



Q1 24

Results presentation | 21 May 2024

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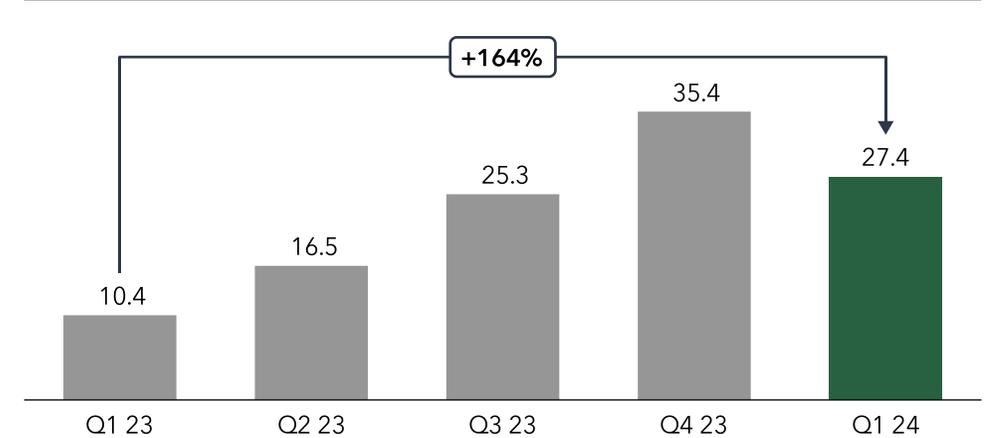
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Highlights Q1 2024

- Group revenues EUR 27.4m (+164%)
- LTM revenues EUR 104.6m (+85%)
- Gross margin 35.0% with gross profit EUR 9.6m
- EBITDA EUR 2.7m, y/y improvement from EUR -0.9m
- Successful private placement with gross proceeds of EUR 26m

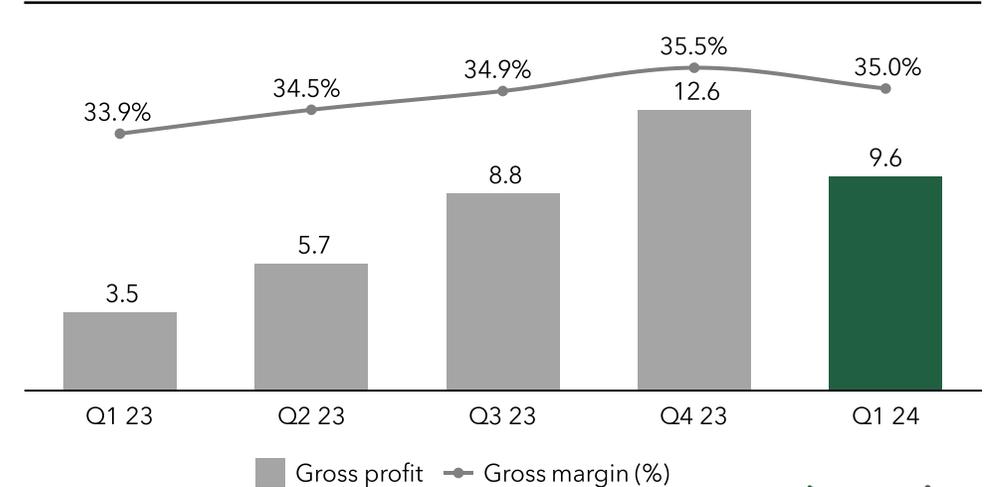
Revenue development

EUR million, Unaudited



Gross profit development

EUR million, Unaudited



A global recycling technology company set for growth

- **Engaging a vast global market opportunity**, mainly driven by deposit legislation rolled out across all EU countries
- **Captured leading position in European growth markets**, building on ~40% market share in North America and global Tier 1 customers
- **Ready to capture new markets as legislation matures**, with ample production capacity in the U.S, Germany, and Romania, and right-sized organization across European growth markets
- **Approaching inflection point for sustained profitability** with revenue doubled since 2021, economies of scale and gross margin expansion
- **Executed by seasoned team** with extensive cross-functional experience

Building from...

