



Q4 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 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%)

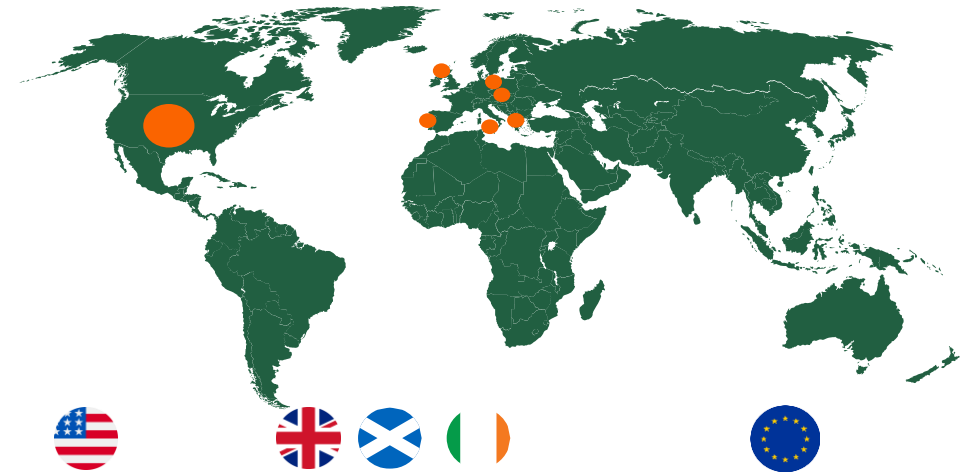
Delivery of 24 Quantum platforms to Greece in Q4'22 pre-DRS go-live

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



Building our position in new European markets

Recent wins

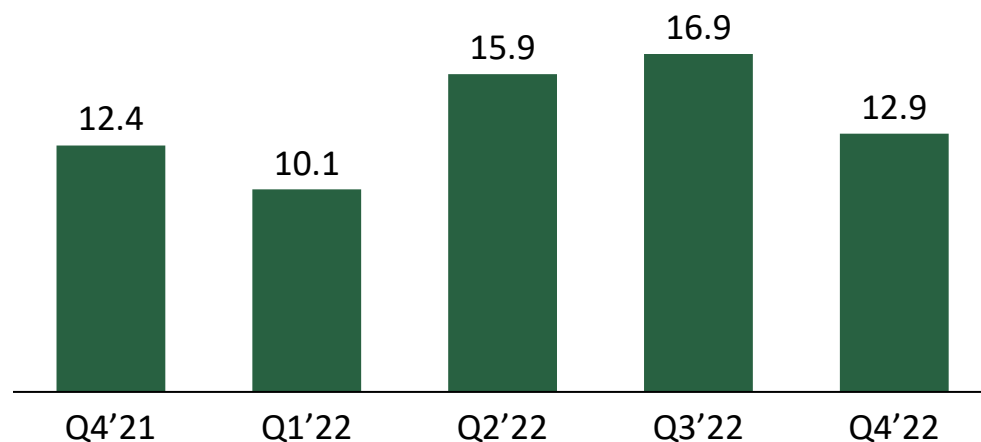
Q4 2022			<ul style="list-style-type: none">▪ MOL Group is an international, integrated oil, gas, petrochemicals, and consumer retail company and is the DRS operator in Hungary▪ ~2,300 machines to be delivered in 2023 and 2024 - Potential multi-year expansion of additional 2,000 machines▪ One of only two RVM providers for DRS in Hungary, ~50% market share▪ DRS in Hungary planned to operate from early 2024	2,300 (+2,000) units
		Major retailer #1	<ul style="list-style-type: none">▪ Selected to install over 200 RVMs in all their Scotland stores in 2023▪ Optima technology platform	200 units
		Major retailer #2	<ul style="list-style-type: none">▪ Selected by a leading retailer to install 350 RVMs across all their Scotland stores to be installed in 2023▪ Flex and Optima technology platforms	350 units
Q1 2023		Major retailer #3 & Major retailer #4	<ul style="list-style-type: none">▪ Award of ~240 Flex and Optima Reverse Vending Machines to be deployed in two of the largest UK retailers operating in Scotland to be delivered starting in Q2'23▪ Representing 70% of all their requirements	~240 units

Total wins of +1000 RVMs in Scotland indicates that Envipco is well within reach of achieving more than 30% market share

