

Results Presentation



Q2 24

15 August 2024

Disclaimer

THIS PRESENTATION may contain forward looking statements. These statements are based on current expectations, estimates and projections of Envipco's management and information currently available to the company. Envipco cautions that such statements contain elements of risk and uncertainties that are difficult to predict and that could cause actual performance and position to differ materially from these statements. Envipco disclaims any obligation to update or revise any statements made in this presentation to reflect subsequent events or circumstances, except as required by law. Certain figures in this presentation, including financial data, have been rounded. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures which precede them.

Highlights Q2 24

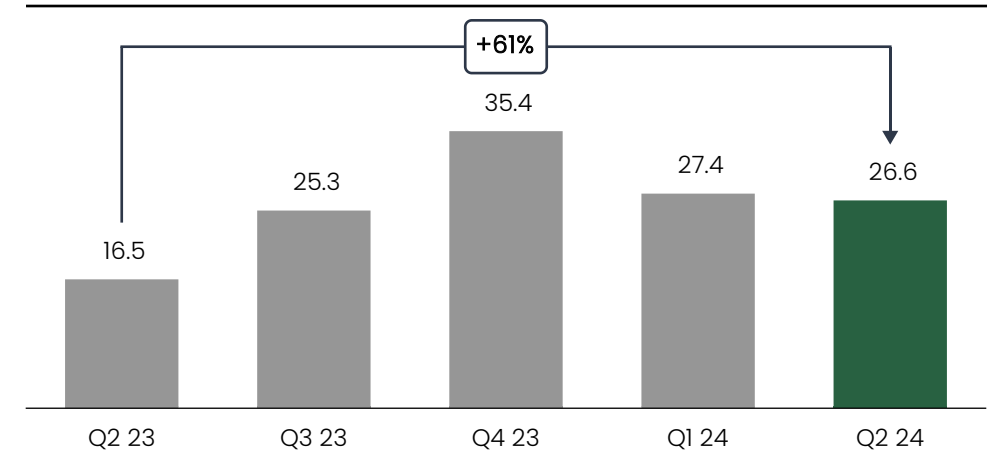
- Group revenues EUR 26.6m (+61% y/y)
- LTM revenues EUR 114.7m (+101% y/y)
- Gross margin 35.6% with gross profit EUR 9.5m
- EBITDA EUR 2.6m, 9.6% EBITDA margin
- Europe revenues +106% y/y to EUR 17.3m on advances in Hungary, Romania and Greece
- North America revenues +14% y/y to EUR 9.3m, increased RVM sales and program services

Subsequent events

- Signed supply agreement with a large retail group in Romania for more than 200 Optima RVMs for H2 24 delivery
- Acquired Sensibin Limited, advancing Envipco's position in the rapidly growing C-store segment

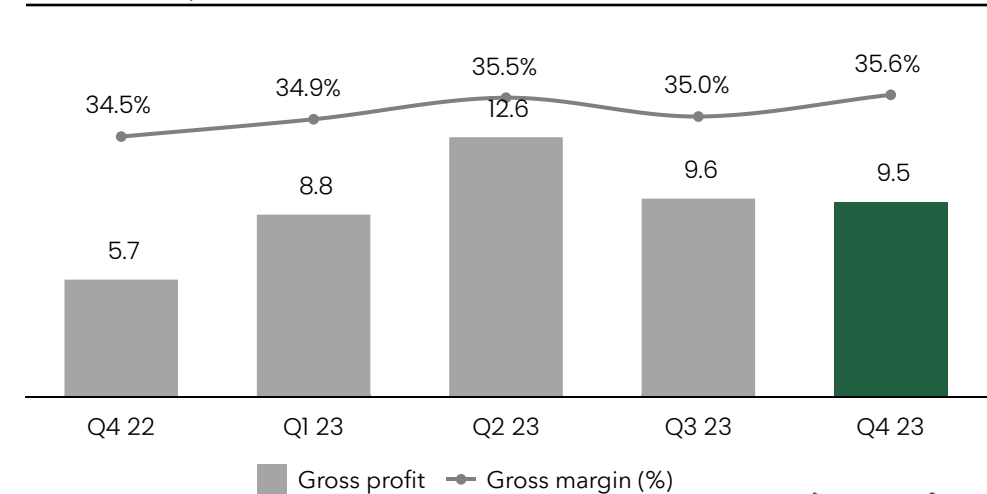
Revenue development

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 sustained profitability** with revenue tripled since 2021, economies of scale and gross margin expansion
- **Executed by a seasoned team** with extensive cross-functional experience

Building from...