EUR 104.6 million

LTM Q1 24 revenues

2.7x

revenue multiple 2021 - LTM Q1 24

35.0%

Q1 24 gross margin

...with 2025 ambition

4 - 6x

revenue growth from 2021

+30%

market share in new markets

40%

gross margin

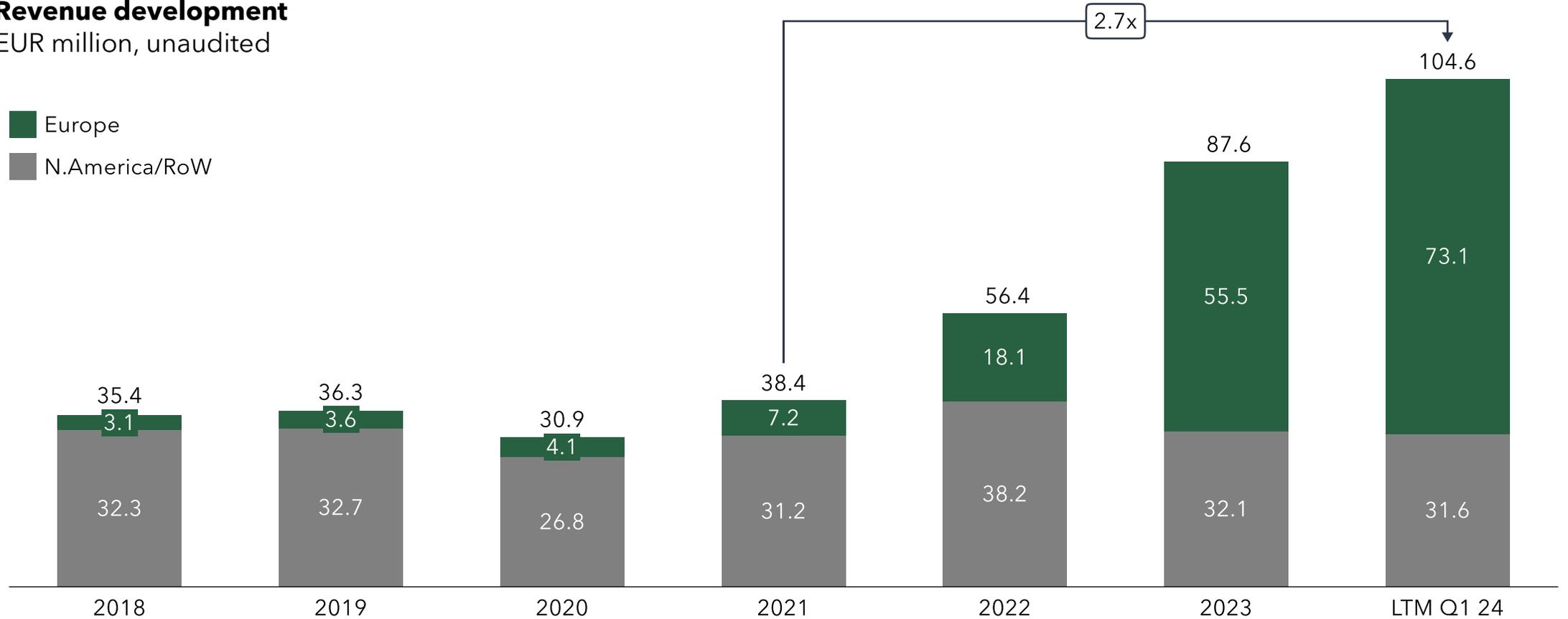
Delivering on European growth strategy

Revenue development

EUR million, unaudited

■ Europe

■ N.America/RoW



Increased awareness and legislative initiatives largely driven by maturing North American Market

DRS second wave (EU)

1) Gross sales.

A close-up, shallow depth-of-field photograph of a robotic arm in a factory. The arm is grey and metallic, with a black protective shield. The background is filled with blurred industrial machinery and metal structures, creating a sense of a busy manufacturing environment. The lighting is soft and focused on the foreground components.

Operational review

Why we continue to win with our customers



Broad and proven product portfolio
addressing all customer segments



Proven track record with world leading retailers
showing our quality and commitment



Ample production capacity
in USA, Germany and Romania with the capacity to serve large Tier 1 retailers



Consultative approach
addressing customers' unique needs first and then designing a solution

Differentiating Envipco from our competitors

Quantum

The bulk feed champion





Modula

Adaptable high-speed backroom solution

Operational update

North America

- CT doubling of deposit to USD 0.10 in effect from January 2024
- MA and NY legislative activity building to modernize their deposit schemes
- Continued focus on CA with proof-of-concept pilot installed

Europe

- Ireland off to a solid start with strong execution
- Hungary continues to deliver strong revenue growth
- Romanian business continues its steady build
- Quantum successes in new and existing markets



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Financial review

Sustaining growth momentum

in EUR millions, unaudited	Q1 24	Q1 23	2023
Revenues	27.4	10.4	87.6
- Europe	19.9	2.3	55.5
- North America & RoW	7.6	8.1	32.1
Gross Profit	9.6	3.5	30.6
Gross profit %	35.0%	33.9%	35.0%
Operating Expenses	8.5	5.8	28.4
EBIT	1.1¹	(2.2)	2.7²
Net profit/(loss) after taxes and minorities	0.1 ¹	(2.6)	1.4 ²
EBITDA	2.7¹	(0.9)	8.8²

Q1 24

- Group revenues +164% y/y to EUR 27.4m
- Gross margin 35.0%, up from 33.9% in Q1 23
 - Manufacturing cost effect from Q4 23 buildup
 - Gross earnings +172% y/y to EUR 9.6m
- Operating expenses EUR 8.5m (+48% y/y)
- EBITDA EUR 2.7m (-0.9m)
 - EBITDA margin of 10.0%, up from -8.3% in Q1 23

1) Includes EUR 0.2m other income from resale of UK inventory

2) Includes EUR 0.5m other income from resale of UK inventory.