Key financials

Revenue development

EUR million



2022

46% year-on-year revenue growth to EUR 56.0m

RVM sales EUR 24.3m and Program services EUR 31.6m

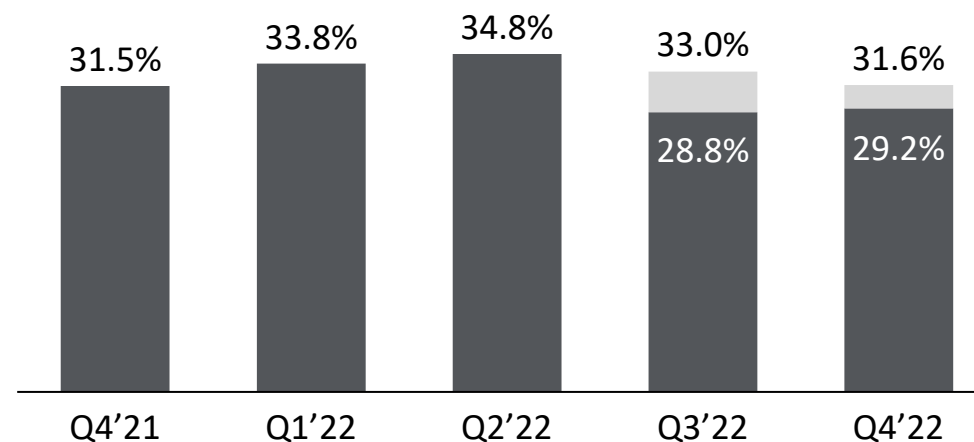
Q4'22

5% year-on-year revenue growth to EUR 12.9m compared to strong Q4'21

RVM sales EUR 5.4m and Program services EUR 7.6m

Gross Margin development

Margin impact from Greece Gross margin



Q4'22 gross profit EUR 3.8m (29.2%)

Gross profit for 2022 was EUR 17.6m (31.5%)

Margin in the quarter negatively impacted Greece sales, ex-Greece margin 31.6%. Greece contracts renegotiated in Q4'22

Margin pressures expected to stabilize and improve over the medium term



Strategic review

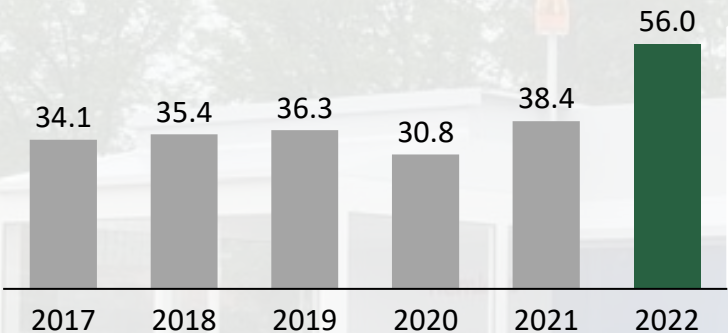


This is Envipco

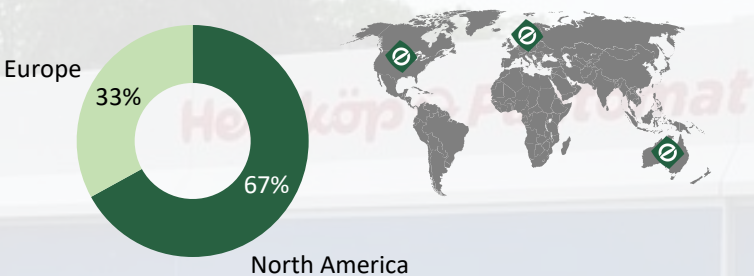
Envipco is a recycling technology company with over four decades of experience delivering reverse vending machines (RVMs) to leading customers across the world



Revenue (EURm)



Revenue distribution Q4'22



Total installed units

>8000

Selected customers





Highly competitive with ability to capture new markets



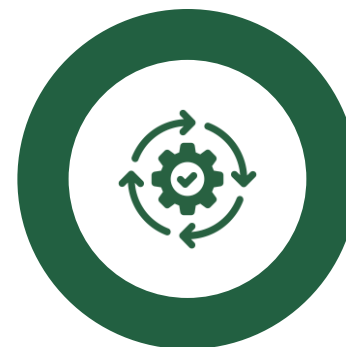
High market demand

- 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

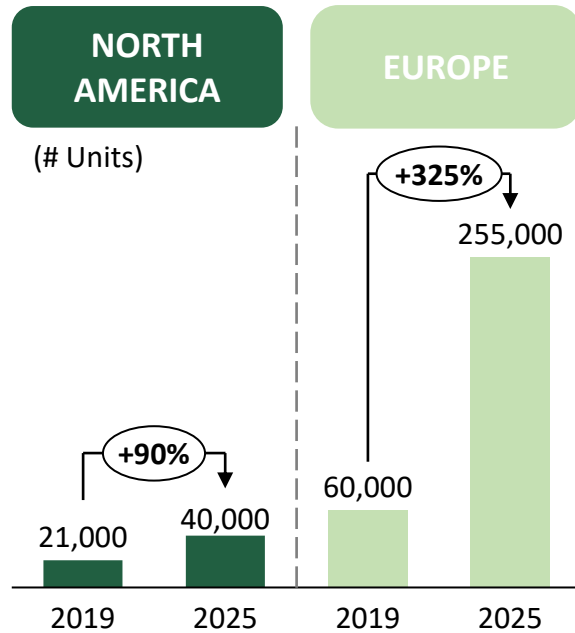
- Superior customer centric service
- Consultative approach
- Durable solutions with focus on total cost of ownership