EUR 114.7 million
LTM Q2 24 revenues

3.0x
revenue multiple 2021 – LTM Q2 24

35.6%
Q2 24 gross margin

...with 2025 ambition

4 – 6x
revenue growth from 2021

+30%
market share in new markets

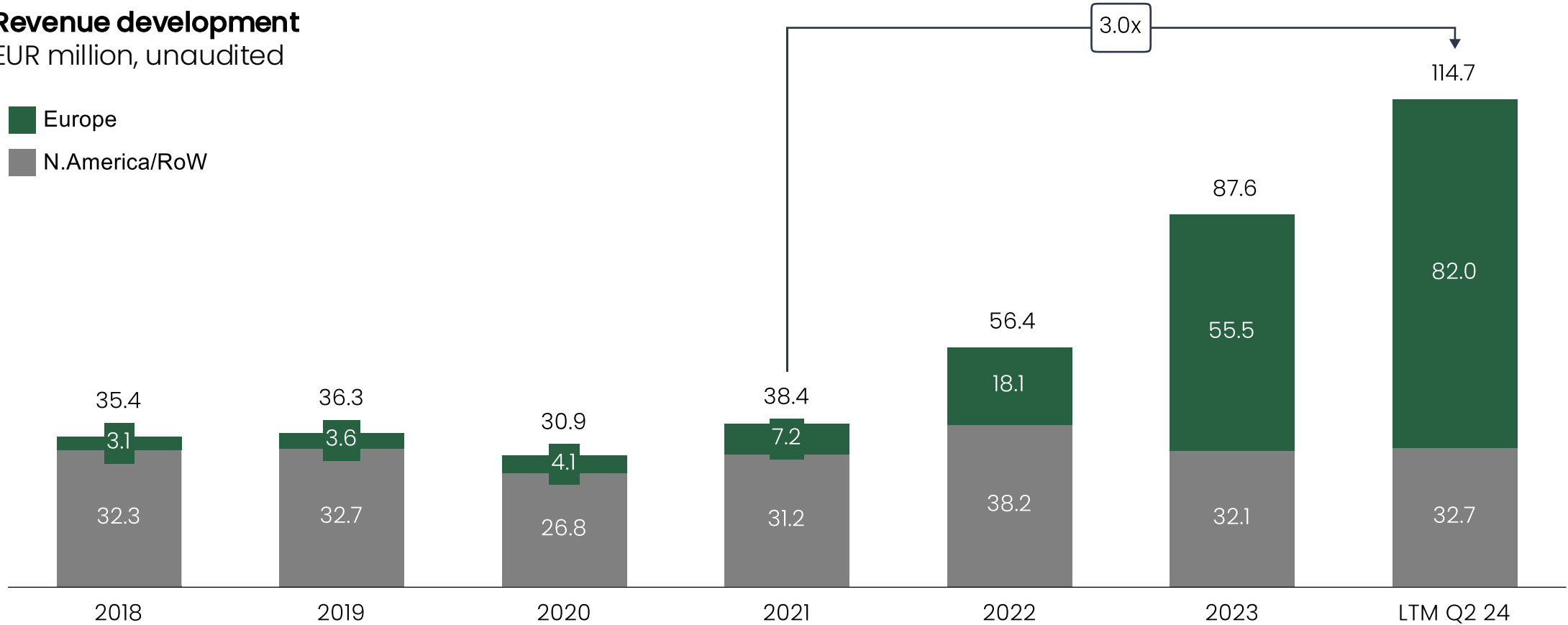
40%
gross margin

Delivering on European growth strategy

Revenue development EUR million, unaudited

■ Europe

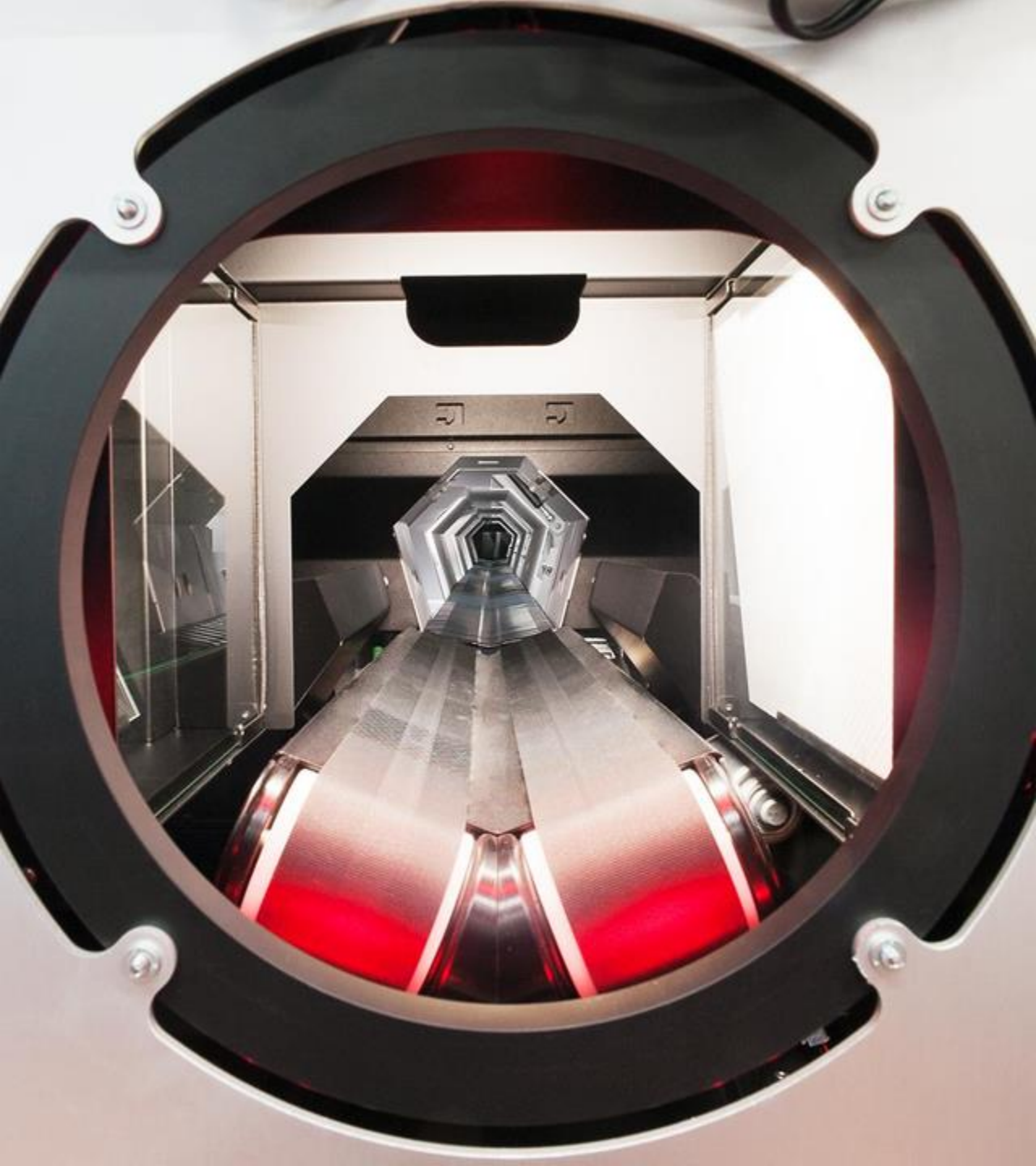
■ N.America/RoW



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

DRS second wave (EU)

1) Gross sales.



