Haiki+

Sector: Waste Management & Circular Economy

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A Pure Play in Circular Economy

Haiki+ is a one-stop-shop service provider in the Italian waste management market, leveraging advanced expertise, innovative technologies, and an extensive asset base built on a solid M&A track record.

Haiki+: Leading Player in Waste Management Services

Over the last four years, Haiki+ has become a leading provider of sustainable waste management solutions, driven by an ambitious M&A strategy. Operating across the entire circular economy value chain, the company offers end-to-end services, including collection, sorting, treatment, recovery, and disposal. With 4 synergistic business units, Haiki+ manages ~600k tons of waste annually through 20 proprietary facilities and 70 logistic points, supported by >600 employees, 8,000+ clients, and an extensive supplier network.

From Service Provider to Integrated Industrial System

Now that Haiki+ has completed its organizational restructuring and spin-off from Innovatec, its strategy will focus on consolidating its market position by strengthening its presence in already established areas, expanding its portfolio of services and facilities, and aiming to become a leader in highly attractive niches, and an integrated industrial group focused on material recovery.

Strong Growth Ahead, but Leveraged Starting Point

In 2027E, we project Haiki+ to reach a VoP of €274mn (11% $CAGR_{24E\text{-}27E}$) and an EBITDA Margin of 18% (+300 bps) driven by M&A, new facilities' scale-up, vertical integration, and full capacity utilization, generating ~€40mn in cumulative FCF. However, our estimates:

- Adopt a 15% EBITDA buffer vs. the business plan to account for potential delays in new plants reaching full capacity and limiting M&A contributions to announced or advanced deals;
- Highlight strong medium-term FCF but a challenging 2025E, where covenant breaches may occur, particularly if the Group is required to buy-out certain minority stakes. Equity measures, cost reductions, or halting M&A may be needed to mitigate these risks.

Fair Value at €0.95 p/s from Peers and DCF

We initiate coverage with a fair value of €0.95 p/s. Key drivers include (i) narrowing the gap with peers through improved profitability and efficiency, and (ii) strong medium-term FCF (~50% cumulative yield in FY26E-FY27E) after initial cash absorption for plants development and M&A.

Fair Value (€)	**0.95**
Market Price (€)	**0.84**
Market Cap. (€m)	**81.0**

KEY FINANCIALS (€mn)	2024E	2025E	2026E
VALUE OF PRODUCTION	201.6	223.3	255.5
EBITDA	30.5	37.7	44.5
EBIT	8.7	11.4	16.6
NET PROFIT	1.2	1.5	4.6
EQUITY	57.4	60.7	67.8
NET FIN. POS.	-60.8	-58.6	-42.0
EPS ADJ. (€)	0.01	0.02	0.05
DPS (€)	0.00	0.00	0.00

Source: Haiki+ (historical figures)
Value Track (2024E-26E estimates)

KEY RATIOS	2024E	2025E	2026E
EBITDA MARGIN (%)	15.1	16.9	17.4
EBIT MARGIN (%)	4.3	5.1	6.5
NET DEBT / EBITDA (x)	2.0	1.6	0.9
NET DEBT / EQUITY (x)	1.1	1.0	0.6
EV/SALES (x)	1.3	1.1	0.9
EV/EBITDA (x)	8.3	6.6	5.2
EV/EBIT (x)	29.2	21.7	13.9
P/E ADJ. (x)	>50	>50	17.5

Source: Haiki+ (historical figures)
Value Track (2024E-26E estimates)

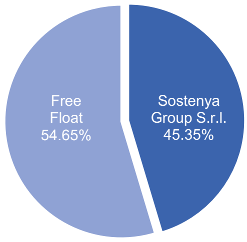
STOCK DATA	
MARKET PRICE (€)	0.84
SHS. OUT. (m)	96.4
MARKET CAP. (€m)	81.0
ENTERPRISE VALUE (€m)	246.9
FREE FLOAT (%)	45.35
AVG. -20D VOL. ('000)	1,034,958
RIC / BBG	HIK.MI / HIK IM
52 WK RANGE	€0.78 – €1.00

Source: Stock Market Data

Business Description

Haiki+ is an ecosystem of companies dedicated to supporting businesses in the treatment, management, disposal, and recovery of waste. Thanks to a broad range of advanced expertise, innovative technologies, and an extensive asset base built on a solid M&A track record, Haiki+ acts as a true one-stop shop for the circular economy, leveraging a holistic approach to deliver tailored, end-to-end solutions across the entire waste management value chain. Managing over 600k tons of waste and operating nationwide with 4 distinct yet synergic business units, 20 proprietary facilities, 70 logistics points, and +600 employees, Haiki+ is able to serve+8k clients annually and generate a turnover of +€200mn (FY24E).

Shareholders' Structure



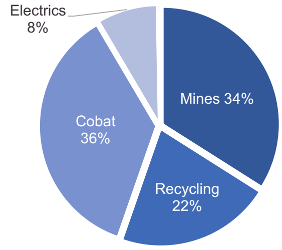
Source: Haiki+

Key Financials

Key Financials (€mn, IT GAAP)	2024E	2025E	2026E	2027E
Value of Production	**201.6**	**223.3**	**255.5**	**274.4**
y/y (%)	*11.0%*	*10.8%*	*14.4%*	*7.4%*
EBITDA	**30.5**	**37.7**	**44.5**	**50.4**
EBITDA Margin (%)	*15.1%*	*16.9%*	*17.4%*	*18.4%*
EBIT	**8.7**	**11.4**	**16.6**	**22.7**
EBIT Margin (%)	*4.3%*	*5.1%*	*6.5%*	*8.3%*
Net Profit	**1.2**	**1.5**	**4.6**	**9.4**
y/y (%)	*-71.5%*	*29.8%*	*nm*	*nm*
Adjusted Net Profit	**1.2**	**1.5**	**4.6**	**9.4**
y/y (%)	*-71.5%*	*29.8%*	*nm*	*nm*
Net Fin. Position	**-60.8**	**-58.6**	**-42.0**	**-20.9**
Net Fin. Pos. / EBITDA (x)	*2.0*	*1.6*	*0.9*	*0.4*
Capex	-20.0	-21.7	-13.7	-13.7
OpFCF b.t.	**5.9**	**17.1**	**28.4**	**33.6**
OpFCF b.t. as % of EBITDA	*19.2%*	*45.5%*	*63.8%*	*66.6%*

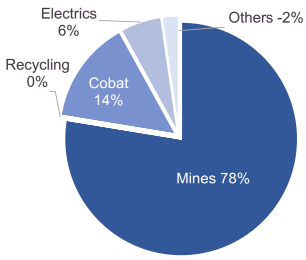
Source: Haiki+(historical figures), Value Track (estimates)

Top Line by Business Unit



Source: Haiki+, FY23PF

EBITDA by Business Unit



Source: Haiki+, FY23PF

Investment case

Strengths / Opportunities

- Waste management one-stop-shop with comprehensive service offering;
- Proprietary and extensive national footprint;
- Supportive EU / Italian policies and funding.

Weaknesses / Risks

- Underdeveloped capacity at recycling plants;
- Capital intensive business model;
- Highly regulated industry.

Stock multiples @ €0.95 Fair Value

Multiples	2025E	2026E
EV / SALES (x)	1.2	0.9
EV / EBITDA (x)	6.8	5.4
EV / EBIT (x)	22.6	14.5
EV / CAP.EMP. (x)	2.2	2.2
OpFCF Yield (%)	6.7	11.8
P / E (x)	>50	19.8
P / BV (x)	1.8	1.7
Div. Yield. (%)	0.0	0.0

Source: Value Track

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Executive Summary

A Leading and Pure Player in Waste Management and Circular Economy

Haiki+ is a leading ecosystem of companies operating in the Italian waste management and circular economy market. Following a restless corporate activity carried over the last four years that saw an **intense M&A** campaign and reorganization process, finalized with the **spin-off** from Innovatec, Haiki+ has positioned itself as a **one-stop shop** for sustainable **waste management solutions**, supported by an **extensive territorial footprint** and scalability in a few **attractive verticals**, at the forefront of Italy's green transition.

Haiki+ is still controlled by the Colucci family, with the second generation actively involved, supporting a senior management team of historical professionals as well as new key figures taken on-board thanks to recent acquisitions.

Highly Integrated Group with >€200mn Top Line and 15% EBITDA Margin

Following recent M&A and reorganization processes, Haiki+ is now active along the whole **circular economy value chain**, working daily to support businesses in management, collection, sorting and treatment, recovery and disposal of waste. Operating synergistically across **4 business units** (*Haiki Cobat, Haiki Recycling, Haiki Electrics, Haiki Mines*) to manage **~600k tons of waste annually**, Haiki+ can count on a significant asset base of **20 proprietary facilities** that guarantees a **comprehensive services offer**, a skilled workforce of over **600 employees**, **8,000+ diversified clients**, and an **extensive supplier network**.

