



# Q1 2023 Trading Update

May 25, 2023



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# Presenting team



SIMON BOLTON  
CEO



BOB LINCOLN  
President



# Agenda



Highlights



Operations



Financials



Outlook and Summary



Q&A





## Highlights

# Key highlights Q1 2023

## Operations<sup>1</sup>

Revenues of **EUR 10.4 million** - flat with prior year

Gross margin improvement to 33.9%

Scotland DRS delay to March 1, 2024  
Manageable impact with roll-out Sept 2023 - Feb 2024

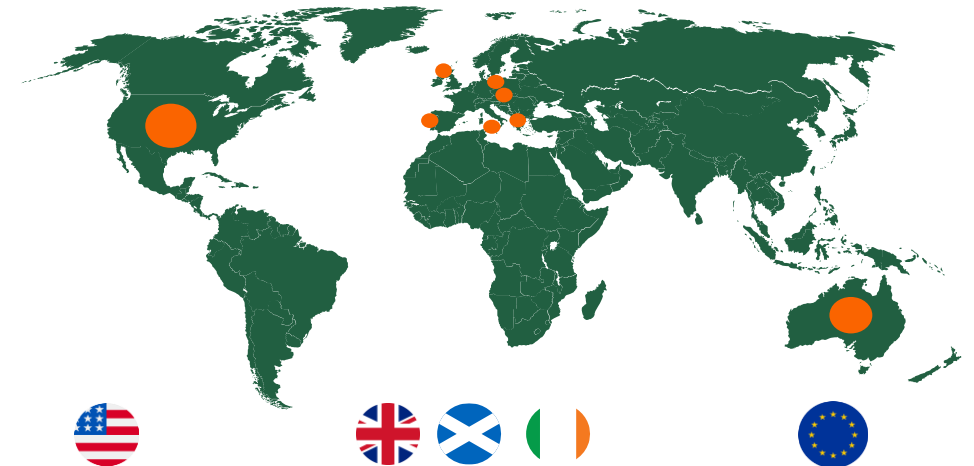
In Australia, Envipco distributor win to deploy ~200 RVM's in support of the state of Victoria's new DRS law commencing November 2023

Building momentum with additional backlog of 120+ Quantum platforms for Greece, Sweden and Malta

New and significantly expanded German production facility opened to meet increasing Quantum demand

Secured up to EUR 9 million debt facility from Invest International

## Market highlights



Continued program service expansion

Newly proposed legislation initiatives in NY and MA to harmonize with CTs doubling of deposit value to \$.10 effective 2024

Oregon technology agreement progressing with new orders

Increased activities with legislators and retailers in CA

Scotland order book of 1000+ machines, delayed GoLive to March 2024

Continued pre-DRS activity in Ireland with pilots underway and showrooms opened for anticipated GoLive Q1'24

UK maintains intention for DRS legislation in 2025

Hungary: Planning for execution of MOL Group contract during 2023

Greece: Ongoing pre-DRS deliveries, improved Quantum production and localized assembly to meet demand

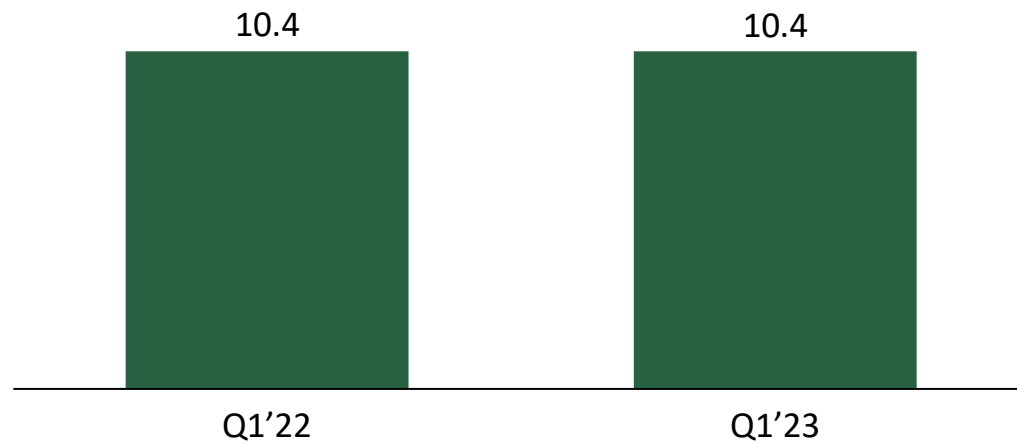
Romania: Continued progress for anticipated GoLive in 2024

