

Envipco Holding N.V.

Interim Financial Report | Third Quarter 2023



# Envipco

Envipco is a leading recycling technology company, with more than four decades of experience delivering reverse vending machines (RVMs) and systems to leading customers operating deposit return schemes (DRS) across the world. The company holds a broad technology portfolio addressing customer needs across all segments. The company is innovative, has an agile partnership approach, broad operating experience and is a practical enabler of DRS implementation and operation. Known and recognized for its delivery, Envipco offers compelling competitive products and solutions in our chosen markets.

---

## **Addressing vast global market**

### +200k RVMs

Market potential mainly driven by European growth markets

## **Current presence in**

### 14 markets

with rapid expansion in Europe from strong foothold in North America

## **YTD 23 revenue**

### EUR 52.2 million

currently at the inflection point for revenue growth with YoY growth of 21%

## **Organizational capacity**

### 380 employees

globally, an organisation well positioned to drive ambitious growth plans



## Q3 23 Highlights - Strong growth and financial performance

- Record group revenues of EUR 25.3m, up 49% from the same quarter last year
- Delivering on European growth strategy with record revenues of EUR 16.9m (+133%) driven by growth in existing markets and initial revenues from Hungary and Romania
- Greece building momentum with 72 recycling centers delivered in Q3 and 140+ delivered YTD 23.
- Gross profits up 67% y/y, on slightly wider gross margin of 34.9%
- Leveraging on operational investments, reducing operating costs share of sales to 26%, delivering record EBITDA of EUR 3.8m for a margin of 15.2%

## Subsequent Events

- Received new follow-on orders totalling a 100+ units after a successful installation of the initial 250-unit order in Romania.

## Key figures

in EUR millions	Q3 23	Q3 22	YTD 23	YTD 22	FY 2022
<b>Revenues</b>	<b>25.3</b>	<b>16.9</b>	<b>52.2</b>	<b>43.0</b>	<b>56.4</b>
- Europe	16.9	7.2	27.5	13.5	18.1
- North America <sup>2</sup>	8.4	9.7	24.6	29.5	38.2
<b>Gross Profit</b>	<b>8.8</b>	<b>5.3</b>	<b>18.0</b>	<b>14.3</b>	<b>18.5</b>
Gross profit %	34.9%	31.2%	34.5%	33.2%	32.8%
Operating Expenses	6.6	6.1	19.5	16.6	23.1
<b>OPERATING PROFIT</b>	<b>2.2</b>	<b>1.2<sup>1</sup></b>	<b>(1.5)</b>	<b>(0.4)<sup>1</sup></b>	<b>(2.7)<sup>1</sup></b>
Net profit/(loss) after taxes after minority	1.7	(0.2) <sup>1</sup>	(2.7)	(2.2) <sup>1</sup>	(4.2) <sup>1</sup>
<b>EBITDA</b>	<b>3.8</b>	<b>2.5<sup>1</sup></b>	<b>2.9</b>	<b>3.3<sup>1</sup></b>	<b>2.3<sup>1</sup></b>
Earnings/(loss) per share in €	0.03	(0.00)	(0.05)	(0.05)	(0.09)

1) Including other income 2022 of EUR 2.0 million (PPP forgiveness).

2) Includes Rest of the World (RoW).

Note: The company published on its' website ([www.envipco.com](http://www.envipco.com)) a restatement of the 22 quarterly unaudited results to take effect of audit adjustments in the appropriate 22 quarter. Comparisons to prior year quarters are to the restated/unaudited results.

## CEO comment

Q3 23 marks a step change in the growth and development of Envipco with strong financial as well as operational results. We have had a record quarter with revenue growth of 49% and 15% EBITDA margin. Yields from our new production facilities in Romania and Greece are developing well and expected to improve further.

Our significant investments in market development, partnerships, supply chain and our organization are starting to bear fruit, and I am convinced that this is the beginning of a long and prosperous development for the company.

We continue to drive significant market development and revenue growth in Greece, a market in pre-DRS stage, as a result of the agile, innovative spirits of Envipco and our distributor. Q3 23 marks the first quarter with revenues from both Hungary and Romania. These are two markets in which Envipco has invested heavily in the past two years, both in production facilities, sales and service organization, and we are very happy to start showing return on these investments.

The transformation of our business is quite evident in this report. Three years ago, 90% of our revenues were generated in the US. Our position in Europe was based on two markets, Sweden and Greece. In Q3 23 two-thirds of our revenues were generated from Europe from nine revenue-generating markets.

