

ERREDUE S.P.A. BOARD OF DIRECTORS APPROVES DRAFT FINANCIAL STATEMENTS AT 31 DECEMBER 2024

**SIGNIFICANT +26% INCREASE IN HYDROGEN SYSTEM SALES RELATED TO THE ENERGY
TRANSITION HELPS MAINTAIN SOLID REVENUE, DESPITE TRADITIONAL MARKET IMPACTED BY
VOLATILE MACROECONOMIC SCENARIO**

**INCREASED ORDERS FOR BOTH ALKALINE AND PEM TECHNOLOGY GENERATORS WITH A
BACKLOG¹ OF € 22.5 MILLION**

**STRONG INVESTMENT IN DEVELOPMENT AND OPERATIONAL STRUCTURE CONFIRMS ERREDUE'S
COMMITMENT TO MAINTAIN A CONSTANT TECHNOLOGICAL EDGE AND SUPPORT EXPECTED
GROWTH**

EXTREMELY SOLID CAPITAL AND FINANCIAL STRUCTURE

- **Revenue from Sales and Services: € 15.9 million** (€ 16.5 million at 31 December 2023)
- **Value of Production: € 19.1 million** (€ 19.3 million at 31 December 2023)
- **EBITDA: € 5.1 million** (€ 5.9 million at 31 December 2023); **EBITDA Margin 32.0%** (35.7% at 31 December 2023)
- **Profit for the year: € 2.7 million** (€ 3.4 million at 31 December 2023)
- **Equity: € 32.2 million** (€ 30.9 million at 31 December 2023)
- **Net Financial Debt: positive cash of € 17.3 million** (positive cash of € 16.3 million at 31 December 2023)
- **Proposed dividend of € 0.16 per share**

ELIANA BOLLINO APPOINTED INVESTOR RELATIONS OFFICER

CALLING OF ORDINARY SHAREHOLDERS' MEETING

Livorno, 25 March 2025 – The Board of Directors of **ErreDue S.p.A.** ("**ErreDue**" or the "**Company**"; **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 by water electrolysis, nitrogen, oxygen), met today and reviewed and approved the draft financial statements at 31 December 2024.

***In the words of Enrico D'Angelo, Founder and CEO, and Francesca Barontini, CEO of ErreDue:** "The 2024 results confirm the strength of our business model and our ability to grow even in a challenging market context. The momentum behind the energy transition has driven hydrogen system sales, allowing us to keep revenue broadly in line with the prior year and achieve a 26% increase in this strategic segment. The significant growth in orders and backlog also reinforces our outlook for 2025. The company's solid equity position, combined with over forty years of industry experience, is a key asset that enables us to deliver*

¹ At 31 December 2024.

strategic value and continuous added value to our partners. The track record of our products stands as clear evidence of the quality and innovation behind our solutions, supported by a strong financial foundation. We are ready to embrace the challenges and opportunities of a rapidly evolving industry like the one we operate in”.

INCOME AND FINANCIAL FIGURES AT 31 DECEMBER 2024

Revenue from Sales and Services amounted to € 15.9 million, a slight decrease of 3.7% versus € 16.5 million at 31 December 2023. The reduction in sales was attributable to a sharp slowdown in domestic demand across "traditional" sectors - comprising the on-site generator market serving industrial activities - which were impacted in 2024 by a volatile macroeconomic and geopolitical scenario. While ongoing negotiations increased, widespread mistrust triggered by the industrial crisis and uncertainty surrounding Industry 4.0, along with delays in the implementation of decrees related to the new 5.0 incentives, led entrepreneurs to postpone investment decisions, delaying the conclusion of numerous contracts.

Despite market difficulties, sales achieved on traditional sectors remained at a good level due to 3 factors:

- a) the **sale of laboratory generators**, which serve so-called "countercyclical" markets (+53.7% in 2024 versus 2023);
- b) the **growth in rentals**, less affected by the crisis as it is based on multi-year contracts (+6.50% in 2024 versus 2023), also benefited from ISTAT increases applied to contracts at the start of the year;
- c) the **after-market** (+4.1% versus 2023). This growth is not directly linked to period sales, but to the fleet of generators sold or leased over time and still in use. The Company retains a form of "technological exclusivity" over this fleet due to its role as the original manufacturer, maintaining a competitive edge in service and spare parts supply.