The Group's **Value of Production** is expected to exceed **€200mn** in FY24E, with an **EBITDA >€30mn** derived for about 80% from disposal activities, and the remaining 20% split across waste management intermediary services, and sorting, treatment and recycling activities.

Waste Management Market Offering Major Opportunities

In 2022 Italy produced ca. 190mn tons of waste, out of which 85% classified as special waste, i.e. the main vertical addressed by Haiki+'s asset base. With the **Italian waste management market** set to reach a value of **€35bn** by 2025 (~4% $\text{CAGR}_{\text{22A-25E}}$), supported by **EU and national policies** like the PNRR, Haiki+ is well-positioned to leverage (i) increasing investments in recycling infrastructure, (ii) concrete sustainability targets, and (iii) the growing shift toward circular economy solutions. In this context, and thanks to the its nationwide coverage, strong partnership network and M&A track record, Haiki+ could also benefit from the expected consolidation trend of a **highly fragmented competitive arena**.

New 2024E-27E Business Plan Following the Haiki+ Spin-Off

Following the recent spin-off from the Innovatec group, Haiki+'s management presented a 3-year business plan that outlines an ambitious strategy to establish the company as an **industrial entity** and central hub for converting waste into high-value materials, leveraging innovation, operational excellence, and first-mover advantages in emerging markets, and reflecting a decisive evolution from its former role as a provider of environmental services. By 2027E, Haiki+'s management expects:

- **Value of Production** at **€328mn**, implying a 16% $\text{CAGR}_{\text{24E-27E}}$, with half of the growth derived from M&A operations and the other half split between organic growth and capacity expansion;
- **EBITDA** to reach **€62mn**, doubling FY24E values thanks to (i) the scale effect from organic growth (which also factors a normalization of the battery industry after the recent turmoil), (ii)

new M&A, and (iii) the better mix resulting from a stronger contribution of innovative facilities in highly attractive verticals;

- Cumulated **Capex** of **€55mn** and further **€11mn** for **M&A**, aimed at increasing the share of in-house activities and the industrial capacity;
- Cumulated **FCF** (before debt service) of ca. **€50mn**, despite Capex and M&A, driving a massive deleverage to €6mn Net Debt. However, the business plan excludes the likely buyout of Green LuxCo Capital S.A.'s (owner of 70% of the Group's larger landfill, i.e. "Ecosavona") 49.9% minorities, potentially triggered by the investment vehicle and minority shareholder Ancient Stone LLC's legal actions. A cash-out could absorb half of cumulative FCF and push FY25E coverage ratios near covenant limits.

Forecasts 2024E-27E: 18% EBITDA CAGR and €40mn Cumulated FCF

Our financial model closely aligns with Haiki+'s business plan, emphasizing key strategic drivers such as new facilities scale-up, heightened vertical integration, and full capacity utilization. However, our forecasts:

1. Adopt a 15% EBITDA buffer vs. the business plan to account for potential delays in new plants reaching full capacity and limiting M&A contributions to announced or advanced deals;
2. Highlight strong medium-term FCF but a challenging 2025E, where covenant breaches may occur, particularly if required to pay for Ancient Stone's minority stake (we estimate ca. €23mn in our Enterprise Value adjustments). Equity measures, cost reductions, or halting M&A may be needed to mitigate these risks.

Despite these considerations, our projections for FY27E remain robust:

- **Value of Production** at **€274.4mn**, reflecting a 11% CAGR$_{24E\text{-}27E}$;
- **EBITDA** at **€50.4mn**, with >300 bps margin improvement vs. FY24E;
- **Net Debt Adj.** at **€20.9mn**, after ~€40mn cumulative FCF generation.

Haiki+ in 3 Years: a More Diversified, Integrated, Profitable Industrial Group

By FY27E, Haiki+ is poised to operate a more diversified and integrated business model:

- **Improved Group Margins**: EBITDA margins are projected to rise from 15% in FY24E to 18% in FY27E;
- **Lower Weight of Disposal Activities**: landfills, which currently account for 80% of Group EBITDA, are expected to represent approximately 60% by FY27E;
- **Enhanced Efficiency Returns**: post-tax ROCE is forecasted to grow from approximately 4% to 14%, driven by greater integration and a more industrialized business model.

While this seems a challenging outlook, it stems from the normalization of certain verticals that faced headwinds in 2023E-24E (e.g., paper, batteries) and the sector's growing strategic importance in the green transition, which should enhance asset performance.

Key Issues and Risks

Haiki+'s attractive growth potential is accompanied by several risk factors and operational challenges that we expect management to gradually address. In more details, we highlight the followings:

- **Corporate Governance Issues**: Haiki+ will need to close a few deals in the next future, with (i) the finalization of the payment for the 50.1% stake in Green LuxCo Capital (Ecosavona's holding vehicle), as timing and terms of the €23mn mandatory convertible bond have not been decided yet; (ii) the likely buyout of Green LuxCo Capital 49.9% minorities from partner Ancient Stone (whose value may be close to the €23mn);
- **Related Parties**: despite the reduction of economic ties with the Sostenya Group and the Colucci family post-spin off, significant relationships persist beyond the management role of Colucci's family members, including lease contracts for the Bedizzole landfill, HQ office lease, coordination, IT and holding services, cross-obligations, and funding arrangements;
- **Financial Stress Risk**: FY25E poses a tight financial scenario, with our estimated leverage and coverage ratios leaving minimal room for flexibility. If the Green LuxCo Capital minority buyout occurs, management will need to carefully navigate funding needs and address potential covenant breaches to avoid financial strain;
- **Regulatory Risks**: many of Haiki+'s operations, such as landfills and recycling plants, depend on regulated assets, requiring complex permits with uncertain outcomes. While management views these risks as low, approval timing remains critical and beyond their control;
- **Technology and Innovation Risks**: Haiki+'s strategy hinges on deploying new plants and technologies to enhance its competitive edge and enter new verticals. Delays or underperformance could impact execution and returns;
- **Macroeconomic and Geopolitical Risks**: economic conditions, GDP growth, and energy costs significantly influence Haiki+'s performance, affecting waste volumes and prices, especially for materials like paper and lead.

Fair Value at €0.95 p/s from Peers' Multiples and DCF

We initiate coverage on Haiki+ with a **fair equity value of €0.95 p/s**, based on a blend of short-term Peers Analysis and a long-term DCF model. Haiki+'s potential is driven by:

1. **Closing the Gap vs. Peers**: improved profitability and efficiency through plant integration and acquisitions, boosting high-margin recycling capacity;
2. **Medium-Term Free Cash Flow**: robust FCF (~50% cumulative yield) projected for FY26E-FY27E, following initial cash absorption from plant development and M&A investments.

Despite the strong FCF outlook, challenges remain in 2025E, with potential covenant risks on the "Haiki S.p.A. 6% 2021-2026" bond, particularly if the Group is required to pay for Ancient Stone's minority stake (we estimate ca. €23mn in our Enterprise Value adjustments). Equity measures, cost cutting and/or a halt in M&A activities, may be needed.

Corporate Profile

Haiki+ is a leading ecosystem of companies operating in the Waste Management and Circular Economy Italian market. With over 600 employees, 20 proprietary facilities, and 4 synergic business units, it manages 600k tons of waste annually, serving 8,000+ clients with a turnover exceeding €200mn (FY24E). Following its spin-off from Innovatec, Haiki+ has positioned itself as a one-stop shop for sustainable waste management solutions (also thanks to the restless M&A of recent year), supported by an extensive territorial footprint and scalability in a few attractive verticals, at the forefront of Italy's green transition.

Haiki+ at a Glance

Haiki+ (or the "Company", "Group") is an ecosystem of companies dedicated to supporting businesses in the **treatment**, **management**, **disposal**, and **recovery of waste**. Thanks to a broad range of **advanced expertise**, **innovative technologies**, and an **extensive asset base** built on a solid **M&A track record**, Haiki+ acts as a true **one-stop shop for the circular economy**, leveraging a holistic approach to deliver **tailored, end-to-end solutions** across the entire waste management value chain.

Managing over **600k tons of waste** and operating nationwide with **4** distinct yet synergic **business units** (*Haiki Cobat*, *Haiki Recycling*, *Haiki Electrics*, and *Haiki Mines*), **20 proprietary facilities**, **70 logistics points**, and **+600 employees**, Haiki+ is able to serve**+8k clients** annually and generate a **turnover of +€200mn** (FY24E).

