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2021 SECOND QUARTER AND FIRST HALF YEAR RESULTS UNAUDITED

Highlights

	2Q 2021	2Q 2020	HY 2021	HY 2020	FY 2020
in EUR millions					
Revenues	8.21	5.84	16.56	13.64	30.82
Gross Profit	3.01	1.83	6.12	4.58	11.68
Gross profit %	37%	31%	37%	34%	38%
Operating profit/(loss)	(0.18)	(1.26)	2.54	(2.56)	(1.40)
Net profit/(loss) after taxes after minority	(0.10)	(1.37)	1.93	(3.01)	(1.72)
EBITDA*	0.93	(0.20)	4.31	(0.63)	3.55
Earnings/(loss) per share in €	(0.00)	(0.03)	0.04	(0.07)	(0.04)
Shareholders' equity	30.86	21.96	30.86	21.96	20.96

*EBITDA : Earnings before interest, taxes, depreciation and amortisation

2021 Second Quarter - Consolidated Results:

- Revenues increased 41% to €8.21m for Q2 2021 from €5.84m for Q2 2020. Currency adjusted for USD/EURO, growth was 51% driven by recovery of container throughput volumes in our North America business from a COVID impacted Q2 2020. European revenues increased by 15% on higher machine sales and service income.
- Gross profit improvement to 37% from 31% in Q2 2020, driven by higher container volume.
- EBITDA in Q2 2021 over Q2 2020 improved substantially to €0.93m (11.3% of Revenues) from a negative €(0.20m), driven by higher gross profits, controlled operating expenses and including favorable €0.22m other income from an insurance settlement.
- Share split of 1:10 executed per end of June.

2021 Half Year – Consolidated Results:

- Revenues for 1HY 2021 increased by 21% to €16.56m. Currency adjusted for USD/EURO, revenue growth was 31%
- Gross profit improvement to 37% from 34% in 1HY 2021, driven by higher container volume.
- H1 2021 includes other income of €3.59m relating to IP litigation settlement, PPP loan forgiveness and an insurance settlement.
- EBITDA improved in 1HY 2021 to €4.31m from a negative EBITDA of € (0.63m) in 1HY 2020. Excluding the other income items of €3.59m in 1HY 2021, EBITDA would have improved to €0.72m when compared to 1HY 2020
- Share issue of €8.12m and listing on Oslo Euronext Growth market.
- Second PPP loan of €1.64m received in March 2021; loan also eligible for forgiveness in late 2021/early 2022.

Financial Position:

- The Company generated €5.50m cash flow from its operating activities for 1HY 2021 versus a negative €(2.59m) for 1HY 2020. The Company had cash and cash equivalents of €10.21m at 30/06/2021 compared to €1.71m at 30/06/2020.
- The Company's net bank repayment was €1.62m for 1HY 2021 compared with a net borrowing of €5.59m on 1HY 2020. The Company received a second PPP loan during Q1 2021 of €1.64m which should also be eligible for forgiveness. The Company had unused borrowing facilities of €2.53m at 30/06/2021.
- Shareholders' equity at 30/06/2021 increased by €9.90m from 31/12/2020 based on the 1HY 2021 net profit, translation reserve and net proceeds from the new share issue completed in Q1 2021.

Other Highlights Q2:

- The Company continues to build for the future, focusing on new market development in Europe and expanding our manufacturing capabilities. Key developments this quarter include:
 - Scotland/UK/Republic of Ireland – we continue to make strong efforts in these markets. In Scotland, no official conclusion of the cross-party review has been announced regarding any potential delay. Retailers are continuing to execute RFI/RFP processes which are on-going and which we are fully engaged in. This is expected to result in further large-scale tests in Q3. In the wider UK, discussions and engagement are on-going with the industry, government and all stakeholders. In the Republic of Ireland, DRS is a focus and we are engaged, led and supported by our experienced UK team.
 - Romania – we are very active in this important market and have implemented now several municipal solutions which were presented during the 'Smart Village' showcase in June and widely communicated through national media and television. Several further retail pilots are now operational, and we expect a positive conclusion concerning the DRS law over the next months. In terms of building our footprint in the country we have secured new facilities and will be opening our expanded European Manufacturing plant in Romania in 2022.
 - Germany – the company is also reviewing plans to expand production at its German plant for Quantum product.
 - Portugal – we continue to execute on very positive pilots, demonstrations, and discussions with stakeholders in Portugal. Recently the business has added a dedicated local Business Development Manager in the country to accelerate our progress in this exciting market and start the process with RFI/RFP that are commencing.
 - Other Europe – we are building the organization to cover the emerging European opportunities and have opened Central European regional team based in Bratislava. We are active with several interesting opportunities in Southern Europe/Mediterranean.
- In addition to Europe, North America is experiencing new business opportunities tied to positive legislation developments. Legislation modernizing the Connecticut Bottle Bill was passed, which included increased handling fees, increased deposit values and added retail requirements to install RVMs.
- The General Meeting of Shareholders was held 23, June 2021 at the company's office in Amersfoort. The GMS agenda proposed changes to the Board of Directors and a 1:10 share split, which were approved and have been subsequently implemented.

