LU-VE GROUP

leadership with passion

2023 H1 results

7th September 2023

Executive Summary

H1-23 in line with H1-22 despite tough comparison
Different Sales Mix, Same Financial Results

Economics

- In H1-23, sales of products grew by 2.7% (1.7% prices)
  No material impact from FX
- EBITDA in line with H1-22 despite tough comparison (*EBITDA +62% in H1-22*)
- Order book at € 188 M in line with December 2022
- Resilient business model amid volatility in end markets
- Since 2019: sales CAGR = +14.0% - EBITDA CAGR = +14.3%

Financials

- Leverage at 2.0x EBITDA adj LTM, despite seasonality in NWC
- Increase in net financial charges, due to increase of cash cost and reversal of strong positive effect on P&L 2022, resulting from interest rate derivatives
- LTM net cash generation adjusted equal to €44.3 M (7.1% of sales, +44.5%)

Strategy

- Integration of Refrion (acquired in March 2022) well advanced
- ACC project in progress: first 3 production lines installed and creation of a logistic center for heat pump market
- Growth Capex in Poland, China and USA

H1-23 Financial Highlights
Tough comparison with H1-22

€ millions	H1 2022	H1 2023	Q2 2022	Q2 2023	2022 FY	LTM
Sales	**318.4**	**320.3**	**169.5**	**168.9**	**618.6**	**620.5**
Growth %	*39.9%*	*0.6%*	*40.4%*	*-0.4%*	*25.7%*	*6.5%*
EBITDA reported	**42.1**	**41.8**	**23.0**	**22.7**	**75.1**	**74.8**
EBITDA %	*13.2%*	*13.1%*	*13.5%*	*13.4%*	*12.1%*	*12.1%*
EBITDA adjusted	**42.8**	**42.5**	**23.0**	**23.3**	**78.8**	**78.5**
EBITDA %	*13.4%*	*13.3%*	*13.5%*	*13.8%*	*12.7%*	*12.7%*
Net income reported	33.2	19.1	11.8	12.3	49.1	34.9
Net income adjusted	23.2	22.0	11.9	13.0	38.6	37.4
% of sales	*7.3%*	*6.9%*	*7.0%*	*7.7%*	*6.2%*	*6.0%*
Net financial debt	155.4	160.2	155.4	160.2	142.3	160.2
Net worth	206.8	218.5	206.8	218.5	211.5	218.5

- In H1-23, total sales grew by 0.6% YoY mainly due tough comparison with H1-22 (+39.9% in H1-22)
- In Q2-23 adjusted EBITDA margin at 13.8%
- Net income in H1-23 at € 19.1 M. Reduction vs H1-22 mainly due to capital gain on Tecnair sale in Q1-22 and increase of net financial charges (including derivatives)
- Net financial position impacted by seasonality in NWC (mainly receivable) despite small decrease of safety stock.
- Leverage (NFD/EBITDA) at 2.0x despite seasonality of NWC – 1,77x excluding excess on NWC
- In H1-23 net Cash Generation from operations equal to € 29.5 M (9.2% of sales)

H1 23 – Revenues Breakdown

Amid volatile markets, benefits from diversification

Products € 000	H1 22	%	H1 23	%	Δ %
Heat Exchangers	173.5	54.5%	169.9	53.1%	-2.1%
Air Cooled Equipment	126.6	39.8%	141.6	44.2%	11.8%
Glass Doors	11.1	3.5%	8.0	2.5%	-27.5%
Total sales of products	**311.2**	**97.8%**	**319.6**	**99.8%**	**2.7%**
Other revenues	7.2	2.2%	0.7	0.2%	-89.7%
Total sales	**318.4**	**100.0%**	**320.3**	**100.0%**	**0.6%**

Applications € 000	H1 22	%	H1 23	%	Δ %
Refrigeration	165.4	51.9%	151.9	47.4%	-8.2%
Air Conditioning	66.9	21.0%	97.8	30.6%	46.3%
Special Applications	45.9	14.5%	36.8	11.5%	-19.9%
Industrial cooling	33.0	10.4%	33.1	10.3%	0.2%
Total sales of products	**311.2**	**97.8%**	**319.6**	**99.8%**	**2.7%**
Other revenues	7.2	2.2%	0.7	0.2%	-89.7%
Total sales	**318.4**	**100.0%**	**320.3**	**100.0%**	**0.6%**

- Strong demand for heat pumps (A/C) +143.3%, mobile application +20.3% and air conditioning
- Since Q3-22, weak market for refrigerated display cabinet (-27%), tumble dryers (-67%) and HORECA
- Industrial cooling: sales in line with H1-22, but strong increase in order book
- By geography: strong increase in Germany, France and Italy, weak market in Czech Republic and Poland.

HEAT PUMPS - focus

The market[1]

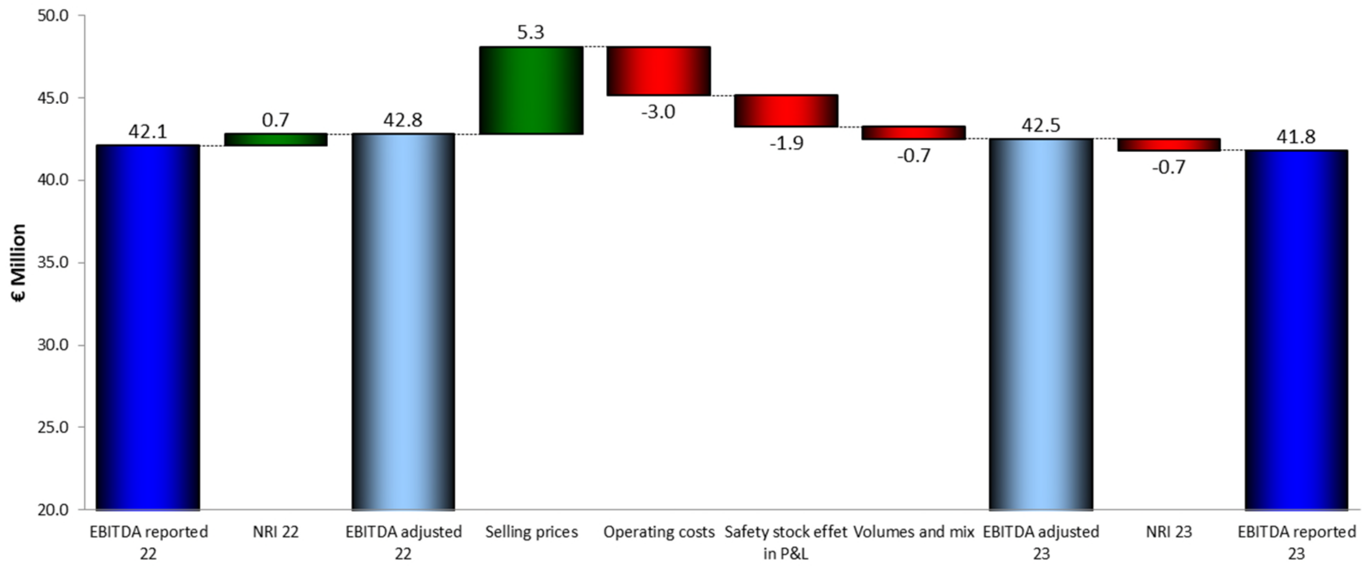
- Heat pump sales are breaking records, with more than 3 million heat pumps sold in 2022 +38.9%
- The 19.79 million heat pumps now installed in the EU are providing heating and cooling to around 16% of Europe's residential and commercial buildings
- Heat pump stock avoids 52.52 Mt of CO2 – roughly equivalent to the annual emissions of Greece
- The IEA [2] estimates HP globally have the potential to reduce CO2 emissions by at least 500 million tons in 2030 – equal to the annual CO2 emissions of all cars in Europe today
- HP market is expected to growth at 18% CAGR to 2030 [3]

LUVE strategy

- Heat exchangers for HP are part of LUVE's core business
- Expected to become the first application market by 2024 (+143% in H1 23)
- To maintain an adequate diversification of applications, LUVE intends to keep the share of HP below 15%/18% of its turnover
- Heat Exchanger represents the key components in HP's performance, but its cost has a limited incidence
- Objective: to increase market share selectively through long-term partnerships with qualified customers

(1) Source: EHPA, (2) International Energy Agency, (3) LUVE estimates

EBITDA Bridge Analysis H1-23 vs H1-22



- EBITDA in line with H1-22 despite tough comparison with H1-22 (EBITDA growth in H1-22 = +61.5%) and volatility in end markets
- One-off P&L impact in Q1-23 from safety stock in 2022 (*not included in NRI*)
- In H1-23 NRI due to start-up costs of the former ACC plant

(1) Due to rounding, numbers presented throughout this chart may not add up precisely to the totals provided
(2) Source: management analysis of consolidated results as of 30/6/2023

H1-23 From EBITDA to Group Net Income

EBIT adjusted – Net Income Adjusted

1

€ millions	2021	2022	H1-22	H1-23
EBITDA reported	60.8	75.1	42.1	41.8
NRI		3.7	0.7	0.7
EBITDA adjusted	**60.8**	**78.8**	**42.8**	**42.5**
D&A	*30.1*	*32.7*	*15.7*	*16.3*
Gain (loss) of non current assets	*(0.1)*	*(0.3)*	*(0.0)*	*0.2*
EBIT reported	30.6	42.1	26.4	25.4
Capital gain		*9.5*	*9.5*	*0.0*
Net financial income (loss)	*0.1*	*7.5*	*4.2*	*(3.4)*
EBT	30.6	59.0	40.0	22.0
Income taxes	*5.8*	*10.0*	*6.8*	*2.9*
Minorities	*(1.0)*	*(1.4)*	*(0.6)*	*(1.0)*
Group net profit	**23.7**	**47.7**	**32.6**	**18.2**

2

	2021	2022	H1-22	H1-23
EBIT reported	30.6	42.1	26.4	25.4
Depreciation on PPA	4.2	4.3	2.2	2.6
NRI	0.0	3.7	0.7	0.7
EBIT adjusted	**34.7**	**50.1**	**29.3**	**28.7**
% of sales	*7.1%*	*8.1%*	*9.2%*	*8.9%*

