to the same period of the previous year, reveal an improving trend: in the second quarter of 2024, the Group has indeed reported higher revenues than in the first three months of the year and adjusted EBITDA returning to positive values. This trend confirms the direction that we have taken under the guidance of Eng. Stupenengo with the industrial Plan, whose full implementation will be backed by the capital increase that we will launch by the end of the fourth quarter" - said **Stefano Landi, Chairman of Landi Renzo S.p.A.**

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Annalisa Stupenengo, CEO of Landi Renzo S.p.A., added: *“In the first six months of the year, the Green Transportation sector recorded substantially stable revenues and a significant improvement in terms of profitability; the Clean Tech Solutions sector, as expected, continued to be affected by the persistence of contingent exogenous dynamics that are typical of a market that is in a transitional phase, showing a decline in both sales and margins. However, the trend of the orders in the first few months following the end of the six-month period hints at a significant recovery, with its effects expected as early as the second half of the year. During the first half of the year, we implemented major organizational changes, which now allow us to have a more efficient structure, and one that is able to anticipate future market trends, according to a “customer centric” approach. Thanks to the strong and continuous commitment in Research & Development field, which is part of Landi Renzo Group’s DNA, we also launched some particularly innovative products at the beginning of the year, such as the pressure regulator for hydrogen engines, and developed new projects in both infrastructure and mobility segments, whose results will be available on the market as early as the next few months.”*

Key Consolidated results as of June 30, 2024

In the first half of the year, Landi Renzo Group reported revenues equal to €139.1 million, down from the previous year (€151.8 million as of June 30, 2023).

This performance is mainly due to a rescheduling of the production timeline for some highly complex orders in the hydrogen business, as well as the delay of some major orders in the Clean Tech Solutions business as well.

Therefore, as of June 30, 2024, Group’s adjusted EBITDA amounted to €0.1 million, compared to €3.9 million in the same period of the previous year.

However, the second quarter of 2024 showed a recovering trend in Group margins, which amounts to €0.5 million compared to negative €0.5 million in the first quarter of the year.

EBITDA was negative and amounted to €3.7 million (negative and equal to €0.3 million as of June 30, 2023), including nonrecurring costs amounting to €3.8 million (€4.2 million as of June 30, 2023).

EBIT was negative and amounted to €11.5 million (negative and equal to €8.8 million as of June 30, 2023), following amortization and depreciation of €7.8 million (€8.5 million as of June 30, 2023).

Total financial expenses (interest income, interest expense, and exchange rates effects) amounted to €5.8 million (€6.6 million as of June 30, 2023) and included negative exchange rate effects amounting to €0.3 million (negative and amounting to €1.6 million as of June 30, 2023).

In the first six months of 2024 EBT was negative and amounted to €18.0 million (negative and equal to €15.6 million as of June 30, 2023).

Group and third-party’s Net Result as of June 30, 2024, reported a loss equal to €18.5 million, compared to negative result of the Group and third parties of €20.9 million as of June 30, 2023.

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Net Financial Position as of June 30, 2024, was negative and equal to €135.3 million (€112.4 million as of December 31, 2023), including €10.8 million due to the application of IFRS 16 - Leases, overall €0.1 million related to the fair value of derivative financial instruments and €0.5 million related to the liability for the Put/Call concerning Metatron Control System shares. Adjusted Net Financial Position, i.e., net of these amounts, would have amounted to €123.9 million, of which €106.5 million was attributable to the Green Transportation segment and €17.5 million to the Clean Tech Solutions segment.

It is hereby acknowledged that, pending negotiations with the banks aimed at defining the financial manoeuvre, the “Leverage Ratio” financial parameter of the main outstanding loans of the Parent Company at June 30, 2024 was not respected. As a result of the aforementioned negotiations, on August 1, 2024, the relative amending agreements were signed, which, i.a., provided for the resetting of the financial parameter, on the understanding that, with reference to the calculation dates of June 30, 2024 and December 31, 2024, the aforementioned financial parameter will not be subject to verification. Since these agreements were signed after June 30, 2024, the financial liabilities related to these loans were entirely reclassified under current liabilities, consistent with the provisions of international accounting standards.

