INTERIM MANAGEMENT REPORT AT 31 MARCH 2024

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1. GENERAL INFORMATION

1.1. CORPORATE OFFICERS AND INFORMATION

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	Annalisa Stupenengo
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.
Financial Reporting Manager	Paolo Cilloni

(*) The Director also holds the office of Lead Independent Director

Registered office and company details

Landi Renzo S.p.A.
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42025 Corte Tegge – Cavriago (RE) – Italy
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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 31 March 2024 Direct investment	Indirect investment	Notes
Parent Company				
Landi Renzo S.p.A.	Cavriago (Italy)	Parent Company		
Companies consolidated using the line-by-line method				
Landi International B.V.	Amsterdam (The Netherlands)	100.00%		
Landi Renzo Polska Sp.Zo.O.	Warsaw (Poland)		100.00%	(1)
LR Industria e Comercio 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)
IMW Industries LTD	Chilliwak (Canada)		100.00%	(2)
IMW Industries del Perù S.A.C.	Lima (Peru)		100.00%	(3)
IMW Industries LTDA	Cartagena (Colombia)		100.00%	(3)
IMW Energy Tech LTD	Suzhou (China)		100.00%	(3)
IMW Industries LTD Shanghai	Shanghai (China)		100.00%	(3)
Metatron S.p.A.	Castel Maggiore (Italy)	100.00%		
Metatron Control System (Shanghai)	Shanghai (China)		84.00%	(4)
Associates and subsidiaries consolidated using the equity method				
Krishna Landi Renzo India Private Ltd Held	Gurugram - Haryana (India)	51.00%		(5)
Other minor companies				
Landi Renzo VE.CA.	Caracas (Venezuela)	100.00%		(6)
Lovato do Brasil Ind Com de Equipamentos para Gas Ltda	Curitiba (Brazil)	100.00%		(6)
EFI Avtosanoat-Landi Renzo LLC	Navoiy Region (Uzbekistan)	68.45%		(5) (6)
Metatron Technologies India Plc	Mumbai (India)		100.00%	(4) (6)

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 IMW Industries LTD
(4) Held indirectly through Metatron S.p.A.
(5) Company joint venture
(6) Not consolidated as a result of their irrelevance

1.3. LANDI RENZO GROUP FINANCIAL HIGHLIGHTS

(Thousands of Euro)

ECONOMIC INDICATORS FOR THE FIRST QUARTER	Q1 2024	Q1 2023 (restated)	Change	%
Revenue	68,772	71,168	-2,396	-3.4%
Adjusted gross operating profit (EBITDA) (1)	-466	-961	495	51.5%
Gross operating profit (EBITDA)	-1,624	-2,091	467	22.3%
Net operating profit (EBIT)	-5,578	-6,284	706	11.2%
Earnings before taxes (EBT)	-8,988	-10,057	1,069	10.6%
Net profit (loss) for the Group and minority interests	-8,989	-9,939	950	9.6%
Adjusted Gross Operating Profit (EBITDA) / Revenue	-0.7%	-1.4%		
Gross Operating Profit (EBITDA) / Revenue	-2.4%	-2.9%		
Net profit (loss) for the Group and minority interests / Revenue	-13.1%	-14.0%		

(Thousands of Euro)

STATEMENT OF FINANCIAL POSITION	31/03/2024	31/12/2023	31/03/2023
Net fixed assets and other non-current assets	140,449	142,475	153,003
Operating capital (2)	63,950	52,683	61,969
Non-current liabilities (3)	-12,429	-12,549	-11,462
NET INVESTED CAPITAL	191,970	182,609	203,510
Net financial position (4)	130,021	112,405	107,373
Net Financial Position - adjusted (5)	117,108	98,592	93,429
Shareholders' equity	61,949	70,204	96,137
BORROWINGS	191,970	182,609	203,510

(Thousands of Euro)

KEY INDICATORS	31/03/2024	31/12/2023	31/03/2023 (restated)
Operating capital / Turnover (rolling 12 months)	21.2%	17.4%	20.0%
Adjusted net financial position / Shareholders' equity	1.89	1.40	0.97
Adjusted net financial position (5) / Adjusted EBITDA (*rolling 12 months*)	15.59	14.05	8.03
Personnel (peak)	952	964	942

(Thousands of Euro)

CASH FLOWS	31/03/2024	31/12/2023	31/03/2023 (restated)
Gross operational cash flow	-16,885	-5,632	-13,585
Cash flow for investment activities	-1,536	-9,134	-1,913
Gross FREE CASH FLOW	**-18,421**	**-14,766**	**-15,498**
Non-recurring expenditure for voluntary resignation incentives	0	-1,334	-230
Net FREE CASH FLOW	**-18,421**	**-16,100**	**-15,728**
Repayment of leases (IFRS 16)	-964	-3,808	-887
Overall cash flow	**-19,385**	**-19,908**	**-16,615**

(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 (net of payables for the purchase of equity investments).
(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 commitment to the acquisition of equity investments.

1.4. SIGNIFICANT EVENTS DURING THE PERIOD

- On 23 January 2024, the Board of Directors of Landi Renzo S.p.A. approved the 2024-2028 Business Plan, drafted with the support of a leading strategic consulting firm.

- On 8 March 2024, the Board of Directors of Landi Renzo S.p.A. revised the calendar of board and shareholders' meetings for the approval of the financial data at 31 December 2023 (as well as for the approval of the first 2024 quarterly report). These changes were required as it was necessary to redefine the medium/long-term loan agreements with financial institutions, activities carried out with the support of Mediobanca as financial advisor, with the duty of supporting the Company in the analysis of the Group's economic and financial situation and providing assistance in the formulation of a financial structure reorganisation and optimisation strategy. In this context, the Board of Directors also examined the unaudited preliminary results at 31 December 2023 in terms of Revenue, Adjusted EBITDA and the Net Financial Position.

2. DIRECTORS' OBSERVATIONS ON BUSINESS PERFORMANCE

In the course of the first quarter of 2024, the global economy continued to show limited growth outlooks, also as a result of the continuation of the Russia-Ukraine and Israel-Hamas conflicts. In particular, geopolitical tensions in the Red Sea area, and the resulting increased risks for sea transport from and to the Suez Canal, triggered changes in international trade routes, with significant impacts on transport costs and procurement timing. This international context has had considerable effects on the supply side and on production and consumer prices, contributing towards keeping inflationary pressure levels high and, as a result, preventing central banks from relaxing their monetary policies adopted to limit inflation.

Gas and energy price tensions caused by the Russia-Ukraine conflict and the resulting sudden change in procurement methods by a number of countries have now been overcome, although potential tensions remain in the market, which continues to be characterised by high volatility and higher prices than in the past.

Despite this complex scenario, the energy transition process continues to be at the heart of the agendas of all of the main governments worldwide, becoming a key point in the development strategies of many countries. Indeed, the initial effects are beginning to be seen of the strong legislative pressure towards decarbonisation, as set forth in European and American programmatic instruments (National Recovery Plans and RepowerEU, and the Inflation Reduction Act, respectively) where, in the energy realm, strong growth is planned in biomethane and hydrogen as well as the relative value chains.