Historical Milestones

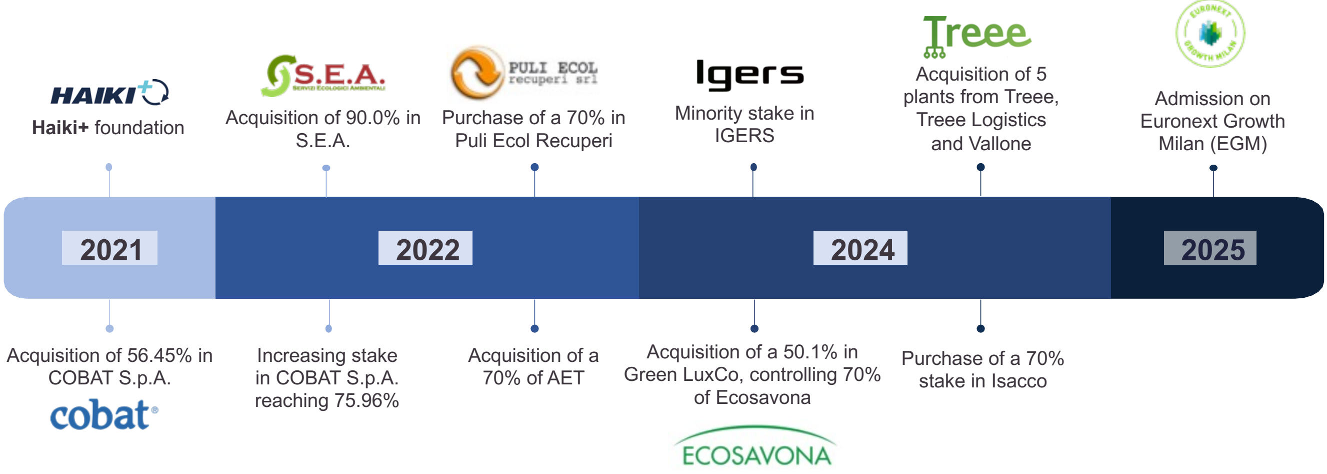
Haiki+ historical milestones are inevitably tied to those of **Innovatec**, Italian Clean Tech player listed on Euronext Growth Milan since 2013, and parent company of Haiki+ up to January 8th, 2025, when the spin-off of the Environment & Circular Economy business was completed. Since its inception, Hiaki+'s journey has been shaped by some strategic M&A operations. Indeed:

- **2021**: (i) Haiki+ was incorporated on May 7th, 2021 with the name "***Innovatec Circle***", then merged by incorporation in ***Clean Tech S.r.l.***, and finally changed the company name into "*Haiki+*"; (ii) the Company acquired a 56.45% stake in ***Cobat S.p.A.*** Italian leading services platform for the collection, storage and recycling of specific waste categories such as batteries, end-of-life tires, and WEEE (i.e., "*Waste from Electrical and Electronic Equipment*");
- **2022**: (i) acquisition of the 90% share capital of **SEA S.r.l.**, Italian company active in the collection, recovery and treatment of WEEE, specifically dedicated to R1 waste (refrigeration equipment); (ii) increasing stake in **Cobat S.p.A.** reaching the 75.96% of the share capital; (iii) acquisition of 70% of **PuliEcol Recuperi S.r.l** and 70% of **AET S.r.l.** share capitals, both aimed at strengthening the Group national footprint and asset base for WEEE treatment and recovery;
- **2023**: thanks to a significant structural reorganization involving several mergers by incorporation of already controlled legal entities ("**Diocle Operation**"), Haiki+ streamlined and simplified the Group's corporate structure (more details below);
- **2024**: (i) acquisition from Haiki+'s main shareholder Sostenya Group S.r.l. of a 50.1% stake in Green LuxCo Capital, in turn, controlling 70% of the share capital of **Ecosavona S.r.l.**, owner of the 2.5mn cubic meters landfill of Boscaccio; (ii) acquisition of the 24.5% share capital of **Igers S.r.l.**, Italian company active in the recycling of scraps and waste from the textile sector; (iii) acquisition of the 70% share capital of **Isacco S.r.l.**, owner of a new plant dedicated to the

treatment and sorting of special non-hazardous waste (mainly metal scrap); (iv) approval of the **partial, proportional, and reverse spin-off** of Innovatec (retaining the Energy Efficiency business) in favor of Haiki+ (Environment and Circularity). The decision was driven by the need to enhance efficiency of both businesses, now characterized by different market dynamics, customer based and minimal operational synergies. The spin off should enable more focused management, clearer strategies, independent market evaluations, and facilitate industrial aggregation opportunities; (v) acquisition of the 5 WEEE treatment plants of the **Treee Group** (Treee S.r.l, Treee Logistics S.r.l., Vallone S.r.l.).

- **2025**: completion of the spin-off and subsequent listing of Haiki+ on **Euronext Growth Milan** (January 10th, 2025).

Haiki+: Key Historical Milestones



Source: Haiki+, Value Track Analysis

Group Structure

Haiki+ is a holding company leading a structured corporate group with nationwide operations and extensive territorial coverage across Italy. The current structure is the result of an internal reorganization ("Diocle Operation") aimed at defining four distinct business areas, each managed by a specific company to clearly allocate competencies and activities, while defining different strategies along the industry value chain:

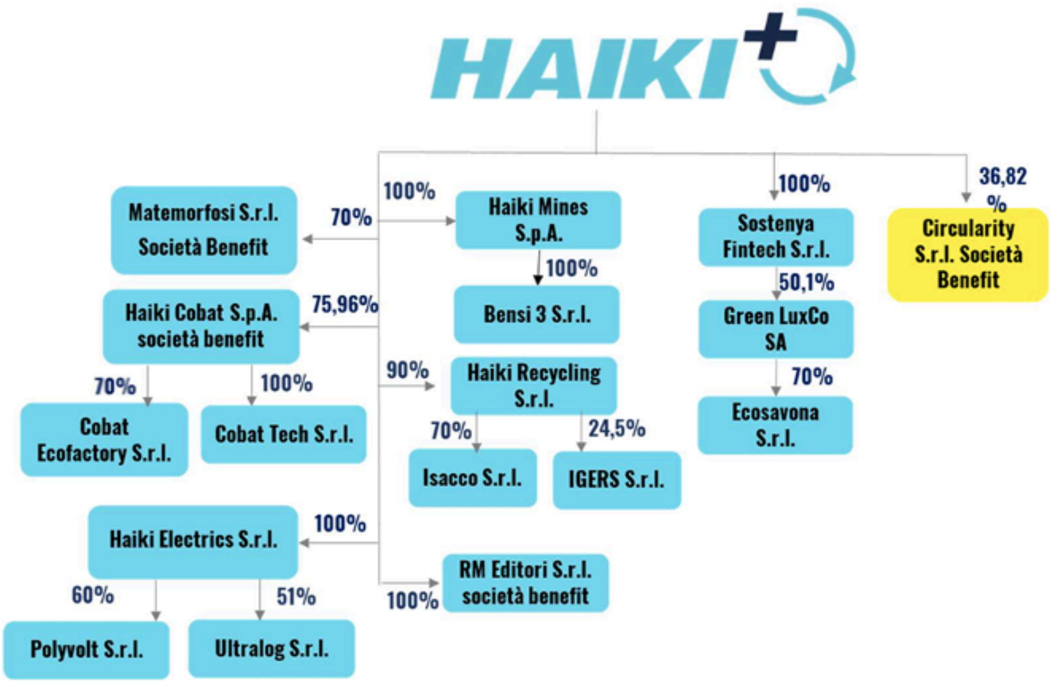
- **Haiki Cobat** (75.96% owned): dedicated to integrated and **customized services of process management and intermediation**, i.e. management and tracing of waste cycles (collection, transportation, treatment, and recycling) of a few verticals such as spent **batteries**, **WEEE** (including photovoltaic modules), end-of-life **tires**, **composite** material products, and **textiles**. Its network relies on a carefully selected logistics and facility system adhering to the strictest standards, ensuring nationwide coverage with over 70 locations. This business unit will focus on converting managed waste into new raw materials, marking a **shift from pure intermediation to a partial industrialization** of selected phases/technologies. The first step of this transformation is **Cobat Ecofactory S.r.l.** (53.17% owned), owner of Italy's first recycling plant dedicated to recycling lithium batteries from the automotive sector;
- **Haiki Recycling** (90% owned): focused on the rigorous, certified, and efficient **collection and sorting of special** (including hazardous) **waste** generated by businesses (mainly **packaging**, but also **plasterboard**, **mattresses**, **metal scrap**, and **textiles**). Operating through **10 facilities** (authorized or in the process of authorization) across Piedmont and Lombardy and, through qualified partners, ensuring full coverage nationwide. This unit also includes the recently

acquired **Isacco S.r.l.**, which owns a treatment facility in Cremona (CR), and **Igers S.r.l.,** a company that is developing Italy's first fully automated facility for sorting, sanitizing, and recycling textile waste;

