



INTERIM FINANCIAL REPORT AS AT MARCH 31, 2025

1 FINANCIAL STATEMENTS

1.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Consolidated Statement of Financial Position (in thousand of Euro)	31/03/2025	31/12/2024
ASSETS		
Goodwill	64,046	64,526
Other intangible assets	22,435	23,554
Property, plant and equipment	167,619	167,151
Right-of-use assets	21,690	22,705
Other tangible assets	26,126	23,765
Deferred tax assets	12,258	11,227
Investments	141	141
Other non-current assets	283	283
Non-current assets	314,598	313,352
Inventories	118,040	101,061
Trade receivables	108,073	102,961
Current tax assets	10,079	10,391
Current financial assets	50,586	44,941
Other current assets	5,578	3,240
Cash and cash equivalents	284,207	271,191
Current assets	576,563	533,785
Assets held for sale	-	-
Assets held for sale	-	-
TOTAL ASSETS	891,161	847,137

Consolidated Statement of Financial Position (in thousands of Euro)	31/03/2025	31/12/2024
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	62,704	62,704
Reserves and retained earnings (losses)	193,769	152,233
Net result for the period	7,462	34,497
Shareholders' equity attributable to the Group	263,935	249,434
Shareholders' equity attributable to non-controlling interests	6,739	6,003
TOTAL SHAREHOLDERS' EQUITY	270,674	255,437
Loans	294,057	263,258
Provisions	6,030	6,012
Employee benefits obligations	5,429	5,390
Deferred tax liabilities	13,524	13,698
Other financial liabilities	15,493	16,498
Non-current liabilities	334,533	304,856
Trade payables	113,805	108,291
Loans	124,546	129,252
Tax liabilities	6,411	6,361
Other financial liabilities	4,708	4,660
Other current liabilities	36,484	38,280
Current liabilities	285,954	286,844
Liabilities held for sale	-	-
Liabilities held for sale	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	891,161	847,137

1.2 CONSOLIDATED INCOME STATEMENT

Consolidated Income Statement <i>(in thousand of Euro)</i>	31/03/2025	31/03/2024
REVENUES AND OPERATING INCOME		
Revenues	134,906	141,569
Other operating income	421	346
Total revenues and other operating income	135,327	141,915
OPERATING EXPENSES		
Purchases of materials	(77,325)	(71,978)
Changes in inventories	14,986	2,931
Costs for services	(18,863)	(18,729)
Personnel costs	(35,204)	(33,657)
Net reversal/(write-downs) of financial assets	(109)	(29)
Other operating expenses	(949)	(839)
Total operating expenses	(117,464)	(122,301)
Depreciation and amortization	(7,634)	(7,742)
Gain/(Losses) on the sale of non-current assets	-	52
Write-downs on non-current assets	-	-
OPERATING RESULT	10,229	11,924
Financial income	3,013	2,556
Financial expenses	(3,027)	(1,777)
Exchange gains (losses)	(122)	899
Gains/(Losses) from investments	-	-
TAXABLE PROFIT	10,093	13,602
Income taxes	(2,294)	(2,565)
NET PROFIT	7,799	11,037
Net result attributable to non-controlling interests	337	342
NET RESULT ATTRIBUTABLE TO THE GROUP	7,462	10,695

1.3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated statement of comprehensive income (in thousands of Euro)	31/03/2025	31/03/2024
NET PROFIT/NET LOSS	7,799	11,037
<i>Components that will not subsequently be reclassified to the Income Statement:</i>		
Actuarial gains/(losses) from employee benefits obligations	19	40
Tax effect	(5)	(10)
	14	30
<i>Components that will subsequently be reclassified to the Income Statement:</i>		
Exchange differences from translation of Financial Statements in foreign currency	7,025	792
TOTAL COMPREHENSIVE INCOME (LOSS)	14,838	11,859
Of which:		
Attributable to non-controlling interests	337	342
ATTRIBUTABLE TO THE GROUP	14,501	11,517

