



The Clean Air Group
Driving the Future

**INTERIM MANAGEMENT REPORT
AT 30 SEPTEMBER 2022**

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THIS REPORT IS A TRANSLATION. THE ITALIAN VERSION PREVAILS

1. GENERAL INFORMATION

1.1. CORPORATE OFFICERS AND INFORMATION

On 29 April 2022, the Shareholders' Meeting of the parent company Landi Renzo S.p.A. elected the Board of Directors and the Board of Statutory Auditors for the period 2022-2024. They will therefore remain in office until the Shareholders' Meeting called to approve the financial statements for the year ending 31 December 2024. On the same date, the Board of Directors confirmed Stefano Landi as Executive Chairman, appointed Sergio Iasi as Vice Chairman and confirmed Cristiano Musi as Chief Executive Officer and General Manager.

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

Board of Directors

Executive Chairman	Stefano Landi
Vice Chairman	Sergio Iasi
Chief Executive Officer	Cristiano Musi
Director	Silvia Landi
Director	Massimo Lucchini
Director	Andrea Landi
Independent Director	Pamela Morassi
Independent Director	Sara Fornasiero (*)
Independent Director	Anna Maria Artoni

Board of Statutory Auditors

Chairman of the Board of Statutory Auditors	Fabio Zucchetti
Statutory Auditor	Luca Aurelio Guarna
Statutory Auditor	Diana Rizzo
Alternate Auditor	Luca Zoani
Alternate Auditor	Gian Marco Amico di Meane

Control, Risks and Sustainability Committee

Chairperson	Sara Fornasiero
Committee Member	Sergio Iasi
Committee Member	Anna Maria Artoni

Appointment and Remuneration Committee

Chairperson	Pamela Morassi
Committee Member	Massimo Lucchini
Committee Member	Anna Maria Artoni

Committee for Transactions with Related Parties

Committee Member	Sara Fornasiero
Committee Member	Pamela Morassi
Committee Member	Anna Maria Artoni

Supervisory Board (Italian Legislative Decree 231/01)

Chairperson	Jean-Paule Castagno
Board Member	Domenico Sardano
Board Member	Filippo Alliney

Independent Auditing Firm	PricewaterhouseCoopers S.p.A.
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Financial Reporting Manager	Paolo Cilloni
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(*) The Director also holds the office of Lead Independent Director

Registered office and company details

Landi Renzo S.p.A.

Via Nobel 2/4

42025 Corte Tegge – Cavriago (RE) – Italy

Tel. +39 0522 9433

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Share capital: Euro 22,500,000

Tax ID and VAT Reg. No. IT00523300358

This report is available online at:

www.landirenzogroup.com

1.2. GROUP STRUCTURE

Description	Registered Office	% stake at 30 September 2022		Notes
		Direct investment	Indirect investment	
Parent Company				
Landi Renzo S.p.A.	Cavriago (Italy)	Parent Company		
Companies consolidated using the line-by-line method				
Landi International B.V.	Utrecht (The Netherlands)	100.00%		
Landi Renzo Polska Sp.Zo.O.	Warsaw (Poland)		100.00%	(1)
LR Indústria e Comércio Ltda	Rio de Janeiro (Brazil)	99.99%		
Beijing Landi Renzo Autogas System Co. Ltd	Beijing (China)	100.00%		
L.R. Pak (Pvt) Limited	Karachi (Pakistan)	70.00%		
Landi Renzo Pars Private Joint Stock Company	Tehran (Iran)	99.99%		
Landi Renzo RO S.r.l.	Bucharest (Romania)	100.00%		
Landi Renzo USA Corporation	Wilmington - DE (USA)	100.00%		
AEB America S.r.l.	Buenos Aires (Argentina)	96.00%		
Officine Lovato Private Limited	Mumbai (India)	74.00%		
OOO Landi Renzo RUS	Moscow (Russia)	51.00%		
SAFE&CEC S.r.l.	San Giovanni Persiceto (Italy)	51.00%		
SAFE S.p.A.	San Giovanni Persiceto (Italy)		100.00%	(2)
Idro Meccanica S.r.l.	Modena (Italy)		90.00%	(3)
IMW Industries LTD	Chilliwak (Canada)		100.00%	(2)
IMW Industries del Perú S.A.C.	Lima (Peru)		100.00%	(4)
IMW Industries LTDA	Cartagena (Colombia)		100.00%	(4)
IMW Energy Tech LTD	Suzhou (China)		100.00%	(4)
IMW Industries LTD Shanghai	Shanghai (China)		100.00%	(4)
Metatron S.p.A.	Castel Maggiore (Italy)	100.00%		
Metatron Control System (Shanghai)	Shanghai (China)		86.00%	(5)
Associates and subsidiaries consolidated using the equity method				
Krishna Landi Renzo India Private Ltd Held	Gurugram - Haryana (India)	51.00%		(6)
Other minor companies				
Landi Renzo VE.CA.	Caracas (Venezuela)	100.00%		(7)
Lovato do Brasil Ind Com de Equipamentos para Gas Ltda	Curitiba (Brazil)	100.00%		(7)
EFI Avtosanoat-Landi Renzo LLC	Navoiy Region (Uzbekistan)	50.00%		(6) (7)
Metatron Technologies India Plc	Mumbai (India)		75.00%	(7) (5)

Detailed notes on investments:

(1) Held indirectly through Landi International B.V.

(2) Held indirectly through SAFE&CEC S.r.l.

(3) Held indirectly through SAFE S.p.A., 100% consolidated line-by-line based on the binding commitment to purchase the remaining 10%, which does not include any conditions precedent

(4) Held indirectly through IMW Industries LTD

(5) Held indirectly through Metatron S.p.A.

(6) Company joint venture

(7) Not consolidated as a result of their irrelevance

1.3. LANDI RENZO GROUP FINANCIAL HIGHLIGHTS

(Thousands of Euro)

ECONOMIC INDICATORS FOR THE THIRD QUARTER	Q3 2022	Q3 2021 restated	Change	%
Revenues	71,905	66,596	5,309	8.0%
Adjusted gross operating profit (EBITDA) (1)	2,163	3,077	-914	-29.7%
Gross operating profit (EBITDA)	1,762	2,390	-628	-26.3%
Net operating profit (EBIT)	-2,579	-1,923	-656	
Earnings before taxes (EBT)	-2,812	-2,756	-56	
Net profit (loss) for the Group and minority interests	-3,274	-3,125	-149	
Adjusted gross operating profit (EBITDA) / Revenue	3.0%	4.6%		
Gross operating profit (EBITDA) / Revenue	2.5%	3.6%		
Net profit (loss) for the Group and minority interests / Revenue	-4.6%	-4.7%		

(Thousands of Euro)

ECONOMIC INDICATORS OF THE FIRST NINE MONTHS	30/09/2022	30/09/2021 restated	Change	%
Revenues	216,351	162,558	53,793	33.1%
Adjusted gross operating profit (EBITDA) (1)	8,704	7,555	1,149	15.2%
Gross operating profit (EBITDA)	7,070	5,952	1,118	18.8%
Net operating profit (EBIT)	-5,995	-5,437	-558	
Earnings before taxes (EBT)	-8,873	-71	-8,802	
Net profit (loss) for the Group and minority interests	-9,892	-1,067	-8,825	
Adjusted gross operating profit (EBITDA) / Revenue	4.0%	4.6%		
Gross operating profit (EBITDA) / Revenue	3.3%	3.7%		
Net profit (loss) for the Group and minority interests / Revenue	-4.6%	-0.7%		

(Thousands of Euro)

STATEMENT OF FINANCIAL POSITION	30/09/2022	31/12/2021 restated	30/09/2021 restated
Net fixed assets and other non-current assets	155,856	150,149	151,331
Operating capital (2)	65,311	53,891	55,727
Non-current liabilities (3)	-10,186	-9,964	-9,297
NET INVESTED CAPITAL	210,981	194,076	197,761
Net financial position (4)	100,270	133,493	138,818
Net Financial Position - adjusted (5)	85,395	95,137	99,331
Shareholders' equity	110,711	60,583	58,943
BORROWINGS	210,981	194,076	197,761

(Thousands of Euro)

KEY INDICATORS	30/09/2022	31/12/2021 restated	30/09/2021 restated
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Operating capital / Turnover (rolling 12 months)	22.0%	19.4%	20.3%
Net Financial Position / Shareholders' equity (6)	0.9	2.2	2.4
Adjusted net financial position (5) / Adjusted EBITDA (rolling 12 months)	5.52	6.51	5.46
Personnel (peak)	977	987	1,003

(Thousands of Euro)			
CASH FLOWS	30/09/2022	31/12/2021 restated	30/09/2021 restated
Gross operational cash flow	-6,309	7,390	239
Cash flow for investment activities	-6,260	-8,107	-5,746
Gross FREE CASH FLOW	-12,569	-717	-5,507
Variation in the consolidation area	-30,683	3,575	3,575
Non-recurring expenditure for voluntary resignation incentives	0	-425	-325
Net FREE CASH FLOW	-43,252	2,433	-2,257
Share capital increase (net of expenses incurred)	58,598	0	0
Repayment of leases (IFRS 16)	-2,782	-3,473	-2,302
Overall cash flow	12,564	-1,040	-4,559

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

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

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

(4) The net financial position is calculated in accordance with the provisions of Consob Communication DEM/6064293 of 28 July 2006 as amended (as most recently amended on 5 May 2021, to adopt the new ESMA recommendations 32-232-1138 of 4 March 2021).

(5) Not including the effects of the adoption of IFRS 16 - Leases, the fair value of derivative financial instruments and the remaining payable for the acquisition of Idro Meccanica.

(6) In order to calculate the indicator in question at 30 September 2022, the figures relating to rolling 12-month EBITDA were expressed pro forma taking into consideration the changes in the scope of consolidation over the last 12 months.

The comparative figures as at 31 December 2021 and 30 September 2021 were restated following the completion of the purchase price allocation process of the Metatron Group, consolidated line-by-line starting from August 2021.

1.4. SIGNIFICANT EVENTS DURING THE PERIOD

- In January 2022, SAFE S.p.A., a SAFE&CEC Group company controlled by Landi Renzo S.p.A., acquired 90% of the share capital of Idro Meccanica S.r.l., a leader in the production of technologies and innovative systems for the compression of hydrogen, biomethane and natural gas which includes amongst its customers the main operators in hydrogen production and distribution, and boasts of a full range of products and applications to manage hydrogen compression up to 700 bars; the acquisition of the remaining 10% of the share capital is already contractually established. The total price for the acquisition of 100% of the share capital was Euro 6,400 thousand.
- In February 2022 Landi Renzo S.p.A. completed the acquisition of an additional 23.43% of the share capital of Metatron S.p.A., so it now holds a 72.43% stake in that company. The acquisition is part of a more extensive transaction for the acquisition of 100% of the share capital of Metatron. For the payment of the total consideration to the minority shareholders and Italy Technology Group S.r.l., amounting to Euro 18,062 thousand, Girefin S.p.A., the controlling shareholder of Landi Renzo S.p.A., made a lump-sum amount available to the Company corresponding to the entire amount of the above-mentioned consideration by means of a shareholder loan bearing interest at an annual rate of 1% disbursed in February 2022. Pursuant to the related party transaction procedure adopted by the Company, the above-mentioned shareholder loan should be considered “significant” and, as such, it was submitted for a preventive opinion to the Committee for transactions with related parties, consisting exclusively of independent directors, which expressed its favourable opinion on the Company’s interest in entering into the shareholder loan agreement, as well as the cost effectiveness and fairness of the relative conditions.
- In February 2022, following punctual negotiations with the financing institutions, all credit institutions underwriting the loans provided their consent to the requests made by the parent company Landi Renzo S.p.A., issuing waiver letters with respect to the financial covenants as at 31 December 2021, consent to taking out a new planned subsidised medium/long-term loan finalised in 2022 and, with respect to the loan taken out from a pool of banks in 2019, consent to the deferment of the principal instalment falling due on 31 December 2021, which was rescheduled in an equal amount to the following three instalments falling due on 30 September 2022, 31 December 2022 and 30 June 2023. The above-mentioned waiver letters are expressly subject to the finalisation of the share capital increase of the parent company Landi Renzo S.p.A. to be carried out in an amount of at least Euro 25.4 million, by no later than 30 September 2022. As described below in this half-yearly financial report, the expiry of that condition precedent was subsequently extended by the financial institutions to 30 September 2022, considering the timing required for the completion of the share capital increase mentioned above.
- In March 2022, the Board of Directors approved the new 2022-2025 business plan, which forecasts significant Group growth as a strategic specialist in the biomethane and hydrogen segments, offering products throughout the entire value chain, from compression for injection into the network or transport of biomethane and hydrogen, to compression solutions along the pipeline and for distribution, with a complete range for sustainable gas and hydrogen mobility as well, for the OEM channel (Passenger Cars and Mid & Heavy Duty) as well as the After Market channel.
- Also in March 2022, Chairman Stefano Landi informed the Board of Directors Landi Renzo S.p.A. about the signing by the controlling shareholders of Landi Renzo S.p.A. – Girefin S.p.A. and Gireimm S.r.l., which hold