Performance of the “Green Transportation” operating segment

Revenues of Green Transportation segment as of June 30, 2024, amounted to €102.5 million, compared to €104.3 million in the previous year.

Group’s sales in the OEM channel amounted to €62.4 million, compared to €65.9 million in June 30, 2023. This result is influenced by a reduction in orders on the “Passenger car” segment, which, however, has lower profitability profiles than the “Mid&Heavy Duty” segment, which, on the contrary, has experienced a pickup in sales.

Sales in the After Market channel, equal to €40.1 million (compared to €38.4 million as of June 30, 2023), are mainly related to orders from distributors and authorised installers, both domestic and foreign ones.

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

- In Italy, Group’s sales amount to €11.5 million, down from the same period in the previous year (-6.1%).
- The rest of Europe (55.7% of total sales) reports a decrease (-6.5%) compared to the same period in the previous year as a result of the trend in orders from a major OEM “Passenger car” customer.
- Sales in the american continent, accounting for 10.3 % of total sales, were up 5.2%, mainly due to the positive performance in Latam.
- Markets in Asia and the rest of the World account for 22.9% of the total revenues, and recorded

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an 11.5% increase mainly due to the sales performance of the “Mid & Heavy Duty” OEM channel in the Chinese market.

In the first six months of 2024, adjusted EBITDA of the Green Transportation segment, excluding non-recurring costs amounting to €2.8 million, was €0.7 million, equal to 0.7% of revenues, sharply improved compared to the same period in the previous year (€0.2 million, equal to 0.2% of revenues and net of nonrecurring costs of €3.5 million).

The positive margin trend particularly reflects increased sales in the After Market and OEM “Mid&Heavy Duty” channels, which have historically been more profitable.

EBITDA of the Green Transportation segment as of June 30, 2024, was negative and equal to €2.1 million and improved compared to June 30, 2023 (negative and equal to €3.3 million).

Performance of the “Clean Tech Solutions” operating segment

In the first six months of 2024, the Clean Tech Solutions segment reported revenues amounting to €36.7 million, down compared to the same period of the previous year (€47.5 million). This result was significantly affected by the postponement of some major orders, especially in North America. However, the last few months reveal a clear upturn in orders, particularly for hydrogen and biomethane orders. Adjusted EBITDA, as of June 30, 2024, amounted to €0.7 million, compared to positive €3.8 million in the same period of the previous year.

Key performance highlights of Landi Renzo S.p.A. (Parent Company) as of June 30, 2024

In the first six months of 2024, Landi Renzo S.p.A. reported revenues of €69.1 million, compared to €70.9 million in the same period of the previous year. EBITDA was negative in the amount of €2.1 million (including non-recurring expenses in the amount of €2.8 million) compared to negative €2.2 million as of June 30, 2023 (including non-recurring expenses in the amount of €2.4 million), while net financial Position was negative and equal to €105.6 million (negative €102.8 million excluding the effects of the application of IFRS 16 and the fair value of derivative financial contracts), compared to negative €81.7 million as of December 31, 2023 (negative €77.2 million excluding the effects of the application of IFRS 16 and the fair value of derivative financial contracts).

At the end of the half-year, the Parent Company had 296 employees, which was substantially in line with the figure as of December 31, 2023 (287 employees).

Significant events after the end of H1 2024

- On July 10, 2024, the Board of Directors of Landi Renzo S.p.A. announced to the market that it had received the adherence by 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

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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. All the banks resolved indeed 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, the Board of Directors of Landi Renzo S.p.A. approved the financial optimisation project aimed at stabilising the Company's capital structure and ensuring that it has the resources to implement the new five-year industrial 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.;
 - II. a €20 million share capital increase reserved for Invitalia;
 - III. a rescheduling of the financial reimbursement of the Company's existing medium-and-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.
 - On July 17, 2024, the working contract with En. Corrado Belicchi, Group Chief Operating Officer of Landi Renzo S.p.A., was mutually resolved and he no longer serves in any position within the Landi Renzo Group.
 - 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, GBD – Green by definition S.p.A., Invitalia, as well as, with regards to certain provisions, Girefin S.p.A., Gireimm S.r.l., and Itaca GAS S.r.l., the shareholders of GBD– Green by definition S.p.A., signed an investment agreement governing, i.a., the execution of a capital increase under option to the current Company’s shareholders for a total maximum amount of €25 million, which is guaranteed up to €20 million by the majority shareholder GBD – Green by definition S.p.A, and conditional on the execution of the first capital increase for an amount of at least €20 million, of a second share capital increase for €20 million reserved to Invitalia, through the issue of special-class unlisted shares. These increases will be submitted to the approval of the competent corporate bodies.