3

	2021	2022	H1-22	H1-23
Net income reported	24.8	49.1	33.2	19.1
Depreciation on PPA net of tax	3.0	3.4	1.8	2.0
NRI net of tax	0.0	3.0	0.7	0.5
Gain on shareholding net of tax	0.0	(9.3)	(9.4)	0.0
Fair value of derivatives net of depr cost	0.0	(7.5)	(3.1)	0.4
Net income adjusted	**27.8**	**38.6**	**23.2**	**22.0**
% of sales	*5.7%*	*6.2%*	*7.3%*	*6.9%*

- D&A increased due to Capex and acquisition of Refrion
- In Q1-22 capital gain on Tecnair divestiture
- In H1-23 reversal effect of financial income recorded in 2022 due to interest rate derivatives (*market value of IRS to cover the interest rate risk* net of amortized cost)
- EBIT adjusted in line with 2022
- Net income adjusted H1-23: impacted by increase of financial costs

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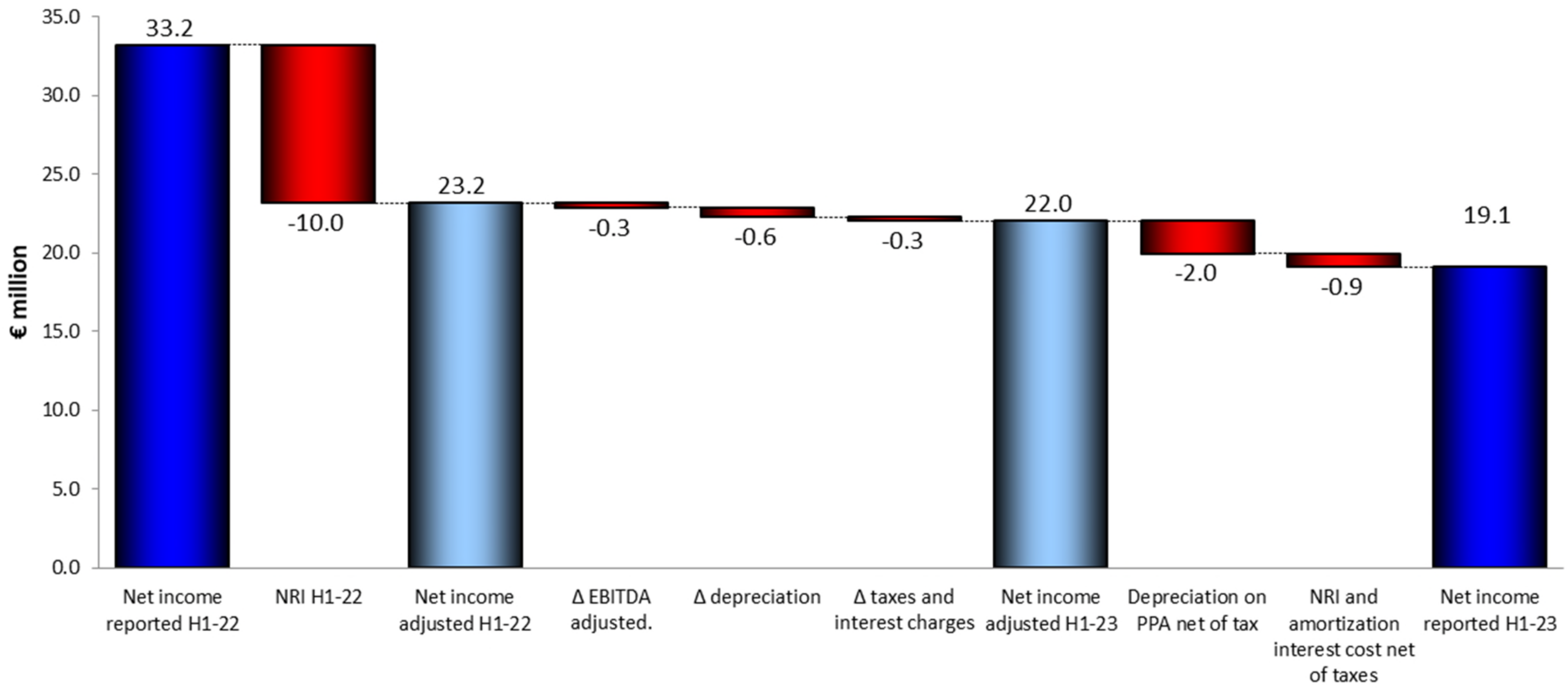
- Source: management analysis of consolidated results as of 30/6/2023
- Adjusted net income and adjusted EBIT consider the depreciation of "purchase price allocation" resulting from M&A transactions concluded in past years.

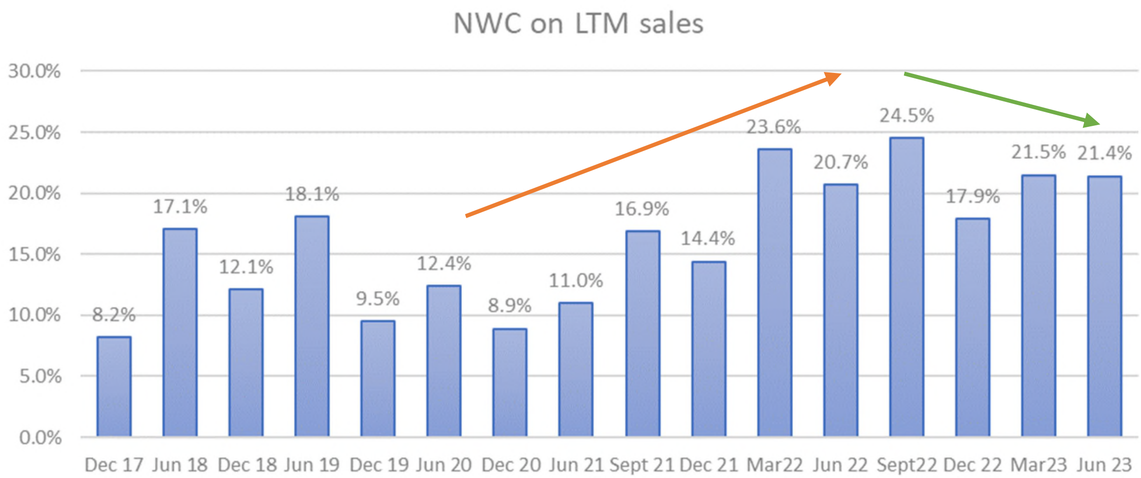
Adjusted net income Bridge Analysis H1-23 vs H1-22



(1) Due to rounding, numbers presented throughout this chart may not add up precisely to the totals provided
(2) Source: management analysis of consolidated results as of 30/6/2023

Temporary Increase of NWC in 2022
From Q4-22 gradual improvement towards target levels

€ Millions	30/06/2023	Days	31/12/2022	Days	30/06/2022	Days
Stock	132.4	77	134.2	78	156.6	97
A/receivable	117.3	68	83.3	48	107.7	67
Working capital	249.7		217.5		264.3	
A/payable	116.7	106	106.6	88	143.4	115
Net working capital	133.1	77	110.9	65	120.9	75
% on net sales LTM	**21.4%**		**17.9%**		**20.7%**	



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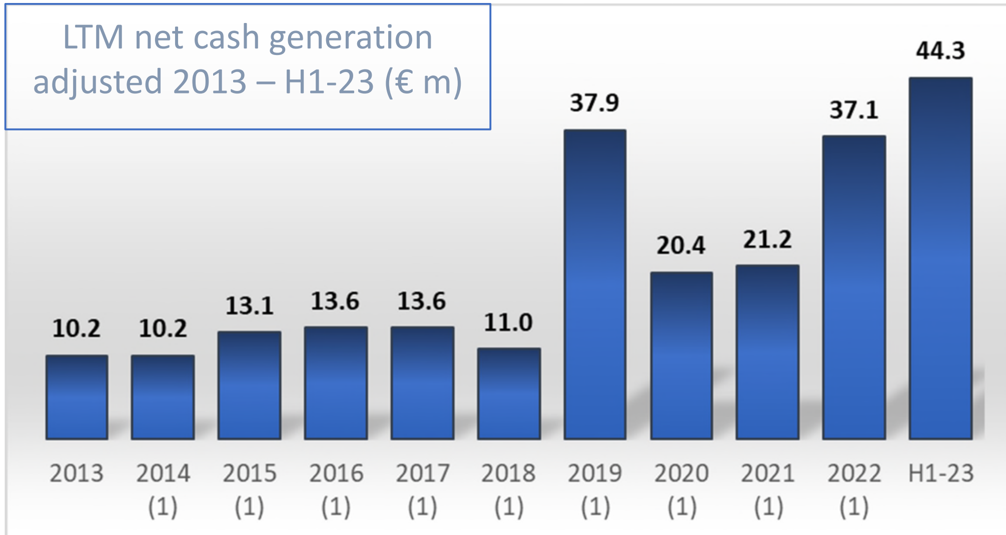
- Source: management analysis of consolidated results as of 30/6/2023.