We are well positioned and continue to invest to add more markets in the years to come. These will drive further returns on our significant investments in recent years.

Finally, I wish to share my gratitude to our strongly committed team across the world, who are key to delivering on our strategy and working together to grow our business.



**- CEO, Simon Bolton**

# Financials

## Profit and loss

**Q3 23 revenues grew 49% y/y on strong gains in new and existing markets, gross profit was up 67% y/y on slightly wider margins, performance driving a nearly 8x y/y growth in adjusted EBITDA to EUR 3.8m.**

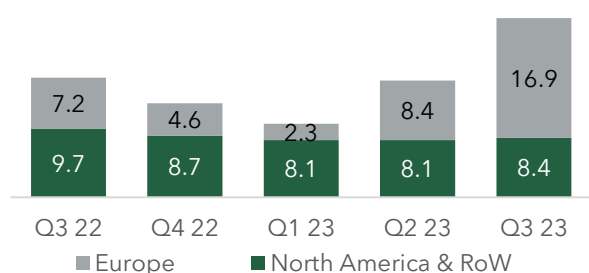
### Third quarter 23

With the entry of revenue streams from new markets Q3 23 marked the continued delivery on recent quarters' successful positioning in selected European countries. During the quarter Envipco generated record group revenues of EUR 25.3m, a y/y growth of 49% from EUR 16.9m revenues in Q3 22 and up 53% sequentially from EUR 16.5m in Q2 23.

European revenues amounted to EUR 16.9m during the quarter, comprising more than 2/3 of group revenues. Compared to the corresponding period last year, revenues from the European activities increased 133%. The strong growth was driven by a sharp increase in Greece revenues, up 351% y/y to EUR 7.9m and the introduction of revenues from Hungary and Romania of EUR 3.8m and EUR 2.9m respectively on RVM system deliveries.

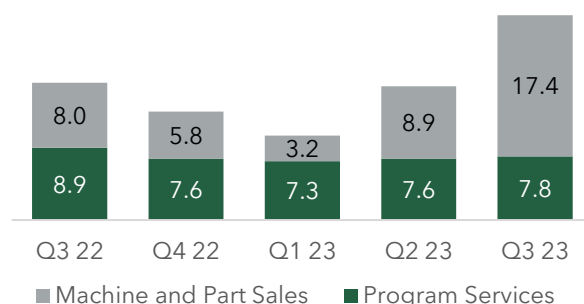
Q3 23 revenues from the North American operations were EUR 8.4m, down 13% y/y driven by lower machine sales vs. a very strong Q3 22 from Connecticut DRS expansion.

### Market revenue split (EUR million)



On a segment basis, program service revenues amounted to EUR 7.8m, down 12% y/y due to lower commodity prices, while RVM sales were up 118% to EUR 17.4m. RVM sales comprised 69% of group sales in the quarter, up from a share of 47% in the year-earlier period.

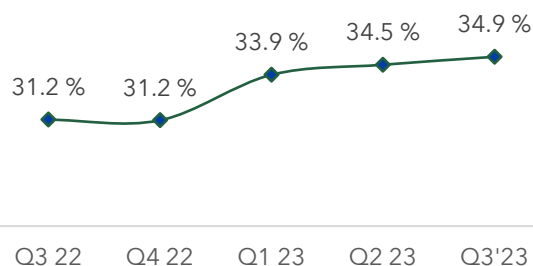
### Revenue categories (EUR million)<sup>1</sup>



1) Recurring program services include service revenue and leasing.

Gross profit was up 67% y/y and up 55% q/q to EUR 8.8m in Q3 23, corresponding to a gross margin of 34.9%. This is slightly up from 34.5% in the previous quarter and up from 31.4% in Q3 22. Positive gross margin drivers are manufacturing efficiencies. Margins are impacted by the rollout of RVM systems in Greece at lower margins being a pre-DRS market.