In the **hydrogen segment**, sales grew by +26% versus 2023, driven by sales of hydrogen systems supporting the energy transition across both domestic and European markets. These results reflect strong commercial partnerships with major Italian and European players in power-to-gas, hydrogen mobility, vehicle and truck retail and refuelling, and industrial decarbonization.

Sales of **generators used for the production of on-site technical gases**, however, declined significantly versus the prior year, with a pronounced drop in the nitrogen segment.

It is noted that **revenue from sales and services** does not include: i) internal production of generators for rental use; ii) changes in inventory of semi-finished and finished products; and iii) operating grants and tax receivable-related grants.

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

(Euro thousands)	Year				Chg.	% chg.
	2024	%	2023	%		
Generators and other products	9,972	62.8%	10,867	65.9%	(895)	(8.2%)
Service and spare parts	3,546	22.3%	3,410	20.7%	136	4.0%
Rental of generators	2,367	14.9%	2,222	13.5%	145	6.5%
Total	15,885	100.0%	16,499	100.0%	(614)	(3.7%)

Year

(Euro thousands)	2024	%	2023	%	Chg.	% chg.
Hydrogen	10,529	66.3%	8,361	50.7%	2,168	25.9%
Other gases	4,947	31.1%	7,855	47.6%	(2,908)	(37.0%)
Other products	410	2.6%	282	1.7%	128	45.5%
Total	15,886	100.0%	16,499	100.0%	(613)	(3.7%)

*It should be noted that, due to the increase in sales volumes of PEM hydrogen generators, starting in 2024, revenue previously classified under "other products" has been reclassified into the corresponding gases to which they refer.

(Euro thousands)	2024	%	2023	%	Chg.	% chg.
Sale of H2 generators	7,766	77.9%	5,764	53.0%	2,002	34.7%
Sale of generators other gases	2,206	22.1%	5,104	47.0%	(2,898)	(56.8%)
Total	9,972	100.0%	10,868	100.0%	(896)	(8.2%)

Value of Production amounted to € 19.1 million, basically in line with € 19.3 million at 31 December 2023. This figure includes, in addition to revenue, increases in fixed assets for internal work, changes in inventory of work in progress, semi-finished and finished products, and other revenue and income.

EBITDA was € 5.1 million, slightly down from € 5.9 million at 31 December 2023, impacted by higher operating costs linked to supporting the Company's future business development. The slight decrease is attributable mainly to the following factors:

- increased development activities on new, larger generators, which involved the construction, verification and testing departments;
- the shift in the product mix toward larger generators for the energy transition; the profitability of these generators, which integrate substantial research and development activities, is currently lower than that of conventional generators;
- the significant increase in work-in-progress and finished products, which do not yet contribute margins but are required to manage the significant backlog;
- higher personnel expense due to new hires, especially in the production department, where employees are currently undergoing training in view of the expected business growth in the coming years.

The **EBITDA margin** stood at 32.0% versus 35.7% at 31 December 2023.

Amortization and depreciation totaled € 2.1 million versus € 1.8 million at 31 December 2023, reflecting expenditure in research and development and the expansion of equipment for leasing.

EBIT stood at € 3.0 million (€ 4.1 million at 31 December 2023).

Net Profit closed at € 2.7 million versus € 3.4 million at 31 December 2023.

Fixed assets amounted to € 12.0 million versus € 11.3 million at 31 December 2023.

In 2024, the Company made **net expenditure** of € 2.0 million in tangible fixed assets, net of € 0.9 million received from SIMEST as a non-repayable loan. This amount was attributable mainly to: (i) expense and advance payments of € 0.8 million for the renovation of the new industrial plant; (ii) € 0.9 million for new plant and machinery built in-house and intended for lease to customers; and (iii) € 0.2 million for equipment, mainly technical.