Specifically hydrogen, despite longer development times than initially expected, continues to play a central role in the energy transition process, including through technologies in which the Landi Renzo Group decided to invest some time ago, like the enabling components for the development of the hydrogen combustion engine and compression to 900 bars.

The Landi Renzo Group's entire range is aimed at offering on one hand technological solutions for the infrastructure required to exploit natural gas, biomethane and hydrogen and on the other hand technologies for transforming mobility towards more sustainable models or generally intended for the decarbonisation of passenger and cargo transport. Indeed, all of the various forms of gas, in addition to biomethane and hydrogen, represent energy sources that reduce emissions compared to conventional sources, with different levels of penetration depending on geographical area and application type.

As described in the Annual Financial Report as at 31 December 2023, which should be referenced for further details, on 1 August 2024, as part of and in execution of the financial manoeuvre approved on 17 July 2024 by the Board of Directors:

- GBD – Green by definition S.p.A., Invitalia, as well as, limited to certain conditions, Girefin S.p.A., Gireimm S.r.l. and Itaca GAS S.r.l., shareholders of GBD – Green by definition S.p.A., signed an investment agreement governing, inter alia, the execution of a share capital increase under option for the current shareholders of the Company for a maximum total of Euro 25 million, guaranteed up to Euro 20 million by the majority shareholder GBD – Green by definition S.p.A. and, subject to the execution of the first increase for at least Euro 20 million, a second share capital increase of Euro 20 million reserved to Invitalia, through the issue of unlisted special class shares, increases that will be subject to the approval of the competent corporate bodies.

- the Company and the lending banks (i.e. UniCredit S.p.A., Intesa Sanpaolo S.p.A. and Sagitta SGR S.p.A., the latter having taken over for Banco BPM S.p.A.) signed amendments of the medium/long-term pool loan agreements previously entered into on 29 June 2022 in order to implement the financial manoeuvre. Specifically, the repayment profile the pool loans was amended consistent with the generation of cash flows to service the debt pursuant to the 2024-2028 Business Plan, and the financial parameters set forth therein were reviewed

accordingly, all with a confirmation of economic conditions in force. These amendmends are subject to the condition subsequent, inter alia, of the completion of the share capital increase under option and the reserved share capital increase within the agreed timeframes.

Following the full payment of the share capital increase under option and the reserved share capital increase, expected by 31 December 2024, the Company will obtain new own funds for a maximum total of Euro 45 million and, in any event, no less than Euro 40 million.

2.1. PERFORMANCE AND NOTES ON THE MAIN CHANGES IN THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 March 2024

The following table sets out the main economic indicators of the Group for the first three months of 2024 compared with the same period in of the previous year.

(Thousands of Euro)

	31/03/2024				31/03/2023 (restated)			
	Green Transportation	*Clean Tech. Solutions*	Adjustments	Landi Renzo Consolidated	*Green Transportation*	*Clean Tech. Solutions*	Adjustments	Landi Renzo Consolidated
Net sales outside the Group	**51,021**	**17,751**		**68,772**	**48,054**	**23,114**		**71,168**
Intersegment sales	126	0	-126	0	145	0	-145	0
Total Revenues from net sales and services	51,147	17,751	-126	68,772	48,199	23,114	-145	71,168
Other revenues and income	128	20		148	98	103		201
Operating costs	-51,183	-18,329	126	-69,386	-50,818	-21,657	145	-72,330
Adjusted gross operating profit	**92**	**-558**	**0**	**-466**	**-2,521**	**1,560**	**0**	**-961**
Non-recurring costs	-802	-356		-1,158	-886	-244		-1,130
Gross operating profit	**-710**	**-914**	**0**	**-1,624**	**-3,407**	**1,316**	**0**	**-2,091**
Amortisation, depreciation and impairment	-3,285	-669		-3,954	-3,498	-695		-4,193
Net operating profit	**-3,995**	**-1,583**	**0**	**-5,578**	**-6,905**	**621**	**0**	**-6,284**
Financial income				202				175
Financial expenses				-2,816				-2,583
Exchange gains (losses)				204				-993
Net income (expenses) from hyperinflation				-550				-96
Income (expenses) from equity investments				-207				-7
Income (expenses) from joint ventures measured using the equity method				-243				-269
Profit (loss) before tax				**-8,988**				**-10,057**
Taxes				-1				118
Net profit (loss) for the Group and minority interests, including:				**-8,989**				**-9,939**
Minority interests				-847				-34
Net profit (loss) for the Group				**-8,142**				**-9,905**

Consolidated revenues for the first three months of 2024 totalled Euro 68,772 thousand, decreasing by Euro 2,396 thousand (-3.4%) compared with the same period of the previous year. The Green Transportation segment recorded revenue up compared with the same period of the previous year (+6.2%) and characterised by an increased incidence of sales in the After Market channel and the Mid & Heavy Duty OEM channel, with resulting positive effects on

margins; following delays in certain projects relating to hydrogen business products, which are particularly complex and innovative, and the postponement of several important orders, the Clean Tech Solutions segment instead recorded a drop in sales of (-23.2%) compared with the same period of the previous year which, following the increased incidence of fixed costs and direct costs that cannot be cut, considerably influenced profit margins for the quarter.

Costs of raw materials, consumables and goods and changes in inventories overall went from Euro 46,189 thousand as at 31 March 2023 to Euro 41,832 thousand as at 31 March 2024, marking a decline compared to the overall turnover trend.

The costs of services and use of third-party assets amounted to Euro 14,941 thousand, compared with Euro 13,729 thousand in the same period of the previous year, and are inclusive of non-recurring costs relating to strategic consultancy of Euro 1,158 thousand.

Personnel costs amounted to Euro 12,859 thousand as at 31 March 2024, up slightly compared with the same period of the previous year (Euro 12,365 thousand as at 31 March 2023).
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.
The Group had a total of 952 employees at 31 March 2024, including 368 relating to the Clean Tech Solutions segment.

Allocations, write-downs and other operating expenses totalled Euro 912 thousand (Euro 1,177 thousand at 31 March 2023) and mainly relate to provisions for warranties.

The positive performance of the Green Transportation segment more than offset the lower than expected performance of the Clean Tech Solutions segment. Indeed, as at 31 March 2024 the adjusted gross operating loss (EBITDA) was Euro 466 thousand, an improvement over the loss of Euro 961 thousand in the same period of the previous year. The Gross Operating Loss (EBITDA) was Euro 1,624 thousand (loss of Euro 2,091 thousand as at 31 March 2023), inclusive of non-recurring costs of Euro 1,158 thousand (Euro 1,130 thousand as at 31 March 2023).

(Thousands of Euro)

NON-RECURRING COSTS	Q1 2024	Q1 2023
Strategic consultancy	1,158	394
Cyber attack consultancy	0	75
Provision for risks on recoverability of tax credits	0	105
Personnel for voluntary resignation incentives	0	230
Other extraordinary costs	0	326
Total	**1,158**	**1,130**

In terms of margins, the Green Transportation segment improved significantly compared with the same period of the previous year, coming in basically in line with budget forecasts.
As already mentioned previously, the Clean Tech Solutions segment was instead impacted by the downturn in terms of revenues due to delays in certain projects relating to hydrogen business products, which are particularly complex

and innovative, and the postponement of several important orders, with the ensuing effects on profit margins caused by the higher impact of fixed costs and direct costs that cannot be cut.

