



Company presentation

2023



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. In addition to regular Risk and Uncertainties as detailed in previous published guidance, Covid-19 impact has been reflected in reduced RVM sales in both Europe and the US. The US also experienced temporary suspension of enforcement of retailer redemption services earlier in 2020 which reduced operational volume.



This is Envipco

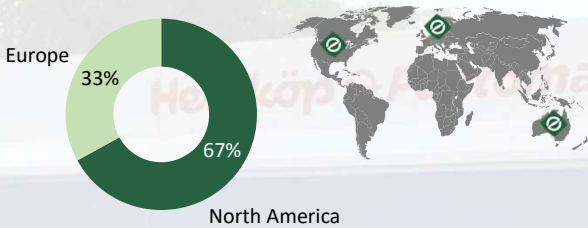
Envipco is a recycling technology company with over four decades of experience delivering reverse vending machines (RVMs) to leading customers across the world



Revenue (EURm)



Revenue distribution Q4'22



Total installed units

>8000

Selected customers



Key highlights Q4 and Full year 2022

Operations

Record year with revenues of **EUR 56.0 million (+46%)**

Q4 revenues of **EUR 12.9 million (+5%)**

Europe's revenue growth accelerating to EUR 17.8 million in 2022 (+145%)

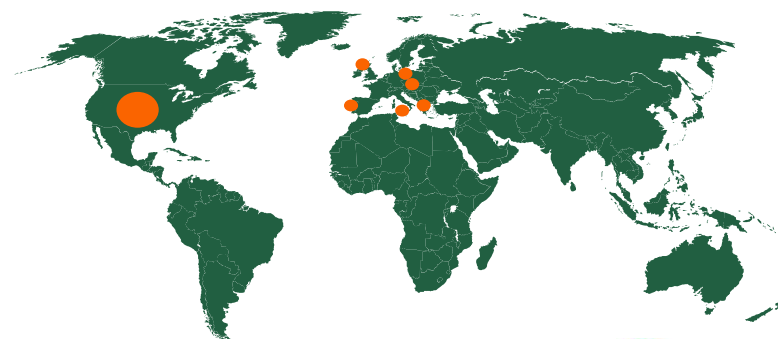
Delivery of 24 Quantum platforms to Greece in Q4'22 pre-DRS go-live

North America reaching revenue of EUR 38.2 million in 2022 (+27%) driven by growth in both Program Services and RVM Sales

EBITDA EUR 1.2 million for the full year 2022 as investments continue for future growth

First step in strengthening the balance sheet by private placement of EUR 15 million

Market highlights



Program Services volume improving with increase in installation base

Continue focus on Oregon technology sales

Positive initial legislation developments in NY and MA



Five major retailer wins to date and continued negotiations with open tenders

On track for go-live Scotland in August 2023, UK announced intention for 2025

Increased pre-DRS activity in Ireland with pilots underway



Hungary: Envipco one of the selected Technology Partners to the MOL Group, continued preparations for deliveries

Greece: Ongoing pre-DRS deliveries, planning local capacity expansion

Romania: Acceleration of activity with strong signals of late '23 Go-Live

Poland: Engaging with stakeholders, expected Go-Live early 2025



Seasoned team with extensive cross-functional experience



Simon Bolton

CEO (Since 2020 at Envipco)

- More than 25 years of business & leadership experience
- CEO of Waterlogic prior to joining Envipco
- Previously held senior management positions at General Electric and other industrial and technology companies
- Education from IMD Lausanne, Warwick University and Imperial College London



Gregory Garvey

Chairman (Since 2009 at Envipco)

- More than 25 years of industry experience
- Served as Vice Chairman of Tomra and as CEO and President of its North American division
- Formerly served on the Board of Wise Metals Group and was previously Vice Chairman of Tandberg
- Education from University of New Haven



Robert Lincoln

President and COO (Since 2010 at Envipco)

- More than 30 years of industry experience
- Oversees United States business unit
- Previous experience as president of Tomra North America
- Responsible for technology development, new market initiatives, and core business development
- Education from St. Lawrence University



Derk Visser

Group CFO (Since 2020 at Envipco)

- More than 20 years of international financial leadership
- Previously CFO of Crocs EMEA before joining Envipco
- CFO Praxis for Maxeda DIY group and CFO Staples Inc. for global high growth markets
- Education from University of Maastricht and University of Amsterdam



Terje Hanserud

CTO (Since 2014 at Envipco)

- More than 20 years of industry experience
- Responsible for R&D and support activities
- Previous experience as CTO of Tomra
- Extensive experience from technology innovation in national deposit systems and recycling machinery
- Education from the Norwegian University of Technology



Erik Thorsen

Advisor to the Board & Management (Since 2010 at Envipco)

- More than 25 years of industry experience
- CEO of Tomra ASA ('96-'05) and REC ASA ('05-'09)
- Experience as chairman of several public companies
- Held positions as board chairman and board member of, and advisor to several technology companies
- Education from University of Karlstad



Dedicated to improving recycling rates

Environment

- Develop customized programs promoting sustainability, helping beverage companies increase recovery of bottles and cans
- RVMs are essential to efficient recycling
- Envipco is constantly exploring new opportunities for greener operation (reducing carbon footprint, manufacturing with green materials, minimizing power usage)
- All products developed and manufactured according to environmental requirements
- Initiatives to move toward a zero-waste environment

Social

- Providing scholar- and internships to students pursuing environmentally-focused careers
- Providing educational tours to a broad range of stakeholders focusing on learning more about the recycling process
- Participating in programs giving workers a second chance
- Implementing initiatives to achieve a high level of employee satisfaction

Governance

- Setting the foundation of good CSR principles
- Ensuring adoption of a high code of conduct and ethics relating to all aspects of our business



