

IMMERGAS: "CONFIRMING OUR GREEN GROWTH PLANS"

Chairman Alfredo Amadei announces new investments aimed at saving energy and using alternative energy sources, such as green gas and hydrogen in hybrid systems. The 2022 consolidated financial statements of Immerfin, the Italian holding company that controls the Brescello firm, positions the group among the leaders in innovation aimed at sustainability and energy saving in HVAC systems: a turnover of Euro 555 million and over 1,000 employees worldwide.

Brescello 10 July 1023 - "We are experiencing and will continue to experience rapid changes and face many opportunities, which Immergas is committed to seizing, as it has always done for almost 60 years, in order to deliver maximum comfort to homes worldwide", said Alfredo Amadei, Chairman of Immerfin. "We have chosen to continue investing in innovation and Italian-made products, and we are ready to face new challenges. Our integrated hybrid systems (boiler, heat pump, increasingly digital smart control systems) are at the heart of our future, which is built on very strong roots: over 8,000,000 boilers sold worldwide. We are enhancing our research centres and training facilities for designers and installers, as part of our effort to increase the use of alternative energy sources, such as green gas and hydrogen in hybrid systems; at the same time, we are aware that gas will remain an important ally for many years if, as we are doing, it is combined with increasingly green technologies. The decarbonization of residential consumption requires the involvement of the end-user and success depends on the ability to offer a range of economically accessible solutions and technologies, departing from the concept of exclusivity, which makes green options available only to an elite few. In our vision, green gas will represent an important option for decarbonizing domestic consumption, in synergy and complementarity with electrification.

The heating sector is destined to be strongly influenced by the policies of the European Commission on the energy efficiency of homes, the reduction of dependence on Russian fossil fuels and support for investments in renewable energies, penalizing traditional technologies in favour of heat pumps and hydrogen. In 2022, the Immerfin Group's sales in this market segment increased by 200%, thanks mainly to the growth of the domestic market, where sales of heat pumps and hybrid generators more than doubled, further increasing the already high market shares acquired in 2021. This was also the result of the work carried out by Research and Development: the "Hypowered" project, concluded in December 2022, yielded important results for the development of a condensing boiler with clean and efficient combustion powered by hydrogen and methane gas blends".

All the companies that are part of the Immerfin group performed in line with the excellence of the thermal engineering sector in 2022, reaching a production value of 555 million Euro (406 million in 2021), of which 38.4% was achieved in foreign markets. The number of employees worldwide increased to 1,078, up 65 from 2021. As many as 620 are working at the headquarters in Brescello (Reggio Emilia). The main profitability indicators remained at levels





that can support the investment plan and the management of the group: Roe (return on equity) at 14.4% compared to 13.5% in 2021, and profit too was up 20% over 2021, despite the multiple adverse factors that characterized 2022. The Immergas brand has confirmed its position as the leader in Italy in the condensing-boiler and hybrid-system segment, while abroad HVAC market trends varied depending on geographical area and geopolitical context. In 2022, gas boiler sales for the Immerfin Group showed an increase of 3%. "Our perspective is long-term, looking ahead 10-15 years: this will be evident from the first sustainability report that is being finalized with the involvement of all Immergas plants, both in Italy and abroad. The tensions and crises we are facing, and will continue to face, require a new approach to the challenging goals of decarbonizing the energy system, ensuring not only the achievement of environmental targets but also the competitiveness of our industry and social sustainability. The financial solidity of the Immerfin holding company has allowed us to overcome the significant tensions we are experiencing (rising raw material costs, energy costs, global instability, wars, and pandemics) by keeping an open eye on opportunities, and expanding in many countries. We have acquired a stake in a Canadian company (KING HEATING PRODUCTS INC. in Vancouver)" concludes Alfredo Amadei "We are strengthening our foreign subsidiaries and consolidating relationships with partners in single countries, such as Azerbaijan, and great attention is given to the investments needed to maintain the competitiveness of our four production sites: the headquarters in Brescello, Poprad in Slovakia, Qazvin in Iran, and Changzhou in China. Human capital and the inclusion of new expertise, combined with the development (through significant training programs) of our human resources, continues to be the guiding principle that will lead us to 2024 and the 60th anniversary of the company's foundation. This occasion will be an opportunity to give more visibility to the development plans that we are currently working on."

