

**ERREDUE S.P.A. BOARD OF DIRECTORS APPROVES  
DRAFT SEPARATE FINANCIAL STATEMENTS AT 31 DECEMBER 2023**

**ALL INCOME METRICS SHOW REMARKABLE GROWTH VERSUS 2022**

**DOUBLE DIGIT GROWTH IN REVENUE +34% WITH A NOTABLE  
INCREASE IN THE HYDROGEN SEGMENT (+62.5%)**

**MARGINS CONFIRMED WITH EBITDA MARGIN AT 35.7%  
THANKS TO IMPROVED SALES MIX AND INCREASED RECURRING REVENUE**

**TOTAL BACKLOG UPDATED AT 29/02: € 13.6 MILLION SUPPORTING THE CURRENT GROWTH TREND**

**ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING CONVENED ON 29 APRIL 2024  
PROPOSED DIVIDEND PER SHARE OF € 0.224**

**PROPOSED STATUTORY AMENDMENT**

**APPROVED THE PROCEDURE "ON QUANTITATIVE AND QUALITATIVE CRITERIA OF SIGNIFICANCE OF  
RELATIONSHIPS POTENTIALLY RELEVANT TO THE ASSESSMENT INDEPENDENCE OF DIRECTORS"**

**SIMEST LOAN AWARDED WORTH € 2.3 MILLION**

**RESIGNATION FROM OFFICE BY A STANDING AUDITOR AND ALTERNATE AUDITORS**

- **Revenue from Sales and Services: € 16.5 million** (€ 12.3 million at 31 December 2022), **+34%**
- **Value of Production: € 19.3 million** (€ 13.8 million at 31 December 2022), **+40%**
- **EBITDA: € 5.9 million** (€ 4 million at 31 December 2022), **+49%**; **EBITDA Margin** of 35.7% (32% at 31 December 2022)
- **EBIT: € 4.1 million** (€ 2.2 million at 31 December 2022), **+84%**
- **Profit for the year: € 3.4 million** (€ 1.7 million at 31 December 2022), **+106%**
- **Equity: € 30.9 million** (€ 27.5 million at 31 December 2022)
- **Net Financial Debt: positive cash of € 16.3 million** (positive cash of € 17.4 million at 31 December 2022 **+9%** versus 30 June 2023)

Livorno, 28 March 2024 - The Board of Directors of **ErreDue S.p.A. (EGM: RDUE; "Company" or "ErreDue")**, 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), met today and reviewed and approved the Draft Separate Financial Statements at 31 December 2023.

*In the words of Enrico D'Angelo, Founder and CEO, and Francesca Barontini, CEO of ErreDue: "We closed 2023 with remarkable results that outperformed market expectations, confirming our pioneering but solid growth strategy for the*

coming future. Since our listing over a year ago, the visibility we have gained, coupled with our professional expertise, has propelled us onto a virtuous path marked by significant growth acceleration, leading us to explore new frontiers and market segments. We are also progressing with the activities to build the new 16 thousand sqm plant to significantly increase ErreDue's production capacity and meet the demands of a constantly expanding market. The Green Hydrogen Market is and will continue to be increasingly strategic and pivotal in supporting the important and necessary processes of the ongoing energy transition. We are committed to firmly establishing ourselves among the leading players in this epoch-making change. This market's growth is currently hindered by delays from institutions. We are in fact awaiting tangible developments outlined in the PNRR. Based also on our deep knowledge of the market, we anticipate the delivery of the first pilot plants to commence starting from 2025. However, we remain confident that the positive trend in the industry and our business will continue through 2024 and into the medium term, confirming our development plans to build hydrogen production plants (from a Megawatt and beyond), which will enable the company to meet the needs of Power to Gas, sustainable fuel cell mobility, synthetic fuel, and hard to abate".

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### CONSOLIDATED INCOME AND FINANCIAL FIGURES AT 31 DECEMBER 2023

**Revenue from Sales and Services** amounted to € 16.5 million, a significant 34% growth versus € 12.3 million at 31 December 2022, with **+62.5% recorded in the Hydrogen sector**. This result stems from the growth across all revenue categories, highlighting how growth strategies have tapped into the emerging market of energy transition. This market has recently begun to benefit from initial, albeit modest, incentive measures by institutions over the past year. The outstanding results were achieved despite the continuing Russian-Ukrainian conflict, countries where ErreDue had generated significant revenue.