The Net Operating Loss (EBIT) for the year was Euro 5,578 thousand (loss of Euro 6,284 thousand at 31 March 2023), after accounting for amortisation, depreciation and impairment of Euro 3,954 thousand (Euro 4,193 thousand at 31 March 2023), of which Euro 871 thousand due to the application of IFRS - 16 Leases (Euro 842 thousand at 31 March 2023).

Total financial expenses (interest income, interest charges and exchange rate differences) amounted to Euro 2,410 thousand (Euro 3,401 thousand as at 31 March 2023) and include positive exchange effects of Euro 204 thousand, primarily from valuation (negative and equal to Euro 993 thousand as at 31 March 2023).

Financial expenses alone, amounting to Euro 2,816 thousand, rose compared with the same period of the previous year (Euro 2,583 thousand) and are a direct consequence of bank borrowing trends.

Net expenses from hyperinflation, amounting to Euro 550 thousand at 31 March 2024 (Euro 96 thousand at 31 March 2023), included the effects deriving from the application by the Argentine branch of IAS 29 - Financial reporting in hyperinflationary economies.

Expenses from joint ventures refers to the valuation at equity of the Indian joint venture Krishna Landi Renzo. The Indian joint venture Krishna Landi Renzo was subject to an audit by the local tax and customs authorities, which identified a different interpretation for the purposes of the customs classification of certain products it imported in the 2019-2024 period. The local management immediately requested an audit by two different leading advisors specialised in customs matters, which confirmed that the actions of the company were basically correct. Given what is set forth in those opinions, and as the dispute has not yet resulted in litigation, the management of the joint venture decided not to recognise any provision.

The first quarter of 2024 closed with a pre-tax loss (EBT) of Euro 8,988 thousand. The quarter as at 31 March 2023 closed with a pre-tax loss (EBT) of Euro 10,057 thousand.

The net result of the Group and minority interests as at 31 March 2024 showed a loss of Euro 8,989 thousand compared with a Group and minority interest loss of Euro 9,939 thousand as at 31 March 2023.

SEGMENT REPORTING

The management has identified two operating segments 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/Biomethane 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. This segment mainly includes

the SAFE, IMW and Idro Meccanica brands.

Breakdown of sales by business segment

(Thousands of Euro)

Distribution of revenues by segment	Q1 2024	% of revenues	Q1 2023	% of revenues	Changes	%
Green Transportation segment	51,021	74.2%	48,054	67.5%	2,967	6.2%
Clean Tech *Solutions*	17,751	25.8%	23,114	32.5%	-5,363	-23.2%
Total revenues	**68,772**	**100%**	**71,168**	**100%**	**-2,396**	**-3.4%**

Although on the whole consolidated revenues were down slightly compared with the same period of the previous year (-3.4%), different trends emerged in the Group's two segments. Thanks to the positive sales trend in the After Market channel and increased demand from OEM customers in the Mid & Heavy Duty channel, which more than offset the decline in sales in the passenger car OEM channel, the Green Transportation segment recorded an uptick of Euro 2,967 thousand in turnover (+6.2%). On the other hand, the Clean Tech Solutions segment posted a Euro 5,363 thousand decline in revenues (-23.2%) due to delays in certain particularly complex projects relating to hydrogen business products, as well as the postponement of several important orders.

Breakdown of sales by geographical area

(Thousands of Euro)

Geographical distribution of revenues	At 31/03/2024	% of revenues	At 31/03/2023	% of revenues	Changes	%
Italy	7,417	10.8%	6,477	9.1%	940	14.5%
Europe (excluding Italy)	37,118	54.0%	40,595	57.0%	-3,477	-8.6%
America	12,315	17.9%	13,987	19.7%	-1,672	-12.0%
Asia and Rest of the World	11,922	17.3%	10,109	14.2%	1,813	17.9%
Total	**68,772**	**100.0%**	**71,168**	**100.0%**	**-2,396**	**-3.4%**

Regarding the geographical distribution of revenues, during the first three months of 2024 the Group achieved 89.2% (90.9% as at 31 March 2023) of its consolidated revenues abroad (54.0% in Europe and 35.2% outside Europe).

Profitability

Green Transportation operating segment performance

(Thousands of Euro)

GREEN TRANSPORTATION	Q1 2024	Q1 2023 (restated)	Changes	%
Net sales outside the Group	**51,021**	**48,054**	**2,967**	**6.2%**
Intersegment sales	126	145	-19	-13.1%
Total Revenues from net sales and services	51,147	48,199	2,948	6.1%

Other revenues and income	128	98	30	30.6%
Operating costs	-51,183	-50,818	-365	0.7%
Adjusted gross operating profit (EBITDA)	**92**	**-2,521**	**2,613**	
Non-recurring costs	-802	-886	84	
Gross operating profit (EBITDA)	**-710**	**-3,407**	**2,697**	
Amortisation, depreciation and impairment	-3,285	-3,498	213	
Net operating profit (EBIT)	**-3,995**	**-6,905**	**2,910**	
Adjusted EBITDA margin	**0.2%**	**-5.2%**		
EBITDA margin	**-1.4%**	**-7.1%**		

Sales revenues

Revenues from sales in the Green Transportation segment as at 31 March 2024 amounted to Euro 51,021 thousand, up by Euro 2,967 thousand (+6.2%). The significant increase in overall sales compared with the same period of the previous year was mainly connected to the more than positive performance of sales in the After Market channel (+12.7% compared with the first quarter of 2023), due for the most part to certain markets in the Latam area and the domestic market, as well as the recovery of orders in the Mid & Heavy Duty OEM channel, which more than offset lower sales in the passenger car OEM channel.

Group sales in the OEM channel amounted to overall Euro 32.4 million, up by Euro 0.9 million compared with 31 March 2023, and relate to sales to automotive manufacturers operating in the passenger car channel and the Mid & Heavy Duty channel.

Sales in the After Market channel, amounting to Euro 18.6 million (compared with Euro 16.5 million at 31 March 2023), primarily relate to orders from distributors and authorised installers, both domestic and foreign.

Revenue by geographical area

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

(Thousands of Euro)

GREEN TRANSPORTATION	At 31/03/2024	% of revenues	At 31/03/2023	% of revenues	Changes	%
Italy	5,984	11.7%	5,764	12.0%	220	3.8%
Europe (excluding Italy)	29,060	57.0%	29,550	61.5%	-490	-1.7%
America	5,302	10.4%	4,786	10.0%	516	10.8%
Asia and Rest of the World	10,675	20.9%	7,954	16.5%	2,721	34.2%
Total	**51,021**	**100.0%**	**48,054**	**100.0%**	**2,967**	**6.2%**

Italy

The Group's sales in Italy reached Euro 5,984 thousand, marking a recovery over the same period of the previous year (+3.8%). According to UNRAE (Association of foreign car makers operating in Italy) data, 9% of total vehicle registrations during the quarter continue to be for vehicles with CNG and LPG engines.