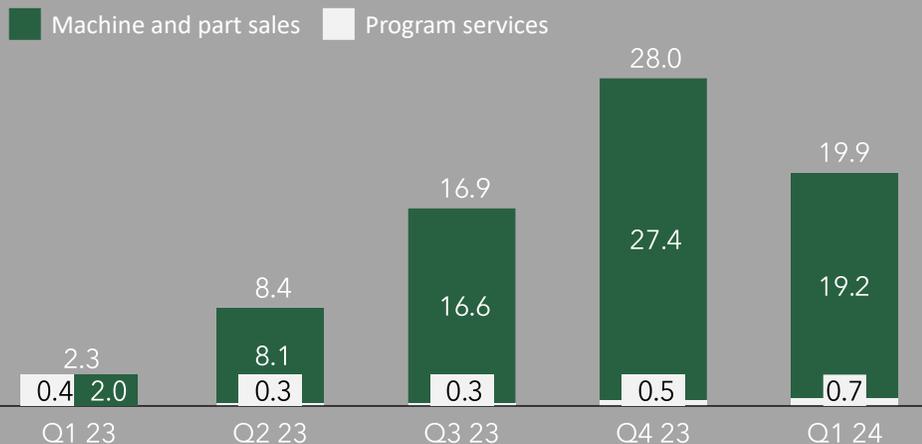
Europe

Q1 24

- Q1 revenues up 764% y/y to EUR 19.9m
- Revenue growth driven by strong RVM sales increasing 878% y/y to EUR 19.2m
 - Greece, Hungary and Romania key revenue drivers together with initial Ireland revenues
- Program services EUR 0.7m

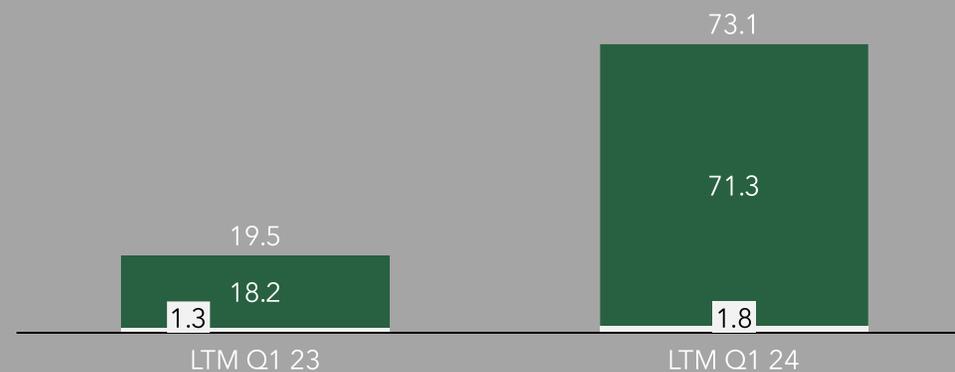
Quarterly revenues

(EUR million, unaudited)



LTM revenues

(EUR million, unaudited)



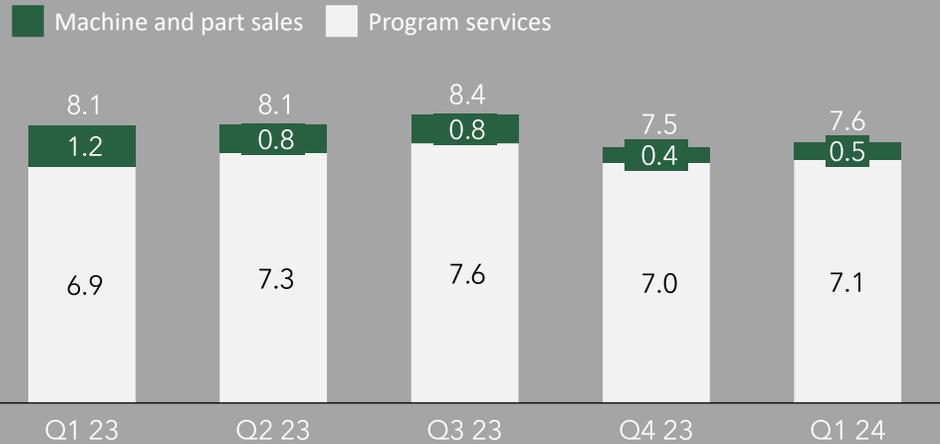
North America

Q1 24

- Revenues of EUR 7.6m (-7% y/y)
- Program services revenues up 3% to EUR 7.1m
 - Positive volume effects from doubling of deposit values in Connecticut
- RVM sales of EUR 0.5m (EUR 1.2m)
 - Strong Q1 23 following the Connecticut DRS expansion late 2022/early 2023