We offer an advanced and specialised product portfolio

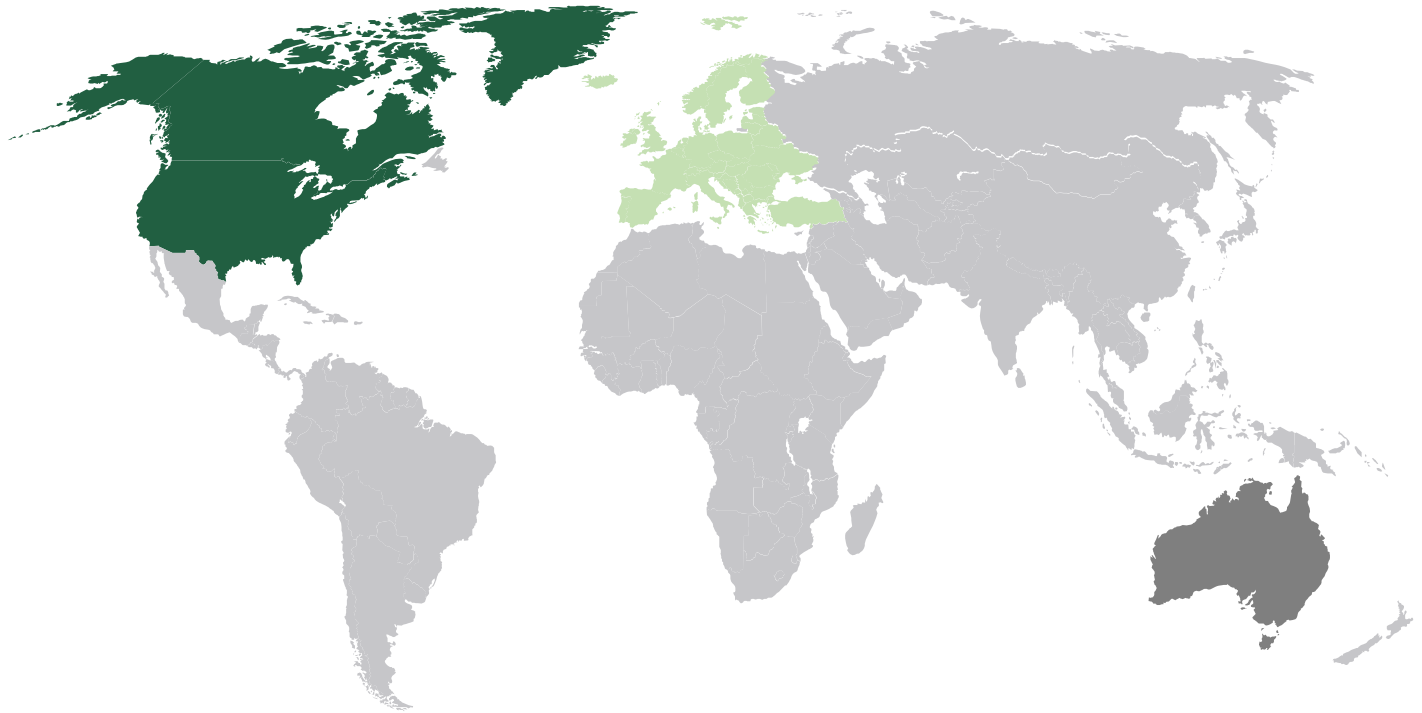
PRODUCT	KEY FEATURES	TARGET MARKET
 <div>FLEX Smallest, low-cost RVM</div>	<ul style="list-style-type: none">▪ 40 containers/min▪ Small Footprint (60cm wide)▪ Glass side sort option	<ul style="list-style-type: none">▪ Convenience stores▪ Gas stations▪ Schools 
 <div>ULTRA Single commodity feed RVM</div>	<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 

