LU-VE GROUP

leadership with passion

2022 Q3 results

14th November 2022

Executive Summary
Strong Growth in Sales and EBITDA
Increasing NWC

Economics

- In the 9 months of 2022, sales grew by 30.5% (11,5% volumes and 19.0% prices)
- EBITDA adjusted grew by 37.2% at 13.3% of sales
- Order book at € 196 M +27.6% vs. September 2021

Financials

- Leverage at 2.2x LTM EBITDA, despite the additional increase in extraordinary NWC (+€ 39,4 M) and M&A (+ € 12,6 M)
- Strong positive effect on P&L resulting from interest rate derivatives

Strategy

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

Q3 2022 - Financial Highlights
Growth and Higher Profitability

€ millions	Q3 2021	Q3 2022	2021 FY	LTM	9m 2021	9m 2022
Sales	**130.6**	**149.3**	**492.0**	**601.4**	**358.3**	**467.7**
Growth %	*30.2%*	*14.3%*	*22.6%*	*22.2%*	*21.4%*	*30.5%*
Growth LFL %	-	*10.3%*	-	*20.4%*	-	*28.0%*
EBITDA adjusted	**18.7**	**19.1**	**60.8**	**77.7**	**45.2**	**62.0**
EBITDA %	*14.3%*	*12.8%*	*12.4%*	*12.9%*	*12.6%*	*13.3%*
Net income	8.5	12.3	24.8	52.1	18.2	45.5
Net financial debt	-	-	121.9	171.3	121.9	171.3
NFD / EBITDA LTM			*2.0x*	*2.2x*	-	-
Net cash gemeration adj.	-	-	21.2	33.9	-	-
Group net worth	-	-	172.1	218.0	164.3	218.0

- In Q3-22, sales grew by 14.3% YoY
- In Q3-22 EBITDA margin in line with the 9M result at 13.3% vs. 12.6% in 9m 2021
- Net financial position impacted by an extraordinary increase of NWC (mainly safety stock) by € 39.4 M
- Net income impacted by one-off gains on M&A (+ € 9.5 M) and interest rate derivatives (+ € 9.0 M)
- Strong increase in Net Cash Generation adjusted € 33.9 M LTM vs € 21.2 M in 2021

9m 2022 – Revenues Breakdown

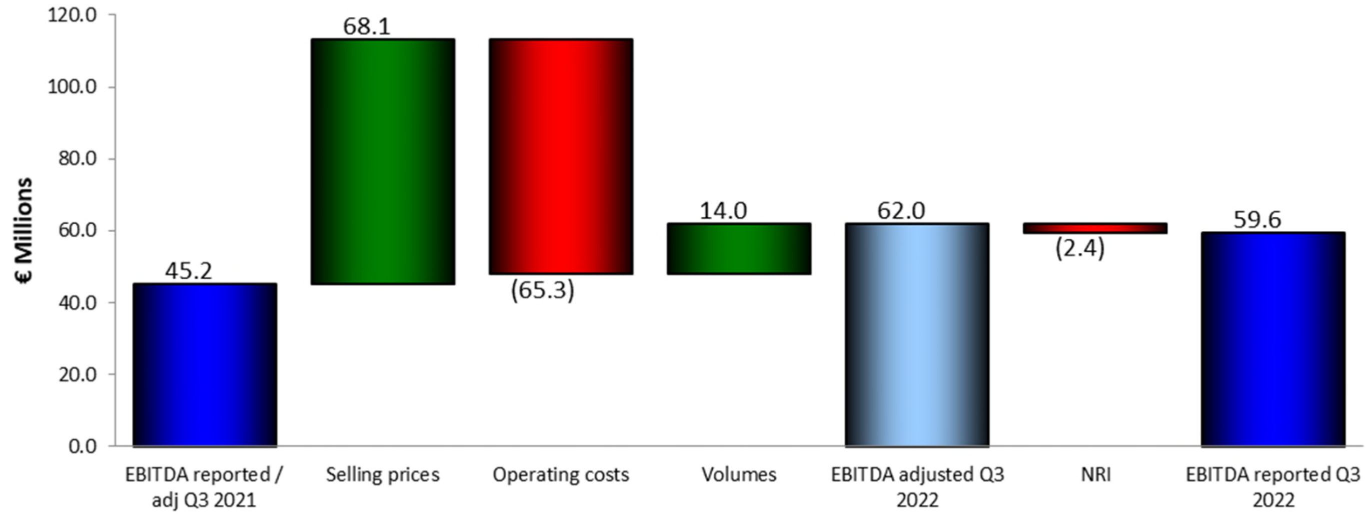
New Market Opportunities and Diversification

Products € 000	9m 2021	%	9m 2022	%	Δ %
Heat Exchangers	179.7	50.2%	241.7	51.7%	34.5%
Air Cooled Equipment	139.8	39.0%	175.7	37.6%	25.7%
Close Control /Data Center	20.1	5.6%	24.5	5.2%	21.7%
Glass Doors	12.7	3.5%	14.8	3.2%	16.6%
Total sales of products	**352.3**	**98.3%**	**456.7**	**97.7%**	**29.6%**
Other revenues	6.0	1.7%	11.0	2.3%	84.2%
Total sales	**358.3**	**100.0%**	**467.7**	**100.0%**	**30.5%**

Applications € 000	9m 2021	%	9m 2022	%	Δ %
Refrigeration	210.9	58.9%	238.6	51.0%	13.1%
Air Conditioning	59.9	16.7%	100.9	21.6%	68.6%
Special Applications	52.5	14.6%	69.7	14.9%	32.8%
Industrial cooling	29.1	8.1%	47.4	10.2%	63.1%
Total sales of products	**352.3**	**98.3%**	**456.7**	**97.7%**	**29.6%**
Other revenues	6.0	1.7%	11.0	2.3%	84.2%
Total sales	**358.3**	**100.0%**	**467.7**	**100.0%**	**30.5%**

- Strong demand for heat pumps (A/C), datacenter and industrial cooling
- Softer market for refrigerated display cabinet, tumble dryers and in Q3 for HORECA
- By geography: ≈ +100% in North America, + 20% Italy

EBITDA Bridge Analysis
9m as of 30 September 2022 vs 2021



- EBITDA adjusted grew by 37.2% 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 30/9/2022