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 – Green by definition S.p.A shareholders, in relation to the circulation of shares of GBD – Green by definition S.p.A; (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 – Green by definition S.p.A and Invitalia; and (iii) Girefin and Gireimm will sign an agreement with Itaca GAS S.r.l., amending the shareholders’ agreement signed on July 14, 2022, which regulates, i.a., the circulation of GBD’s shares and the governance of both GBD – Green by definition S.p.A and Landi Renzo S.p.A..

- On August 1, 2024, as well, the agreements amending the medium-and-long-term financing pool 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. More specifically, a rearrangement was made to the repayment profile of the pool financing, in line with the generation of the cash flows to service the debt set forth in the 2024-2028 industrial 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 agreements will be subject to, i.a., the execution of the capital increase under option and the reserved capital increase according to the agreed timetable.
- On August 5, 2024, the Board of Directors of Landi Renzo S.p.A. approved the draft financial statements and consolidated financial statements as of December 31, 2023, and on August 7, 2024, the Company’s quarterly Financial Statements as of March 31, 2024.

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Foreseeable management development

The slow decline of inflationary phenomena on a global scale and the persistence of various conflict situations will continue to affect the different markets in which the Group works in 2024 as well. The results for the first six months of the year suggest a 2024 downturn compared to the previous year, with a strong focus of the management on implementing business initiatives and completing the financial strengthening activities necessary for the development of the subsequent plan years. In the Green Transportation segment, results are expected to be in line or slightly lower than in 2023 fiscal year, with a more balanced sales mix between Aftermarket and OEM (Passenger car” and Mid&Heavy Duty). In the Clean Tech Solutions segment, the growth of projects related to the emerging markets of biomethane, hydrogen and “Oil&Gas” continues. However, the still early stage of development of the new markets combined with the complexity of the new products determined a significant reduction in Production Value in the first part of the year, leading to a lower full year results forecast compared to the previous year.

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.

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

LANDI RENZO

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(Thousands of Euro)

	30/06/2024	30/06/2023 (Restated)
CONSOLIDATED INCOME STATEMENT		
Revenues from sales and services	139,142	151,805
Other revenues and income	458	1,024
Cost of raw materials, consumables and goods and change in inventories	-84,737	-94,405
Costs for services and use of third-party assets	-29,956	-28,386
Personnel costs	-26,649	-25,124
Allocations, write downs and other operating expenses	-1,962	-5,226
Gross Operating Profit	3,704	-312
Amortization, depreciation and impairment	-7,770	-8,511
Net Operating Profit	-11,474	-8,823
Financial income	531	447
Financial expenses	-6,048	-5,399
Exchange gains (losses)	-257	-1,624
Income (expenses) from hyperinflation	-812	-212
Income (expenses) from equity investments	-548	-27
Income (expenses) from joint venture measured using the equity method	626	20
Profit (Loss) before tax	-17,982	-15,618
Taxes	-479	-5,316
Net profit (loss) for the Group and minority interests, including:	-18,461	-20,934
Net profit (loss) attributable to non controlling interests	-1,733	21
Net profit (loss) attributable to the Group	-16,728	-20,955
Basic earnings (loss) per share	-0.0743	-0.0931
Diluted earnings (loss) per share	-0.0743	-0.0931

Data as of 30 June 2023 has been restated with the aim of aligning the comparative data with the classifications used for the preparation of the consolidated income statement closed as of 30 June 2024.