Europe

The rest of Europe represents 57% of total sales (61.5% in the first three months of 2023) and is down (-1.7%) compared with the same quarter of the previous year due to the trend in orders from a major passenger car OEM

customer.

America

Sales made in the first three months of 2024 on the American continent, amounting to 10.4% of total sales, rose by 10.8% especially due to the positive trend in some Latam countries.

Asia and Rest of the World

Sales in Asia and the Rest of the World amounted to 20.9% of total revenue (16.5% in the first three months of 2023), recording an increase of 34.2% mainly thanks to the performance of sales in the Mid & Heavy Duty OEM channel in the Chinese market.

Profitability

(Thousands of Euro)

GREEN TRANSPORTATION	31/03/2024	31/03/2023 (restated)
Revenue	51,021	48,054
Adjusted gross operating profit (EBITDA)	92	-2,521
% of revenues	0.2%	*-5.2%*
Gross operating profit (EBITDA)	-710	-3,407
% of revenues	-1.4%	*-7.1%*
Net operating profit (EBIT)	-3,995	-6,905
% of revenues	-7.8%	*-14.4%*
Change in Revenues compared with the previous year	2,967	
Change %	*6.2%*	

In the first quarter of 2024, the adjusted Gross Operating Profit (EBITDA) of the Green Transportation segment, net of non-recurring costs of Euro 802 thousand, was positive at Euro 92 thousand, equivalent to 0.2% of revenues, marking a net improvement compared with the same period of the previous year (loss of Euro 2,521 thousand, equal to -5.2% of revenues and net of non-recurring costs of Euro 886 thousand).

The decline in sales in the passenger car OEM channel, historically characterised by limited operating profitability, was more than offset by higher sales in the After Market and Mid & Heavy Duty OEM channels, the higher incidence of which allowed for a recovery in adjusted profit margins compared with the same period of the previous year. The Gross Operating Loss (EBITDA) in the Green Transportation segment at 31 March 2024 was indeed Euro 710 thousand (inclusive of non-recurring costs of Euro 802 thousand), marking an improvement compared with a loss of Euro 3,407 thousand as at 31 March 2023.

Clean Tech Solutions operating segment performance

(Thousands of Euro)

CLEAN TECH SOLUTIONS	Q1 2024	Q1 2023 (restated)	Changes	%
Net sales outside the Group	**17,751**	**23,114**	**-5,363**	**-23.2%**

Intersegment sales	0	0	0	0.0%
Total Revenues from net sales and services	17,751	23,114	-5,363	-23.2%
Other revenues and income	20	103	-83	-80.6%
Operating costs	-18,329	-21,657	3,328	-15.4%
Adjusted gross operating profit (EBITDA)	**-558**	**1,560**	**-2,118**	
Non-recurring costs	-356	-244	-112	
Gross operating profit (EBITDA)	**-914**	**1,316**	**-2,230**	
Amortisation, depreciation and impairment	-669	-695	26	
Net operating profit (EBIT)	**-1,583**	**621**	**-2,204**	
Adjusted EBITDA margin	**-3.1%**	**6.7%**		
EBITDA margin	**-5.1%**	**5.7%**		

Sales revenues

The Clean Tech Solutions segment recorded revenue of Euro 17,751 thousand, compared with Euro 23,114 thousand in the previous year. This trend is linked to delays in certain particularly complex and innovative projects relating to hydrogen business products, as well as the postponement of several important orders.

Revenue by geographical area

(Thousands of Euro)

CLEAN TECH SOLUTIONS	At 31/03/2024	% of revenues	At 31/03/2023	% of revenues	Changes	%
Italy	1,433	8.1%	713	3.1%	720	101.0%
Europe (excluding Italy)	8,058	45.4%	11,045	47.8%	-2,987	-27.0%
America	7,013	39.5%	9,201	39.8%	-2,188	-23.8%
Asia and Rest of the World	1,247	7.0%	2,155	9.3%	-908	-42.1%
Total	**17,751**	**100.0%**	**23,114**	**100.0%**	**-5,363**	**-23.2%**

Given its extreme variability depending on the projects completed during the period, revenue by geographical area is not a significant indicator for the Clean Tech Solutions segment.

Profitability

(Thousands of Euro)

CLEAN TECH SOLUTIONS	31/03/2024	31/03/2023 (restated)
Revenue	17,751	23,114
Adjusted gross operating profit (EBITDA)	-558	1,560
% of revenues	*-3.1%*	*6.7%*
Gross operating profit (EBITDA)	-914	1,316
% of revenues	*-5.1%*	*5.7%*
Net operating profit (EBIT)	-1,583	621
% of revenues	*-8.9%*	*2.7%*
Change in Revenues compared with the previous year	-5,363	
Change %	*-23.2%*	

For the Clean Tech Solutions segment, adjusted EBITDA net of non-recurring costs of Euro 356 thousand (primarily relating to strategic consultancy) came to Euro -558 thousand (-3.1% of revenues), compared with a positive Euro 1,560 thousand (6.7% of revenues) in the same period of the previous year. This performance was caused by the decline in revenues, with the resulting increased incidence of fixed costs and direct costs that cannot be cut.

Invested capital

(Thousands of Euro)			
Statement of Financial Position	**31/03/2024**	**31/12/2023**	**31/03/2023**
Trade receivables	77,396	72,821	66,635
Inventories	90,618	93,637	97,400
Trade payables	-87,378	-100,115	-93,396
Other net current assets (liabilities) (*)	-16,686	-13,660	-8,670
Net operating capital	**63,950**	**52,683**	**61,969**
Tangible fixed assets	12,609	13,232	13,627
Intangible assets	104,276	105,153	107,240
Right-of-use assets	11,329	11,945	12,816
Other non-current assets	12,235	12,145	19,320
Fixed capital	**140,449**	**142,475**	**153,003**
TFR (severance pay), other provisions and others	-12,429	-12,549	-11,462
Net invested capital	**191,970**	**182,609**	**203,510**
Financed by:			
Net Financial Position	130,021	112,405	107,373
Group shareholders' equity	57,316	64,927	90,133
Minority interests	4,633	5,277	6,004
Borrowings	**191,970**	**182,609**	**203,510**
Ratios	**31/03/2024**	**31/12/2023**	**31/03/2023**
Net operating capital	63,950	52,683	61,969
Net operating capital/Turnover (rolling)	21.2%	17.4%	20.0%
Net invested capital	191,970	182,609	203,510
Net capital employed/Turnover (rolling)	63.8%	60.2%	65.5%

(*) Net of the remaining payable for the acquisition of equity investments

Net operating capital at the end of the period stood at Euro 63,950 thousand. This is an increase compared with the same figure at 31 December 2023 (Euro 52,683 thousand) and at 31 March 2023 (Euro 61,969 thousand). In terms of percentages on rolling turnover, there was an increase in this figure, from 17.4% as at 31 December 2023 to the current 21.2% (20.0% as at 31 March 2023).