9m 2022- From EBITDA to Net Income

€ millions	9m 2021	9m 2022
EBITDA reported	45.2	59.6
D&A	*22.0*	*24.0*
Gain (loss) of non current assets	*(0.1)*	*(0.0)*
EBIT	23.1	35.5
Capital gain		*9.5*
Net financial income (loss)	*(0.2)*	*10.6*
EBT	22.9	55.6
Income taxes	*4.7*	*10.1*
Minorities	*(0.7)*	*(0.9)*
Group net profit	17.5	44.6

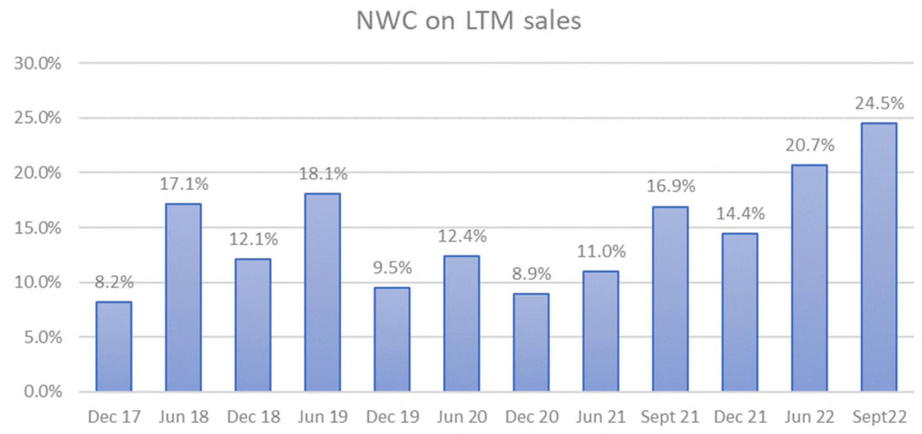
- D&A increased due to Capex and acquisition of Refrion
- Capital gain on Tecnair divestiture
- Strong positive impact from financial income due to interest rate derivatives (*market value of IRS to cover the interest rate risk)* net of amortized cost impact

(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 30/9/2022

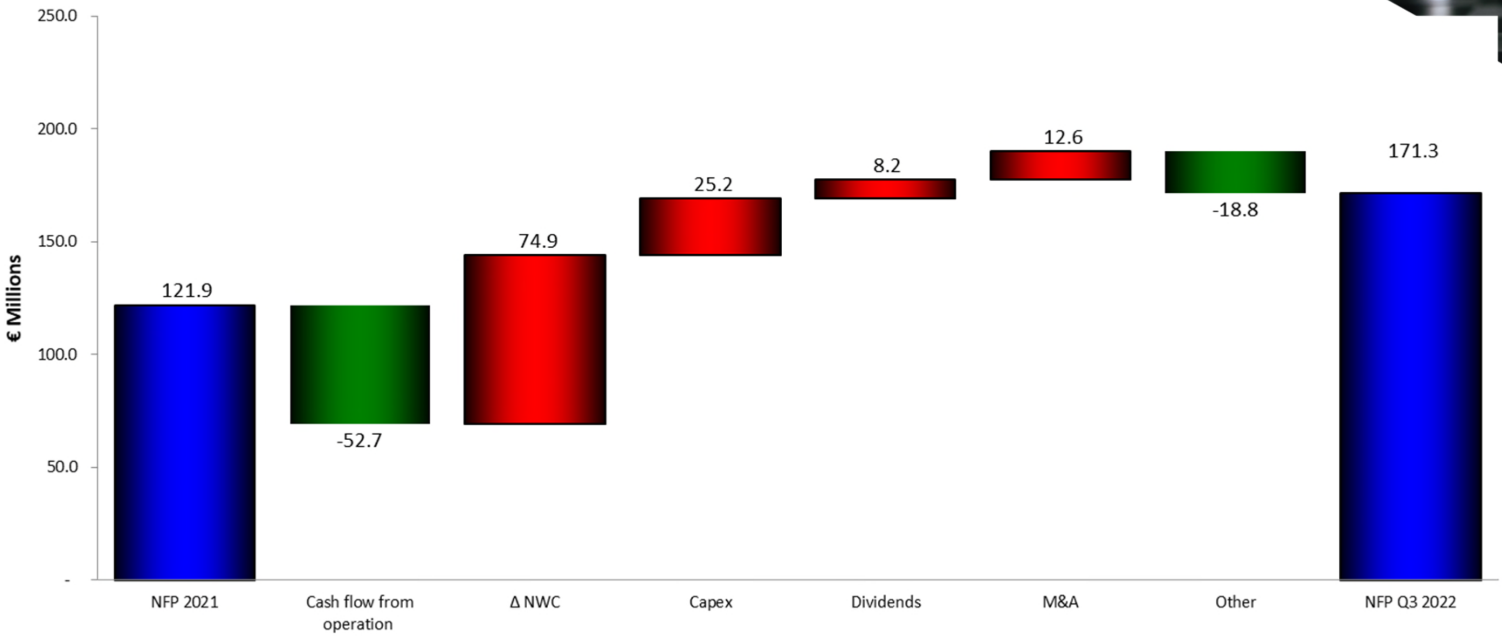
Temporary Increase of NWC

- Historically tight control of operating working capital
- Seasonality in operating working capital needs
- Temporary, expected increase of safety stock as of 31/12/21 (€ 14.2 M) and 30/6/22 (€ 36.4 M) due to uncertainty on supply chains
- As of 30/9/2022 the temporary increase of NWC is € 39.4 M
- Further increase of NWC in Q3 mainly due to safety stock and shorter payment terms to suppliers
- On LFL basis, NWC on sales = 24.3%

€ Millions	30/09/2021	Days	31/12/2021	Days	30/09/2022	Days
Stock	96.0	74	111.1	81	158.6	95
A/receivable	82.8	64	74.1	54	101.9	61
Working capital	178.8		185.2		260.4	
A/payable	100.3	110	114.4	110	112.8	89
Net working capital	78.5	61	70.9	52	147.6	88
% on net sales LTM	**16.9%**		**14.4%**		**24.5%**	



Balance Sheet and Capital Allocation



- Cash flow from operations at 11.3% of sales
- Change in NWC includes € 39,4 M of extraordinary increase mainly due to safety stock
- M&A is net of cash proceeds from Tecnair divestiture
- Other: € 9.8 M of Δ other receivable / other liabilities and € 9,0 M Δ value of derivatives

