LU-VE GROUP

leadership with passion

2021 FY results

17th March 2022

2021: year of records

Economics

- In 2021, total sales grew by 22,6% to € 492,0 M
- EBITDA grew by 34,6% at € 60,8 M (€ 45,2 M in 2020)
- Net income grew by 131,6% at € 24,8 M (€ 10,7 M in 2020)
- Order book at all-time record level: € 180,2 M +134% vs 2020
- Very limited impact from raw material shortage

Financials

- Net working capital under strict control: 14,4% of sales vs 8,9% in 2020, due to increase of safety raw material stock (€ 14,2 M)
- Temporary increase of net financial position to € 121,9 M (2,0x EBITDA vs 2,4x in 2020)
- Robust LTM net cash generation adjusted: €21,2 M (vs. €20,4 M)

Strategy

- Resilient business model thanks to diversification (applications, geographical markets, customers)
- Three strategic moves in Q1 2022: sale of Tecnair LV, acquisition of Refrion and engaging of selected assets and employees of former ACC

Out of Covid a year of records

- In 2021, **all plants were operating** at a normal level of production, thanks to the ability to face complex situations in a challenging environment
- **Resilient business model** resulting from diversification of product applications, geographical markets, and production footprint
- The **independence of the Group's factories** from one to another could also allow the transfer of production from one plant to others
- **Strengthen relationship with key clients** offering back-up in Europe of global supply chains from low-cost countries such as India
- Limited impact on **working capital** (receivable high quality; the increase of raw material inventory level due to safety reasons, leveraging the solid financial structure)
- LUVE was able to properly manage all **raw material availability and supply chain risks** thanks to the diversification of supply sources
- LU-VE has **solid fundamentals** underpinning the strategy adopted to decisively challenge the pandemic consequences and take advantage of opportunities during the current recovery phase

2022 starts with record order book

- Total sales [1]: € 492,0 M, +22,6% (23,5% at constant FX) mainly thank to volumes and mix (+14,7%)
- Pass through mechanisms and price increases offset all raw material rises
- EBITDA reported : **12,4%** on sales, vs 11,3% in 2020 despite margin dilution due to metal inflation (90 bps)
- Net cash generation (12 months adjusted) [3] : + € 21,2 M (vs. €20,4 M in 2020)
- Order book: continuous growth in 2021, from € 77 M in December 2020 to € 180,2 M in December 2021

€ Millions	2020		2021		Growth
Total sales [1]	401,5	100,0%	492,0	100,0%	+22,6%
EBITDA	45,2	11,3%	60,8	12,4%	+34,6%
Net income	10,7	2,7%	24,8	5,0%	+131,6%
Net financial debt	(106,8)		(121,9)		+14,1%
Net cash generation (12 months adj.) [2]	20,4		21,2		+3,9%

(1) Total sales include sales of products and other sales
(2) See page 16 for details

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Net sales breakdown by application

Applications € 000	2020	%	2021	%	Δ %
Refrigeration	221,9	55,3%	287,6	58,4%	29,6%
Air Conditioning	72,2	18,0%	83,4	16,9%	15,4%
Special Applications	54,9	13,7%	71,5	14,5%	30,2%
Industrial cooling	43,6	10,9%	40,7	8,3%	-6,7%
Total sales of products	**392,6**	**97,8%**	**483,1**	**98,2%**	**23,0%**
Other revenues	8,8	2,2%	8,9	1,8%	0,9%
Total sales	**401,5**	**100,0%**	**492,0**	**100,0%**	**22,6%**

Net sales breakdown by product

Products € 000	2020	%	2021	%	Δ %
Heat Exchangers	182,6	45,5%	252,8	51,4%	38,4%
Air Cooled Equipment	174,4	43,5%	184,9	37,6%	6,0%
Close Control /Data Center	24,6	6,1%	28,2	5,7%	14,7%
Glass Doors	11,0	2,7%	17,2	3,5%	56,5%
Total sales of products	**392,6**	**97,8%**	**483,1**	**98,2%**	**23,0%**
Other revenues	8,8	2,2%	8,9	1,8%	0,9%
Total sales	**401,5**	**100,0%**	**492,0**	**100,0%**	**22,6%**

Benefit of diversification and green tech

- Increase of sales + 22,6%
- On a constant currency basis, growth of sales is 23,5% (*Zloty and Rupia*) mainly thanks to volume/mix (+14,7%) and prices (+8,8% vs +4,0% in H1)
- More substantial growth on Components (+38,6%) due to new customers and increase of SOW on existing customers, mainly in heat exchangers for display cabinets, heat pumps, mobile applications, and tumble dryers
- Lower growth on Cooling systems (+7,1% vs. +5,9%in H1 2021) due to slowing in "*district heating*" projects and industrial cooling, fully compensated by industrial and commercial refrigeration (+20%) and data centers (+17%)
- Italy (+39%) increases its share from 17% to 19% of total sales
- Excellent growth in Italy, France, Poland, Czech Republic, Germany, China, and USA (+46%)
- New sales company in Korea
- Largest single customer represents 4,6% of total sales, while the largest ten customers 32%