Trade receivables stood at Euro 77,396 thousand (of which Euro 21,849 thousand relating to the Clean Tech Solutions segment) and increased compared with 31 March 2023 (Euro 66,635 thousand) and 31 December 2023 (Euro 72,821 thousand). This change can be primarily attributed to delays in the finalisation of factoring transactions

with crediting on maturity, with an estimated financial effect of roughly Euro 6 million. If such delays, which cannot be attributed to the Company, had not emerged, the balance of trade receivables would have been basically aligned with the figure at 31 December 2023. As at 31 March 2024, derecognised receivables assigned through factoring with crediting on maturity stood at Euro 8 million, down compared with the figure at 31 December 2023 (Euro 15.8 million) after what was described above.

Inventories stood at Euro 90,618 thousand, down compared with 31 December 2023 (Euro 93,637 thousand) and 31 March 2023 (Euro 97,400 thousand). This result is particularly significant if it is considered that historically, the first quarter of the year has always seen growth in inventories to meet the required procurement of critical components for production, and particularly electronic components. This confirms the validity of the inventory optimisation initiatives undertaken by the management.

Trade payables are down by Euro 12,737 thousand from Euro 100,115 thousand as at 31 December 2023 to Euro 87,378 thousand as at 31 March 2024 (of which Euro 20,636 thousand relating to the Clean Tech Solutions segment). As illustrated in the Annual Financial Report at 31 December 2023, the increase in trade payables recorded at the end of the previous year was due to the effect of the rescheduling agreements reached with some of the main suppliers and aimed at optimising the Group's financial management, agreements that have been respected. To be able to have the necessary funds available to meet the rescheduling commitments made with suppliers, the Company, given the delays in factoring transactions with crediting on maturity mentioned above, had to request the early repayment compared with expected maturities of investments made in money market transactions in the form of a "time deposit".

Fixed capital amounts to Euro 140,449 thousand and is inclusive of Euro 11,329 thousand for right-of-use assets recognised pursuant to IFRS 16 - Leases.

As at 31 March 2024, TFR (employee severance indemnity) and other provisions totalled Euro 12,429 thousand (Euro 12,549 thousand at 31 December 2023).

Net invested capital (Euro 191,970 thousand, equal to 63.8% of rolling turnover) is up compared with 31 December 2023 (Euro 182,609 thousand, equal to 60.2% of rolling turnover) following the increase in operating capital.

Net financial position and cash flows

(Thousands of Euro)

	31/03/2024	31/12/2023	31/03/2023
Cash and cash equivalents	26,210	26,495	52,104
Current assets for derivative financial instruments	0	0	289
Current financial assets	584	20,647	0
Bank financing and short-term loans	-51,302	-51,987	-32,237
Current right-of-use liabilities	-2,577	-2,792	-3,157
Other current financial liabilities	-7,758	-7,459	-3,975
Net short term indebtedness	**-34,843**	**-15,096**	**13,024**
Non-current bank loans	-67,264	-67,785	-84,965
Non-current right-of-use liabilities	-9,228	-10,090	-10,553
Other non-current financial liabilities	-17,578	-18,503	-24,356
Non-current assets for derivative financial instruments	26	39	60
Liabilities for derivative financial instruments	-643	-515	-130
Net medium-long term indebtedness	**-94,687**	**-96,854**	**-119,944**
Commitments for the purchase of equity investments	-491	-455	-453
Net Financial Position	**-130,021**	**-112,405**	**-107,373**
Net Financial Position - adjusted (*)	**-117,108**	**-98,592**	**-93,429**
- of which Green Transportation	*-98,925*	*-82,041*	*-78,789*

- of which Clean Tech Solutions	*-18,183*	*-16,551*	*-14,640*

(*) Not including the effects of the adoption of IFRS 16 - Leases, the fair value of derivative financial instruments and the payable for the purchase of equity investments

The Net Financial Position as at 31 March 2024 is equal to Euro 130,021 thousand (Euro 112,405 thousand as at 31 December 2023), of which Euro 11,805 thousand due to the application of IFRS 16 - Leases, an overall negative amount of Euro 643 thousand relating to the fair value of derivative financial instruments and Euro 491 thousand relating to the payable for the put/call options relating to Metatron Control System shares. The adjusted Net Financial Position net of these amounts would have amounted to Euro 117,108 thousand (gross of the effect of exchange rate fluctuations on cash and cash equivalents of Euro 869 thousand), of which Euro 98,925 thousand linked to the Green Transportation segment and Euro 18,183 thousand to the Clean Tech Solutions segment.

The following table illustrates the trend in total cash flow:

(Thousands of Euro)

	31/03/2024	31/12/2023	31/03/2023 (restated)
Gross operational cash flow	-16,885	-5,632	-13,585
Cash flow for investment activities	-1,536	-9,134	-1,913
Gross Free Cash Flow	**-18,421**	**-14,766**	**-15,498**
Non-recurring expenditure for voluntary resignation incentives	0	-1,334	-230
Net Free Cash Flow	***-18,421***	***-16,100***	***-15,728***
Repayment of leases (IFRS 16)	-964	-3,808	-887
Overall cash flow	**-19,385**	***-19,908***	***-16,615***

In the first quarter of 2024, there was cash absorption of Euro 19,385 thousand, mainly associated with operations (Euro -16,885 thousand), as well as investment activities (Euro 1,536 thousand) and cash outflows for leases (Euro 964 thousand).

As mentioned previously, in March there were delays in factoring transactions with crediting on maturity, with an estimated financial effect of roughly Euro 6 million. To be able to have the necessary funds available to meet the rescheduling commitments made with suppliers, the Company, given the delays in factoring transactions with crediting on maturity mentioned above, had to request the early repayment compared with expected maturities of investments made in money market transactions in the form of a “time deposit”.

As described in depth in the Annual Financial Report as at 31 December 2023, which should be referenced for the details, on 1 August 2024, as part of and in execution of the financial manoeuvre approved on 17 July 2024 by the Board of Directors:

- GBD – Green by definition S.p.A., Invitalia, as well as, limited to certain conditions, Girefin S.p.A., Gireimm S.r.l. and Itaca GAS S.r.l., shareholders of GBD – Green by definition S.p.A., signed an investment agreement governing, inter alia, the execution of a share capital increase under option for the current shareholders of the Company for a maximum total of Euro 25 million, guaranteed up to Euro 20 million by the majority shareholder GBD – Green by definition S.p.A. and, subject to the execution of the first increase for at least Euro 20 million, a

second share capital increase of Euro 20 million reserved to Invitalia, through the issue of unlisted special class shares, increases that will be subject to the approval of the competent corporate bodies.

- the Company and the lending banks (i.e. UniCredit S.p.A., Intesa Sanpaolo S.p.A. and Sagitta SGR S.p.A., the latter having taken over for Banco BPM S.p.A.) signed amendments of the medium/long-term pool loan agreements previously entered into on 29 June 2022 in order to implement the financial manoeuvre. Specifically, the repayment profile the pool loans was amended consistent with the generation of cash flows to service the debt pursuant to the 2024-2028 Business Plan, and the financial parameters set forth therein were reviewed accordingly, all with a confirmation of economic conditions in force. These amendments will become effective (with effect backdated to 28 June 2024) by 30 August 2024 after the conditions precedent set forth therein are met and will be subject to the condition subsequent, inter alia, of the completion of the share capital increase under option and the reserved share capital increase within the agreed timeframes.