- **Haiki Electrics** (100% owned): dedicated to the **end-to-end recovery and recycling** of all valuable components from **WEEE** (including plastics). The company combines the expertise of **SEA S.r.l**, **PuliEcol Recuperi S.r.l.**, and **AET S.r.l.** in the collection, treatment, and recovery of all WEEE categories (R1, R2, R3, R4, and R5), including cooling and climate appliances, large household appliances, TVs and monitors, small appliances, and light sources. Following the completion of the **Treee** operation, it also includes the acquired facilities, bringing the total to **8 industrial plants**;
- **Haiki Mines** (100% owned): dedicated to the authorization, development, and management of landfills for the environmentally sustainable and efficient **disposal of non-recoverable waste fractions**. The business unit includes the **3 landfills** of Albonese (PV), Bedizzole (BS) and Bossarino (SV), and **Ecosavona** (35.07% owned, but directly managed and fully consolidated) with its landfill in Boscaccio (SV), for an aggregated authorized capacity of ca. 8mn cubic meters (ca. 4mn residual). In addition, Haiki Mines owns **5 biogas energy recovery plants** in Andria (BT), Bedizzole (BS), Bossarino (SV), Chivasso (TO), and Giovinazzo (BA);

We finally mention **Circularity S.r.l.** (36.82% owned), services platform helping businesses redesign their business models with a sustainability focus, offering integrated services including consulting, information, certifications, and training, to support them in the recovery of production waste.

Haiki+: Group Structure



Source: Haiki+ Business Plan

Extensive Asset Base

Haiki+'s operations rely on a significant asset base comprising **+20 proprietary facilities**, and over **3,000 vehicles**, as well as an extensive network of **50 management partners** across the territory and **70 collection points** strategically located through Haiki Cobat. The Group's territorial footprint, which has progressively expanded in recent years, is unique within the Italian industrial landscape, offering unmatched scalability and operational reach.

Haiki+: National Footprint

Source: Haiki+ Business Plan

More details regarding each facility owned by the Group can be found in the appendix.

Governance, Management Team and Ownership Structure

Governance and Management Team

Haiki+'s board of directors includes both long-standing members of the Innovatec Group and additions who previously held senior management roles within the subsidiaries acquired by the Company:

- **Elio Cosimo Catania - Chairman**: former CEO of IBM (Southern Europe, Latin America, Italy), Ferrovie dello Stato, and ATM, and Deputy Vice Chairman of Alitalia. Current Chairman of Innovatec, Mexedia, and Quid;
- **Nicola Colucci - Deputy Chairman**: Business Administration graduate (UCSC, 2020). Key leadership roles at Haiki+ and Haiki Cobat since 2021, now Chairman of both companies;
- **Camilla Colucci - Director:** co-founder/CEO of Circularity and Vice President for ESG at Innovatec and Haiki+. Member of the SustainAbility Hub Committee;
- **Flavio Raimondo - Co-CEO**: extensive experience in renewable energy and waste management. Former CEO of Innovatec and now CEO of Haiki+ and Sole Director of Haiki Mines and Ecosavona;
- **Claudio De Persio - Co-CEO**: former Director at Bosch Italia and Cobat Consortium. Now CEO of Haiki+ and Haiki Cobat;

- **Eugenio D'Amico - Independent Director:** Professor of Economics at Roma Tre, Chartered Accountant, and expert in finance and valuations, with multiple board roles.

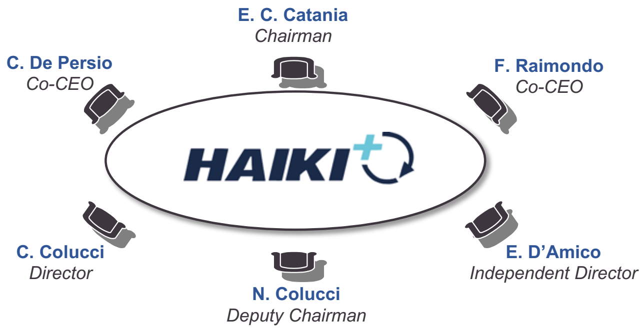
Haiki+s top management also includes:

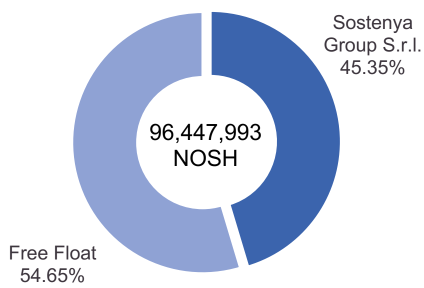
- **Federico Malgarini – CFO & IR Manager**: Environmental Engineering graduate (Politecnico di Milano). CFO of Haiki+, President of Igers, and board member of Haiki Cobat and Haiki Electrics;
- **Maria Domenica Ciardo - Legal Director**: Law graduate (University of Salento) with a Master in Administrative Law. Former Head of Legal at Innovatec, now Legal Director at Haiki+.

Ownership Structure

Haiki+ has a share capital of **96,447,993 shares**, held by **Sostenya Group S.r.l.** for 45.35% and a **54.65% free float**. Sostenya Group's share capital is now split among Nicola Colucci (38%), Camilla Colucci (38%), and their father Pietro Colucci (24%, founder and former Chairman and CEO of the Innovatec Group).

Haiki+: Ownership Structure and Board of Directors





Source: Haiki+, Value Track Analysis

Business Profile

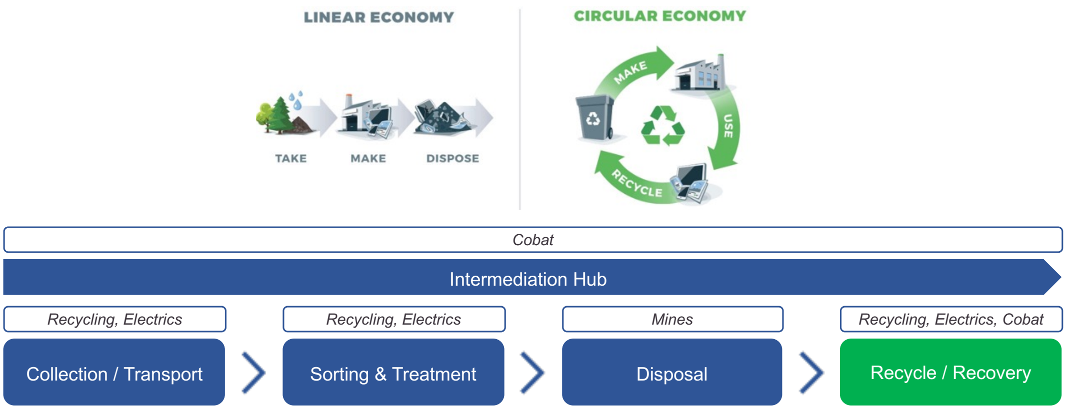
Haiki+ pioneers the circular economy by maximizing material recovery while minimizing environmental impact. Through its integrated ecosystem, advanced facilities, comprehensive and tailored solutions for diverse waste streams, Haiki+ is the one-stop-shop national player of reference for waste management services. Its skilled workforce, diversified clientele and extensive supplier network reinforce its competitive position.

Value Proposition, Value Chain, and Business Model

In a world where environmental challenges are increasingly urgent, Haiki+ is at the forefront of providing businesses with the right tools to unlock the potential of circularity and offering practical solutions to support organizations in this transformative journey. The ultimate goal is to **transform waste disposal** from an obligation (with relatively high costs) **into a business opportunity** (and also a source of revenue), while continuing to drive clients' growth, enhance their operational efficiency, and promote sustainable innovation through a network of highly skilled partners.

In Japanese, "***Haiki***" means 'scrap, junk,' while the "+" symbolizes the Group's aim to transcend the traditional paradigm that considers the mere disposal of industrial waste as the only end-of-life solution in the production cycle. Indeed, Haiki+ aims to upend the traditional linear economic model, based on production, use, and disposal, into a continuous cycle of material reuse and value enhancement, starting with the introduction of the **circular production chain**.