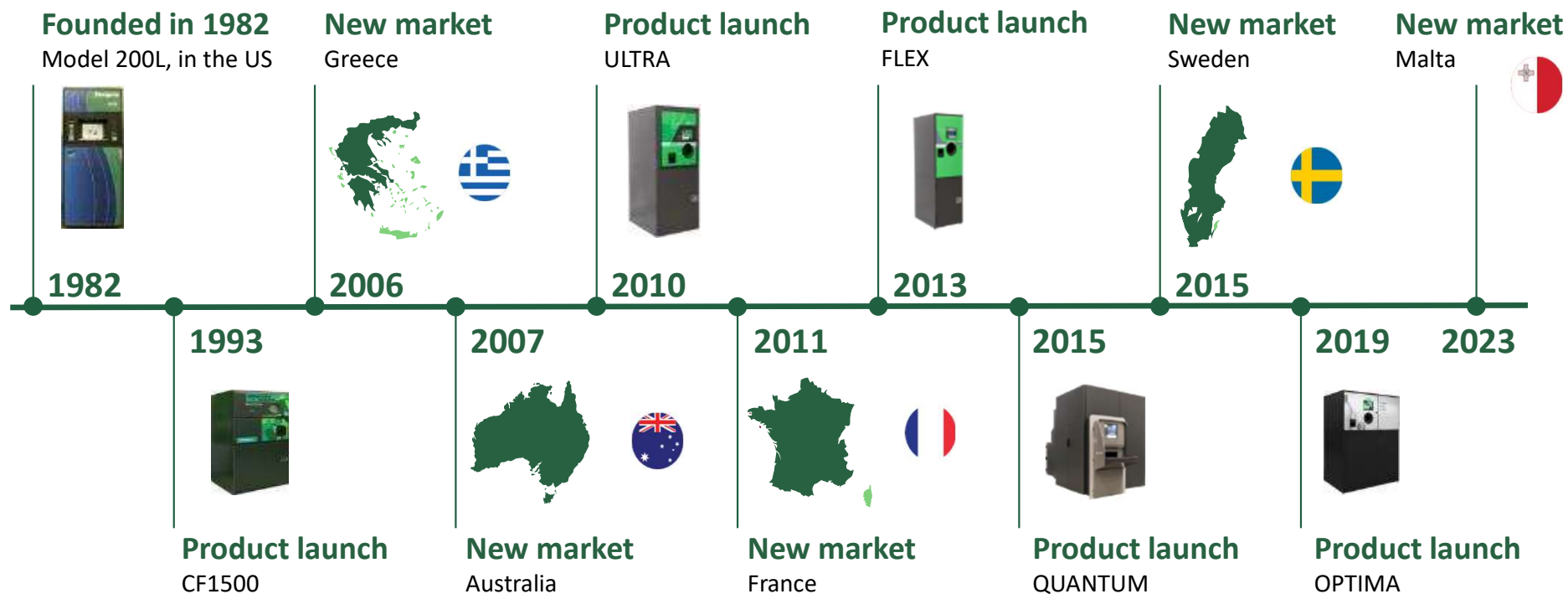
European legislation driving plastic recycling



Source: A European Strategy for Plastics in a Circular Economy; UN environment; Ocean Conservancy



Proven track record of market expansion and innovation



Loyal market leading customer base



Average tenure of the largest customers



Top ten largest customers share of revenue





Generating several revenue streams across the value chain

Capabilities across the RVM lifecycle

Developing and consulting

- Assisting in DRS design and implementation
- Experience and expertise in solution selection
- Partner throughout the buying and ownership process

Manufacturing and delivery

- R&D expertise
- Customer oriented product development
- Close to market manufacturing capacity
- Site surveys for optimal configuration
- Risk assessment & method statement
- Pre-install quality check
- Training

Operating

- Real-time system monitoring with 24/7 Service response
- Contract based or on call planned maintenance
- Experience in running Rental and Throughput ownership models

Generating revenue streams across the value chain

Machines and Parts (non-recurring)



Machine and part sales



- Sales of Reverse Vending Machines and parts for replacement
 - RVMs and Quantum machines
 - One-off sales of equipment

Program services (recurring)



Leasing



- Revenue from lease agreements
 - Fixed price or variable based on throughput (volumes)
- Service revenues during utilization