a total joint investment of 59.1068% of the share capital of Landi Renzo S.p.A. - of a non-binding term sheet with Itaca Equity Holding S.p.A., which lays the foundation for a minority investment in the share capital of Landi Renzo, as a long-term investor, aiming to support the Landi Renzo Group's expansion in the compression and automotive segments. The main shareholder of Itaca Equity Holding S.p.A. is TIP - Tamburi Investment Partners. The transaction calls for a co-investment by the Chief Executive Officer of Landi Renzo S.p.A. Cristiano Musi. Within the new business plan and in order to provide the Group with the necessary financial resources, the Board of Directors approved the proposal to the shareholders' meeting to delegate the Board of Directors pursuant to Article 2443 of the Italian Civil Code to increase the share capital by a maximum of Euro 60 million, indivisible up to Euro 50 million, with the option right, to be paid up by means of contributions in cash and by the voluntary offsetting, pursuant to Article 1252 of the Italian Civil Code, of receivables due to the subscribers from Landi Renzo and to be subscribed by no later than 31 December 2023, proposing that the price for the subscription of the shares be determined as the lower of Euro 0.6 per share and the TERP calculated on the basis of the weighted average stock exchange prices of the Landi Renzo S.p.A. share in the 5 days prior to the date on which the price is set, applying a 15% discount. The share capital increase is guaranteed by the Landi Family and by Itaca Equity Holding S.p.A. up to Euro 50 million, assuming the completion of the transaction between the Landi Family and Itaca Equity Holding. For further details on the continuation of the above-mentioned share capital increase, please refer to the "Share capital increase" section.

- In March 2022, Invitalia (Agenzia Nazionale per l'Attrazione degli Investimenti e lo sviluppo di impresa SpA) disbursed a new loan of Euro 19.5 million in favour of Landi Renzo S.p.A. with a duration of 5 years - of which one year of pre-amortisation - at a facilitated rate, drawn on the Fund Supporting Large Companies in difficulty - art. 37 of Italian Decree-Law no. 41/2021, Italian Interministerial Decree of 5 July 2021 and Italian Executive Decree of 3 September 2021.
- On 28 April 2022, Girefin S.p.A. and Gireimm S.r.l., as majority shareholders of Landi Renzo S.p.A., and Itaca Equity Holding S.p.A. entered into an investment agreement governing the terms and conditions relating to the finalisation of an indirect minority investment of Itaca Equity Holding S.p.A. in Landi Renzo S.p.A., to be carried out through a newly established company (GbD - Green by Definition S.p.A.), aimed at supporting an investment plan by the Landi Renzo Group in the market of systems and components for LPG, CNG, biogas and hydrogen vehicles. The investment agreement establishes that at the transaction closing date, subject to the satisfaction of specific conditions precedent, Girefin S.p.A., Gireimm S.r.l. and Itaca Equity Holding S.p.A. will enter into a shareholders' agreement, which will govern the relationships between the parties following the finalisation of the transaction. After the transaction, Girefin S.p.A. and Gireimm S.r.l. will maintain exclusive de facto and de jure control over the NewCo, which will hold de facto and de jure control over Landi Renzo S.p.A. Furthermore, on the same date, Girefin S.p.A., Gireimm S.r.l. and Itaca Equity Holding S.p.A. and Mr Cristiano Musi, chief executive officer Landi Renzo S.p.A., entered into an investment agreement governing the terms and conditions of the investment of Cristiano Musi in the NewCo, as well as the financial rights incorporated into the special shares of the NewCo that will be subscribed in full and paid up by Cristiano Musi at the closing date, along with several rules on their transfer. In brief, the agreements mentioned above establish: i). The investment agreement concerns, inter alia, (a) the establishment of the NewCo by Girefin S.p.A. and Gireimm S.r.l. in the form of a joint stock company, (b) the contribution in kind to the NewCo, by Girefin S.p.A. and Gireimm S.r.l. of all shares they hold in the share capital of Landi Renzo S.p.A. and therefore, respectively, the 61,495,130 Landi Renzo S.p.A. shares, equal to 54.662% of the share capital, currently corresponding to 122,990,260 voting rights, equal to 68.709% of the voting rights, held by Girefin S.p.A., and the 5,000,000 Landi Renzo S.p.A. shares, equal to

4.444% of the share capital, currently corresponding to 10,000,000 voting rights, equal to 5.587% of the voting rights, held by Gireimm S.r.l., as well as (c) the subscription in cash, by Itaca Equity Holding S.p.A., of an indivisible share capital increase reserved to it in the NewCo, for an amount of up to Euro 39.4 million, inclusive of any share premium. The shareholders' agreement concerns, inter alia, NewCo governance and share transfers, and contains terms and conditions that are significant pursuant to art. 122, paragraphs 1 and 5 of the TUF. The shareholders' agreement concerns the following equity investments: (i) the equity investment which, on finalisation of the transaction, Girefin S.p.A. and Gireimm S.r.l. will hold in the NewCo, overall equal to at least 51% of the relative share capital and (ii) the equity investment which, on finalisation of the transaction, Itaca Equity Holding S.p.A. will hold, directly or indirectly, in the NewCo, in any case not to exceed 49% of the relative share capital. iii. The special shares investment agreement concerns the investment of Cristiano Musi in the NewCo, through the subscription and full payment in cash of an indivisible share capital increase which will be approved by the NewCo and reserved to him, for the amount of Euro 300 thousand.

- On 29 April 2022, the Ordinary Shareholders' Meeting of Landi Renzo S.p.A.:
 - approved the Financial Statements at 31 December 2021 and approved covering the loss for the year of Euro 9,130,903.21 by using the Share premium reserve;
 - appointed the Board of Directors for the 2022-2024 three-year period, consisting of 9 members and led by Chairman Stefano Landi;
 - appointed the Board of Statutory Auditors for the 2022-2024 three-year period;
 - approved the first section of the Report on Remuneration and also expressed its opinion in favour of the second section, approved by the Board of Directors on 29 March 2022 and drafted pursuant to articles 123-ter of Italian Legislative Decree 58/98 and 84-quater of the regulation approved with Consob resolution no. 11971 of 19 May 1999;
 - approved pursuant to article 114-bis of Italian Legislative Decree no. 58 of 24 February 1998 the medium/long-term incentive plan based on the assignment of Landi Renzo S.p.A. ordinary shares.

In extraordinary session, the Shareholders' Meeting also approved the assignment to the Board of Directors of the right, pursuant to article 2443 of the Italian Civil Code, to increase the share capital, in one or more tranches, up to a maximum equivalent value (inclusive of any share premium) of Euro 60 million, by means of the issue of ordinary shares with the same characteristics as those outstanding, to be offered as an option to the shareholders pursuant to article 2441 of the Italian Civil Code, to be freed up by contributions in cash as well as by voluntary offsetting, pursuant to article 1252 of the Italian Civil Code, of receivables due to the subscribers from the Company, to be subscribed in any event by 31 December 2023, with all of the most extensive rights to establish, from time to time, in compliance with the limits set forth above, the methods, terms and conditions of the transaction, including entitlement, without prejudice to the fact that (a) the newly issued ordinary shares will have the same characteristics as those outstanding and will be offered as an option to the shareholders in proportion with the equity investment held, and (b) the newly issued ordinary shares will be offered at the price (inclusive of any share premium) that will be established by the Board of Directors when it exercises the delegation, equal to the lesser between: (i) Euro 0.60 per ordinary share; and (ii) the price per ordinary share to be calculated by applying a 15% discount on the TERP (Theoretical Ex-Right Price) in turn determined on the basis of the weighted average trading price of Landi Renzo ordinary shares in the 5 trading days prior to the date on which the price is set. The share capital increase transaction described above was successfully concluded on 7 September 2022 with the subscription of 98.36% of the available offer. The Board of Directors confirmed Stefano Landi as Executive Chairman, appointed Sergio Iasi as Vice Chairman and confirmed Cristiano Musi as Chief Executive Officer and General Manager.

- In June 2022, Landi Renzo S.p.A. and a pool of lending banks (same counterparties as those disbursing the pool loan taken out on 26 June 2019 and the loan backed by the SACE guarantee taken out on 30 July 2020) entered into two new loan agreements for a total of Euro 73 million, in order to replace the loan backed by the SACE guarantee and extinguish the pool loan. In particular: i) A new loan agreement backed by the SACE guarantee (effective as of 29 June 2022) which, for the same financed amount (Euro 21 million), calls for the deferral of the pre-amortisation period of 24 months and repayment of the final instalment on 31 March 2028; ii) a new pool loan agreement, for a financed amount of Euro 52 million (compared with the remaining Euro 46 million on the current pool loan agreement), which calls for a 24-month pre-amortisation period and repayment of the final instalment of Euro 20.5 million in June 2027. The effectiveness of that agreement is subject to the condition precedent of the performance of the above-mentioned share capital increase by 30 September 2022 in an amount of at least Euro 50 million. The new agreements call for the calculation of financial parameters (NFP/EBITDA) starting from the calculation date of 31 December 2022.
- Also in June 2022, following punctual negotiations with the financing institutions, all credit institutions underwriting the loans provided their consent to the requests made by the parent company Landi Renzo S.p.A., issuing waiver letters with respect to the financial covenants as at 30 June 2022. The above-mentioned waiver letters are expressly subject to the condition of the finalisation of the share capital increase transaction of the parent company Landi Renzo S.p.A., to be carried out in an amount of at least Euro 50 million, by no later than 30 September 2022, de facto extending the expiry of the condition precedent set forth in the waiver letters issued in February 2022, considering the timing required for the completion of the share capital increase transaction by 30 September 2022.
- In July 2022, GbD Green by Definition S.p.A., a shareholder that owns 59.1068% of the share capital of Landi Renzo S.p.A. following the contribution to it by Girefin S.p.A. and Gireimm S.p.A. of the shares they held in Landi Renzo S.p.A., made a subscription commitment for a total maximum amount of Euro 50 million, or its portion of the share capital increase (59.1068% of the amount of the share capital increase, equal to roughly Euro 35.2 million), as well as any option rights that have remained unexercised, up to a maximum amount of around Euro 14.8 million. The subscription commitment, subject to the execution of the share capital increase by 30 September 2022, also established that part of its portion of the share capital increase for roughly Euro 18.1 million would be subscribed and executed by means of the voluntary set-off pursuant to article 1252 of the Italian Civil Code of the receivable due from Landi Renzo S.p.A., deriving from the shareholder loan disbursed by Girefin S.p.A. in an equal amount, for the payment of part of the consideration paid to the minority shareholders and Italy Technology Group S.r.l., and subject to transfer by Girefin S.p.A. to GbD Green by Definition S.p.A.
- Also in July 2022, the Landi Renzo S.p.A. Board of Directors approved the terms, final conditions and calendar of the paid share capital increase, on the basis of the criteria set by the Extraordinary Shareholders' Meeting of 29 April 2022 and in light of several adjustments made for technical reconciliation purposes, in a total maximum amount of Euro 59,625,000 (of which Euro 11,250,000.00 for the share capital increase and Euro 48,375,000.00 for the share premium) by issuing up to 112,500,000 ordinary shares, with a nominal value of Euro 0.10, and with regular dividend entitlement, to be offered under option to the shareholders at the ratio of 1 new share for every 1 ordinary share held, at a unit issue price of Euro 0.53, including the share premium. The option price of the new shares was determined by the Board of Directors by applying, on the basis of the resolution of the Extraordinary Shareholders' Meeting of 29 April 2022, as well as, for technical reconciliation reasons, a discount of 16.09% on the theoretical ex right price (TERP) of the Landi Renzo S.p.A. ordinary shares, calculated in accordance with current methodologies on the basis of the weighted

average trading price of Landi Renzo ordinary shares in the 5 previous trading days, i.e., 4 July 2022 to 8 July 2022.