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

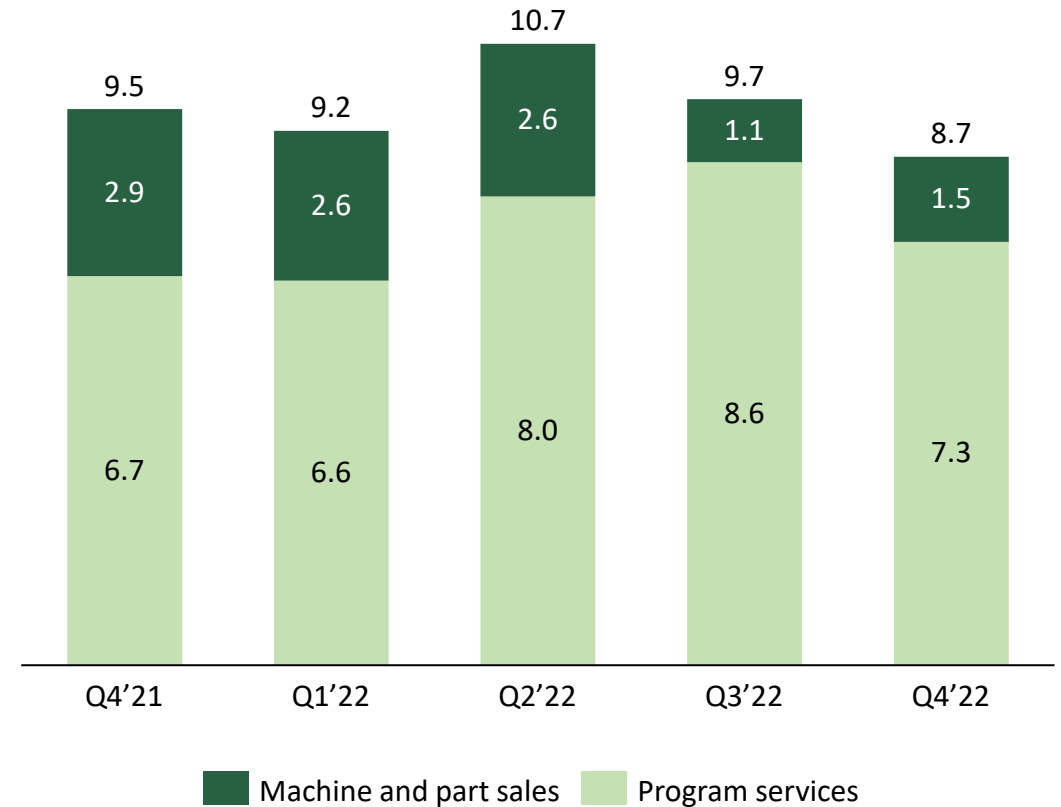
Full year 2022

- Revenues of EUR 38.2m, up 27% from 2021
 - Machine sales EUR 7.7m (+48%)
 - Program services EUR 30.5m (+19%)

Q4 2022

- Revenues of EUR 8.7m
 - Down 9% year-on-year compared to a particularly strong Q4'21
- Program services up 9% year-on-year to EUR 7.3m
 - Positively impacted by increase in machine portfolio with 2022 wins
- Machine sales EUR 1.5m, down 49% year-on-year
 - Compared to strong Q4'21 with expansion in Connecticut and subsequent large orders

Revenue North America¹ (EUR million)



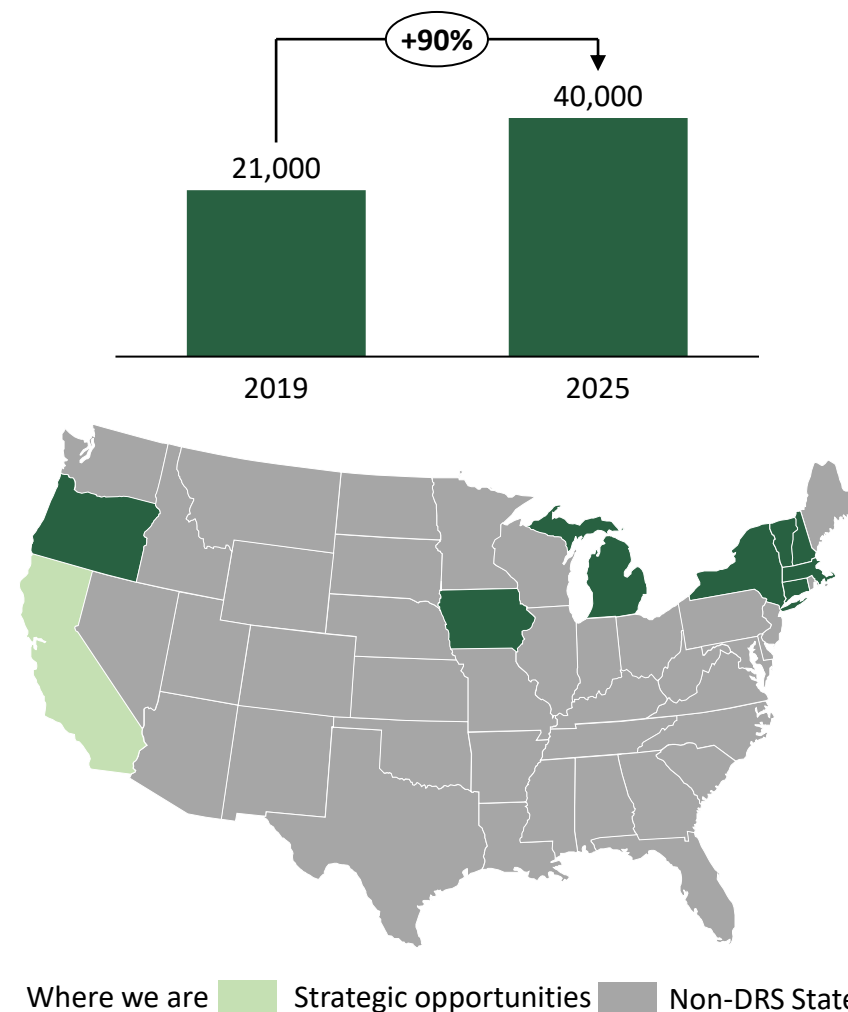
1) Revenues in the first, second and third quarter of 2022 have been revised down by EUR 0.3m, EUR 0.7m and EUR 0.5m respectively. This adjustment is the correct presentation of certain intercompany sales. Gross Profit for the quarters is unchanged.