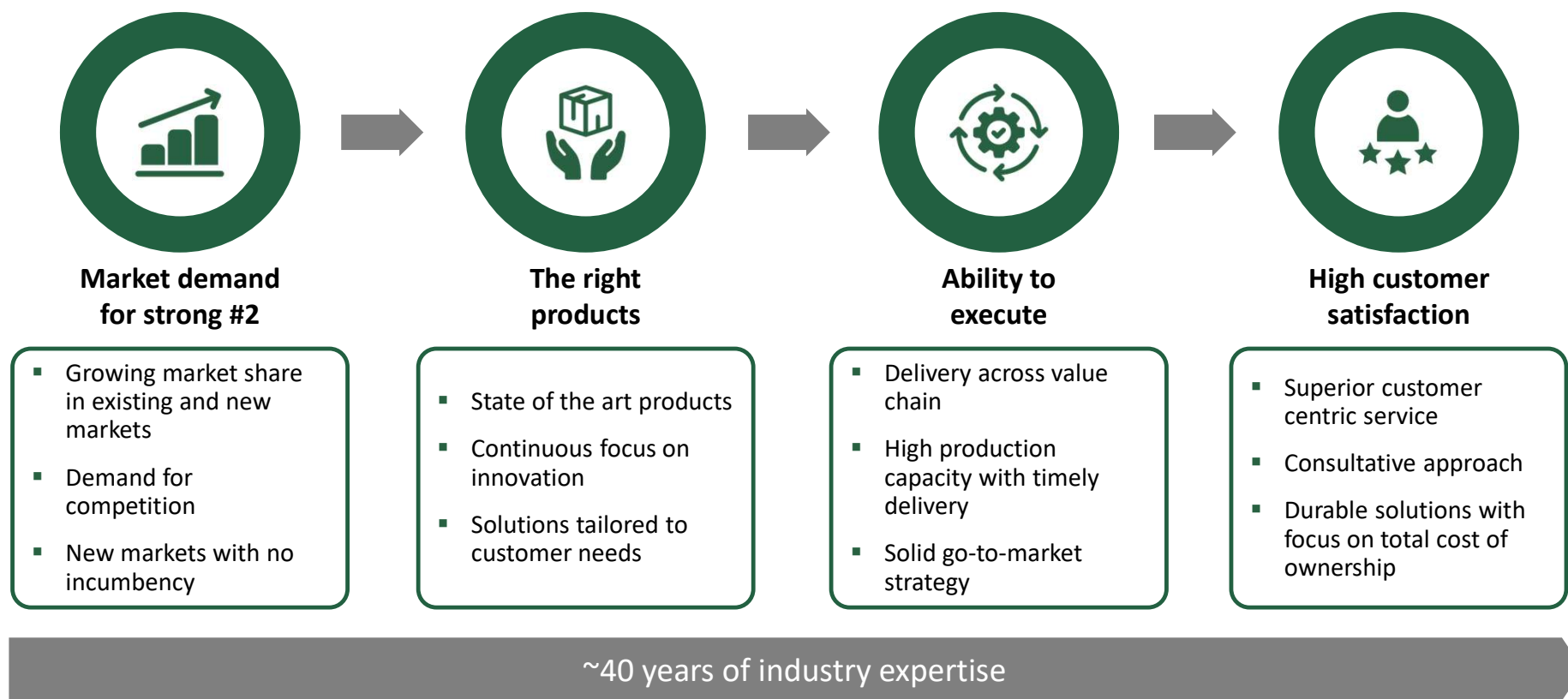
Pick-up & Processing



- Collection of bottles and cans from machine locations (leasing customers)
- Collection and sales of bottles/cans from other third-party customers











Highly competitive with ability to capture new markets














Broad and advanced technology platform to serve client needs

| Product | Key features | Target market |
|---|---|---|
|  <div>FLEX Smallest, low-cost RVM</div> | <ul style="list-style-type: none">✓ 40 containers/min✓ Small Footprint (60cm wide)✓ Glass side sort option | <ul style="list-style-type: none">✓ Convenience stores✓ Gas stations✓ Schools  |
|  <div>ULTRA Single commodity feed RVM</div> | <ul style="list-style-type: none">✓ 42 containers/min✓ Market leading compaction✓ In-store / standard size for retail | <ul style="list-style-type: none">✓ Supermarkets✓ Hypermarkets  |
|  <div>OPTIMA All-in-one commodity feed RVM</div> | <ul style="list-style-type: none">✓ 42 containers/min✓ Market leading compaction✓ Shape system✓ Camera recognition | <ul style="list-style-type: none">✓ Supermarkets✓ Hypermarkets✓ Redemption centers  |
|  <div>QUANTUM Breakthrough bulk feed RVM</div> | <ul style="list-style-type: none">✓ 100 containers/min✓ Maximum convenience✓ Deposit / Non-deposit✓ In-store / Outdoor | <ul style="list-style-type: none">✓ Large supermarkets✓ Hypermarkets✓ Recycling centers  |

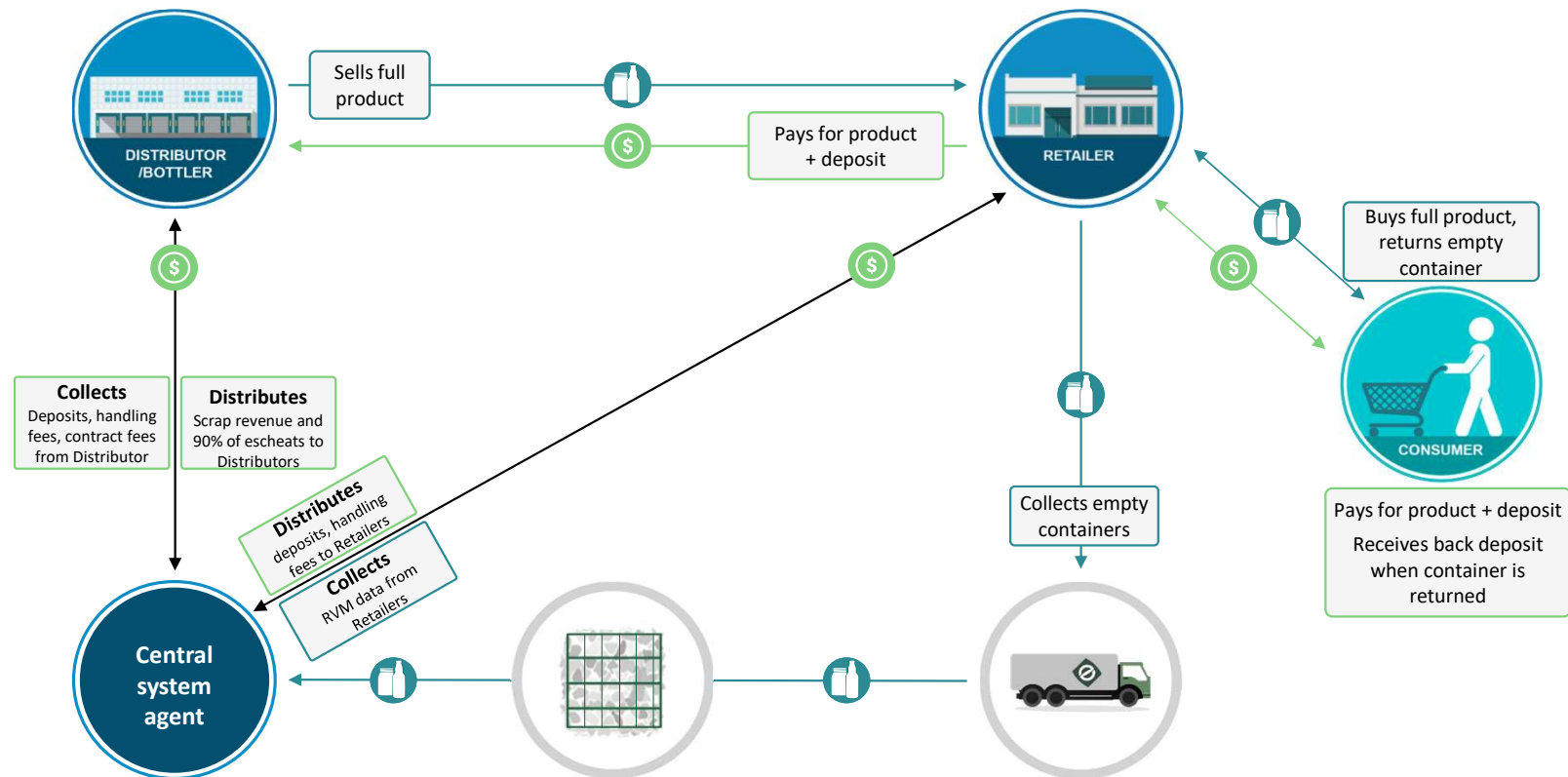
Production platform to meet future demand