1.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated Statement of changes in equity (in thousands of Euro)	Share Capital	Share Premium reserve	Legal reserve	Treasury Shares	Translation reserve	Actuarial gains/(loss) of employee benefits reserve	Other reserves	Net result for the period	Total Shareholders' equity attributable to the Group	Shareholders' equity attributable to non controlling interests	Total shareholders' equity
BALANCE AS AT 01/01/2024	62,704	24,762	4,557	(288)	(17,938)	(91)	120,226	29,745	223,677	5,554	229,231
Allocation of 2023 profit											
<i>Dividends paid</i>	-	-	-	-	-	-	-	-	-	(62)	(62)
<i>Retained</i>	-	-	-	-	-	-	29,745	(29,745)	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	22	22
Comprehensive income as at 31/03/2024	-	-	-	-	792	30	-	10,695	11,517	342	11,859
BALANCE AS AT 31/03/2024	62,704	24,762	4,557	(288)	(17,146)	(61)	149,971	10,695	235,194	5,856	241,050
BALANCE AS AT 31/12/2024	62,704	24,762	4,861	(288)	(17,817)	(69)	140,784	34,497	249,434	6,003	255,437
Allocation of 2024 profit											
<i>Dividends paid</i>	-	-	-	-	-	-	-	-	-	(65)	(65)
<i>Retained</i>	-	-	-	-	-	-	34,497	(34,497)	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	464	464
Comprehensive income as at 31/03/2025	-	-	-	-	7,025	14	-	7,462	14,501	337	14,838
BALANCE AS AT 31/03/2025	62,704	24,762	4,861	(288)	(10,792)	(55)	175,281	7,462	263,935	6,739	270,674

1.5 STATEMENT OF CASH FLOWS

Consolidated Statement of Cash Flows (in thousand Euro)	31/03/2025	31/03/2024
A. Cash and cash equivalents at the beginning of the period	271,191	212,059
Profit for the period	7,799	11,037
Adjustments for:		
- Depreciation and amortisation	7,633	7,742
- Capital (Gains)/losses, write-downs of non-current assets	-	(52)
- (Gains)/losses from the sale of investments	-	-
- Net financial expenses	91	(635)
- Income taxes	2,294	2,565
- Changes in fair value	(329)	116
Changes in employee benefit obligations	59	156
Changes in provisions	18	(18)
Changes in trade receivables	(5,112)	(18,850)
Changes in inventories	(14,986)	(2,931)
Changes in trade payables	5,514	4,488
Changes in net working capital	(14,584)	(17,293)
Changes in other receivables and payables, deferred taxes	(1,540)	(3,691)
Taxes paid	(2,930)	(2,362)
Net paid financial expense	(1,989)	(1,220)
B. Cash flows from (used in) operating activities	(3,478)	(3,655)
Investments in non-current assets:		
- intangible assets	(305)	(517)
- property, plant and equipment	(7,062)	(7,587)
- financial assets	-	-
Net investments in current financial assets	(5,310)	11,464
C. Cash flows from (used in) investing activities	(12,677)	3,360
Repayment of loans	(38,889)	(24,178)
Proceed from new loans	65,000	60,000
Contingent consideration subsequent to a business combination	-	-
Changes in other financial liabilities	(1,486)	(1,932)
Sale/(purchase) of treasury shares	-	-
Contributions/repayments of share capital	-	-
Dividends paid	(10)	(10)
Other changes	-	-
D. Cash flows from (used in) financing activities	24,615	33,880
Exchange differences	7,488	815
Other non-monetary changes	(2,932)	(876)
E. Other changes	4,556	(61)
F. Net cash flows in the period (B+C+D+E)	13,016	33,524
Cash and cash equivalents at the end of the period (A+F)	284,207	245,583
Current financial indebtedness	78,668	90,715
Non-current financial indebtedness	309,550	291,974
Net financial indebtedness	104,011	137,106

2 CONTENT AND FORM OF THE CONSOLIDATED FINANCIAL STATEMENTS

Introduction

The Interim Financial Report as at 31 March 2025, not audited, has been prepared in compliance with the International Financial Reporting Standards (IFRS) and for this scope the financial statements of the subsidiaries of the Group have been duly reclassified and amended.

The Interim Financial Report has been prepared in accordance with art. 154 Ter, comma 5 of D.Lgs. n. 58 dated 24/02/98 (T.U.F.) and subsequent amendments. Therefore, it does not include the information required in accordance with IAS 34 “Interim Financial Reporting”.

Consolidation criteria

The criteria adopted for the consolidation are the same as those adopted for preparation of Consolidated Financial Statement of 31 December 2024.

Accounting standards

Accounting standards adopted in the Interim Financial Report as at 31 March 2025 are the same as those adopted for the Consolidated Financial Statement as at 31 December 2024.

The Interim Financial Report as at 31 March 2025 has been prepared on the basis of the assumption of going concern.

2.1 REVENUES

As expected, the first quarter of 2025 while, on one hand, saw a slow start in product sales (-5.5%), amounting to €133.5 million; on other hand, it showed strong growth in value of the order backlog (amounting to €210.4 million) with an increase of 20.8% compared to December 2024 (+24,6% compared to March 2024).