(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 30/9/2022

Future Developments and Closing Remarks

Strategy	New program of growth capex in progress to increase production capacity: • ACC in Italy • The second stage of plant expansion in USA • New expansion in Poland
Markets	• Strong demand continued in the first half of 2022. Since Q3 softer markets in some applications • Order book at the end of September at € 196.4 M +27.6% • Question mark for Q1-23 due to macroeconomic environment • M/L term growth sustained by secular trends
M&A	• Integration of Refrion in progress • New projects on opportunistic way
Russia	Limited direct exposure to the Russian market (4.2% of sales at 30/9/22, 3.1% of order book) – Cashflow neutral
Financials	• Margin improvement due to volumes, but cost inflation • Focus on deleverage - target NFD/EBITDA adj < = 2.0x

Annexes

Income Statement as of 30/9/2022

Reclassified Consolidated Income Statement (in thousands of Euro)	30/09/2022	% of Revenues	30/09/2021	% of Revenues	% change
Revenues and Operating income	467,657	100%	358,255	100%	30.5%
Purchases of materials	(290,069)	62.0%	(224,248)	62.6%	
Changes in inventories	39,051	-8.4%	37,679	-10.5%	
Services costs	(61,232)	13.1%	(45,177)	12.6%	
Personnel costs	(93,881)	20.1%	(78,895)	22.0%	
Other operating costs	(1,957)	0.4%	(2,428)	0.7%	
Total operating costs	(408,088)	87.3%	(313,069)	87.4%	30.4%
Gross Operating Margin (EBITDA)	59,569	12.7%	45,186	12.6%	31.8%
Depreciation and amortization	(23,956)	5.1%	(22,039)	6.2%	
Gains/losses on non-current asset	(47)	0.0%	(71)	0.0%	
Operating Result (EBIT)	35,566	7.6%	23,076	6.4%	54.1%
Net financial income and expense (*)	10,615	-2.3%	(215)	0.1%	
Gain (Losses) from equity investments	9,473	-2.0%	0	-	
Pre-tax profit (EBT)	55,654	11.9%	22,861	6.4%	143.4%
Income taxes for the year	(10,107)	2.2%	(4,660)	1.3%	
Net profit for the period	45,547	9.7%	18,201	5.1%	150.2%
Minority interest	921		723		
Profit attributable to the Group	44,626	9.5%	17,478	4.9%	155.3%

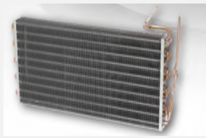
** Fair value on derivates booked in "Net change of fair value derivates" of nine months 2021 has been reclassified in "Net financial income and expense", equal to 1,301 thousands of Euro*

Balance Sheet as of 30/9/22

Balance Sheet Reclassified Consolidated (in thousands of Euro)	30/09/2022	% on net invested capital	31/12/2021	% on net invested capital	Variation % 2022 on 2021
Net intangible assets	102,386		90,517		
Net property, plant and equipment	181,803		167,594		
Deferred tax assets	7,284		6,509		
Other non-current assets	1,760		236		
Non-current activities (A)	293,233	75.3%	264,856	90.1%	28.377
Inventories	158,591		111,077		47.514
Receivables	101,850		74,131		27.719
Other receivables and current assets	14,333		14,233		100
Current assets (B)	274,774		199,441		75.333
Trade payables	112,799		114,358		-1.559
Other payables and current liabilities	39,934		30,773		9.161
Current liabilities (C)	152,733		145,131		7.602
Net working capital (D-B-C)	122,041	31.3%	54,310	18.5%	67.731
Provisions for employee benefits	5,759		5,770		-11
Deferred tax liabilities	14,365		13,909		456
Provisions for risks and charges	5,816		5,541		275
Medium and long-term liabilities (E)	25,940	6.7%	25,220	8.6%	720
Net Invested Capital (A-D-E)	389,334	100.0%	293,946	100.0%	95.388
Shareholders' equity attributable to the Group	213,470		167,501		45.969
Non-controlling interests	4,568		4,586		-18
Total Consolidated Net Worth	218,038	56.0%	172,087	58.5%	45.951
Net Financial Position at Medium-Long	321,833		213,631		108.202
Net Financial Position at Short Term	(150,537)		(91,772)		-58.765
Total Net Financial Position	171,296	44.0%	121,859	41.5%	49.437
Net Worth and Net financial position	389,334	100.0%	293,946	100.0%	95.388

Short company profile

Business Highlights

Business Unit	Products	% of Sales (1)	Applications	Type of Customer
Business Unit Components	Heat exchangers 	53%	• 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 	37%	• Refrigeration (food cold chain) • Commercial air conditioning and ventilation • Industrial process cooling • Power Generation	Distributors / Installers / OEM / EPC / End users
	Data centers	6%	• Data centers	Contractors / End users

(1) H1 - 2022 data

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

Electrification (heat pumps / district heating)

Digitalization (data centers, IOT)

Food safety

Decarbonization

Industrial Cooling and Processes

Urbanization & consumer habits

Global warming

Regulations (F-gas etc.)

Safety in supply chains

Air treatment & ventilation

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)

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

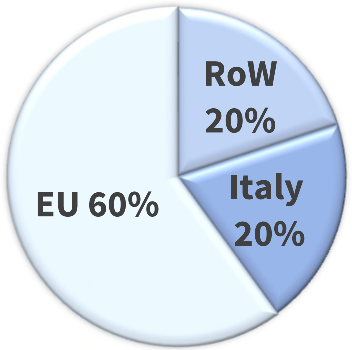

LU-VE
GROUP
leadership with passion
OVER 600 YEARS OF EXPERIENCE
IN HEAT EXCHANGER TECHNOLOGY
1924
Helpman
1928
CONTARDO
1950
Fincoil
1974
SEST
2008
Zyklus
Heat Transfer, inc.
1999
HTS
HEAT TRANSFER SYSTEMS
1994
SPIROTECH
1986
LU-VE
EXCHANGERS
1960
AIA
LU-VE
1977
ALFA
LU-VE

Organization: 19 Production Units

PRODUCTION UNITS

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

- Over **906.000** sqm. total surface area (262,000 sqm. covered)
- Over **3,605** sqm. of R&D Laboratories, and a large climatic chamber
- Over 4500 employees
- LU-VE sells its products in more than 100 countries
- Diversified blue-chip customers

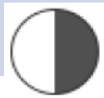


Breakdown of sales by geographical area
(June 2022)