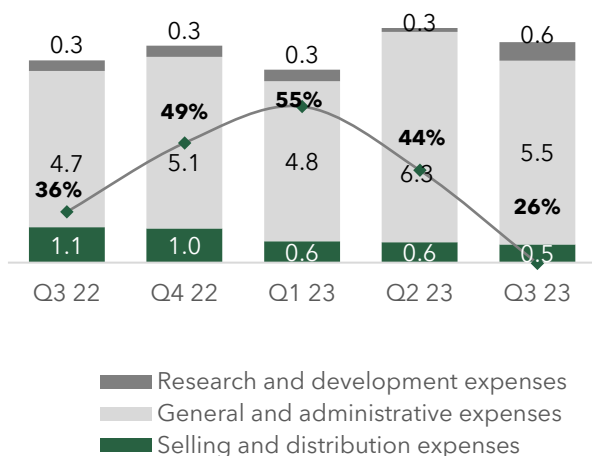
### Gross margin development (%)



Operating costs amounted to EUR 6.6m in the quarter, a y/y growth of 9% from EUR 6.1m in Q3 22, but down sequentially from EUR 7.2m in Q2 23. Operating costs in Q2 23 included non-recurring items and underlying operating costs are thus flat q/q. The introduction of activities in new markets continues to impact operating costs.

Leveraging investments in the organization, operating costs share of group revenues were reduced to 26%, down from 36% in Q3 22 and an average of 46% in the recent four quarters.

### Operating costs (EUR million)



Group EBITDA was EUR 3.8m in Q3 23, up from EUR 2.5m in Q3 22. Prior-year EBITDA includes other income of EUR 2.0m from US PPP loan forgiveness. Adjusted for this, EBITDA grew from EUR 0.5m in Q3 22 to EUR 3.8m in Q3 23. EBITDA margin was 15.2% in

Q3 23, up from an adjusted EBITDA margin of 3.0% in Q3 22.

Operating profit ended at EUR 2.2m in Q3 23, up from an adjusted operating profit of EUR -0.8m in Q3 22.

Result before tax was EUR 1.8m in Q3 23 vs reported EUR 0.2m in Q3 22. Net income at EUR 1.7m vs. reported EUR -0.2m Q3 22.

### Year-to-date (YTD) 23

Group revenues YTD 23 were EUR 52.2m, up 21% y/y from EUR 43.0m in the corresponding period last year. Key sales growth drivers YTD 23 were higher RVM sales, +55% y/y to EUR 29.5m, driven by growth in existing markets such as Greece, and initial sales in Hungary and Romania.

European sales YTD 23 were EUR 27.5m, up 104% y/y on higher RVM sales.

North American revenues were down 17% to EUR 24.6m YTD 23 driven by lower RVM sales.

Gross profit for the period increased 26% to EUR 18.0m, as gross margin widened slightly to 34.6%, up from 33.3% YTD 22.

Operating costs increased 17% YTD 23 to EUR 19.5m, with opex/sales ratio correspondingly down from 38.7% YTD 22 to 37.5% YTD 23. Organizational investments as result of geographical expansion have been significant, but the company is now reaping rewards from these investments through new wins and incremental sales.

EBITDA YTD 23 was EUR 2.9m, down from EUR 3.3m YTD 22. Adjusted for the EUR 2.0m other income (PPP forgiveness) last year the operational EBITDA increased from EUR 1.3m to EUR 2.9m. Operating profit YTD 23 ended at EUR -1.5m vs adjusted EUR -2.4m YTD 22. Results before tax YTD 23 were EUR -2.3m, with net results at EUR -2.7m. Reported results before tax YTD 22 were EUR -1.7m with net results at EUR -2.2 m.

## Balance sheet

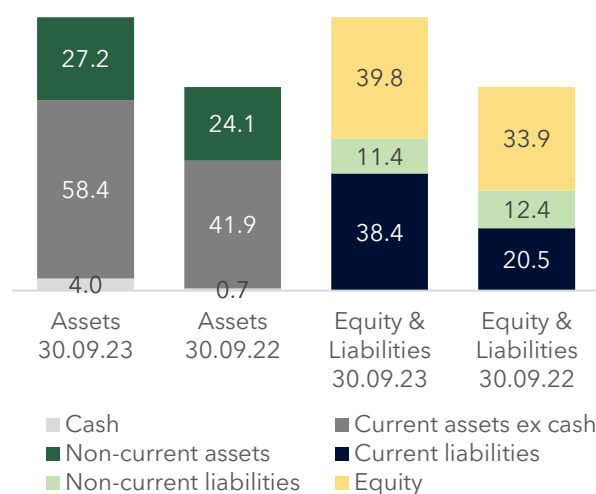
At end of Q3 23, Envipco had total assets of EUR 89.6m up from EUR 66.7m at end of Q3 22.

Non-current assets, primarily made up of PPE and intangible assets from activated development expenses, were EUR 27.2m, slightly up from EUR 24.1m at the end Q3 22.