**Revenue from sales and services** does not include i) internal construction related to generators for lease; ii) change in inventory of semi-finished and finished products; and iii) tax receivables-related grants.

A breakdown of revenue by business category and product type is shown below.

(Euro thousands)	Exercise				Chg.	% chg.
	2023	%	2022	%		
Generators and other products	10,767	55.8%	7,857	57.1%	2,910	37.0%
Service and spare parts	3,510	18.2%	2,400	17.4%	1,110	46.2%
Rental of generators	2,222	11.5%	2,044	14.8%	178	8.7%
<b>Total</b>	<b>16,499</b>	<b>100.0%</b>	<b>12,301</b>	<b>100.0%</b>	<b>4,198</b>	<b>34.1%</b>

(Euro thousands)	Exercise				Chg.	% chg.
	2023	%	2022	%		
Hydrogen	7,087	36.7%	4,360	31.7%	2,727	62.5%
Other gases	7,570	39.2%	6,529	47.4%	1,041	16.0%
Other products	1,841	9.5%	1,412	10.3%	429	30.4%
<b>Total</b>	<b>16,499</b>	<b>100.0%</b>	<b>12,301</b>	<b>100.0%</b>	<b>4,198</b>	<b>34.1%</b>

The **Value of Production** stands at **€ 19.3 million**, showing a **40% increase**. Besides revenue, it encompasses various components: a **105% surge** in the construction of leased machines, notable for its high margins, growth in inventory of work in progress, finished products deliverable in the initial two months of 2024; and interest income earned from cash investments.

**EBITDA** stood at **€ 5.9 million**, growing sharply by **49%** versus the prior year. The **EBITDA Margin** was **35.7%** versus 32.1% in 2022. This measure increases by **€ 1.9 million** versus 2022. The increase is mainly due to the company's

business model, marked by a strong vertical integration that maintains high margins and contains direct production costs. Other factors include government incentives, increased visibility from listing, improved sales mix, and higher revenue from aftermarket services and leases. Aligned with the company's growth ambitions, 2023 saw a notable rise in personnel expense (€ 905 thousand), primarily attributed to the expansion of staff, notably bolstering production departments by +21 units.

**Amortization and depreciation** of € 1.76 million (€ 1.62 million at 31 December 2022) is mainly related to the increase in equipment to be leased produced during the year and totaling € 1.3 million. These resulted in higher depreciation in the period of € 102 thousand.

**EBIT** amounted to **€ 4.1 million** (€ 2.2 million at 31 December 2022), **increasing by 84.1%**.

**Net Profit** closed at **€ 3.4 million, up 106%** (€ 1.7 million at 31 December 2022).

At 29 February 2024, the company's **total backlog** amounts to approximately € 13.6 million, with approximately 85% attributed to the current year. This includes approximately € 7.65 million from sales and rentals of generators, approximately € 4 million from spare parts and maintenance services, and € 2 million from leases. This reaffirms the substantial growth anticipated for the current year. According to ErreDue's business model, acquired orders follow a delivery process of 3 to 6 months. Hence, the proportion of orders fulfillable in 2024 will see additional augmentation as requests continue to arrive from March onwards.

The Company incurred **net expenditure** of € 4.7 million in tangible fixed assets. This amount is mainly attributable to: (i) the purchase of a large industrial factory (6,000 sq. m. on an area of 16,000 sq. m.) to be renovated and expanded (up to 10,000 sq. m.) for a total cost (including ancillary expense) of € 3 million; (ii) new plant and machinery built in-house and intended for lease to customers for € 1.4 million; (iii) equipment for € 212 thousand mainly attributable to technical equipment; and (iv) other tangible fixed assets related to electronic machines, furniture and fixtures, and vehicles for € 94 thousand. The change in intangible fixed assets for € 185 thousand is attributable to amortization and increases for the period (listing costs and management software).