Expanding our position in North America

- Important legislation initiatives in New York and Massachusetts to double deposit value to 0.1\$
- Program Services volumes expected to rise by ~40% if legislation in NY and MA become law ~2025
- Continued monitoring of legislation in California, early discussions with retailers
- Continued work with Oregon partner to replace aged equipment and expand into new retail channels

Market development in the United States (# Units)





Progress in Europe

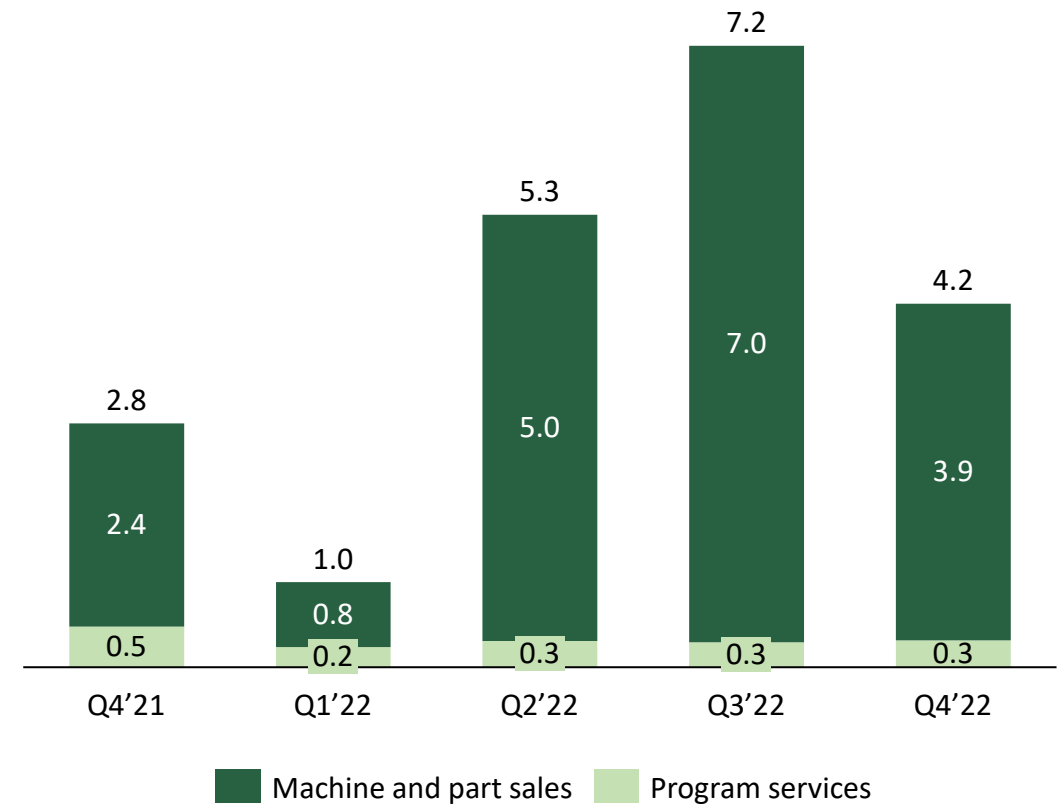
Full year 2022

- Record year reaching revenues of EUR 17.8m, up 145% from 2021
 - Machine sales EUR 16.6m (+185%)
 - Program services EUR 1.1m (-19%)
- Driven by EUR 6.9m from the Malta contract, last of 2022 RVM orders recognized in Q3'22

Q4 2022

- Revenues EUR 4.2 million, up 49% year-on-year
- Machine sales EUR 3.9m up 66% year-on-year
- Delivery of 24 Quantum platforms to Greece
 - Recognized revenue EUR 3.0m
 - Localized assembly increasing production capacity planned for 2023

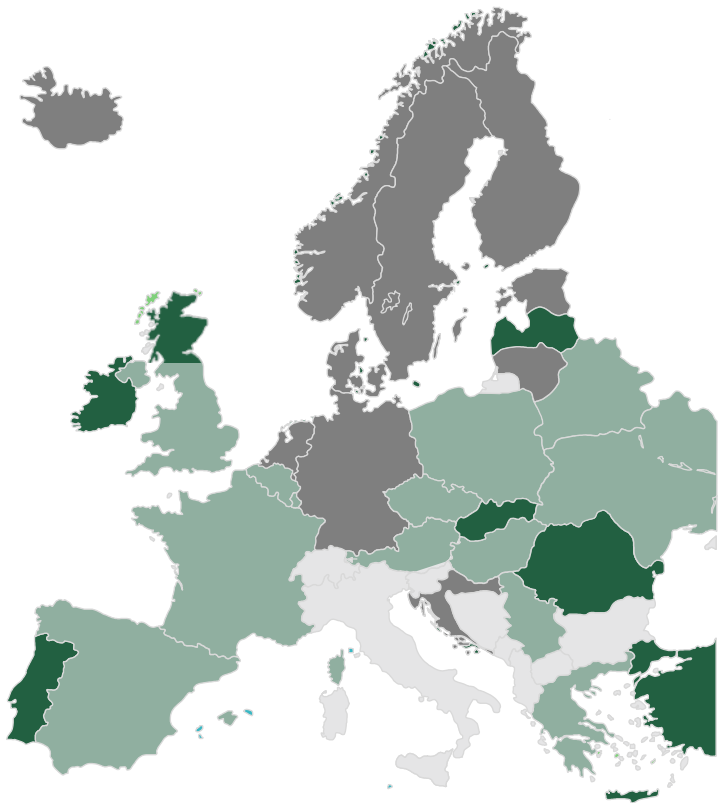
Revenue Europe (EUR million)