Operational review

Operational update

North America

- US growth returning with improved RVM sales and program services
- Strong increase in redemption volumes in CT on doubling of deposit
- MA and NY legislative activity building to modernize their deposit schemes
- Exploring business activities beyond current markets

Europe

- European business profitable after a period of initial investments and sales growth
- Good progress in Romania with independent and global tier 1 retailers, municipalities next to move
- Hungary slowdown late end of Q2 24 on modest redemption volumes, pickup expected in H2 24
- Greece remains a key growth driver with strong pipeline for H2 24
- First Quantum bulk feed installed in the Netherlands, rising opportunity pipeline
- Increasing market activity in Portugal and Poland in preparation for DRS



Financial review

Delivering strong growth in existing markets

in EUR millions, unaudited	Q2 24	Q2 23	H1 24	H1 23
Revenues	26.6	16.5	54.0	26.9
- Europe	17.3	8.4	37.2	10.7
- North America & RoW	9.3	8.1	16.8	16.2
Gross Profit	9.5	5.7	19.1	9.2
Gross profit %	35.6%	34.5%	35.3%	34.2%
Operating Expenses	8.8	7.2	17.9	12.9
EBIT	0.6	(1.5)	1.7¹	(3.7)
Net profit/(loss) after taxes and minorities	(0.5)	(1.8)	(0.4) ¹	(4.4)
EBITDA	2.6	(0.1)	5.6¹	(1.0)

Q2 24

- Group revenues EUR 26.6m (+61% y/y)
- Gross margin 35.6%, up from 34.5% in Q2 23
 - Gross earnings +66% y/y to EUR 9.5m
- Operating expenses EUR 8.8m (+23% y/y)
- EBITDA EUR 2.6m (-0.1m)
 - EBITDA margin 9.6%, up from -0.5% in Q2 23

H1 24

- Group revenues +101% y/y to EUR 54.0m
- Europe revenues +248% y/y to EUR 37.2m, driven by advances in Hungary, Romania and Greece.
- Gross margin 35.3%, gross profit EUR 19.1m, +107% y/y
- EBITDA EUR 5.6m² for a margin of 10.3%

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

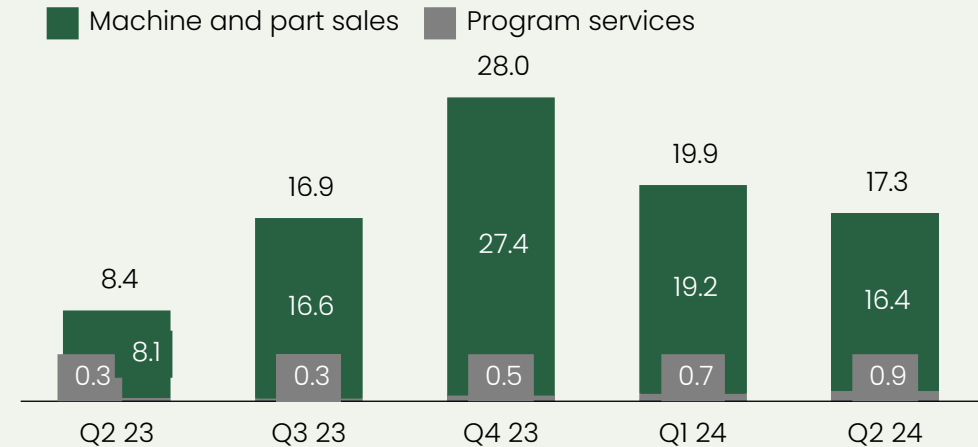
2) Q1 23 restated on IFRS 16 adjustments

Europe

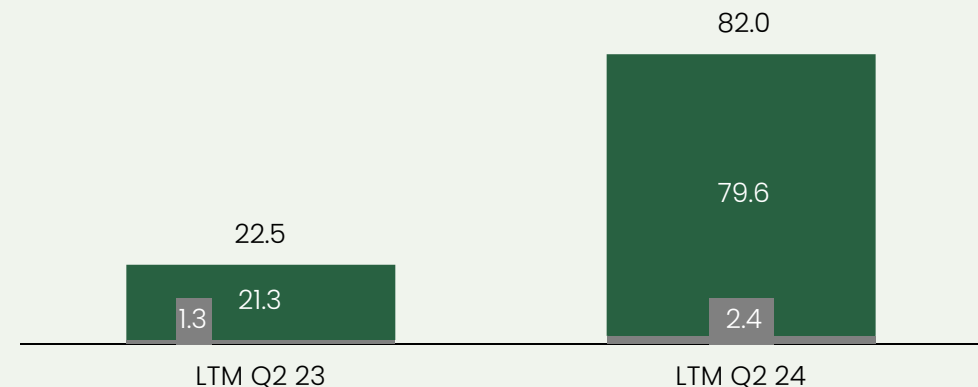
Q2 24

- Q2 revenues up 106% y/y to EUR 17.3m
- Europe comprised 65% of group revenues (51%)
- RVM sales EUR 16.4m (+103%), driven by Hungary, Romania and Greece
- Program services EUR 0.9m (+209%). Limited service revenue during DRS startup and warranty periods
- LTM revenues in Europe EUR 82.0m (+263% y/y)

Quarterly revenues (EUR million, unaudited)



LTM revenues (EUR million, unaudited)