Net cash generation adjusted LTM June 23 +19.4% vs 2022

Net cash / (net debt)	€ m	
Net financial position as of June 2022	(155.4)	
Net financial position as of June 2023	(160.2)	
Delta in net financial position	(4.8)	(4.8)
+ Dividends paid in 2023		9.2
+ Accelerated capex program		17.7
+ M&A net		0.0
+ Delta in working capital		21.4
+ Change of IFRS 16 impact		(2.9)
Non ricurring items		3.7
= Total normalized net cash flow		**44.3**

- Extraordinary level in LTM up to December 2019 due to working capital reduction
- Accelerated capex program above maintenance level
- Temporary working capital increase due to higher receivable, safety stock of raw materials and seasonality



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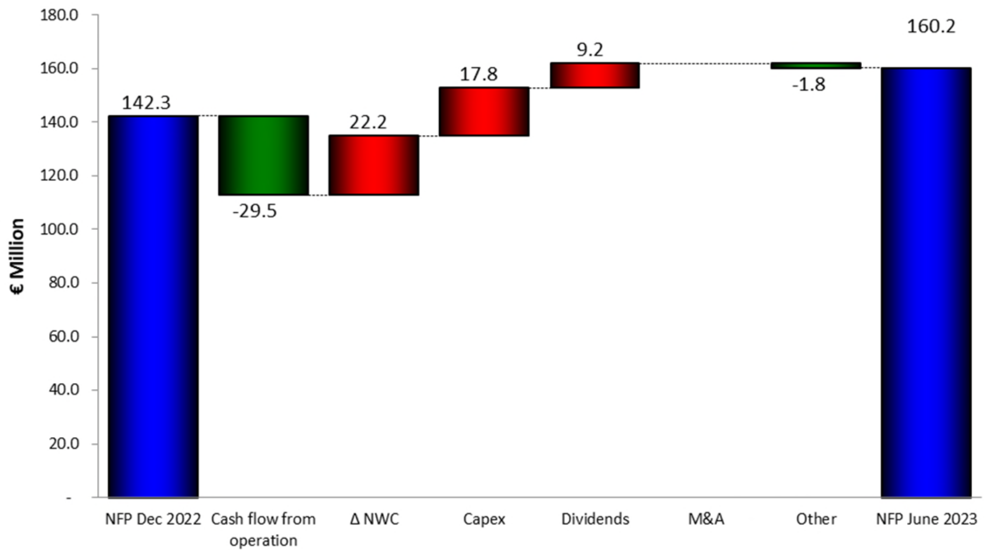
Balance Sheet and Capital Allocation



- In H1-23 cash flow from operations at 9.2% of sales
- NWC includes € 21.4 M of extraordinary receivable and safety stock vs € 18.1 M as of 31/12/22
- NFP increased by € 4.8 M vs H1-22 (from € 155.4 M in H1-22 to €160.2 in H1-23)
- NFP adjusted (net of extraordinary NWC) at € 138.8 M (1.77x LTM EBITDA adjusted)
- LTM net cash generation adjusted equal to €44.3 M (+ 44.5%)
- Other: € 0.8 M of Δ other receivable / other liabilities and € 1.0 M Δ value of derivatives

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- Source: management analysis of consolidated results as of 30/6/2023.

Future Developments and Closing Remarks

Strategy	New program of growth capex in progress to increase production capacity and to seize market opportunities: • ACC in Italy • The second stage of plant expansion in China and USA • New expansion in Poland • Focus on production automation
Markets	• Strong demand in the first half of 2022. Since Q3 softer markets in some applications • In H1-23 resilient business model despite of volatility in end market • Uncertain trend in H2-23 • M/L term growth sustained by secular trends
M&A	• Integration of Refrion well advanced • New projects on opportunistic way
Financials	• Margin improvement due to volumes, but cost inflation • Focus on deleverage - target NFD/EBITDA adj < = 2.0x: achieved at December 2022 – and confirmed in H1-23 despite the impact of NWC seasonality

Annexes

Income Statement as of 30/6/2023

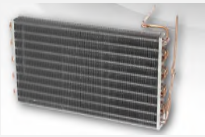
Consolidated Profit & Loss Reclassified *(000 Euro)*	H1-22	Delta %	H1-23	Delta %	Delta %
Sales and operating income	**318,387**	*100.0%*	**320,300**	*100.0%*	**0.6%**
Purchases of materials	(207,038)	*-65.0%*	(165,667)	*-51.7%*	
Inventory increase (decrease)	36,890	*11.6%*	(688)	*-0.2%*	
Services	(41,163)	*-12.9%*	(42,905)	*-13.4%*	
Labour cost	(62,843)	*-19.7%*	(67,763)	*-21.2%*	
Other operating costs	(2,113)	*-0.7%*	(1,463)	*-0.5%*	
Total operating costs	**(276,267)**	*-86.8%*	**(278,486)**	*-86.9%*	**0.8%**
EBITDA	**42,120**	***13.2%***	**41,814**	***13.1%***	**-0.7%**
Depreciation	(15,724)	*-4.9%*	(16,296)	*-5.1%*	
Gain (loss) of non current assets	(44)	*0.0%*	(145)	*0.0%*	
EBIT	**26,352**	***8.3%***	**25,373**	***7.9%***	**-3.7%**
Net financial charges	4,168	*1.3%*	(3,393)	*-1.1%*	
Capital gain on shareholding	9,473		0	*0.0%*	
EBT	**39,993**	***12.6%***	**21,980**	***6.9%***	**-45.0%**
Income taxes	(6,765)	*-2.1%*	(2,873)	*-0.9%*	
Net income	**33,228**	***10.4%***	**19,107**	***6.0%***	**-42.5%**
Minority interest	603		954		
Group net income	**32,625**	***10.2%***	**18,153**	***5.7%***	**-44.4%**

Balance Sheet as of 30/6/2023

Consolidated Balance Sheet Reclassified *(000 Euro)*	31/12/2022	% net invested capital	30/06/2023	% net invested capital
Net intangible assets	98,474		95,207	
Net tangible assets	189,264		198,170	
Pre-paid taxes	6,992		8,764	
Financial assets	1,473		1,436	
Non current assets (A)	**296,203**	**83.7%**	**303,577**	**80.2%**
Inventory	134,237		132,422	
A/receivable	83,265		117,325	
Other receivables and current assets	13,273		13,514	
Current assets (B)	**230,775**		**263,261**	
A/payable	106,587		116,663	
Other payable and current liabilities	40,913		46,006	
Current liabilities (C)	**147,500**		**162,669**	
Working capital (D=B-C)	**83,275**	**23.5%**	**100,592**	**26.6%**
Personnel provisions	5,299		5,379	
Deferred taxes	14,955		14,553	
Risk provisions	5,492		5,559	
Long term liabilities (E)	**25,746**	**7.3%**	**25,491**	**6.7%**
Net invested capital (A+D-E)	**353,732**	**100.0%**	**378,678**	**100.0%**
Group net worth	206,748		213,643	
Minority interest	4,712		4,851	
Total group net worth	**211,460**	**59.8%**	**218,494**	**57.7%**
M/L term net financial position	338,014		296,255	
Short term net financial position	(195,742)		(136,071)	
Net financial position	**142,272**	**40.2%**	**160,184**	**42.3%**
Net worth and net financial position	**353,732**	**100.0%**	**378,678**	**100.0%**

Short company profile

Business Highlights

Business Unit	Products	% of Sales (1)	Applications	Type of Customer
Business Unit Components	Heat exchangers 	54%	• Refrigeration (food cold chain) • Commercial air conditioning and ventilation • Special applications (*whitegoods, "mobile applications"* etc.)	OEM
	Glass doors for refrigerated display cabinets	3%	Refrigeration (food cold chain)	OEM
Business Unit Cooling Systems	Air-cooled equipment / Radiators 	43%	• Refrigeration (food cold chain) • Commercial air conditioning and ventilation • Industrial process cooling • Power Generation • Data centers	Distributors / Installers / OEM / EPC / End users Contractors / End users

(1) FY 2022 data on total sales of product

Diversification to avoid cyclicality

- Diversified applications, segments and markets with **uncorrelated business cycles**
- Focus on markets with expected **high potential growth**
- Business growth **sustained by megatrends**

REFRIGERATION AND CONSERVATION OF FRESH AND PACKAGED FOOD AND FLOWERS

AIR CONDITIONING, HEAT PUMPS AND HOUSEHOLD APPLIANCES

TRANSPORTATION, TRAIN AND MOBILE AIR CONDITIONING AND REFRIGERATION

AIR CONDITIONING FOR DATA CENTERS

POWER GENERATION, OIL & GAS, STEEL-MAKING AND MINING

FRESH FOOD CONSERVATION AND PERISHABLE FOOD BLAST FREEZING

REFRIGERATION FOR COUNTERS AND DISPLAY CABINETS AND AIR CONDITIONING

GLASS DOORS, CLOSING SYSTEMS AND DIGITAL SIGNAGE SOLUTIONS

Seculars trends increase the addressable market

Cold chain and refrigeration

Urbanization & consumer habits

Electrification (heat pumps / district heating)

Global warming

Digitalization (data centers, IOT)

Regulations (F-gas etc.)

Food safety

Safety in supply chains

Decarbonization

Air treatment & ventilation

Industrial Cooling and Processes

Secular trends increase total addressable market

Drivers and trends	What LUVE does
Acceleration of the transition to "**green capex**" by major customers to: • Adopt refrigerants with low GWP • Reduce energy consumption and noise level • Comply with EU regulations and with similar regulations introduced in the USA, China, and other countries	• LUVE was a first mover in green technologies applied to heat exchangers • Currently, ≈ 50% of sales are already based on refrigerants with low GWP to stem climate change • New **Eurovent** certification for CO^2 • ESG rating
• Electrification • Decarbonization	• Heat exchangers for **heat-pump** applications • Special application for **district heating**
Acceleration of digitalization	• Focus on data center market • Application of IoT to all range of products
The increasing value of food security, pharma storage and e-commerce	Focus on mobile applications and logistic centers
Major attention to comfort and indoor air quality in public and private buildings	Special solutions for indoor air quality optimization
Reassess international supply chains	LUVE production footprint provides clients with resilient supply without sacrificing competitiveness

Track record of profitable organic growth and acquisitions

* LU-VE was founded in October 1985
METALLUVE was later absorbed into LU-VE
LU-VE Changshu was substituted by LU-VE Tianmen

Strategy

Create sustainable competitive advantage through:

- Product focus and innovation
- Technology enhancements
- Production plants efficiency and flexibility
- First mover in "green tech"

Reduce risk profile through:

- Widening product applications in uncorrelated sectors
- Increasing internationalization

Geographical focus

- USA
- Asia
- Developing countries

Disciplined M&A activity (industrial focus and valuation)

LU-VE's Medium Term Value Creation Framework

- High Single Digit growth in sales volume (organic)
- EBITDA margin toward 14/15% thanks to scale and efficiency capex
- NWC on sales: Mid Double Digit (net of extraordinary fluctuation)
- Growth capex: € 20/30 m p.a.
- Tax rate: 20-21%
- ESG targets in progress

- Capital allocation
  - NFD/EBITDA <2
  - Growth capex
  - Steady / smooth dividend policy
  - M&A: up to 3x leverage if required by strategic M&A (dry powder: € 80/90 m + target debt capacity)

