

**THE BOARD OF DIRECTORS OF ERREDUE S.P.A. HAS APPROVED
THE HALF-YEARLY REPORT AS OF 30 JUNE 2023**

**SIGNIFICANT GROWTH IN ALL ECONOMIC INDICATORS
CONSISTENT INCREASE IN REVENUES + 44.4% THANKS TO THE SALES VOLUMES OF HYDROGEN
AND NITROGEN GENERATORS, AS WELL AS LABORATORY AND PEM GENERATORS**

**MARGINALITY STRONGLY IMPROVED, BRINGING THE EBITDA MARGIN TO 35.9%
CONFIRMING THE GOODNESS OF THE BUSINESS MODEL**

**TOTAL BACKLOG¹ AS AT 31 AUGUST 2023: € 10.5 MILLION TO SUPPORT THE CURRENT GROWTH
TREND**

- **Revenues from Sales and Services: €7.9 million** (€5.4 million as of June 30, 2022, **+44.4% year on year**)²,
- **Production Value: €9.1 million** (€6.0 million as of 30 June 2022, **+ 50.7% year on year**)
- **EBITDA: €2.8 million** (€1.7 million at 30 June 2022, **+69.2% year on year**); **EBITDA Margin** equal to 35.9% (30.7% at 30 June 2022)
- **EBIT: €1.9 million** (€0.9 million at 30 June 2022, **+104.8% year on year**)
- **Profit for the year: €1.5 million** (€0.7 million at 30 June 2022, **+ 126.9% year on year**)
- **Shareholders' equity: €29.1 million** (€27.5 million at 31 December 2022)
- **Net Financial Debt: cash of €14.9 million** (cash of €17.4 million at 31 December 2022)

Livorno, 26 September 2023 – The Board of Directors of **ErreDue** (EGM: RDUE), a company active in the design and production of highly innovative and customized solutions for the on-site production, mixing and purification of technical gases (hydrogen produced through electrolysis of water, nitrogen, oxygen), held today, examined and approved the half-yearly financial report as of 30 June 2023, subjected to a limited audit.

Enrico D'Angelo, Founder and CEO of ErreDue, commented: *"The results achieved to date are in line with our forecasts and confirm the farsightedness of our business model. We are very satisfied to highlight a revenue growth of 44% and a triple digit increase in profit, compared to the same period of 2022. The company's organic growth is entirely attributable to the increase in volumes of the traditional market, supported by visibility at following the listing. The market segment relating to the energy transition is still struggling to take off but, despite the institutions' delay, ErreDue was able to achieve the objectives set in the forecast budget. These data portray a healthy and highly capitalized company that managed to amortize the effects of a complex geo-political and macroeconomic situation in one year. We intend to continue along this line of development by confirming our investment plan which will focus on internal growth, on the construction of large plants, machinery and equipment, as well as on-site generators for green hydrogen to support the energy transition. In this regard, we have chosen to actively participate, as a partner, in the H2 Era Green Valley project, the first European industrial circular economy project, with zero impact and waste, which will be built in Tuscany on a disused surface area of over 120,000 square meters and from 2022 to the construction of the Hydrogen Valley of La Roda*

¹ Unaudited figure

² Figures in brackets refer to profit and loss figures as at 30 June 2022 and balance sheet figures as at 31 December 2022.

in Spain. Our proven experience and the competitive advantage of vertically integrated production confirm our leadership position on the global reference markets and allow us to record growing performances. We are ready to welcome the challenges and opportunities that the market will present us, always maintaining an active focus on our core business and on research and development activities".

ECONOMIC AND FINANCIAL DATA AS OF JUNE 30, 2023

Revenues from Sales and Services stood at €7.9 million, with a significant growth of 44.4% compared to €5.4 million achieved at 30 June 2022. This result is due to the increase in all categories of revenues and highlights a significant increase in sales volumes of hydrogen and nitrogen generators, as well as laboratory and PEM generators, which is particularly significant on foreign markets. The excellent economic results were obtained despite the continuation of the Russian-Ukrainian conflict, countries in which, until the start of the war, ErreDue had developed significant revenues. It should be noted that revenues from sales and services do not include: i) internal construction relating to generators intended for rental; ii) the change in inventories of products in progress, semi-finished and finished products; and iii) the operating contributions and the contributions relating to the tax credit.

Below is a breakdown of revenues by activity category and product type.