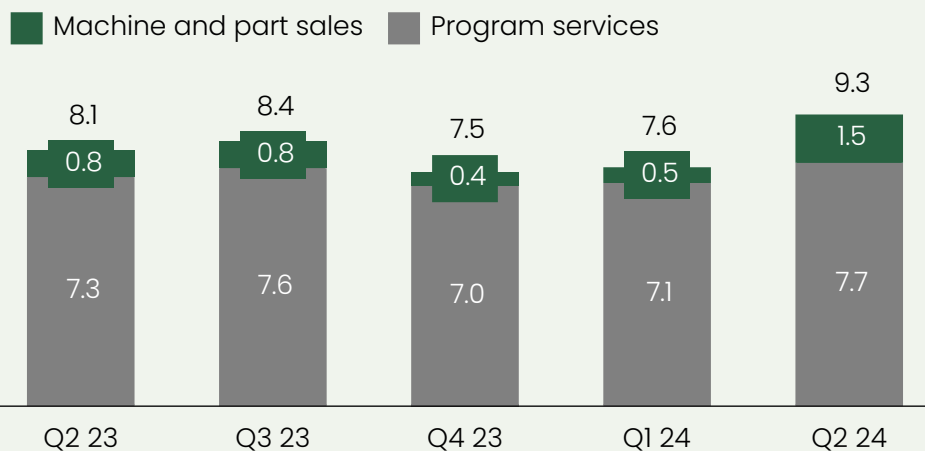
North America

Q2 24

- Revenues of EUR 9.3m (+14% y/y), turning the curve on growth trend past two years
- Program services revenues up 6% y/y to EUR 7.7m
 - Positive effects on redemption rates and collection volumes from doubling of deposit values in Connecticut
- RVM sales of EUR 1.5m, +85% y/y
 - Continued positive sales development in Oregon and incremental sales with Connecticut discount retailers

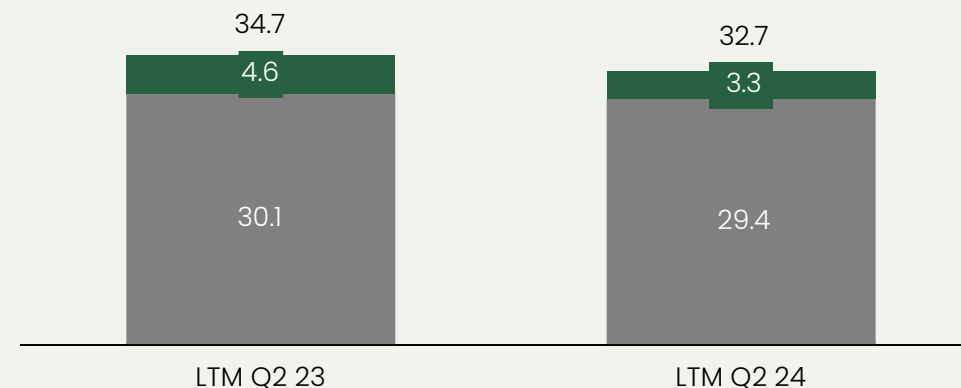
Quarterly revenues

(EUR million, unaudited)



LTM revenues

(EUR million, unaudited)



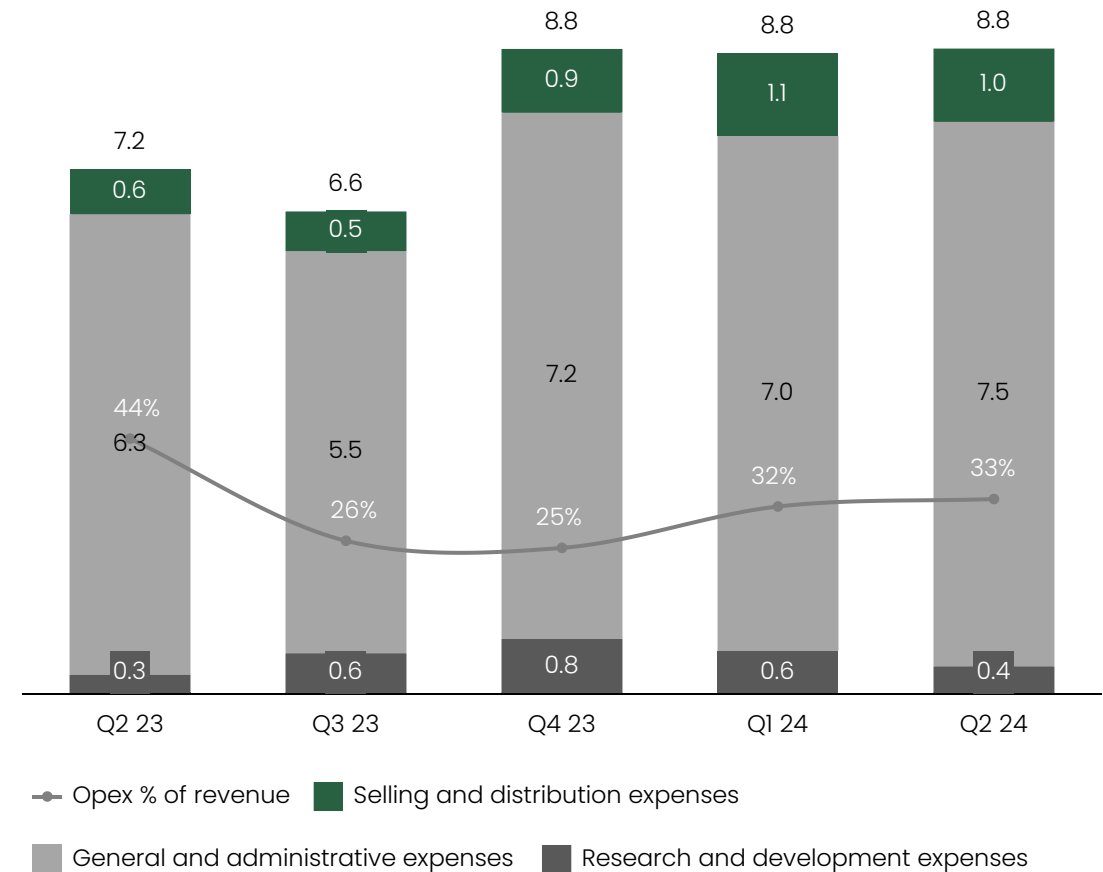
Continuing to invest in our business

Q2 24

- Operating costs up 23% y/y to EUR 8.8m in Q2 24
- G&A expenses EUR 7.5m (6.3m)
- Selling and distribution cost EUR 1.0m (0.6m)
- R&D expenses EUR 0.4m (0.3m)

- Opex as percentage of sales down to 33% from 44% in the year-earlier period
- 416 employees at end Q2 24

Operating expenses (EUR million, unaudited)