Gross working capital increased to EUR 58.4m at the end of Q3 23, from EUR 41.9m at the end of Q3 22. The increase was mainly related to higher receivables, up to EUR 25.5m at Q3 23 from EUR 16.7m at Q3 22 on higher revenue. Q3 23 receivables were in addition lifted by a slight delay in implementation of a factoring agreement for lease sales in Romania and initial sales to Hungary late in the quarter. Inventories increased by EUR 7.6m from EUR 25.2 in Q3 22 to EUR 32.9m in Q3 23. Inventories continue to be inflated on RVMs built for the Scottish market. These units are being made ready for deployment to other markets.

Cash balances at the end of the quarter were EUR 4.0m vs EUR 0.7m end Q3 22.

## Financial position (EUR million)



Total equity amounted to EUR 39.8m, corresponding to an equity ratio of 44%. This compared to EUR 33.9m and 51% as of Q3 22.

Envipco had total borrowings of EUR 20.1m at Q3 23, a cash position of 4.0 resulting in a net debt of EUR 16.1m. In Q3 22 total borrowings were EUR 13.6m, a cash position of 0.7 mm with net debt at 12.9m. Trade creditors were EUR 13.2m at end Q3 23, up from EUR 10.3m at end Q3 22.

## Borrowings - Third Parties

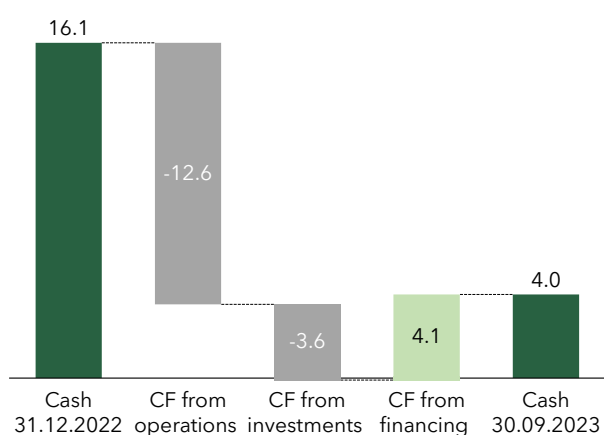
(EUR Million)	9m ended 30.09.23	9m ended 30.09.22
At beginning of period	14.5	7.1
Additions	9.0	9.1
Repayments	(3.5)	(3.7)
Translation effect	0.1	1.2
<b>At end of period</b>	<b>20.1</b>	<b>13.6</b>

## Cash flow

Cash from operating activities YTD 23 was EUR -12.6m, down from EUR -5.9m in the same period last year. A positive EBITDA of EUR 2.9m YTD 23 (3.3m YTD 22) was offset by a working capital buildup of EUR 15.5m (6.5m YTD 22) related to the higher activity level.

### Cash flow YTD 23 (EUR million)

---



Net cash flow from investment activities was EUR -3.6m during the period vs EUR -3.2m in the corresponding period last year.

Investments were split between capitalized R&D and other Capex which is mainly IT.

Net cash flow from financing activities amounted to EUR 4.1m YTD 23, down from EUR 6.8m YTD 22. The company has received proceeds from share issue of EUR 14.5m and has net repayments of EUR 9.5m in debt YTD 23. Lease liabilities have been reduced by EUR 0.9m YTD 23.

Net change in cash YTD 23 was EUR -12.1m. YTD 22 the net change in cash was EUR -2.4m.



# Markets

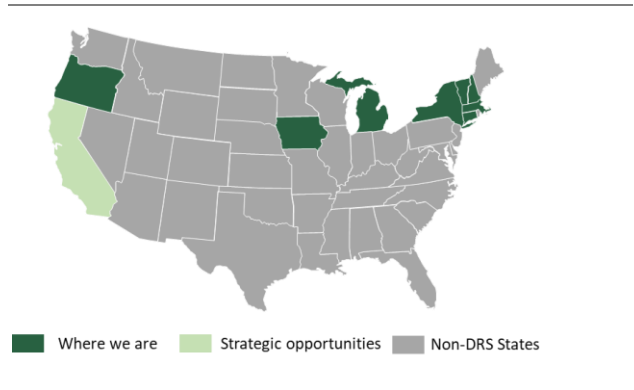
## North America & ROW

Envipco's operations in the North American market include RVM sales and lease activities, materials handling and services. The company has production facility in Connecticut. The North America core business remains strong, profitable and stable.