Following the full payment of the share capital increase under option and the reserved share capital increase, expected by 31 December 2024, the Company will obtain new own funds for a maximum total of Euro 45 million and, in any event, no less than Euro 40 million.

Investments

Investments in property, plant, machinery and other equipment totalled Euro 544 thousand (Euro 778 thousand as at 31 March 2023) and refer to the investments made by the Group in production plants and moulds to be used in the launch of new products.

The increase in intangible assets amounted to Euro 1,249 thousand (Euro 1,226 thousand as at 31 March 2023) and mainly related to the capitalisation of costs of development projects relating to:

- new products for the Green Transportation segment, particularly for the After Market and OEM channels (also for new Heavy Duty solutions) and for Hydrogen mobility;
- new hydrogen and biomethane products for the Clean Tech Solutions segment.

2.1.2. Results of Parent Company

In the first three months of 2024, Landi Renzo S.p.A. generated revenues of Euro 33,179 thousand compared with Euro 31,732 thousand in the same period of the prior year. EBITDA totalled Euro -3,326 thousand (inclusive of Euro 802 thousand in non-recurring costs), compared with Euro -2,449 thousand at 31 March 2023 (of which non-recurring costs of Euro 317 thousand), while the net financial position was Euro -98,144 thousand (Euro -93,907 thousand, net of the effects deriving from the application of IFRS 16 and the fair value of financial derivative contracts) compared with Euro -81,712 thousand at 31 December 2023 (Euro -77,176 thousand, net of the effects deriving from the application of IFRS 16 and the fair value of financial derivative contracts).
At the end of the quarter, the Parent Company's workforce numbered 292 employees, basically in line with 31 December 2023 (287).

2.1.3. Impact of the Russia-Ukraine and Israel-Hamas conflict on the activities of the Landi Renzo Group

The Russia-Ukraine conflict is not having a significant direct impact on activities. Indeed, as far as the Green Transportation segment is concerned, these markets are residual, while for the Clean Tech Solutions segment, projects outstanding when the conflict began have been transferred to other countries. As regards the indirect impacts of the war, particularly the increase in energy and raw material prices, they are now basically behind us, although potential tensions remain in the market, which is still characterised by high volatility and higher prices than in the past.

No direct impacts on Group operations are expected from the Israel-Hamas conflict, as the Landi Renzo Group has no direct business in the areas involved. The conflict is affecting the supply chain, generating delays in the delivery of materials that need to transit through the Suez Canal. The management is closely monitoring this risk, adopting the appropriate mitigation measures (management of safety stock, assessment of alternative suppliers). As things currently stand, it is not possible to evaluate any additional indirect impacts.

2.1.4. Impact of climate change and transition risks on the activities of the Landi Renzo Group

Please refer to the Annual Financial Report at 31 December 2023 for an analysis of the impacts linked to climate change and transition risks.

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 company located in Corte Tegge - Cavriago;
- 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 (Bologna);
- the service contracts between Gestimm S.r.l. and Landi Renzo S.p.A. for rent of the production plant on Via dell'Industria in Cavriago;
- the service contracts between Reggio Properties LLC, a company in which a stake is held by Girefin S.p.A., for the rents on properties used by the US company;
- the loan granted by Landi Renzo S.p.A. to the Indian joint venture Krishna Landi Renzo;
- supply of goods and services to the Indian joint venture Krishna Landi Renzo;
- supplies of products and materials by Clean Energy Fuel Corp, the minority shareholder of SAFE&CEC.

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

Significant events after the reporting period

- On 10 July 2024, the Board of Directors of Landi Renzo S.p.A. notified the market that it had received the acceptance of the banking sector to the review of its medium/long-term loan agreements as part of a capital strengthening operation involving the investment of the Business Protection Fund promoted by the Ministry of Enterprises and Made in Italy (MIMIT) and managed by Invitalia, Agenzia Nazionale per lo sviluppo in Landi Renzo S.p.A. This investment will take place by means of a share capital increase under option for a maximum total of Euro 25 million, guaranteed up to Euro 20 million by the majority shareholder GBD – Green by definition S.p.A. and, subject to the execution of the former for at least Euro 20 million, a share capital increase of Euro 20 million reserved to Invitalia.

  In this regard, Landi Renzo S.p.A. has received:

  - a notification from Invitalia concerning the approval by its Board of Directors of the investment in Landi Renzo, subject to several conditions precedent, including the successful outcome of the necessary ministerial authorisation steps and the finalisation of contractual documentation concerning the Financial Optimisation Project;
  - acceptance by the banks providing the pool loans (Banco BPM S.p.A., Intesa Sanpaolo S.p.A. and UniCredit S.p.A.) of the proposed financial and capital optimisation initiative. Indeed, all credit institutions approved the extension of credit line maturities, confirmed existing economic conditions and agreed on the definition of new covenant levels.

- On 17 July 2024, the Board of Directors of Landi Renzo S.p.A. approved the draft financial optimisation project aimed at stabilising the Company's capital structure and ensuring that the company will have the necessary resources for the implementation of the new five-year business plan. The approved manoeuvre is broken down into three steps:

  I. a share capital increase under option for a maximum total of Euro 25 million, guaranteed up to Euro 20 million by the majority shareholder GBD – Green by definition S.p.A.; and

  II. a share capital increase of Euro 20 million reserved to Invitalia;

  III. a rescheduling of payments on the Company's outstanding medium/long-term financial debt to its lending banks.

- Also on 17 July 2024, the Board of Directors of Landi Renzo S.p.A., after obtaining the non-binding favourable opinion of the Committee for Transactions with Related Parties, authorised the renewal of lease agreements with Gireimm S.r.l. (related party pursuant to the Related Parties Procedure as Gireimm S.r.l., along with Girefin S.p.A., companies owned by the Landi Trust, indirectly hold control over the Company through GBD Green by Definition S.p.A.) on the property for commercial and production use located in Cavriago (RE), as well as on the prefabricated units used for technical and technological systems serving the real estate complex for production use. The transaction was assessed as a "transaction with related parties of lesser significance" by the Committee for Transactions with Related Parties pursuant to what is set forth in the applicable regulations and rules.

- As most recently announced to the market on 23 July 2024, the Board of Directors of Landi Renzo S.p.A., considering the timing connected to the financial manoeuvre, as well as the signing of the relative agreements, updated the calendar of board and shareholders' meetings.
- On 1 August 2024, as part of and in execution of the financial manoeuvre approved on 17 July 2024 by the Board of Directors, GBD – Green by definition S.p.A., Invitalia, as well as, limited to certain conditions, Girefin S.p.A., Gireimm S.r.l. and Itaca GAS S.r.l., shareholders of GBD – Green by definition S.p.A., signed an investment agreement governing, inter alia, the execution of a share capital increase under option for the current shareholders of the Company for a maximum total of Euro 25 million, guaranteed up to Euro 20 million by the majority shareholder GBD – Green by definition S.p.A. and, subject to the execution of the first increase for at least Euro 20 million, a second share capital increase of Euro 20 million reserved to Invitalia, through the issue of unlisted special class shares, increases that will be subject to the approval of the competent corporate bodies.

