



Q1 2022 results

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Presenting team



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Agenda



Highlights



Strategic review



Operations



Financials



Outlook and Summary



Q&A





Highlights

Key highlights Q1

Operations

25% revenue growth to EUR 10.4m Q1'22 vs Q1'21

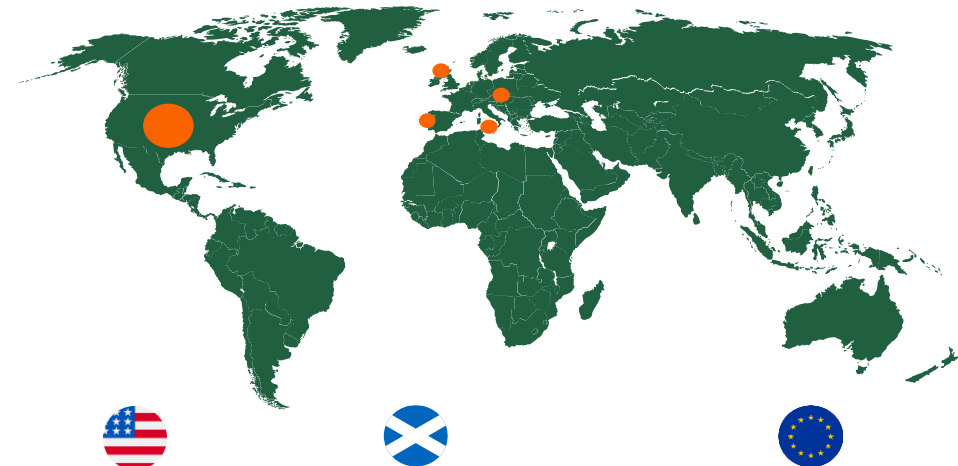
North America sales growth of 34% to EUR 9.4m driven by improved program service volumes and strong RVM sales growth

Europe revenue down 24% due to Sweden installation delays, order book to be fully recouped in the remainder of 2022

Malta RVMs built and shipped with revenue to be recognized in Q2 and Q3 of 2022

Gross Margin improved to 32.9% in Q1'22 vs 31.5% in Q4'21; improved labor efficiencies and cost stabilization of components and logistics

Market highlights



Renewed legislative activity in California tied to proposed USD 100m RVM subsidies

Legislative initiatives in MA and NY

Continued strong commercial activity in Scotland, additional pilots with tier-1 retailers scheduled for Q2/Q3-22

Romania: Demo machines installed with tier-1 retailers and conclusion of RFPs to come in H2'22; expected go-live in 2023

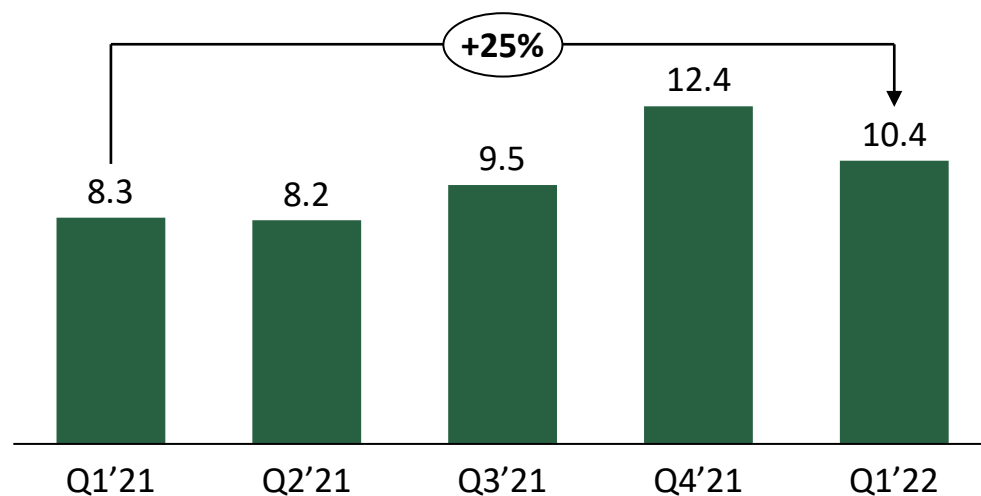
Malta: Go-Live pushed to Q3'22

Portugal: Engaging with retailers using Envipco's new showroom/office

Key financials

Revenue development

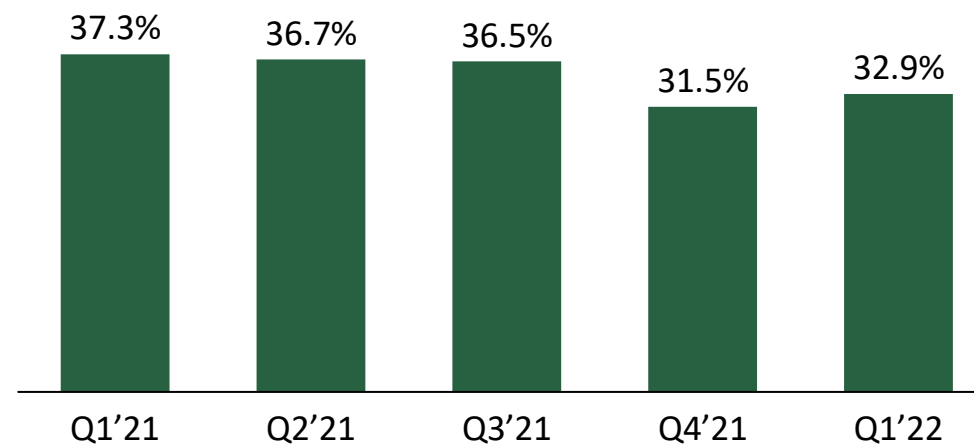
EUR million



25% year-on-year revenue growth to EUR 10.4 million

Solid orderbook for Q2/Q3'22 and strong outlook for the remainder of 2022

Gross Margin development



Margin pressure from the inflationary impacts on labor, component cost and logistics built throughout 2021

Margin improvements quarter-over-quarter mainly due to improved labor efficiencies and cost stabilization

Further cost efficiencies expected from supply chain, designing out high-cost components, lower logistics costs, and scaled manufacturing