Haiki+: Value Chain



Source: Haiki+, Value Track Analysis

Key Services and Business Units

Haiki+ is an **ecosystem of companies** that combines innovation and the sustainability of the circular economy, working daily to support businesses in management, collection, sorting and treatment, recovery and disposal of waste. Operating synergistically, Haiki+ is able to offer tailored solutions for every need in industrial waste management and material recovery (a so-called "**one-stop shop**") Through its 4 business units (Haiki Cobat, Haiki Recycling, Haiki Electrics, and Haiki Mines), the Group can count on a significant asset base that guarantees a **comprehensive services offer** across a broad range of waste materials, i.e. non-hazardous special industrial waste (mainly **packaging** and **metal** scraps), end-of-life lithium and lead acid **batteries**, and **tires**, as well as **WEEE** (including plastic components and photovoltaic modules), material **composites**, and **textiles**.

Haiki+: Presence on the Waste Management Value Chain

Divisions	Current Services	Tons Managed	Waste Verticals	Current Plants	Revenue FY24E	Weight on Total
Haiki Cobat	Intermediation Hub	+140k	Batteries, WEEE, Tires, Composite, Textiles	1	€96.4mn	48%
Haiki Recycling	Collection, Sorting, Treatment	+110k	Packaging & Others	10 (*)	€33.7mn	17%
Haiki Electrics	Collection, Sorting, Treatment, Recycle	+25k	WEEE	8 (**)	€13.1mn	6%
Haiki Mines	Disposal	+270k	Landfills	4	€58.4mn	29%

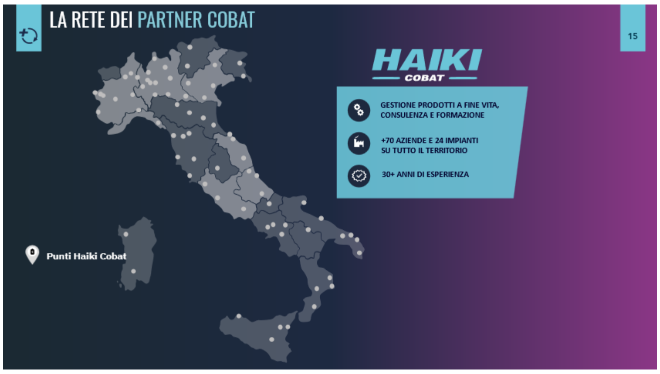
Source: Haiki+, Value Track Analysis, (*) of which 2 pending authorization; (**) of which 5 from Treee Group

Haiki Cobat - Waste Cycle Management

Originally established as a consortium 30+ years ago, Haiki Cobat provides to medium/large corporates and consortia **end-of-life product management services** for the collection, treatment, and recycling of spent batteries, WEEE (including photovoltaic modules), end-of-life tires , composite material products, and textiles. So far the business model has been focused on service and intermediation activities, but it is gradually including industrial activities of recycling through proprietary facilities. Haiki Cobat's comprehensive service offer includes:

- **Intermediation Activity**: Haiki Cobat specializes in the transparent, efficient, and sustainable management of end-of-life products, providing tailored nationwide services for the collection and recycling of industrial and municipal waste. Through a network of 70+ authorized transport and storage partners and 24 treatment facilities, it ensures traceable and compliant waste handling. Serving both private entities and producer responsibility organizations (PROs), Haiki Cobat relieves producers and importers of specific product categories from civil liabilities, ensuring environmentally compliant waste management while mitigating risks of regulatory breaches;
- **Cobat Academy**: a platform for advanced training, consulting, and knowledge sharing focused on sustainability, risk management, and the circular economy. Cobat Academy positions Haiki Cobat as a sector competence center, leveraging in-house expertise and external advisors.
- **Lithium Box**: a certified line of metal containers designed for the safe transport and storage of damaged or defective lithium batteries, available in medium and large sizes to accommodate varying battery dimensions and power levels;
- **Niche Waste Recycling Projects**: collaborating with leading companies nationwide, Haiki Cobat invests heavily in research, developing innovative solutions for underserved markets, including airbags (end-of-life management), photovoltaics (complete lifecycle recycling), Zero Waste (EPR-compliant waste tracking), and "*Percorso Cobat*" (certified platform for end-of-life vehicle management);
- **Industrialization Initiatives**: leveraging its extensive experience, Haiki Cobat is transitioning from intermediary to industrial operator with proprietary facilities, such as **Cobat Ecofactory**, Italy's first lithium battery recycling plant, where Haiki Cobat holds a 70% stake (authorized for up to 3.5k tons annually as for today).

Haiki+: Haiki Cobat



cobat RIPA	The most important Italian consortium for the collection and recycling of spent batteries and accumulators
cobat RAEE	Consortium for the collection and recycling of WEEE waste, including photovoltaic modules
cobat TYRE	Consortium company for the collection and recycling of end-of-life tires on behalf of manufacturers/importers and those from car scrapping
cobat COMPOSITI	Italian consortium for the collection, treatment, and recovery of end-of-life products made from composite materials, mainly fiberglass and carbon fiber
cobat TESSILE	Voluntary Italian consortium for end-of-life textile products

Source: Haiki+

Haiki Recycling – Waste Collection & Sorting

Haiki Recycling, Haiki+'s industrial arm, focuses on the **collection, sorting, and basic treatment of special (including hazardous) waste**, transforming it into new raw materials while reducing environmental impact. Its services include:

- **Collection**: comprehensive waste collection, storage area organization, and logistics optimization via a fleet of authorized vehicles and a nationwide partner network;
- **Transportation and Rental**: efficient transport services and rental of technical equipment for temporary waste storage and transport to treatment facilities;
- **Sorting and Treatment**: advanced processes to maximize material recovery and minimize landfill use, fostering sustainability and innovation.

More in details, Haiki Recycling's activity is carried out through 10 facilities of which the vast majority currently in operation:

- **Palazzolo Vercellese** (VC): former Vescovo Romano & C. S.r.l. Manual and mechanized sorting of non-hazardous waste, processing 110k tons annually, including recyclable fractions and solid recovered fuel (SRF) production. This facility is highly specialized in paper treatment;
- **Albonese** (PV): key hub for industrial waste sorting, authorized for 60k tons annually, producing SRF and leveraging its strategic location and extensive space;
- **Cermenate** (CO) and **Collegno** (TO): facilities for sorting, recycling, and shredding non-recoverable waste for energy recovery, with the former handling up to 30k tons annually;
- **Chivasso** (TO): processes up to 43k tons annually, focusing on storage and sorting of non-hazardous industrial waste;
- **Lazzate** (MB): the newest facility, dedicated to recovering industrial packaging waste through cutting-edge technologies, serving a large client base near Milan. Operational since mid-2024, the facility is gradually ramping up its capacity and is expected to reach full capacity (50k ton annually) within 12 months;
- **Cremona** (CR): plant of Isacco S.r.l., owner of the authorization for the storage, treatment, and recovery of diverse non-hazardous waste up to 80k tons annually.

There are a few plants devoted to industrial recycling in specific niche waste stream, such as:

- **Lodi** (LO): former Ecological Wall S.r.l. It marks the Group's first expansion into the recycling of niche waste streams, specifically drywall, recovering 95% of gypsum for reuse in manufacturing. It is authorized to process up to 30k tons annually;
- **San Pietro di Mosezzo** (NO): future Igers S.r.l. facility, under authorization, for automated sorting, sanitization, and recycling of textile waste;

- **Palazzolo Vercellese** (VC): former Matemorfosi S.r.l., owner of an innovative facility dedicated to mattresses recycling, but still under feasibility scrutiny.

Haiki Recycling's advanced facilities and services underline its commitment to sustainability and resource recovery across diverse waste streams.

Haiki+: Haiki Recycling

Source: Haiki+

Haiki Electrics – End-to-End WEEE Recovery

Haiki Electrics provides end-to-end services for the **collection and recovery of WEEE** (Waste from Electrical and Electronic Equipment), covering the entire process from initial collection to final resource recovery:

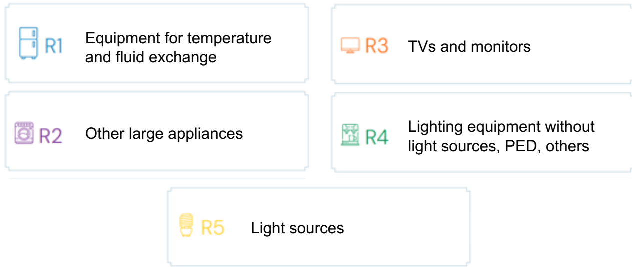
1. **Collection**: Haiki Electrics collects discarded electronic devices, sorting them by category. A broad network of collection points ensures safe storage, serving both municipal and industrial waste streams;
2. **Transport**: Haiki Electrics uses a fleet of specialized vehicles and partners with top logistics operators to securely and efficiently transport WEEE to its facilities;
3. **Inspection and Weighing**: advanced technologies ensure precise measurement and categorization of incoming waste, enabling efficient planning for disposal, recovery, and facility management;
4. **Storage**: materials are securely stored by trained personnel, adhering to strict safety and environmental standards;
5. **Processing**: advanced techniques to disassemble, separate, and treat WEEE, maximizing material recovery for reuse in production cycles.