- On 13 July 2022, Consob approved - with note no. 0458563/22 of 13 July 2022 - the EU Recovery Prospectus relating to the offer under option and the admission to trading on the Euronext STAR Milan market organised and managed by Borsa Italiana S.p.A. of Landi Renzo shares deriving from the paid share capital increase, for a total maximum amount of Euro 59,625,000, approved by the Extraordinary Shareholders' Meeting of 29 April 2022.
- In July, FPT Industrial, an Iveco Group company dedicated to designing, manufacturing and selling alternative engines and powertrains for all industrial vehicles, and Landi Renzo S.p.A., a global leader in the natural gas, biomethane and hydrogen sustainable mobility and infrastructure segment, announced that they had jointly developed the Hythane On-Board Blending - OBB - system, an innovative solution capable of mixing hydrogen and methane – called Hythane or hydromethane – directly inside the vehicle. This system, based on a cutting edge and innovative “dual rail” concept and a special regulation device, is able to guarantee a further abatement in CO2 emissions compared to natural gas and diesel (-10% compared to natural gas and -20% compared to diesel) by exploiting the layout of the natural gas engine, while ensuring equal performance and efficiency. Hythane is a “ready now” solution which has the potential of providing a second life to urban and suburban bus fleets as well as short and medium range natural gas engine vehicles, extending engine life and reducing emissions. Landi Renzo S.p.A. in particular created an advanced dual rail mixer containing both CNG and hydrogen injectors, controlled by an integrated control unit totally designed in house; the gas fuelling system is equipped with Landi Renzo pressure regulators for natural gas and hydrogen. The new system can be used in both CNG (Compressed Natural Gas) and LNG (Liquefied Natural Gas) applications, offering users the advantage of being able to obtain the optimal ratio between hydrogen and CNG depending on operating conditions. The project was developed on the basis of a Memorandum of Understanding signed by FPT Industrial and Landi Renzo S.p.A. last year, for the development of complete, efficient solutions for increasingly sustainable mobility aiming to facilitate the introduction of hydrogen in the transport sector. Landi Renzo S.p.A. handled the development of the entire hydrogen system, from storage on board the vehicle until injection, including the electronic control of the hydrogen system.
- During the offer under option period, which concluded on 4 August 2022, a total of 107,781,064 option rights were exercised, valid for the subscription of 107,781,064 new shares, equal to roughly 95.805% of the total of new shares, for a total equivalent value of Euro 57,124 thousand. Therefore, 4,718,936 option rights were not exercised, relating to the subscription of 4,718,936 new shares, corresponding to roughly 4.195% of the total of new shares offered, for a total equivalent value of around Euro 2,501,036.08. The company GbD Green by Definition S.p.A., a subsidiary of the Landi Trust, subscribed its portion of the capital increase (equal to around 59.1068%) pursuant to the subscription commitment it had made, for a total equivalent value of roughly Euro 35.2 million, for around Euro 17.1 million by means of a contribution in cash and, for around Euro 18.1 million, by means of voluntary offsetting.
- On 6 September 2022, during the offer of non-exercised rights, all 4,718,936 option rights were sold, relating to the subscription of 4,718,936 new Landi Renzo S.p.A. ordinary shares, corresponding to approximately 4.195% of the total new shares offered in connection with the share capital increase, against which on 7 September 2022 2,874,208 newly issued Landi Renzo S.p.A. ordinary shares resulting from the exercise of the non-exercised rights were subscribed, for an equivalent value of Euro 1,523 thousand. Therefore, a total

of 110,655,272 newly issued shares were subscribed, equal to roughly 98.360% of the shares offered as part of the share capital increase, for a total equivalent value of Euro 58,647 thousand. As set forth in the resolution of the Shareholders' Meeting of the Company of 29 April 2022, the Board of Directors is entitled to decide how to place the remaining up to 1,844,728 newly issued shares resulting from the share capital increase, to be subscribed by 31 December 2023.

- In September 2022, Landi Renzo S.p.A. finalised the acquisition of 100% of the share capital of Metatron S.p.A. by paying Euro 7,374 thousand, consideration for the remaining 27.57% of the shares of Metatron S.p.A.
- On 15 September 2022, after GbD Green by Definition S.p.A. expressed its interest in subscribing all residual shares, the Board of Directors approved their placement with GbD Green by Definition S.p.A. at a subscription price per share equal to that at which the shares were offered during the share capital increase (i.e., Euro 0.53 per share, inclusive of the share premium). This resolution was passed with the favourable opinion of the Committee for Transactions with Related Parties. After the remaining 1,844,728 shares were subscribed on 19 September 2022, the share capital increase was therefore fully subscribed.

2. DIRECTORS' OBSERVATIONS ON BUSINESS PERFORMANCE

In October, Landi Renzo S.p.A. experienced a cyber attack which made several company servers temporarily and partially unavailable. The Company promptly set up a task force of experts which performed accurate and detailed analyses relating to the characteristics of the attack, confirming the complete integrity of the backup systems and taking a series of coordinated actions to fully reinstate all priority company activities while limiting its potential impact. The Group immediately informed all applicable institutional offices of the event and took the necessary measures to protect the interests of the company, implementing the required actions to remediate the cyber attack, protect the data of customers, suppliers, employees and collaborators and also prevent the occurrence of similar events in the future.

For precautionary reasons, the Company thus decided to postpone the approval of its third quarter financial statements to 30 November 2022.

Reference context

The green revolution, the energy transition and sustainable mobility are increasingly at the heart of the policies of governments all over the world, which are committed to engaging in a global effort against climate change, aimed at reducing the effects of global warming by seeking out new energy and socioeconomic models which, through a structural process, allow for the use of greener energy sources. Governments are placing a greater focus on the production of energy from renewable sources, including biomethane, and on policies for investments in hydrogen, as a means for favouring clean energy generation and storage. In particular, the REPowerEU Plan and the US Inflation Reduction Act rely significantly on hydrogen and biomethane as sources for the energy transition, with a series of investment support measures. Similar policies were adopted in Asia (first and foremost in China), while India continues to focus significantly on natural gas as an energy source for its transition towards cleaner energy.

The Group's "green" mission fits well within this context. Indeed, the Landi Renzo Group is present throughout the value chain for the distribution of natural gas, biomethane and hydrogen, designing and distributing systems for the compression of those gases from the "post-generation" phase to fuel supply stations ("Clean Tech Solutions" sector), and in the green mobility sector by designing, developing and marketing components for vehicles (passenger cars, light commercial vehicles or Mid & Heavy Duty vehicles) fuelled by natural gas, biomethane, liquefied natural gas (LNG), LPG or hydrogen ("Green Transportation" sector).

Over the last few years, the Landi Renzo Group has laid the bases to become a strategic leader in its business segments by offering value added solutions for its customers, also thanks to the investments it has made in the Green Transportation (green mobility) segment - with the acquisition of the Metatron Group in August 2021, which made it possible to strengthen the Group's presence in the OEM (Mid & Heavy Duty) segment and in the "hydrogen" segment - as well as in the Clean Tech Solutions (infrastructure) segment, with the acquisition in January 2022 of Idro Meccanica S.r.l., a leader in the production of innovative hydrogen, biomethane and natural gas compression technologies and systems. These transactions have enabled the Group to access innovative and cutting-edge product portfolios for biomethane and hydrogen solutions as well.

Performance in the first nine months of 2022

The first nine months of 2022 were characterised by a general situation of uncertainty caused by the conflict between Russia and Ukraine and the slowdown in the Chinese market resulting from the continuing effects of COVID and the significant sales reduction in heavy vehicles (from buses to heavy duty vehicles) sold. Specifically, the reduction in gas supplies from Russia to European countries as retaliation for the sanctions imposed by those countries following

the invasion of Ukraine has led to a serious energy crisis with effects on the cost of living and the cost of producing both food and industrial products, as well as a persistent increase in the prices of natural gas and LNG, particularly in Europe. The resulting inflationary pressures triggered direct effects on demand, particularly for durable goods, and an exacerbation of financial market conditions following central bank actions on interest rates, aimed at controlling this inflationary push. Furthermore, the stronger US dollar is generating new market challenges by increasing the costs of imported goods.

In addition, procurement difficulties continued – and to a certain extent expanded – due particularly to shortages of electronic components (especially semiconductors) and all components/pre-assembled parts (such as electric engines), alongside issues deriving from the rising cost of raw materials first and then energy as well, which significantly impacted the Landi Renzo Group supply chain.

In any event, it is necessary to note that at the same time, appealing positive trends were observed in terms of demand in certain geographical areas, in the Green Transportation segment as well as in Clean Tech Solutions, where significant growth was seen in demand for hydrogen compression solutions for “post-generation” applications as well as the distribution of refuelling stations. The economic and financial results of the main subsidiaries in the Green Transportation segment, and in part in the Clean Tech Solutions segment, were influenced by that economic situation which - particularly in Europe - impacted margins especially due to increases in the cost of raw materials not transferred to customers and production delays caused by supply chain issues, with difficulties in completing projects which influenced the increase in inventories, and particularly work in progress on orders (covered in full by orders).

In this context, in the first nine months of 2022 Landi Renzo Group performance was characterised by varying trends depending on business segment. Despite the scarcity of microchips and other electronic components, which generated temporary closures in the production facilities of our main OEM customers, the consolidated revenues of the Green Transportation segment amounted to Euro 141,235 thousand (inclusive of Euro 10,412 thousand linked to the Metatron Group), up by 17.9% compared with the first nine months of the previous year.

In particular, with reference to the OEM channel, the trends observed vary depending on the type of application and the geographical area. While demand for LPG vehicle components has continued to grow in Europe (with new LPG vehicle sales up compared with the first nine months of the previous year), new natural gas vehicle registrations have marked negative growth, also due to the price of natural gas at the pump, which has discouraged purchases.

As concerns Mid & Heavy Duty applications, on one hand, demand for gas-fuelled (both CNG and LNG) vehicle components declined in Europe, and on the other hand there was growth in the US market, demand in China (main manufacturer of Mid & Heavy Duty engines) was instead heavily impacted by the lockdowns imposed in the course of the first quarter, which affected heavy duty vehicle sales, as well as the persistence of the increase in LNG prices, with a drop of roughly 60% in registrations of new heavy duty cargo vehicles, as well as the continued increase in LNG prices. In any event, however in the Chinese market the penetration of gas-fuelled vehicles basically remained at around 6-7% of sales.

Requests received by the Group for estimates for hydrogen components remained high, in Europe as well as in the United States and China, bearing witness to the strong interest in innovative Group products in a segment with high growth potential.

With regard to the After Market channel, demand for systems and components grew, particularly in Europe, where the cost differential for the use of LPG is particularly advantageous with respect to petrol and diesel.

As regards the Clean Tech Solutions segment, the trend in demand for compression systems continues to be highly promising. Consolidated revenues of that segment amounted to Euro 75,116 thousand as at 30 September 2022 (inclusive of Euro 3,679 thousand relating to Idro Meccanica S.r.l.), up by 13.3% compared with the first nine months of 2021 pro forma (Euro 66,295 thousand), or including in the above-mentioned turnover the months from January to

April 2021 of the SAFE&CEC Group, not subject to line-by-line consolidation in the previous year. While demand for compression systems at fuel stations did not rise in Europe, growth has been observed in demand for compressors for the injection of biomethane into the grid ("grid injection"), used throughout the value chain, as well as hydrogen compression solutions. On the other hand, difficulties in obtaining electrical components and containers slowed production capacity, with a negative impact on the completion of orders and on growth in working capital. Raw material prices also had an impact on profit margins, which however remained positive, but down compared with the year 2021, with an effect of roughly two percentage points in terms of pro forma adjusted margins.