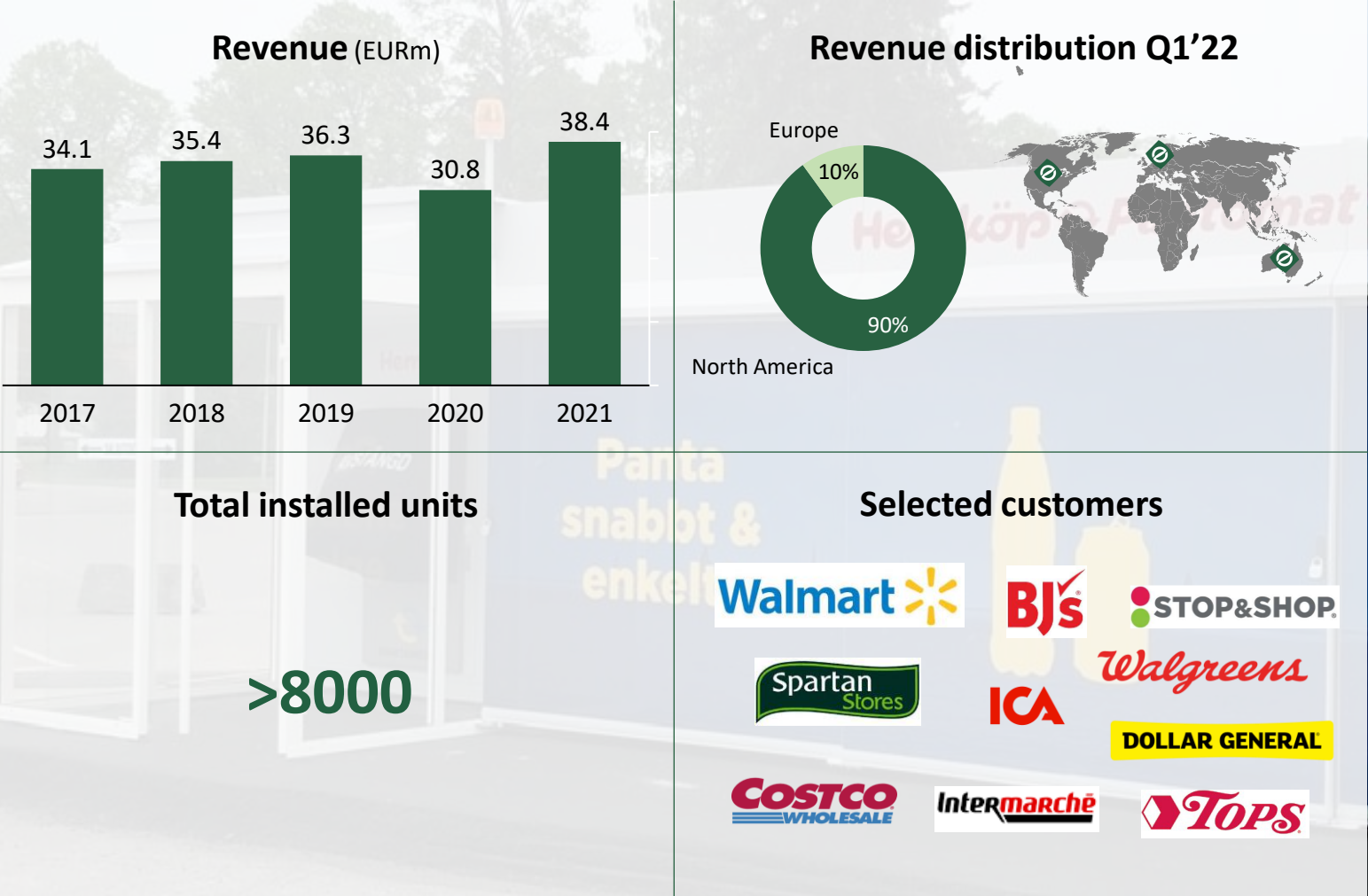


Strategic review



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





Highly competitive with ability to capture new markets



Market demand

- Growing market share in existing and new markets
- Demand for competition
- New markets with no incumbency



The right products

- Top of the line products
- Continuous focus on innovation
- Solutions tailored to customer needs



Ability to execute

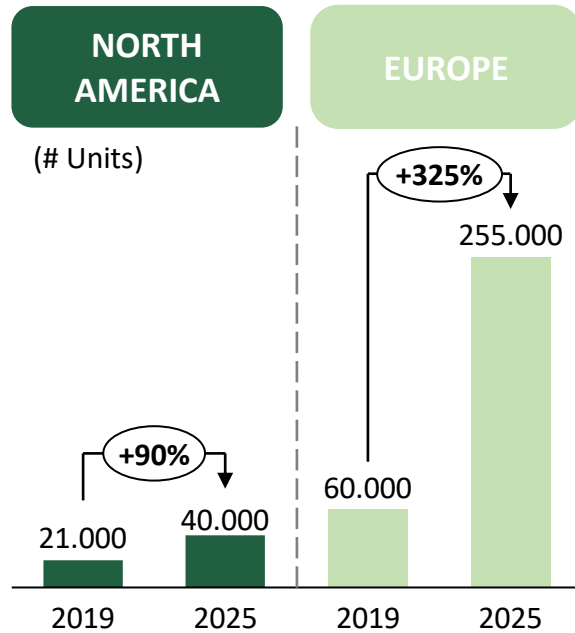
- Delivery across value chain
- High production capacity with timely delivery
- Solid go-to-market strategy