1) Unaudited.

# Key financials Q1 2023

## Revenue development

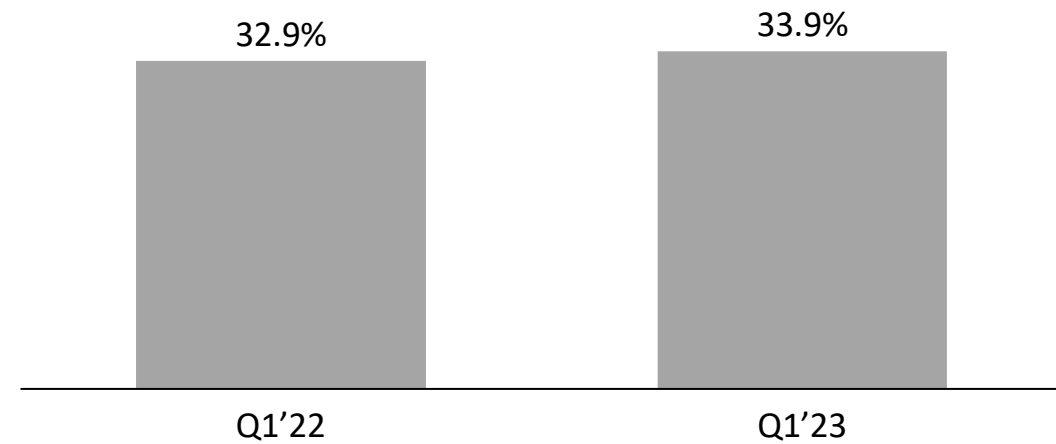
EUR million, Unaudited



- Revenues of EUR 10.4m – flat year-on-year
- Good growth in Europe and Program Services North America offset by lower RVM sales in North America in the quarter
- Major contract deliveries will occur later in the year

## Gross Margin development

%, Unaudited



- Gross profit EUR 3.5m
- Gross margin improvement to 33.9%
- Supply chain normalization and manufacturing efficiencies along with improved pricing in Greece

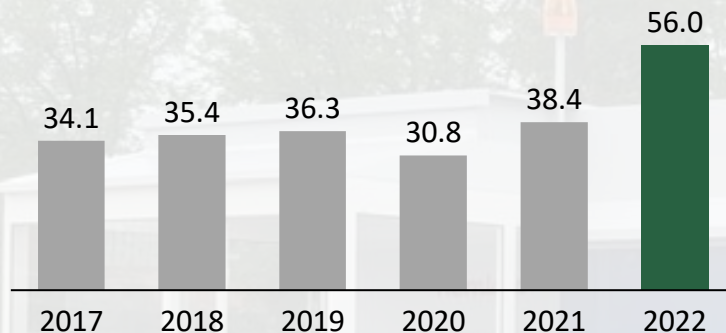


# This is Envipco

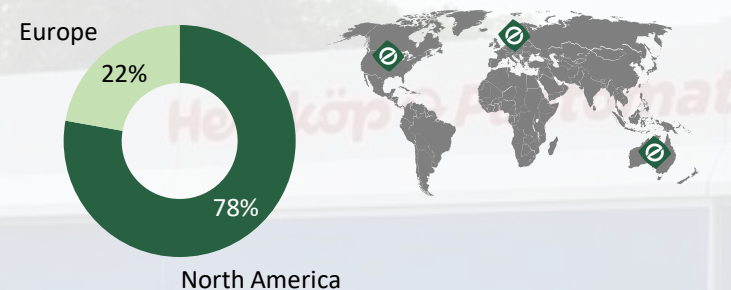
Envipco is a recycling technology company with over four decades of experience delivering reverse vending machines (RVMs) to leading customers across the world