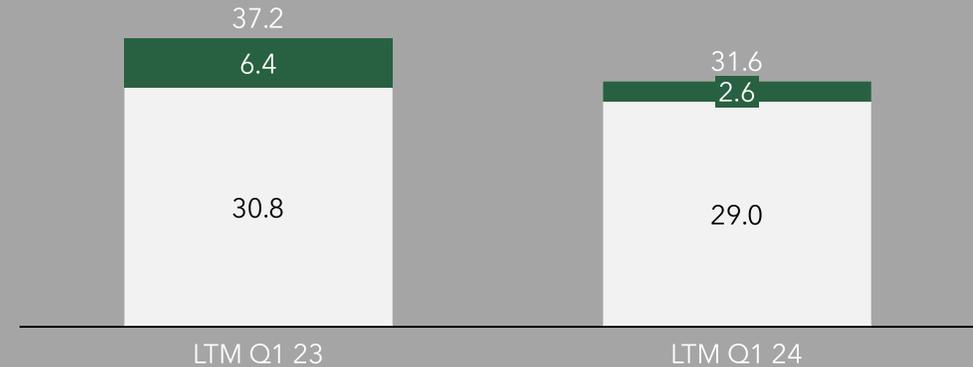
Quarterly development

(EUR million, unaudited)



LTM revenues

(EUR million, unaudited)



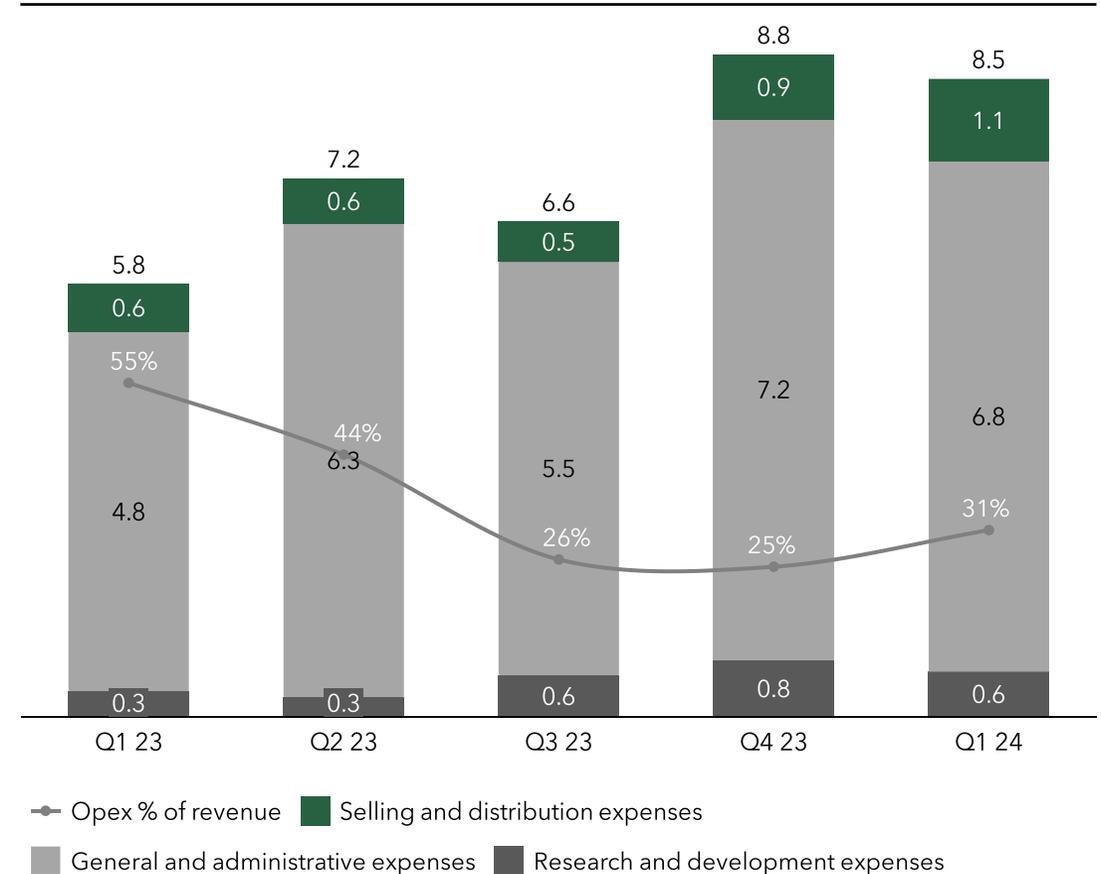
Continuing to invest in our business

Q1 24

- Operating costs up 48% y/y to EUR 8.5m in Q1 24
- G&A expenses EUR 6.8m (4.8m)
- Selling and distribution cost EUR 1.1m (0.6m)
- R&D expenses EUR 0.6m (0.3m)

- Opex as percentage of sales down to 31% from 55% in the year-earlier period.
- 418 employees at end Q1 24

Operating expenses (EUR million, unaudited)