37 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

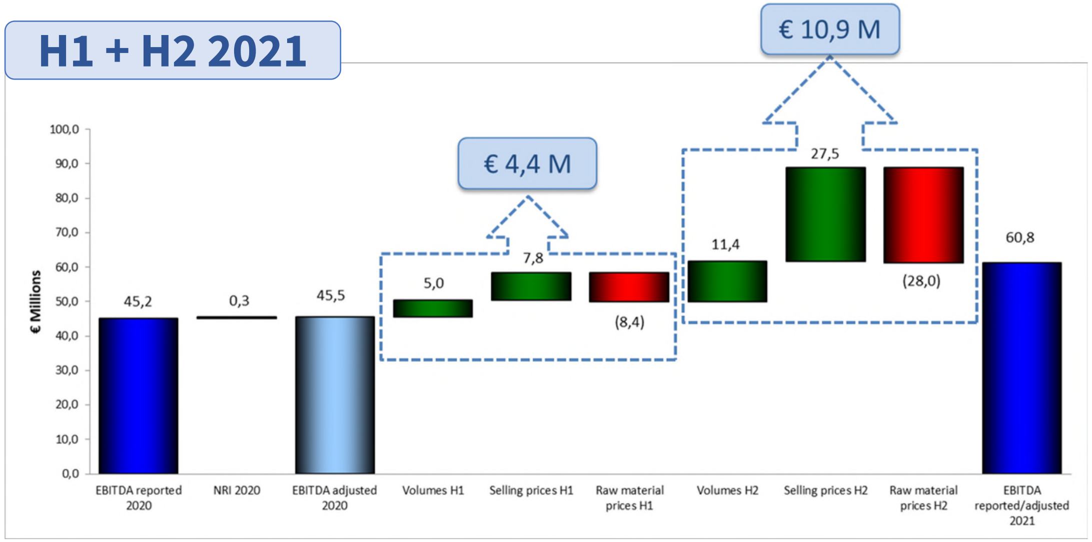
Metal Price Impact on Profitability

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 

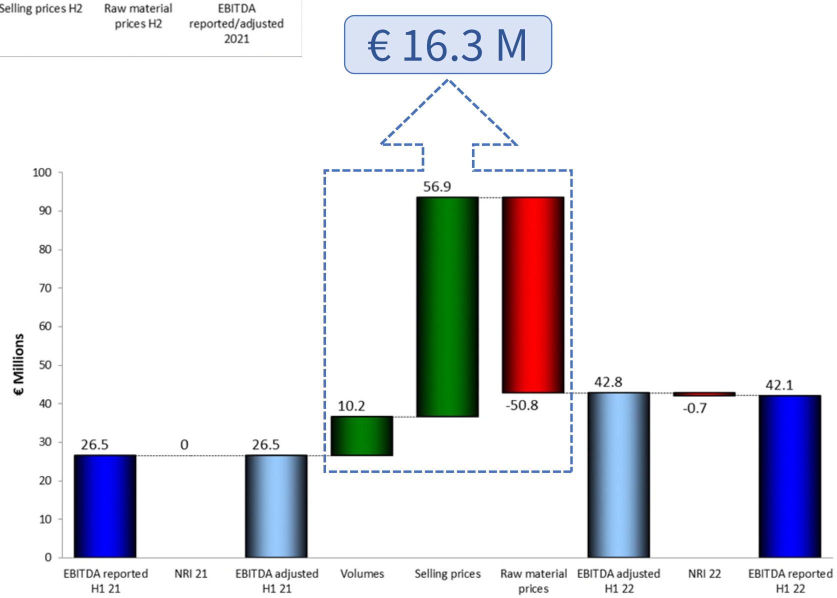
(1) Impact: hig  *Lov* 

The pricing power in 2021 and in the H1 of 2022

H1 + H2 2021



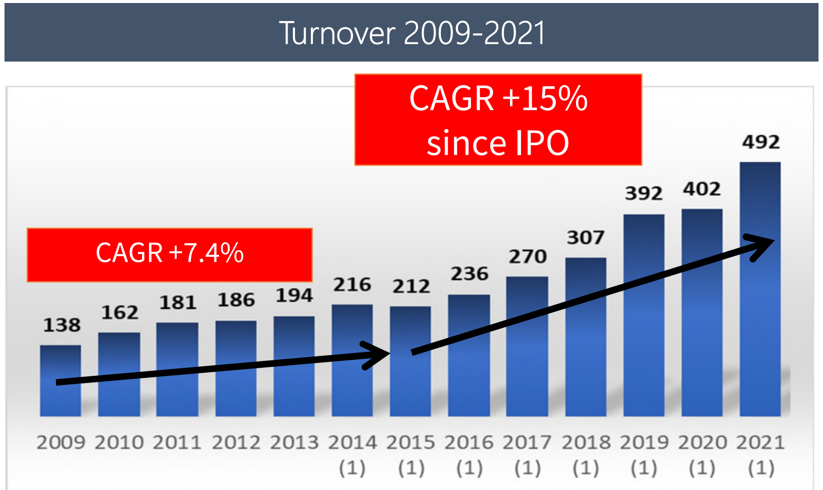
H1 2022

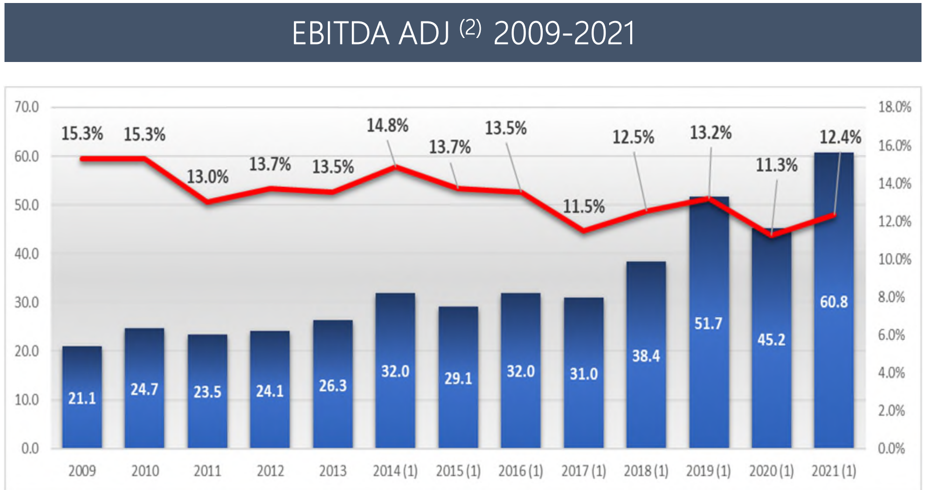


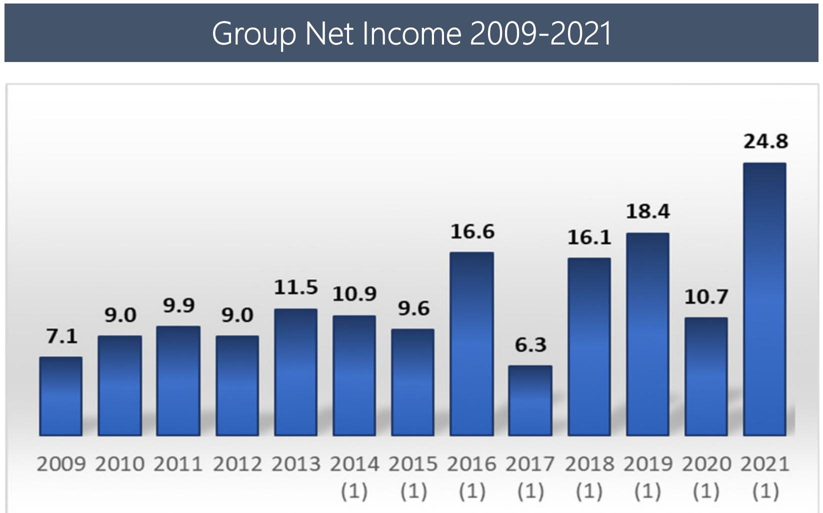
Performance since IPO (2015)

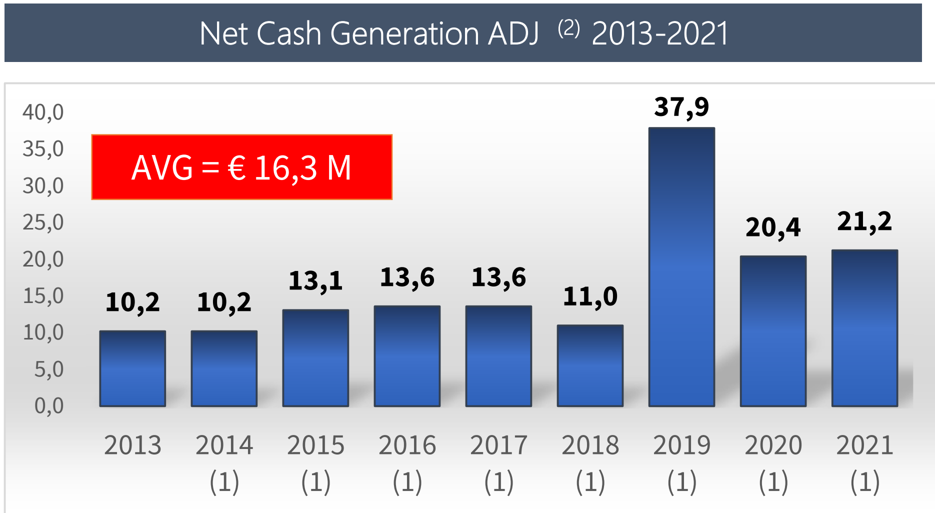
<table>
<tr><th colspan="2">Strategic targets identified since 2015</th><th>Actual results: 2015 – H1-22 LTM</th></tr>