  The investment agreement establishes that at the date of execution of the reserved share capital increase, subject to the fulfilment of specific conditions precedent, (i) Girefin, Gireimm and Itaca GAS will sign a shareholders' agreement with Invitalia, which will govern certain commitments made by the shareholders of GBD – Green by definition S.p.A. with reference to the circulation of shares of GBD – Green by definition S.p.A.; (ii) GBD and Invitalia will sign a shareholders' agreement concerning the governance of Landi Renzo regarding, inter alia, the recognition to Invitalia of certain administrative rights concerning the special class shares it has subscribed, as well as the circulation of shares of the Company held by GBD – Green by definition S.p.A. and Invitalia; and (iii) Girefin S.p.A. and Gireimm S.r.l. will sign an amendment with Itaca GAS S.r.l. of the shareholders' agreement entered into on 14 July 2022 governing, inter alia, the circulation of shares of GBD – Green by definition S.p.A. and the governance of GBD – Green by definition S.p.A. and Landi Renzo.
- Also on 1 August 2024, the Company and the lending banks (i.e. UniCredit S.p.A., Intesa Sanpaolo S.p.A. and Sagitta SGR S.p.A., the latter having taken over for Banco BPM S.p.A.) also signed amendments of the medium/long-term pool loan agreements previously entered into on 29 June 2022 in order to implement the financial manoeuvre. Specifically, the repayment profile the pool loans was amended consistent with the generation of cash flows to service the debt pursuant to the 2024-2028 Business Plan, and the financial parameters set forth therein were reviewed accordingly, all with a confirmation of economic conditions in force. These amendments will become effective (with effect backdated to 28 June 2024) by 30 August 2024 after the conditions precedent set forth therein are met and will be subject to the condition subsequent, inter alia, of the completion of the share capital increase under option and the reserved share capital increase within the agreed timeframes.
- On 5 August 2024, the Board of Directors of Landi Renzo S.p.A. approved the draft financial statements and the consolidated financial statements as of 31 December 2023.

Likely future developments

The slow decline in inflation at global level and the continuation of various conflicts will continue to impact the markets in which the Group operates in 2024 as well.

The Group's new business plan, covering the 2024-2028 time horizon, confirms a first year of the plan with trends in continuity with the year 2023, with a strong management focus on the implementation of the business and financial initiatives required for development in the subsequent years of the plan.

In the Green Transportation segment, results are expected to be aligned with the year 2023, although with a more balanced mix of sales between Aftermarket, OEM - Passenger car and OEM - Mid & Heavy Duty, with the associated benefits in terms of margins.

In the Clean Tech Solutions segment, the gradual increase in projects linked to the biomethane and hydrogen markets, positioned throughout the entire value chain, continues. However, the strong link of these initiatives with government incentives and the still early stage of development of new markets suggest another year of transition, with an acceleration expected in the second half of the year.

Cavriago, 07/08/2024

Chief Executive Officer
Annalisa Stupenengo

3. INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2024

3.1. GENERAL ACCOUNTING STANDARDS AND CONSOLIDATION PRINCIPLES

3.1.1. Introduction

The Interim Management Report as at 31 March 2024, which has not been audited, has been prepared in compliance with art. 154 of Italian Legislative Decree no. 58 of 24 February 1998, as amended, and with the (Issuers' Regulations) issued by Consob (Italian Securities and Exchange Commission). Therefore, the provisions of the IAS on infra-annual financial information (IAS 34 – Interim Financial Reporting) were not adopted.

The Interim Management Report as at 31 March 2024 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, 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 31 March 2024 are not different to those used in drawing up the consolidated financial statements closed at 31 December 2023, which should be referred to for further information.

As well as the interim values as at 31 March 2024 and 2023, the financial data for the year ended on 31 December 2023 is shown for the purpose of comparison.

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

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

The accounting standards and calculation methods used for the preparation of this Interim Management Report were not modified compared to those used to prepare the consolidated financial statements at 31 December 2023. 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 2023, to which you may refer for a more complete description of such aspects.

The economic figures at 31 March 2023 were restated with a view to aligning them with the classifications used to draft the income statement closed at 31 March 2024. The cash flow statement was restated accordingly to take into consideration these reclassifications.

3.1.4. Scope of consolidation

The scope of consolidation includes the Parent Company Landi Renzo S.p.A. and the companies in which it holds a direct or indirect controlling stake according to IFRS. There has been no change to the consolidation scope compared with 31 December 2023.

3.2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Thousands of Euro)

ASSETS	31/03/2024	31/12/2023	31/03/2023
Non-current assets			
Land, property, plant, machinery and other equipment	12,609	13,232	13,627
Development costs	9,679	9,987	10,468
Goodwill	80,132	80,132	80,132
Other intangible assets with finite useful lives	14,465	15,034	16,640
Right-of-use assets	11,329	11,945	12,816
Equity investments measured using the equity method	2,298	2,498	2,259
Other non-current financial assets	902	902	1,054
Other non-current assets	0	0	1,720
Deferred tax assets	9,035	8,745	14,287
Non-current assets for derivative financial instruments	26	39	60
Total non-current assets	**140,475**	**142,514**	**153,063**
Current assets			
Trade receivables	77,396	72,821	66,635
Inventories	76,385	76,260	82,102
Contract work in progress	14,233	17,377	15,298
Other receivables and current assets	17,782	17,355	18,773
Current financial assets	584	20,647	0
Current assets for derivative financial instruments	0	0	289
Cash and cash equivalents	26,210	26,495	52,104
Total current assets	**212,590**	**230,955**	**235,201**
TOTAL ASSETS	**353,065**	**373,469**	**388,264**

(Thousands of Euro)

SHAREHOLDERS' EQUITY AND LIABILITIES	31/03/2024	31/12/2023	31/03/2023
Shareholders' equity			
Share capital	22,500	22,500	22,500
Other reserves	42,958	77,596	77,538
Profit (loss) for the period	-8,142	-35,169	-9,905
Total Shareholders' equity of the Group	**57,316**	**64,927**	**90,133**
Minority interests	4,633	5,277	6,004
TOTAL SHAREHOLDERS' EQUITY	**61,949**	**70,204**	**96,137**
Non-current liabilities			
Non-current bank loans	67,264	67,785	84,965
Other non-current financial liabilities	17,578	18,503	24,356
Non-current liabilities for rights of use	9,228	10,090	10,553
Provisions for risks and charges	6,093	6,244	5,253
Defined benefit plans for employees	3,322	3,257	3,358
Deferred tax liabilities	3,014	3,048	2,851
Non-current liabilities for derivative financial instruments	643	515	130
Total non-current liabilities	**107,142**	**109,442**	**131,466**
Current liabilities			
Bank financing and short-term loans	51,302	51,987	32,237
Other current financial liabilities	7,758	7,459	3,975
Current liabilities for rights of use	2,577	2,792	3,157
Trade payables	87,378	100,115	93,396
Tax liabilities	2,628	2,440	2,453
Other current liabilities	32,331	29,030	25,443
Total current liabilities	**183,974**	**193,823**	**160,661**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**353,065**	**373,469**	**388,264**