The “Components” Business Unit ended the quarter with sales of €74.2 million substantially in line with March 2024, recording good growth in refrigeration and tumble dryers with the first signs of recovery in heat pump exchangers against a negative trend in air conditioning and “mobile” applications.

The “Cooling Systems” Business Unit suffered a marked slowdown in sales during the quarter (-11.5%), with revenues falling to €59.3 million mainly due to the time delay of major projects (particularly in the air conditioning and “industrial cooling” segments). At order backlog level, on the other hand, March ended with the highest value in the Business Unit's history, which, together with the numerous projects under negotiation, suggests that the year-end sales targets are still achievable.

The breakdown of turnover by SBU, by product type and application are given below:

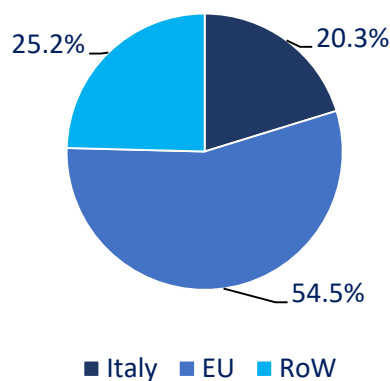
Revenues by SBU (in thousands of Euro)	Q1/2025	%	Q1/2024	%	Change	% Change
SBU COOLING SYSTEMS	59,296	44.4%	66,974	47.4%	(7,678)	-11.5%
SBU COMPONENTS	74,164	55.6%	74,324	52.6%	(160)	-0.2%
TOTAL PRODUCT TURNOVER	133,460	100.0%	141,298	100.0%	(7,838)	-5.5%

Revenues by product (in thousands of Euro)	Q1/2025	%	Q1/2024	%	Change %
Heat exchangers	70,750	52.3%	70,289	49.6%	0.7%
Air Cooled Equipment	59,296	43.8%	66,974	47.2%	-11.5%
Doors	3,414	2.5%	4,035	2.8%	-15.4%
TOTAL PRODUCT TURNOVER	133,460	98.6%	141,298	99.6%	-5.5%
Other	1,867	1.4%	617	0.4%	202.6%
TOTAL	135,327	100.0%	141,915	100.0%	-4.6%

APPLICATIONS (in thousands of Euro)	Q1/2025	%	Q1/2024	%	Change %
Refrigeration	69,287	51.1%	68,288	48.1%	1.5%
Air-conditioning	27,559	20.4%	33,445	23.6%	-17.6%
Special application	23,517	17.4%	24,022	16.9%	-2.1%
Industrial cooling	13,097	9.7%	15,543	11.0%	-15.7%
TOTAL APPLICATION TURNOVER	133,460	98.6%	141,298	99.6%	-5.5%
Other	1,867	1.4%	617	0.4%	202.6%
TOTAL	135,327	100.0%	141,915	100.0%	-4.6%

At geographic level, we highlight the positive results of Finland and Czech Republic, while France and Italy have suffered a remarkable decrease.

The chart below shows the geographical breakdown of turnover in the first 3 months of 2025:



Once again, it's confirmed that the Group's turnover depends not significantly on individual commercial or industrial contracts. As of March 31, 2025, sales revenues from the top 10 customers amounted to 30% of total turnover, with the largest customer representing only 4.2% of total sales.

2.2 EBITDA

The "Gross Operating Margin (EBITDA)" amounted to €17.9 million (13.2% of revenues) compared to €19.6 million (13.8% of revenues) in the first 3 months of 2024. The income statement of the first 3 months of 2025 included €0.4 million of costs not falling under ordinary management, relating to activities connected with the expansion of the LU-VE US Inc. production plant in Texas, bringing adjusted EBITDA to €18.3 million (13.5% of revenues). The change in adjusted EBITDA compared to EBITDA of the first quarter 2024 (-€1.3 million) was generated by €2.6 million from the lower contribution resulting from the decline in volumes, net of €0.1 million from the increase in sales prices and €1.2 million from the decrease in the costs of the primary raw materials and other production costs.

2.3 NET PROFIT

The "Net profit for the period" amounted to €7.8 million (5.8% of revenues), compared to €11.0 million in the first 3 months of 2024 (7.8% of revenues). Applying the fiscal effect to the net negative delta of derivative fair value of €0.1 million and to the net positive effect of amortized cost of €0.1 million, the net profit of the first 3 months of 2025 ("Net profit adjusted") would have been €8.2 million (6.1% of revenues, that includes also the costs not falling under ordinary management for €0.4 million, on which the tax effect is not applied), compared to €9.6 million (6.8% of revenues) as at 31 march 2024.