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Profit & loss

- See EBITDA bridge analysis
- Interest charges more than offset by increase of derivatives fair value (completely related to interest rate coverage)
- Tax rate in line with normal group expectations
- See Net Income bridge analysis

Consolidated Profit & Loss Reclassified *(000 Euro)*	**2020**	**Delta %**	**2021**	**Delta %**	**Delta %**
Sales and operating income	**401.457**	*100,0%*	**492.008**	*100,0%*	**22,6%**
Purchases of materials	(201.197)	*-50,1%*	(309.733)	*-63,0%*	
Inventory increase (decrease)	(2.431)	*-0,6%*	51.931	*10,6%*	
Services	(52.201)	*-13,0%*	(63.148)	*-12,8%*	
Labour cost	(91.684)	*-22,8%*	(106.683)	*-21,7%*	
Other operating costs	(8.742)	*-2,2%*	(3.534)	*-0,7%*	
Total operating costs	**(356.255)**	*-88,7%*	**(431.167)**	*-87,6%*	**21,0%**
EBITDA	**45.202**	***11,3%***	**60.841**	***12,4%***	**34,6%**
Increase (decrease) of derivatives fair value	(1.269)	*-0,3%*	2.166	*0,4%*	
Depreciation	(28.298)	*-7,0%*	(30.140)	*-6,1%*	
Gain (loss) of non current assets	(177)	*0,0%*	(147)	*0,0%*	
EBIT	**15.458**	***3,9%***	**32.720**	***6,7%***	**111,7%**
Net financial charges	(3.558)	*-0,9%*	(2.098)	*-0,4%*	
EBT	**11.900**	***3,0%***	**30.622**	***6,2%***	**157,3%**
Income taxes	(1.201)	*-0,3%*	(5.847)	*-1,2%*	
Net income	**10.699**	***2,7%***	**24.775**	***5,0%***	**131,6%**
Minority interest	821		1.036		
Group net income	**9.878**	***2,5%***	**23.739**	***4,8%***	**140,3%**

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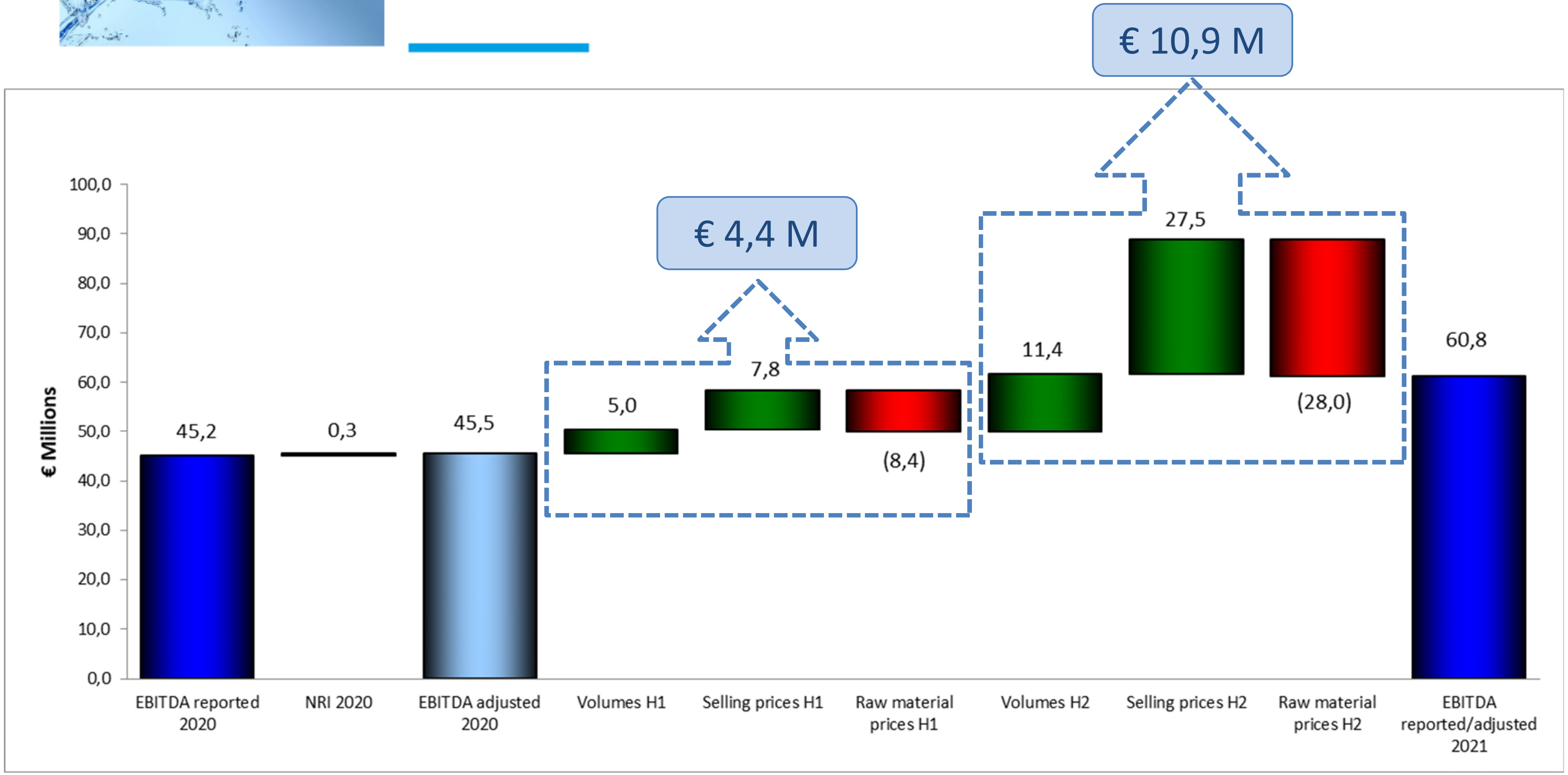
EBITDA reported 2021: + 34,6 % vs 2020 (+21,7 % in H1)