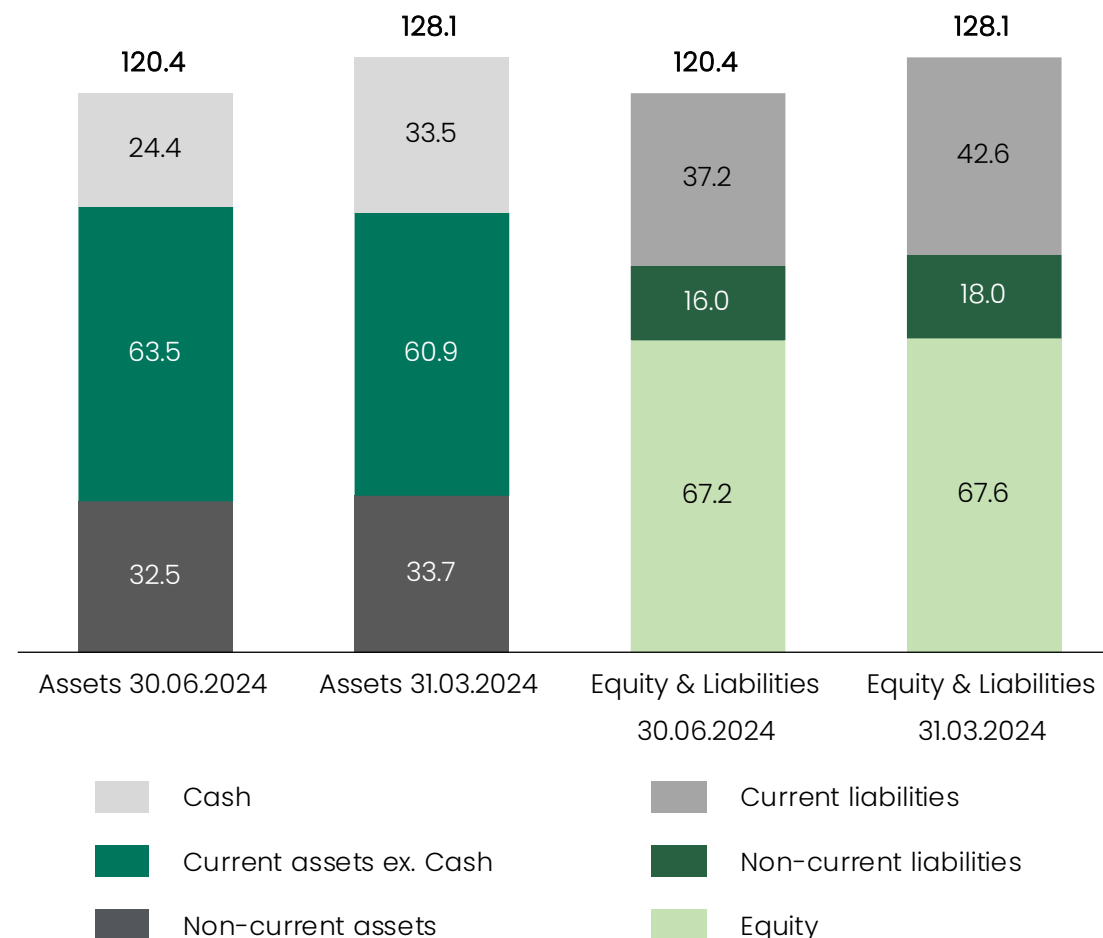
Financial position

Q2 24

- Total assets EUR 120.4m down from EUR 128.1m in Q1 24
- Non-current assets EUR 32.5m (33.7m)
 - Primarily PPE EUR 19.4m and intangible assets EUR 9.0m from activated development expenses
- Current assets EUR 87.9m (94.4m)
 - Cash balance EUR 24.4m down from EUR 33.5m in Q1 24
 - Inventories up EUR 1.9m to EUR 37.3m for continued responsiveness to key customer demands and H2 growth, trade and other receivables up 0.7m
- Total equity of EUR 67.2m vs EUR 67.6m in Q1 24
 - Equity ratio 56% (53%)
- Accounts payable EUR 15.2m, down from EUR 20.5m Q1 24
- Total borrowings EUR 19.2m (19.6m) and lease obligations EUR 3.4m (5.1m)

Balance sheet

(EUR million, unaudited)



* Unaudited figures. Q1 23 balance sheet restated according to IFRS 16 adjustments