2.4 NET FINANCIAL POSITION

The net financial position was negative by €104.0 million (€97.5 million as at 31 December 2024) with a difference of €6.5, mainly due to €7.4 million in capex, €0.1 million in dividend distributions, €16.6 million in the increase in operating working capital, €1.0 million to changes in other payables and receivables, net of €1,0 to decrease of other financial liabilities (IFRS16) and €17.6 million in positive cash flow from operations.

In comparison with the net financial position as at 31 March 2024 (negative for €137.1 million), it shows an improvement of €33.1 million compared to March 2024. In the period from April 1, 2024, to March 31, 2025, cash flow from operations adjusted for non-operating items was €64.1 million.

2.5 SIGNIFICANT EVENTS DURING THE PERIOD

In February 2025, the Parent Company entered into a loan agreement with Intesa Sanpaolo S.p.A. for an amount of EUR 25 million, fully disbursed at the subscription date.

In March 2025, the Parent Company entered into a loan agreement with BANCO BPM S.p.A. for an amount of EUR 35 million, fully disbursed at the subscription date.

During the first quarter, the expansion works of the new American production plant have continued in line with the schedule.

About the fiscal audit relating to the years 2016, 2017, 2018 and 2019, there were no further activities to be undertaken by the Italian Tax Authority.

The tax audit to which the subsidiary LU-VE Iberica S.L. was subject for the fiscal years 2013, 2018, and 2019, was concluded with payment of EUR 120 thousand in interest, sanctions and higher taxes.

Concerning the audit by the Central Directorate for Large Taxpayers and International Affairs (*"Direzione Centrale Grandi Contribuenti e Internazionale"*) of the Italian Tax Authority in relation to the application submitted on 28 December 2020 for access to the procedure aimed at the stipulation of Advanced Pricing Agreements ("APA"), as provided for by Art. 31 ter of Italian Presidential Decree 600/73, the Company promptly responded to all documentary requests received.

Referring to the Polish Tax Authority's audit of the subsidiary Sest-LUVE-Polska Sp.z.o.o. concerning the application filed on 30 December 2021 for access to the procedure aimed at the stipulation of Advanced Pricing Agreements ("APA"), the subsidiary promptly responded to all documentary requests received within the prescribed time limit.

2.6 SIGNIFICANT EVENTS OCCURRING AFTER 31 MARCH 2025 AND BUSINESS OUTLOOK

Sales are projected to accelerate primarily in the second half of 2025, driven by high order backlog, strengthening of market demand, the impact of key investments, and an expected easing of international turbulence, hopefully creating a more stable environment for growth.

However, short-term uncertainty remains high, posing challenges to near-term forecasts. The current macroeconomic environment and tariff war have triggered further uncertainty, especially for large data center and power generation projects, resulting in delays in customer decision-making.

The company remains cautious and adaptable in navigating these external factors while executing its strategic priorities. As LUVE moves forward, it will continue to prioritize operational improvements and targeted growth initiatives to support sustainable expansion while maintaining a strong financial foundation.

With reference to fiscal audit relating to the years 2016, 2017, 2018 and 2019, there were no further activities to be undertaken by the Italian Tax Authority.

With regard to the audit by the Central Directorate for Large Taxpayers and International Affairs (*"Direzione Centrale Grandi Contribuenti e Internazionale"*) of the Italian Tax Authority in relation to the application submitted on 28 December 2020 for access to the procedure aimed at the stipulation of Advanced Pricing Agreements ("APA"), as provided for by Art. 31 ter of Italian Presidential Decree 600/73, the Company promptly responded to all documentary requests received.

On April 28, 2025, the Regional Directorate for Large Taxpayers (*"Direzione Regionale Grandi Contribuenti"*) logged in for the first time to assess the 2021 tax period regarding direct taxation, IRAP (regional tax) and VAT.

In April 2025, LU-VE S.p.A. finalized the acquisition of the business branch previously owned by the group-subsiary MANIFOLD S.r.l. for a final price of €0.9 million. Because MANIFOLD S.r.l. is 99% owned by LU-VE S.p.A., the above acquisition operation doesn't generate impacts in consolidated financial statement, being an operation falling under the accounting treatment "business combination under common control".

Uboldo, May 13, 2025

On behalf of the Board of Directors
The Chairman and CEO

Matteo Liberali

Statement of the Financial Reporting Officer pursuant to Article 154-bis (2) TUF

The Financial Reporting Officer, Eligio Macchi, declares that, pursuant to paragraph 2, Article 154-bis of Legislative Decree 58/1998 (Consolidated Financial Act), the accounting information contained in the Interim Financial Report as of March 31, 2025 of LU-VE S.p.A. corresponds to the Company's records, books and accounting entries.