Revenue (EURm, Unaudited)



Revenue distribution Q1'23



Total installed units

~8 000

Selected customers





## Operations

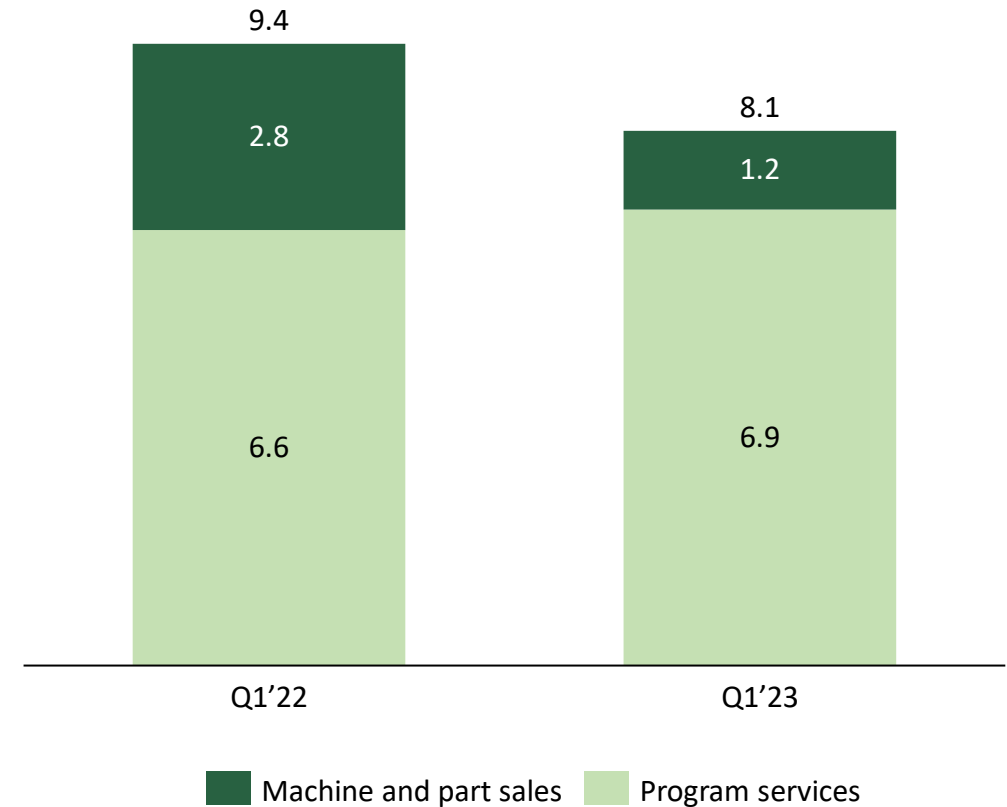


# Progress in North America/ROW

## Q1 2023

- Revenues of EUR 8.1m - down 14% from EUR 9.4m in Q1'22
- Program services up 5% year-on-year to EUR 7.0m
  - Continued realization of service and volume gains based on several large orders received in 2022
- Muted machine sales of EUR 1.2m, down 58% year-on-year compared to a particularly strong Q1'22
- Envipcos Australian distributor to deploy ~200 RVM's in support of the state of Victorias new DRS law commencing November 2023