India continues to be one of the countries in which gas mobility, for the Green Transportation segment as well as the Clean Tech Solutions segment, will develop over the coming years at a more sustained pace, thanks to Indian government policies for the development of natural gas-based sustainable mobility. In this context, Krishna Landi Renzo, an Indian joint venture consolidated with the equity method, continued to increase its sale volumes to a leading Indian OEM customer in the first nine months of 2022, recording revenue of Euro 26.1 million, up by over 80% compared with 30 September 2021.

The highly positive result of the share capital increase demonstrates how, despite the period of strong uncertainty, the financial markets believe in the solidity of the business model of Landi Renzo and its role as a key player in the global energy transition process, thanks to a robust and credible business plan, which bets on the fundamental role to be played by gas, biomethane and hydrogen.

At the end of the share capital increase transaction, a total of 110,655,272 newly issued shares were therefore subscribed, equal to roughly 98.36% of the shares offered as part of the share capital increase, for a total equivalent value of Euro 58,647 thousand. Furthermore, in keeping with what was set forth in the Extraordinary Shareholders' Meeting resolution of 29 April 2022, in light of the interest demonstrated by GbD Green by Definition S.p.A. in subscribing all residual shares, on 15 September 2022 the Board of Directors approved their placement with GbD Green by Definition S.p.A. at a subscription price per share equal to that at which the shares were offered during the share capital increase, i.e., Euro 0.53 (including the share premium). Pursuant to the related party transaction procedure, this resolution was passed with the favourable opinion of the Committee for Transactions with Related Parties. On 19 September 2022, GbD Green by Definition S.p.A. therefore subscribed the remaining shares in their entirety; following that subscription, the share capital increase was thus fully subscribed.

Also in this context and in order to further strengthen the Group's financial structure and make it more consistent with the flows expected from the 2022-2025 Business Plan, in June 2022 two new loan agreements were entered into, namely:

- a new loan agreement backed by the SACE guarantee (effective as of 29 June 2022) which, for the same financed amount (Euro 21 million), calls for the deferral of the pre-amortisation period of 24 months and repayment of the final instalment on 31 March 2028;
- a new pool loan agreement, for a financed amount of Euro 52 million (compared with the remaining Euro 46 million on the previous pool loan agreement), which calls for a 24-month pre-amortisation period and repayment of the final instalment of Euro 20.5 million in June 2027.

The new agreements call for the calculation of financial parameters (NFP/EBITDA) starting from the calculation date of 31 December 2022.

Please also note that, consistent with its strategic plan, the Group has launched a significant management strengthening programme, with the entry in August of a new Group COO, and the planned entry in the fourth quarter of other top managers to reinforce the current management team.

2.1. PERFORMANCE AND NOTES ON THE MAIN CHANGES IN THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2022

As illustrated in the Annual Financial Report as at 31 December 2021, during the previous year the following transactions took place:

- in April 2021, Landi Renzo S.p.A. and Clean Energy Fuels Corp entered into an agreement to amend the shareholders' agreements of the investee company SAFE&CEC S.r.l. (consolidated until that date with the equity method) which granted increased decision-making autonomy to Landi Renzo S.p.A., allowing it to exercise control over SAFE&CEC S.r.l and resulting in its line-by-line consolidation as of May 2021, as the assumptions for the acquisition of control as set forth in the international accounting standards (IFRS 10) were met;
- in August 2021, Landi Renzo S.p.A. completed the acquisition of 49% of the share capital of Metatron S.p.A., a company with registered office in Castel Maggiore (BO) and an international leader in alternative fuel solutions for Mid & Heavy Duty vehicles, from Italy Technology Group S.r.l., the majority shareholder of Metatron S.p.A. This acquisition was part of a broader transaction intended to acquire the remaining 51% of the share capital of Metatron S.p.A. from Italy Technology Group S.r.l. and the other current shareholders as well, enabling Landi Renzo S.p.A. to acquire 100% of Metatron S.p.A. Given the absence of conditions precedent on the commitment to purchase the remaining 51% and taking into account the governance system contractually defined by the parties, which inter alia allowed for the appointment by Landi Renzo S.p.A. of 3 out of the 5 members of the Board of Directors, the results of the Metatron Group were fully consolidated starting from August 2021, as the requirements for the acquisition of control established by the international accounting standards (IFRS 10) were met.

Furthermore, in January 2022, SAFE S.p.A. acquired 90% of the share capital of Idro Meccanica S.r.l., a leader in the production of technologies and innovative systems for the compression of hydrogen, biomethane and natural gas, which boasts of a full range of products and applications to manage hydrogen compression up to 700 bars. The total price for the acquisition of 100% of the share capital, which already contractually establishes the acquisition of the remaining 10% of the share capital, was Euro 6,400 thousand.

Following the change in the scope of consolidation, due to the line-by-line consolidation as of May 2021 of the results of the SAFE&CEC Group and as of August 2021 of the results of the Metatron Group and the consolidation as of January 2022 of Idro Meccanica S.r.l., the consolidated profit and loss as at 30 September 2022 is not directly comparable with that of the same period of the previous year.

The following table sets out the main economic indicators of the Group for the first nine months of 2022 compared with the same period in 2021.

(Thousands of Euro)	30/09/2022				30/09/2021 restated			
	Green Transportation	Clean Tech. Solutions	Adjustments	Landi Renzo Consolidated	Green Transportation	Clean Tech. Solutions	Adjustments	Landi Renzo Consolidated
Net sales outside the Group	141,235	75,116		216,351	119,831	42,727		162,558
Intersegment sales	261		-261	0	189		-189	0
Total Revenues from net sales and services	141,496	75,116	-261	216,351	120,020	42,727	-189	162,558

Other revenues and income	417	165	582	1,310	258	1,568		
Operating costs	-137,491	-70,999	261	-208,229	-118,529	-38,231	189	-156,571
Adjusted gross operating profit	4,422	4,282	0	8,704	2,801	4,754	0	7,555
Non-recurring costs	-1,410	-224	-1,634	-1,333	-270	-1,603		
Gross operating profit	3,012	4,058	0	7,070	1,468	4,484	0	5,952
Amortisation, depreciation and impairment	-10,949	-2,116	-13,065	-10,343	-1,046	-11,389		
Net operating profit	-7,937	1,942	0	-5,995	-8,875	3,438	0	-5,437
Financial income			988			150		
Financial expenses			-5,484			-3,081		
Exchange gains (losses)			1,128			-690		
Income (expenses) from equity investments			-288			8,768		
Income (expenses) from joint ventures measured using the equity method			778			219		
Profit (loss) before tax			-8,873			-71		
Taxes			-1,019			-996		
Net profit (loss) for the Group and minority interests, including:			-9,892			-1,067		
Minority interests			223			829		
Net profit (loss) for the Group			-10,115			-1,896		

The comparative figure as at 30 September 2021 was restated following the completion of the purchase price allocation process of the Metatron Group, consolidated line-by-line starting from August 2021.

Consolidated revenues for the first nine months of 2022 totalled Euro 216,351 thousand, increasing by Euro 53,793 thousand (+33.1%) compared with the same period of the previous year. On a like-for-like basis, the increase in consolidated revenues was +11,4% compared with the first nine months of 2021.

Costs of raw materials, consumables and goods and changes in inventories increased overall from Euro 101,648 thousand at 30 September 2021 to Euro 134,846 thousand at 30 September 2022, influenced by the change in the scope of consolidation described above as well as the international increase in prices of raw materials and electronic components.

The costs of services and use of third-party assets amounted to Euro 39,455 thousand, compared with Euro 29,879 thousand in the first nine months of the previous year. Costs for services and use of third party assets as at 30 September 2022 are inclusive of non-recurring expenses relating to strategic consulting (Euro 722 thousand).

Personnel costs rose from Euro 24,473 thousand as at 30 September 2021 to Euro 32,368 thousand as at 30 September 2022, primarily as a result of the change in the scope of consolidation. The Group had a total of 977 employees, including 365 relating to the SAFE&CEC Group and 93 relating to the Metatron Group.

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

Allocations, write-downs and other operating expenses totalled Euro 3,194 thousand (Euro 2,174 thousand as at 30 September 2021), up due to the change in the scope of consolidation as well as:

- provisions for warranties, directly linked to turnover trends;

- the provision for bad debts (Euro 710 thousand), of which Euro 454 thousand prudential and non-recurring, recognised by the management on the Group's receivables due from Russian and Ukrainian customers, considering the most recent developments in the conflict;
- the provision for customer penalties (Euro 323 thousand), recognised by the management for disputes received from a South American customer on delivery delays not attributable to the Group.

The adjusted Gross Operating Profit (EBITDA) was Euro 8,704 thousand as at 30 September 2022, compared with Euro 7,555 thousand in the same period of the previous year, while the Gross Operating Profit (EBITDA) was Euro 7,070 thousand (Euro 5,952 thousand as at 30 September 2021), inclusive of non-recurring costs of Euro 1,634 thousand (Euro 1,603 thousand as at 30 September 2021).

(Thousands of Euro)	30/09/2022	30/09/2021 restated	Change
NON-RECURRING COSTS			
Strategic consultancy	-722	-1,065	343
Extraordinary accruals - Ukraine and Russia	-454	0	-454
Customer penalties for delivery delays	-323	0	-323
Personnel for voluntary resignation incentives	0	-325	325
Medium/long-term performance bonus	0	-151	151
Other extraordinary costs	-135	-62	-73
Total	-1,634	-1,603	-31

The Group's management has activated a boost programme to improve margins. In particular:

- in the Green Transportation segment:
 - (i) in the OEM channel, negotiations are under way with the main customers in order to recoup higher costs and adapt sale price lists;
 - (ii) in the After Market channel, cost monitoring and the relative price list updating continues, as already took place in the first nine months of 2022;
- in the Clean Tech Solutions segment, working on orders, the prices of new offers were updated on the basis of the new prices in force in the market, but actions were also initiated in order to recoup higher costs from customers.

Activities are also under way in order to:

- reduce and limit purchase and production costs, through "make or buy" assessments and evaluations concerning the standardisation of the main system components, particularly in the Clean Tech Solutions segment;
- identify additional efficiencies in operations management across the various business areas, also through a digitalisation plan;
- accelerate the integration of newly-acquired companies, which will trigger both fixed and variable cost reductions.

The Net Operating Profit (EBIT) for the period was negative at Euro 5,995 thousand (negative and equal to Euro 5,437 thousand at 30 September 2021), after accounting for amortisation, depreciation and impairment of Euro

13,065 thousand (Euro 11,389 thousand at 30 September 2021), of which Euro 2,626 thousand due to the application of IFRS - 16 Leases (Euro 2,123 thousand at 30 September 2021).

Total financial expenses (interest income, interest charges and exchange rate differences) amounted to Euro 3,368 thousand (Euro 3,621 thousand as at 30 September 2021) and include positive exchange effects of Euro 1,128 thousand (negative and equal to Euro 690 thousand as at 30 September 2021).

Financial expenses alone, amounting to Euro 5,484 thousand, rose compared with the same period of the previous year (Euro 3,081 thousand) following the change in the scope of consolidation as well as due to:

- the recognition of the new SACE-backed loan agreement entered into on 29 June 2022 in accordance with the provisions of IFRS 9. This agreement, in an equal amount (Euro 21 million) and entered into with the same banking counterparties as the previous agreement, replaces the previous loan agreement guaranteed by SACE (signed on 30 July 2020) and calls for a deferral of the pre-amortisation period of 24 months and the repayment of the final instalment on 31 March 2028. The valuation of this transaction in accordance with the dictates of that standard entailed the recognition of notional financial expenses in the income statement totalling Euro 843 thousand as at 30 September 2022, the effective date of the transaction, with ensuing positive economic effects on subsequent years.
- The early repayment of the pool loan agreement for the residual amount of Euro 46 million, entered into in 2019 after the new pool loan of EUR 52 million was taken out on 29 June 2022, the effectiveness of which was subject to the completion of the share capital increase by the end of September 2022. The residual amount of the expenses accounted for at amortised cost at the repayment date of that loan was released to the income statement (Euro 231 thousand).

Financial expenses, amounting to Euro 988 thousand, are inclusive of Euro 912 thousand relating to the release to the income statement of the cash flow hedge reserve relating to the previous pool loan which, as mentioned previously, was subject to early repayment on 23 September 2022. As the hedged element was eliminated, as of that date the cash flow hedge reserve was reversed to the income statement.

Expenses attributable to equity investments are connected to the write-down of Metatron Technologies India Plc, due to its economic results as well as the valuation of the repurchase option on the minority interests of Metatron Control System Shanghai.