| |   | |   | |   | |
|-------------------------|---|--|--|--|--|--|
| Location |  Naugatuck (CT), USA | |  Westerkappeln, Germany | |  Alba Iulia, Romania (New Plant May '22) | |
| Operations | <ul style="list-style-type: none"> Flex Ultra Optima | | <ul style="list-style-type: none"> Quantum Speciality Products | | <ul style="list-style-type: none"> Flex Ultra Sub-assemblies | |
| Capacity ⁽¹⁾ | <ul style="list-style-type: none"> ~11,000 RVMs/year 7,000 sq. meters | | <ul style="list-style-type: none"> ~200 Quantum/year 3,000 sq. meters | | <ul style="list-style-type: none"> ~8,000 RVMs/year ~20,000 sub-assemblies/year 3,000 sq. meters | |
| Terms | <ul style="list-style-type: none"> Owned | | <ul style="list-style-type: none"> Leased | | <ul style="list-style-type: none"> Leased | |
| Other | <ul style="list-style-type: none"> R&D activities Dedicated repair and refurbishment lab | | <ul style="list-style-type: none"> R&D and testing activities Support for Europe Sourcing EU parts for US | | <ul style="list-style-type: none"> Ultra and Flex sub-assemblies sourcing hub for the US Internal Quantum parts, sub-assemblies sourcing for Germany | |

Note: (1) Designed capacity

Business model driven by DRS legislation

Material and deposit flow in a Deposit Return Scheme (DRS)





Strengthening market position in North America

Key drivers for success in North America



Stable long-term agreements with leading retailers



Growth through existing customers and competitor sites



Technology innovation driving market share growth



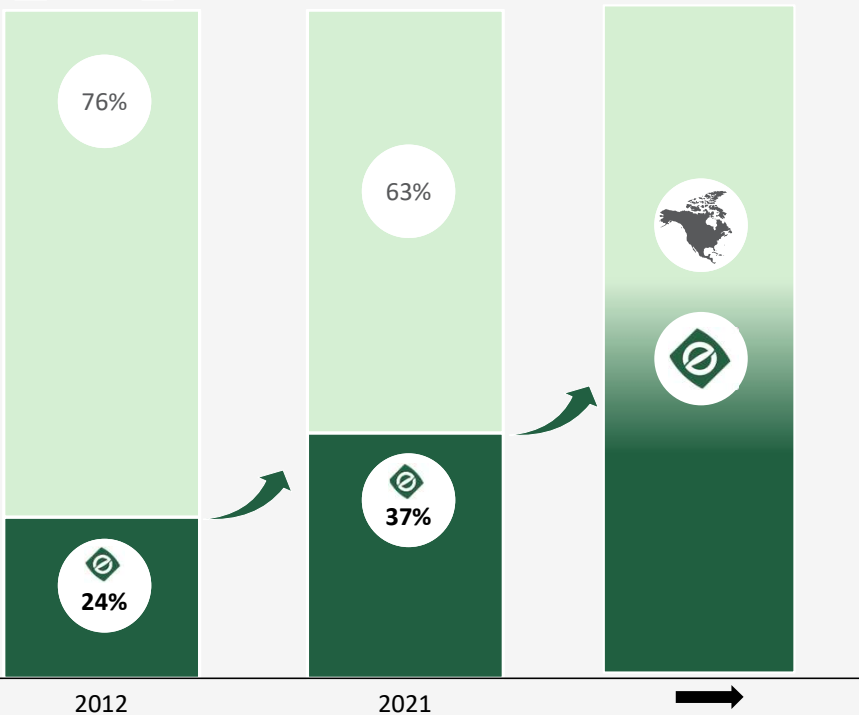
Reputation as a superior service provider with strong execution and market understanding

Source: Company estimates

Winning when going head-to-head with competitors

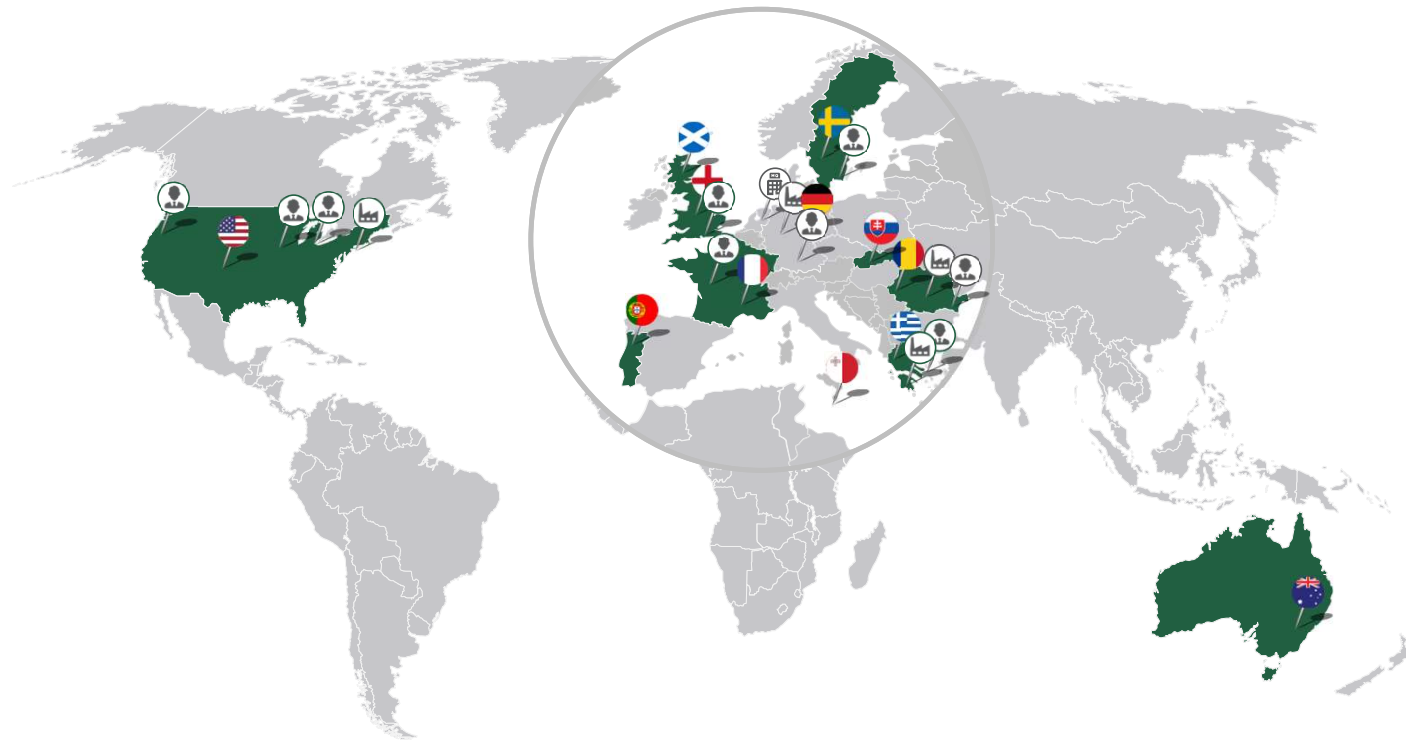
Market share development in the US as a strong #2