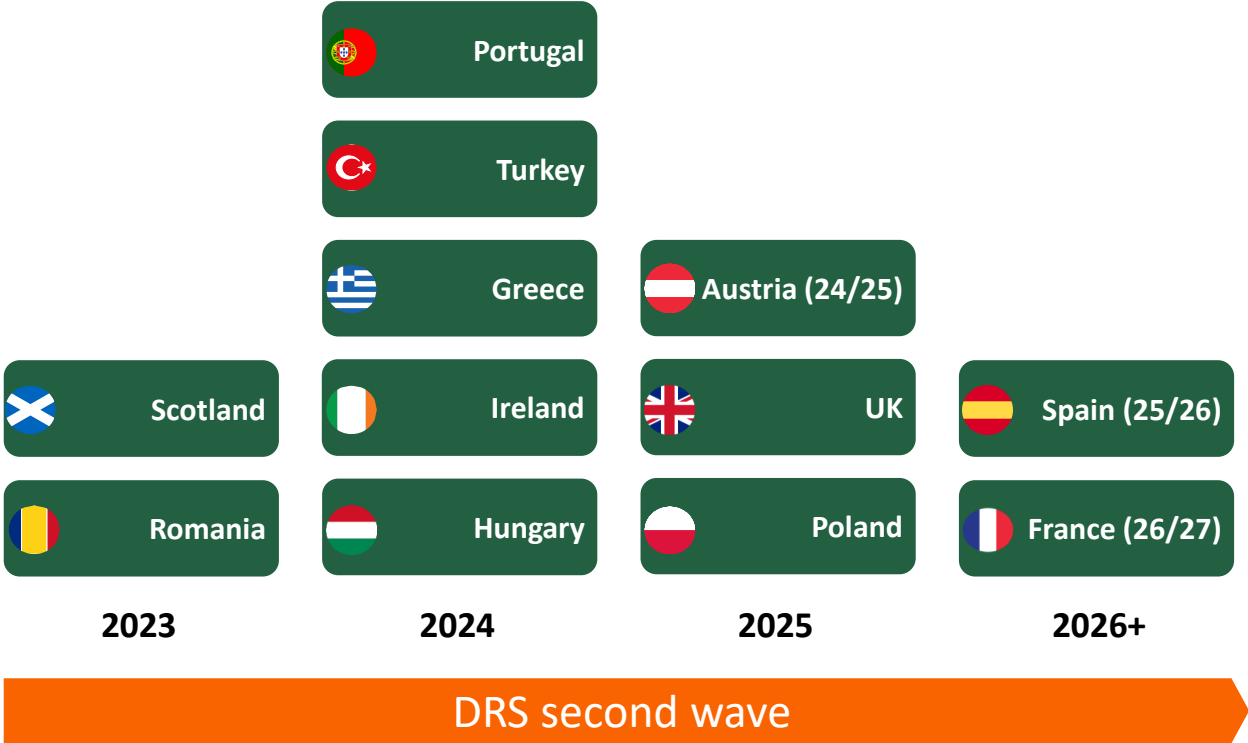
Large second wave of legislation to enter Europe

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

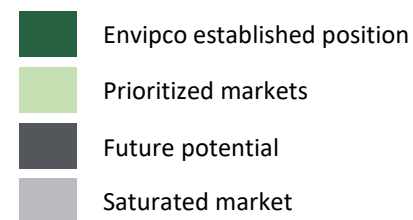
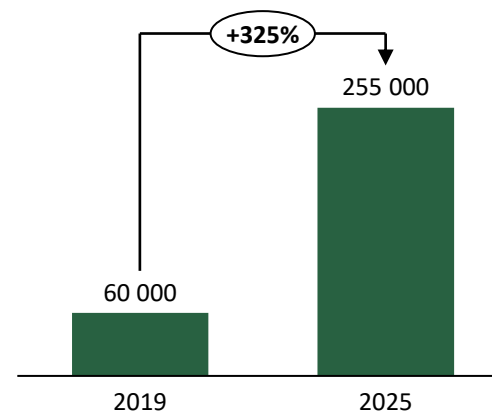




Strongly positioned to capture growing EU market

- Significant momentum in new European markets as DRS approaches go-live
- Two additional wins with tier 1 retailers in Scotland, total volume now passing 1000 RVMs
- The position built in Scotland indicates that Envipco is well within reach of achieving +30% market share
- Project started in Greece for pre-DRS Quantum recycling centres, promising upcoming market
- Target go-live in Hungary in 2023/2024
 - Active engagement with Mol Group for over 2000 RVMs in the first phase

Market development in Europe (# Units)