The first nine months of 2022 closed with a pre-tax loss (EBT) of Euro 8,873 thousand. As at 30 September 2021, there was a pre-tax loss (EBT) of Euro 71 thousand, inclusive of income from the business combination of Euro 8,783 thousand, deriving from the line-by-line consolidation starting from April 2021 of the SAFE&CEC Group, previously consolidated with the equity method.

The net result of the Group and minority interests as at 30 September 2022 showed a loss of Euro 9,892 thousand compared with a Group and minority interest loss of Euro 1,067 thousand as at 30 September 2021, inclusive of the income from the business combination of Euro 8,783 thousand described above.

SEGMENT REPORTING

The management has identified two operating segments ("Cash Generating Units" or "CGUs") in which the Landi Renzo Group operates, or:

- The **Green Transportation** segment, referring primarily to the design, manufacture and sale through the OEM and After Market channels of mechanical and electronic systems and components for the use of automotive gas (CNG - Compressed Natural Gas, LNG – Liquid Natural Gas, LPG, RNG – Renewable Natural Gas and hydrogen) as well as, to a lesser extent, anti-theft alarms. This segment mainly includes the Landi Renzo, Metatron, AEB, Lovato and Med brands.
- The **Clean Tech Solutions** segment, referring to the design and manufacture of compressors for the processing and distribution of gas (CNG, RNG and Hydrogen) as well as operations in the Oil&Gas market. The broad range of SAFE&CEC Group products makes it possible to satisfy multiple market requirements for the construction of automotive CNG, RNG and hydrogen distribution stations. Since January 2022, the Clean Tech Solutions sector also includes the results of Idro Meccanica S.r.l., a leader in the production of technologies and innovative systems for the compression of hydrogen, biomethane and natural gas.

Breakdown of sales by business segment

Third quarter 2022 compared to third quarter 2021

(Thousands of Euro)						
Distribution of revenues by segment	Q3 2022	% of revenues	Q3 2021 restated	% of revenues	Change	%
Green Transportation segment	47,387	65.9%	42,890	64.4%	4,497	10.5%
Clean TechSolutions	24,518	34.1%	23,706	35.6%	812	3.4%
Total revenues	71,905	100.0%	66,596	100.0%	5,309	8.0%

First nine months 2022 compared to first nine months 2021

(Thousands of Euro)						
Distribution of revenues by segment	30/09/2022	% of revenues	30/09/2021 restated	% of revenues	Change	%
Green Transportation segment	141,235	65.3%	119,831	73.7%	21,404	17.9%
Clean TechSolutions	75,116	34.7%	42,727	26.3%	32,389	75.8%
Total revenues	216,351	100.0%	162,558	100.0%	53,793	33.1%

As at 30 September 2022, the Green Transportation segment revenues included revenues earned by the Metatron Group equal to Euro 10,412 thousand, while those of the Clean Tech Solutions segment include revenues earned by Idro Meccanica of Euro 3,679 thousand. As illustrated previously, revenues in the first nine months of 2021 include the results of the SAFE&CEC Group limited to the months of May and September, as it has been consolidated line by line by the Landi Renzo Group since May.

Breakdown of sales by geographical area

Third quarter 2022 compared to third quarter 2021

(Thousands of Euro)

Geographical distribution of revenues	Q3 2022	% of revenues	Q3 2021 restated	% of revenues	Change	%
Italy	8,347	11.6%	6,994	10.5%	1,353	19.3%
Europe (excluding Italy)	31,864	44.3%	29,991	45.0%	1,873	6.2%
America	14,821	20.6%	10,586	15.9%	4,235	40.0%
Asia and Rest of the World	16,873	23.5%	19,025	28.6%	-2,152	-11.3%
Total	71,905	100.0%	66,596	100.0%	5,309	8.0%

First nine months 2022 compared to first nine months 2021

(Thousands of Euro)

Geographical distribution of revenues	At 30/09/2022	% of revenues	At 30/09/2021 restated	% of revenues	Change	%
Italy	25,469	11.8%	17,954	11.0%	7,515	41.9%
Europe (excluding Italy)	96,201	44.5%	77,045	47.4%	19,156	24.9%
America	45,055	20.8%	22,702	14.0%	22,353	98.5%
Asia and Rest of the World	49,626	22.9%	44,857	27.6%	4,769	10.6%
Total	216,351	100.0%	162,558	100.0%	53,793	33.1%

Regarding the geographical distribution of revenues, during the first nine months of 2022 the Group realised 88.2% (89% at 30 September 2021) of its consolidated revenues abroad (44.5% in Europe and 43.7% outside Europe).

Profitability

Green Transportation operating segment performance

(Thousands of Euro)

GREEN TRANSPORTATION	30/09/2022	30/09/2021 restated	Changes	%
Net sales outside the Group	141,235	119,831	21,404	17.9%
Intersegment sales	261	189	72	38.1%
Total Revenues from net sales and services	141,496	120,020	21,476	17.9%
Other revenues and income	417	1,310	-893	-68.2%
Operating costs	-137,491	-118,529	-18,962	16.0%
Adjusted gross operating profit (EBITDA)	4,422	2,801	1,621	57.9%
Non-recurring costs	-1,410	-1,333	-77	5.8%
Gross operating profit (EBITDA)	3,012	1,468	1,544	105.2%
Amortisation, depreciation and impairment	-10,949	-10,319	-630	6.1%
Net operating profit (EBIT)	-7,937	-8,851	914	-10.3%
Adjusted EBITDA margin	3.1%	2.3%		
EBITDA margin	2.1%	1.2%		

Revenues from sales in the Green Transportation segment as at 30 September 2022 amounted to Euro 141,235 thousand (inclusive of revenues of Euro 10,412 thousand of the Metatron Group), up by Euro 21,404 thousand (+17.9%) thanks to the recovery of the After Market channel in Latam and Europe, as well as increasing orders from a leading OEM customer.

The persistence of logistics sector difficulties, raw material (particularly semiconductor) shortages and increasing energy costs, as well as the climate of uncertainty deriving from the continuing Russia-Ukraine conflict, are continuing to influence the results of components manufacturers throughout the supply chain. This market situation continues to result in increases in the list prices of materials and difficulties in fulfilling outstanding orders.

Group sales in the OEM channel, inclusive of the contribution of the Metatron Group, amounted to Euro 74.1 million, up by 32.1% compared with 30 September 2021, due to the change in the scope of consolidation as well as consistent orders from a major OEM customer, which is focusing on LPG bifuel engines to develop its “green” product range, and turnover growth for Mid & Heavy Duty components in the United States.

Sales in the After Market channel, amounting to Euro 67.1 million (+5% compared with 30 September 2021), relate to orders from distributors and authorised installers, both domestic and foreign, and rose mainly due to the recovery in the European area.

In the After Market channel, after continued updating of sale price lists, margins remained stable with respect to the previous year. On the other hand, in the OEM channel margins are down, linked primarily to the difficulty of adjusting customer price lists to account for the increase in component and raw material prices, only in part offset by improved sales margins on Mid-Heavy Duty components. In any event, negotiations are under way with the main OEM customers in order to adapt sale price lists and the extra-costs recognition.

A breakdown of revenues from sales in the Green Transportation segment by geographical area is provided below.

(Thousands of Euro)						
GREEN TRANSPORTATION	At 30/09/2022	% of revenues	At 30/09/2021 restated	% of revenues	Changes	%
Italy	18,654	13.2%	15,015	12.5%	3,639	24.2%
Europe (excluding Italy)	69,074	48.9%	63,630	53.1%	5,444	8.6%
America	22,227	15.7%	15,127	12.6%	7,100	46.9%
Asia and Rest of the World	31,280	22.1%	26,059	21.7%	5,221	20.0%
Total	141,235	100.0%	119,831	100.0%	21,404	17.9%

Italy

Bucking the new vehicle registration trend (-15.9% according to data from UNRAE - Association of foreign car makers operating in Italy), Group sales in the Italian market grew compared with the same period of the previous year (+24.2%), primarily thanks to the recovery in demand in the After Market channel. The strong increase in CNG prices at the pump had a negative effect on CNG vehicle registrations, offset by the increase in LPG vehicle registrations. Overall, in the first nine months of 2022, gas-fuelled (CNG and LPG) vehicle registrations represented more than 9% of total vehicles registered.

Europe

The rest of Europe represents 48.9% of total sales (53.1% in the first nine months of 2021) and is up 8.6% thanks to considerable orders from a major OEM customer, which is basing the development of its “green” product line on LPG bifuel engines, as well as the recovery of the After Market channel.

America

Sales in the first nine months of 2022 on the American continent, amounting to Euro 22,227 thousand (Euro 15,127 thousand at 30 September 2021), marked an increase of 46.9% thanks to the positive performance of the Latam area, in the After Market channel, and the United States for OEM Mid & Heavy Duty components.

Asia and Rest of the World

The Asian and Rest of the World markets, amounting to 22.1% of total revenue (21.7% in the first nine months of 2021) rose by 20% thanks to the positive performance of the Asian and North African markets.

Profitability

(Thousands of Euro)

GREEN TRANSPORTATION	Q3 2022	Q2 2022	Q1 2022	30/09/2022	Q3 2021	Q2 2021	Q1 2021	30/09/2021 restated
Revenues	47,387	47,552	46,296	141,235	42,890	43,682	33,259	119,831
Adjusted gross operating profit (EBITDA)	1,107	1,988	1,327	4,422	1,060	1,233	508	2,801
% of revenues	2.3%	4.2%	2.9%	3.1%	2.5%	2.8%	1.5%	2.3%
Gross operating profit (EBITDA)	820	1,645	547	3,012	477	634	357	1,468
% of revenues	1.7%	3.5%	1.2%	2.1%	1.1%	1.5%	1.1%	1.2%
Net operating profit (EBIT)	-2,809	-2,076	-3,052	-7,937	-3,202	-2,694	-2,979	-8,875
% of revenues	-5.9%	-4.4%	-6.6%	-5.6%	-7.5%	-6.2%	-9.0%	-7.4%
Change in Revenues compared with the previous year	4,497	3,870	13,037	21,404				
Change %	10.5%	8.9%	39.2%	17.9%				

In the first nine months of 2022, the adjusted Gross Operating Profit (EBITDA) of the Green Transportation segment, net of non-recurring costs of Euro 1,410 thousand, was positive at Euro 4,422 thousand, equivalent to 3.1% of revenues, up compared with the same period of the previous year (Euro 2,801 thousand, equal to 2.3% of revenues and net of non-recurring costs of Euro 1,333 thousand).

The third quarter of 2022 recorded a decline in terms of economic results compared with the previous quarter as a result of a different sales mix, with a greater incidence of sales in the OEM channel as well as the increase in cost of raw materials.

The adjusted Gross Operating Profit (EBITDA) of the Green Transportation segment includes non-recurring provisions of Euro 454 thousand due to the write-down of receivables due from Russian and Ukrainian customers, as well as the provisions recognised for penalties due to delivery delays not directly attributable to Landi Renzo for Euro 323 thousand.

Clean Tech Solutions operating segment performance

(Thousands of Euro)

CLEAN TECH SOLUTIONS	30/09/2022	30/09/2021 restated	Changes	%
Net sales outside the Group	75,116	42,727	32,389	75.8%
Intersegment sales	0	0	0	0.0%
Total Revenues from net sales and services	75,116	42,727	32,389	75.8%
Other revenues and income	165	258	-93	-36.0%
Operating costs	-70,999	-38,231	-32,768	85.7%
Adjusted gross operating profit (EBITDA)	4,282	4,754	-472	-9.9%
Non-recurring costs	-224	-270	46	-17.0%
Gross operating profit (EBITDA)	4,058	4,484	-426	-9.5%
Amortisation, depreciation and impairment	-2,116	-1,046	-1,070	102.3%
Net operating profit (EBIT)	1,942	3,438	-1,496	-43.5%
Adjusted EBITDA margin	5.7%	11.1%		
EBITDA margin	5.4%	10.5%		

Following the line-by-line consolidation of the SAFE&CEC Group as of May 2021 and the consolidation of Idro Meccanica S.r.l. as of January 2022, the Clean Tech Solutions segment data are not directly comparable with the same period of the previous year.