Pillars of a Sustainable Competitive Advantage

Sources	LU-VE business model
Technological Advantage	• Patent and tech innovation • Leadership in R&D: laboratories / CFD / nanotechnologies / IOT
Cost advantage	• Market leadership: ca. 50% (1) of sales are in market segments where Lu-Ve is market leader • Production plants in LCC: Poland, India, China, Russia and Czech Republic • The highest level of capex in the sector to increase productivity, automation, product quality
Switching costs	• Co-design with clients • Long term customer cooperation: customers with more than 5 years of business relationship represent 65/70% of total sales • Lu-Ve supplies performance critical components, but with limited cost incidence vs customers machineries/installations total costs
Efficient scale	• One of the 3 largest worldwide producers of air heat exchangers • Leader in Europe in heat exchanger
Network effect	• Lu-Ve customers benefit from Lu-Ve experience in thousand of applications fields of air heat exchangers, helping them to identify specific solutions for their refrigeration/cooling problems

(1) Company's estimates

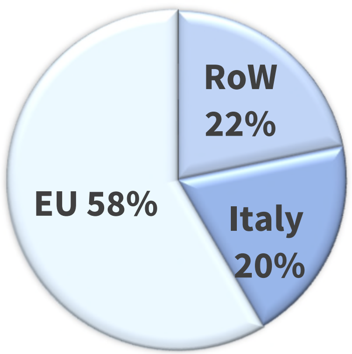
LU-VE GROUP
leadership with passion
OVER 600 YEARS OF EXPERIENCE
IN HEAT EXCHANGER TECHNOLOGY
1924 Helpman
1928 CONTARDO
1950 Fincoil
1974 SEST
2008 Zyklus Heat Transfer, inc.
1999 HTS HEAT TRANSFER SYSTEMS
1994 SPIROTECH
1986 LU-VE EXCHANGERS
1960 AIA LU-VE
1977 ALFA LU-VE

Organization: 20 Production Units

PRODUCTION UNITS

LU-VE COILS	LU-VE EXCHANGERS	ALFA LU-VE	AIA LU-VE	REFRION COOL GENERATION	TGD
Czech Republic Italy India Poland Russia USA	Italy Poland Russia China	**Italy** **Finland** **Poland** **India**	Sweden	Italy	Italy

- Over **1.080.000** sqm. total surface area (300,000 sqm. covered)
- Over **3,605** sqm. of R&D Laboratories, and a large climatic chamber
- About 4100 employees
- LU-VE sells its products in more than 100 countries
- Diversified blue-chip customers



Breakdown of sales by geographical area
(2022)

34 SALES COMPANIES

- AUSTRIA – VIENNA
- BENELUX – BREDA-UCCLE
- CHINA – TIANMEN-CHANGZHOU
- CZECH REPUBLIC - NOVOSEDLY
- DENMARK - AARHUS
- FINLAND - VANTAA
- FRANCE - LYON
- GERMANY – STUTTGART
- INDIA – NEW DELHI\PUNE
- ITALIA
- NORWAY - OSLO
- POLAND – WARSAW/GLIWICE
- RUSSIA – MOSCOW / LIPETSK
- SOUTH KOREA -SEUL
- SPAIN – MADRID
- SWEDEN - ASARUM
- UK/EIRE – LONDON/FAREHAM HANTS
- THAILAND – BANGKOK
- VIETNAM – HCM CITY
- UAE – DUBAI
- USA – JACKSONVILLE

Metal Price Impact on Profitability

Sale contract	Main application	Metal influence on product price	Metal fluctuation management
Frame contracts	Mainly in the Components SBU	Mechanical price adjustment through formulas linked to the metal publicly available quotation Impact	• Price adjusted through formulas linked to metal publicly available quotation (average last quarter / half a year) • Profitability protection through systematic physical hedging (short order-to-delivery cycle) Impact
Predetermined delivery date	Project driven orders *(mainly cooling system SBU: industrial application, power gen etc.)*	Technology and design are the main elements of the solution offered Lower impact by metal price Impact	• Pricing locked-in at order intake • Profitability protection through systematic physical hedging (long order- to-delivery cycle) Impact
Standard products	Products sold by catalogs with zero or limited customization	Higher impact of metal prices Impact	• Pricing managed through price lists, thus leading to some delay • Competitive pressure may impact on the delay of price adjustment • Hedging based on forecasted volumes rather than orders Impact

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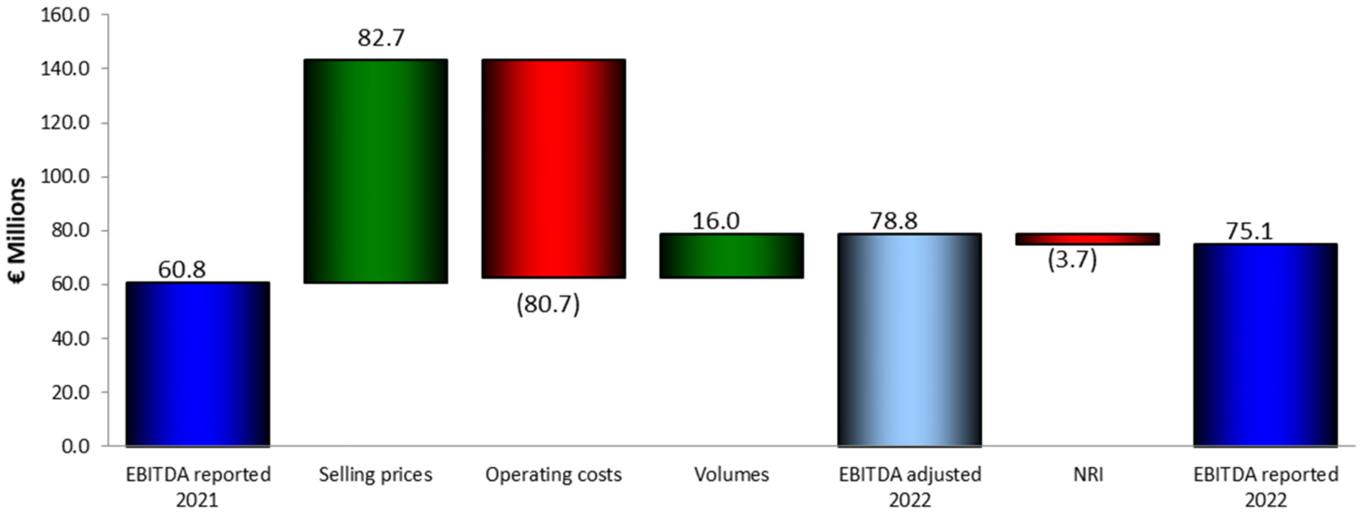
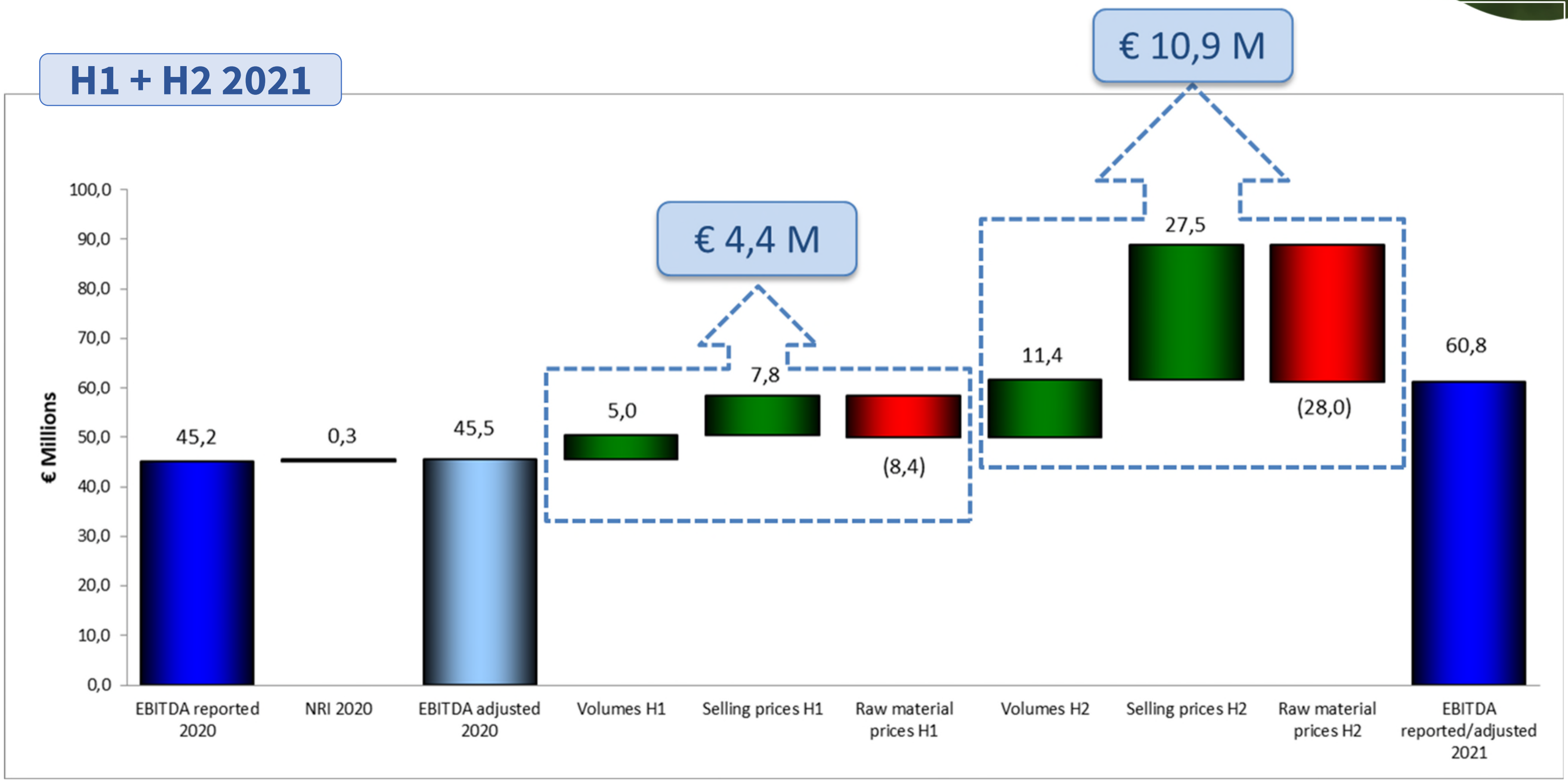
The pricing power in 2022
EBITDA adj 2022 vs 2021 + 29.6%