(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 31/12/2021 and 30/6/2021

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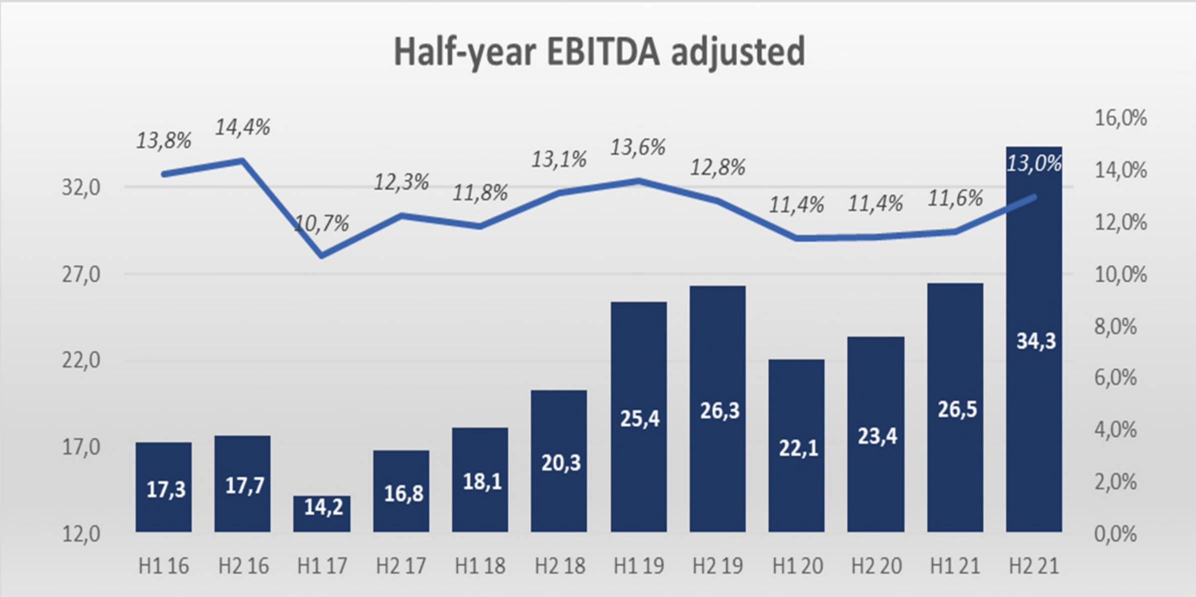
Resilient business model and profitability



- The improving trend of EBITDA from H1 17 to H2 19 restarted after Covid
- Since H2 2019, dilutive effect on margin percentage due to lower profitability of AL AIR
- In H1 20 volume decrease by 10,4% LFL due to Covid
- In 2021 volume increase by 14,7%
- In 2021 dilution of EBITDA margin by 90 bps vs 2020 due to metal inflation

