



PRESS RELEASE

LU-VE GROUP ACQUIRES 75% OF REFRION GROUP

Through this strategic operation, the Group consolidates its presence in the most qualified and advanced sector of large-scale heat exchange

Uboldo, 25th February 2022 – LU-VE Group, one of the world's leading manufacturers of air heat exchangers, listed on Euronext Milan, announces the signing of a binding agreement for the acquisition of a majority stake, equal to 75%, in the company Refrion S.r.l., with registered office in Flumignano (Udine).

Refrion is an Italian company specialized 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. Founded in 2002 by Daniele Stolfo, Refrion has always been distinguished by the innovation of its products, the key to its success in the civil and data center air conditioning and in process cooling and industrial refrigeration sectors, thanks also to the technology of heat exchangers with oval tubes, of which Refrion was a historic forerunner. In addition, Refrion is also active in the field of heat exchangers for nuclear plants and has one of the largest climatic test chambers in Europe.

The company exports around 90% of its production mainly to European markets.

In the financial year 2021, Refrion Group achieved a consolidated turnover of €26 million with an EBITDA adjusted for extraordinary items of €2.7 million, and a profit before tax and extraordinary costs of €0.6 million. The adjusted net financial position at December 31, 2021 was negative for €8.9 million.

To date, there are no commercial relations between LU-VE Group and Refrion.

The agreement provides for the acquisition of 75% of Refrion's share capital, as well as an option, exercisable within the next five years, to purchase the remaining 25%. The transaction is expected to be completed within a few weeks.

The agreed consideration for 75% of Refrion, to be paid at closing and financed through LU-VE Group's cash, is €8.1 million, or 7.35 times the average adjusted EBITDA for the years 2020 and 2021, net of the net financial position as at 31/12/2021.

The operation includes representations & warranties usual for this type of transactions in international markets, together with escrow agreements.



The remaining 25% of the share capital will remain in the ownership of Mr. Daniele Stolfo and Mr. Felix Siegfried Riedel, one of the main managers of Refrion Group.

The founder, Daniele Stolfo, will maintain the position of CEO of Refrion, and will join LU-VE Group's Product Development Committee.

The President of LU-VE Group Iginio Liberali stated: *"We are very pleased with the agreement signed today. Refrion's particular attention to reducing environmental impact is in line with the sustainability strategy of LU-VE Group, which since its foundation has adopted technological solutions and manufactured products for 'green cooling'. We are confident that thanks to the synergies that Refrion will develop with the entry into the LU-VE Group, the Company will enjoy new opportunities for further growth. This operation is part of the Group's strategy of strengthening its presence in the most qualified and advanced sector of large-scale heat exchange."*

The CEO of Refrion, Daniele Stolfo, declared: *"After having achieved important commercial and technological goals, we decided to join an industrial group such as LU-VE Group, a world leader in the air exchangers sector, to guarantee further growth and future for Refrion. With the industrial plan that we have shared, Flumignano di Talmassons will become the production hub of adiabatic coolers, also developing additional specialties such as that of the nuclear sector, which is now highly topical. In an increasingly global and competitive market, the partnership with LU-VE Group is a great opportunity and we share the same vision and the same ethical values. In this spirit, I will guide Refrion into a new dimension to further develop the capabilities of all our collaborators and employees, ensuring continuity to customers."*

Studio Biscozzi Nobili Piazza assisted LU-VE as legal advisor, acting through Giancarlo Cortese, partner, Sergio Chisari, senior associate, and Edoardo Mörlin Visconti Castiglione, senior associate.

MGPE acted as financial advisor to LU-VE Group.

Dentons – with a multi-jurisdictional team - assisted LU-VE for cross-border aspects of the transaction.



In the transaction, Refrion was supported by STPG - Scouting Capital Advisors, part of STPG-Scouting Tra Partners Group, an independent international reality active in Corporate Finance and Family Office, as financial advisor of the operation, with a team led by Executive Director Roberto Francani and composed of Associate Director Elena Montibeller and Managing Director Dino Orlandini.

As far as legal advisory is concerned, Refrion was assisted by Greco Vitali Associati Studio Legale, with a senior team composed by Partner Matteo Vitali and Associate Matteo Miramondi.

The advisor for the fiscal aspects and the support to the financial plan was Studioprof.it accountants and labor consultants, with a team led by Franco Rossit.

For further informations:

CONTACTS

LU-VE S.p.A.

Investor relations – Michele Garulli

investor.relations@luvegroup.com

T + 39 02 967 161

M. +39 348 780 6827

Close to Media

Press Office LU-VE

lucia.nappa@closetomedia.it

M. +39 337 107 9749

enrico.bandini@closetomedia.it

M. +39 335 848 4706

LU-VE Group is one of the major manufacturers in the world in the air heat exchanger field (listed on the Milan Stock Exchange). It operates in various segments of the market: refrigeration (commercial and industrial); process cooling for industrial applications and power generation; air conditioning (civil, industrial and close control); glass doors and closing systems for refrigerated counters and cabinets; IoT mirrors for special applications (digital signage, lift cars, hotel rooms, etc.). LU-VE is an international company (with HQ in Uboldo, Varese, Italy) consisting of 16 manufacturing facilities in 9 different countries: Italy, China, Czech Rep., Finland, India, Poland, Russia, Sweden & USA, with a network of sales companies and representative offices in Europe, Asia, the Middle East Oceania and North America. The Group also includes a software house dedicated to ICT (Information and Communications Technology), the development of product calculation software and digitalization. The strength of the Group lies in its employees: over 4,200 qualified people (over 1,100 in Italy); total surface 650,000 sq. m (over 238,000 covered); 3,235 sq. m Research and Development laboratories; 83% of products exported to 100 countries. Turnover over €480 million.

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