**Net Working Capital** was € 4.3 million (€ 2.6 million at 31 December 2022), a 64% increase. The trend is mainly attributable to the growth in inventory, raw materials and finished products, which are needed to meet the important orders in progress. Inventory also includes the newly built H-MW generator.

The **Net Financial Position** shows **positive cash** of **€ 16.3 million** versus positive cash of € 17.4 million at 31 December 2022. The decrease primarily resulted from the use of increased financial resources associated with acquiring the new industrial area designated for the construction of the "GigaFactory", alongside the increase of inventory necessary to sustain heightened production for leased machine construction. Cash increased by € 1.4 million versus 30 June 2023, driven by the effects of operations.

**Equity** stood at **€ 30.9 million** (€ 27.5 million at 31 December 2022).

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## SIGNIFICANT EVENTS IN 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 m<sup>3</sup>/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 December 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.

On **13 December 2023**, ErreDue announced an agreement with Foglia Umberto S.r.l. for the supply of a 1 MW PEM electrolysis plant, which will be delivered in 2025 and used for the production and storage of green hydrogen within the Waste Disposal Plant Hub to be built in the Municipality of Guglionesi, Molise Region.

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### SIGNIFICANT EVENTS AFTER YEAR END 2023

On **30 January 2024**, the Company announced the awarding of the tender called by Enea for the supply of a hydrogen generator with a PEM electrolytic cell worth over € 200,000. This order adds to the estimated € 14 million backlog, with additional orders to be completed by 2024, according to the company's business model of 120-day average delivery.

On **20 February 2024**, the Company announced the delivery to Snam, a top player in gas infrastructure in Italy and Europe, following the award of a tender for the supply of a mobile hydrogen generator with an Alkaline electrolytic cell.

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## SIMEST LOAN

On 3 May 2023, the Company applied for a zero-interest loan under the "de minimis" regulation, with co-financing as a non-repayable grant under the Temporary Crisis and Transition Framework.

This initiative was spearheaded by Simest (a 76% subsidiary of Cassa Depositi e Prestiti that fosters the growth of Italian companies through internationalization) and was allocated to SMEs with an average export turnover from direct exports to Ukraine and/or the Russian Federation, and/or Belarus amounting to at least 10% of their total foreign turnover over the two-year period of 2020-2021.

Through Call No. 22896/ES/FP, approved by Simest, the company received from the Facilities Committee, a Loan totaling € 2,268,000.00, equal to 100% of the amount requested. Mention should be made that of the abovementioned amount, € 907,200.00 will be co-financed as a non-repayable grant from the Integrated Promotion Fund, and the remaining € 1,360,800.00 will be financed at a Reduced Rate of zero percent and a reference rate of 4.64%. The above amounts were credited on 6 March 2024. It is important to highlight that, for financial statement purposes, the received amount has not been recorded and will be earmarked for the acquisition of highly innovative and environmentally sustainable equipment and machinery required for the new production facility.

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## BUSINESS OUTLOOK

At 29 February 2024, the company's **total backlog** amounts to approximately € 13.6 million, with approximately 85% attributed to the current year. This includes approximately € 7.65 million from sales and rentals of generators, approximately € 4 million from spare parts and maintenance services, and € 2 million from leases. This reaffirms the substantial growth anticipated for the current year. According to ErreDue's business model, acquired orders follow a delivery process of 3 to 6 months. Hence, the proportion of orders fulfillable in 2024 will see additional augmentation as requests continue to arrive from March onwards.

The available resources guarantee sufficient financial and capital coverage for the planned investments. The ongoing conflict in Ukraine will persistently impact future performance, which has led to the suspension of activities in those regions.

The company still awaits PNRR developments in the hydrogen sector as the main market for the large generator line. The growth of this market is hindered by delays in the implementation of development and support plans by institutions. Based on our considerations and knowledge of the market, we reasonably anticipate delivery of the first pilot plants to occur no earlier than 2025.

Apart from the above, we confirm all development plans to build hydrogen production plants (from a Megawatt and beyond), which will enable the company to meet the needs of Power to Gas, sustainable fuel cell mobility, synthetic fuel, and hard to abate.