## Revenue North America (EUR million, Unaudited)

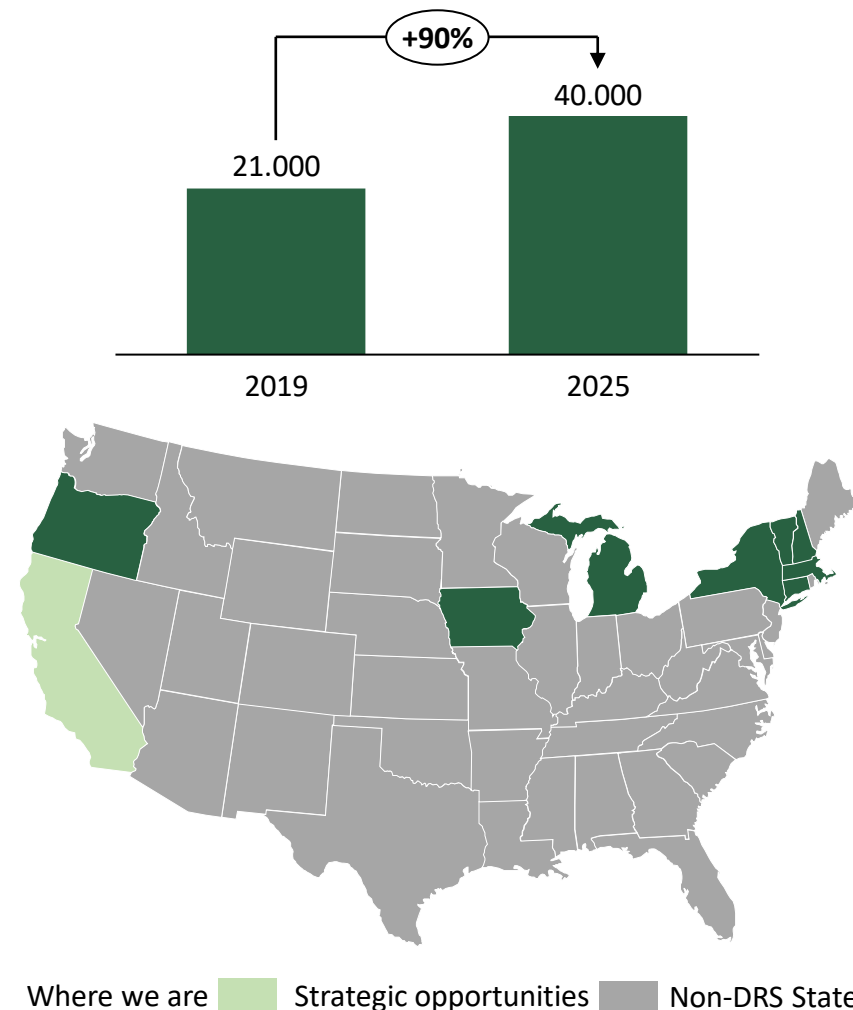




# Expanding our position in North America

- Newly proposed legislation initiatives in New York and Massachusetts look to harmonize with Connecticut's January 2024 move from \$0.05 to \$0.10
- Oregon technology agreement progressing at steady pace with new orders to replace aged competitor equipment
- Q1 meetings with legislators and retailers in California to help influence a sustainable RVM model