3.3. CONSOLIDATED INCOME STATEMENT

(Thousands of Euro)

CONSOLIDATED INCOME STATEMENT	31/03/2024	31/03/2023 (restated)
Revenues from sales and services	68,772	71,168
Other revenues and income	148	201
Cost of raw materials, consumables and goods and change in inventories	-41,832	-46,189
Costs for services and use of third-party assets	-14,941	-13,729
Personnel costs	-12,859	-12,365
Allocations, write-downs and other operating expenses	-912	-1,177
Gross operating profit	**-1,624**	**-2,091**
Amortisation, depreciation and impairment	-3,954	-4,193
Net operating profit	**-5,578**	**-6,284**
Financial income	202	175
Financial expenses	-2,816	-2,583
Exchange gains (losses)	204	-993
Net income (expenses) from hyperinflation	-550	-96
Income (expenses) from equity investments	-207	-7
Income (expenses) from joint ventures measured using the equity method	-243	-269
Profit (loss) before tax	**-8,988**	**-10,057**
Taxes	-1	118
Net profit (loss) for the Group and minority interests, including:	**-8,989**	**-9,939**
Minority interests	-847	-34
Net profit (loss) for the Group	-8,142	-9,905
Basic earnings (loss) per share (calculated on 225,000,000 shares)	-0.0362	-0.0440
Diluted earnings (loss) per share	-0.0362	-0.0440

The figure at 31 March 2023 was restated with a view to aligning the comparative figure with the classifications used to draft the income statement at 31 March 2024.

3.4. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Thousands of Euro)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	31/03/2024	31/03/2023
Net profit (loss) for the Group and minority interests:	**-8,989**	**-9,939**
Profits/losses that will not be subsequently reclassified in the income statement		
Remeasurement of employee defined benefit plans	-26	-7
Total profits/losses that will not be subsequently reclassified in the income statement	**-26**	**-7**
Profits/losses that could subsequently be reclassified in the income statement		
Measurement of investments with the equity method	0	31
Fair value of derivatives, change for the period	-113	-260
Exchange rate differences from the translation of foreign operations	379	441
Total profits/losses that could subsequently be reclassified in the income statement	**266**	**212**
Profits/losses recorded directly in Shareholders' Equity after tax effects	**240**	**205**
Total consolidated income statement for the period	**-8,749**	**-9,734**
Profit (Loss) for Shareholders of the Parent Company	-8,086	-9,784
Minority interests	-663	50

3.5. CONSOLIDATED CASH FLOW STATEMENT

(Thousands of Euro)

CONSOLIDATED CASH FLOW STATEMENT	31/03/2024	31/03/2023 (restated)
Cash flows from operations		
Pre-tax profit (loss) for the period	-8,988	-10,057
Adjustments for:		
Depreciation of property, plant and machinery	947	1,046
Amortisation of intangible assets	2,136	2,305
Depreciation of right-of-use assets	871	842
Loss (Profit) from disposal of tangible and intangible assets	-45	-91
Share-based incentive plans	0	0
Impairment loss on receivables	229	56
Net financial (income) expenses	2,410	3,401
Net (income) expenses from hyperinflation	550	96
(Income) expenses from equity investments	207	7
(Income) expenses from joint ventures measured using the equity method	243	269
	-1,440	**-2,126**
Changes in:		
Inventories and contract work in progress	3,019	-292
Trade receivables and other receivables	-5,446	5,233
Trade payables and other payables	-11,717	-15,422
Provisions and employee benefits	-119	-294
Cash generated from operations	**-15,703**	**-12,901**
Interest paid	-1,195	-916
Interest received	98	43
Income taxes paid	-85	-41
Net cash generated (absorbed) by operations	**-16,885**	**-13,815**
Financial flows from investments		
Proceeds from the sale of property, plant and machinery	257	91
Purchase of property, plant and machinery	-544	-778
Purchase of intangible assets	-119	-69
Development costs	-1,130	-1,157
Net cash absorbed by investment activities	**-1,536**	**-1,913**
Free Cash Flow	**-18,421**	**-15,728**
Financial flows from financing activities		
Disbursements (reimbursements) of medium/long-term loans	-1,259	4,176
Change in short-term bank debts	-574	1,147
Repayment of leases (IFRS 16)	-964	-887
Net cash generated (absorbed) by financing activities	**-2,797**	**4,436**
Net increase (decrease) in cash and cash equivalents	**-21,218**	**-11,292**
Cash and cash equivalents at 1 January	26,495	62,968
Net decrease/(increase) in short-term deposits	20,064	0
Effect of exchange rate fluctuation on cash and cash equivalents	869	428
Closing cash and cash equivalents	**26,210**	**52,104**

The data as of 31 March 2023 has been restated with the aim of aligning the comparative data with the classifications used for the preparation of the financial statement closed as of 31 March 2024.

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 31/12/2022	**22,500**	**2,250**	**13,463**	**67,118**	**8,867**	**-14,281**	**99,917**	**14**	**5,953**	**105,884**
Profit (loss) for the year						-9,905	**-9,905**	-34		**-9,939**
Actuarial gains/losses (IAS 19)			-7				**-7**			**-7**
Translation difference			357				**357**		84	**441**
Valuation of investments using equity method			31				**31**			**31**
Change in the cash flow hedge reserve			-260				**-260**			**-260**
Total overall profits/losses	**0**	**0**	**121**	**0**	**0**	**-9,905**	**-9,784**	**-34**	**84**	**-9,734**
Share-based incentive plans			0				**0**			**0**
Variation in the consolidation area									-13	**-13**
Allocation of profit				-14,281		14,281	**0**	-14	14	**0**
Balance at 31/03/2023	**22,500**	**2,250**	**13,584**	**52,837**	**8,867**	**-9,905**	**90,133**	**-34**	**6,038**	**96,137**
Balance at 31/12/2023	**22,500**	**2,250**	**15,110**	**51,369**	**8,867**	**-35,169**	**64,927**	**-1,270**	**6,547**	**70,204**
Profit (loss) for the year						-8,142	**-8,142**	-847		**-8,989**
Actuarial gains/losses (IAS 19)			-26				**-26**			**-26**
Translation difference			195				**195**		184	**379**
Valuation of investments using equity method			0				**0**			**0**
Valuation of cash flow hedge reserve			-113				**-113**			**-113**
Total overall profits/losses	**0**	**0**	**56**	**0**	**0**	**-8,142**	**-8,086**	**-847**	**184**	**-8,749**
Monetary Revaluation (IAS 29)	0		475	0			**475**		19	**494**
Allocation of profit			-2	-35,167		35,169	**0**	1,270	-1,270	**0**
Balance at 31/03/2024	**22,500**	**2,250**	**15,639**	**16,202**	**8,867**	**-8,142**	**57,316**	**-847**	**5,480**	**61,949**

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

Subject: Interim Management Report as at 31 March 2024

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 no. 58 of 24 February 1998 that, to the best of my knowledge, the Interim Management Report as at 31 March 2024 corresponds to the accounting documents, ledgers and records.

Cavriago, 07/08/2024

Financial Reporting
Officer
Paolo Cilloni