<tr><td>Organic growth (CAGR)</td><td>5/6% p.a.</td><td><table><tr><th>CAGR</th><th>Organic</th><th>Total</th></tr><tr><td>Sales</td><td>12.8%</td><td>16.8%</td></tr><tr><td>EBITDA</td><td>13.7%</td><td>17.9%</td></tr></table></td></tr>
<tr><td>NWC</td><td>Strict control</td><td>10-15% on sales</td></tr>
<tr><td>Growth Capex</td><td></td><td>€ 84 m</td></tr>
<tr><td>Geographic expansion</td><td>Asia - USA</td><td>5 new plants in Poland, China and USA Doubled plant in India</td></tr>
<tr><td>Acquisitions</td><td></td><td>4 strategic acquisitions
€ 122 m invested</td></tr>
</table>

Financial Highlights



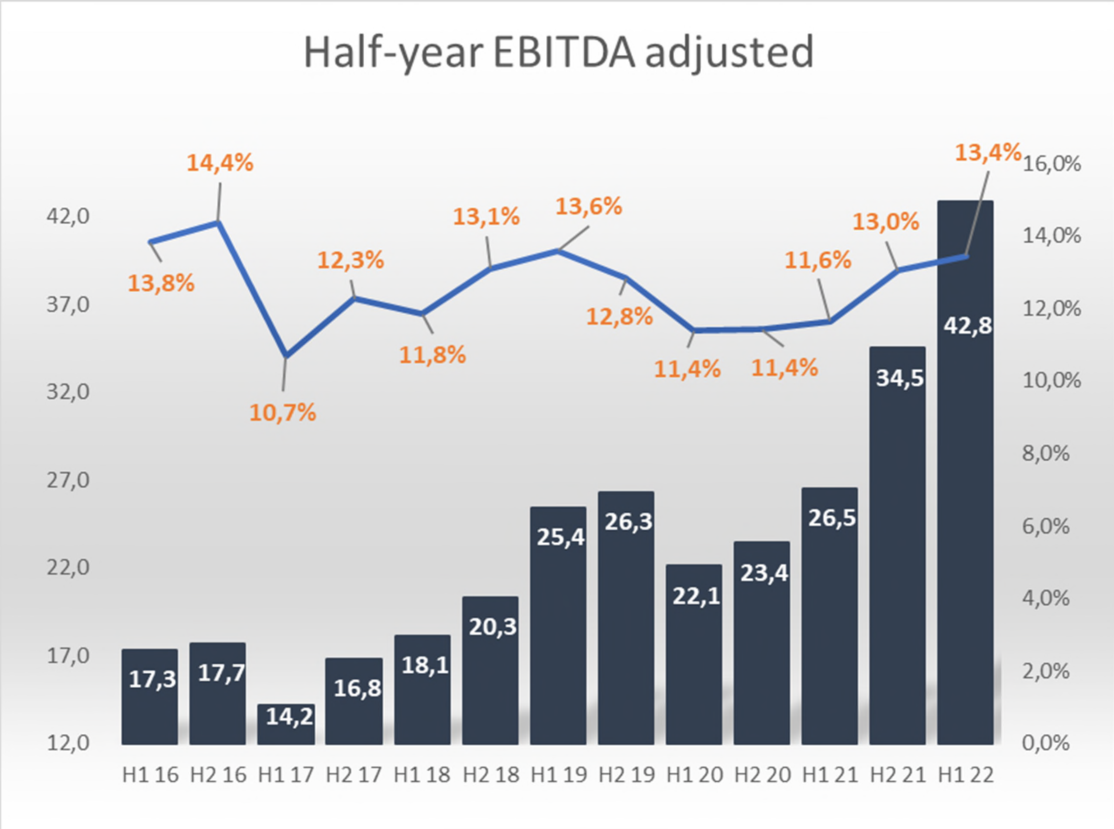






- All data in € millions
- (1) 2014-2021 based on IFRS – 2009-2013 based on ITA GAAP
- (2) Adjustments to exclude non-recurring items