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## PROPOSED ALLOCATION OF PROFIT FOR THE YEAR

The Board of Directors will propose to the Shareholders' Meeting the following allocation of profit for 2023, amounting to € 3,396,701:

- for € 170,000 to the legal reserve;
- for € 1,400,000 by way of dividend, equal to € 0.224 per share, for each shares that will be outstanding on the day said dividend is paid;
- for € 1,826,701 to available reserve.



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essenziali della Direttiva  
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The ex-dividend date (Coupon No. 1) is scheduled on 27 May 2024, record-date on 28 May 2024, and payable on 29 May 2024.

The dividend yield is 2.55% from the last closing price € 8.80, while the payout ratio is 41.22%.

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### **CALLING OF ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING**

The Board resolved to convene the Ordinary and Extraordinary Shareholders' Meeting on 29 April 2024, in first and single call, to discuss and pass resolutions on the items on the agenda, at the place and time to be announced in the notice of call. Documents relating to the items on the agenda will be made publicly available at the company's registered office and on the website [www.erreduegas.it](http://www.erreduegas.it) within the time limits of current regulations.

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### **PROPOSED AMENDMENT TO THE BYLAWS**

Due to the entry into force of Law No. 21 of March 5, 2024, the Board of Directors resolved to submit to the Extraordinary Shareholders' Meeting a proposal to amend the Articles of Incorporation in order to make the mechanism of the appointed representative referred to in Article 11 of the aforementioned law applicable to the Company.

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### **APPROVED THE PROCEDURE "ON QUANTITATIVE AND QUALITATIVE CRITERIA OF SIGNIFICANCE OF RELATIONSHIPS POTENTIALLY RELEVANT TO THE ASSESSMENT INDEPENDENCE OF DIRECTORS"**

The Board of Directors also approved the procedure on qualitative and quantitative criteria of significance of potentially relevant relationships for the purpose of assessing the independence requirements of directors pursuant to Article 6-bis of the Euronext Growth Milan Issuers' Regulations, also in application of the provisions of Article 148, paragraph 3, of Legislative Decree No. 58 of February 24, 1998 ("TUF").

The new procedure is available to the public on the Company's website [www.erreduegas.it](http://www.erreduegas.it) in the Investors/Governance/Documents section.

In addition, pursuant to the aforementioned procedure, the Board of Directors assessed the independence of Director Giuseppe Zottoli, deeming that he meets the independence requirement set forth in Article 148, paragraph three, of the TUF, as referred to in Article 147-ter, paragraph four, of the TUF.

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### **RESIGNATION FROM OFFICE BY A STANDING AUDITOR AND ALTERNATE AUDITORS**

The Board of Directors also took note of the resignation from office sent today by acting auditor Gloria Cappagli and alternate auditors Corrado Freschi and Tommaso Freschi due to new professional commitments.

As a result of this, the Board resolved to submit to the Shareholders' Meeting on April 29, 2024 the appointment of the auditors necessary to integrate the Board of Statutory Auditors pursuant to Article 2401 of the Civil Code.

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

## FILING OF DOCUMENTS

The documents relating to the Financial Statements as of 31 December 2023, required by current regulations, will be made available to the public at the Company's registered office (Via Gozzano, 3 - Livorno) as well as through publication on the Company's website [www.erreduegas.it](http://www.erreduegas.it), section "Investor Relations/Financial Statements and Reports" within the terms of the Law, as well as on the website [www.borsaitaliana.it](http://www.borsaitaliana.it), section "Shares/Documents."

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This press release is available on the Company website <https://www.erreduegas.it> in the *Investor Relations* section and at [www.1info.it](http://www.1info.it).