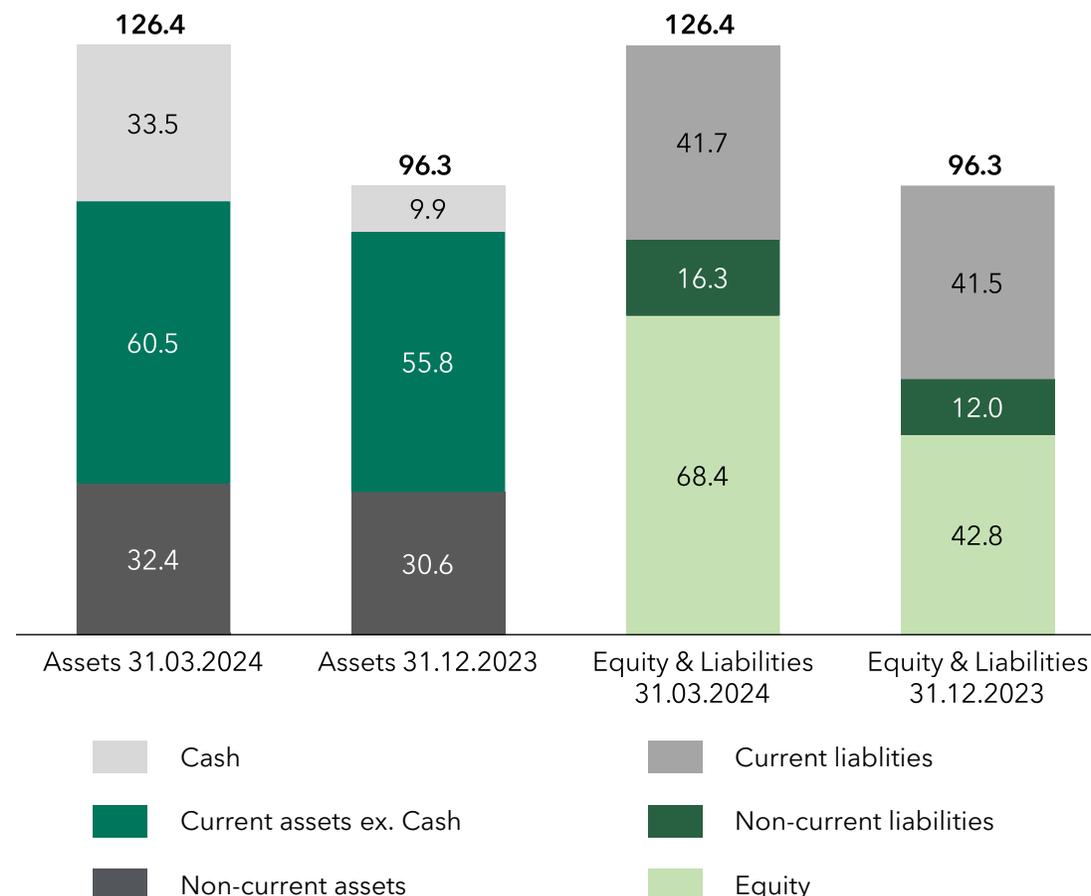
Financial position

Q1 24

- Total assets EUR 126.4m up from EUR 96.3m in Q4 23
- Current assets EUR 94.0m (65.7m)
 - Cash balance EUR 33.5m up from EUR 9.9m in Q4 23 following private placement with gross proceeds of EUR 26m in March 2024
- Gross working capital EUR 60.5m (55.8m)
 - Inventories up 3.3m to EUR 35.5m to be responsive to key customer demands
- Non-current assets EUR 32.4m (30.6m)
 - Primarily PPE and intangible assets from activated development expenses
- Total equity of EUR 68.4m vs EUR 42.8m in Q4 23
 - Equity ratio 54% (44%)
- Total borrowings EUR 19.6m (16.7m)

Balance sheet

(EUR million, unaudited)