■ Envipco ■ Other





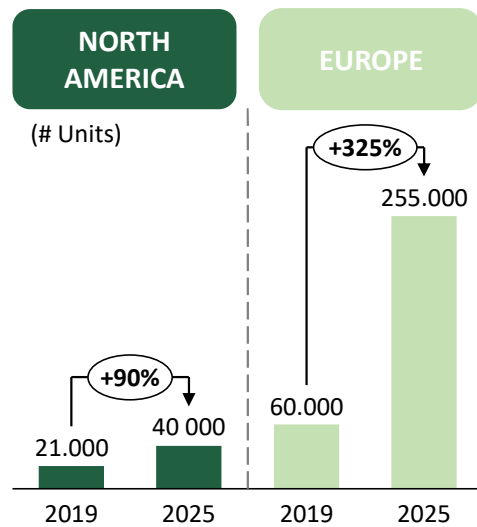
Building on US competencies to expand Global footprint



Legend

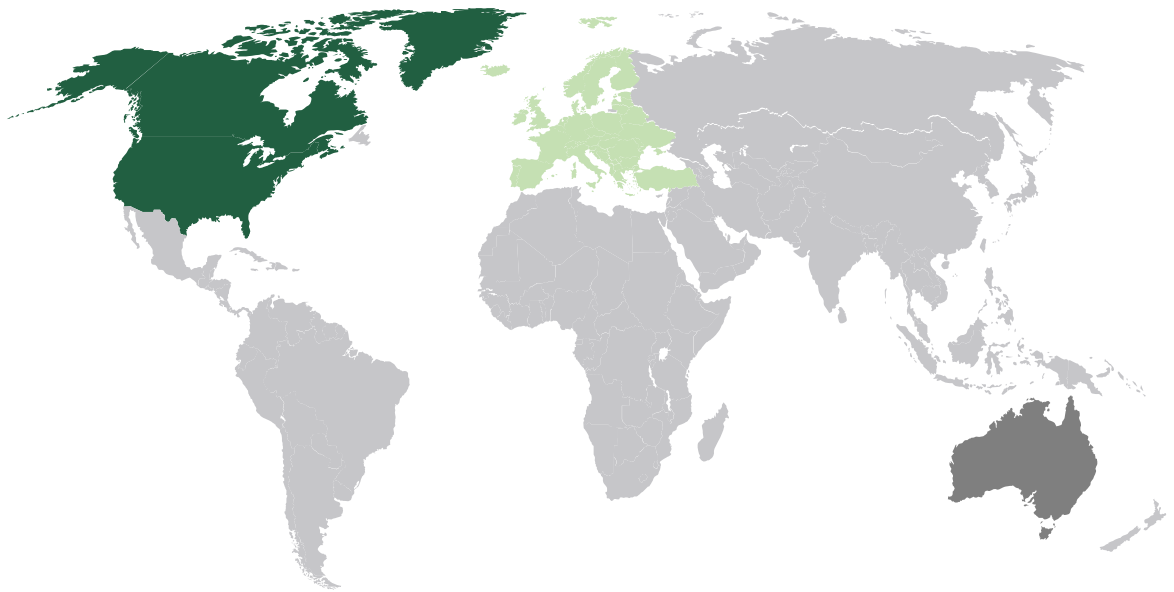
- Existing & developing markets
- Global head quarters
- Manufacturing facility
- Sales office

Expecting significant growth
in key global markets



Driven by increased awareness
and legislation

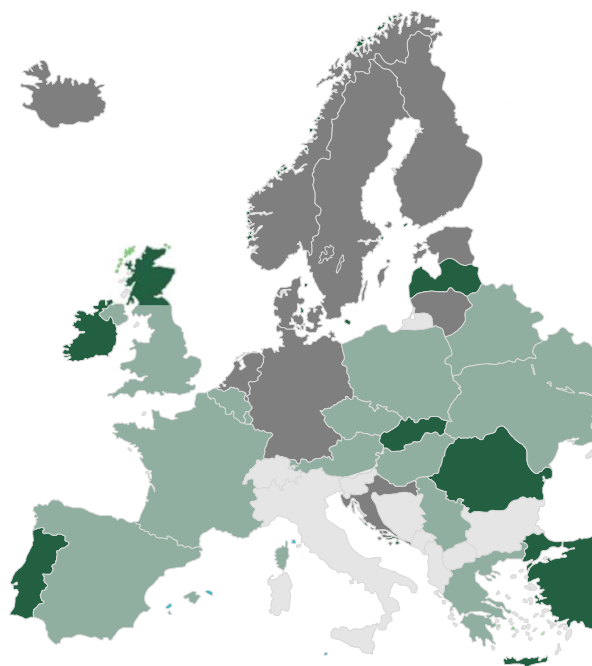
Global market growth towards
and beyond 2025