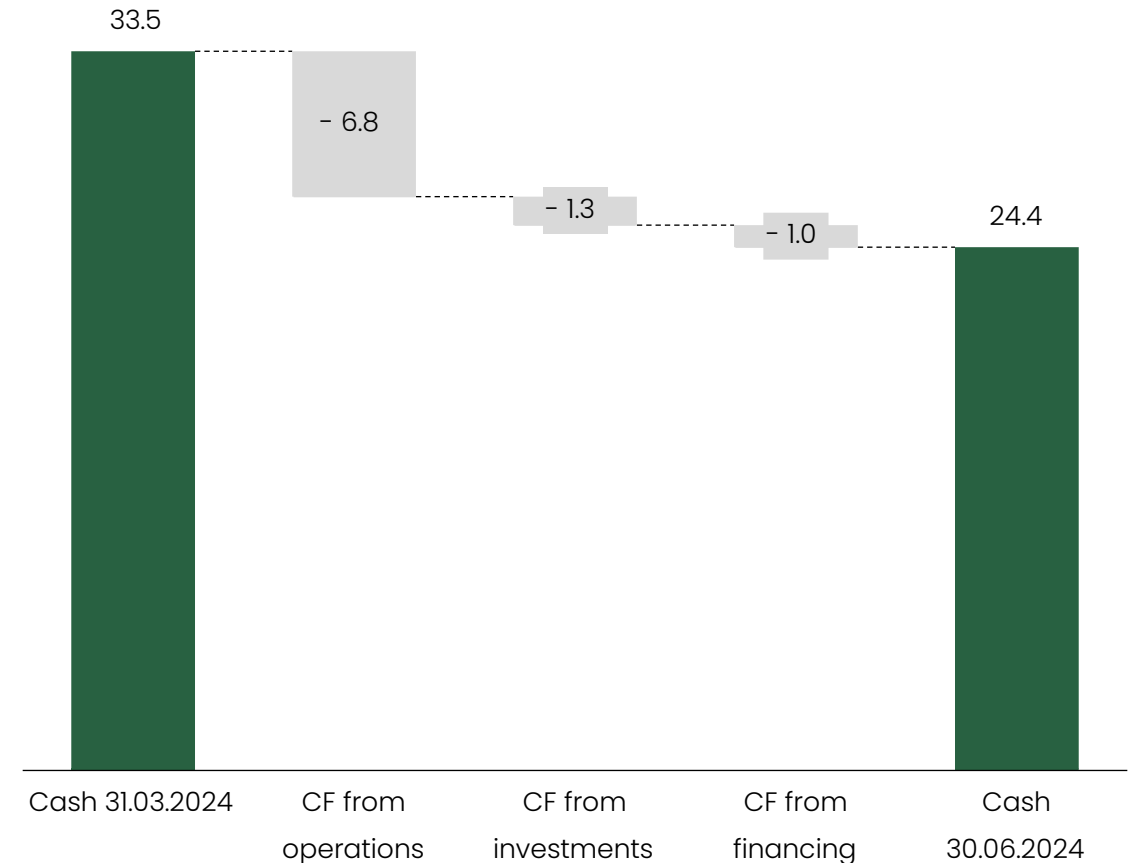
Cash flow

Q2 24

- Cash from operating activities EUR -6.8m
 - EBITDA EUR 2.6m
 - Working capital build-up of EUR 8.1m on lower trade payables and higher inventory and trade receivables
- Cash flow from investing activities EUR -1.3m
 - Capital expenditures EUR 1.1m and capitalized R&D EUR 0.2m. Capex largely RVMs for lease contracts
- Cash flow from financing of EUR -1.0m
 - Mainly from repayment of borrowings and lease liabilities
- Net change cash in Q2 24 EUR -9.1m with ending cash balance EUR 24.4m

Cash flow

(EUR million, unaudited)



* Unaudited figures.

Outlook



Our journey ahead

Continue to delivering on our growth strategy

- EU Packaging and Packaging Waste Regulation (PPWR) and UK DRS 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

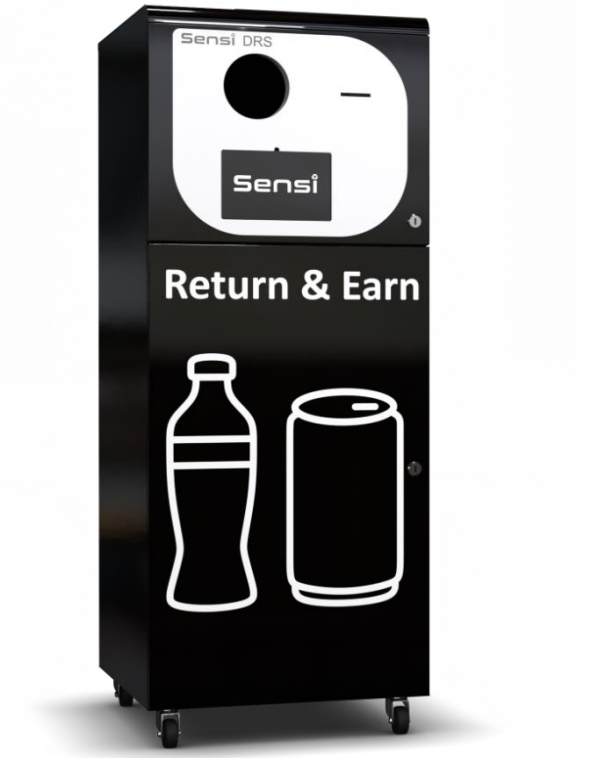
Gross margin

40%

Advancing positioning into C-store segment

Envipco acquired Sensibin Limited

- Sensibin Limited is a Dublin, Ireland-based company offering an innovative, customer friendly and cost-efficient RVM
 - Currently the lowest-cost RVM in the market with an installed base in Ireland
- A powerful addition to Envipco
 - Broadening of Envipco's portfolio and adding innovative technology
 - Advancing our position in the rapidly growing convenience store segment
 - Improving value proposition towards Tier-1 retailers
 - Envipco provides strong strategic match to broaden Sensibin market footprint
- Financial considerations
 - Mix of up-front payment (€1.5m), milestone payment (€0.5m) on new market wins, and 2-year earnout tied to gross profit contribution (up to €6m).
 - Total payment based on performance could be up to EUR 8m



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%

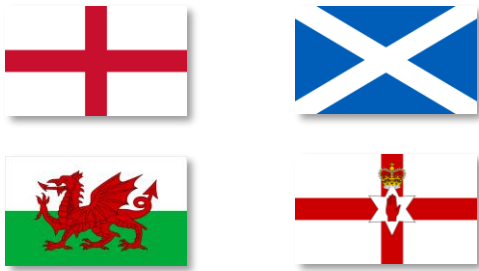
Minimum recycled content in PET bottles by 2025