"Q2 2021 clearly shows the Company's recovery and growth versus Covid affected Q2 2020. With the growing opportunities in the European markets, next to those in the US, we are aggressively building out our commercial organization, including expansion of production capacities in Romania and Germany. We remain very positive about the future."

Simon Bolton, CEO

Business Segment Review

in EUR millions	2 nd Quarter		Half Year		Full Year
	Q2-2021	Q2-2020	HY2021	HY2020	2020
Revenues	8.21	5.84	16.56	13.64	30.82
North America	6.79	4.61	13.43	12.28	26.75
Europe	1.42	1.23	2.72	1.36	4.07
ROW	-	-	0.41	-	-
Gross Profit	3.01	1.83	6.12	4.58	11.68
Gross profit %	37%	31%	37%	34%	38%
Operating expenses excluding new market development costs	3.24	2.88	6.73	6.62	12.16
New market development costs	0.18	0.22	0.45	0.52	0.92
Operating expenses	3.42	3.10	7.18	7.14	13.08
Operating profit/(loss)	(0.18)	(1.26)	2.54	(2.56)	(1.40)

North America

North America revenue improved 47% to €6.79m in Q2 2021 compared to Covid impacted €4.61m in Q2 2020.

Currency adjusted for the USD/EURO impact, the increase in North America revenue was 62%.

North Americas Q2 program services revenue increased by 52% to €6.42m compared to €4.23m in Q2 2020 mainly due to recovery in container throughput volumes.

North Americas Machine sales in Q2 2021 were on the same level as in Q2 2020.

For 1HY 2021 revenue increased 9% to €13.42m from €12.28m in 1HY 2020. On a currency adjusted basis, the increase was 19%.

Europe

In Europe revenue increased to €1.42m in Q2 2021 from €1.23m in Q2 2020. Sweden Quantum machine sales grew by 12% with service revenue increasing by 32% in Q2 2021 compared to Q2 2020.

For 1HY 2021 revenue doubled to €2.72m from €1.36m in 1HY 2020. Machine sales in 1HY 2021 improved by 108% and service revenue increased by 77% versus 1HY 2020.

ROW

ROW activities mainly include Australia. Our first shipment in two years to our Australian distribution partner, Envirobank, generated revenue of €0.41m Q1 2021 with the expectation for follow-on orders during 2021/22.

Outlook

We expect North America container throughput business to perform to at least 95% of the pre-COVID levels during the second half 2021. Our RVM machine sales are expected to perform particularly well in the second half of 2021 based on confirmed orders. The company has seen considerable pick up in legislative activity in both establishing new deposit markets and strengthening existing deposit legislation. As we move into 2022 we expect the North American business to enter a new growth mode which the company is well positioned to take benefit of.

Outlook for Europe in 2021 includes continued strong performance for our Swedish business along with orders in support of launch of the Scottish DRS. We also expect revenue potential from a number of our expanding business development markets in addition to our existing non-deposit markets.

We are confident in our strategy, our investments and our ability to execute in delivering strong growth and financial performance in the future. We have adequate financial resources to execute on our growth and development plans.

Annual General Meeting

The annual general meeting of the shareholders was held on 23 June 2021 in Amersfoort and all resolutions were approved. Minutes of the meeting have been posted on our website at www.envipco.com

Risks and Uncertainties

The 2020 annual report describes in detail certain risk categories and risk factors that could have a (negative) impact on Envipco's financial position and results. On 30 June 2021, the risk categories and risk factors were re-analyzed and it was concluded that they still apply.