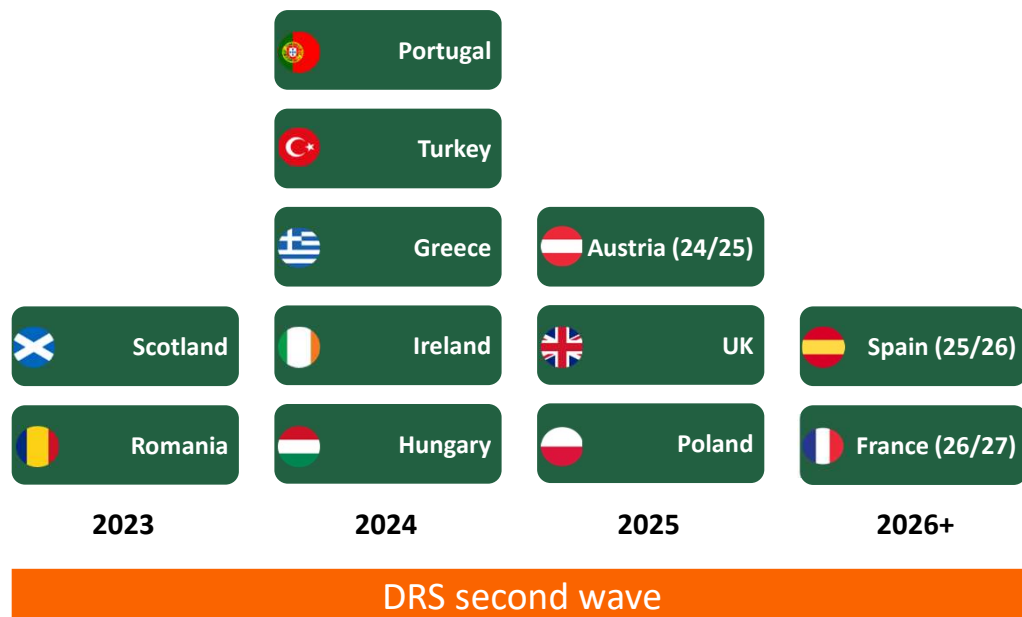
Large second wave of legislation to enter Europe

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



Sources: Reloop, European Packaging EPR Webinar (2019); Eunomia, PET Market In Europe (2020)



Proven ability to gain market share in mature European market

Key drivers for success in the Swedish market



Disruptive technology

Replacing indoor RVM setups with outside new technology Quantum shown to boost volumes between 90% to 900%



Technology agreement with system operator

Market entry supported by technology agreement with the Swedish deposit system operator Returpack⁽¹⁾



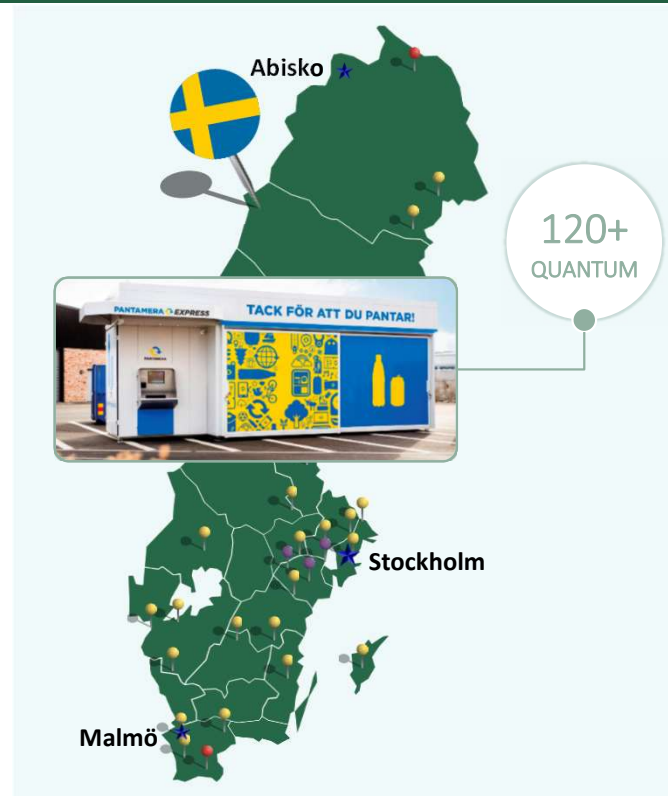
Focused sales effort

Established presence in all major retailers
Central agreement with chains that cover 75% of the market



Change agent for a mature Swedish market

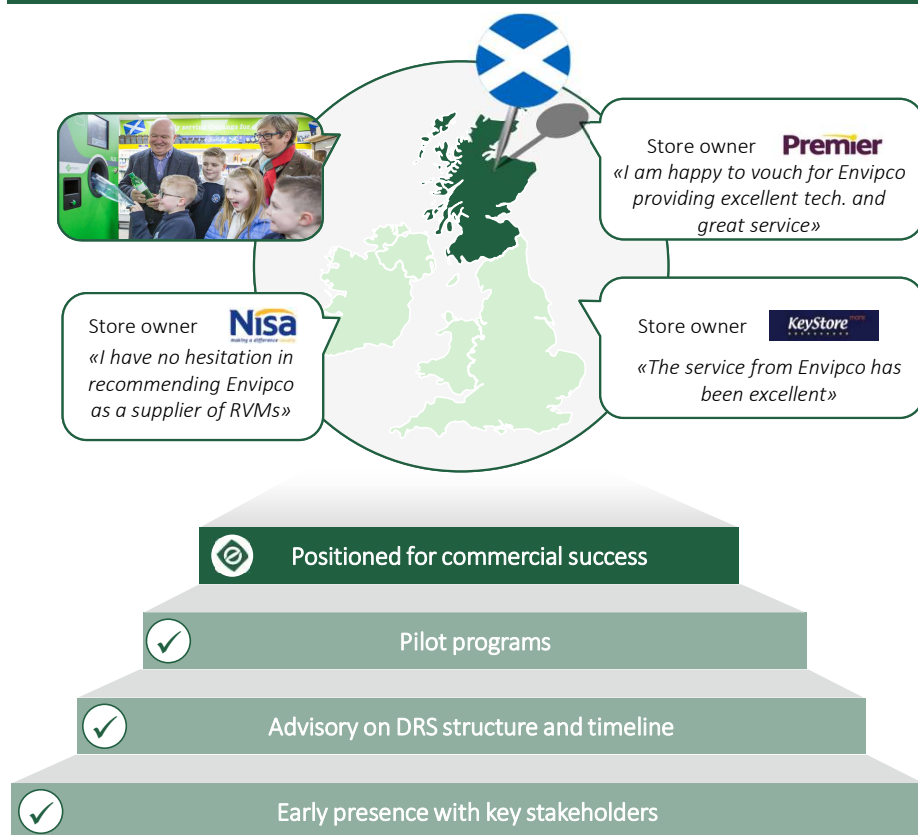
Demonstrated ability to gain market share from a competitor stronghold
Processed 6% of the total market volume LTM