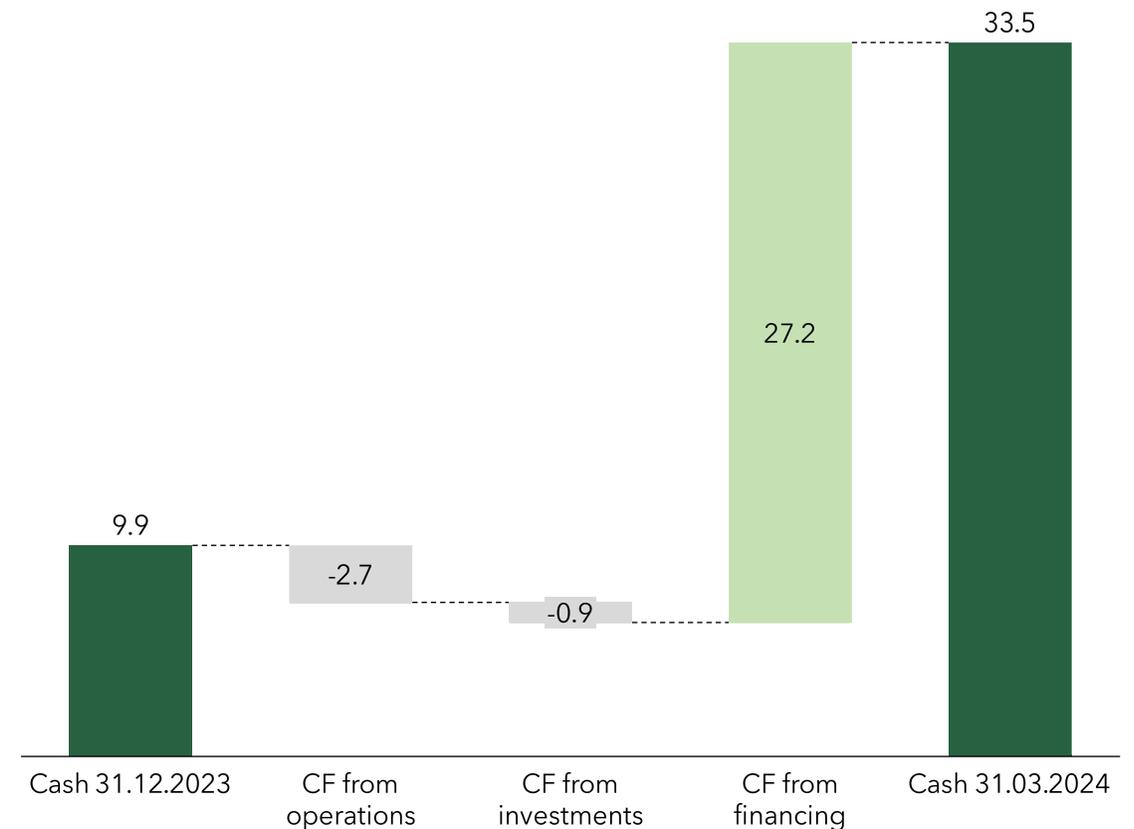


* Unaudited figures. 2023 financial statements are subject to audit adjustments.

Cash flow

- Cash from operating activities EUR -2.7m
 - EBITDA EUR 2.7m
 - Working capital build-up of EUR 4.8m on higher inventory and trade receivables
- Cash flow from investing activities EUR -0.9m
 - Capitalized R&D EUR -0.5m and capital expenditures EUR -0.4m
- Cash flow from financing of EUR 27.2m
 - Largely driven by private placement in March 2024

Cash flow Q1 24 (EUR million, unaudited)



* Unaudited figures. 2023 financial statements are subject to audit adjustments.



Outlook

Our journey ahead

Continue to delivering on our growth strategy

- EU Packaging and Packaging Waste Regulation (PPWR) enabling vast European market opportunity
- Securing leading market position in key new growth markets

Promising revenue outlook for 2024 and beyond

- Greece, Hungary, Romania and Ireland to drive 2024 revenues
- DRS momentum in new markets supports positive long-term outlook

Committed to 40% gross margin target

- Expect improved gross margins and operational gearing

Market share in
new markets

+30%

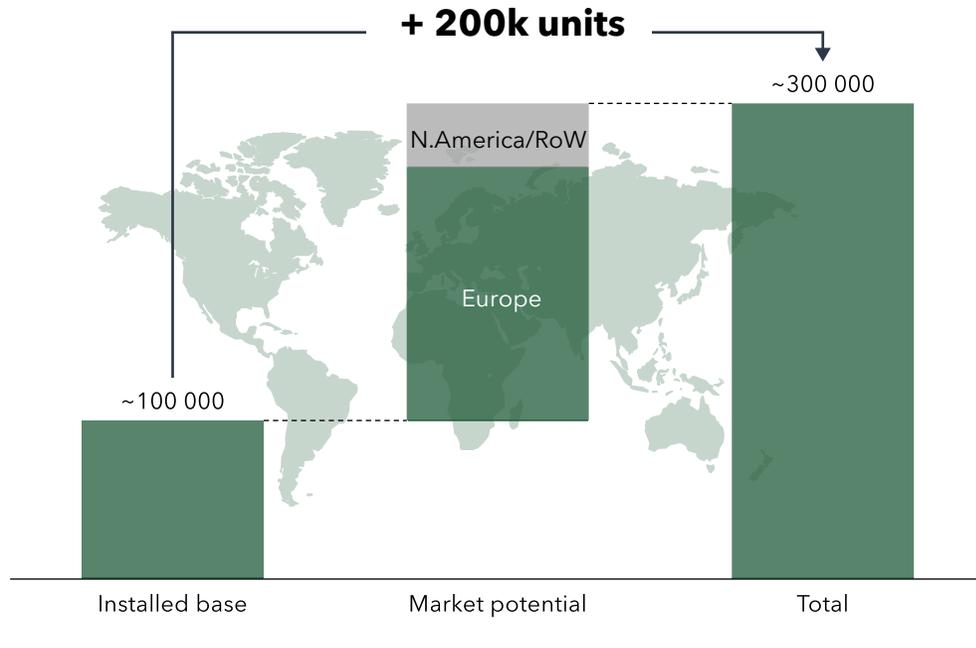
Revenue growth
2021 - 2025

4x - 6x

Gross margin

40%

Engaging a vast market opportunity



EUR 18 - 25k

Average Reverse Vending
Machine price



EU Legislation driving deposit return schemes (DRS) in all EU countries



Strong Consumer push to address plastic pollution



Beverage brand holders needing clean feedstock to put back into new packaging



Industry acknowledgment that deposit return schemes work and serves the interest of all stakeholders



Threat avoidance on PET packaging bans

EU approval of PPWR

An unprecedented market driver

- EU Parliament concluded final vote and approval of the EU Packaging and Packaging Waste Regulation (PPWR) in April 2024
- EU consequently closer to introducing DRS across the continent
- 13 of 27 EU member states yet to introduce DRS
- All member states must implement PPWR on a national level by summer 2026 given current timeline