Program services include materials handling, lease revenues, service income and pickup & processing fees. RVM sales includes revenue from the sales of RVMs and parts.

Envipco's program services are set to expand with the doubling of Connecticut's deposit value commencing in January 2024.

The company is assessing incremental market opportunities in California. Envipco has developed RVM pilots in preparation for these opportunities. There are further potential new market opportunities arising from NY and MA legislative processes. The outcome of these processes is at current unknown, but the company expects some growth in new machine sales in the medium term.



Envipco's Australian partner is active developing collection sites in Victoria along with other Australian markets. Delays in announced orders have occurred as our partner is working through operational matters.

## Europe

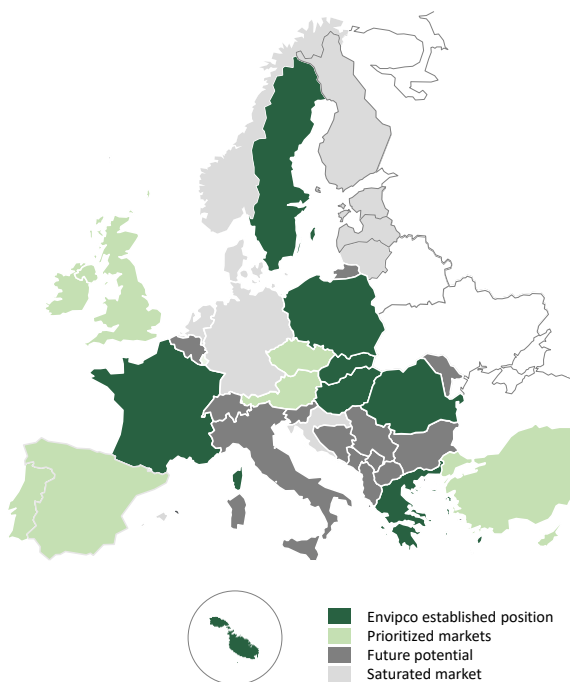
Envipco's operations in Europe comprise mainly sales of RVMs. The company has recently invested heavily in new market development and production facilities and is showing promising growth from new markets.

**Greece:** Supporting our distribution partner, Envipco has successfully delivered over 140+ recycling centres YtD, which are in the process of being rolled out across the country. Greece has not yet introduced a DRS (deposit return scheme). The project started late 2022 using recycling centres that are built around Envipco's innovative bulk-feed Quantum technology and offers a fast and convenient solution for operators and end users. Envipco expects this project to continue into 2024/25 with the potential for a significant number of additional centres to operate in the country over the coming years.

**Hungary:** Envipco is fully engaged in the roll-out of RVMs to support the Hungarian DRS with MOL Hungary (MOHU). Envipco has installed over 200 RVMs at customer locations in Hungary. Installations will ramp significantly in Q4 going into 2024.

Envipco continues to support customers and expects previously announced contracted volumes of +4,000 units to be delivered over the next two years.

**Romania:** Stakeholders in Romania continue to work towards initial launch of the country's DRS on 30 November 2023. Envipco has successfully completed installation of 250 units in the Romanian market. In addition, installation of the announced order for 30 Modula & Quantum machines has commenced. The company is engaged in the wider general retail market through direct commercial efforts with retailers and city municipalities and expects order flow to continue during 2024. Recently, Envipco secured a follow-on order from an existing customer for 100+ RVMs.



**Ireland/UK:** In Ireland Envipco is ramping commercial activities in preparation for Ireland DRS February 2024 Go-Live. Sell through of lease program with previously announced 1,000 location customer underway and technical teams fully in place.

In the UK there are no changes to the UK government announcement of its intention to pass DRS legislation in October 2025, an event with significant sale-through opportunity with our existing Scottish retailers operating in the rest of the UK.

**Poland:** Poland targets a launch of DRS for beverage containers in 2025. Poland, with a population of nearly 38 million represents a major market opportunity with anticipated market demand of 10-20k RVMs given the currently proposed deposit mandate. The deposit return system law has passed and has been signed off by the Polish government. The process of setting up a DRS operator is underway.

Envipco is active in the Polish market, having set up a commercial team and in process of establishing showrooms, initiating pilots and catering to commercial discussions with retailers.

**Other:** In Portugal, the consultation period of the final version of the law has been completed. The next steps are to finally publish the law and appoint a DRS operator. Portugal DRS is currently expected to go live in 2025.

The Czech Republic started early consultations on DRS law and Envipco has placed initial demos of its technology.