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

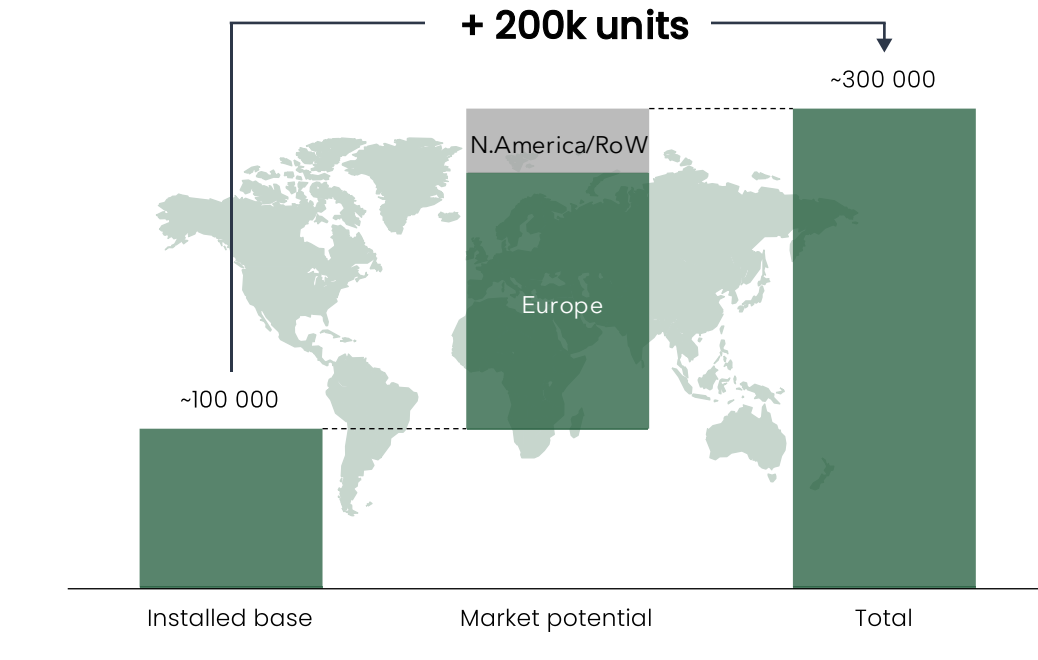


Fully interoperable DRS with targeted launch date October 2027

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

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



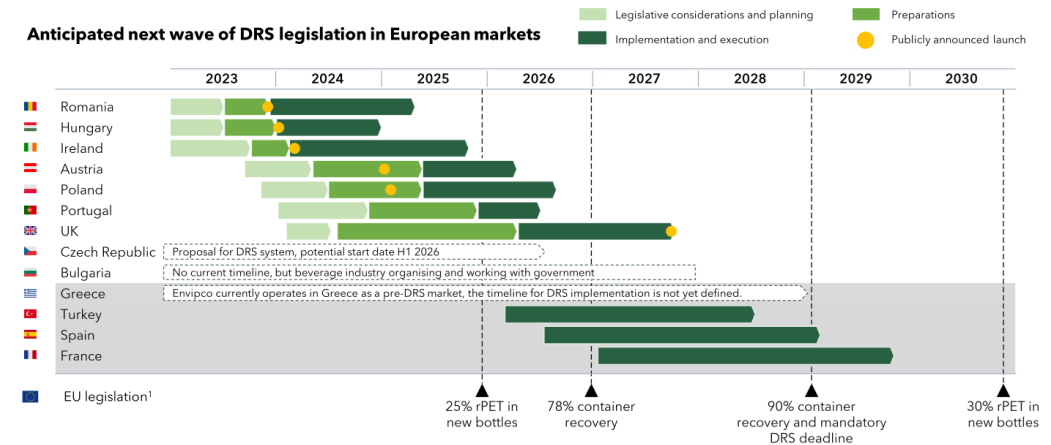
Threat avoidance on PET packaging bans

Strategic focus over the medium term

Investing wisely to capture wave of new market opportunities

- Current year focus is delivering on existing markets while positioning in new markets such as Poland and Portugal
- Focus on greenfield markets
- Profitable growth and operating leverage
- Continue to strengthen business foundations and technology offering

Markets prioritized from DRS second wave



Note:
1) Key milestones taken from Regulation of the European parliament and of the council on packaging and packaging waste, amending Regulation (EU) 2019/1020 and Directive (EU) 2019/904, and repealing Directive 94/62/EC.

Q&A

Next event:
November 21, 2024 – Q3 24 results





Contact:

investorrelations@envipco.com

For further information:

www.envipco.com/investors

Thank you

A photograph showing a collection of repurposed plastic bottles of various shapes and sizes, each filled with water and holding a bouquet of different flowers. The bottles are arranged on a reflective surface in front of a multi-story apartment building with many windows. The word "Appendix" is overlaid in white text in the center of the image.

Appendix

Profit & Loss*

in EUR thousands	Q2 24	Q2 23	Q1 24 ¹	Q1 24 ²	HI 24	HI 23
Revenues	26,569	16,477	27,436	27,436	54,005	26,885
Cost of sales	(17,112)	(10,797)	(17,814)	(17,831)	(34,926)	(17,679)
Gross Profit	9,457	5,680	9,623	9,606	19,079	9,207
Selling and distribution expenses	(999)	(607)	(1,133)	(1,133)	(2,132)	(1,249)
General and administrative expenses	(7,452)	(6,301)	(7,046)	(7,046)	(14,798)	(11,086)
Research and development expenses	(380)	(264)	(590)	(590)	(970)	(609)
Other income	17	(0)	229	229	246	1
Operating Results	642	(1,493)	1,082	1,065	1,724	(3,736)
Financial expense	(831)	(189)	(515)	(479)	(1,347)	(422)
Financial income	17	24	18	18	35	23
Net finance (cost) and or income	(814)	(1,044)	(497)	(461)	(1,311)	(399)
Results before tax	(172)	(1,658)	585	604	413	(4,135)
Income taxes	(362)	(140)	(458)	(458)	(820)	(234)
Net Results	(534)	(1,798)	127	146	(407)	(4,370)
<i>Other comprehensive income</i>						
<i>Items that will be reclassified subsequently to profit and loss</i>						
Exchange differences on translating foreign operations	163	25	707	687	869	(693)
Total other comprehensive income	163	25	707	687	869	(693)
Total comprehensive income	(371)	(1,773)	833	833	462	(5,063)
Profit attributable to:						
Owners of the parent	(532)	(1,796)	128	147	(406)	(4,374)
Non-controlling interests	(1)	(2)	(1)	(1)	(1)	4
Total Profit/(loss) for the period	(534)	(1,798)	127	146	(407)	(4,370)
Total comprehensive income attributable to:						
Owners of the parent	(370)	(1,771)	835	834	463	(5,067)
Non-controlling interests	(1)	(2)	(1)	(1)	(1)	4
Total comprehensive income	(371)	(1,773)	833	833	462	(5,063)
Number of weighted average (exclude treasury shares) shares used for calculations of EPS	57,690	51,690	53,009	53,009	55,350	51,690
Earnings/(loss) per share for profit attributable to the ordinary equity holders of the parent during the period						
- Basic (euro)	(0.01)	(0.03)	0.00	0.00	(0.01)	(0.08)