Resilient business model and improving profitability



- 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 H1-22, volumes increased by 14.0%
- Effect on metal inflation margin 60 bps (90 bps in 2021)

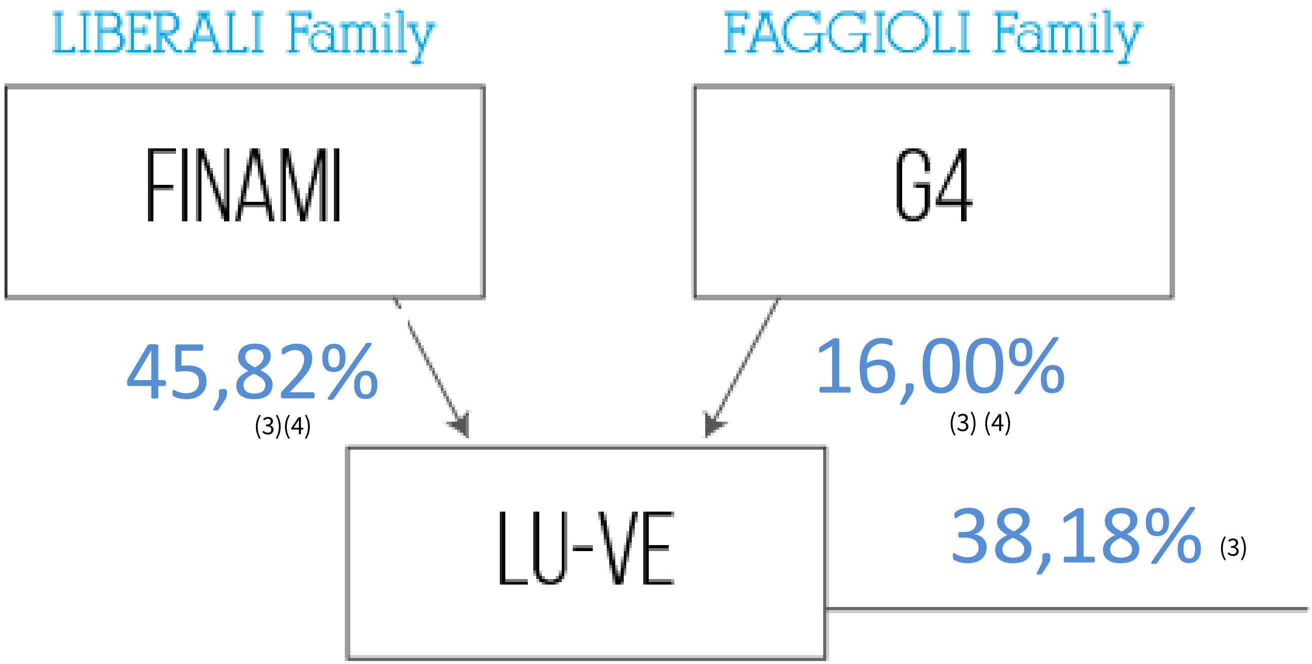
1) All data in € million
2) H1 2016 proforma to include Spirotech which has been acquired in October 2016
3) ZHT is consolidated since H2 2018
4) AL Air is consolidated since 1st of May 2019
5) Refrion consolidated since 1st of April 2022 – Tecnair deconsolidated since 1St of April 2022

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: € 60/70 m + target debt capacity)

Shareholders Structure (1)



(1) Fully diluted – post warrant conversion at end of May 2017
(2) Updated as of July 31st, 2022
(3) Based on number of shares
(4) Thanks to the Loyalty Share Program (2 years ownership) as of October 5th, 2022, Finami owns 50,8% of voting rights and G4 owns 14,2% of voting rights
(5) Treasury shares as of September 30th, 2022, 0,13% 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

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

ESG

LU-VE Group Approach to ESG Topics

Global Scenario

2015 ***Paris Agreement***

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

LU-VE

1985 ***LU-VE is established***

2017 ***Sustainability reporting***

2020 ***Sustainability strategy***

2021 ***EU Taxonomy Regulation***

"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

- 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.

- 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**

- European Commission introduced the Regulation (EU) 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

Social Impact of LU-VE Group Solutions

FOOD SAFETY

LU-VE group commitment

59%*

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.

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

ENERGY EFFICIENCY

20%*

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.