To better understand the segment's performance, data are provided below in terms of revenues from sales and adjusted EBITDA for the first nine months of 2022 net of the contribution of the newly acquired Idro Meccanica S.r.l., compared with the pro forma data (or inclusive of the results of the months not subject to line-by-line consolidation) for the same period of the previous year.

(Thousands of Euro)

CLEAN TECH SOLUTIONS	30/09/2022 (*)	30/09/2021 (**)	Changes	%
Revenues	71,437	66,295	5,142	7.8%
Adjusted gross operating profit (EBITDA)	4,322	5,370	-1,048	-19.5%
% of revenues	6.1%	8.1%		
Net operating profit (EBIT)	1,966	2,724	-758	-27.8%
% of revenues	2.8%	4.1%		

(*) Not including the results of Idro Meccanica S.r.l. as at 30 September 2022

(**) Pro forma to include the months of January-April 2021, not subject to line-by-line consolidation

Sales revenues

In the first nine months of 2022, the Clean Tech Solutions segment recorded revenues of Euro 71,437 thousand (net of revenues of Idro Meccanica S.r.l. amounting to Euro 3,679 thousand), up by 7.8% compared with the same period of the previous pro forma year (Euro 66,295 thousand), confirming the growing interest in gas mobility on the part of many countries, which are strengthening their distribution networks. This result is of particular interest considering the difficulties identified during the period in obtaining the components necessary to make progress on and complete orders. The SAFE&CEC Group indeed continues to present growing results and an order portfolio capable of covering the first half of 2023.

Revenue by geographical area

(Thousands of Euro)

CLEAN TECH SOLUTIONS	At 30/09/2022	% of revenues
Italy	6,815	9.1%
Europe (excluding Italy)	27,127	36.1%
America	22,828	30.4%
Asia and Rest of the World	18,346	24.4%
Total	75,116	100.0%

Revenue by geographical area, an insignificant indicator for the Clean Tech Solutions segment, given its extreme variability depending on the projects completed during the period, recorded significant results in the America and Europe area, primarily due to the contracts intended for those markets, particularly for biogas solutions.

Profitability

The pro forma adjusted Gross Operating Profit (EBITDA), or without considering the contribution of Idro Meccanica S.r.l. for 2022 and including the months not subject to consolidation in 2021, amounted to Euro 4,322 thousand (equal to 6.1% of revenues), down by 19.5% compared with the first nine months of 2021 (pro forma). This decline is primarily linked to the significant increase in material and logistics costs not transferred to customers as they related to orders completed in 2022, the prices of which were contracte and agreed upon with customers in the course of 2021.

New offers being made have been updated on the basis of the new prices in force in the market.

The pro forma EBIT amounted to Euro 1,966 thousand, equal to 2.8% of revenues, compared with 4.1% in the first nine months of 2021.

Invested capital

(Thousands of Euro)

Statement of Financial Position	30/09/2022	31/12/2021 restated	30/09/2021 restated
Trade receivables	61,552	66,048	66,540
Inventories	110,469	84,549	87,710
Trade payables	-90,045	-82,886	-83,486
Other net current assets (liabilities) (*)	-16,665	-13,820	-15,037
Net operating capital	65,311	53,891	55,727
Tangible fixed assets	13,763	14,977	15,330
Intangible assets	109,711	105,021	105,209
Right-of-use assets	14,756	11,991	13,028
Other non-current assets	17,626	18,160	17,764
Fixed capital	155,856	150,149	151,331
TFR (employee severance pay), other provisions and others	-10,186	-9,964	-9,297
Net invested capital	210,981	194,076	197,761

Financed by:			
Net Financial Position (**)	100,270	133,493	138,818
Group shareholders' equity	104,187	54,845	53,872
Minority interests	6,524	5,738	5,071
Borrowings	210,981	194,076	197,761
Ratios	30/09/2022	31/12/2021 restated	30/09/2021 restated
Net operating capital	65,311	53,891	55,727
Net operating capital/Turnover (rolling)	22.0%	19.4%	20.3%
Net invested capital	210,981	194,076	197,761
Net capital employed/Turnover (rolling)	71.0%	69.8%	72.0%

(*) Net of the remaining payable for the acquisition of shareholdings

(**) The net financial position at 30 September 2021 is inclusive of Euro 15,657 thousand for financial liabilities for rights of use deriving from the application of IFRS 16 - Leases, a positive Euro 1,422 thousand for derivative financial instruments and Euro 640 thousand relating to the payable for the acquisition of Idro Meccanica

Net operating capital at the end of the period stood at Euro 65,311 thousand. This is an increase compared with the same figure at 31 December 2021 (Euro 53,891 thousand). In terms of percentages on pro forma rolling turnover, there was an increase in this figure, from 19.4% as at 31 December 2021 to the current 22% (20.3% as at 30 September 2021). This growth is primarily due to the increase in inventories and contract work in progress, which rose from Euro 84,549 thousand as at 31 December 2021 to Euro 110,469 thousand as at 30 September 2022, primarily due to:

- higher acquisitions of electronic components and other strategic components, in order to handle the current procurement difficulties linked to the shortage of raw materials in the market and intended to guarantee production continuity;
- the increase in contract work in progress of the Clean Tech Solutions segment due to delays in the completion of several orders following difficulties in obtaining components and electrical panels;
- line-by-line consolidation of Idro Meccanica S.r.l., with an effect of Euro 4.7 million.

Trade receivables stood at Euro 61,552 thousand (of which Euro 17,848 thousand relating to the Clean Tech Solutions segment and Euro 5,263 thousand relating to the Metatron Group), down compared with 31 December 2021 (Euro 66,048 thousand, of which Euro 20,165 thousand relating to the Clean Tech Solutions segment and Euro 7,751 thousand to the Metatron Group). At 30 September 2022, derecognised receivables disposed through maturity factoring stood at Euro 12.5 million (Euro 12.2 million at 31 December 2021).

Trade payables are up by Euro 7,159 thousand from Euro 82,886 thousand as at 31 December 2021 to Euro 90,045 thousand as at 30 September 2022 (of which Euro 27,612 thousand relating to the Clean Tech Solutions segment and Euro 3,077 thousand to the Metatron Group) due to higher acquisitions during the period.

Fixed capital, amounting to Euro 155,856 thousand and inclusive of Euro 14,756 thousand for right-of-use assets recognised pursuant to IFRS 16 – Leases, is basically aligned with the figure as at 31 December 2021.

As at 30 September 2022, TFR (employee severance indemnity) and other provisions totalled Euro 10,186 thousand, basically in line with the previous year (Euro 9,964 thousand).

Net invested capital (Euro 210,981 thousand, equal to 71% of pro forma rolling turnover) is up compared with 31 December 2021 (Euro 194,076 thousand, equal to 69.8% of rolling turnover) following the increase in operating capital, and particularly in inventories and contract work in progress.

Net financial position and cash flows

(Thousands of Euro)	30/09/2022	31/12/2021 restated	30/09/2021 restated
Cash and cash equivalents	59,268	28,039	19,504
Bank financing and short-term loans	-34,279	-103,408	-47,075
Current right-of-use liabilities	-3,252	-2,624	-2,916
Other current financial liabilities	-2,435	-274	-510
Net short term indebtedness	19,302	-78,267	-30,997
Non-current bank loans	-80,062	-10,174	-67,555
Non-current right-of-use liabilities	-12,405	-10,197	-10,872
Other non-current financial liabilities	-27,887	-9,320	-3,695
Assets for derivative financial instruments	1,422	0	0
Liabilities for derivative financial instruments	0	-99	-263
Net medium-long term indebtedness	-118,932	-29,790	-82,385
Commitments for the purchase of equity investments	-640	-25,436	-25,436
Net Financial Position	-100,270	-133,493	-138,818
Net Financial Position - adjusted (*)	-85,395	-95,137	-99,331
- of which Green Transportation	-66,401	-91,114	-92,296
- of which Clean Tech Solutions	-18,994	-4,023	-7,035

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

The Net Financial Position as at 30 September 2022 is equal to Euro 100,270 thousand (Euro 133,493 thousand as at 31 December 2021), of which Euro 15,657 thousand due to the application of IFRS 16 – Leases, a positive Euro 1,422 thousand due to the fair value of derivative financial instruments and Euro 640 thousand due to the remaining payable for the acquisition of Idro Meccanica (amount classified in the item Other current liabilities of the consolidated statement of financial position). Without considering the effects arising from the adoption of this accounting standard, the fair value of derivative financial instruments and the remaining payable for the acquisition of equity investments, the adjusted Net Financial Position as at 30 September 2022 would have been equal to Euro 85,395 thousand, of which Euro 66,401 thousand linked to the Green Transportation segment and Euro 18,994 thousand to the Clean Tech Solutions segment.

As concerns the Net Financial Position of the Green Transportation segment, the payable for commitments for the purchase of equity investments, equal to Euro 25,436 at 31 December 2021, related to the remaining payable to Italy Technology Group S.r.l. and the minority shareholders of Metatron for the acquisition of 100% of the respective shares. In the course of the first quarter of 2022, Girefin S.p.A. granted a Euro 18,062 thousand loan to Landi Renzo

S.p.A. to finance the acquisition by Landi Renzo S.p.A. of an additional 23.43% of the share capital of Metatron S.p.A., after which time it came to hold 72.43% of the shares of Metatron S.p.A. This loan was subject to voluntary offsetting, pursuant to Article 1252 of the Italian Civil Code, as part of the share capital increase concluded in September 2022. The remainder of that payable of Euro 7,374 thousand was paid to the selling shareholders in September 2022.

The improvement in the net financial position as at 30 September 2022 compared with the end of the previous year is linked to net effect of the share capital increase concluded in September 2022 for Euro 58.6 million (net of outlays connected with the share capital increase, amounting to Euro 1 million), Euro 31.2 million of which used for the acquisitions of the Metatron Group (Euro 25.4 million) and Idro Meccanica S.r.l. (Euro 5.8 million) as well as due to negative cash flows from current operations.

The following table illustrates the trend in total cash flow:

(Thousands of Euro)	30/09/2022	31/12/2021 restated	30/09/2021 restated
Gross operational cash flow	-6,309	7,390	239
Cash flow for investment activities	-6,260	-8,107	-5,746
Gross Free Cash Flow	-12,569	-717	-5,507
Variation in the consolidation area	-30,683	3,575	3,575
Non-recurring expenditure for voluntary resignation incentives	0	-425	-325
Net Free Cash Flow	-43,252	2,433	-2,257
Share capital increase (*)	58,598	0	0
Repayment of leases (IFRS 16)	-2,782	-3,473	-2,302
Overall cash flow	12,564	-1,040	-4,559

(*) net of expenses incurred

In the first nine months of 2022, cash generation amounted to Euro 12,564 thousand (absorption of Euro 4,559 thousand in the first nine months of 2021), primarily linked to:

- share capital increase for Euro 58,598 thousand (net of costs incurred);
- financial outflows relating to the change in the scope of consolidation (Euro 30,683 thousand), primarily linked to the acquisition of Idro Meccanica S.r.l. and the completion of the acquisition of the Metatron Group; and
- negative flows from current operations for Euro 9,091 thousand (inclusive of outlays for lease payments in accordance with IFRS 16).
- Investment activities of the period (Euro 6,260)

In order to further strengthen the Group's financial structure and make it more consistent with the flows expected from the 2022-2025 Business Plan, in June 2022 two new loan agreements were entered into, namely:

- a new loan agreement backed by the SACE guarantee (effective as of 29 June 2022) which, for the same financed amount (Euro 21 million), calls for the deferral of the pre-amortisation period of 24 months and repayment of the final instalment on 31 March 2028;
- a new pool loan agreement, for a financed amount of Euro 52 million (compared with the remaining Euro 46 million on the current pool loan agreement), which calls for a 24-month pre-amortisation period and repayment of the final instalment of Euro 20.5 million in June 2027.

The new agreements call for the calculation of financial parameters (NFP/EBITDA) starting from the calculation date of 31 December 2022.