Strategy tailored for success in the Scottish market

Strategic initiatives in emerging Scottish market



Early presence with all stakeholders

- Early presence with government and stakeholders charged with development of DRS, municipal collection firms, grocers and supermarket chains
- Communications to educate and understand DRS timeline and structure

Screen market and establish a direct go to market model

- Manage machines directly with the end customer/retailer
- Go-direct requires early local investment with dedicated team of sales resources and product experts

Establish and optimize service offering

- Density of locations and routing logic
- Recruitment and training of technical personal
- Outsource remote locations to third parties



Breakthrough concepts proven and ready for market expansion

Flex suited for smaller set-ups with market leading compaction



Quantum superior retail fit for large supermarkets and recycling centers



Excellent fit for growth in the UK



Tailored model for return centers with minimal available space and low volume recycling such as convenience stores, pharmacies, petrol stations, and schools

Revolutionizing the Swedish market



Consumer preference for bulk-feed have provided a significant consumer pull for retailers as processed volumes surge, combined with placing the RVM outside and capitalizing on the previously occupied sales floor



Building organization to enable scale



Market development

- ✓ Actively positioning Envipco in the focus markets
- ✓ Recruitment in prioritized locations



Global supply chain

- ✓ Recruited global supply chain leader to improve processes and standards
- ✓ Hiring focused manager for improving international freight



Marketing & Communication

- ✓ Rebuilding marketing organization
- ✓ Development of IR functions and communication team



Technology

- ✓ Continuing to build and deliver New Product Pipeline
- ✓ Business systems – Launched new Global ERP project



Finance

- ✓ Improving planning, reporting and consolidation processes through new-hires, systems and processes



Profit and Loss Q4 2022

| (EUR million) | Q4 2022 | Q4 2021 | FY 2022 | FY 2021 |
|---------------------|--------------|--------------|--------------------|------------------|
| Revenues | 12.9 | 12.4 | 56.0 | 38.4 |
| Cost of revenue | (9.2) | (8.5) | (38.3) | (25.0) |
| Gross profit | 3.8 | 3.9 | 17.6 | 13.4 |
| Gross margin, % | 29.2% | 31.5% | 31.5% | 34.9% |
| Operating costs | (6.6) | (4.3) | (22.8) | (14.7) |
| EBIT | (2.8) | (0.4) | (3.2) ¹ | 2.3 ² |
| EBITDA | (1.6) | 0.7 | 1.2 | 5.5 |
| Net financial items | 0.4 | (0.3) | (1.0) | (0.8) |
| Net Profit | (2.0) | (0.8) | (4.3) | 0.6 |

1) Including other income 2022 of 1.9 million positive (PPP forgiveness)

2) 2021 3.4 million positive (DPG settlement, PPP forgiveness).

Q4 2022

- 5% YoY revenue growth to EUR 12.9m in Q4'22
- Gross margin 29.2% in Q4'22
 - Ex-Greece gross margin 31.6%
- Operating expenses EUR 6.6m
 - Including one-off legal and consulting fees, and Greece project costs
- Stabilizing and improved margins expected
 - Scaling and localization in Romanian manufacturing plant and executing on operational efficiencies
 - Pre-DRS contracts in Greece have been renegotiated
 - Execution of pricing opportunities



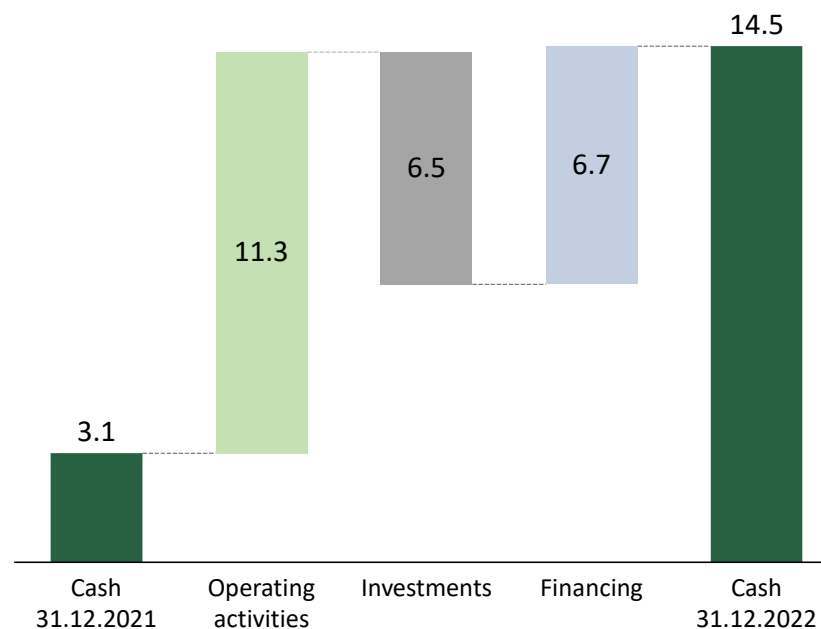
Cash Flow 2022

Cash flow 2022

- Cash from operating activities EUR 11.3m
 - EUR 15.0m from private placement (under operating cash flow as of year end due to share lending agreement)
 - Negative EUR 10.0m from inventory build-up
- Cash flow from investing activities negative EUR 6.5m
 - EUR 1.7m capitalized R&D, EUR 1.6m investments in US and Romanian facilities, EUR 2.6 installed base RVMs
- Cash flow from financing EUR 6.7m
 - EUR 2.5m from Q2 term loan, EUR 6.1m utilization of credit facility, repayment of borrowings EUR 1.3m
- Net change in cash EUR 11.4m
 - Ending cash EUR 14.5m