## Market development in North America (# Units)



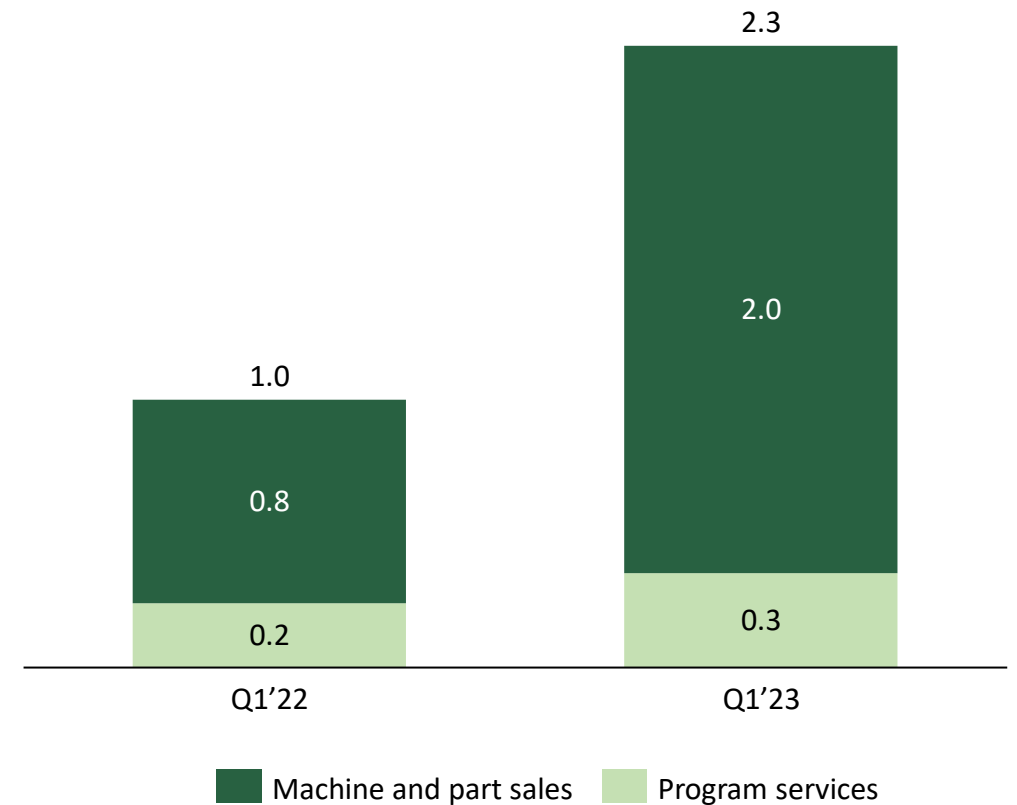


# Progress in Europe

## Q1 2023

- Revenues of EUR 2.3m, up 133% year-on-year
  - Good start in Greece with EUR 1.2m
  - Sweden EUR 0.7m – expected to recover through 2023
  - Scotland EUR 0.3m from early installations
- Machine sales EUR 2.0m up 159% year-on-year
- Program services EUR 0.3m up 48% year-on-year
- Expansion of Malta DRS agreement to include 10 Quantum platforms for high volume locations with delivery in Q2/Q3 2023
- Pre-DRS system in Greece with commitments of 100+ machines to be delivered in 2023

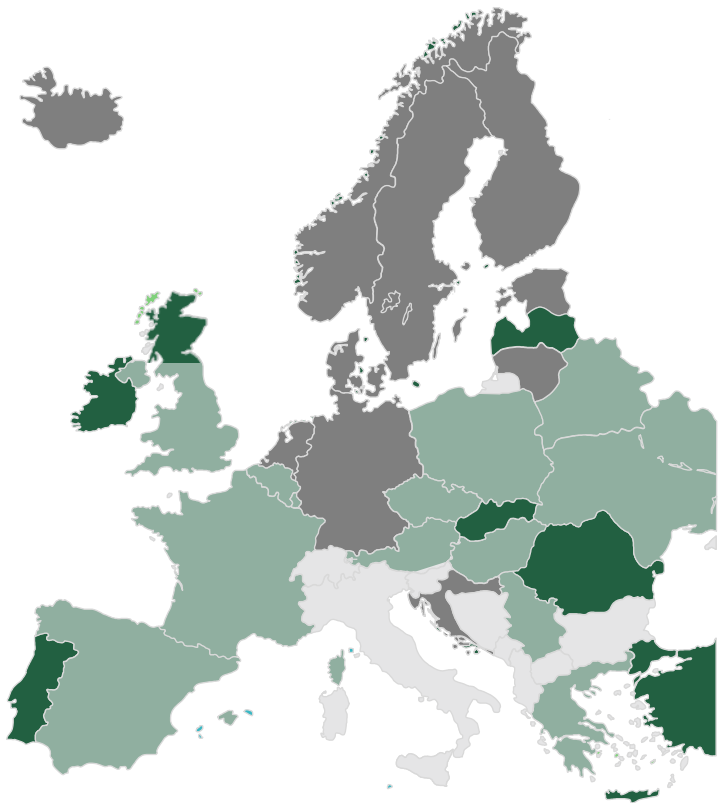
## Revenue Europe (EUR million, Unaudited)