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

CLIMATE WELL-BEING

LU-VE group commitment

15%*

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

DIGITAL TRANSFORMATION

6%*

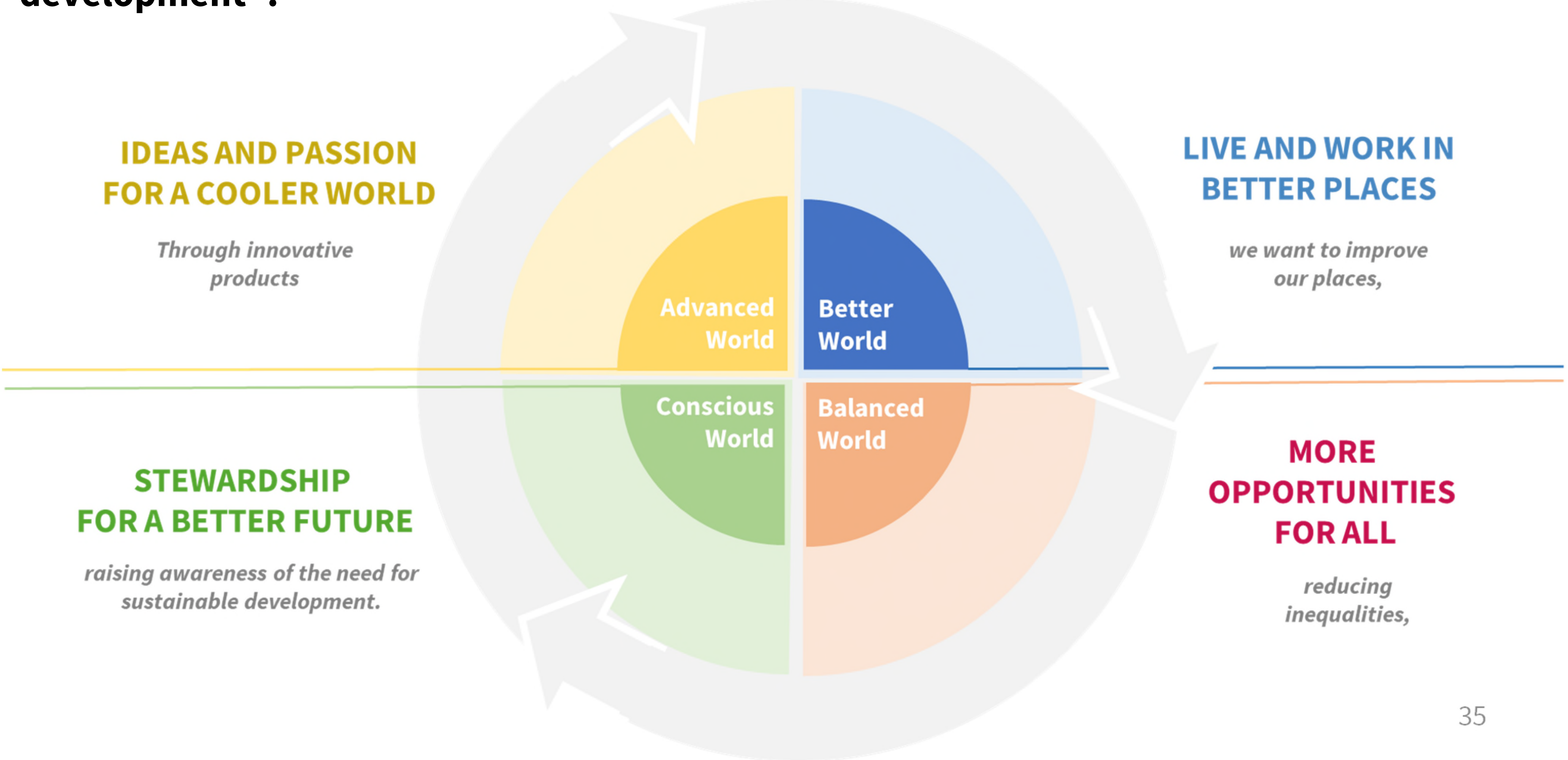
DIGITAL TRANSFORMATION
The international digitalisation process also touches on cloud computing. This strong impetus implies an increasing focus on the energy consumption of data centres, which currently account for 1% of the world total in terms of environmental sustainability.

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

* respect Group's total turnover in 2021

Vision and Mission of LU-VE Group

The Group’s vision – updated in 2021 after an intense work at Group level - is that of an “advanced, better, balanced and conscious world”, which is articulated as follows: **“Through innovative products, we want to improve our places, reducing inequalities and raising awareness of the need for sustainable development”.**



LU-VE Group and the Sustainable Development Goals

The Group has formalised its respect for the Sustainable Development Goals by defining the link between the **priorities listed in the materiality matrix** and the related impacts for achieving the goals.

EU Taxonomy

"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

"The EU Taxonomy is a list of economic activities with performance criteria for their contribution to six environmental objectives:

I. **climate change mitigation;**

II. climate change adaptation;

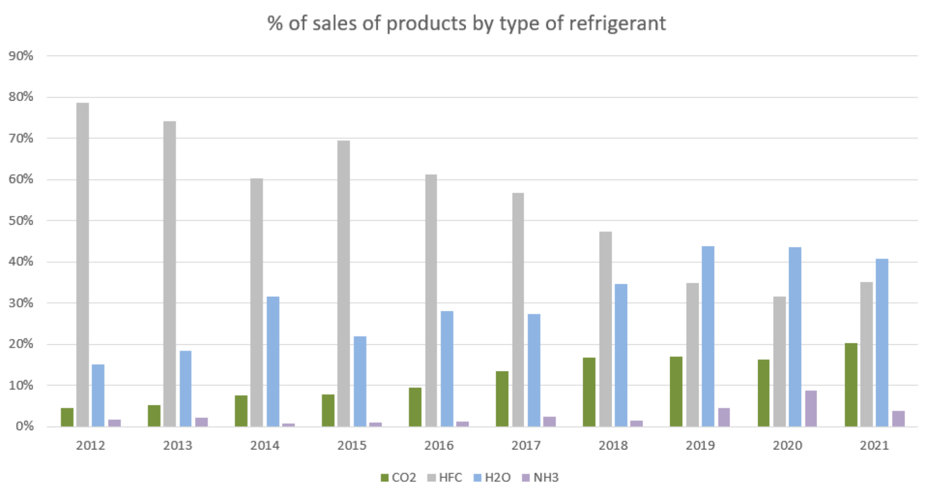
III. sustainable use and protection of water and marine resources;
IV. transition to a circular economy;
V. pollution prevention and control;
VI. protection and restoration of biodiversity and ecosystems."

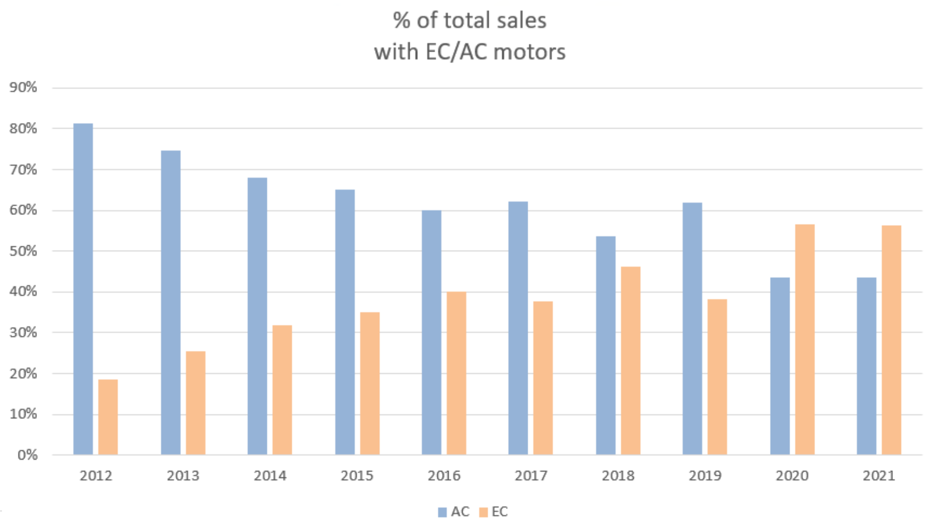
Based on 2021 reporting, the table shows the KPI of the **LU-VE Group's activities** **eligible to the EU Taxonomy**, because of its contribution to the «Climate Change Mitigation» objective

