

Intellihot

2022

Environmental Impact Report

Why We Publish This Report

As a business with environmental sustainability as its raison d'être, we view our annual environmental impact report as an essential business function and not just a formality. It is an imperative indicator for our employees, customers and stakeholders since it highlights the progress that we have made towards our long-term vision and the steps we need to take in the future to improve our efforts.





Message From The CEO

Upon founding Intellihot in 2009, we were aware of the fact that entering the stagnant industry of water heating systems with a sustainable solution was going to be an uphill task. One that would invariably involve complete disruption of traditional water heating systems.

We are proud to say that our products not only lead our battle against global warming, but also add significant value to our consumers. They disrupt the industry, not people's lives. By relying on a scientifically driven, innovation-first approach, we ensure that our consumers are not forced to trade utility for sustainability. In doing so, we have been able to cut billions of pounds of CO2 emissions: a number that will continue to increase substantially with every installation of an Intellihot product.



"We hope you are as excited about our mission to leapfrog into a sustainable, dependable, and innovative future."

While it gives me immense pleasure to reflect on our successes, Intellihot's perspective has always been future-oriented. Hence, in the coming year, we are excited to roll out our Electron series: a range of the world's first tankless heat pump water heaters. Moreover, with the aim of further disrupting the \$81 billion dollar HVAC market, we are gearing up to increase our employee headcount by 50%. Keeping our core values of diversity, equity and fair representation intact, we are thrilled to explore future opportunities and transformation with the arrival of exciting, new talent.

We hope you are as excited about our mission to leapfrog into a sustainable, dependable, and innovative future. You can count on us for a resolute devotion towards our consumers and a greener planet for the coming generations with Specific, Measurable, Actionable, Realistic and Timely actions.

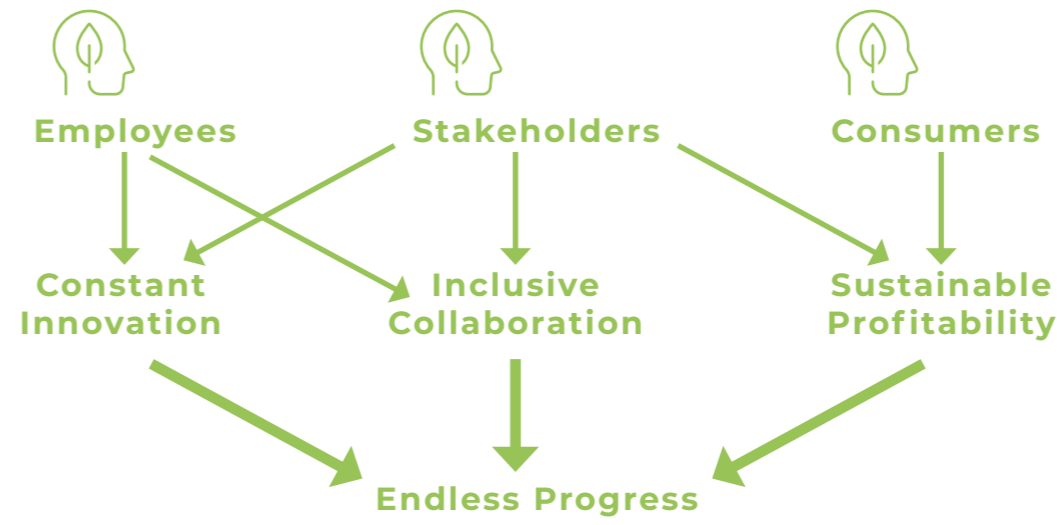




OUR INTERNAL ECOSYSTEM OF SUSTAINABILITY

In order to realize our vision of "Endless Progress", Intellihot seeks to add value to its consumers, stakeholders and employees for an all-hands-on-deck approach. Such an attitude allows us to aim for sustainable, long-term progress for everyone that functions on teamwork, essentially creating "an internal ecosystem of sustainability."

Intellihot's sustainability initiatives are at the forefront of everything we do as we continue to turn ESG theory into action. I am proud to be a part of a team that ensures the integrity of reporting and compliance. We strive to continually improve upon controls, processes, and standards that will assist in Intellihot's overall efforts of achieving sustainability. - **Sandra Zerwas, Controller**



The culture at Intellihot encourages active involvement. I have had the opportunity to work on a variety of challenging projects that have spurred my professional growth. The team members I get to work with on a daily basis are the core of what makes Intellihot so great. Each team is full of people who are passionate about what they do and excited to continue innovating in the green technology industry. - **Robert Svidron, Corporate Trainer**



ENDLESS PROGRESS

We envision a future of extraordinary efficiency, where not a watt or drop is wasted.



Intellihot





VALUES THAT ADD VALUE



Constant Innovation

For us, constant innovation equates to disruptive yet effortless change. We find our purpose in challenging ourselves to come up with innovative products and solutions that are easy to install, maintain and operate. Thereby, we disrupt a stagnant industry with the ease of use that our products offer using technology that adapts to people's needs, is too smart to fail and offers increased efficiency at lower wastage. Constant innovation increases the quality of life of our consumers, makes our employees deeply interested in the work that we do, and allows our stakeholders to invest in our mission profitably.



Sustainable Profitability

Intellihot is proud to be an EBITDA-positive business since 2019. Profitability is more about sustainability than the numbers. Ensuring profitability allows us to sustain our disruptively effective approach so that we can continue to make a meaningful impact for the long-term. Sustainable profitability also allows Intellihot to continue giving back to its employees: going above and beyond fair compensation and incentivization so that every member of the Intellihot family is intrinsically linked to the larger IntelliPromise.