Cash flow 2022

EUR million



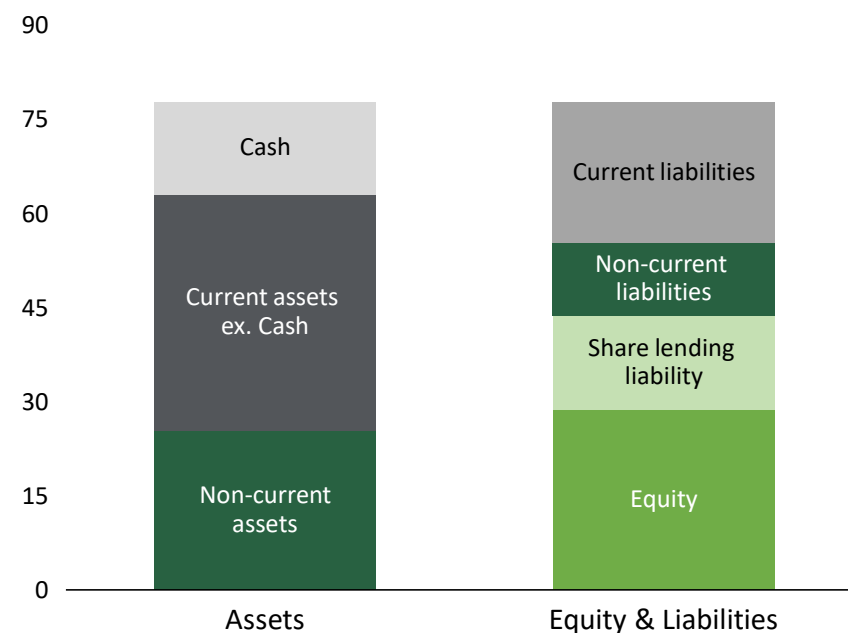


Financial position as per Q4 2022

- Total assets of EUR 77.7m (EUR 51.7m)
- Total equity of EUR 27.7m
 - Equity ratio 37% (56% after redelivery of private placement shares in Q1'23)
 - EUR 30.5m in 2021 (59% equity ratio)
- Total borrowings EUR 13.0m (EUR 7.1m)
 - EUR 8.7m from term loan and credit facility utilization
 - Second PPP loan of EUR 1.9 million forgiven in Q3'22, recognized as other income
- First step in strengthening the balance sheet from private placement of EUR 15 million in Q4'22



Balance sheet (31/12/22)

EUR million





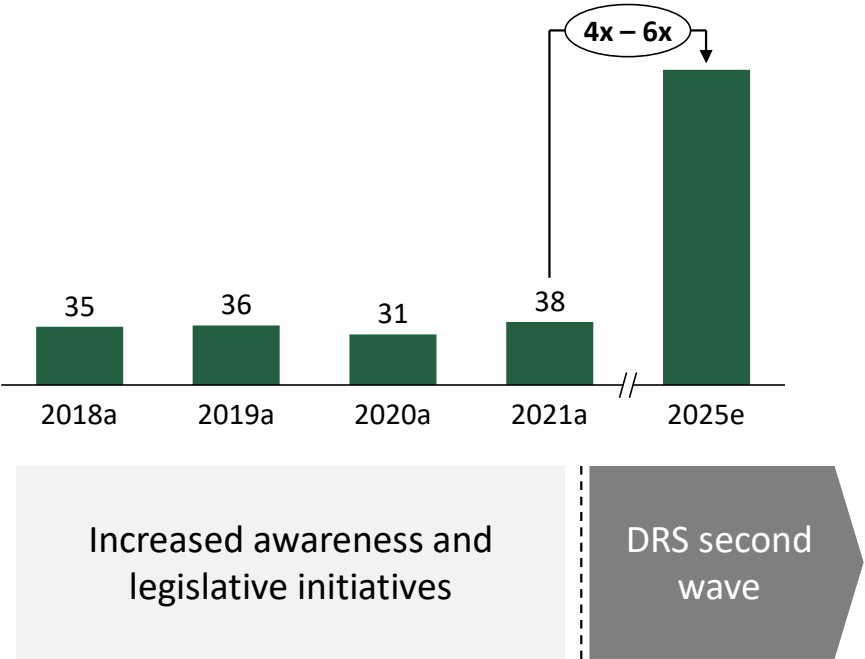
Proven challenger in growth market

| Proven competitor with clear differentiated positioning... | |
|--|---|
|  Market demand for strong #2 | <ul style="list-style-type: none">▪ New markets are open with no incumbency▪ Retailers demand competitive tender and choice▪ Rational global leader |
|  Market entry focused on partnership | <ul style="list-style-type: none">▪ Early entry and interaction with stakeholders▪ Envipco runs DRS – deep understanding▪ Flexible go to market model – direct or indirect based on market |
|  Excellence in service delivery | <ul style="list-style-type: none">▪ Proven ability to win on service delivery and customer satisfaction▪ Clear management of location and route density▪ Size allowing direct customer interaction and quick response |
|  Competitive technology | <ul style="list-style-type: none">▪ Technology is important, but not everything▪ Similar 40-year technology heritage to market leader▪ Products proven in the field – excellent reliability and extended lifetime |



Positioned to achieve ambitious long-term targets

Long-term revenue target
(EURm)



Ambition towards 2025

Growth

4x – 6x

Market share in new markets

30+%

Gross margin

40%



The right company at the right time

The image shows a mobile store unit for Pantomat, a company associated with envipco. The unit is white with green accents and features the following text: "Enkelt för Dig att panta snabbt och hållbart!" (Simple for you to pawn quickly and sustainably!), "#minmatbutik" (my food store), "Här kan Du tömma hela säckar med pant." (Here you can empty whole sacks with pawn.), "Tack för att Du pantar!" (Thank you for pawning!), and "Pantomat". The envipco logo is also visible. The unit is parked in an open field under a blue sky with clouds.

- ✓ Well positioned to address huge market expansion
- ✓ Global presence and deep experience within DRS
- ✓ Proven to capture market share
- ✓ Advanced technology ready for deployment
- ✓ Extensive dialogue with major retailers leading to RFPs
- ✓ Ready to execute with highly experienced management team