- EBITDA adjusted grew by 29.6% thanks to volumes increase and pricing power
- In 2022, non-recurring items are M&A transaction costs and extraordinary bonuses to employees (no adjustments in 2021)

(1) Due to rounding, numbers presented throughout this chart may not add up precisely to the totals provided
(2) Source: management analysis of consolidated results as of 31/12/2022

The pricing power in 2021 EBITDA growth +33.6%



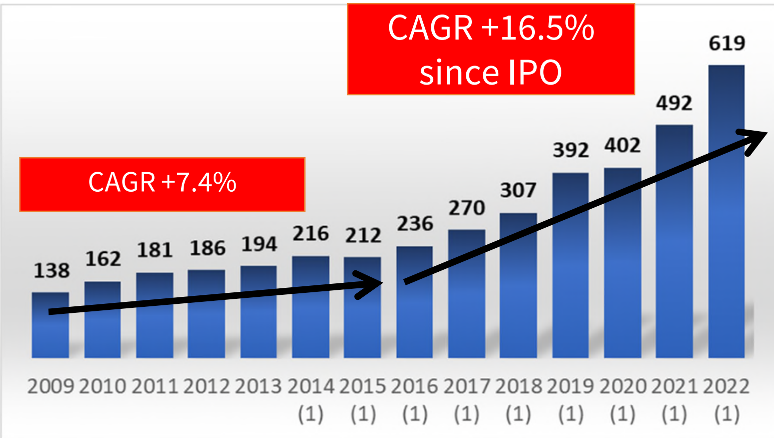
Performance since IPO (2015)

Strategic targets identified since 2015		Actual results: 2015 – 2022
Organic growth (CAGR)	5/6% p.a.	(see table below)
NWC	Strict control	10-15% on sales In 2022 temporary increase of safety stock due to uncertain supply chain
Growth Capex		**€ 91 m**
Geographic expansion	Asia - USA	5 new plants in Poland, China and USA Doubled plant in India
Acquisitions		4 strategic acquisitions € 122 m invested

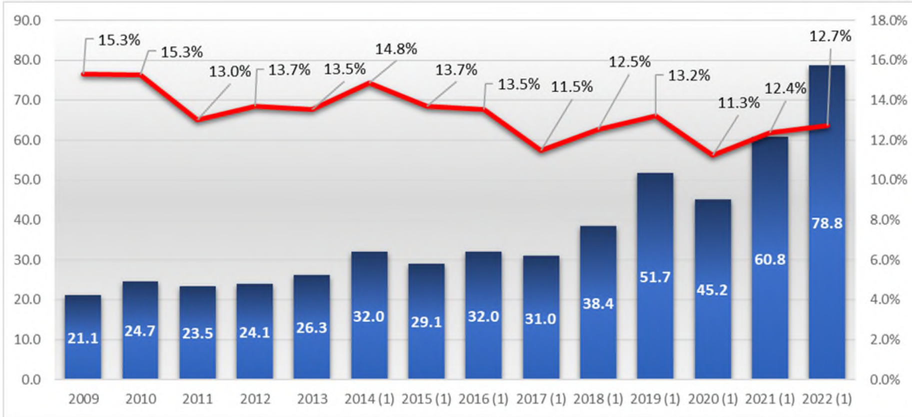
CAGR	Organic	Total
Sales	12.2%	16.5%
EBITDA	12.6%	17.0%

Financial Highlights

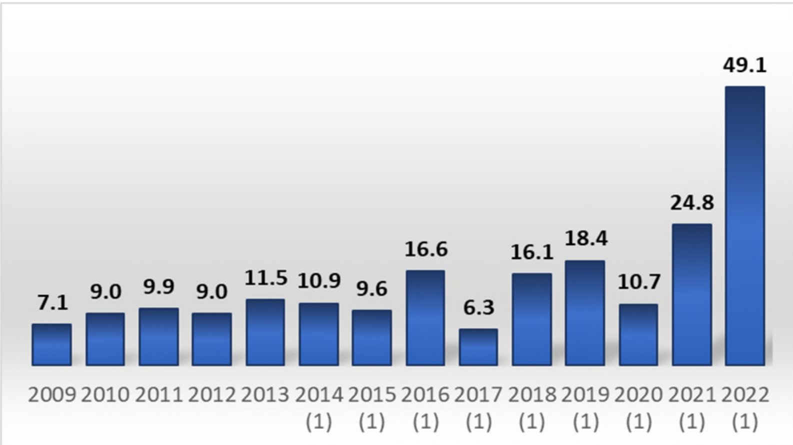
Turnover 2009-2022



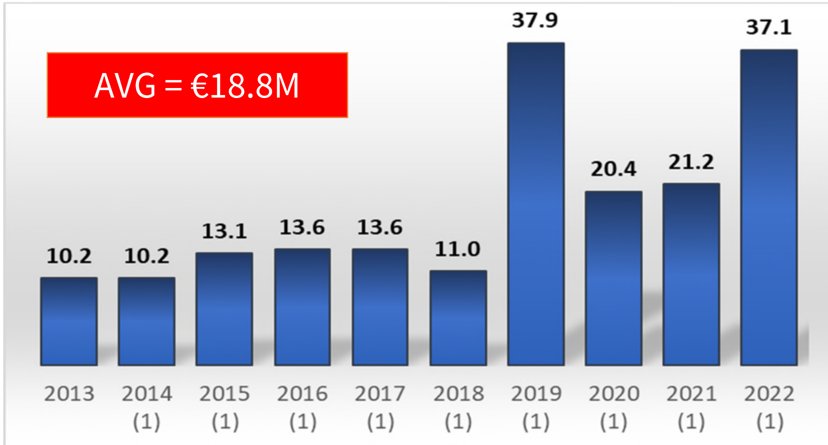
EBITDA ADJ (2) 2009-2022



Net Income 2009-2022

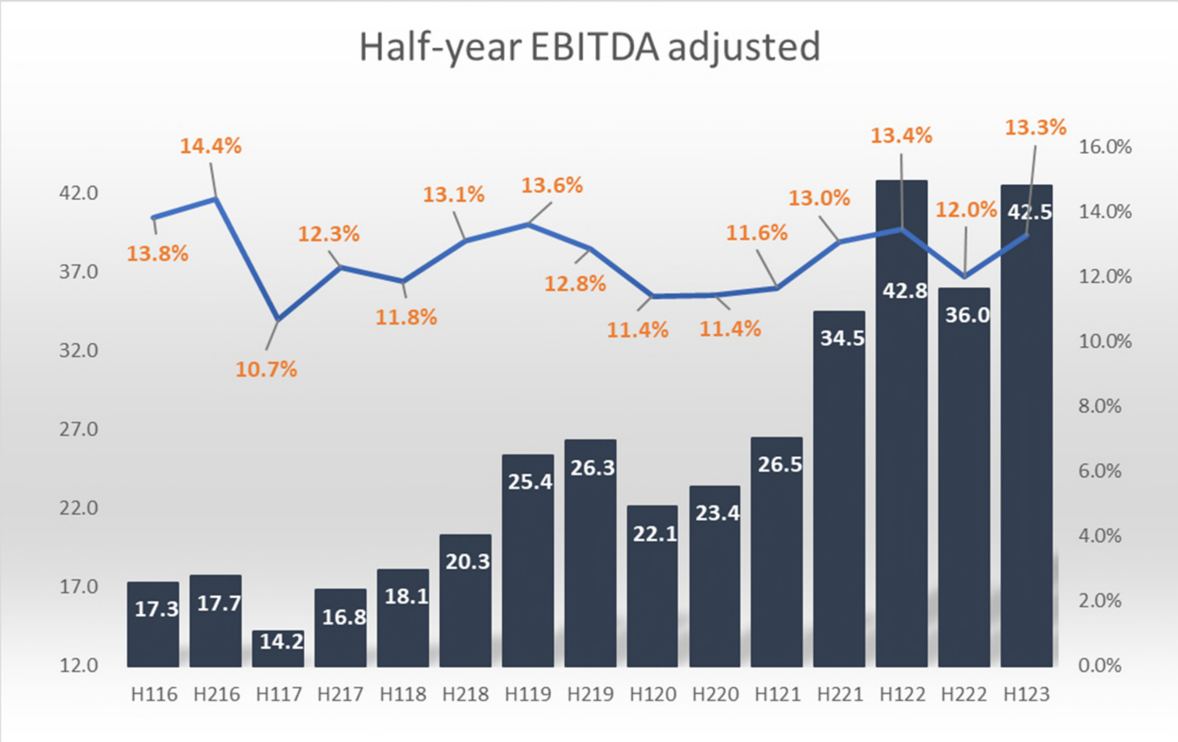


Net Cash Generation ADJ (2) 2013-2022



- All data in € millions
- (1) 2014-2022 based on IFRS – 2009-2013 based on ITA GAAP
- (2) Adjustments to exclude non-recurring items

Resilient business model and improving profitability



1) All data in € million
2) H1 2016 proforma to include Spirotech which has been acquired in October 2016
3) ZHT is consolidated since H2 2018
4) AL Air is consolidated since 1st of May 2019
5) Refrion consolidated since 1st of April 2022 – Tecnair deconsolidated since 1St of April 2022

- Improving trend of EBITDA from H1 17 to H2 19
- Since H2 2019, dilutive effect on margin percentage due to lower profitability of AL AIR (≈ 125bps)
- In 2020 impact of Covid and lockdown
- In H1-20, volumes decreased by 10.4% LFL due to lockdown
- In 2021, volumes increased by 14.7%
- In 2022, volumes increased by 8.9%
- In H2-22 impact on profitability due to safety stock
- Effect on metal inflation margin 90 bps in 2021 and 160 bps in 2022)

Shareholders Structure [1,2]

LIBERALI Family

FINAMI

45,82% (3)(4)

FAGGIOLI Family

G4

16,00% (3) (4)

LU-VE

38,18% (3)

(1) Fully diluted – post warrant conversion at end of May 2017
(2) Updated as of July 4th, 2023
(3) Based on number of shares
(4) Thanks to the Loyalty Share Program (2 years ownership) as of July 4th, 2022, Finami owns 50,8% of voting rights and G4 owns 14,2% of voting rights
(5) Treasury shares as of 30th June 2023, 0,1261% of share capital

LU-VE presence on the Italian Stock Exchange

AIM

9th July 2015

MTA

21st June 2017

MID Cap index

19th September 2022

STAR segment

21st September 2022

ESG

LU-VE Group Approach to ESG Topics

Global Scenario

2015 **Paris Agreement**

2019 **Green Deal – Horizon, Kigali Amendment**

IPPC, Sixth Assessment Report

1985 LU-VE IS ESTABLISHED

LU-VE

"LU-VE is the embodiment of the principle that **companies are women, men and ideas.** Grey matter for a greener world has been our commitment right from the beginning. **We have been the first in the sector to use "green" technology/solutions**, LCC/LCA Life Cycle Costing/ Assessment, to maximize energy saving, minimize refrigerant charge, reduce noise level reduce footprint and weight."