EU Packaging and Packaging Waste Regulation (PPWR)

90%

Collection rate for plastic bottles and cans using DRS by 1 January 2029*

25%

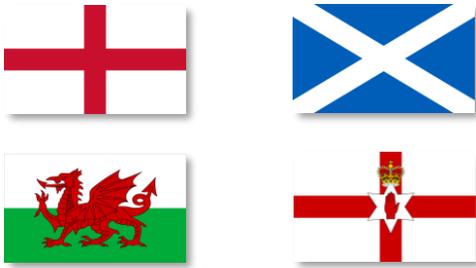
Minimum recycled content in PET bottles by 2025

30%

Minimum recycled content in PET bottles by 2030

Fully interoperable DRS announced across UK

DRS formally announced



Joint policy statement from UK, Scotland, Wales and Northern Ireland in April 2024



Fully interoperable DRS with targeted launch date October 2027

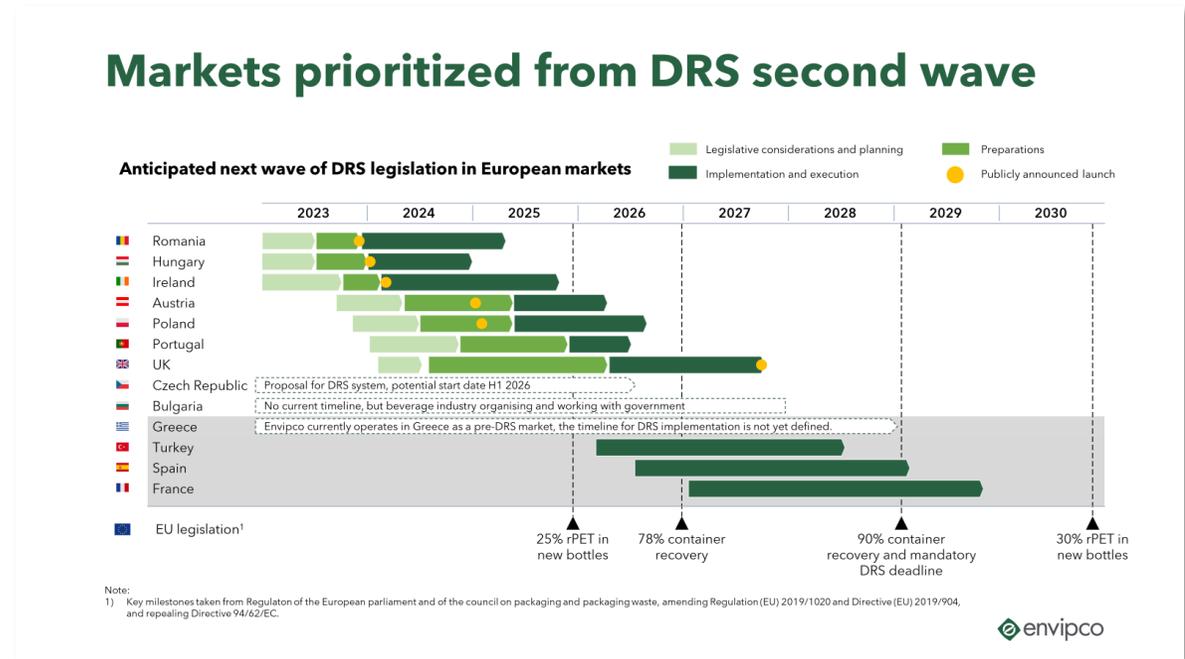
Rollout across three phases:

- 1** Deposit Management Organization (DMO) appointed
By Spring 2025
- 2** DMOs set up and employed with secured funding and key policies
By Spring 2026
- 3** Roll-out of infrastructure, systems, logistics and RVM procurement/installation
Spring 2026 through Q3 2027

Strategic focus over the medium term

Investing wisely to capture wave of new market opportunities

- Focus on greenfield markets
- Profitable growth and operating leverage
- Continue to strengthen business foundations and technology offering





Q&A

Next event: August 15, 2024 – Q2 24 results

A close-up, shallow depth-of-field photograph of an industrial robotic assembly line. The focus is on a grey robotic arm in the foreground, which is positioned to assemble a dark, angular metal component. The background is filled with a complex network of metal frames, pipes, and other machinery, all rendered in soft focus. The lighting is dramatic, highlighting the metallic textures and the precision of the manufacturing process.