Operations are conducted at the following facilities:

- **Romano d'Ezzelino** (VI): former SEA S.r.l., this plant is authorized for up to 50k tons annually, processing all five WEEE categories;
- **San Severino Marche** (MC): former PuliEcol S.r.l., this plant is authorized for up to 53,390 tons annually, processing all five WEEE categories;
- **San Pietro di Morubio** (VR): former AET S.r.l., this facility is authorized for up to 7k tons annually, and it is specialized in recovering plastics from WEEE (especially R1 and R3).

Following the **Treee** deal, the Group acquired ownership of five additional WEEE processing and recycling facilities, i.e. **Fossò** (VE), **Livorno** (LI), **Montalto di Castro** (VT), **Anagni** (FR), and **Rho** (MI), for an aggregated authorized capacity of 180 tons per year.

Haiki+: Haiki Electrics



Source: Haiki+

Haiki Mines – Disposal on Landfills

Haiki Mines specializes in **certified and highly efficient disposal of non-recoverable waste**, managing Haiki+'s final disposal sites in Lombardy and Liguria:

- **Albonese** (PV): owned by the Group and operational since 2002, this site includes (i) a landfill for non-hazardous special waste from industrial and commercial sources in Lombardy, Piedmont, and Emilia Romagna, and (ii) a facility for storing, sorting, and recovering industrial waste (Haiki Recycling division). It has a total authorized capacity of 1,047,826 cubic meters, with 429,071 cubic meters remaining; (as of December 2023);
- **Bedizzole** (BS): managed under a lease with Next Generation S.r.l. (part of the Sostenya Group) until March 2027 (renewable to 2030). Volumes are nearly depleted (35,315 cubic meters remaining out of 1,686,800). A landfill mining project has been recently authorized to recover valuable materials and create new disposal capacity;
- **Bossarino** (SV): owned and operating since 1986, this historic Ligurian landfill offers an authorized capacity of 3,515,110 cubic meters, with 2,734,799 cubic meters still available. It serves as the region's primary solution for treated industrial waste disposal;
- **Boscaccio** (SV): operated by Ecosavona (Innovatec acquired its interest of 35.07% in 1H24), this site handles non-hazardous special and municipal waste and aligns with the Group's landfill operations. Active since 1992, it has a residual capacity of 1,044,653 cubic meters (2,540,320 total). The site's authorization is secure until end-2026, with a low risk of management renewal loss, and with the renewal process expected to close by the end of FY25.

Additionally, Haiki Mines manages **biogas energy recovery plants** at third-party landfills. Internal combustion engines generate electricity from biogas at Andria, Giovinazzo, and Chivasso, alongside Bedizzole, Bossarino, and Boscaccio. While this activity contributes modest revenue, it underscores Haiki Mines' commitment to extracting maximum environmental and economic value from disposed waste.

Haiki+: Haiki Mines

Source: Haiki+

Human Capital, Clients, Suppliers, and Related Parties

Haiki+'s operations engage a large number of stakeholders, each playing an important role in the Group's waste management value chain.

Highly Qualified Personnel

The Group's activities significantly rely on its key executives and skilled personnel, who possess advanced technical and professional expertise, along with extensive experience in the Group's operational sectors. Despite the shortage of human capital on the Italian market, but also thanks to the significant M&A activity (especially through the recent acquisition of Ecosavona and Treee's industrial assets), Haiki+ has been able to drive a substantial expansion of its workforce, now boasting over 600 employees.

Haiki+: Workforce Evolution

Employees	FY20	FY23	1H24	Admission Date
Executives	//	8	9	12
Managers	//	15	16	22
Staff	//	114	116	185
Workers	//	201	193	399
Total	**183**	**338**	**334**	**618 (*)**

Source: Haiki+, Value Track Analysis, (*) includes Ecosavona and Treee

Broad and Diversified Clientele Across Divisions

Haiki+ serves a wide range of clients, tailored to the activities of each division:

- **Haiki Cobat**: clients are (i) Producer Responsibility Organizations (PROs, i.e. consortia) and large corporates with long-term (10-year) contracts for integrated waste management, paying Cobat to contribute their waste, (ii) final recovery operators and smelters focused on the recycling of lead automotive batteries (purchasing spent batteries from Cobat), and (iii) corporates requiring consulting or logistic services. Key clients include Eco-Bat Resourcs Italy S.r.l. (+€18mn in FY23PF and 1H24PF), Piomboleghe S.r.l. (5% of FY23PF Revenue), and Piombifera Italiana S.r.l., with contracts being typically indexed to the London Metal Exchange (LME) lead price;
- **Haiki Recycling**: clients are over 2,000 Italian manufacturing companies and large national distribution chains and retailers, relying on Haiki Recycling for integrated waste management

services. No single client from this division ranks among the Group's top 20 due to a large client base and low individual contract values. Contracts are annual agreements detailing transport, disposal, and equipment rental services;

- **Haiki Electrics**: clients are either (i) PRO systems: limited number of operators like Haiki Cobat, Erion WEEE, others handling domestic WEEE from urban waste streams (contracts are renewed annually following accreditation); or recyclers: buyers of recovered materials, particularly metals, representing the division's largest revenue stream. Key clients include CO.FER.METAL marche S.r.l. and Compostella Rottami S.r.l.;
- **Haiki Mines**: clients are primarily waste management operators handling non-recoverable waste fractions, hence competitors from Haiki Recycling's value chain and municipalities in Liguria for urban waste management. Contracts can be consumption-based (annual agreements with disposal fees based on waste type) or volume-based (one-off agreements allocating landfill capacity at a fixed price within a specified timeframe). Key clients are (i) the related party Sostenya Green S.r.l. (€21.5mn Revenue in FY23PF and €6.6mn in 1H24PF), (ii) A.M.I.U. Genova S.p.A. (€2.6mn in FY23PF, €2.5mn in 1H24PF), and (iii) the other business units to a limited extent.

As of 1H24PF, Haiki+'s client concentration shows that the top 5 clients accounted for 40.8% of revenue, the top 10 for 53.2%, and the top 20 for 65.6%. The concentration should materially reduce from FY25,as the Group terminated its contract with the related party Sostenya Green S.r.l. (contributing to the Group's revenue through its brokerage activity for landfill space. This activity will be carried out directly by Haiki Mines).

Quality Selection of Supplier Network

The Group's operations involve over 1,000 suppliers, ensuring no dependency on specific vendors. Key services include:

- **Logistics**: nationwide transportation of waste;
- **Storage**: temporary waste storage at trusted facilities to optimize logistics;
- **Treatment**: partnering with local operators for specialized waste processing;
- **Procurement**: direct purchase of specific waste, such as used automotive batteries;
- **Equipment**: maintenance and operation of proprietary facilities with domestic suppliers.

Suppliers are selected based on quality, safety, and financial stability to ensure operational reliability and minimize risks.

Related Parties

The Group has historically engaged with related parties across various areas, including corporate support (services and office leases), real estate (Bedizzole landfill), M&A (Ecosavona deal), and management (with the Colucci family retaining significant roles). Post-Haiki+'s spin-off and other streamlining actions, the key direct and indirect relationships with the Group's major shareholder are as follows:

- **Bedizzole**: landfill operated by Haiki Mines but owned by Next Generation S.r.l., in turn controlled by the Colucci family. The lease service is currently not remunerated as the landfill reached its maximum capacity. The contract expires on March 1st, 2027;
- **Ecosavona's Mandatory Convertible Bond and Minority Interests**: In February 2024, Innovatec acquired a 50.1% stake in Green LuxCo Capital S.A. (the owner of 70% of Ecosavona and its Boscaccio landfill) from its reference shareholder, Sostenya Group S.r.l., via a €23mn mandatory convertible bond. This bond, included in Haiki+'s net equity, matures on October 22, 2028, but can be fully or partially repaid at Haiki+'s discretion before the maturity date. However,

the exact conversion date and potential issue price have not been decided yet. Furthermore, Green LuxCo Capital's minority shareholder, the investment vehicle Ancient Stone LLC, has contested the deal, creating the likely scenario in which Haiki+ may be required to buy out the minority interest;

- **Sostenya Green S.r.l.**: as previously mentioned, Haiki+ terminated its contract with Sostenya Green S.r.l., company owned by the Colucci family, which substantially contributed to Haiki Mines' revenue in the past. This activity will be carried out directly by Haiki Mines;
- **Innovatec S.p.A.**: limited relations regarding co-obligations provided by Innovatec for certain guarantees and a €7mn loan (expiring in 2029) to Innovatec's subsidiary's Genkin S.r.l.;
- **Corporate Services**: ca. €3.0mn annual management fees (holding, coordination, leases) to Sostenya Group S.r.l., reference shareholder of Haiki+, in continuity with what was already in place prior to the spin-off.