High customer satisfaction

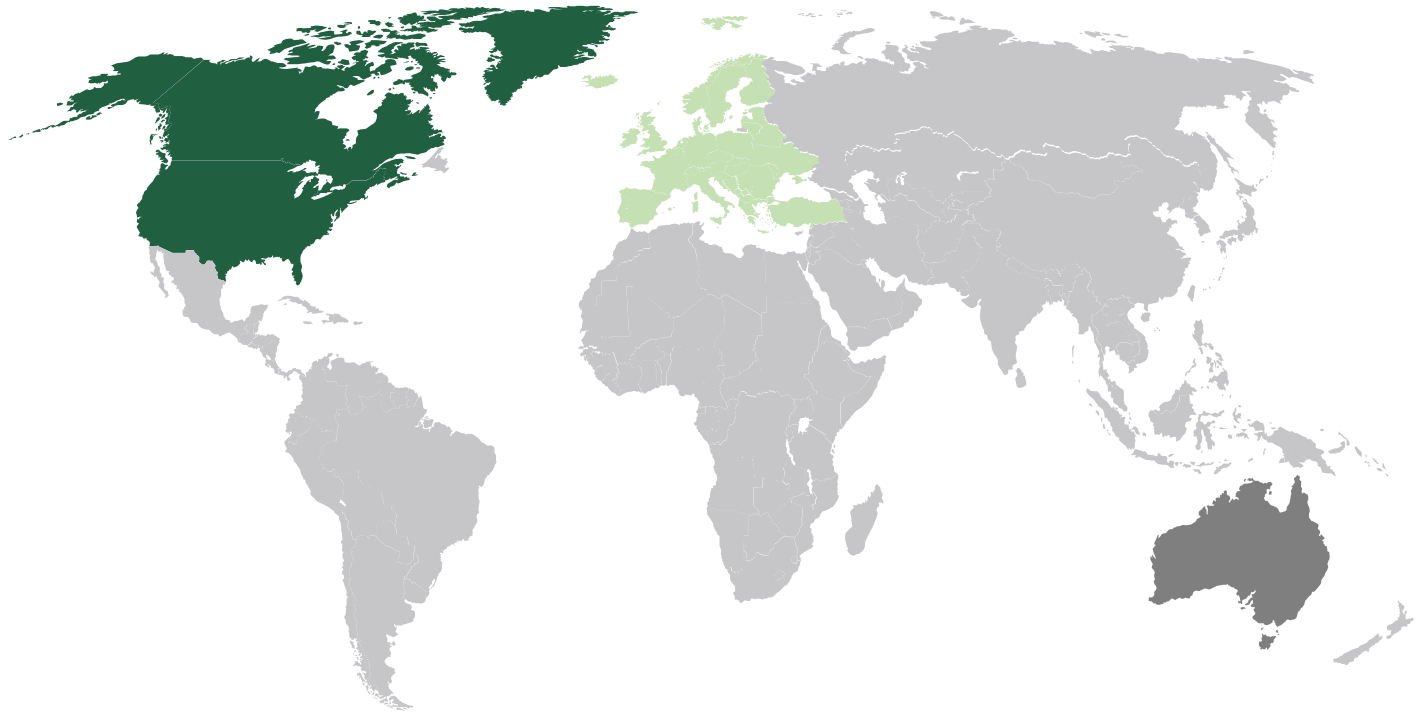
- Superior customer centric service
- Consultative approach
- Durable solutions with focus on total cost of ownership

Expecting significant growth
in key global markets



Driven by increased awareness
and legislation

Global market growth towards
and beyond 2025





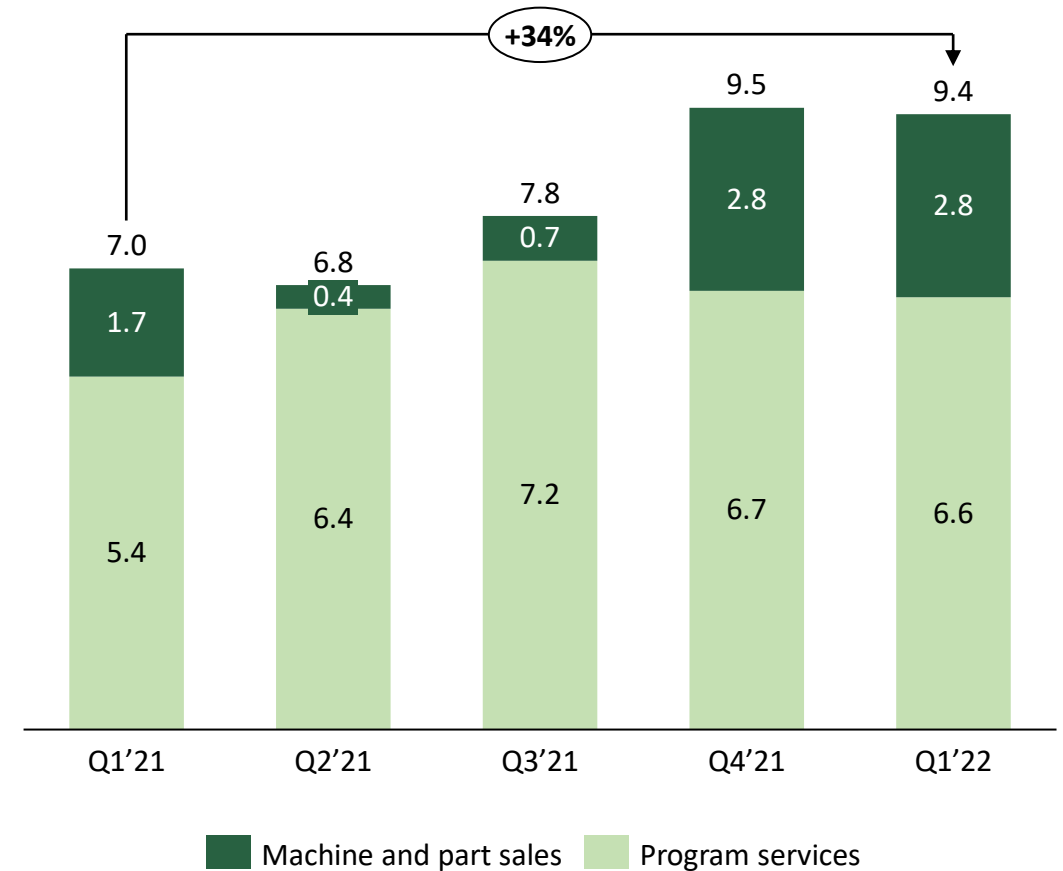
Operations



Progress in North America

- Strong quarter with Q1'22 year-on-year revenue growth of 34% to EUR 9.4 million
 - Driven by improved Program Service volumes and increased RVM sales
- Machine sales up 71% year-on-year
- Program services up 22% year-on-year
- Built strong orderbook with key existing retailers to be shipped in Q2/Q3'22