Net Working Capital amounted to € 4.2 million, basically in line with € 4.3 million at 31 December 2023.

Equity stood at **€ 32.2 million** (€ 30.9 million at 31 December 2023).

The **Net Financial Position** shows **positive cash of € 17.3 million** versus positive cash of € 16.3 million at 31 December 2023. This improvement was driven mainly by the difference between the loans taken out to fund current expenditure and their pending deposit. **Cash** totaled € 13.6 million versus € 4.7 million at 31 December 2023.

In 2024, the Company recorded a strong increase in orders for both alkaline and PEM technology generators, with deliveries scheduled for 2025 and 2026, confirming growing market interest in sustainable energy solutions.

At 31 December 2024, the Company reported a **total backlog** of approximately **€ 22.5 million**, up sharply from 2023. **Approximately 80% of the backlog relates to 2025**, including approximately € 15.9 million in generator sales and approximately € 6.6 million in spare parts, maintenance, and rental services for 2025 alone, supporting the Company's strong growth outlook for 2025.

SIGNIFICANT EVENTS IN 2024

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.

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.

On **29 April 2024**, the Company announced the mutual termination of the appointment of CFO SIM S.p.A. as Euronext Growth Advisor and the appointment of Invest Italy SIM S.p.A. as the new Euronext Growth Advisor.

On **23 May 2024**, the Company announced that Rolando Robustelli, CFO of the Company, resigned effective 31 May 2024. The position of CFO was assigned to Francesca Barontini, CEO of the Company.

On **4 June 2024**, the Company announced the signing of an agreement with one of Italy's leading players active in natural gas distribution to supply a Power to Gas, Plug&Play plant for the production of green hydrogen. The supply is worth approximately € 900,000.

On **18 June 2024**, the Company announced the signing of an agreement with a Dutch company - active in the development of hydrogen and electric solutions for vehicles - to build a 1.5 MW plant intended for the production of hydrogen for the retail and refuelling areas of vehicles and heavy vehicles. The supply is worth approximately € 2 million.

On **7 August 2024**, the Company announced the finalization of a new order with a Portuguese company - active in gas distribution - for the construction and sale of a 1.25 MW plant worth € 1.7 million. The plant, to be delivered in first quarter 2025, consists of 5 generators with alkaline technology, which will be fully powered by renewable energy.

On **3 September 2024**, the Company announced the signing of a lease and maintenance agreement with a well-established multinational company active in the refrigeration industry for 3 state-of-the-art PEM electrolyzers with delivery scheduled by first half 2025. The 72-month contract, tacitly renewable, envisages annual revenue of approximately € 100 thousand.

On **25 November 2024**, the Company announced it had finalized a new agreement with Agrobiofert S.r.l., a Sicilian agricultural company specializing in efficient and sustainable solutions for citrus, cereal, and fruit and vegetable crops in the Catania area. The agreement includes the construction of two electrolyzers worth € 3.4 million.

On **27 November 2024**, the Company announced it had received a notice of substantial change in the equity interest from First SICAF S.p.A., which informed the Company that on 22 November 2024 it had exceeded the 5% threshold of ErreDue's share capital. First SICAF S.p.A. reported ownership of 200,300 ordinary shares, representing 6.97% of the ordinary shares admitted to trading on Euronext Growth Milan, 3.20% of ErreDue's share capital, and 2.08% of the voting rights.

On **9 December 2024**, the Company announced it had received a notice of substantial change in the equity interest from MI Chelverton European Select Fund, informing that it had sold its entire stake in ErreDue on 22 November 2024.

On **17 December 2024**, the Company announced it had signed an agreement to manufacture and supply an innovative hyperpure nitrogen generation system housed in a 40 H.C. (High Cube) container with a global leader in components for cars, motorcycles, commercial vehicles and also active in motor racing. The order, valued at over € 300 thousand, with delivery scheduled for March 2025, will be for the client company's Thai plant.

BUSINESS OUTLOOK

Future operating results will continue to be impacted by prolonged international conflicts, which have led to the suspension of activities in the areas affected by the conflicts, as well as by the contraction witnessed in the metal, automotive, and textile sectors in the first quarter.