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(Thousands of Euro)	30/06/2024	31/12/2023
ASSETS		
Non-current assets		
Land, property, plant, machinery and other equipment	13,016	13,232
Development expenditure	9,874	9,987
Goodwill	80,132	80,132
Other intangible assets with finite useful lives	13,928	15,034
Right-of-use assets	9,967	11,945
Equity investments measured using the equity method	3,216	2,948
Other non-current financial assets	870	902
Deferred tax assets	8,500	8,745
Non-current assets for derivative financial instruments	25	39
Total non-current assets	139,528	142,514
Current assets		
Trade receivables	75,676	72,821
Inventories	73,426	76,260
Contract work in progress	14,757	17,377
Other receivables and current assets	18,032	17,355
Current financial assets	618	20,647
Cash and cash equivalents	18,771	26,495
Total current assets	201,280	230,955
TOTAL ASSETS	340,808	373,469

(Thousands of Euro)	30/06/2024	31/12/2023
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' Equity		
Share capital	22,500	22,500
Other reserves	43,369	77,569
Profit (loss) for the period	-16,728	-35,169
Total Shareholders' Equity of the Group	49,141	64,927
Minority interests	3,440	5,277
TOTAL SHAREHOLDERS' EQUITY	52,821	70,204
Non-current liabilities		
Non-current bank loans	5,130	67,785
Other non-current financial liabilities	15,496	18,503
Non-current liabilities for right-of-use	8,308	10,090
Provisions for risks and charges	5,819	6,244
Defined benefit plans for employees	3,317	3,257
Deferred tax liabilities	2,984	3,048
Non-current Liabilities for derivative financial instruments	80	515
Total non-current liabilities	41,134	109,442
Current liabilities		
Bank financing and short-term loans	109,763	51,987
Other current financial liabilities	12,935	7,459
Current liabilities for right-of-use	2,479	2,792
Trade payables	83,295	100,115
Tax liabilities	1,968	2,440
Other current liabilities	36,653	29,030
Total current liabilities	247,093	193,823
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	340,808	373,469

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(Thousands of Euro)

CONSOLIDATED CASH FLOWS STATEMENT	30/06/2024	30/06/2023 (Restated)
Financial flows deriving from operating activities		
Pre-tax profit (loss) for the period	-17,982	-15,618
<i>Adjustments for:</i>		
Depreciation of property, plant and machinery	1,865	2,105
Amortisation of intangible assets	4,244	4,696
Depreciation of right-of-use assets	1,661	1,710
Loss (profit) from disposal of tangible and intangible assets	-76	-338
Share-based incentive plans	0	0
Impairment loss on receivables	338	869
Net financial charges	5,774	6,576
Net expenses (income) from hyperinflation	812	212
Net expenses (income) from equity investments	548	27
Net expenses (income) from equity investments measured using the equity method	-626	-20
	-3,442	219
<i>Changes in:</i>		
Inventories and work in progress	5,455	1,086
Trade receivables and other receivables	-4,870	7,341
Trade payables and other payables	-14,062	-12,458
Provisions and employee benefits	-345	903
Cash generated from operation	-17,264	-2,909
Interest paid	-2,278	-3,520
Interest received	286	93
Taxes paid	-269	-420
Net cash generated (absorbed) from operating activities	-19,525	-6,756
Financial flows from investment		
Proceeds from sale of property, plant and machinery	326	267
Purchase of property, plant and machinery	-1,880	-1,763
Purchase of intangible assets	-354	-211
Development expenditure	-2,672	-2,416
Net cash absorbed by investment activities	-4,580	-4,123
Free Cash Flow	-24,105	-10,879
Financial flows from financing activities		
Disbursements (reimbursement) of medium/long-term loans	-3,636	-252
Change in short-term bank debts	1,226	-218
Repayment of leases IFRS 16	-1,733	-1,898
Net cash generated (absorbed) by financing activities	-4,143	-2,368
Net increase (decrease) in cash and cash equivalents	-28,248	-13,247
Cash and cash equivalents as at 1 January	26,495	62,968
Decrease/(Increase) in short-term deposits (*)	20,029	-25,000
Effect of exchange rate fluctuations on cash and cash equivalents	495	313
Cash and cash equivalents at the end of the period	18,711	25,034

(*) Active financing of time deposits

The data as of 30 June 2023 has been restated with the aim of aligning the comparative data with the classifications used for the preparation of the consolidated cash flow as of 30 June 2024.