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### 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:

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**Attached are the reclassified Income Statement and Statement of Financial Position at 31 December 2023**



## Reclassified Income Statement

(Euro thousands)	31/12/2023	%	31/12/2022	%	Chg.	% chg.
Revenue from sales and services	16,499	100.0%	12,301	100.0%	4,198	34.1%
Increases in internal work capitalized	1,354	8.2%	659	5.4%	695	105.4%
Changes in inventory in work in progress, semi-finished and finished products	1,035	6.3%	532	4.3%	503	94.5%
Other revenue and income	425	2.6%	276	2.2%	149	53.9%
<b>Value of production</b>	<b>19,312</b>	<b>117.1%</b>	<b>13,768</b>	<b>111.9%</b>	<b>5,544</b>	<b>40.3%</b>
Costs for raw and ancillary materials, consumables and goods	(7,354)	(44.6%)	(5,141)	(41.8%)	(2,213)	43.1%
Change in inventory of raw materials	979	5.9%	569	4.6%	410	72.1%
Service costs	(2,752)	(16.7%)	(2,101)	(17.1%)	(651)	31.0%
Rentals and leases	(65)	(0.4%)	(32)	(0.3%)	(33)	102.8%
Personnel expense	(3,893)	(23.6%)	(2,988)	(24.3%)	(905)	30.3%
Sundry operating expense	(316)	(1.9%)	(102)	(0.8%)	(214)	209.4%
Provisions for risks	(23)	(0.1%)	(18)	(0.2%)	(5)	25.0%
<b>EBITDA</b>	<b>5,888</b>	<b>35.7%</b>	<b>3,955</b>	<b>32.1%</b>	<b>1,934</b>	<b>48.9%</b>
Amortization and depreciation	(1,763)	(10.7%)	(1,627)	(13.2%)	(136)	8.4%
Write-downs	(74)	(0.4%)	(127)	(1.0%)	53	(41.6%)
<b>EBIT</b>	<b>4,051</b>	<b>24.6%</b>	<b>2,201</b>	<b>17.9%</b>	<b>1,851</b>	<b>84.1%</b>
Financial income/(expense)	423	2.6%	(15)	(0.1%)	438	n.s.
<b>Profit (loss) before tax</b>	<b>4,474</b>	<b>27.1%</b>	<b>2,186</b>	<b>17.8%</b>	<b>2,289</b>	<b>104.7%</b>
Income tax	(1,077)	(6.5%)	(533)	(4.3%)	(544)	102.1%
<b>Net profit</b>	<b>3,397</b>	<b>20.6%</b>	<b>1,653</b>	<b>13.4%</b>	<b>1,744</b>	<b>105.5%</b>

## Reclassified Statement of Financial Position

(Euro thousands)	31 December		Chg.	% chg.
	2023	2022		
Intangible fixed assets	802	988	(186)	(18.8%)
Tangible fixed assets	10,504	7,388	3,116	42.2%
Fianncial fixed assets	16	7	9	134.9%
<b>Total fixed assets</b>	<b>11,323</b>	<b>8,383</b>	<b>2,940</b>	<b>35.1%</b>
Inventory	5,642	3,629	2,013	55.5%
Receivables from customers	3,760	3,210	550	17.1%
Payables to suppliers	(2,600)	(2,381)	(219)	9.2%
Advances	(986)	(1,310)	324	(24.7%)
<b>Trade net working capital</b>	<b>5,816</b>	<b>3,148</b>	<b>2,668</b>	<b>84.7%</b>
Other receivables and accrued income	1,036	859	177	20.6%
Other payables and accrued liabilities	(2,533)	(1,374)	(1,159)	84.3%
<b>Net working capital (NWC)</b>	<b>4,319</b>	<b>2,633</b>	<b>1,686</b>	<b>64.0%</b>
Provisions for risks and post-employment benefits	(981)	(850)	(131)	15.5%
<b>Net capital employed (NCE)</b>	<b>14,660</b>	<b>10,166</b>	<b>4,494</b>	<b>44.2%</b>
Equity	30,941	27,546	3,395	12.3%
Net financial position	(16,304)	(17,380)	1,076	(6.2%)
<b>Total sources</b>	<b>14,636</b>	<b>10,166</b>	<b>4,470</b>	<b>44.0%</b>

Notes: \* "Other receivables and accrued income/deferred expense" is composed of the items in the balance sheet format of the separate financial statements OIC II 5-bis) tax receivables, II 5-quater) other receivables and D) accruals and deferrals \*\* "Other payables and accrued expense/deferred income" is composed of the items in the balance sheet format of the separate financial statements OIC D12) tax payables, D13) social security payables, D14) other payables and E) accruals and deferrals.