

February 1, 2024
INNOVA S.r.l.
Panasonic Corporation

INNOVA and Panasonic Sign Capital and Business Alliance Agreement

INNOVA S.r.l., an Italian manufacturer of hydronics systems, air quality and air conditioning equipment, has signed a capital and business alliances agreement with Heating & Ventilation A/C Company of Panasonic Corporation, with Panasonic acquiring 40% of INNOVA's total shares issued. Through this agreement both parties will promote comprehensive collaboration on production, sales, and primarily in technology development of hydronics systems (such as domestic hot water x heating & cooling), air conditioning, and ventilation business.

Europe is promoting initiatives to achieve a decarbonised society, driven by its high level of concern regarding environmental protection and the prevention of climate change. Demand is rising for environmentally friendly products that, for example, use less energy. CFC gases used as refrigerant for air conditioning equipment impact on global warming, and as such the Kigali Amendment of the Montreal Protocol¹ and the EU F-Gas Regulation² mean it is essential to shift to refrigerants with minimal greenhouse effect. Also, many other world regions are following this fundamental target for the entire future of humanity.

Furthermore, there is a need within European housing stock for optimised air conditioning systems, that utilise existing hydronics pipework for hot water and heating, as well as design responses that are conscious of the appearance of interior and exterior space. Moreover, the rise in environmentally aware housing with high insulation and high airtightness requires a total solution that incorporates better indoor air quality (IAQ) through ventilation and so forth.

Under such circumstances, with strengths in developing technology and products designed for European culture and lifestyles, INNOVA offers a varied product lineup including fan coil units and various heat pumps for hydronics systems³, central ventilation systems (total heat exchangers), integrated central air conditioning, and IoT-controlled systems. Panasonic, at the same time, is active in Europe in air-to-water heat pumps and air conditioners for homes, commercial variable refrigerant flow systems, package air conditioners, and hydronic systems⁴ from Systemair AC, which it acquired last year.

In light of the business situation outlined above, the capital and business alliances between INNOVA and Panasonic combines the resources of both in the hydronics systems, air conditioning, ventilation and related IoT business to enhance technology development and production structures. This will promote designs and new solutions matching the diverse

customer needs, providing comfort, saving energy, requiring minimal installation, and be architecturally harmonious, whilst maintaining higher added value. This will accelerate the provision of excellent indoor spaces optimised for Europe, as well as realising ESG management.

The founder and CEO Oreste Bottaro commented that "I came to realise that combining our talents and creative spirit with the resources of Panasonic as an industry leader was the right way for us to continue to grow and prosper amidst the global competition. I appreciate Panasonic for trusting in our abilities and attitude as entrepreneurs and investing in us as a strategic partner with respect to our historical relationship since our founding. Based on the philosophy of this partnership, INNOVA can not only continue to develop ideas to create unique new products but also realise solutions for more comfortable lives in the future, thanks to the global technology support that Panasonic will provide."

Masaharu Michiura, President of the Heating & Ventilation A/C Company, stated that "We expanded our collaboration with INNOVA through mutual procurement of A2W heat pumps and fan coil units from an early stage. The greater understanding of each other's strengths and corporate culture derived from this led to our decision that capital and business alliances would expedite the best solutions for the customers and employees of both companies. By combining INNOVA's exhaustive knowhow of hydronics for European housing, experience with ventilation, and IoT solutions to integrate both of these with Panasonic's humidity controls and comprehensive heat pump technology incorporating devices, we will be able to provide the high added value solutions desired by our customers."

■ Profile of INNOVA

(1) Name: INNOVA S.r.L.

(2) Headquarters location: Via 1° Maggio, 8 - 38089 Storo (TN), Italia

(3) Representative director: Oreste Bottaro

(4) Founded: 2003

(5) Business operations: Development, production and sales of residential fan coil units, ventilation systems, integrated systems and IoT control systems

(6) Employees: 148(2022.12)

(7) Turnover: 102.7mil euros (2022.12)

1. An environmental agreement aiming to protect the ozone layer. Its goal is to reduce the production and consumption of substances that may destroy the ozone layer. It has a defined schedule to reduce use of these substances.
2. A European regulation affecting the chlorofluorocarbon (CFC) gases of hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF6) under the Kyoto Protocol. It has been in force since July 4, 2006.
3. Hydronic systems use water to control room temperatures, reducing the amount of refrigerant compared

to refrigerant-based systems.

4. For commercial chillers, heat pump air conditioning, commercial fan coil units, etc.

About Panasonic Corporation

Panasonic Corporation offers products and services for a variety of living environments, ranging from homes to stores to offices and cities. There are five businesses at the core of Panasonic Corporation: Living Appliances and Solutions Company, Heating & Ventilation A/C Company, Cold Chain Solutions Company, Electric Works Company and China and Northeast Asia Company. The operating company reported consolidated net sales of 3,647.6 billion yen for the year ended March 31, 2022. Panasonic Corporation is committed to fulfilling the mission of Life Tech & Ideas: For the well-being of people, society and the planet, and embraces the vision of becoming the best partner of your life with human-centric technology and innovation. Learn more about Panasonic: <https://www.panasonic.com/global/about/>