Revenue North America (EUR million)



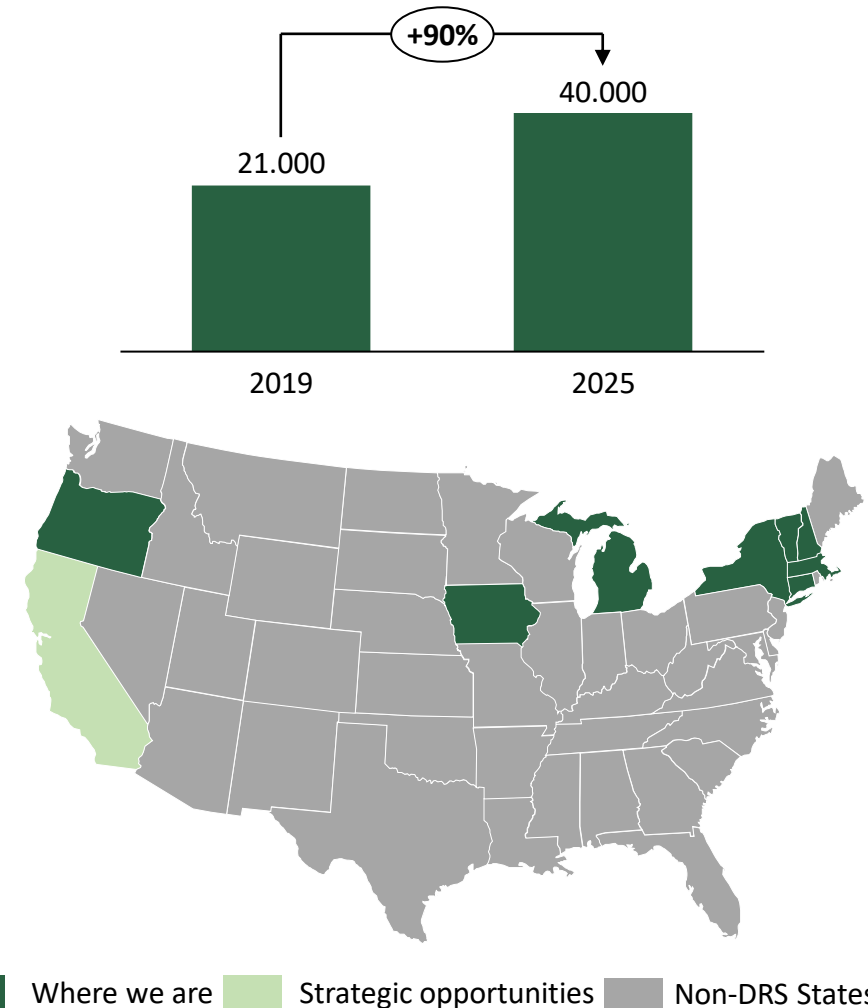


Expanding our position in North America

- Continuing to expand in North America, several opportunities in the coming quarters
- Positioning business team on legislative initiatives in Massachusetts and New York
- Renewed legislative activity in California tied to proposed USD 100 million introduction of RVM subsidies
- Continued focus on OBCR technology agreement as aged equipment is replaced and new RVM's deployed in Oregon
- Competing for new tenders tied to Connecticut expansion and other states tied to adoption of RVM's with drug and discount retailers

Market development in the United States

(# Units)

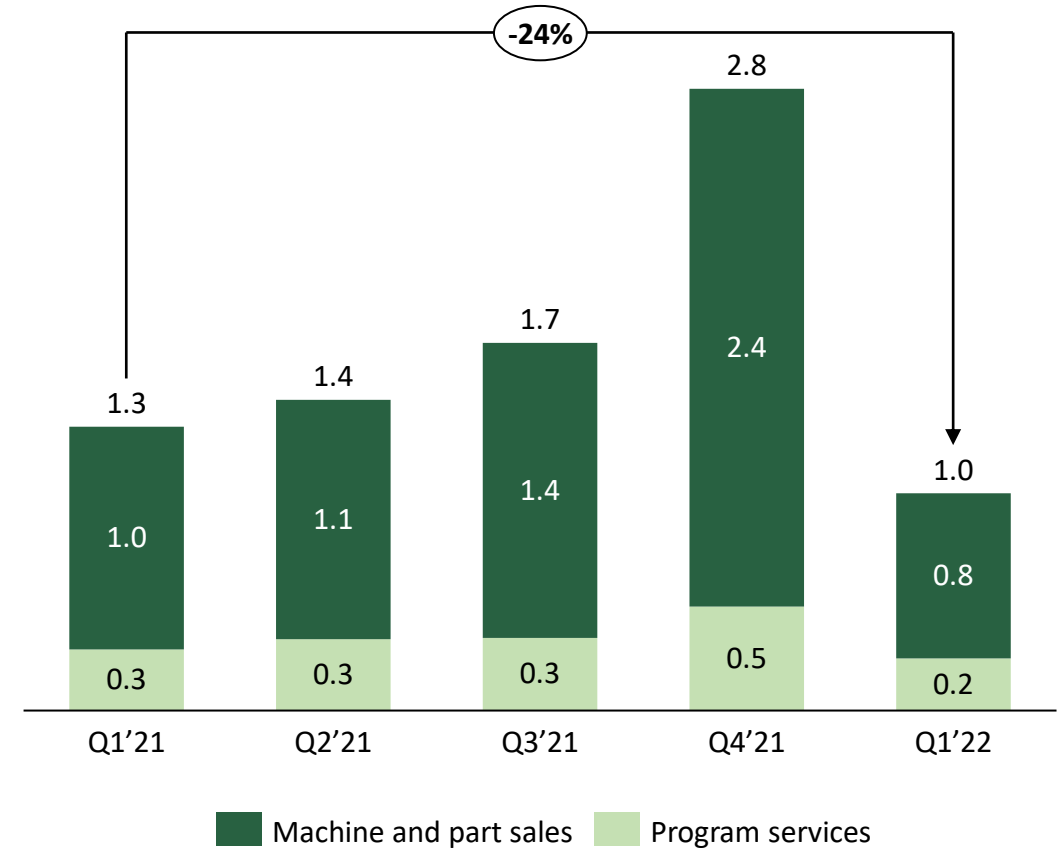




Progress in Europe

- Revenue of EUR 1.0 million, down 24% due to delayed Sweden installations in Q1'22
 - Expect full order recovery from Sweden in 2022
- Malta RVMs built and shipped with revenue to be recognized in Q2 and Q3 of 2022
- Romanian manufacturing plant launched in May 2022
 - Additional annual capacity of 15,000 units, global manufacturing capacity of 30,000 units