Appendix

Profit & Loss*

in EUR thousands

	Q1 24	Q1 23	YTD 24	YTD 23
Revenues	27 436	10 408	27 436	10 408
Cost of sales	(17 831)	(6 882)	(17 872)	(6 882)
Gross Profit	9 606	3 526	9 606	3 526
Selling and distribution expenses	(1 133)	(642)	(1 133)	(642)
General and administrative expenses	(7 046)	(4 785)	(7 046)	(4 785)
Research and development expenses	(590)	(345)	(590)	(345)
Other income	229	2	229	2
Operating Results	1 065	(2 244)	1 065	(2 244)
Financial expense	(479)	(234)	(479)	(234)
Financial income	18	(0)	18	(0)
Net finance (cost) and or income	(461)	(1 044)	(461)	(1 044)
Results before tax	604	(2 478)	604	(2 478)
Income taxes	(458)	(94)	(458)	(94)
Net Results	146	(2 572)	146	(2 572)
<i>Other comprehensive income</i>				
<i>Items that will be reclassified subsequently to profit and loss</i>				
Exchange differences on translating foreign operations	687	(721)	687	(721)
Total other comprehensive income	687	(721)	687	(721)
Total comprehensive income	833	(3 293)	945	(3 293)
Profit attributable to:				
Owners of the parent	147	(2 573)	147	(2 573)
Non-controlling interests	(1)	1	(1)	1
Total Profit/(loss) for the period	146	(2 572)	146	(2 572)
Total comprehensive income attributable to:				
Owners of the parent				
Non-controlling interests	834	(3 294)	834	(3 294)
	(1)	1	(1)	1
	833	(3 293)	833	(3 293)
Number of weighted average (exclude treasury shares) shares used for calculations of EPS				
Earnings/(loss) per share for profit attributable to the ordinary equity holders of the parent during the period	57,690	46 051	57 690	46 051
- Basic (euro)	0.00	(0.06)	0.00	(0.06)

* Unaudited figures. 2023 financial statements are subject to audit adjustments.

Balance sheet*

in EUR thousands	Note	31.03.24	31.12.23	31.03.23
Assets				
Non-current assets				
Intangible assets		9 292	9 240	8 706
Property, plant and equipment		19 274	17 503	14 994
Financial assets		1 899	1 499	13
Deferred tax assets		1 973	2 338	1 937
Total non-current assets		32 439	30 580	25 650
Current assets				
Inventory		35 463	32 190	29 785
Trade and other receivables		25 022	23 654	17 046
Cash and cash equivalents		33 473	9 890	6 343
Restricted cash		-	-	340
Total current assets		93 958	65 733	53 514
Total assets		126 397	96 314	79 165

in EUR thousands	Note	31.03.24	31.12.23	31.03.23
Equity				
Share capital		2 885	2 585	2 303
Share premium		95 504	71 022	71 606
Translation reserves		5 197	4 510	4 870
Legal reserves		7 732	7 725	7 422
Retained earnings		(42 945)	(43 092)	(47 084)
Equity attributable to owners of the parent		68 372	42 748	39 117
Non-controlling interests		45	45	44
Total equity		68 416	42 794	39 161
Liabilities				
Non-current liabilities				
Borrowings		13 500	9 312	10 631
Lease liabilities		2 584	2 535	2 306
Other liabilities		182	121	120
Deferred tax liability		48	50	-
Total non-current liabilities		16 314	12 018	13 057
Current liabilities				
Borrowings		6 072	7 363	1 961
Trade creditors		20 079	15 850	9 989
Accrued expenses		9 014	10 802	11 807
Provisions		2 325	1 952	371
Lease liabilities		1 077	1 059	980
Tax and social security		3 100	4 478	1 839
Total current liabilities		41 667	41 502	26 947
Total liabilities		57 981	53 520	40 004
Total equity and liabilities		126 397	96 314	79 165

* Unaudited figures. 2023 financial statements are subject to audit adjustments.

Cash Flow Statement*

in EUR thousands	Note	Q1 24	Q1 23	YTD 24	YTD 23
Cashflow from operating activities					
Operating results		1 065	(2 244)	1 065	(2 244)
Adjustment for:					
Depreciation & Amortization		1 676	1 378	1 676	1 378
Changes in:					
Changes in trade and other receivables		(2 697)	(3 856)	(2 697)	(3 856)
Changes in inventories		(2 367)	(6 380)	(2 367)	(6 380)
Changes in provisions		361	(303)	361	(303)
Changes in trade and other payables		(135)	(9 810)	(135)	(9 810)
Cash generated from operations		(2 098)	(21 215)	(2 098)	(21 215)
Interest received and paid		(482)	(238)	(482)	(238)
Income taxes paid		(92)	(94)	(92)	(94)
Net cash flow from operating activities		(2 672)	(21 546)	(2 672)	(21 546)
Investing activities					
Development expenditure, patents		(519)	(419)	(519)	(419)
Investments in property, plant & equipment		(423)	(334)	(423)	(334)
Net cash flow used in investing activities		(942)	(753)	(942)	(753)
Financial activities					
Proceeds of share issue		24 789	14 514	24 789	14 514
Changes in borrowings - proceeds		2 960	-	2 960	-
Changes in borrowings - repayments		(226)	(1 717)	(226)	(1 717)
Changes in lease liabilities		(347)	(266)	(347)	(266)
Net cash flow from financing activities		27 175	12 531	27 175	12 531
Net increase/(decrease) in cash and cash equivalents		23 561	(9 768)	23 561	(9 768)
Opening position		9 890	16 121	9 890	16 121
Foreign currency differences on cash and cash equivalents		22	(10)	22	(10)
Closing position		33 473	6 343	33 473	6 343
The closing position consists of:					
Cash and cash equivalents		33 473	6 343	33 473	6 343
Total closing balance in cash and cash equivalents		33 473	6 343	33 473	6 343

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