Iginio Liberali, Founder of LU-VE Group

2017 SUSTAINABILITY REPORTING

- The European Directive 2014/95/UE requires to produce a **Consolidated Non-financial Statement.**
- The Consolidated Non-financial Statement **reports** the commitments and the results achieved by the Group in the **ESG** field, responding to the expectations of **stakeholders**, who are involved in a systematic process of listening and dialogue.

2020 SUSTAINABILITY STRATEGY

- Integration of **sustainability** into the company **strategy.**
- **Top management ESG awareness project** is aimed at involving all the key players in defining and developing the Group **sustainability strategy.**

2021 EU TAXONOMY REGULATION

- European Commission introduced the Regulation 2020/852 - EU Taxonomy Regulation, a unified **classification** for **economic activities** considered **environmentally sustainable.**
- LU-VE Group, according to EU Taxonomy, identifies ***eligible* activities** with respect to the "Climate Change Mitigation" objective.

2022 Sustainability governance and Sustainability Plan

- LU-VE Group set up a corporate **Sustainability Steering Committee**, responsible to share the progress of the Group's sustainability performance and to discuss strategic lines of action.
- The Sustainability Steering Committee defined the **new LU-VE Group Sustainability Plan.**

Social Impact
of LU-VE Group solutions

FOOD SAFETY

Today, some three billion people lack safe and healthy food. The development of sustainable and technologically advanced cold chains is essential for the processing, storage, preservation, distribution and, ultimately, the increased availability of safe food for ever larger segments of the population.

LU-VE group commitment

A proper cold chain ensures safe and properly stored food and reduces food waste.

53%*

CLIMATE WELL-BEING

The demand for air conditioning is growing internationally due to population growth, urbanisation rates and the demand for a better quality of life, especially in the warmer areas of the world.

Indoor climate comfort in buildings is an important element of people's health and well-being and quality of life

21%*

ENERGY EFFICIENCY

On average, air conditioning and cooling accounts for around 15% of electricity demand globally, with peaks of up to 50%. Mitigating the resulting environmental impacts involves improving energy efficiency standards by 50% by 2030.

LU-VE group commitment

Maximising the energy efficiency of factories, buildings and systems is crucial for protecting the planet, reducing environmental impact and improving businesses' competitiveness.

20%*

DIGITAL TRANSFORMATION

The international digitalisation process also touches on cloud computing. This strong impetus implies an increasing focus on the energy consumption of data centres, which currently account for 1% of the world total in terms of environmental sustainability.

Operational and efficient data centres are a prerequisite for a country's digital transformation

6%*

* respect Group's total turnover in 2022

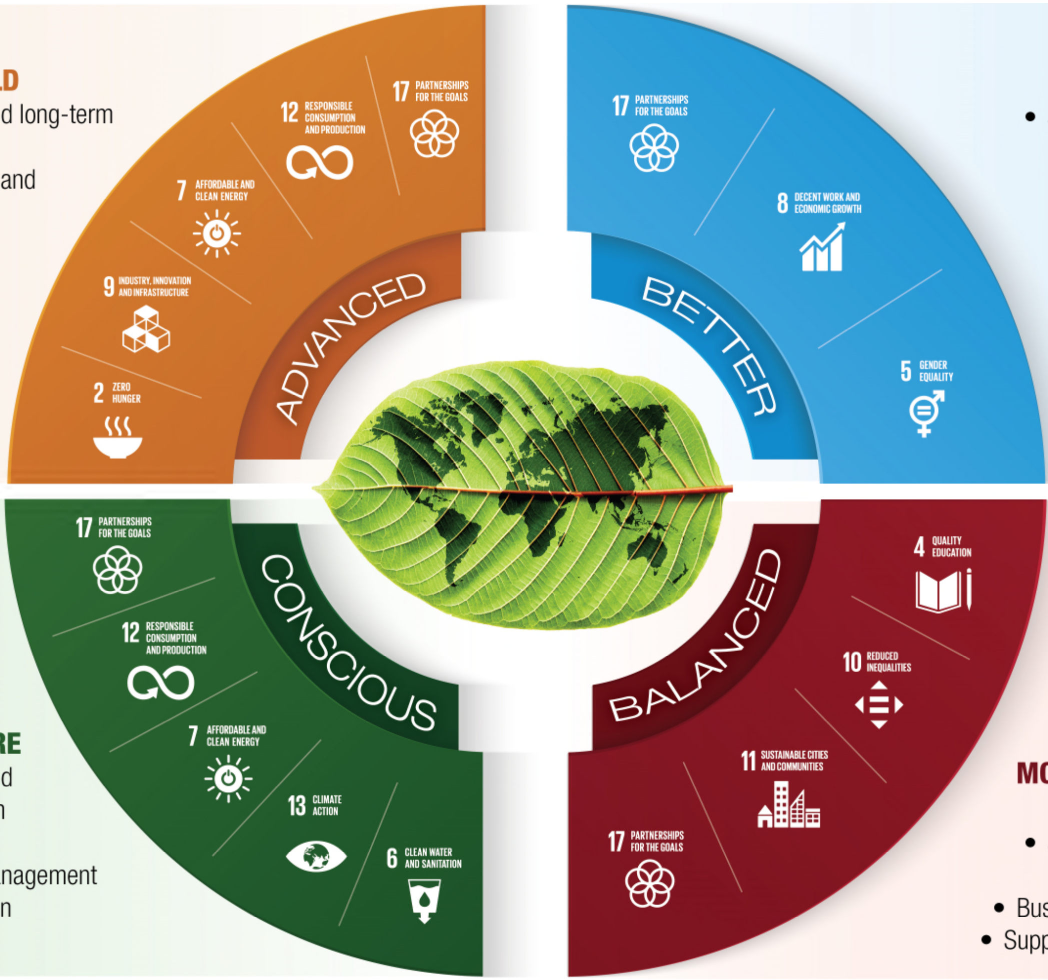
Our Vision in 4 pillars is aligned to the SDGs

IDEAS AND PASSION FOR A COOLER WORLD
- Strategies for growth and long-term value creation
- Research, development and innovation
- Products with reduced environmental impact
- Customer orientation

Innovative products

LIVE AND WORK IN BETTER PLACES
- Strategies for growth and long-term value creation
- Workers' well-being and safety
- Talent attraction and development

Better places



Sustainable development

STEWARDSHIP FOR A BETTER FUTURE
- Strategies for growth and long-term value creation
- Climate change
- Resource and waste management
- Responsible supply chain
- Food safety and waste

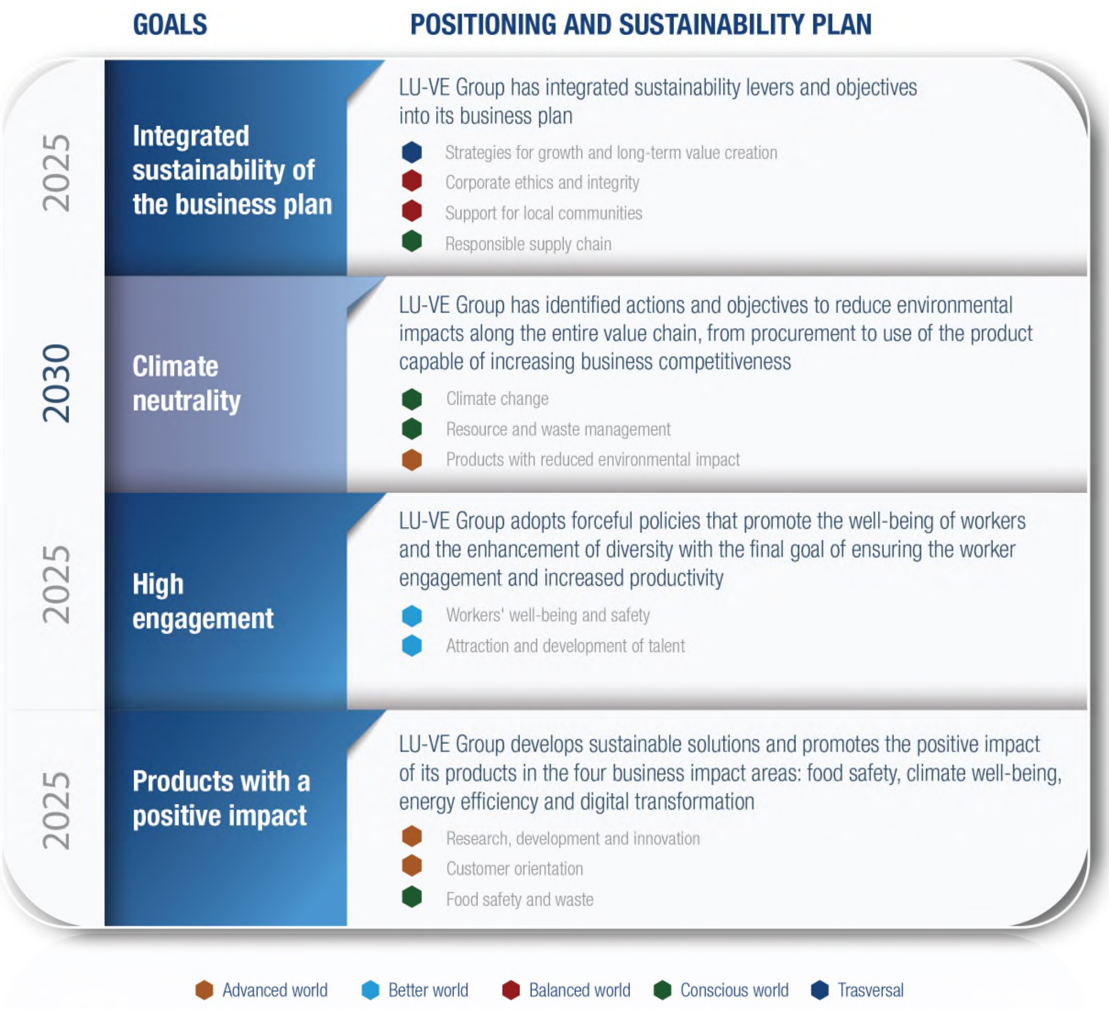
Inequalities reduced

MORE OPPORTUNITIES FOR ALL
- Strategies for growth and long-term value creation
- Business ethics and integrity
- Support for local communities

Our vision *is linked to the* ***material topics*** *that we pursue so that this vision can take shape in the real world. The* ***Sustainable Development Goals (SDGs)*** *have been defined at global level by* ***the United Nations*** *to identify global priorities for development by the end of 2030.*

Enhanced sustainability governance and the Sustainability Plan

LU-VE GROUP SUSTAINABILITY PLAN (extract)



During 2022, the Sustainability Steering Committee defined the new **LU-VE Group Sustainability Plan 2023-2026, which was examined by the Control and Risks Committee and approved by the Board of Directors during February 2023.** The Plan defined actions to be carried out over the next three years.