# Outlook

Envipco has over the last years built a significant position and backlog in new European markets. The company has communicated its strategy of capturing markets in anticipation of DRS implementation and is now seeing successful strategy execution and realization of the orderbook built in previous quarters.

The company continues to deliver sizeable wins and is anticipating continued revenue uplift in the final quarter of 2023 and beyond. Near term Greece and Hungary are expected to be key growth drivers, which together with the supplier agreement in Ireland builds increased comfort for further growth in 2024.

The gross margin is seeing sustained improvement from manufacturing efficiencies and supply chain normalization, despite being somewhat offset by the initial rollout of RVM systems through our distributor in Greece. There is potential higher-margin recurring

revenue streams in Greece following a formal DRS adoption.

With continued growth, the company expects to increase production utilization and leverage shipping efficiencies from its ramped-up production facilities in Germany and Romania over time. The company remains committed to achieving our stated gross margin targets of 40% gross margin towards the end of 2025.

Operational expenditures have largely been tied to headcount additions to build service organizations in new European markets in addition to investment in steady business developments. The company is positioned to realize revenue growth well above organizational investments going forward.

The company expects operating profit improvements combined with increased cash collections and monetization of existing RVM inventory to be sufficient to meet liquidity requirements over the coming quarters.

# Share information

The issued share capital of the Company as per 30 September 2023, amounts to EUR 2,584,519 divided into 51,690,377 shares, each having a nominal value of EUR 0.05.

The Company's authorized capital per 30 September 2023, is EUR 4,000,000 divided into 80,000,000 shares, each having a nominal value of EUR 0.05.

As per 30 September 23 the 20 largest shareholders controlled 80% of the total number of issued shares.

The Group has been notified of or is aware of the following 3% or more interests as of 30 September 2023.

## Large shareholders as per 30.09.23

<b>Name</b>	<b># of Shares</b>	<b>% share</b>
Alexandre Bouri	19 830 670	38.36 %
Gregory Garvey	7 351 980	14.22 %
Otus Capital Management	2 785 195	5.39 %
Lazard Frères Gestion	2 443 206	4.73 %
Robert Lincoln	1 722 440	3.33 %
Bhajun Gool Santchurn	1 554 800	3.01 %

## Directors' interest in the share capital of the Group as per 30.09.23

<b>Name</b>	<b># of Shares</b>	<b>% share</b>
A. Bouri	19 830 670	38.36%
G. Garvey	7 351 980	14.22%
E. Thorsen	262 500	0.51%
S. Bolton	112 074	0.22%
C. Crepet	70 000	0.14%

## Subsequent events

Envipco secured a follow-on order of 100+ RVMs in Romania in November 2023 with a large international retailer. The order follows the successful installation of the initial 250 units.

## Transactions with related parties

During the first nine months of 2023 there have not been any transactions with related parties that significantly impact the group's financial position or result for the period

# Interim financial statements (IFRS)

## Consolidated Statement of Comprehensive Income

in EUR thousands	Note	Q3 23	Q3 22	YTD 23	YTD 22	FY 22
<b>Revenues</b>		<b>25 274</b>	<b>16 942</b>	<b>52 159</b>	<b>43 018</b>	<b>56 373</b>
Cost of sales		(16 444)	(11 648)	(34 122)	(28 723)	(37 911)
<b>Gross Profit</b>		<b>8 830</b>	<b>5 294</b>	<b>18 037</b>	<b>14 294</b>	<b>18 462</b>
Selling and distribution expenses		(542)	(1 061)	(1 791)	(2 413)	(3 437)
General and administrative expenses		(5 503)	(4 675)	(16 588)	(13 210)	(18 342)
Research and development expenses		(559)	(317)	(1 168)	(1 015)	(1 351)
Other income		0	1 957	2	1 957	1 958
<b>Operating Results</b>		<b>2 228</b>	<b>1 198</b>	<b>(1 509)</b>	<b>(386)</b>	<b>(2 710)</b>
Financial expense		(460)	(1 018)	(882)	(1 345)	(1 341)
Financial income		20	(26)	44	20	97
Net finance (cost) and or income		(440)	(1 044)	(839)	(1 324)	(1 244)
<b>Results before tax</b>		<b>1 788</b>	<b>154</b>	<b>(2 348)</b>	<b>(1 710)</b>	<b>(3 954)</b>
Income taxes		(94)	(370)	(329)	(498)	(224)
<b>Net Results</b>		<b>1 694</b>	<b>(216)</b>	<b>(2 676)</b>	<b>(2 209)</b>	<b>(4 178)</b>
<i>Other comprehensive income</i>						
<i>Items that will be reclassified subsequently to profit and loss</i>						
Exchange differences on translating foreign operations		750	2 195	53	5 602	1 625
Total other comprehensive income		750	2 195	53	5 602	1 625
<b>Total comprehensive income</b>		<b>2 443</b>	<b>1 979</b>	<b>(2 623)</b>	<b>3 393</b>	<b>(2 553)</b>
<b>Profit attributable to:</b>						
Owners of the parent		1 694	(218)	(2 677)	(2 203)	(4 182)
Non-controlling interests		(1)	2	1	(6)	4
<b>Total Profit/(loss) for the period</b>		<b>1 694</b>	<b>(216)</b>	<b>(2 676)</b>	<b>(2 209)</b>	<b>(4 178)</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the parent		2 444	1 976	(2 624)	3 399	(2 556)
Non-controlling interests		(1)	2	1	(6)	4
		2 443	1 979	(2 623)	3 393	(2 553)
Number of weighted average (exclude treasury shares) shares used for calculations of EPS		51 690	46 051	51 690	46 051	46 051
Earnings/(loss) per share for profit attributable to the ordinary equity holders of the parent during the period - Basic (euro)		0.03	(0.00)	(0.05)	(0.05)	(0.09)