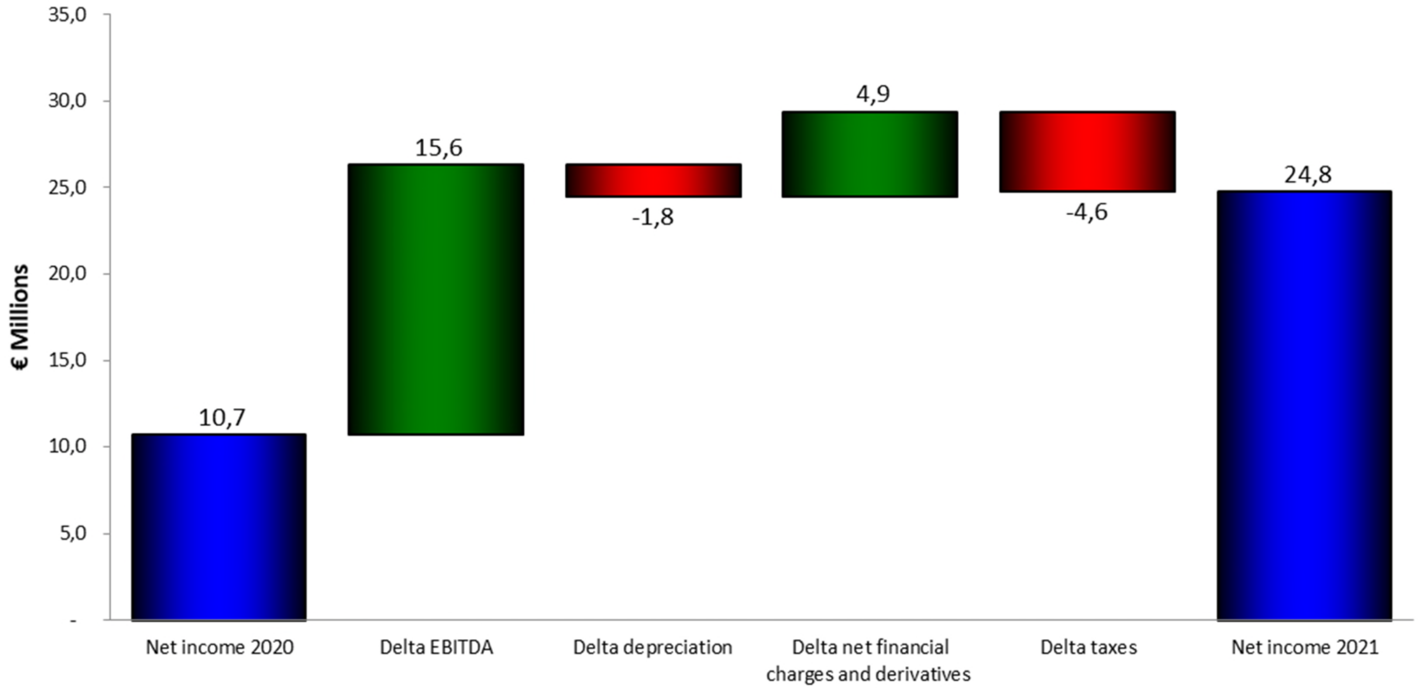
1) All data in € million
2) H1 2016 proforma to include Spirotech which has been acquired in October 2016
3) ZHT is consolidated since H2 2018
4) AL Air is consolidated since 1st of May 2019

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 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 catalogues 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 delay of price adjustment • Hedging based on forecasted volumes rather than orders Impact

(1) Impact: high ● Low ○

Net Income 2021: +132% vs 2020



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(2) Source: management analysis of consolidated results as of 31/12/2021

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Recurring profitability shows strong resilience

€ Millions	31 dec 19	31 dec 20	31 dec 21
EBITDA reported	46,8	45,2	60,8
Non recurring items	4,9	0,3	
EBITDA adjusted	**51,7**	**45,5**	**60,8**
EBITDA margin %	*13,2%*	*11,3%*	*12,4%*
EBIT reported	22,0	15,5	32,7
Depreciation on PPA	3,5	4,5	4,4
Non recurring items	4,9	0,3	
EBIT adjusted	**30,4**	**20,2**	**37,1**
EBIT margin %	*7,8%*	*5,0%*	*7,5%*
Net Income reported	18,3	10,7	24,8
Depreciation on PPA net of tax	2,6	3,4	3,3
Non recurring items net of tax	4,4	0,2	
Net income adjusted	**25,3**	**14,3**	**28,1**
Net Income margin %	*6,5%*	*3,6%*	*5,7%*

- Effects of Covid 19 lockdown from March 2020 to May 2020
- In 2020 NRI related only to hospital contribution for Covid
- In 2021 strong effect of volumes increase
- In 2021 dilution by 90 bps of EBITDA margin due to metal inflation

Balance sheet

Consolidated Balance Sheet Reclassified *(000 Euro)*	31/12/2020	% net invested capital	31/12/2021	% net invested capital
Net intangible assets	94.727		90.517	
Net tangible assets	158.707		167.594	
Pre-paid taxes	7.903		6.509	
Financial assets	215		236	
Non current assets (A)	**261.552**	**101,5%**	**264.856**	**90,1%**
Inventory	56.647		111.077	
A/receivable	59.763		74.131	
Other receivables and current assets	13.878		14.233	
Current assets (B)	**130.288**		**199.441**	
A/payable	80.630		114.358	
Other payable and current liabilities	28.446		30.773	
Current liabilities (C)	**109.076**		**145.131**	
Working capital (D=B-C)	**21.212**	**8,2%**	**54.310**	**18,5%**
Personnel provisions	5.573		5.770	
Deferred taxes	14.537		13.909	
Risk provisions	4.941		5.541	
Long term liabilities (E)	**25.051**	**9,7%**	**25.220**	**8,6%**
Net invested capital (A+D-E)	**257.713**	**100,0%**	**293.946**	**100,0%**
Group net worth	146.931		167.501	
Minority interest	3.993		4.586	
Total group net worth	**150.924**	**58,6%**	**172.087**	**58,5%**
M/L term net financial position	239.837		213.631	
Short term net financial position	(133.048)		(91.772)	
Net financial position	**106.789**	**41,4%**	**121.859**	**41,5%**
Net worth and net financial position	**257.713**	**100,0%**	**293.946**	**100,0%**