Capital and Shareholding

Authorised and Issued Share Capital

The Company's authorised capital is €4,000,000 divided into 80,000,000 shares, each having a nominal value of €0.05. The issued share capital of the Company currently amounts to €2,302,564 divided into 46,051,280 Shares, each having a nominal value of €0.05. These numbers include the effects of the 1:10 share split, as executed at the end of Q2 2021.

Substantial Shareholders

The Group has been notified of or is aware of the following 3% or more interest as at 30 June 2021.

	Number of Shares	Shareholding %	Voting Rights %
Alexandre Bouri/Megatrade International SA	21,680,680	47.08	47.08
Gregory Garvey	5,676,980	12.33	12.33
Otus Capital Management Ltd	2,477,270	5.38	5.38
Lazard Freres Gestion SAS	2,225,320	4.83	4.83
Douglas Poling/GD Env LLC	2,000,000	4.34	4.34
B. Santchurn/Univest Portfolio Inc.	1,554,800	3.38	3.38

Directors' interest in the share capital of the Group is shown below:

	Number of Shares	Shareholding %	Voting Rights %
Alexandre Bouri/Megatrade International SA	21,680,680	47.08	47.08
Gregory Garvey	5,676,980	12.33	12.33
C. Crepet	70,120	0.15	0.15
D. D'Addario	804,510	1.75	1.75
Simon Bolton	82,850	0.18	0.18

Board Responsibility Statement:

The Company's Executive Board Member hereby declares that, to the best of his knowledge:

1. The mid-year financial statements for the first half of the financial year ending 31 December 2021 give a true and fair view of the assets, liabilities, financial position and the profit/(loss) of the company and its consolidated entities
2. The mid-year directors' report for the first half of the financial year ending 31 December 2021 gives a true picture of:
 - a) the most important events which have occurred in the first six months of the financial year in question and of the effect of those on the mid-year financial statements,
 - b) the most important transactions with related parties which were entered into during this period,
 - c) the main risks and uncertainties for the remaining six months of the financial year in question

Simon Bolton

CEO & Executive Board Member

The report was approved by the Board of Directors on 24 August 2021.

Board of Directors

Envipco Holding N.V.

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The Netherlands.

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Condensed Interim Consolidated Statement of Comprehensive Income

	Note	Q2 2021 Unaudited	Q2 2020 Unaudited	HY 2021 Unaudited	HY 2020 Unaudited	FY 2020
in EUR thousands						
Revenues	(3)	8,214	5,843	16,555	13,644	30,815
Cost of revenue		(5,200)	(4,010)	(10,431)	(9,068)	(19,132)
Gross Profit		3,014	1,833	6,124	4,576	11,683
Selling and distribution expenses		(193)	(372)	(472)	(1,000)	(1,071)
General and administrative expenses		(3,199)	(2,814)	(6,048)	(5,782)	(10,834)
Research and development expenses		(23)	97	(656)	(360)	(1,204)
Other income/(expenses)	(3)	220	(2)	3,595	5	30
Operating Results		(181)	(1,258)	2,543	(2,561)	(1,396)
Financial expense		(80)	(90)	(200)	(389)	(333)
Financial income		242	20	(19)	21	856
Net finance (cost) and or income		162	(70)	(219)	(368)	523
Results before tax		(19)	(1,328)	2,324	(2,929)	(873)
Income taxes		(78)	(40)	(394)	(79)	(849)
Net Results		(97)	(1,368)	1,930	(3,008)	(1,722)
Other comprehensive income						
Items that will be reclassified subsequently to profit and loss						
Exchange differences on translating foreign operations		(154)	64	595	615	(1,669)
Total other comprehensive income		(154)	64	595	615	(1,669)
Total comprehensive income		(251)	(1,304)	2,525	(2,393)	(3,391)
Profit attributable to:						
Owners of the parent						
Profit/(loss) for the period		(98)	(1,369)	1,927	(3,009)	(1,723)
Non-controlling interests						
Profit/(loss) for the period		1	1	3	1	1
Total		(97)	(1,368)	1,930	(3,008)	(1,722)
Profit/(loss) for the period						
Total comprehensive income attributable to:						
Owners of the parent		(252)	(1,305)	2,522	(2,394)	(3,392)
Non-controlling interest		1	1	3	1	1
		(251)	(1,304)	2,525	(2,393)	(3,391)
Number of shares as per June 30 2021						
used for calculations of EPS						
- Basic (euro)		46,051,280	46,051,280	46,051,280	46,051,280	46,051,280
- Diluted (euro)		46,051,280	46,051,280	46,051,280	46,051,280	46,051,280
Earnings/(loss) per share for profit attributable to the ordinary equity holders of the parent during the period						
Basic (euro)		(0.00)	(0.03)	0.04	(0.07)	(0.04)
Fully diluted (euro)		(0.00)	(0.03)	0.04	(0.07)	(0.04)