(000/ Euro)	1H2023	%	1H2022	%
Generators and other products	5.214	66,4%	3.408	62,7%
Assistance and spare parts	1.548	19,7%	1.010	18,6%
Rental of generators	1.093	13,9%	1.021	18,8%
Total	7.855	100,00%	5.439	100,00%

(000/ Euro)	1H2023	%	1H2022	%
Hydrogen	3.404	43,3%	1.767	32,5%
Other gases	3.347	42,6%	2.756	50,7%
Other products	1.104	14,1%	916	16,8%
Total	7.855	100,00%	5.439	100,00%

Value of Production is equal to €9.1 million (€6.0 million at 30 June 2022), an increase of 50.7%, and includes, in addition to revenues, increases in fixed assets for internal work, the change in inventories of products in progress, semi-finished and finished products and other revenues and income.

Among the **cost items**, we highlight a 34.4% increase in personnel costs, equal to €2 million (€1.5 million at 30 June 2022), driven by new hires for the benefit of the production departments (approximately + 20 units).

EBITDA amounted to €2.8 million (€1.6 million at 30 June 2022) with a significant growth of 69.2%. The EBITDA Margin stands at 35.9% against 30.7% in the first half of 2022.

Depreciation, equal to €842 thousand (€667 thousand at 30 June 2022) increased mainly due to the capitalized listing costs. It should be noted that, in light of these costs, on 25 May 2023 the company obtained confirmation of the so-

called from the MISE. "Listing Bonus" provided for in the art. 1, paragraphs 89-92, of law 27 December 2017, n. 205 and subsequent amendments, for €500,000, to be used in the form of a tax credit in the current financial year.

EBIT amounted to €1.9 million (€0.9 million at 30 June 2022), recording an increase of 104.8%.

Net Profit is positive at €1.5 million, up 126.9% (€0.7 million at 30 June 2022).

The **total Backlog** as at 31 August 2023 is € 10.5 million.

The **amount of fixed assets**, equal to €11.3 million, grew by 35.3% compared to €8.3 million at 31 December 2022. In particular, investments in tangible fixed assets are attributable to the purchase of an industrial factory of large dimensions to be renovated and expanded, to new systems and machinery built internally and intended for rental to customers and to technical equipment. Intangible assets, however, are reduced due to the amortization of the aforementioned capitalization of IPO costs, amortized over 5 years.

Net Working Capital amounted to €3.8 million (€2.6 million at 31 December 2022), an increase of 45.5%. The trend is mainly attributable to the growth in inventories, raw materials and finished products, necessary to deal with the important orders in progress.

Net Financial Position shows a positive cash position of €14.9 million compared to a positive cash position of €17.4 million at 31 December 2022. This reduction was mainly determined by the absorption of greater financial resources linked to the purchase of the new industrial area on where the 'Giga Factory' will be built, as well as the growth of warehouse stocks needed to support the increase in production.

Shareholders' equity is equal to €29.1 million (€27.5 million at 31 December 2022).

MAIN SIGNIFICANT EVENTS THAT OCCURRED DURING AND AFTER THE FIRST HALF OF 2023

On **18 January 2023**, the Mayor of Livorno Luca Salvetti and the Councilor for Labor with responsibility for Economic Development Gianfranco Simoncini visited the Company at the headquarters in Via Gozzano, n.3. During the meeting, issues relating to the objectives and strategies for the near future were explored in depth, with a focus, in particular, on the construction of the 'Giga Factory' - which will be built on 16,000 square meters in the disused industrial area in the Picchianti area -, on internationalization process to export the Company's know-how abroad and on the partnership being developed with different universities and research institutes.

On **3 February 2023**, the Company announced that it had signed, with one of the most important companies in the metallurgy sector, a contract worth approximately € 900 thousand for the construction of a 750 m³/h hyperpure nitrogen plant.

On **9 May 2023**, the Company announced that the international consortium of which it is a partner - established on 28 February 2022, as communicated during the IPO phase, by excellent European companies such as the Spanish Instaltic S.L. and General de Engineering Inhiset S.A and the French Hydrogen de France - continued within the times indicated during the establishment phase in the activities and related progress steps of the project for the construction of the Hydrogen Valley in the Spanish region of La Roda. The main objective of the project is the creation of a real Hydrogen

Valley, a district in which the economy depends on the energy produced by green hydrogen and no longer on oil and natural gas.