- Strong financial structure: D/E = 0,7x
- Strong liquidity position to cover future commitments
- Target NFP/EBITDA ≈ 2x, achieved post Covid (2,4x in 2020)
- Temporary increase of net financial position to € 121,9 M due to increase of safety stock of raw materials (€ 14,2 M)
- Net of temporary stock increase the net financial position is unchanged (+0,8%)
- Impact of IFRS 16 on NFA (€ 16,7 M) and NFP (€ 15,2 M)

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Operational net working capital under strict control

- Tight control of operational working capital
- Seasonality in operational working capital needs
- In 2021 increase of safety raw material inventory to face uncertainty on supply chain

	Like for Like data			
€ Millions	31/12/2020	Days	31/12/2021	Days
Stock	56,6	51	111,1	81
A/receivable	59,8	54	74,1	54
Working capital	116,4		185,2	
A/payable	80,6	115	114,4	110
Net working capital	35,8	32	70,9	52
% on net sales LTM	**8,9%**		**14,4%**	

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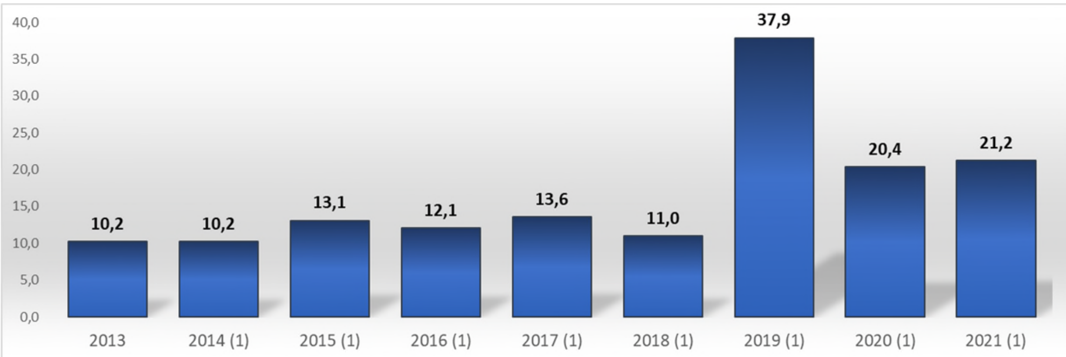
Net cash flow: consistently strong cash generation

Net cash / (net debt)	€ m	
Net financial position as of December 2020	(106,8)	
Net financial position as of December 2021	(121,9)	
Delta in net financial position	(15,1)	(15,1)
+ Dividends paid in 2021		6,5
+ Accelerated capex program		16,6
+ Temporary raw material inventory increase		14,2
+ Change of IFRS 16 impact		(1,0)
= Total normalized net cash flow		**21,2**

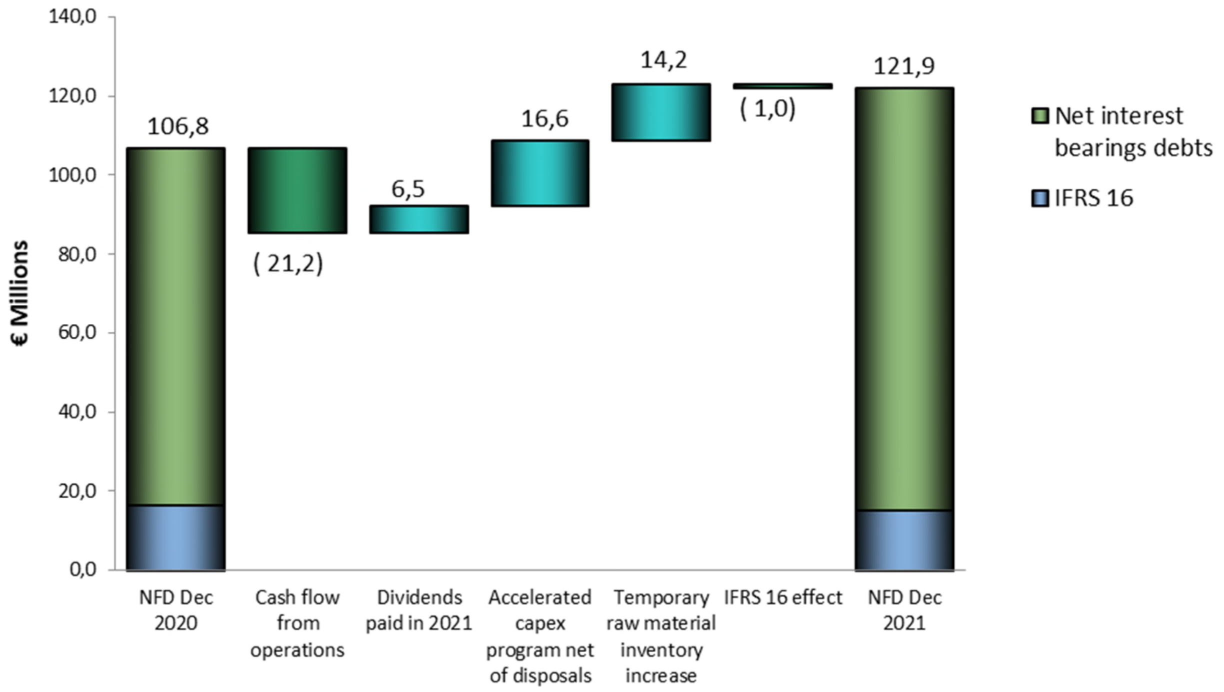
- Extraordinary level in LTM up to December 2019 due to working capital reduction
- Accelerated capex program above maintenance level
- In 2021 extraordinary capex mainly India and USA
- Temporary working capital increase due to higher safety stock of raw materials