Condensed Interim Consolidated Balance Sheet

in EUR thousands	Note	HY 2021 Unaudited	HY 2020 Unaudited	FY 2020
ASSETS				
Non-current assets				
Intangible assets		7,045	6,370	6,693
Property, plant and equipment		9,385	9,318	8,973
Financial assets		132	88	115
Deferred tax assets		2,315	3,002	2,245
Total non-current assets		18,877	18,778	18,026
Current assets				
Inventory		9,144	11,614	9,006
Trade and other receivables		10,891	8,481	10,611
Cash and cash equivalents		10,208	1,711	1,109
Total current assets		30,243	21,806	20,726
Total assets		49,120	40,584	38,752
EQUITY				
Share capital		2,303	2,049	2,049
Share premium		57,818	51,464	51,085
Translation reserve		3,019	4,708	2,424
Legal reserves		6,706	5,939	6,318
Retained earnings		(38,988)	(42,200)	(40,915)
Equity attributable to owners of the parent		30,858	21,960	20,961
Non-controlling interest		36	32	33
Total equity		30,893	21,992	20,994
Liabilities				
Non-current liabilities				
Borrowings	(6)	6,156	7,108	7,271
Lease commitments		452	411	365
Other liabilities		120	120	120
Deferred tax liabilities		-	-	46
Total non-current liabilities		6,728	7,639	7,802
Current liabilities				
Borrowings	(6)	1,303	2,716	1,554
Trade creditors		5,950	4,042	4,780
Accrued expenses		3,026	3,001	2,481
Provisions		379	369	338
Lease commitments		343	373	309
Tax and social security		497	452	494
Total current liabilities		11,498	10,953	9,956
Total liabilities		18,226	18,592	17,758
Total equity and liabilities		49,120	40,584	38,752

Condensed Interim Consolidated Cash Flow Statement

	Note	HY 2021 Unaudited	HY 2020 Unaudited	FY 2020
in EUR thousands				
Cashflow from operating activities				
Operating results		2,543	(2,561)	(1,396)
Adjustment for:				
Amortisation	(3)	446	585	1,071
Depreciation	(3)	1,339	1,246	3,014
Changes in trade and other receivables		1	1,863	(651)
Changes in inventories		19	(1,022)	607
Changes in provisions		40	48	25
Changes in trade and other payables		1,702	(2,538)	(2,426)
Cash generated from operations		6,090	(2,379)	244
Interest received and paid		(200)	(129)	(299)
Income taxes (payment)/refund		(394)	(79)	(354)
Net cash flow from operating activities		5,496	(2,587)	(409)
Investing activities				
Development expenditure, patents		(801)	(916)	(1,619)
Investments in property, plant & equipment		(1,215)	(1,051)	(2,319)
Net cash flow used in investing activities		(2,016)	(1,967)	(3,938)
Financial activities				
Share issue – proceeds		7,375	-	-
Changes in borrowings – proceeds	(6)	1,606	8,198	8,807
Changes in borrowings – repayments	(6)	(3,224)	(2,613)	(3,428)
Changes in lease commitments		(202)	30	(541)
Net cash flow from financing activities		5,555	(5,615)	4,838
Net increase/(decrease) in cash and cash equivalents		9,035	(1,061)	491
Opening position		1,109	675	675
Foreign currency differences on cash and cash equivalents		64	(25)	(57)
Closing position		10,208	1,711	1,109
The closing position consists of:				
Cash and cash equivalents		10,208	1,711	1,109
Total closing balance in cash and cash equivalents		10,208	1,711	1,109