On **13 June 2023**, the Company announced that it had completed the purchase of the new headquarters which will be built on the site located in Livorno, via dell'Artigianato, n. 64, a 'Giga Factory' in which part of the ErreDue production line will be relocated. The purchase operation is part of the national and international growth strategy, already declared by the company during the IPO phase, which aims to move from the current capacity of 8 MW to a capacity of at least 60 MW per year to meet the needs of the markets power-to-gas, sustainable fuel cell mobility and synthetic fuel.

On **22 June 2023**, the Company announced that it had completed the delivery of an alkaline electrolysis plant with a capacity of 0.5 MW to the Logan Energy group - active in the United Kingdom and a leader in hydrogen technology with a proven track record in project delivery turnkey in low carbon sectors, through the use of renewable energy and hydrogen.

On **19 September 2023**, the Company announced the appointment of Mr. Rolando Robustelli as Chief Financial Officer, effective 18/12/2023. In his role, Mr. Robustelli will have the task of strengthening ErreDue's financial strategy, coordinating the management of the planning and business development processes for the economic-financial aspects.

FORESEEABLE EVOLUTION OF OPERATIONS

The company has orders in its portfolio for € 10.5 million deriving from € 9.7 million for sales of machines and generators to be rented and for € 0.8 million relating to leases already contracted to be invoiced during the year. These volumes of revenues guarantee the best performance of the activity for the continuation of the current and for a good part of the following year, in which revenues from rental contracts for € 2.2 million, from assistance and after market contracts for approximately €4 million. For 2024 we estimate that we already have revenues of approximately €9 million in our portfolio.

The available resources guarantee adequate financial and capital coverage for the planned investments. The war in Ukraine will continue to weigh on future economic results, resulting in a significant slowdown in activities in those areas. The company is still awaiting the developments of the PNRR in the hydrogen sector as the main market for large generators. Even in the absence of the increases expected by the PNRR, with traditional activities alone, we expect to achieve the budget objectives in the second half of 2023.

Regardless of the above, all development plans for the construction of hydrogen production plants (from megawatts and beyond) are confirmed, which will allow the company to meet the needs of power-to-gas, sustainable fuel cell mobility, synthetic fuel and hard to abate.

STORAGE OF DOCUMENTATION

The documentation relating to the Half-Year Report as of 30 June 2023, required by current legislation, will be made available to the public at the registered office (Via Gozzano, n. 3 - Livorno) as well as by publication on the Company's website www.erreduegas.it, "Investor Relations/Financial Statements and Reports" section in accordance with the law, as well as on the website www.borsaitaliana.it, "Shares/Documents" section.

It should be noted that the document may contain forward-looking statements relating to future events and operating results, which by their nature have a component of risk and uncertainty, as they depend on future and unpredictable



Azienda Certificata che
soddisfa i requisiti
essenziali della Direttiva
PED 2014/68/UE

events and developments. The actual results may therefore differ significantly from those announced in relation to a number of factors.

Il presente comunicato stampa è disponibile sul sito internet della Società <https://www.erreduegas.it/> nella sezione Investor Relations e su www.1info.it.

This press release is available on the Company's website <https://www.erreduegas.it/> in the Investor Relations section

The reclassified Income Statement and Balance Sheet as at 30 June 2023 and the Cash Flow Statement as at 30 June 2023, calculated using the indirect method, are attached.

About ErreDue

ErreDue è un pioniere dell'elettrolisi dell'idrogeno a zero emissioni, all'avanguardia nella ricerca e sviluppo, nella produzione e nella commercializzazione di elettrolizzatori per la generazione on-site di idrogeno pulito e di generatori di altri gas tecnici (azoto e ossigeno) per varie applicazioni industriali, di laboratorio, applicazioni medicali e per le nuove applicazioni relative alla transizione energetica come il power-to-gas, la mobilità sostenibile (piccole stazioni di rifornimento di idrogeno) e la decarbonizzazione industriale. ErreDue ha sede a Livorno e nel 2022 ha ottenuto ricavi pari a € 12,3 milioni, in crescita rispetto all'anno precedente. Dal 6 dicembre 2022 ErreDue è quotata sul mercato Euronext Growth Milan organizzato e gestito da Borsa Italiana S.p.A.. Per maggiori informazioni: <https://www.erreduegas.it/>

For further information:

Euronext Growth Advisor

CFO SIM S.p.A.

ecm@cfosim.com

Investor Relation ErreDue

Francesca Barontini

investor.relator@erreduegas.it

Media Relation ErreDue

Eliana Bollino

elianabollino@erreduegas.it

CDR Communication

Investor Relation

Silvia Di Rosa:

silvia.dirosa@cdr-communication.it

Marika Martinciglio:

marika.martinciglio@cdr-communication.it

Media Relations

Angelo Brunello:

angelo.brunello@cdr-communication.it

Stefania Trevisol:

stefania.trevisol@cdr-communication.it

Reclassified Income Statement as at 30 June 2023

(migliaia di Euro)	30/06/2023	%	30/06/2022	%	Var.	Var. %
Ricavi delle vendite e delle prestazioni	7.855	100,0%	5.439	100,0%	2.416	44,4%
Incrementi di immobilizzazioni per lavori interni	703	8,9%	338	6,2%	365	108,0%
Variazione rimanenze di prodotti in corso di lavorazione, semilavorati e finiti	318	4,0%	151	2,8%	167	110,5%
Altri ricavi e proventi	237	3,0%	120	2,2%	117	97,5%
Valore della produzione	9.113	116,0%	6.048	111,2%	3.065	50,7%
Costi per materie prime, sussidiarie, di consumo e merci	(4.325)	(55,1%)	(2.658)	(48,9%)	(1.667)	62,7%
Variazione rimanenze di materie prime	1.560	19,9%	837	15,4%	723	86,4%
Costi per servizi	(1.449)	(18,4%)	(1.019)	(18,7%)	(430)	42,2%
Costi per godimento di beni di terzi	(36)	(0,5%)	(14)	(0,3%)	(22)	158,5%
Costi per il personale	(1.968)	(25,1%)	(1.464)	(26,9%)	(504)	34,4%
Oneri diversi di gestione	(69)	(0,9%)	(43)	(0,8%)	(26)	60,4%
Accantonamenti per rischi	(3)	(0,0%)	(18)	(0,3%)	15	(83,8%)
Margine operativo lordo (EBITDA)	2.823	35,9%	1.668	30,7%	1.155	69,2%
Ammortamenti	(842)	(10,7%)	(667)	(12,3%)	(175)	26,2%
Svalutazioni	(66)	(0,8%)	(66)	(1,2%)	0	(0,3%)
Risultato operativo (EBIT)	1.915	35,2%	935	17,2%	980	104,8%
Proventi/(oneri) finanziari	141	2,6%	(9)	(0,2%)	150	n.a.
Risultato ante imposte	2.056	37,8%	926	17,0%	1.130	122,0%
Imposte sul reddito	(509)	(9,4%)	(244)	(4,5%)	(265)	108,3%
Utile netto	1.547	28,4%	682	12,5%	865	126,9%

Balance Sheet as at 30 June 2023

(migliaia di Euro)	AI		Var.	Var. %
	30/06/2023	31/12/2022		
Immobilizzazioni immateriali	864	988	(124)	(12,5%)
Immobilizzazioni materiali	10.469	7.388	3.081	41,7%
Immobilizzazioni finanziarie	7	7	(0)	(6,7%)
Totale immobilizzazioni	11.340	8.383	2.957	35,3%
Rimanenze	5.507	3.629	1.878	51,7%
Crediti verso clienti	3.178	3.210	(32)	(1,0%)
Debiti verso fornitori	(2.498)	(2.381)	(117)	4,9%
Acconti	(1.248)	(1.310)	62	(4,7%)
Capitale circolante netto commerciale	4.938	3.148	1.790	56,9%
Altri crediti e ratei/risconti attivi *	976	859	117	13,6%
Altri debiti e ratei/risconti passivi **	(2.083)	(1.374)	(709)	51,6%
Capitale circolante netto (CCN)	3.831	2.633	1.198	45,5%
Trattamento di Fine Rapporto (TFR) e altri fondi	(926)	(850)	(76)	8,9%
Capitale investito netto (CIN)	14.246	10.166	4.080	40,1%
Patrimonio netto	29.093	27.546	1.547	5,6%
Indebitamento finanziario netto	(14.847)	(17.380)	2.533	(14,6%)
Totale fonti	14.246	10.166	4.080	40,1%

Note:

* La categoria "Altri crediti e ratei/risconti attivi" è composta dalle voci dello schema di stato patrimoniale del bilancio civilistico OIC II 5-bis) crediti tributari, II 5-quater) altri crediti e D) ratei e risconti.