Reference Market

In 2022, Europe generated over 2.2bn tons of waste, with Italy producing 190mn tons, driven by construction and manufacturing. With the Italian waste management market set to reach a value of €35bn by 2025 (~4% CAGR$_{22A-25E}$), supported by EU and national policies like the PNRR, Haiki+ is well-positioned to leverage increasing investments in recycling infrastructure, sustainability targets, and the growing shift toward circular economy solutions.

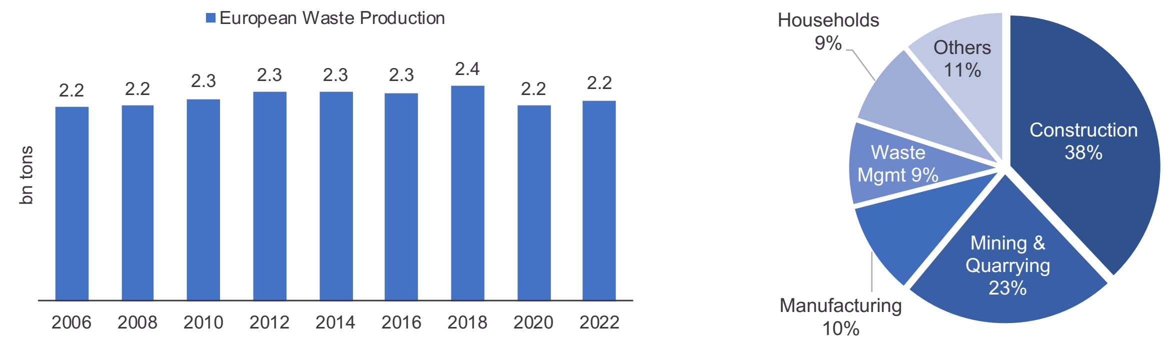
Waste Production and Management Market Overview

European Market

According to Eurostat's latest data**, European waste production** totaled over **2.2bn tons** in 2022, with a decline from pre-2020 levels driven by Covid-19-related shutdowns. The top producers were **Germany** (386mn tons), **France** (345mn tons), **Italy** (190mn tons), **Poland** (175mn tons), and **Sweden** (164mn tons).

Construction remains the leading waste-generating sector, contributing 38% of total waste in 2022, followed by **mining and quarrying** (23%), **manufacturing** (10%), and **waste management** services (collection, sorting, treatment, recovery and disposal, 9%).

Haiki+: European Waste Production and Breakdown by Activity



Source: Eurostat, Value Track Analysis

Italy stands out in material circularity, achieving an 18.7% recycling rate, just below France (19.3%) but well above Germany (13.0%), Spain (7.1%), and the EU average, reinforcing its leadership in the circular economy.

Italian Market

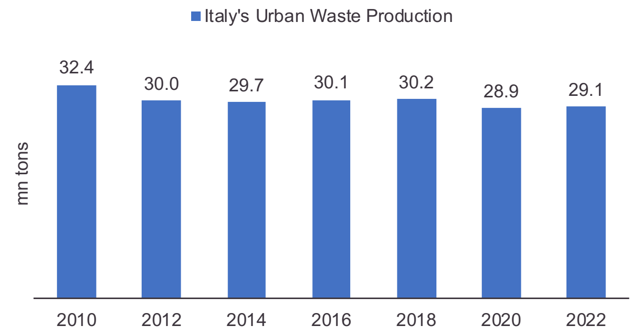
In **Italy**, **waste production** totalled **190mn tons** in 2022, of which approximately 15% comprised municipal (or "urban") waste, while the remainder was classified as special waste. The distribution of waste origin aligns with broader European trends: the construction sector is indeed the largest contributor, generating 43% of total waste, followed by manufacturing (15%) and waste management (19%), underscoring their pivotal role in the country's waste ecosystem.

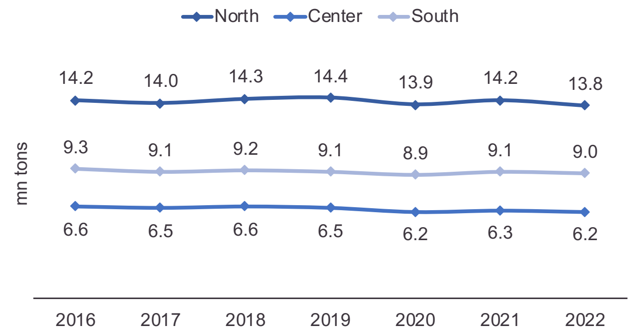
Urban Waste Production and Management

Urban waste, comprising domestic and similar waste from various sectors, is divided into **differentiated** (e.g., organic, packaging, electronics) and **undifferentiated** (e.g., street sweeping, bulky items) fractions.

In 2022, **Italy** produced **29mn tons of urban waste**, a stable figure since 2012 despite socio-economic fluctuations. The country's 654 waste management facilities include 285 for organic treatment, 96 for mechanical processing, 117 landfills, 36 incinerators, and 11 co-incineration plants, showcasing a well-established infrastructure.

Haiki+: Italian Urban Waste Production and Breakdown by Area





Source: ISPRA "Rapporto Rifiuti Urbani 2023",, Value Track Analysis

Special Waste Production and Management

Special waste, originating from industrial and commercial activities, is managed by authorized disposal companies and classified as **hazardous** or **non-hazardous**. Hazardous waste contains high concentrations of pollutants and requires treatment to mitigate its risks.

In 2022, **Italy** produced **161mn tons of special waste**, down 2% from 2021 but 10% higher than 2020. Non-hazardous special waste was largely generated by construction and demolition (53%), waste treatment and remediation (22%), and manufacturing (16%). Hazardous waste mainly came from manufacturing (37%), waste treatment and remediation (34%), and trade and transport services (17%).

Italy managed 176.6mn tons of special waste in 2022, including stockpiled waste, with 84% recovered and 16% disposed of, demonstrating a strong focus on recycling and resource recovery.

Haiki+: Italy's Special Waste Management (mn tons)

Activity	Hazardous	Non-Hazardous	Total	*As a % of Total*
Disposal	4.5	143.7	148.2	*84%*
Recovery	5.0	23.5	28.4	*16%*
Total	**9.5**	**167.1**	**176.6**	***100%***

Source: ISPRA "Rapporto Rifiuti Speciali 2022", Value Track Analysis

Waste from Electrical and Electronic Equipment (WEEE) Sector

Special waste also includes WEEE and spent batteries, which pose significant challenges due to their need for complex, specialized treatment to recover critical raw materials and manage hazardous components.

WEEE categories are organized into specific groups to ensure proper waste management and recycling, particularly: (i) **R1** includes temperature exchange equipment such as refrigerators and air conditioners that use fluids for temperature regulation; (ii) **R2** covers large household appliances like washing machines and dishwashers, often referred to as white goods; (iii) **R3** focuses on screens and monitors, including televisions and display device; (iv) **R4** encompasses IT and consumer electronics, private lighting devices, portable electronic devices, and similar equipment; (v) **R5** consists of light sources, such as fluorescent tubes and compact lamps.

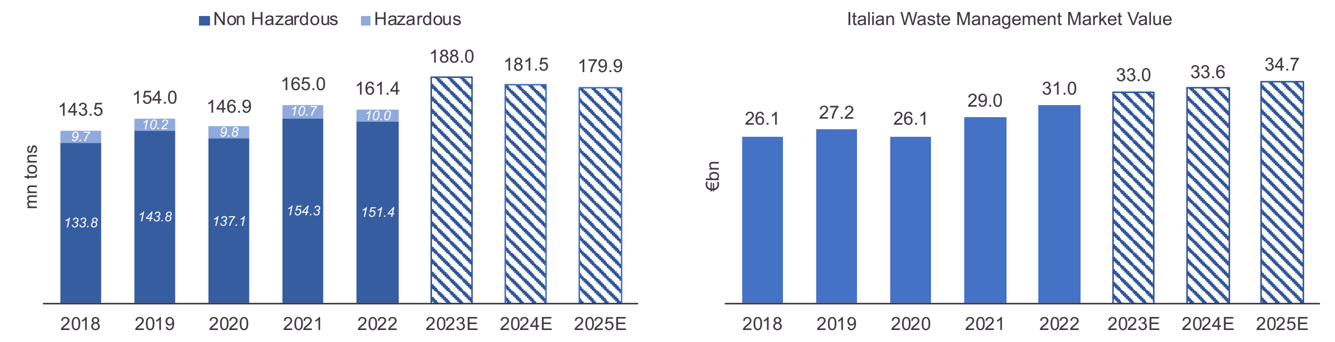
In **2023**, WEEE collection in Italy declined, reaching **349,345 tons**, driven primarily by a drop in TV and monitor recycling following years of strong growth. This reflects a natural adjustment after prior surges in collection volumes.