At 31 December 2024, the Company reported a **total backlog** of approximately € 22.5 million (approximately 80% of which relates to 2025), confirming the strong growth expected for 2025.

The significant backlog is tied mainly to the energy transition market, with 60% of machines sold allocated to this sector. This marks the start of pilot plant launches in both Italy and abroad, supported in part by grants obtained through the PNRR.

On 26 November 2024, the Ministry of Environment and Energy Security presented Italy's National Hydrogen Strategy, reaffirming the central role of hydrogen in decarbonizing hard-to-electrify industries, heavy transport, and renewable energy integration. Italy aims to become a hydrogen hub in the Mediterranean, leveraging its renewable potential and strategic location for European exports.

This strategy is a critical step in advancing the Country's energy transition and achieving the 2050 climate neutrality targets.

Aligned with this vision, all development plans for large-scale hydrogen production facilities (from megawatt scale and beyond) have been confirmed. These will allow the Company to address the demand for sustainable fuel cell mobility, synthetic fuels, and hard-to-abate sectors, through both alkaline and PEM technologies.

In this context, ErreDue continues to invest in research and development, reinforcing partnerships with research institutes and universities to deliver increasingly innovative and high-performance products. The full transfer of operations to the new production unit is planned for first quarter 2026; however, to meet growing demand for large-scale hydrogen generators, the Company aims to complete the renovation of the dedicated production department by June 2025. This decision will improve production efficiency and enhance responsiveness to market needs.

PROPOSED ALLOCATION OF PROFITS

The Board of Directors will propose to the Shareholders' Meeting the following allocation of profit for 2024, amounting to € 2,705,267:

- € 140,000 to the legal reserve;
- € 2,170,000 to the extraordinary reserve pursuant to Article 1, paragraph 436, letter a, Law No. 207 dated 30/12/24 (also valid pursuant to Article 2426, paragraph 5 of the Civil Code);
- the remaining € 295,267 to available reserve.

PROPOSED ALLOCATION RESERVES

The Board of Directors will propose to the Shareholders' Meeting the distribution of € 1,000,000 retained earnings from prior years.

The ex-dividend date (Coupon No. 1) is scheduled on 26 May 2025, record-date on 27 May 2025, and payable on 28 May 2025.

The dividend yield is 1.95% from the last closing price € 8.20, while the payout ratio is 36.96%.

APPOINTMENT OF ELIANA BOLLINO AS INVESTOR RELATIONS OFFICER

The Board of Directors also appointed Eliana Bollino as Investor Relations Officer, effective 1 April 2025. Eliana Bollino will succeed Francesca Barontini, who will continue to hold the position of Chief Executive Officer of the Company.

CALLING OF ORDINARY SHAREHOLDERS' MEETING

The Board resolved to convene the Shareholders' Meeting in ordinary session on 28 April 2025, in first 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. The Shareholders' Meeting will, *inter alia*, be called upon to decide on the renewal of corporate offices. 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 within the time limits of current regulations.

FILING OF DOCUMENTS

The documents relating to the draft financial statements at 31 December 2024, as per current regulations, will be made publicly available at the registered office (Via Gozzano, 3 - Livorno) as well as through publication on the Company website www.erreduegas.it, "Investor Relations/Bilanci e Relazioni" section within the time limits of law, as well as on the website www.borsaitaliana.it, "Azioni/Documenti" section.

This document contains forward-looking statements relating to future events and operating, income and financial results of ErreDue. These forecasts have by nature an element of risk and uncertainty, as they depend on the materialization of future events and developments.

This press release is available on the Company website www.erreduegas.it in the Investor Relations section and on www.1info.it.