# Large second wave of legislation to enter Europe

20 European countries are either operating, have legislated or are politically discussing DRS today



- DRS legislated/planned
- DRS in consultation / current political discussion
- DRS in operation
- Affected by EU Directive

Planned legislation core driver for second wave

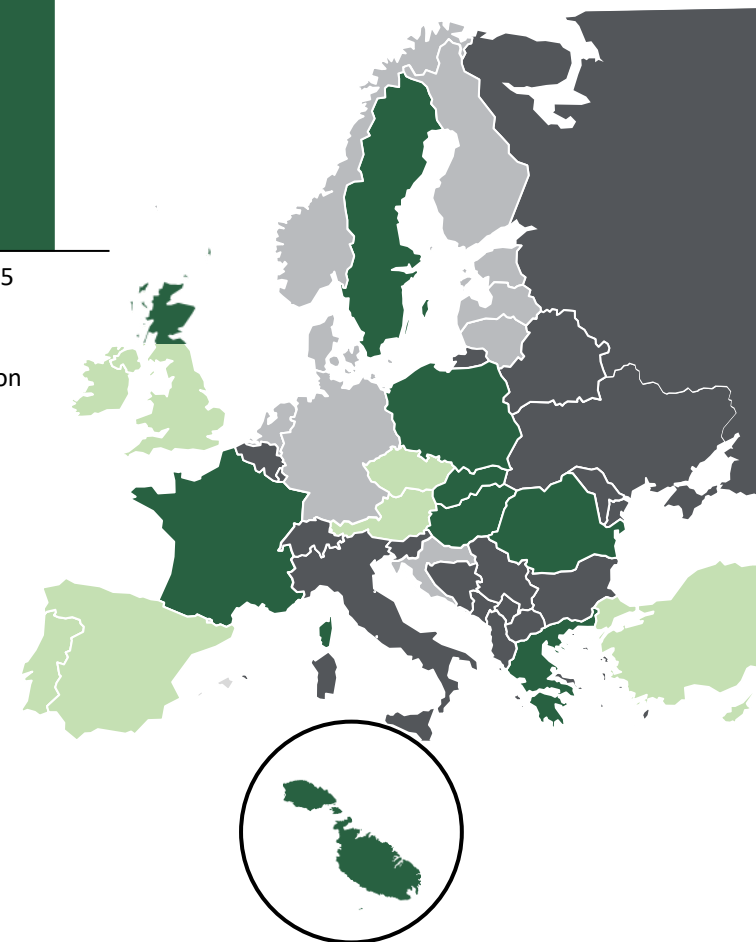
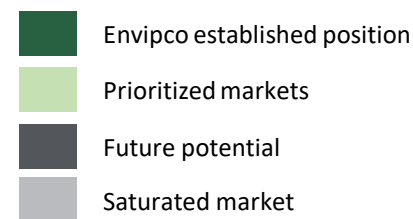
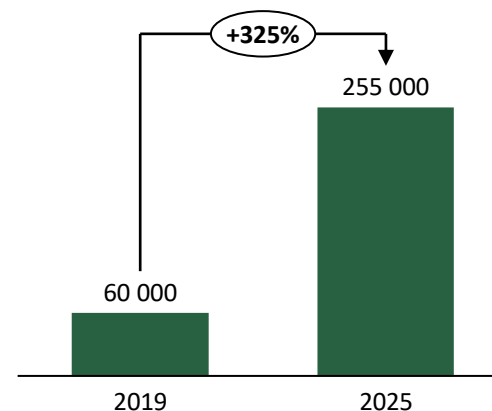