## Consolidated Balance Sheet

in EUR thousands	Note	30.09.23	30.09.22	31.12.22
<b>Assets</b>				
<b>Non-current assets</b>				
Development Costs Etc		7 827	-	7 575
Intangible assets		9 380	7 393	8 595
Property, plant and equipment		15 589	14 126	14 175
Financial assets		222	17	830
Deferred tax assets		1 986	2 237	2 081
Restricted cash		-	340	-
<b>Total non-current assets</b>		<b>27 176</b>	<b>24 114</b>	<b>25 681</b>
<b>Current assets</b>				
Inventory		32 876	25 182	24 114
Trade and other receivables		25 538	16 740	12 633
Cash and cash equivalents		4 008	699	16 121
Restricted cash		-	-	340
<b>Total current assets</b>		<b>62 422</b>	<b>42 622</b>	<b>53 208</b>
<b>Total assets</b>		<b>89 598</b>	<b>66 735</b>	<b>78 889</b>
<b>Equity</b>				
Share capital		2 585	2 303	2 303
Share premium		70 919	57 428	56 939
Translation reserves		5 644	8 494	5 591
Legal reserves		7 827	7 086	7 575
Retained earnings		(47 187)	(41 470)	(44 511)
<b>Equity attributable to owners of the parent</b>		<b>39 788</b>	<b>33 841</b>	<b>27 897</b>
Non-controlling interests		44	45	43
<b>Total equity</b>		<b>39 831</b>	<b>33 886</b>	<b>27 940</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Borrowings		16 544	11 157	10 930
Lease liabilities		2 313	1 104	1 233
Other liabilities		120	120	120
Deferred tax liability		-	-	50
<b>Total non-current liabilities</b>		<b>18 977</b>	<b>12 381</b>	<b>12 333</b>
<b>Current liabilities</b>				
Borrowings		3 537	2 449	3 620
Trade creditors		13 217	10 273	10 055
Share lending liability		-	-	15 000
Accrued expenses		9 024	6 360	7 458
Provisions		1 009	210	680
Lease liabilities		1 080	579	620
Tax and social security		2 922	598	1 182
<b>Total current liabilities</b>		<b>30 789</b>	<b>20 468</b>	<b>38 616</b>
<b>Total liabilities</b>		<b>49 767</b>	<b>32 849</b>	<b>50 949</b>
<b>Total equity and liabilities</b>		<b>89 598</b>	<b>66 735</b>	<b>78 889</b>



