

Communication regarding the collaboration between Schmid AG and Viessmann Engineering Italia on the Italian market

As of 01.01.2021, Schmid AG energy solutions will start to **collaborate on an exclusive basis with Viessmann Engineering Italia** (hereinafter Viessmann Italia). According to the contract signed between the two companies, this cooperation will cover the entire Italian market, with the exception of South Tyrol. The partnership is based only on a contractual definition. According to that, there is no financial connection for both parties. Each company stays completely independent.

Viessmann Italia is leader of the Italian heating market, with a turnover of Euro 170 million, and about 280 employees. The company has an excellent commercial network and a consolidated relationship with Italian installers. Viessmann Italia will, in the future, distribute, on an exclusive basis for Italy, the entire biomass product portfolio of Schmid AG, as well as providing after-sales support. All products will continue to be distributed under the Schmid brand.

The combination of Viessmann Italia's strong sales and after-sales network, and Schmid's excellent product range, will certainly lead to positive synergy effects for our customers, providing a strong reference point in the biomass energy sector.

The greater part of Schmid's current structure and after-sales service activities will be taken over by Viessmann Italia. This will guarantee the continuity and quality of the assistance covering our machines now up and running in Italy.

In order to ensure smooth transitions with regards to After Sales Italy, as well as to ensure continuity of service for our customers in the Ticino area of Switzerland, staff transfers will only be implemented at the end of the current heating system start-up season: 2020/2021. Customers of the Ticino area will soon be contacted with regards to the new post-sales organization.

A special agreement has been reached for the Alto Adige area. Our long-standing agent there, Joseph Thanei, and Viessmann Italia will work together as non-exclusive agents on the South Tyrolean market in the future. Schmid AG will remain Joseph Thanei's contractual partner in the future. With regards to after-sales, our current partner companies will continue to be in charge of Schmid's existing plants, as well as all new sales acquired by Joseph Thanei. The systems sold by Viessmann in South Tyrol will be covered by the after-sales management of Viessmann.

I am convinced that this partnership will create great added value for all parties involved, especially for our important customers. Please get in touch with your contact person in our company for any queries that you may have.

Philipp Lüscher, CEO of the Schmid Group

Eschlikon, 18.12.2020