LTM net cash generation adjusted 2013 - FY 21 (€ m)



(1) 2013 ITA GAAP – 2014-2021 IFRS

Net financial debt bridge analysis



- Strong cash generation on LTM

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(2) Source: management analysis of consolidated results as of 31/12/2021

LU-VE approach to ESG themes

Global Scenario

***Paris Agreement* 2015**

- ***Green Deal – Horizon***
- ***Kigali Amendment***

2019

LU-VE

1985
LU-VE is established

"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,
President of LU-VE Group

2017
Consolidated Non-financial Statement

- 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**: it is aimed at involving all the key players in defining and developing the Group **sustainability strategy**

2021
Taxonomy reporting

- First year of reporting of percentage of Sales, Capex and Opex ***taxonomy eligible***

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Social impact of LU-VE solutions

	REFRIGERATION	INDUSTRIAL PROCESSES	AIR CONDITIONING	DATA CENTERS
LU-VE SOLUTIONS	REFRIGERATION	INDUSTRIAL PROCESSES	AIR CONDITIONING	DATA CENTERS
SOCIAL IMPACT	FOOD SAFETY	ENERGY EFFICIENCY	CLIMATE COMFORT	DIGITAL TRANSFORMATION
	Ensuring an adequate cold chain allows people to benefit from safe food that is correctly conserved	Permitting any industrial company to maintain its plants at an adequate temperature allows energy efficiency and safety to be preserved	This allows people to enjoy climate comfort in a context of an overall increase in global temperature related to climate change	Operational and efficient data centers are a prerequisite for the digital transformation of a country

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Identification of sustainability vision and priority themes

- In order to start the project and to take its first step, several workshops were organized with the top management of the Group
- During the workshops, the importance for companies to integrate ESG themes into their business strategy was discussed and the sustainability vision and the priority themes of LU-VE were defined through group work
- **One of the reference frameworks used during the meeting was the list of the 17 Sustainable Development Goals – SDGs** – of **Agenda 2030**

- The main outputs are the summary of the company's vision, the materiality matrix and the stakeholder map
- Remunerations of top management already linked also to ESG KPI

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LU-VE: work in progress to build EU Taxonomy declaration

- LU-VE is contributing to the objective «Climate Change Mitigation» innovative products that enable increased energy efficiency, optimized water consumption and reduced sound level. In particular, the introduction of natural refrigerants allows the emissions of greenhouse gases with effect on climate change to be significantly limited

- Based on 2021 reporting, the following table shows the percentage of the KPI aligned with the activities of EU Taxonomy, contributing substantially to the «Climate Change Mitigation» objective and not doing significant harm to other objectives:

KPI	2021 Eligible
Turnover	47,3%
CAPEX	39,2%
OPEX	49,5%

- The impact of green revenues is increased by 312% from 2017 to 2021

In 2021 resumed the journey after Covid

Growth, expansion and acquisitions (2015-2021)

	Strategic targets identified since 2015	Actual results
Organic Growth Delivered	• Organic growth (5-6% p.a.), supported by megatrends • Consistently delivered high EBITDA margin • Accelerated CAPEX program • Strict control of working capital	More than doubled the size of the group from €212 M in 2015 to €492 M in 2021 thanks to: • Total growth = +15,0% CAGR • Organic growth = +9,9% CAGR • Additional €118 M turnover thanks to acquisitions EBITDA growth = +15,0% CAGR - organic + 9,2% CAGR Extraordinary capex = €81 M (2015 - 2021) Trade NWC ≈ 10-15% of sales
Geographic Expansion Delivered	• Strong focus on emerging economies • Internationalization process • Greenfield /enlargement of existing plants	• New plant in Poland • New plant in China • New plant in US • Doubled plant in India • Sales outside Italy: 81% (vs 73% in 2015)