* Unaudited figures. ¹Q1 24 financials have been restated on IFRS 16 adjustments. ²Originally published Q1 24

Balance sheet*

in EUR thousands	Note	30.06.24	31.03.24 ¹	31.03.24 ²	31.12.23 ¹	30.06.23
Assets						
Non-current assets						
Intangible assets		8,954	9,222	9,292	9,170	9,309
Property, plant and equipment		19,372	20,772	19,274	16,985	15,024
Financial assets		2,315	1,899	1,899	1,499	33
Deferred tax assets		1,873	1,812	1,973	2,153	1,938
Total non-current assets		32,516	33,706	32,439	29,807	26,304
Current assets						
Inventory		37,297	35,369	35,463	32,244	34,605
Trade and other receivables		26,236	25,570	25,022	23,890	18,157
Cash and cash equivalents		24,355	33,473	33,473	12,458	7,185
Restricted cash		-	-	-	-	340
Total current assets		87,888	94,412	93,958	68,592	60,287
Total assets		120,404	128,118	126,397	98,399	86,591

in EUR thousands	Note	30.06.24	31.03.24 ¹	31.03.24 ²	31.12.23 ¹	30.06.23
Equity						
Share capital		2,885	2,885	2,885	2,585	2,585
Share premium		95,606	95,504	95,504	71,021	70,867
Translation reserves		5,379	5,217	5,197	4,510	4,898
Legal reserves		7,606	7,732	7,732	7,725	7,880
Retained earnings		(44,314)	(43,780)	(42,945)	(43,908)	(48,884)
Equity attributable to owners of the parent		67,161	67,557	68,372	41,933	37,345
Non-controlling interests		41	40	45	41	43
Total equity		67,201	67,597	68,416	41,974	37,388
Liabilities						
Non-current liabilities						
Borrowings		11,801	13,500	13,500	9,312	16,857
Lease liabilities		2,616	3,220	2,584	2,222	2,244
Other liabilities		819	436	182	375	120
Provisions		705	763	-	549	-
Deferred tax liability		49	48	48	50	-
Total non-current liabilities		15,988	17,967	16,314	12,508	19,222
Current liabilities						
Borrowings		7,398	6,072	6,072	7,363	3,456
Trade creditors		15,196	20,456	20,079	18,520	15,444
Accrued expenses		8,457	9,309	9,014	11,171	8,427
Provisions		1,401	1,588	2,325	1,429	454
Lease liabilities		1,696	1,904	1,077	830	1,026
Tax and social security		3,065	3,226	3,100	4,604	1,174
Total current liabilities		37,214	42,556	41,667	43,917	29,981
Total liabilities		53,203	60,522	57,981	56,425	49,203
Total equity and liabilities		120,404	128,119	126,397	98,399	86,591

* Unaudited figures. ¹Restated on basis of audited 2023 accounts. ²Originally published Q1 24

Cash Flow Statement*

in EUR thousands	Q2 24	Q2 23	H1 24	H1 23	Q1 24 ¹	Q1 24 ²
Cashflow from operating activities						
Operating results	642	(1,493)	1,724	(3,736)	1,082	1,065
Adjustment for:						
Depreciation & Amortization	1,919	1,407	3,864	2,785	1,945	1,676
Deferred revenue	(1,246)	-	(3,837)	-	(2,591)	-
Changes in:						
Changes in trade and other receivables	(1,710)	(1,111)	(4,397)	(4,967)	(2,686)	(2,697)
Changes in inventories	(1,689)	(4,796)	(3,961)	(11,176)	(2,273)	(2,367)
Changes in provisions	(250)	83	111	(220)	361	361
Changes in trade and other payables	(4,414)	16,506	(4,786)	6,695	(372)	(135)
Cash generated from operations	(6,748)	10,596	(11,281)	(10,619)	(4,533)	(2,098)
Interest received and paid	(12)	39	(450)	(198)	(438)	(482)
Income taxes paid	(7)	(140)	(92)	(234)	(85)	(92)
Net cash flow from operating activities	(6,766)	10,495	(11,823)	(11,052)	(5,057)	(2,672)
Investing activities						
Development expenditure, patents	(229)	(901)	(748)	(1,320)	(519)	(519)
Investments in property, plant & equipment	(1,097)	(1,158)	(1,520)	(1,491)	(423)	(423)
Net cash flow used in investing activities	(1,326)	(2,058)	(2,268)	(2,811)	(942)	(942)
Financial activities						
Proceeds of share issue	(24)	-	24,748	14,514	24,771	24,789
Changes in share lending facility		(15,000)	-	(15,000)	-	-
Changes in borrowings – proceeds	255	9,000	3,215	9,000	2,960	2,960
Changes in borrowings – repayments	(702)	(1,290)	(928)	(1,369)	(226)	(226)
Changes in shareholder loan	-	-	-	(1,638)	-	-
Changes in lease liabilities	(530)	(296)	(1,042)	(562)	(512)	(347)
Net cash flow from financing activities	(1,001)	(7,586)	25,991	4,945	26,993	27,175
Net increase/(decrease) in cash and cash equivalents	(9,094)	851	11,900	(8,917)	20,994	23,561
Opening position	33,473	6,343	12,458	16 121	12,458	9,890
Foreign currency differences on cash and cash equivalents	(24)	(8)	(3)	(18)	21	22
Closing position	24,355	7,185	24,355	7,185	33,473	33,473
The closing position consists of:						
Cash and cash equivalents	24,355	7,185	24,355	7,185	33,473	33,473
Total closing balance in cash and cash equivalents	24,355	7,185	24,355	7,185	33,473	33,473

* Unaudited figures. ¹Restated on basis of audited 2023 accounts. ²Originally published Q1 24 report