Inclusive Collaboration

Intellihot's products and services are for everyone. They benefit the entire planet and hence, it only makes sense for our organization to reflect a sense of universal individuality. We make consistent efforts to ensure an inclusive workplace where freedom to express one's complete authenticity translates to well-rounded business decisions that take into account diverse perspectives.

OUR HISTORY

2009-2014

Intellihot Founded: heat exchanger and controls invented, certified, factory set-up.

2014

IQ751/1001 Launched: These were the world's first modular tankless units in a box with autonomous masterless controls and optional connectivity.

2016

IQ1501 Launched as the largest tankless water heater in the world. A single unit can power a 150-room hotel. Intellihot helped redefine and update plumbing codes to include modular units.

2018

IQ2001 and IQ3001 Launched: They are now the world's first and second largest tankless units. A single IQ3001 can power a 300-room hotel. Marriott makes Intellihot the brand standard.

2021

Tellibot_ai Launched: Intellihot brings the power of artificial intelligence and digitization to existing water heating systems.

2022 RECAP

Researching and Developing the Future: We devoted most of 2022 to research and develop the Electron series: the world's first tankless heat pump water heaters that push the HVAC industry forward.

\$50 Million Growth Financing: Seeking to expand the impact we have had to a larger scale, Intellihot entered an exciting phase of talent acquisition. We added motivated individuals to our teams and will continue to do so.

Made in America 2022: 2022 became even more special for Intellihot when we purchased our Galesburg manufacturing facility. Initially set up as a collaboration, we are excited to finally call our facility our official home.



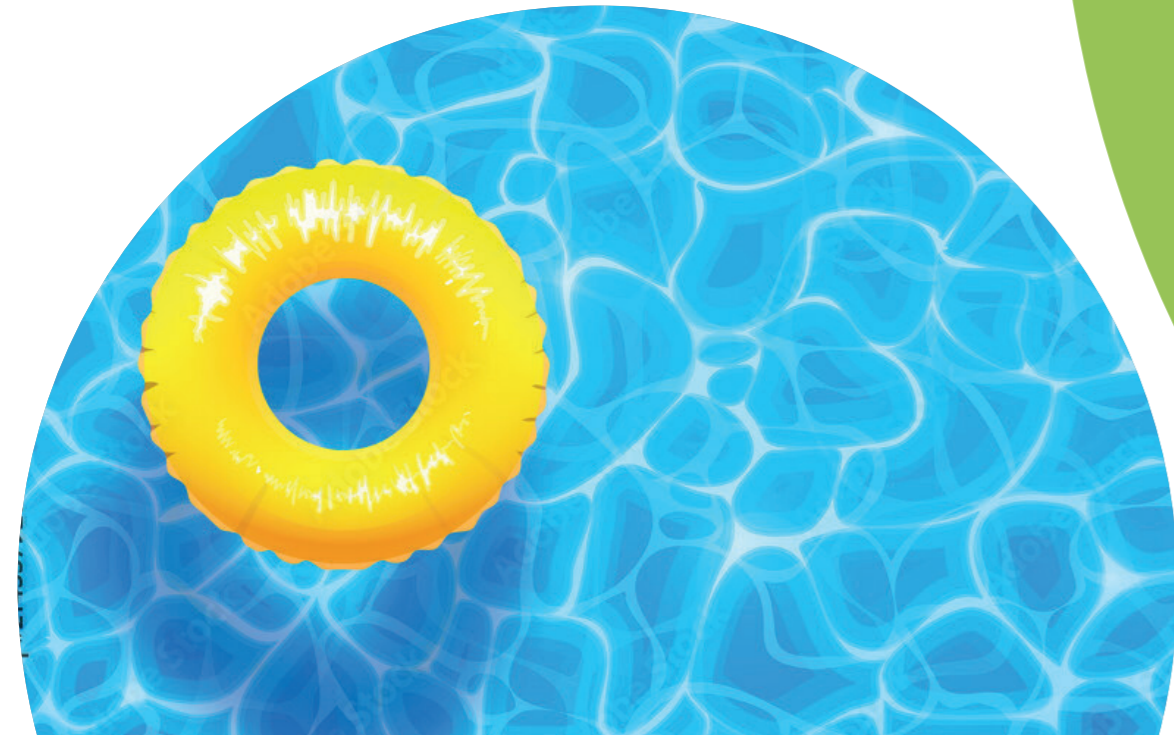
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OUR STARTING LINE

2 million OLYMPIC sized pools of water heated wastefully by tank heaters

Intellihot has been a sustainable business right from its inception. Even the idea of a business that only sells tankless products and services is environmentally beneficial on a conceptual level. Every year, the amount of water that sits idle in American homes (with tank-style heaters) waiting to be heated is enough to fill two million Olympic-sized swimming pools. Such a mammoth form of environmental sustainability is merely our starting line. This is only the point at which we start our race towards a zero-waste future.



2022



8.472 MILLION POUNDS of CO₂ emissions saved this year by Intellihot's products & services



+30% OF CO₂ We managed to save an extra 30% of CO₂ emissions this year, compared to 2021.



1448.6 MILLION THERMS OF ENERGY saved from Intellihot products & services



1.1 MILLION ELECTRIC CARS
Our 2022 CO₂ savings are equivalent to the amount of CO₂ emissions saved in a single year with the replacement of 1.129 million all-electric cars.



4.5 MILLION ACRES OF FORESTS
Our 2022 CO₂ savings are equivalent to the amount of CO₂ sequestered by 4.5 million acres of American forests



432 MILLION GALLONS OF GAS
You would need to burn 432 million gallons of gasoline to generate the amount of CO₂ emissions that we saved in 2022.



750K HOMES' ELECTRICITY
750,000 American homes generate the amount of CO₂ emissions we saved in a single year with their electricity usage



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