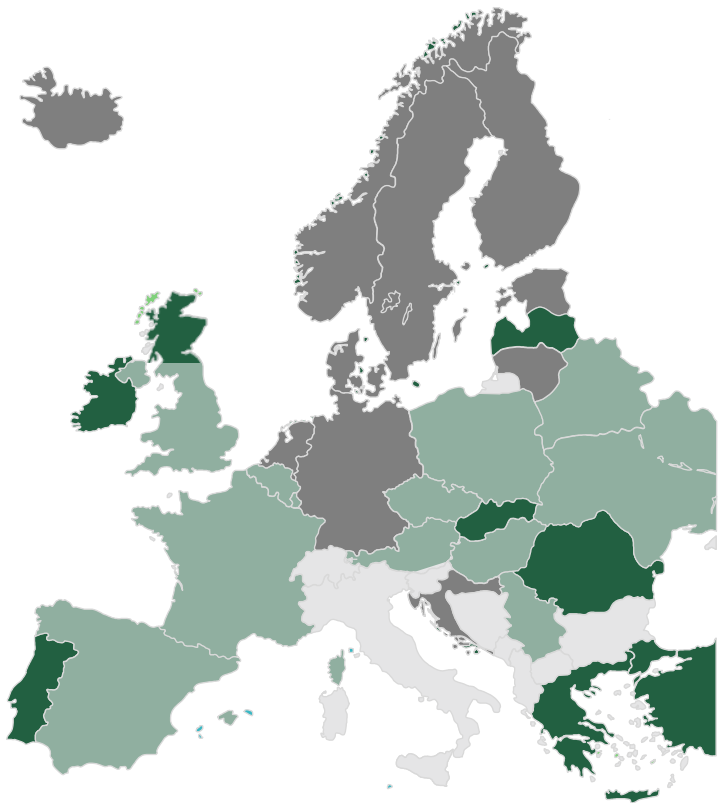
Revenue Europe (EUR million)





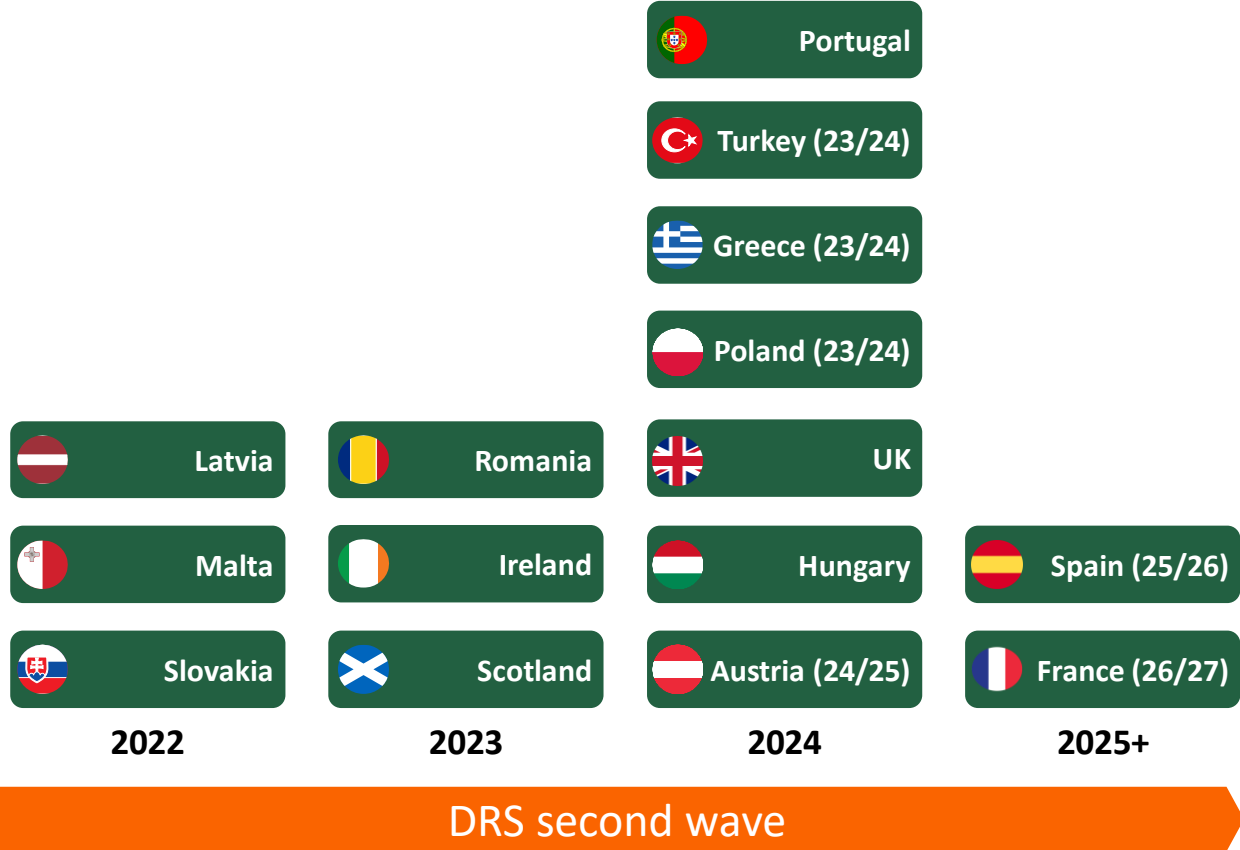
Large second wave of legislation to enter Europe