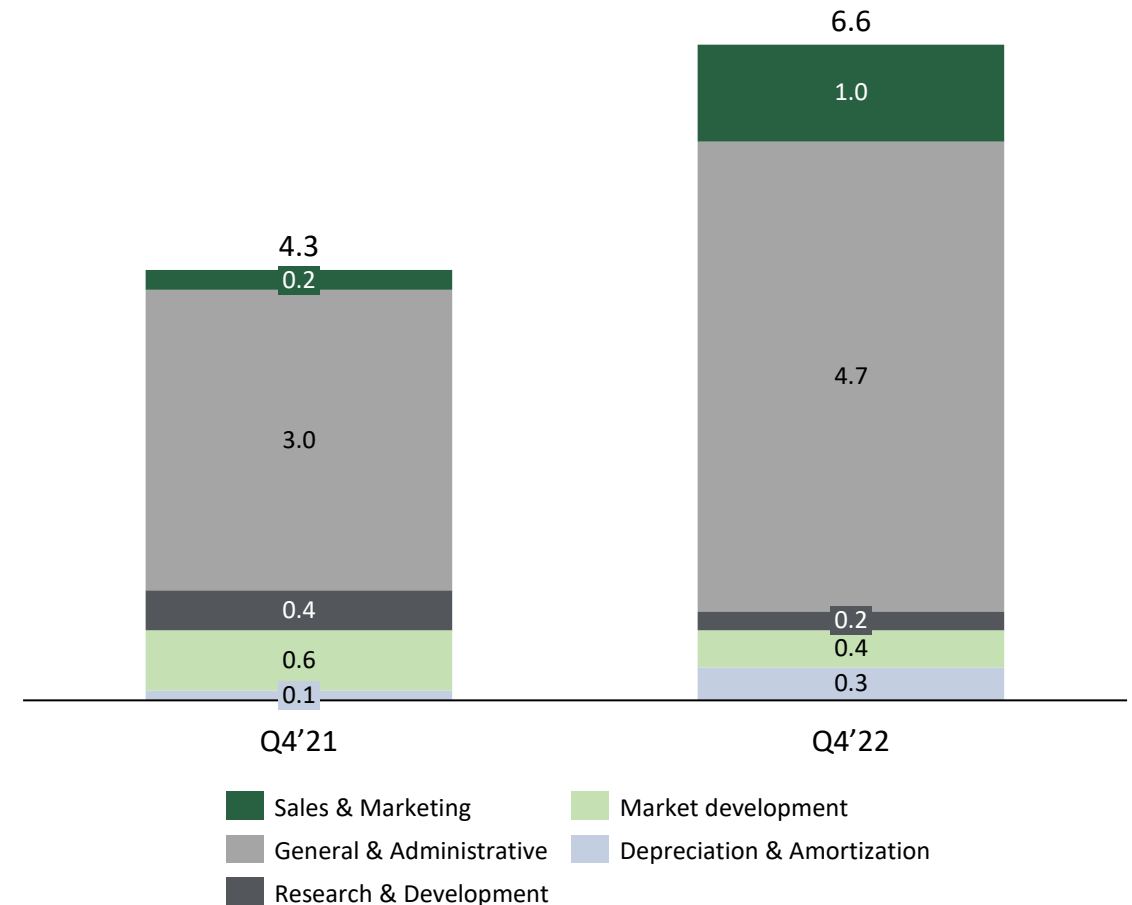




Continuously investing in growth

- Production facilities in Romania and the US continue to be prepared for larger scale production following recent wins
- Production in Germany will be relocated to a new expanded facility in Q2'23 to increase capacity for Quantum production
- Sustained market investments delivering a strong European orderbook for 2023
- Continuously building organization to drive growth - Chief Operating Officer (COO) hired in Q1'23

Operating expenses (EUR million)