Share capital increase

Due to the investment agreement entered into in April 2022 between Girefin Spa, Gireimm Srl and Itaca Equity Holding SpA, the Shareholders' Meeting of Landi Renzo S.p.A. approved a share capital increase for up to Euro 60 million, which is one of the actions included in the new 2022-2025 business plan, and aims to provide the Landi Renzo Group with the necessary funding to support the investment plan, which also includes external investment, in market segments expected to have the most growth, such as biomethane and hydrogen. The share capital increase was guaranteed up to Euro 50 million following the commitment made by TIP - Tamburi Investment Partners S.p.A., the single largest shareholder of Itaca Equity Holding S.p.A., to guarantee in cash the entire share attributable to Itaca Equity Holding S.p.A., and the commitment made by Girefin S.p.A. and Gireimm S.r.l. to guarantee, through the voluntary offsetting of part of the receivable, the capital portion necessary to guarantee the share capital increase up to Euro 50 million to complement the guarantee commitment assumed by TIP - Tamburi Investment Partners S.p.A.

In execution of the investment agreement:

- (i) on 13 June 2022, the NewCo GbD Green by Definition S.p.A. was established, to which on 1 July 2022 Girefin S.p.A and Gireimm S.r.l. contributed the Landi Renzo S.p.A. shares they held, in addition to the receivable owed to it and deriving from the interest bearing shareholder loan disbursed by Girefin S.p.A. in the amount of roughly Euro 18.1 million;
- (ii) On 11 July 2022, the Landi Renzo S.p.A. Board of Directors executed the delegation relating to the share capital increase and approved the terms, final conditions and calendar of the paid share capital increase, on the basis of the criteria set by the Extraordinary Shareholders' Meeting of 29 April 2022 in a total maximum amount of Euro 59,625 thousand by issuing up to 112,500,000 ordinary shares, with a nominal value of Euro 0.10, and with regular dividend entitlement, to be offered under option to the shareholders at the ratio of 1 new share for every 1 ordinary share held, at a unit issue price of Euro 0.53, determined by the Board of Directors by applying, on the basis of the Extraordinary Shareholders' Meeting resolution of 29 April 2022, a discount of 16.09% on the theoretical ex right price (TERP) of the Landi Renzo ordinary shares, calculated in accordance with current methodologies on the basis of the weighted average trading price of Landi Renzo ordinary shares in the 5 previous trading days, i.e., 4 July 2022 to 8 July 2022.
- (iii) on 13 July 2022, Consob approved - with note no. 0458563/22 of 13 July 2022 - the EU Recovery Prospectus relating to the offer under option and the admission to trading on the Euronext STAR Milan market organised and managed by Borsa Italiana S.p.A. of Landi Renzo shares.
- (iv) on 14 July 2022, the Extraordinary Shareholders' Meeting of GbD Green by Definition S.p.A. approved the share capital increase reserved to Itaca Gas S.r.l., a company wholly owned by Itaca Equity Holding S.p.A., for a total of Euro 33,500 thousand, and E.M.A 2021 S.r.l., a company vehicle controlled by the Chief Executive Officer Cristiano Musi, for a total amount of Euro 300 thousand. On the same date, and simultaneous with the above-mentioned resolutions, Itaca Gas S.r.l. and E.M.A. 2021 S.r.l. proceeded with the subscription of the share capital increases reserved to them with the issue of the relative shares. Following such subscriptions, the share capital of GbD Green by Definition S.p.A. is 51.08% held by Girefin and Gireimm, companies associated with the Landi Trust, 48.49% held by Itaca Equity Holding S.p.A. (through the vehicle Itaca Gas S.r.l.) and 0.43% held by E.M.A. 2021 S.r.l. Therefore, the Landi Trust (through Girefin and Gireimm) continues to indirectly hold de jure control over Landi Renzo.

These transactions provided GbD Green by Definition S.p.A. with the necessary funding to subscribe its portion of the share capital increase.

On 4 August 2022, the offer under option period concluded with the exercise of a total of 107,781,064 option rights valid for the subscription of 107,781,064 new shares, equal to roughly 95.805% of the total of new shares, for a total equivalent value of Euro 57,124 thousand. GbD Green by Definition S.p.A. subscribed its portion of the share capital increase (equal to around 59.1068%) pursuant to the subscription commitment made, for a total equivalent value of roughly Euro 35.2 million, of which around Euro 17.1 million by means of a contribution in cash and Euro 18.1 million by means of voluntary offsetting.

The offer of the non-exercised rights concluded on 7 September 2022 with the subscription of 2,874,208 shares for an equivalent value of Euro 1,523 thousand. Taking into account that during the offer under option period 107,781,064 newly issued shares were subscribed, amounting to 95.805% of the total, a total of 110,655,272 newly issued shares were subscribed, equal to roughly 98.360% of the shares offered as part of the share capital increase, for a total equivalent value of Euro 58,647 thousand.

In keeping with what was set forth in the Company's Extraordinary Shareholders' Meeting resolution of 29 April 2022, in light of the interest demonstrated by GbD Green by Definition S.p.A. in subscribing all residual shares, on 15 September 2022 the Board of Directors approved their placement at a subscription price per share equal to that at which the shares were offered during the share capital increase, i.e., Euro 0.53 (including the share premium). Pursuant to the related party transaction procedure, this resolution was passed with the favourable opinion of the Committee for Transactions with Related Parties. On 19 September 2022, GbD Green by Definition S.p.A. therefore subscribed the remaining shares in their entirety; following that subscription, the share capital increase was thus fully subscribed (total Euro 59,625 thousand).

The highly positive result of the offer under option, despite the period of strong uncertainty, demonstrates how the financial markets believe in the solidity of the business model of Landi Renzo and its role as a key player in the global energy transition process, thanks to a robust and credible business plan, which bets on the fundamental role to be played by gas, biomethane and hydrogen.

Investments

Investments in property, plant, machinery and other equipment totalled Euro 1,850 thousand (Euro 2,386 thousand as at 30 September 2021) and refer to the investments made by the Group in the new production lines and moulds required to launch new products.

The increase in intangible assets amounted to Euro 4,531 thousand (Euro 3,806 thousand at 30 September 2021) and mainly referred to the capitalisation of costs of development projects relating to new products for the OEM and After Market channels, as well as for the Heavy Duty segment and for Hydrogen mobility as regards the Green Transportation segment and new hydrogen and biomethane products for the Clean Tech Solution segment.

2.1.2. Results of Parent Company

In the first nine months of 2022, Landi Renzo S.p.A. generated revenues of Euro 101,321 thousand compared with Euro 93,104 thousand in the same period of the prior year. The EBITDA totalled Euro 3,691 thousand (inclusive of Euro 1,268 thousand in non-recurring charges), compared with Euro 1,134 thousand at 30 September 2021 (of which Euro 1,060 thousand in non-recurring charges), while the net financial position was Euro -65,855 thousand (Euro -112,961 thousand at 31 December 2021).

At the end of the period, the Parent Company's workforce numbered 287 employees, basically in line with 31 December 2021 (303).

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

The Group continues to carefully monitor the evolution of the COVID-19 pandemic across all of its sites worldwide, promptly taking all prevention, control and limitation measures to protect the health of its employees and collaborators. It should be noted that the lockdowns imposed on several regions of China had negative effects on sales of new heavy duty vehicles in China and on the availability of electronic components, which are generally imported from that country, which are risk factors considered in the 2022-2025 Business Plan. This had particular repercussions on the results of the Metatron Group, a leading player in the Chinese OEM market, and specifically in the Heavy Duty segment.

In the course of the first nine months of 2022, all of the Group's branches performed their normal operating activities, with the exception of a lockdown period at the company located in China in the area of Shanghai.

2.1.4. Impact of the Russia-Ukraine conflict on the activities of the Landi Renzo Group

In 2021, the turnover with respect to Russia and Ukraine represented around 4% of total consolidated revenues of the Group, while in the first 9 months of 2022, the revenue earned by the Group in Russia and Ukraine accounted for less than 1% of the Group's total turnover. The management believes that the change in the scenario triggered by the Russia-Ukraine conflict does not substantially impact the assumptions and therefore the implementation of the 2022-2025 Business Plan, by virtue of the diversification of the Landi Renzo Group's business in terms of its presence in international markets worldwide and the products offered and technologies developed, as well as the fact that the growth of the Landi Renzo Group is driven, to a considerable extent, by infrastructural investments connected to the energy transition, expected to grow significantly, even in this new context, as they are driven by decarbonisation targets and the resulting focus and acceleration on the introduction of alternative energy sources (including natural gas, biomethane and hydrogen) in the various countries and geographical areas in which the Group operates.

Considering that exposure to the Russian and Ukrainian markets is currently limited for the Landi Renzo Group, the management, in light of the most recent developments in the conflict, has written off the receivables due from Ukrainian customers (Euro 148 thousand) and recognised a prudential write-down (of Euro 306 thousand) on the receivables due from Russian customers, taking into account the specific situation of each of them.

2.1.5. Transactions with related parties

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

Transactions with related parties include:

- the service contracts between Gireimm S.r.l. and Landi Renzo S.p.A. for rent of the property used as the operational headquarters of the Parent Company located in the town of Corte Tegge – Cavriago (RE);
- the service contracts between Gestimm S.r.l., a company in which a stake is held through the parent company Girefin S.p.A., and the company Landi Renzo S.p.A. for rent of the production plant on Via dell'Industria in Cavriago (RE);
- the service contracts between Gireimm S.r.l. and SAFE S.p.A. for rent of the property used as the operational headquarters of the company located in San Giovanni in Persiceto;

- the service contracts between Reggio Properties LLC, a company in which a stake is held through the parent company Girefin S.p.A., for the rents on properties used by the US company;
- supply of goods to the joint venture Krishna Landi Renzo India Private Ltd Held and to the joint venture EFI Avtosanoat-Landi Renzo LLC;
- the loan granted by Landi Renzo S.p.A. and Krishna Landi Renzo India Private Ltd Held.

In accordance with Consob Regulation 17221/2010, and pursuant to Article 2391-bis of the Italian Civil Code, the Board of Directors has adopted the specific procedure for transactions with related parties. The new procedures, adapted to Consob resolution no. 21624 of 10/12/2020, are published on the Company's website.

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

Significant events after the reporting period

- On 18 October 2022, Landi Renzo S.p.A. was involved in a cyber attack (ransomware). As a result of this attack, all of the systems used in the business of Landi Renzo S.p.A. and all of its subsidiaries that rely on them became unavailable. The encryption of these systems made it impossible to perform regular business activities, such as production, research and development, and administrative and commercial activities. The Company took immediate action, also with the support of leading outside advisors, to isolate its information systems and identify the impacts of the attack. The analyses showed that the back-up system had not been altered. In order to restore business activities in the shortest possible amount of time, a plan was activated to secure the infrastructure to avoid any repeated attacks, and the IT infrastructure restoration process began. Production activities were limited to the completion of the priority orders that could be managed offline, despite the disconnection from the operating system. Starting from the week after the attack, ordinary activities were progressively reactivated, until returning to normal conditions in the first week of November. The temporary unavailability of the ERP system generated a slowdown in production as well as logistics, order management and administrative activities, also causing a postponement in the publication of the present interim management report as at 30 September 2022.

Likely future developments

Based on the evidence of signs of recovery in some key markets, such as Europe and asian area, as well as the SAFE&CEC backlog, the management believes the Group's consolidated results for 2022 are confirmed, expected to grow compared to financial year 2021.

Cavriago, 30 November 2022

Chief Executive Officer
Cristiano Musi

3. INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2022

3.1. GENERAL ACCOUNTING STANDARDS AND CONSOLIDATION PRINCIPLES

3.1.1. Introduction

The Interim Management Report as at 30 September 2022, which has not been audited, has been prepared in compliance with art. 154 of Italian Legislative Decree no. 58 of 24 February 1998, as amended, and with the (Issuers' Regulations) issued by Consob (Italian Securities and Exchange Commission). Therefore, the provisions of the IAS on infra-annual financial information (IAS 34 – Interim Financial Reporting) were not adopted.

The Interim Management Report as at 30 September 2022 has been prepared in accordance with the IAS/IFRS. To this end, the data of the separate financial statements of the Italian and foreign subsidiaries have been reclassified and adjusted accordingly.

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

Except for what is laid out below, the accounting standards, and the valuation and consolidation criteria used in preparing the Interim Management Report as at 30 September 2022 are not different to those used in drawing up the consolidated financial statements closed at 31 December 2021, which should be referred to for further information.

As well as the interim values as at 30 September 2022 and 2021, the financial data for the year ended on 31 December 2021 is shown for the purpose of comparison.