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

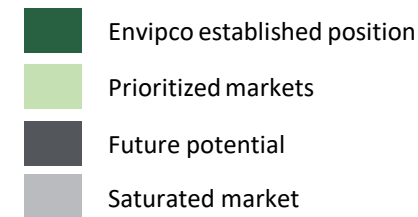
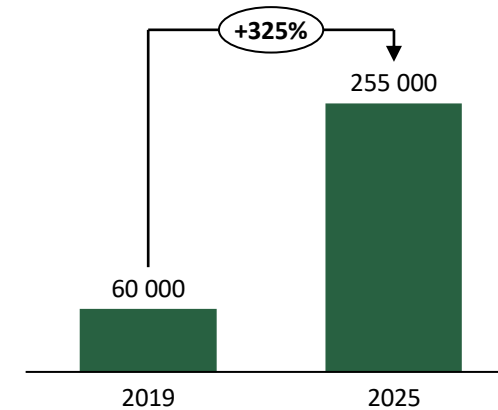




Strongly positioned to capture growing EU market

- Continued strong commercial activity in Scotland, orders expected in 2022
 - Additional pilots with tier-1 retailers scheduled for Q2 and Q3 2022
 - Important releases on handling fees and RVM specifications
- DRS law passed in Romania, expected Go-Live in 2023
 - Demo machines installed with tier-1 retailers
 - Expected conclusion of certain RFPs in Q2/Q3-22
- Malta Go-Live pushed to Q3'22
- Engaging with Portuguese retailers using Envipco's new showroom/office

Market development in Europe (# Units)





Building organization to enable scale



Market development

- ✓ Organizational investments in Ireland, Romania, Portugal, and Slovakia tied to DRS developments
- ✓ Growing and improving organization to enable scale and expansion



Global supply chain

- ✓ Romanian manufacturing plant launched, global capacity of 30,000 units annually
- ✓ Simplifying supply chains, lowering freight costs, and ramping up Romanian facility



Marketing & Communication

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



Technology

- ✓ Business systems – Launched new Global ERP project
- ✓ Configuring products to meet market conditions



Finance

- ✓ Progressing towards securing debt financing
- ✓ Implemented planning and consolidation program

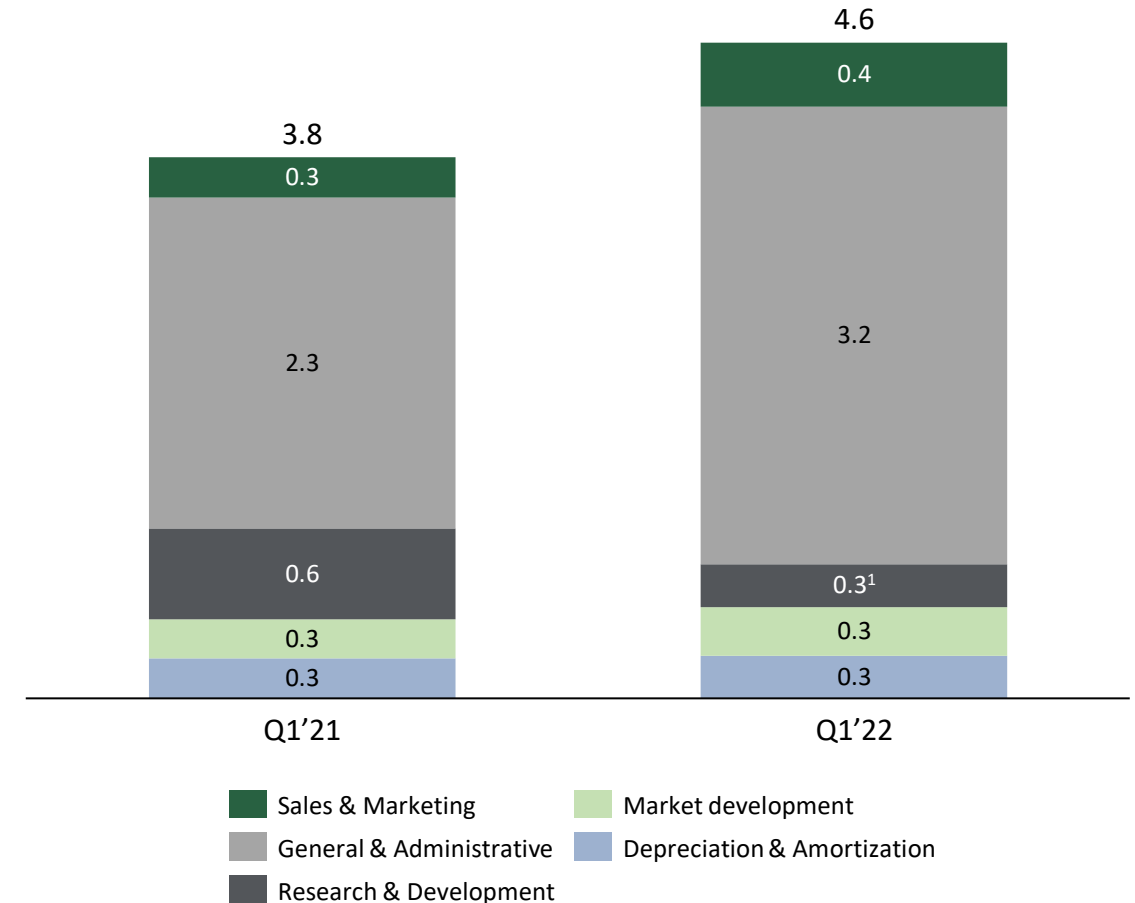


Continuously investing in growth

- Operating expenses EUR 4.6 million in Q1'22, compared to EUR 3.8 million in Q1'21
- Increase driven by continued scaling of the European organization
- New hires to Portugal, Slovakia, and Romania
- Planned investments are critical to capitalize on upcoming business opportunities
- Expected continued investment as we expand our presence in new and existing locations

1) EUR 0.2 million of R&D capitalized. No capitalization of R&D expenses in Q1'21.