Financials



Profit and Loss

(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



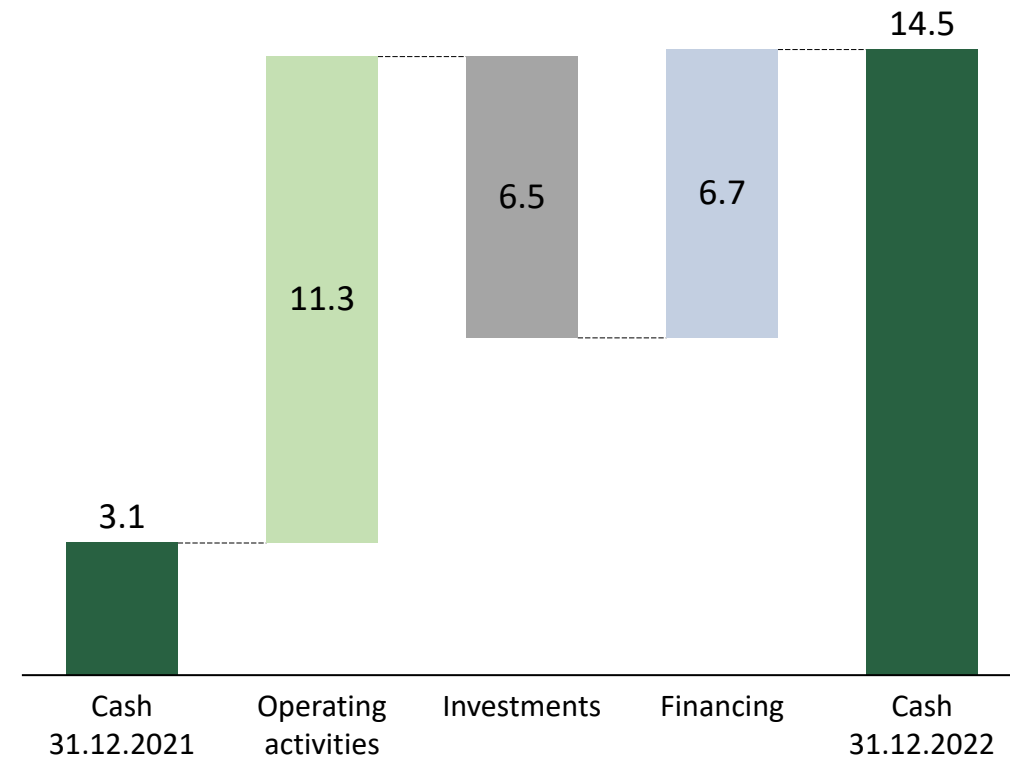
Cash Flow

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



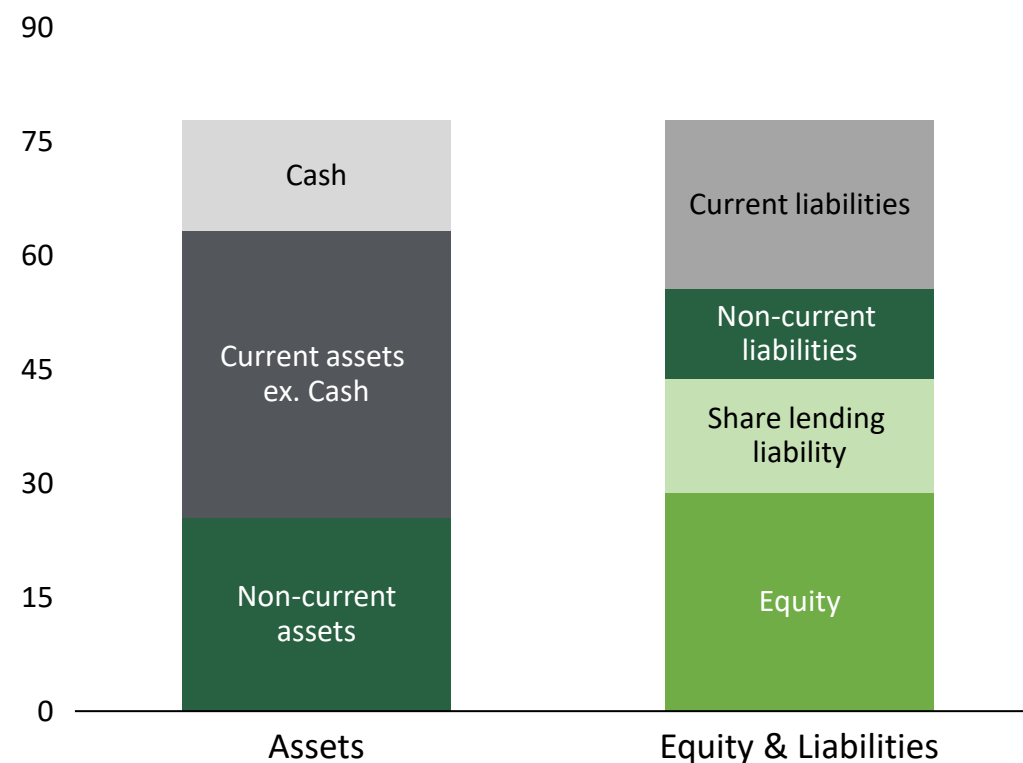


Financial position

- 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



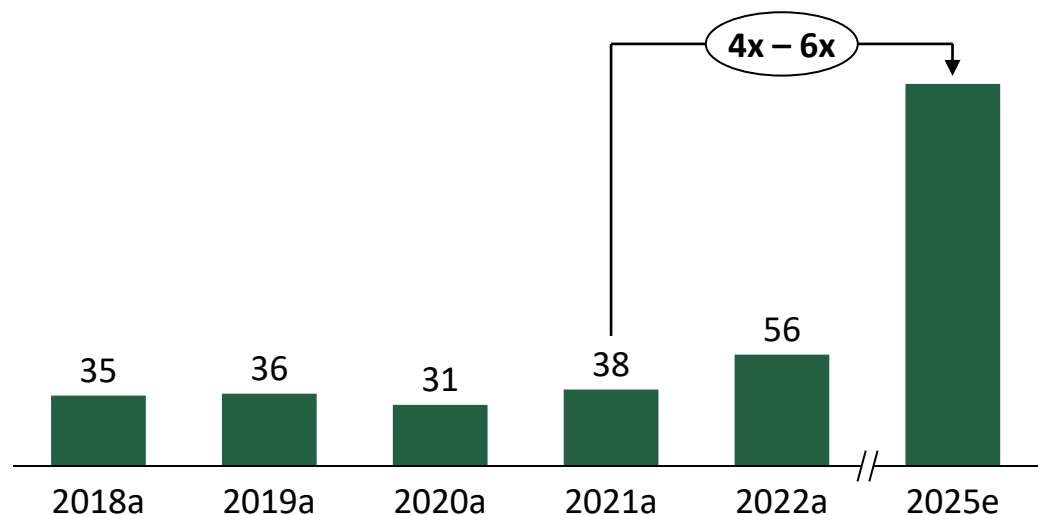


Outlook and Summary



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:
1st quarter 2023 results
May 16, 2022