Acquisitions
Delivered
	• Possible targets
	    • North America
	    • Emerging economies
	    • Europe
	• Possible use of further leverage
		• Acquisition's value = €102 (1)
		• Average EBITDA multiple paid @ 7,0x
		
		Fincoil · Zyklus Heat Transfer, inc. · SPIROTECH HEAT EXCHANGERS PVT. LTD. · HELPMAN

1) Based on final price for AL Air, excluding transactions signed in Q1 2022

Expected future trend post Covid

Drivers and trends	What LUVE does
Acceleration of the transition to "**green capex**" by major customers in order to: • Adopt refrigerants with low GWP • Reduce energy consumption and noise level • Comply with EU regulations and with similar regulation introduced in USA, China and other countries • Decarbonization	• 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
Major attention on comfort and indoor air quality in public and private buildings	Special heat exchangers for heat-pump applications and solutions for indoor air quality optimization
Acceleration of digitalization	• Focus on data center market • Application of IoT to all range of products
Increasing value of food security, pharma storage and e-commerce	Focus on mobile applications and logistic centers
Reassess of international supply chains	LUVE production footprint provides clients resilient supply without sacrificing competitiveness

We expect that these trends will be supported and accelerated further by the fiscal response to Covid such as the Next Generation EU and the USD 1.9 trillion stimulus package in USA

Future developments & closing remarks

1	2022 started with record order book (€ 180,2 M + 134% vs December 2020)
2	Strong demand continued in the first months of 2022: • order book at end of February € 199,4 +123,7% • sales at end of February + 45,1% vs 2021
3	Russian crisis impact: question mark, but limited direct exposure to the Russian market (8% of sales in 2021, 5% of order book, and € 3% of net invested capital)
4	Focus on integration of recent M&A transactions
5	Deleverage target achieved (≈ 2x NFD/EBITDA)
6	Focus on a new program of extraordinary capex to rebuild buffer on production capacity to take benefit from future demand uplift

M&A

Refrion (2022)

Main financial terms

- Binding agreement signed on 25th February 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
- Closing expected on 30th of March

- **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

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ACC (2022)

Main financial terms

- Binding proposal submitted on 1st February 2022, subject to detailed agreements
- Contracting of selected assets and employees of former ACC under receivership (based on Belluno – Italy)
- Total capex on the site up to € 6 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

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Tecnair LV (2022)

Main financial terms

- Binding agreement signed on 31st January 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
- Closing expected on 21st of March

- **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

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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

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ZHT acquisition (USA) (2018)

Il Sole 24 ORE

Sbarca negli Usa e acquista la texana Zyklus Heat Transfer

- 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

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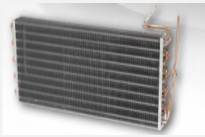
Spirotech acquisition (2016)

- On September 18th 2016, Luve signed a binding contract to acquire 95% ofSpirotech
- Spirotech is a leading and fast-growing Indian producer of heat exchanger for HVAC(1) industry, home appliances and transportation:
  - turnover of € 21 (2) 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 (3) :
  - 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

SHORT COMPANY PROFILE

Business Highlights

Business Unit	Products	% of Sales (1)	Applications	Type of Customer
Business Unit Components	Heat exchangers 	51%	• Refrigeration (food cold chain) • Commercial air conditioning and ventilation • Special applications (*whitegoods, "mobile applications"* etc.)	OEM
	Glass doors for refrigerated display cabinets	4%	Refrigeration (food cold chain)	OEM
Business Unit Cooling Systems	Air-cooled equipment / Radiators 	39%	• Refrigeration (food cold chain) • Commercial air conditioning and ventilation • Industrial process cooling • Power Generation	Distributors / Installers / OEM / EPC / End users
	Close control / Data centers	6%	• Data centers • Hospitals	Contractors / End users

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(1) *FY 2020 data*

History of the Group
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

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Strategy

Create competitive advantage through:

- Product focus and innovation
- Technology enhancements
- Production plants efficiency

Reduce risk profile by:

- Widening product applications in uncorrelated sectors
- Increasing internationalization

Growth opportunities:

- Europe > GPD growth coupled with increase of market shares (high single digit growth p.a.)
- USA > technological competitive advantage in a transitional period
- Developing countries (India, China, Africa) > building from scratch a food cold chain

Pillars of a Sustainable Competitive Advantage

Sources	LU-VE business model
Technological Advantage	• Patent and tech innovation (see following slides) • 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