** La categoria "Altri debiti e ratei/risconti passivi" è composta dalle voci dello schema di stato patrimoniale del bilancio civilistico OIC D12) debiti tributari, D13) debiti verso istituti di previdenza e di sicurezza sociale, D14) altri debiti e E) ratei e risconti.

Cash Flow Statement (indirect method) as at 30 June 2023

	30-06-2023	31-12-2022
Rendiconto finanziario, metodo indiretto		
A) Flussi finanziari derivanti dall'attività operativa (metodo indiretto)		
Utile (perdita) dell'esercizio	1.548.629	1.651.850
Imposte sul reddito	508.965	533.305
Interessi passivi/(attivi)	(141.076)	8.772
(Plusvalenze)/Minusvalenze derivanti dalla cessione di attività	(63)	(28.287)
1) Utile (perdita) dell'esercizio prima d'imposte sul reddito, interessi, dividendi e plus /minusvalenze da cessione	1.916.455	906.766
Rettifiche per elementi non monetari che non hanno avuto contropartita nel capitale circolante netto		
Accantonamenti ai fondi	85.173	107.542
Ammortamenti delle immobilizzazioni	841.852	667.044
Svalutazioni per perdite durevoli di valore	65.660	66.216
Totale rettifiche per elementi non monetari che non hanno avuto contropartita nel capitale circolante netto	992.685	840.802
2) Flusso finanziario prima delle variazioni del capitale circolante netto	2.909.140	1.747.568
Variazioni del capitale circolante netto		
Decremento/(Incremento) delle rimanenze	(1.878.288)	(987.987)
Decremento/(Incremento) dei crediti verso clienti	(97.338)	(89.639)
Incremento/(Decremento) dei debiti verso fornitori	114.765	63.085
Decremento/(Incremento) dei ratei e risconti attivi	(65.903)	(14.700)
Incremento/(Decremento) dei ratei e risconti passivi	798.880	272.826
Altri decrementi/(Altri Incrementi) del capitale circolante netto	(668.626)	258.219
Totale variazioni del capitale circolante netto	(1.796.510)	(498.196)
3) Flusso finanziario dopo le variazioni del capitale circolante netto	1.112.630	1.249.372
Altre rettifiche		
Interessi incassati/(pagati)	141.076	(8.771)
(Imposte sul reddito pagate)	(16.625)	(866.379)
(Utilizzo dei fondi)	(11.509)	(33.758)
Totale altre rettifiche	112.942	(908.908)
Flusso finanziario dell'attività operativa (A)	1.225.572	340.464
B) Flussi finanziari derivanti dall'attività d'investimento		
Immobilizzazioni materiali		
(Investimenti)	(3.798.234)	(920.704)
Disinvestimenti	-	37.860
Immobilizzazioni immateriali		
(Investimenti)	(545)	-
Immobilizzazioni finanziarie		
(Investimenti)	-	(5.281)
Attività finanziarie non immobilizzate		
(Investimenti)	(14.260.355)	-

Flusso finanziario dell'attività di investimento (B)	(18.059.134)	(888.125)
C) Flussi finanziari derivanti dall'attività di finanziamento		
Mezzi di terzi		
Incremento/(Decremento) debiti a breve verso banche	29	-
Accensione finanziamenti	2.200.000	787.000
(Rimborso finanziamenti)	(489.745)	(2.188.726)
Mezzi propri		
(Rimborso di capitale)	(1.449)	-
(Dividendi e acconti su dividendi pagati)	1	(850.000)
Flusso finanziario dell'attività di finanziamento (C)	1.708.836	(2.251.726)
Incremento (decremento) delle disponibilità liquide (A ± B ± C)	(15.124.726)	(2.799.387)
Disponibilità liquide a inizio esercizio		
Depositi bancari e postali	19.030.706	7.406.614
Danaro e valori in cassa	234	1.781
Totale disponibilità liquide a inizio esercizio	19.030.940	7.408.395
Disponibilità liquide a fine esercizio		
Depositi bancari e postali	3.904.810	19.030.706
Danaro e valori in cassa	1.404	234
Totale disponibilità liquide a fine esercizio	3.906.214	19.030.940