In 2022 the Group strengthened its sustainability oversight by setting up a **corporate Sustainability Steering Committee**, with the participation of the CEO, the COO, the CFO, Investor Relations and the Sustainability Office. This Committee shares the progress of the Group's sustainability performance and discusses strategic lines of action, which are then submitted by the executive directors to the Board of Directors for appropriate assessments and resolutions.

Climate Risks analysis for the Business Plan 2023-2026

PHYSICAL CLIMATE RISKS ANALYSIS – A new quantitative analysis

- The physical climate risks were analysed taking into consideration the different future scenarios based on internationally recognised climate models based on greenhouse gas concentration pathways (Representative Concentration Pathways - RPC) developed by the **Intergovernmental Panel on Climate Change** (**IPCC**) with particular reference to the **RCP 2.6 and RCP 4.5 scenarios**. Considering the time frame, the simulations were performed with a **horizon up to 2035.**

- The analysis showed that the risks that will have the greatest influence on the Group are **temperature variability**, **intense precipitation and precipitation variability**. Vice versa, the exposure to certain other risks, e.g. drought and fire risk, are not expected to be material to the Group's operating assets.

TRANSITION CLIMATE RISKS - Analysis update

- The various types of risk - market, technological, legal/policy and reputation - have been evaluated according to their potential impact on the business and the Group's ability to cope with them over time. As an example, market risks related to **increases in production and transport costs**, due to specific market conditions and the introduction of carbon taxes were assessed, as well as the **demand for products with less emission impact** also due to the tightening of regulations and regulations, such as the Regulation "F-Gas".

EU Taxonomy and the eligible activities of the LU-VE Group

“A Taxonomy is a classification tool to help investors and companies **make informed investment decisions on environmentally friendly economic activities**.”

Source: Using the Taxonomy, EU Technical Expert Group On Sustainable Finance, 2019

ELIGIBLE ACTIVITIES OF THE LU-VE GROUP

LU-VE Group’s activities eligible to the EU Taxonomy, because of its contribution to the «Climate Change Mitigation» objective:

- Heat exchangers with high energy efficiency;
- Products using CO_2 as a refrigerant fluid;
- Products using other natural refrigerant fluids (hydrocarbons, ammonia, glycol water);
- Dedicated solutions for renewable energy production plants;
- Transport by motorbikes, cars and light commercial vehicles;
- Installation of renewable energy technologies;
- R&D team and laboratory.

2022 DATA

KPI	Eligible
Turnover	50,7%
CAPEX	37,3%
OPEX	52,1%

EU Taxonomy and the aligned activities of the LU-VE Group

LU-VE Group undertook a series of actions to meet the *technical screening criteria* required to consider its economic activities, as well as eligible, also aligned with the requirements of EU Taxonomy. These criteria, among other things, prescribe the presence of a third-party carbon footprint certificate in accordance with international ISO standards.

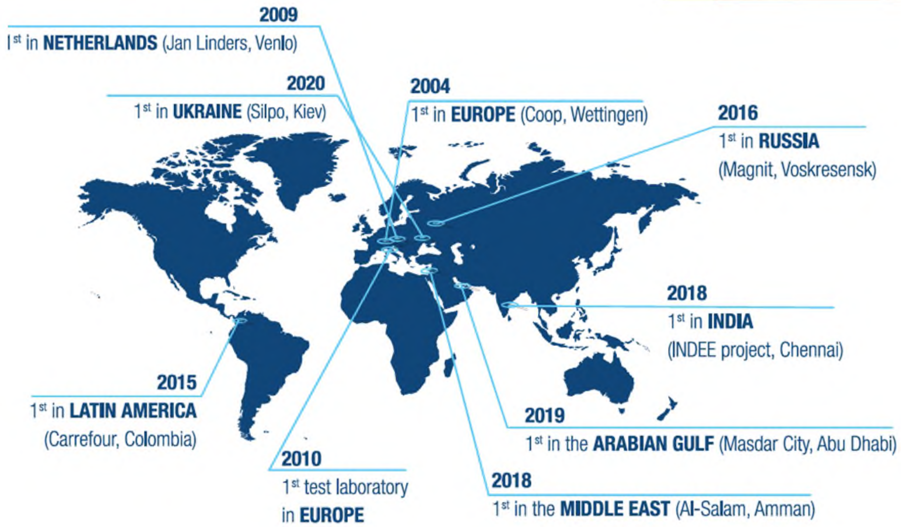
During 2022, LU-VE Group conducted a **Life Cycle Assessment** study on a specific range of air cooled products, which accounted for 1.4% of its turnover for the year in question. The carbon footprint has been certified by a third party in accordance with ISO 14067. The results of this analysis have shown how a product using natural refrigerant fluid and a high efficiency motor, corresponding to 0.7% of turnover in the reference year, throughout its entire life cycle, generates over 30% less climate altering emissions compared to an equivalent using traditional fluids and a low efficiency motor. Over the coming years the Group expects a gradual extension of the product certifications and/or environmental declarations

During 2022, the Group also further studied the criteria linked to the **management of chemical substances** (relative to the “Do No Significant Harm” – DNSH criterion) and began a series of assessments to establish how to manage and trace – on a voluntary and proactive basis – specific substances whose traceability is not required at regulatory level.

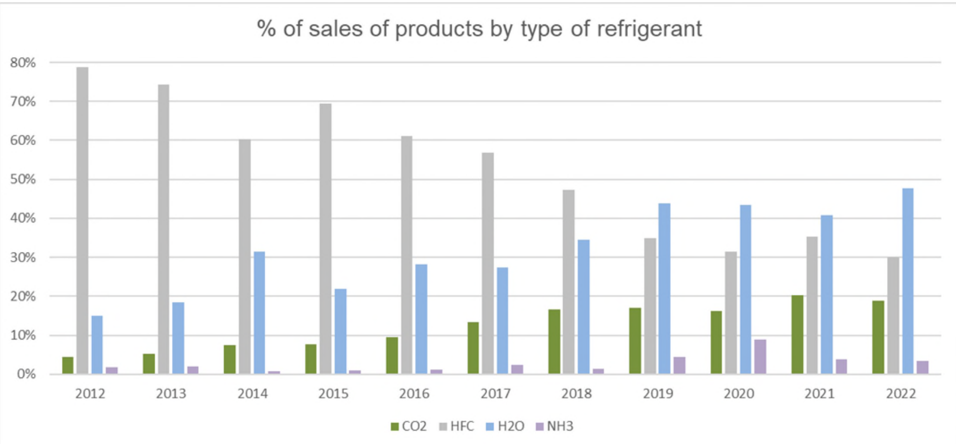
Helping Customers Reach their Sustainability goals

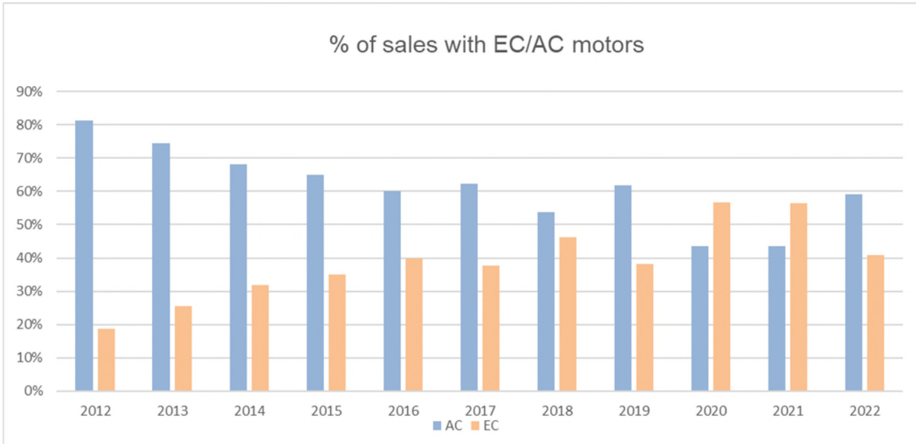
FIRST MOVER IN GREEN TECH

Over the last 10 years, LU-VE Group's technological leadership has been strengthened thanks to the development fluids and energy-efficient motors.



LU-VE GROUP FOR CO_2





The graph "% of sales with EC/AC motors" shows for 2022 a trend reversal due to the contingent lack of electronic components found in EC motors that has forced the market to opt for AC motors (that do not contain these components).

Decarbonisation and heat pumps

- Heat pumps are a decisive element for achieving the goal of **zero "net carbon emissions"**
- LU-VE Group has designed special products to make the **best use** of heat sources for heat pumps: thus supporting this market which in 2022 recorded a **strong growth**

HEAT PUMPS FOR DISTRICT HEATING

- LU-VE Group conducted an experimental campaign in 2022 on a variety of aeraulic layouts of a plant in Denmark and contributed to the development of a new configuration of coolers capable of **reducing the energy consumption of the heat exchanger by up to 21%.**
- The full results were presented during the "**Gustav Lorenzen**" international conference, the most important on natural refrigerant fluids.