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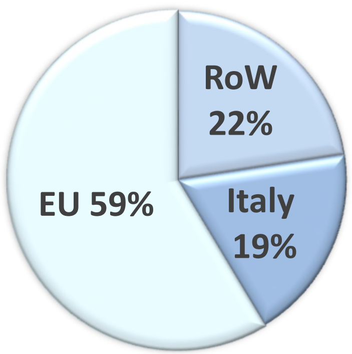
(1) Company's estimates

Organization: 16 production units

PRODUCTION UNITS

LU-VE COILS	LU-VE EXCHANGERS	ALFA LU-VE	AIA LU-VE	TECNAIR LV	TGD ThermoGlass Door
Czech Republic	Italy	Italy	Sweden	Italy	Italy
Italy	Poland	Finland			
India	Russia	Poland			
Poland	China	India			
Russia					
USA					

- Over 600,000 sqm. total surface area (210,000 sqm. covered)
- Over 3,235 sqm. of R&D Laboratories (among largest in the sector in Europe)
- LU-VE sells its products in more than 100 countries



Breakdown of sales by geographical area

SALES COMPANIES

- AUSTRIA – VIENNA
- BENELUX – BREDA/UCCLE
- CHINA – TIANMEN/CHANGSHU
- CZECH REPUBLIC / NOVOSEDLY
- DENMARK / AARHUS
- FINLAND - VANTAA
- FRANCE - LYON
- GERMANY – STUTTGART
- INDIA – NEW DELHI\PUNE
- ITALIA
- NORWAY /
- 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

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Group structure: Management Team

IGINIO LIBERALI
PRESIDENT
LU-VE GROUP

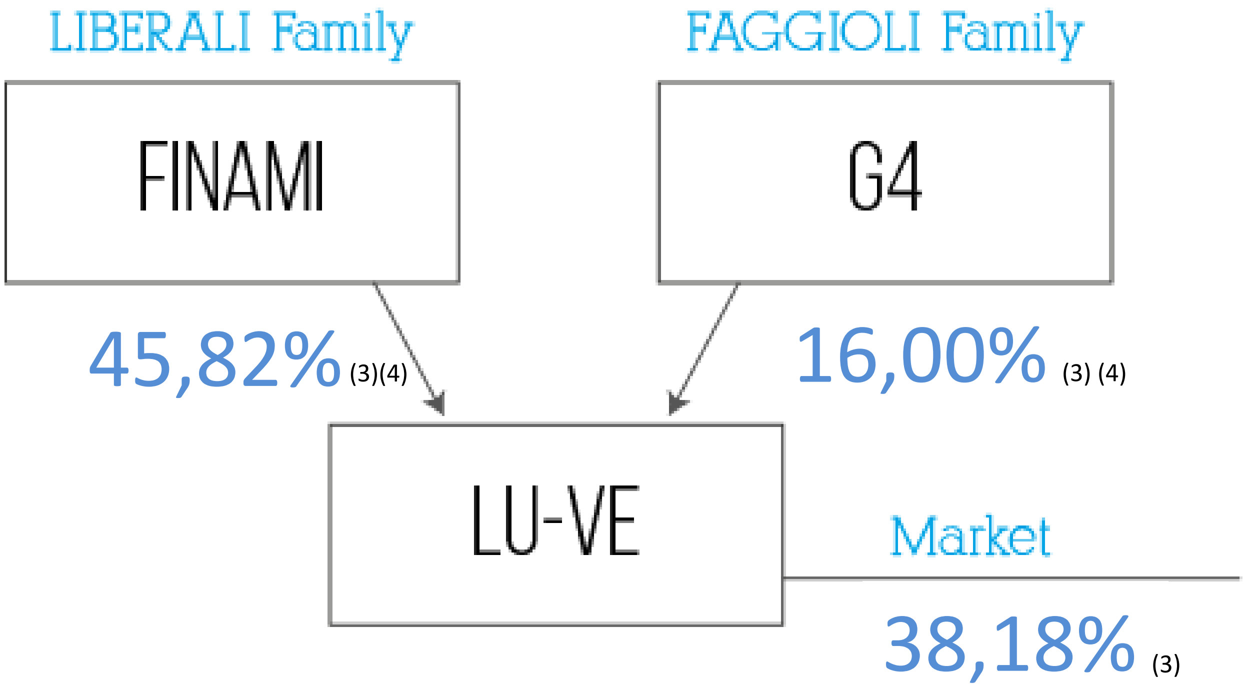
PIERLUIGI FAGGIOLI
VICE PRESIDENT
LU-VE GROUP

MATTEO LIBERALI
MD – CEO

MICHELE FAGGIOLI
MD – COO

ELIGIO MACCHI
CFO

Shareholders structure (1) (2)



(1) Fully diluted – post warrant conversion at end of May 2017
(2) Updated as of October 10, 2021
(3) Based on number of shares
(4) Thanks to the Loyalty Share Program (2 years ownership) as of October 10, 2021, Finami owns 55,56% of voting rights and G4 owns 19,40% of voting rights
(5) Treasury shares as of May 5, 2021: 0,1261%of share capital

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