Operating expenses (EUR million)





Financials



Profit and Loss

(EUR million)	Q1 2022	Q1 2021	FY 2021
Revenues	10.4	8.3	38.4
Cost of revenue	(7.0)	(5.2)	(25.0)
Gross profit	3.4	3.1	13.4
Gross margin, %	32.9%	37.0%	35.0%
Operating costs	(4.6)	(3.8)	(14.7)
EBIT	(1.1)	2.7 ¹	2.3 ¹
EBITDA	(0.2)	3.4	5.5
Net financial items	(0.1)	(0.4)	(0.8)
Net Profit	(1.3)	2.0	0.6

1) Including other income (DPG settlement and PPP forgiveness).

- 24.8% YoY revenue growth to EUR 10.4m
 - Strong RVM sales in North-America
- Gross margin 32.9% in Q1'22
 - Margin pressure from the inflationary impacts on labor, component cost and logistics built throughout the year 2021
 - Improvements since Q4'21 mainly due to improved labor efficiencies and cost stabilization
- Continued focus on gross margin improvements
 - Scaling of supply chain, designing out high-cost components, normalized logistic costs, Romanian production ramp-up

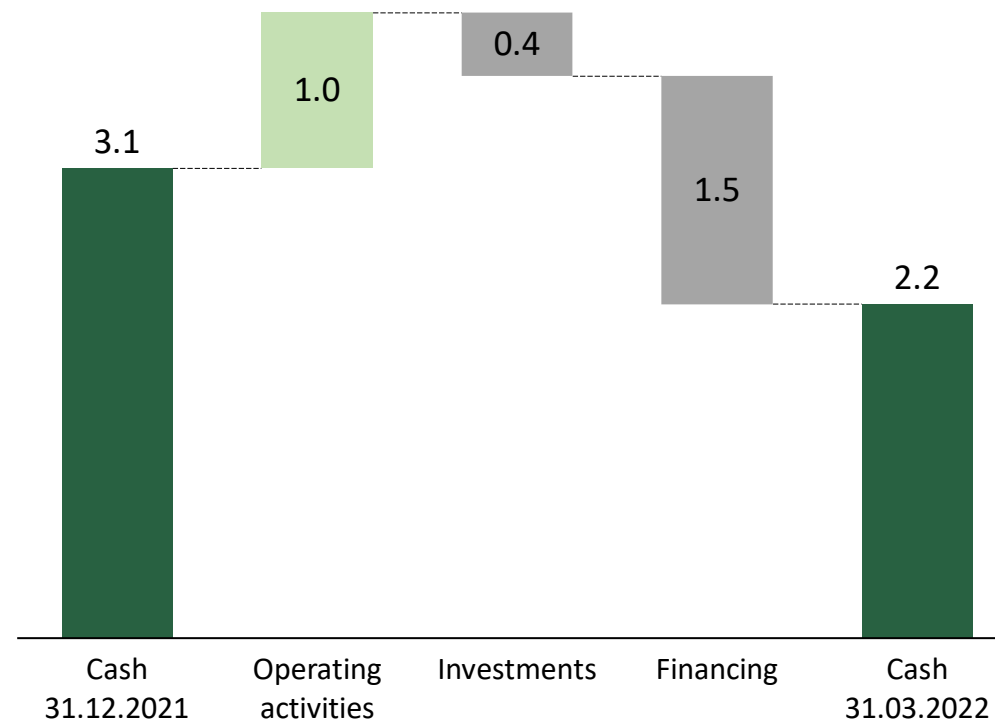


Cash Flow

- Cash generated from operating activities amounted to EUR 1.0m in Q1'22
 - Increased inventories of EUR 2.5m in the quarter from build-up of RVMs for Malta
 - EUR 5.1 increase of other payables, pre-payments for contracts from Malta and North America
- Cash flow from investing activities EUR 0.4m negative
 - Capitalized R&D EUR 0.2m
 - Investments in US and Romanian facilities of EUR 0.2m
- Cash flow from financing negative EUR 1.5m
 - Repayment of borrowings
- Net change in cash negative EUR 0.9m
 - Ending cash EUR 2.2m, not including EUR 2.8m credit line

Cash flow Q1'22

EUR million



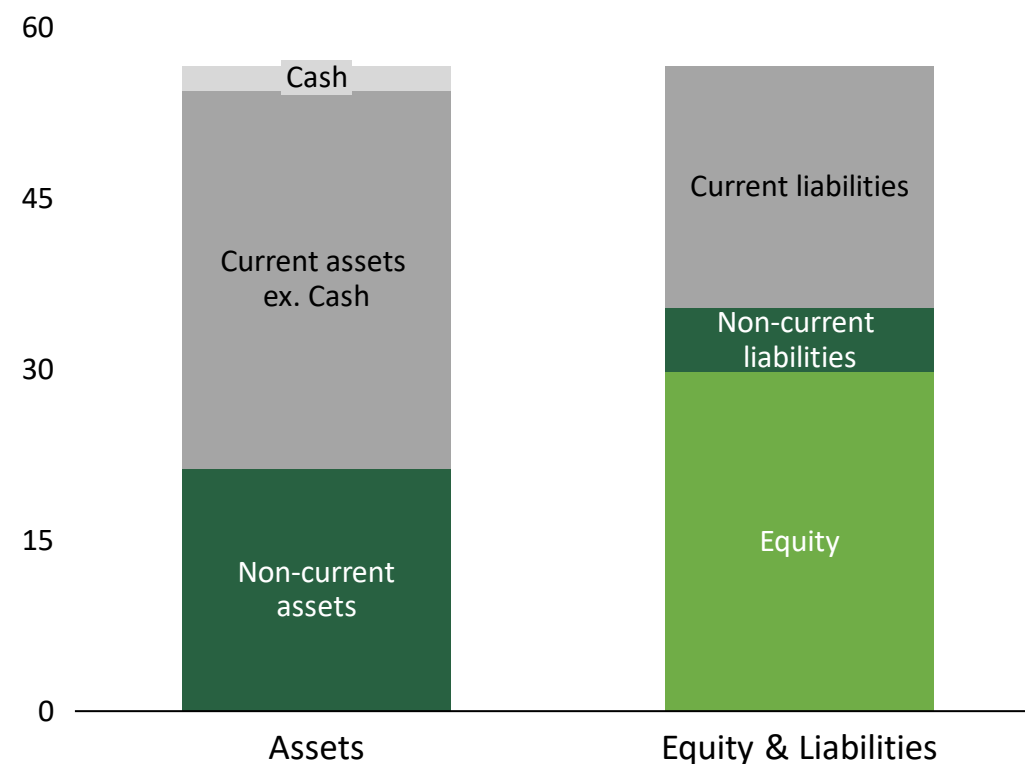


Financial position

- Total assets of EUR 56.6m, compared with EUR 51.7m at the end of Q4'21
- Total equity of EUR 29.7m, corresponding to an equity ratio of 52%
- Total borrowings of EUR 5.9m compared to EUR 7.1m in Q4'21
 - Borrowings include second PPP loan of EUR 1.6m expected to be forgiven in Q2'22
- The company is progressing towards securing debt financing