About ErreDue

ErreDue is a pioneer in zero-emission hydrogen electrolysis, at the forefront of research and development, production and marketing of electrolyzers for the on-site generation of clean hydrogen and generators of other technical gases (nitrogen and oxygen) for various industrial, laboratory, medical applications and for new applications related to the energy transition such as power-to-gas, sustainable mobility (small hydrogen refuelling stations) and industrial decarbonization. ErreDue is based in Livorno and in 2023 achieved a Value of Production of 19.3 million, up 40% compared to the previous year. Since 6 December 2022, ErreDue has been listed on the Euronext Growth Milan market organized and managed by Borsa Italiana S.p.A.. For more information: <https://www.erreduegas.it/>

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Attached are the reclassified Income Statement and Statement of Financial Position at 31 December 2024

Reclassified Income Statement

(Euro thousands)	31/12/2024	%	31/12/2023	%	Chg.	% chg.
Revenue from sales and services	15,885	100.0%	16,499	100.0%	(614)	(3.7%)
Increases in internal work capitalized	1,597	10.1%	1,354	8.2%	244	18.0%
Changes in inventory in work in progress, semi-finished and finished products	1,274	8.0%	1,035	6.3%	239	23.1%
Other revenue and income	320	2.0%	425	2.6%	(105)	(24.7%)
Value of production	19,076	120.1%	19,312	117.1%	(236)	(1.2%)
Costs for raw and ancillary materials, consumables and goods	(6,619)	(41.7%)	(7,354)	(44.6%)	736	(10.0%)
Change in inventory of raw materials	272	1.7%	979	5.9%	(707)	(72.2%)
Service costs	(2,829)	(17.8%)	(2,752)	(16.7%)	(77)	2.8%
Rentals and leases	(89)	(0.6%)	(65)	(0.4%)	(24)	37.5%
Personnel expense	(4,451)	(28.0%)	(3,893)	(23.6%)	(558)	14.3%
Sundry operating expense	(213)	(1.3%)	(316)	(1.9%)	103	(32.6%)
Provisions for risks	(60)	(0.4%)	(23)	(0.1%)	(37)	160.2%
EBITDA	5,088	32.0%	5,888	35.7%	(800)	(13.6%)
Amortization and depreciation	(2,053)	(12.9%)	(1,763)	(10.7%)	(290)	16.4%
Write-downs	(24)	(0.2%)	(74)	(0.4%)	50	(67.3%)
EBIT	3,011	19.0%	4,051	24.6%	(1,040)	(25.7%)
Financial income/(expense)	664	4.2%	423	2.6%	241	57.1%
Profit (loss) before tax	3,675	23.1%	4,474	27.1%	(799)	(17.9%)
Income tax	(970)	(6.1%)	(1,077)	(6.5%)	108	(10.0%)
Net profit	2,705	17.0%	3,397	20.6%	(691)	(20.4%)

Reclassified Statement of Financial Position

(Euro thousands)	Year		Chg.	% chg.
	2024	2023		
Intangible fixed assets	1,008	802	206	25.6%
Tangible fixed assets	10,984	10,504	481	4.6%
Financial fixed assets	21	16	5	28.4%
Total fixed assets	12,013	11,323	691	6.1%
Inventory	7,188	5,642	1,546	27.4%
Receivables from customers	4,729	3,675	1,054	28.7%
Payables to suppliers	(3,703)	(2,600)	(1,102)	42.4%
Advances	(3,879)	(986)	(2,892)	293.2%
Net trade working capital	4,336	5,730	(1,394)	(24.3%)
Other receivables and accrued income/deferred expense *	1,398	1,036	362	34.9%
Other payables and accrued expense/deferred income **	(1,553)	(2,447)	894	(36.5%)
Net working capital (NWC)	4,180	4,319	(138)	(3.2%)
Post-employment benefits and other provisions	(1,339)	(1,005)	(334)	33.3%
Net Capital Employed (NCE)	14,855	14,636	218	1.5%
Equity	32,160	30,941	1,219	3.9%
Net financial debt	(17,305)	(16,304)	(1,001)	6.1%
Total sources	14,855	14,636	218	1.5%

Statement of cash flows (indirect method)