Condensed Interim Consolidated Statement of Changes in Equity

in EUR thousands	Share Capital	Share Premium	Translation Reserve	Legal Reserve	Retained Earnings	Total	Non-controlling interests	Total
Balance at 1 January 2021	2,049	51,085	2,424	6,318	(40,915)	20,961	33	20,994
Net profit/(loss) for the period	-	-	-	-	1,927	1,927	3	1,930
Other comprehensive income								
- Currency translation adjustment	-	-	595	-	-	595	-	595
Total recognised movements for the period ended 30 June 2020	-	-	595	-	1,927	2,522	3	2,525
Share issue	254	7,121	-	-	-	7,375	-	7375
Legal reserve	-	(388)	-	388	-	-	-	-
Balance at 30 June 2021	2,303	57,818	3,019	6,706	(38,988)	30,858	36	30,894

	Q2 2021 Unaudited	Q2 2020 Unaudited	HY 2021 Unaudited	HY 2020 Unaudited	FY 2020
Opening Balance	31,145	23,296	20,994	24,385	24,385
Net profit/(loss) for the period	(97)	(1,368)	1,930	(3,008)	(1,722)
Other comprehensive income:					
- Currency translation adjustment	(154)	64	595	615	(1,669)
Total recognised movements for the period	(251)	(1,304)	2,525	(2,393)	(3,391)
Share issue	-	-	7,375	-	-
Closing Balance	30,894	21,992	30,894	21,992	20,994

1. 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 Wijkstraat 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 first half ended 30 June 2021 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 2020, which have been prepared in accordance with IFRS as endorsed by the European Union.

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

2. 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 2020.

- 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 2021. Consequently, any impairment losses will only be recognised in the annual financial statements over the fiscal year 2021.
- These unaudited interim financial statements have not been reviewed by our auditors.

3. Segment Reporting

In accordance with the provisions of IFRS 8, the segments are identified based on internal reporting. The senior management board has been identified as the chief operating decision-maker. The senior management board reviews internal reporting on a periodical basis. The Group’s two segments are the RVM and Holding company functions segments:

- RVM Segment: The deposit market activities under this segment include operation of systems to redeem, collect, account for and processing of post-consumer beverage containers in the legislated environment including other related activities like sale and lease of RVMs, container data handling, management and deposit clearing functions. The non-deposit market activities under this segment include sales and market development activities for the automated recovery of used beverage containers in non-legislated environments. All of the group’s RVM related research and development activities are also included under this segment.
- Holding Segment: This comprises of all holding company activities including head office and corporate expenses.

in EUR thousands	RVM Segment	Holding Segment	Total
Segment Results – 30 June 2021			
Revenue from external customers	16,555	-	16,555
Other income / (expenses)	3,595	-	3,595
Depreciation & amortisation	1,339	446	1,785
Net profit attributable to owners of the parent	1,776	151	1,927
Segment Assets – 30 June 2021	35,338	13,782	49,120
Segment Results – 30 June 2020			
Revenue from external customers	13,644	-	13,644
Other income/(expenses)	5	-	5
Depreciation & amortisation	1,246	585	1,831
Net profit attributable to owners of the parent	(1,599)	(1,409)	(3,008)
Segment Assets – 30 June 2020	33,555	7,029	40,584

4. Other Income

The Company received a PPP loan forgiveness of €1.51m, a DPG settlement of €1.85m and sundry income of €0.23m during 1HY 2021 (1 HY 2020: €0.02m).

5. Transactions with Related Parties

There is a net loan receivable of €0.70m (2020 €0.68m) due from an affiliate under common control of the majority shareholder.

6. Borrowings – Third Parties

in EUR thousands	HY to 30/6/2021 Unaudited	HY to 30/6/2020 Unaudited
At beginning of period	8,825	4,146
Additions	1,606	8,198
Repayments	(3,224)	(2,613)
Translation effect	252	93
At end of period	7,459	9,824

7. Consolidated Cash Flow

Group generated €5.50m cash from its operating activities for the first half year 2021 (1HY 2020: negative €2.59m). Investments in tangible and intangible assets were €2.02m for the first half year 2021 (1HY 2020: €1.97m). Net repayment was €1.62m for the first half year 2021 versus a net borrowing of €5.59m in 1HY 2020.