Balance sheet (31/03/22)

EUR million





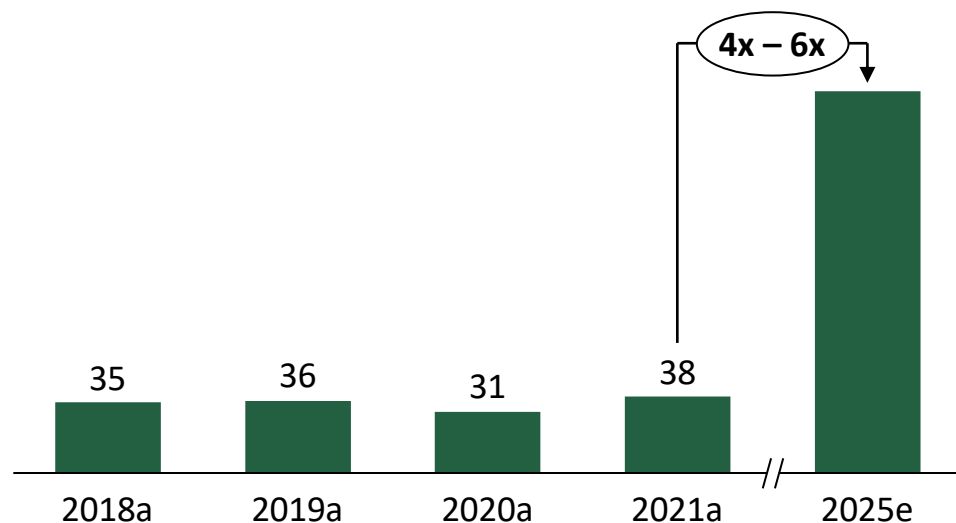
Outlook and Summary



Positioned to achieve ambitious long-term targets

Long-term revenue target

(EURm)



Increased awareness and
legislative initiatives

DRS second
wave

Ambition towards 2025

Growth

4x – 6x

Market share in new
markets

30+%

Gross margin

40%





Q&A



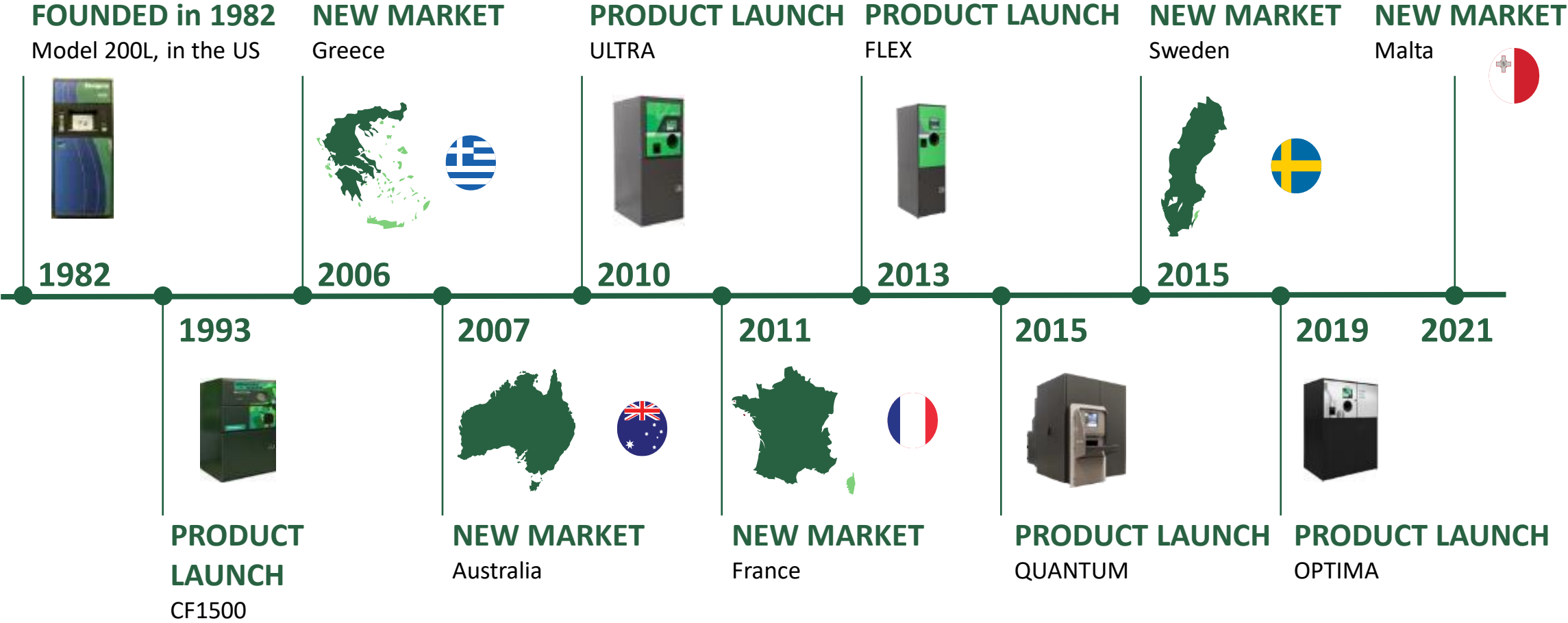
Next event:
2nd quarter 2022 results
August 25, 2022



APPENDIX











Proven track record of market expansion and innovation





We offer an advanced and specialised product portfolio

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 



Key volume drivers