HEAT PUMPS FOR RESIDENTIAL USE

- **LU-VE Group made R&D activities on seeking solutions capable of reducing the load of specific refrigerant fluids for the use of R290 when presenting the 4mm diameter tube at Chillventa 2022.**
- This innovation endows LU-VE Group products with the highest performance in terms of both yield and sustainability.

*Heat pumps allow heat to be extracted from a **natural source** (air, water or ground) and make it available at the desired temperature. They also allow recovery of the residual heat, which can then be used for heating to increase the **system's efficiency***

M&A

M&A activity (2015- 2022)

Four acquisitions completed

- **Sales acquired: € 145 m [1]**
- **Amount invested: € 122 m [1]**
- **Average EBITDA multiple paid = 7.0x [1]**

ACC Wanbao asset deal

[1] *Including Refrion acquired on 30 March 2022*

Refrion (Italy) (2022)

Main financial terms

- Acquisition completed on 30^{th} of March 2022
- Acquisition of 75%, plus put&call on the remaining 25% within 5 years
- Cash out at closing equal to € 8.1 M
- EBITDA multiple = **7,35x** average 2020/2021 adjusted EBITDA
- **Financial highlights 2021:**
  - Sales = € 26 M
  - EBITDA = € 2.7 M

Strategic rationale

- Refrion specializes in the production and marketing of air heat exchangers with **adiabatic technology,** which enables reductions to be made in energy consumption, water consumption, and noise emissions
- Technology of heat exchangers with **oval tubes**
- Limited customer **overlapping**
- Heat exchangers for **nuclear plants**
- One of the largest **climatic test chambers** in Europe

ACC (Italy) (2022)

Main financial terms

- Transaction completed on 29th of July 2022
- Contracting of selected assets and employees of former ACC under receivership (based on Belluno – Italy)
- Total capex on the site up to € 9 M in 3 years
- Hiring a certain number of former blue collars of ACC, benefitting from subsidies from the Italian government

Strategic rationale

- Access to **modern industrial plant** at cheap conditions (40.000 mq)
- **Hiring skilled people** at reduced costs
- Opportunity of rationalization of **logistic activities** of the nearby plant of LU-VE

Tecnair LV (Italy) (2022) - Divestiture

Main financial terms

- Transaction completed on 21st of March 2022
- Sale to Systemair of the entire participation (80%) in Tecnair LV
- **Transfer of all the employees**
- Cash-in at closing € 12,9 M
- EBITDA multiple = 12,5x 2021 adjusted EBITDA

- **Financial highlights 2021:**
  - Sales = € 12,0 M
  - EBITDA = € 1,2 M

Strategic rationale

- **Limited integration** with the LUVE Group
- Product range in **competition** with large customers of LUVE
- Technological developments toward **outdoor machines** for data centers
- Limited growth in the last years
- Strategic **long term supply** agreement of components with Systemair

Acquisition of Alfa Laval Air Heat Exchanger Business: Overview (2019)

- On December 12th, 2018, Lu-Ve signed a binding contract to acquire 100% of Alfa Laval Air Heat Exchanger division ("AL Air") of Alfa Laval Group. The acquisition was completed on April 30th, 2019 (1)

- Purchase price paid at closing amounted to €43.6m. An additional payment of €7.5m was made on April 30th, 2020.
  - 6.5x Adj. EBITDA multiple over the period 2018-2019
  - Final price agreed on February 4th, 2020

- AL Air manufactures air-cooled products for industrial process cooling, refrigeration and HVAC applications

- In the two-year period 2018-19, AL Air reported ca. €100m sales and an EBITDA margin of 8.0% with a Sales CAGR of 8.9% over the last 3-year period

- AL Air brings to Lu-Ve Group:
  - World class customers in Europe, US and India
  - 3 state-of-the-art manufacturing plants in Italy, Finland and India with ≈400 people
  - An ideal base to expand (i) market presence in the industrial cooling and refrigeration segment in Europe and (ii) production in India

1) Subject to 2018 EBITDA review and post closing adjustments

Acquisition of Alfa Laval Air Heat Exchanger Business: Rationale (2019)

- Becoming the third largest player in the world in the air-cooled products
- Strengthening market position in Europe in industrial cooling business unit, achieving a leading position
- Enlargement of product applications (engine cooling, power converter and process cooling)
- Limited customers overlapping
- Strong management team with international experience
- Expansion in the Indian market related to the cold chain infrastructure
- Opportunities of synergies as result of plant specialization, marketing efforts and costs rationalization

ZHT (USA) (2018)

- On June 26, 2018, LUVE completed the acquisition of Zyklus Heat Transfer Inc (ZHT), based in Jacksonville (Texas)
- Luve acquired 100%
- ZHT is specialized on heat exchanger for the US market
- Mr. Zachary Riddleseperger – founder and 100% owner – remains as VP Operation
- Three years earn-out scheme based on EBITDA
- 2017 turnover: USD 10.3 M
- Average growth rate previous two years: 12%
- 2017 adjusted EBITDA: USD 1.7 M (16.5%)
- At December 2017 adjusted net financial debt was USD 3,4 M
- Price paid for 100%: USD 10 M
- 2017 EBITDA multiple paid: 7,9x

Il Sole 24 ORE

Sbarca negli Usa e acquista la texana Zyklus Heat Transfer

Spirotech (India) (2016)

- Binding contract to acquire 95% of Spirotech signed on 18/9/2016
- Spirotech is a leading and fast-growing Indian producer of heat exchanger for HVAC industry, home appliances and transportation:
  - turnover of € 21 millions with an average EBITDA margin > 20%
  - doubled the turnover during the last 5 years
  - world class customers in Europe, US and India
  - strong management team with international experience
  - state of the art manufacturing plant with expansion opportunities
- Ideal base to expand production in India, to benefit from long term trend in creation and expansion of cold chain in India and Asia
- **Total consideration** :
  - 7,3x FY16 EBITDA
- **Strategic rationale of the acquisition**:
  - Expansion of Spirotech customer basis thanks to LUVE sales network
  - Expansion in the Indian market with LUVE products related to the cold chain infrastructure
  - Transfer of customers/products from other Group European plants based on logistic and technological evaluation
  - Expansion in Middle East due do the logistic advantage

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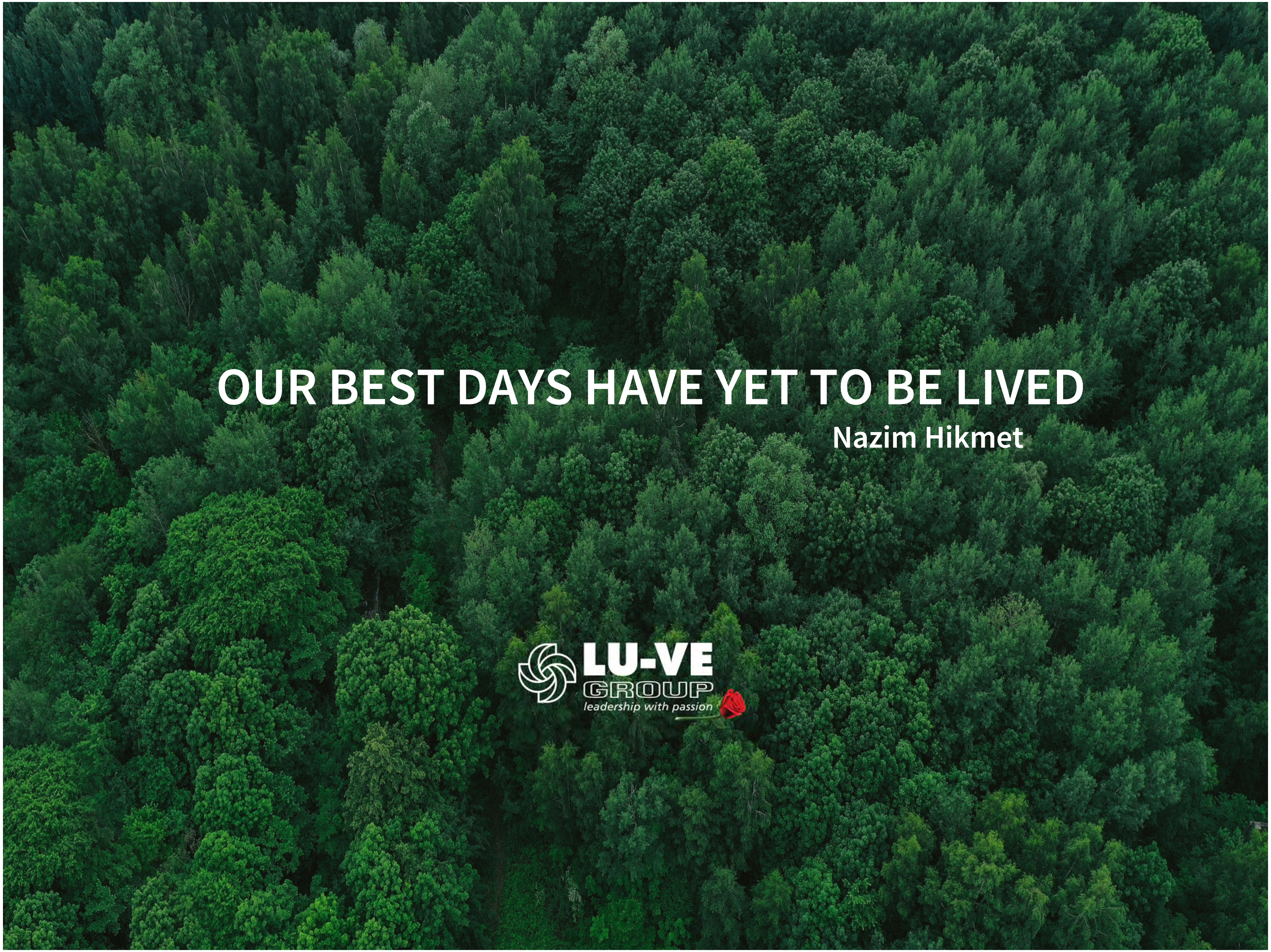
OUR BEST DAYS HAVE YET TO BE LIVED
Nazim Hikmet
LU-VE
GROUP
leadership with passion