# Strongly positioned to capture growing EU market

- Continued investments in organization and delivery capacity
  - New and significantly expanded German production facility opened to meet increasing Quantum demand
  - Expanding footprint in Greece to allow delivery of localized centres
  - Ireland showroom opened and Sales and Service team in place
- Close stakeholder engagement in prioritized markets
- Significant orderbook built for 2023 and 2024
  - Scotland 1000+ machines
  - Hungary 2300 machines with potential multi-year expansion of additional 2000 machines
  - 120+ Quantum platforms for Greece, Sweden and Malta

## Market development in Europe (# Units)





## Financials



# Profit and Loss

EUR million, Unaudited	Q1 2023	Q1 2022
<b>Revenues</b>	<b>10.4</b>	<b>10.4</b>
North America	8.1	9.4
Europe	2.3	1.0
Gross Profit	3.5	3.4
Gross profit %	33.9%	32.9%
Operating Expenses	5.8	4.6
Operating Profit/(Loss)	(2.2)	(1.1)
EBITDA	(0.9)	(0.2)

## Q1 2023

- Revenue EUR 10.4m, flat year-on-year
- Gross margin improved to 33.9%
  - Supply chain normalization and manufacturing efficiencies along with improved pricing in Greece
- Operating expenses EUR 5.8m from EUR 4.6 in Q1'22
  - Scaled manufacturing
  - Service capabilities built in Scotland and Hungary
  - Sustained business development

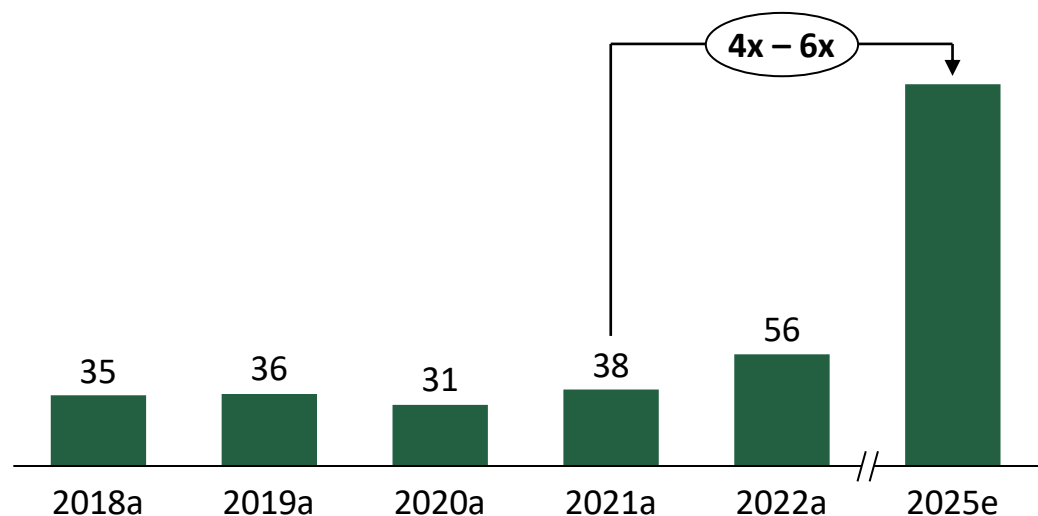


## Outlook and Summary



# Positioned to achieve ambitious long-term targets

Long-term revenue target  
(EURm)



Increased awareness and  
legislative initiatives

DRS second  
wave

## Ambition towards 2025

Growth

**4x – 6x**

Market share in new  
markets

**30+%**

Gross margin

**40%**





Q&A



## Next events:

June, 2023: Annual report

August 17, 2023: Half year 2023 results