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

Helping Customers Reach their Sustainability goals - First Mover in Green Tech

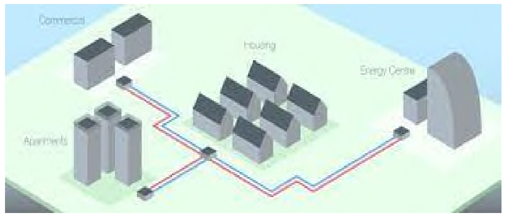
Over the last 10 years, LU-VE Group's technological leadership has been strengthened thanks to the development fluids and energy-efficient motors





Ideas and passion for a cooler world: heat pumps and district heating

- Heat pumps are a decisive element in the path to decarbonization and sustainability.
- The development of new exchange matrices with high efficiency and low refrigerant charge (propane) is a further step forward in terms of overall sustainability.
- Heat pumps are a growth segment for LU-VE Group and an advantageous solution in terms of optimizing energy consumption.
- District heating is ambitious project for decarbonization with highly customized units with high capacity based on natural refrigerants (co^2, ammonia and glycolated water)



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 30th 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

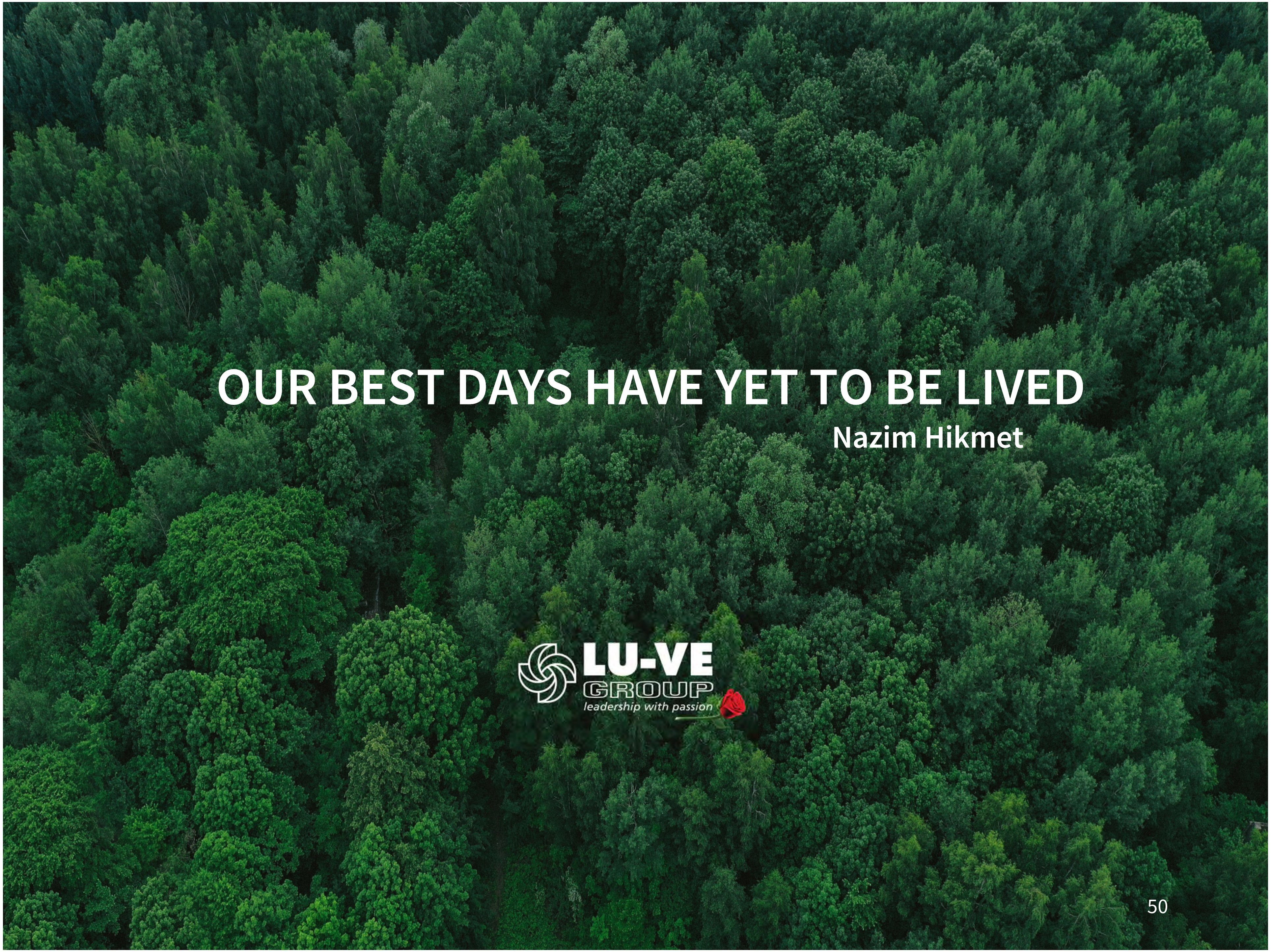
Sbarca negli Usa e acquista la texana Zyklus Heat Transfer

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

Disclaimer

- This presentation has been prepared by LU-VE S.p.A. for information purposes only and for use in presentations of the Group's results and strategies.
- For further details on the LU-VE Group, reference should be made to publicly available information.
- Statements contained in this presentation, particularly the ones regarding any LU-VE Group possible or assumed future performance, are or may be forward looking statements and in this respect, they involve some risks and uncertainties: actual results may differ materially from such statements, as they relate to future events and circumstances, many of which are outside the control of the LU-VE Group.
- Any reference to past performance of the LU-VE Group shall not be taken as an indication of future performance.
- This document does not constitute an offer or invitation to purchase or subscribe for any shares and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.
- By attending and/or reading this presentation you agree to be bound by the foregoing terms.
- The information contained and the opinions expressed in this document have not been independently verified.
- The information set out in this document are provided as of the date indicated herein and LU-VE Group assumes no obligation to update such information.
- The Manager in charge of the Company's financial reports, Eligio Macchi, declares, pursuant to paragraph 2 of Article 154-bis of Italy's Consolidated Law on Finance, that the accounting information contained in this document corresponds to the documented results, books and accounting records.


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