	31/12/2024	31/12/2023
Rendiconto finanziario, metodo indiretto		
A) Flussi finanziari derivanti dall'attività operativa (metodo indiretto)		
Utile (perdita) dell'esercizio	2.705.267	3.396.701
Imposte sul reddito	969.777	1.077.431
Interessi passivi/(attivi)	(656.920)	(422.835)
(Plusvalenze)/Minusvalenze derivanti dalla cessione di attività	(18.164)	41.052
1) Utile (perdita) dell'esercizio prima d'imposte sul reddito, interessi, dividendi e plus/minusvalenze da cessione	2.999.960	4.092.349
Rettifiche per elementi non monetari che non hanno avuto contropartita nel capitale circolante netto		
Accantonamenti ai fondi	291.523	185.893
Ammortamenti delle immobilizzazioni	2.052.882	1.763.020
Svalutazioni per perdite durevoli di valore	0	0
Rettifiche attività/passività finanziarie senza movimentaz. Monetarie	0	0
Altre rettifiche in aumento/(in diminuzione) per elementi non monetari	0	0
<i>Totale rettifiche per elementi non monetari che non hanno avuto contropartita nel capitale circolante netto</i>	<i>2.344.405</i>	<i>1.948.913</i>
2) Flusso finanziario prima delle variazioni del capitale circolante netto	5.344.365	6.041.262
Variazioni del capitale circolante netto		
Decremento/(Incremento) delle rimanenze	(1.545.956)	(2.013.691)
Decremento/(Incremento) dei crediti verso clienti al netto degli acconti	1.837.797	(446.282)
Incremento/(Decremento) dei debiti verso fornitori	1.102.174	219.896
Decremento/(Incremento) dei ratei e risconti attivi	(52.476)	(69.269)
Incremento/(Decremento) dei ratei e risconti passivi	(118.417)	519.826
Altri decrementi/(Altri Incrementi) del capitale circolante netto	(458.825)	473.962
<i>Totale variazioni del capitale circolante netto</i>	<i>764.297</i>	<i>(1.315.558)</i>
3) Flusso finanziario dopo le variazioni del capitale circolante netto	6.108.662	4.725.704
Altre rettifiche		
Interessi incassati/(pagati)	656.920	422.835
(Imposte sul reddito pagate)	(1.574.731)	(1.479.318)
(Utilizzo dei fondi)	(67.102)	(57.577)
<i>Totale altre rettifiche</i>	<i>(984.913)</i>	<i>(1.114.060)</i>
Flusso finanziario dell'attività operativa (A)	5.123.749	3.611.644
B) Flussi finanziari derivanti dall'attività d'investimento		
Immobilizzazioni materiali		
(Investimenti)	(2.032.661)	(4.734.137)
Disinvestimenti	10.462	92.743
Immobilizzazioni immateriali		
(Investimenti)	(705.770)	(79.317)
Immobilizzazioni finanziarie		
(Investimenti)	(7.870)	(3.767)
Disinvestimenti	0	832
Attività finanziarie non immobilizzate		
(Investimenti)	(29.885.059)	(14.302.801)
Disinvestimenti	30.754.540	0
Flusso finanziario dell'attività di investimento (B)	(1.866.358)	(19.026.447)
C) Flussi finanziari derivanti dall'attività di finanziamento		
Mezzi di terzi		
Incremento/(Decremento) debiti a breve verso banche	0	(159.501)
Accensione finanziamenti	7.461.938	2.200.000
(Rimborso finanziamenti)	(450.286)	(962.920)
Mezzi propri		
(Rimborso di capitale)	0	0
(Dividendi e acconti su dividendi pagati)	(1.400.000)	(1.804)
Flusso finanziario dell'attività di finanziamento (C)	5.611.652	1.075.775
Incremento (decremento) delle disponibilità liquide (A ± B ± C)	8.869.043	(14.339.028)
Effetto cambi sulle disponibilità liquide	4	0
Disponibilità liquide a inizio esercizio		
Depositi bancari e postali	4.690.333	19.030.706
Danaro e valori in cassa	1.579	234
Totale disponibilità liquide a inizio esercizio	4.691.912	19.030.940
Disponibilità liquide a fine esercizio		
Depositi bancari e postali	13.558.295	4.690.333
Danaro e valori in cassa	527	1.579
Totale disponibilità liquide a fine esercizio	13.558.822	4.691.912