## Consolidated Cash Flow Statement

in EUR thousands	Note	YTD 23	YTD 22	FY 22
<b>Cashflow from operating activities</b>				
Operating results		(1 509)	(386)	(2 710)
Adjustment for:				
Depreciation & Amortization		4 388	3 715	4 969
PPP loan forgiveness		-	(1 948)	(1 948)
Changes in:				
Changes in trade and other receivables		(12 143)	(1 367)	807
Changes in inventories		(9 028)	(8 412)	(8 424)
Changes in provisions		327	29	499
Changes in trade and other payables		6 331	3 290	5 572
<b>Cash generated from operations</b>		<b>(11 634)</b>	<b>(5 079)</b>	<b>(1 236)</b>
Interest received and paid		(613)	(352)	(249)
Income taxes paid		(329)	(498)	(278)
<b>Net cash flow from operating activities</b>		<b>(12 576)</b>	<b>(5 928)</b>	<b>(1 763)</b>
<b>Investing activities</b>				
Development expenditure, patents		(1 555)	(1 156)	(2 462)
Investments in property, plant & equipment		(2 085)	(2 088)	(5 944)
Restricted cash (non-current)		-	-	-
<b>Net cash flow used in investing activities</b>		<b>(3 640)</b>	<b>(3 244)</b>	<b>(8 406)</b>
<b>Financial activities</b>				
Proceeds of share issue		14 514	-	-
Proceeds share lending		(15 000)	-	15 000
Changes in borrowings - proceeds		9 000	9 056	13 696
Changes in borrowings - repayments		(3 541)	(1 745)	(4 779)
Changes in lease liabilities		(858)	(514)	(648)
<b>Net cash flow from financing activities</b>		<b>4 115</b>	<b>6 798</b>	<b>23 269</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(12 100)</b>	<b>(2 375)</b>	<b>13 101</b>
Opening position		16 121	3 061	3 061
Foreign currency differences on cash and cash equivalents		(13)	13	(41)
Closing position		4 008	699	16 121
<b>The closing position consists of:</b>				
Cash and cash equivalents		4 008	699	16 121
<b>Total closing balance in cash and cash equivalents</b>		<b>4 008</b>	<b>699</b>	<b>16 121</b>

## Consolidated Statement of Changes in Equity

in EUR thousands	Share Capital	Share Premium	Translation Reserve	Legal Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
<b>Opening Balance at 1 January 23</b>	<b>2 303</b>	<b>56 939</b>	<b>5 591</b>	<b>7 575</b>	<b>(44 511)</b>	<b>27 897</b>	<b>43</b>	<b>27 940</b>
Net profit/(loss) for the period	-	-	-	-	(2 677)	(2 677)	1	(2 676)
Other comprehensive income						-		-
- Currency translation	-		53	-		53	-	53
<b>Total comprehensive income for the period ended 30 September 23</b>	<b>-</b>	<b>-</b>	<b>53</b>	<b>-</b>	<b>(2 677)</b>	<b>(2 624)</b>	<b>1</b>	<b>(2 623)</b>
Share issue	282	14 232	-	-	-	14 514	-	14 514
Legal reserve	-	(252)	-	252	-	-		-
<b>Balance at 30 September 23</b>	<b>2 585</b>	<b>70 919</b>	<b>5 644</b>	<b>7 827</b>	<b>(47 187)</b>	<b>39 788</b>	<b>44</b>	<b>39 831</b>

# Selected Explanatory Notes

## General

### Activities

Envipco Holding N.V. is a public limited liability company incorporated in accordance with the laws of The Netherlands, with its registered address at Van Asch van Wijckstraat 4, 3811 LP Amersfoort, The Netherlands.

Envipco Holding N.V. and Subsidiaries (“the Company” or “Envipco”) are engaged principally in Recycling in which it develops, manufactures, assembles, leases, sells, markets and services a line of “reverse vending machines” (RVMs) mainly in the USA and Europe.

### Basis of Preparation

The consolidated interim financial information for the full quarter ended 30 September 2023 has been prepared in accordance with IAS 34 “interim financial reporting.” The consolidated interim financial information should always be read in conjunction with the annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with IFRS 16 as endorsed by the European Union.

All financial information is reported in thousands of euros unless stated otherwise.

## Accounting Policies

Except as set out below, the accounting policies of these interim financial statements are consistent with the annual financial statements for the year ended 31 December 2022.

- Taxes on income in the period are accrued using the tax rate that would be applicable to expected total annual earnings.
- The annual impairment tests on goodwill and intangible assets with indefinite life will be carried out at the end of fiscal year 2023. Consequently, any impairment losses will only be recognised in the audited annual financial statements over the fiscal year 2023.
- These unaudited interim financial statements have not been reviewed by our auditors.

### **Envipco Holding NV**

Van Asch van Wijckstraat 4  
3811 LP Amersfoort  
The Netherlands

### **Contact:**

EnvipcoInvestorRelations@envipco.com <mailto:investorrelations@envipco.com>

[www.envipco.com](http://www.envipco.com)