Following the completion in the first half of 2022 of the purchase price allocation process of the Metatron Group, consolidated line-by-line starting from August 2021, the comparative figures as at 31 December 2021 and 30 September 2021 were restated as required by the reference accounting standards to consider the backdating of the relative effects. For more details on the results of the purchase price allocation process, please refer to the half-yearly financial report as at 30 June 2022.

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

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

The accounting standards and calculation methods used for the preparation of this Interim Management Report were not modified compared to those used to prepare the consolidated financial statements at 31 December 2021. Please note that the valuation and measurement of the accounting items shown are based on International Accounting Standards and the relative interpretations currently in force, and that no new accounting standards were applied early.

3.1.3. Consolidation procedures and valuation criteria

The preparation of the Interim Management Report requires the directors to apply accounting standards and methods that are sometimes based on difficult and subjective assessments and estimates derived from past experience and based on assumptions that are considered reasonable and realistic given the circumstances. Application of these estimates and assumptions affects the amounts presented in the financial statements, such as the Consolidated Statement of Financial Position, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Shareholders' Equity and the Consolidated Cash Flow Statement, and in disclosures provided. Estimates are used in recognizing goodwill, impairment of fixed assets, development expenditure, taxes, provisions for bad debts and inventories write-down, employee benefits and other provisions. The estimates and assumptions are reviewed periodically and the effects of all changes are normally reflected immediately on the income statement.

However, some valuation processes, especially the more complex ones such as establishing any loss in value of non-current assets, are normally carried out to a fuller extent only during the preparation of the annual financial statements, when all the necessary information is available, except for those cases in which there are impairment indicators that require an immediate assessment of possible losses in value.

The Group performs activities that do not on the whole present significant seasonal or cyclical variations in total sales over the year, except for the signing of new supply contracts for the OEM channel which may involve planned and differing delivery schedules in the individual quarters.

The policies and principles of the Landi Renzo Group for the identification, management and control of risks related to the activity are described in detail in the Consolidated Financial Statements as at 31 December 2021, to which you may refer for a more complete description of such aspects.

3.1.4. Scope of consolidation

The scope of consolidation includes the Parent Company Landi Renzo S.p.A. and the companies in which it holds a direct or indirect controlling stake according to IFRS. The consolidation area has not changed compared with 31 December 2021, with the exception of the acquisition of Idro Meccanica S.r.l. in January 2022.

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

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

3.2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Thousands of Euro)			
ASSETS	30/09/2022	31/12/2021 restated	30/09/2021 restated
Non-current assets			
Land, property, plant, machinery and other equipment	13,763	14,977	15,330
Development costs	11,047	12,222	11,909
Goodwill	80,707	73,256	73,048
Other intangible assets with finite useful lives	17,957	19,543	20,252
Right-of-use assets	14,756	11,991	13,028
Equity investments measured using the equity method	2,806	2,028	1,627
Other non-current financial assets	807	882	1,049
Other non-current assets	1,710	2,556	2,556
Deferred tax assets	12,303	12,694	12,532
Total non-current assets	155,856	150,149	151,331
Current assets			
Trade receivables	61,552	66,048	66,540
Inventories	81,719	68,896	71,634
Contract work in progress	28,750	15,653	16,076
Other receivables and current assets	18,454	14,443	13,598
Assets for derivative financial instruments	1,422	0	0
Cash and cash equivalents	59,268	28,039	19,504
Total current assets	251,165	193,079	187,352
TOTAL ASSETS	407,021	343,228	338,683

(Thousands of Euro)			
SHAREHOLDERS' EQUITY AND LIABILITIES	30/09/2022	31/12/2021 restated	30/09/2021 restated
Shareholders' equity			
Share capital	22,500	11,250	11,250
Other reserves	91,802	44,615	44,518
Profit (loss) for the period	-10,115	-1,020	-1,896
Total Shareholders' equity of the Group	104,187	54,845	53,872
Minority interests	6,524	5,738	5,071
TOTAL SHAREHOLDERS' EQUITY	110,711	60,583	58,943
Non-current liabilities			
Non-current bank loans	80,062	10,174	67,555
Other non-current financial liabilities	27,887	9,320	3,695
Non-current liabilities for rights of use	12,405	10,197	10,872
Provisions for risks and charges	5,206	4,535	4,231
Defined benefit plans for employees	3,776	3,977	3,581
Deferred tax liabilities	1,204	1,452	1,485
Liabilities for derivative financial instruments	0	99	263
Total non-current liabilities	130,540	39,754	91,682
Current liabilities			
Bank financing and short-term loans	34,279	103,408	47,075
Other current financial liabilities	2,435	274	510
Current liabilities for rights of use	3,252	2,624	2,916
Trade payables	90,045	82,886	83,486
Tax liabilities	4,411	3,758	3,205
Other current liabilities	31,348	49,941	50,866
Total current liabilities	165,770	242,891	188,058
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	407,021	343,228	338,683

The comparative figures as at 30 September 2021 and 31 December 2021 were restated following the completion of the purchase price allocation process of the Metatron Group, consolidated line-by-line starting from August 2021.

3.3. CONSOLIDATED INCOME STATEMENT

(Thousands of Euro)

	30/09/2022	30/09/2021 restated
CONSOLIDATED INCOME STATEMENT		
Revenues from sales and services	216,351	162,558
Other revenues and income	582	1,568
Cost of raw materials, consumables and goods and change in inventories	-134,846	-101,648
Costs for services and use of third-party assets	-39,455	-29,879
Personnel costs	-32,368	-24,473
Allocations, write-downs and other operating expenses	-3,194	-2,174
Gross operating profit	7,070	5,952
Amortisation, depreciation and impairment	-13,065	-11,389
Net operating profit	-5,995	-5,437
Financial income	988	150
Financial expenses	-5,484	-3,081
Exchange gains (losses)	1,128	-690
Income (expenses) from equity investments	-288	8,768
Income (expenses) from joint ventures measured using the equity method	778	219
Profit (loss) before tax	-8,873	-71
Taxes	-1,019	-996
Net profit (loss) for the Group and minority interests, including:	-9,892	-1,067
Minority interests	223	829
Net profit (loss) for the Group	-10,115	-1,896
Basic earnings (loss) per share	-0.0450	-0.0167
Diluted earnings (loss) per share	-0.0450	-0.0167

The comparative figure as at 30 September 2021 was restated following the completion of the purchase price allocation process of the Metatron Group, consolidated line-by-line starting from August 2021.

3.4. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Thousands of Euro)

	30/09/2022	30/09/2021 restated
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		
Net profit (loss) for the Group and minority interests:	-9,892	-1,067
<i>Profits/losses that will not be subsequently reclassified in the income statement</i>		
Remeasurement of employee defined benefit plans (IAS 19)	222	15
Total profits/losses that will not be subsequently reclassified in the income statement	222	15
<i>Profits/losses that could subsequently be reclassified in the income statement</i>		
Measurement of investments with the equity method	0	470
Fair value of derivatives, change for the period	480	158
Exchange rate differences from the translation of foreign operations	615	-1,898
Total profits/losses that could subsequently be reclassified in the income statement	1,095	-1,270
Profits/losses recorded directly in Shareholders' Equity after tax effects	1,317	-1,255
Total consolidated income statement for the period	-8,575	-2,322
Profit (Loss) for Shareholders of the Parent Company	-9,256	-3,047
Minority interests	681	725

The comparative figure as at 30 September 2021 was restated following the completion of the purchase price allocation process of the Metatron Group, consolidated line-by-line as of August 2021.

3.5. CONSOLIDATED CASH FLOW STATEMENT

(Thousands of Euro)		
CONSOLIDATED CASH FLOW STATEMENT	30/09/2022	30/09/2021 restated
Financial flows deriving from operating activities		
Pre-tax profit (loss) for the period	-8,873	-71
<i>Adjustments for:</i>		
Depreciation of property, plant and machinery	3,154	3,226
Amortisation of intangible assets	7,285	6,040
Depreciation of right-of-use assets	2,626	2,123
Loss (Profit) from disposal of tangible and intangible assets	-121	247
Share-based incentive plans	0	132
Impairment loss on receivables	710	560
Net financial charges	3,368	3,621
Income (expenses) attributable to equity investments measured using the equity method	-778	-219
Profit (loss) attributable to interests	288	-8,768
	7,659	6,891
<i>Changes in:</i>		
Inventories and contract work in progress	-23,086	-8,281
Trade receivables and other receivables	1,597	-650
Trade payables and other payables	12,073	3,938
Provisions and employee benefits	4	-58
Cash generated from operations	-1,753	1,840
Interest paid	-3,202	-1,434
Interest received	25	161
Income taxes paid	-1,378	-653
Net cash generated (absorbed) by operations	-6,308	-86
Cash flows from investments		
Proceeds from the sale of property, plant and machinery	121	446
Purchase of property, plant and machinery	-1,850	-2,386
Purchase of intangible assets	-436	-194
Development costs	-4,095	-3,612
Variation in the consolidation area	-30,683	3,575
Net cash absorbed by investment activities	-36,943	-2,171
Free Cash Flow	-43,251	-2,257
Cash flows from financing activities		
Disbursements (reimbursements) of medium/long-term loans	16,707	-3,915
Change in short-term bank debts	1,342	8,652
Share capital increase (*)	58,598	0
Repayment of leases (IFRS 16)	-2,782	-2,302
Net cash generated (absorbed) by financing activities	73,865	2,435
Net increase (decrease) in cash and cash equivalents	30,614	178
Cash and cash equivalents at 1 January	28,039	21,914
Effect of exchange rate fluctuation on cash and cash equivalents	615	-2,588
Closing cash and cash equivalents	59,268	19,504

The comparative figure as at 30 September 2021 was restated following the completion of the purchase price allocation process of the Metatron Group, consolidated line-by-line as of August 2021.

(*) net of expenses incurred

3.6. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Thousands of Euro)	Share capital	Statutory reserve	Extraordinary and other reserves	Share premium reserve	Future share capital increase contributions	Profit (loss) for the year	Group shareholders' equity	Profit (Loss) attributable to minority interests	Capital and reserves attributable to minority interests	Total shareholders' equity
Balance at 31/12/2020	11,250	2,250	11,364	30,718	8,867	-7,662	56,787	-188	-285	56,314
Profit (loss) for the year						-1,896	-1,896	829		-1,067
Actuarial gains/losses (IAS 19)			15				15			15
Translation difference			-1,794				-1,794		-104	-1,898
Valuation of investments using equity method			470				470			470
Change in the cash flow hedge reserve			158				158			158
Total overall profits/losses	0	0	-1,151	0	0	-1,896	-3,047	829	-104	-2,322
Share-based incentive plans			132				132			132
Variation in the consolidation area								4,819		4,819
Allocation of profit			-5,890	-1,772		7,662	0	188	-188	0
Balance at 30/09/2021 (restated)	11,250	2,250	4,455	28,946	8,867	-1,896	53,872	829	4,242	58,943
Balance at 31/12/2021 (restated)	11,250	2,250	4,552	28,946	8,867	-1,020	54,845	1,522	4,216	60,583
Profit (loss) for the year						-10,115	-10,115	223		-9,892
Actuarial gains/losses (IAS 19)			222				222			222
Translation difference			157				157		458	615
Valuation of cash flow hedge reserve			480				480			480
Total overall profits/losses	0	0	859	0	0	-10,115	-9,256	223	458	-8,575
Share capital increase (*)	11,250			47,348			58,598			58,598
Variation in the consolidation area							0	105		105
Allocation of profit			8,111	-9,131		1,020	0	-1,522	1,522	0
Balance at 30/09/2022	22,500	2,250	13,522	67,163	8,867	-10,115	104,187	223	6,301	110,711

The comparative figure as at 31 December 2021 was restated following the completion of the purchase price allocation process of the Metatron Group, consolidated line-by-line starting from August 2021.

(*) net of expenses incurred

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

Subject: Interim Management Report as at 30 September 2022

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

in accordance with art. 154-bis, part IV, title III, chapter II, section V-bis, of Italian Legislative Decree 58/1998 that, to the best of my knowledge, the Interim Management Report as at 30 September 2022 corresponds to the accounting documents, ledgers and records.

Cavriago, 30 November 2022

Financial Reporting
Officer
Paolo Cilloni