Market Trends

Despite national and EU efforts, waste production remains high. In 2022, EU economic activities generated over 2.2bn tons of waste, averaging 5 tons per person. Urban waste production stood at 513 kg per capita, 19 kg less than in 2021 but 46 kg more than in 1995, marking a 10% increase over the period.

Looking ahead, the **special waste market** in **Italy** (Haiki+'s primary reference sector) is expected to stabilize at around **180mn tons by 2025**, reflecting a **3.8% CAGR$_{22A-25E}$**. The value of the integrated waste management sector is projected to approach **€35bn**, maintaining the growth trajectory observed over the past eight years and confirming the sector's resilience and steady expansion.

Haiki+: Italian Special Waste Production and Italian Waste Management Market Value



Source: ISPRA "Rapporto Rifiuti Speciali 2022", Value Track Analysis

This growth is driven by the need to **enhance** waste management services and **infrastructure** to accommodate increasing volumes, supported by **European and national policies** and funding aimed at addressing these challenges and advancing the ecological transition.

Waste Management Infrastructure in Italy

Italy's waste management system is defined by a highly fragmented network of small to medium-sized facilities. This structure reflects the localized focus of many waste companies and the widespread presence of on-site plants addressing specific industrial needs. In 2022, the country had over 8,000 material recovery facilities, equivalent to more than 13,500 plants per million inhabitants, with Northern Italy leading in recovery capacity. These data outline:

- **Italy** ranking among **Europe's top countries for material recovery**: a clear competitive advantage in the transition to a circular economy;

- BUT **significant regional disparities** persist: the majority of recycling facilities are concentrated in the North and Central regions, where manufacturing activity is strongest, leaving parts of the Center-South underserved.

This duality highlights Italy's strong localized recovery capacity while underscoring the need for more balanced regional development.

Supportive European and National Policies

European and national policies are accelerating the transition to sustainable waste management by promoting recycling, reuse, and the recovery of critical resources. Key international initiatives include the **Paris Agreement** (2015), committing $100bn annually until 2025 to support sustainable projects, and the **European Green Deal** (2019), targeting climate neutrality by 2050 with a €1tnn investment plan. EU goals for 2030 include reducing landfill usage to 10%, achieving 70% renewable energy, and significantly increasing recycling rates for vehicles, electronics, and batteries. Coal energy is to be phased out by 2025.

In Italy, the National Recovery and Resilience Plan (**PNRR**), part of the EU's Next Generation EU (NGEU), allocates €222.1bn, with €60bn focused on green initiatives. For waste management, **€2.1bn** is earmarked to:

1. **Enhance recycling infrastructure** (€1.5bn);
2. **Support innovative projects in strategic sectors** like WEEE, textiles, and plastics (€0.6bn).

Over 70% of these funds will benefit regional and municipal bodies, with €600mn for private companies. An additional €1.92bn is allocated for biomethane production from organic waste (interesting for biogas production at Haiki Mines' landfills).

These investments aim to modernize Italy's waste management system, bridge regional disparities, and position the country as a leader in the circular economy while reducing reliance on imported raw materials and enhancing resilience to market shifts.

Haiki+ is well-positioned to benefit from these trends, leveraging its integrated solutions and capitalize on increased investments in recycling infrastructure, stricter sustainability targets, and the growing demand for circular initiatives.

Competitive Positioning

Haiki+ thrives in the fragmented Italian Waste Management sector, leveraging integrated services, a broad proprietary infrastructure, and a strong partnership network to ensure nationwide coverage. Its strengths include certified sustainability, a seamless single point of contact for clients, and a focus on R&D to drive innovation and maximize waste valorization.

Competitive Arena

Haiki+ operates within Italy's **highly fragmented** waste management sector, which features a mix of **small-scale operators**, **niche specialists** and a **few dominant multi-utilities**. The 2024 Althesys Annual Report highlights this complexity, mapping the 120 largest companies in the municipal waste sector and emphasizing the growing role of consolidation and investment.

Key Characteristics of the Competitive Arena

The Italian waste management market is shaped by:

- **Fragmentation**: the top three multi-utilities control 37% of market value, while smaller operators, including mono-utilities, account for 63%, underscoring a diverse ecosystem;
- **Geographic Disparities**: Northern Italy dominates with 69.3% of investments, while Central and Southern Italy trail significantly at 20.7% and 4.5%, respectively;
- **Investment Growth**: sector investments rose by 8.6% in 2023 to €1.07bn, driven by multi-utilities (53%) and increasing contributions from small and medium-sized operators (+39% vs. 2019);
- **Profitability**: despite regional disparities, EBITDA margins are consistent across regions (12% in the North and South, 10% in the Center).

Competitive Dynamics and Consolidation Trends

The market has seen a **shift towards vertical integration** and **technological innovation**. While extraordinary transactions fell to 33 in 2023 (-27% y/y), acquisitions and strategic partnerships accounted for 82% of activity, emphasizing a focus on synergies and innovation. Multi-utilities lead this consolidation, with investments in cutting-edge technologies and circular economy initiatives.

Main Competitors in the Italian Landscape

Haiki+ faces competition from a range of companies with similar business models and activities. While these competitors are generally larger in terms of revenue, they serve as useful benchmarks for analysis:

- **Herambiente**: operates 97 plants, focusing on treatment, recovery, and disposal, primarily in Central and Northern Italy;
- **A2A Ambiente**: specializes in the collection, treatment, disposal, and energy recovery of special, urban, hazardous, and liquid waste. It also offers decommissioning services and operates 16 plants across Italy;
- **Iren Ambiente**: engages in the collection, treatment, disposal, and energy recovery of special, urban, hazardous, and liquid waste, providing decommissioning services. It operates 3 plants in Emilia-Romagna, Liguria, and Piedmont;
- **ReLife**: focuses on paper recovery and recycling in Italy, evolving from Benfante by acquiring a paper mill to complete its recycling process and offering repackaged materials primarily for export;

- **Eco Eridania**: focuses on special and hazardous waste, with expertise in medical waste. It also offers decommissioning services and operates in Liguria, Lombardy, Tuscany, and Lazio;
- **Econord**: handles the collection, treatment, disposal, and energy recovery of urban, special, and hazardous waste, primarily in Lombardy and Sardinia;
- **Montello**: specializes in the management of plastic and organic waste, with activities in Lombardy;
- **Aliplast**: subsidiary of Herambiente, this group of 8 companies specializes in the collection, treatment, and recycling of plastic waste, with operations across Italy and subsidiaries in France, Spain, and Poland;
- **Itelyum**: specializes in the regeneration of used oils with proprietary technology for refining and producing high-quality lubricant bases, operating 2 plants and accounting for about 30% of Italy's lubricant sales;
- **Stena Recycling**: involved in recovery of industrial waste, operating several plants in Italy as part of its broader global operations under the Stena Metall group;
- **Greenthesis**: involved in the collection, treatment, disposal, and energy recovery of special, urban, and hazardous waste, with operations in several regions in Italy;
- **Dimensione Ambiente**: provides collection, treatment, disposal, and energy recovery of special, urban, and hazardous waste, along with decommissioning and plant construction services. It operates mainly in Lombardy, Piedmont, and Tuscany;
- **Porcarelli**: specializes in the collection, treatment, and energy recovery of special, urban, and hazardous waste, with a focus on producing solid recovered fuel (SRF). It operates primarily in Lazio and Emilia-Romagna;
- **S.E.Val:** Engaged in the recovery and recycling of electronic waste, such as refrigerators, washing machines, and televisions, and has a history in energy generation from hydroelectric and turbogas plants.

Haiki+: Main Italian Competitors

Company	Revenues (€mn) (*)	EBITDA Margin (**)	Collection, Sorting & Recovery	Deposit	Incineration	Landfill
Herambiente	1,110.0	*11.9%*	✓	✓	✓	✓
A2A Ambiente	839.6	*20.2%*	✓	✓	✓	
Iren Ambiente	500.9	*6.2%*	✓	✓	✓	✓
Eco Eridania	410.6	*22.6%*	✓	✓	✓	✓
Econord	327.4	*9.4%*	✓			✓
ReLife	287.4	*18.4%*	✓	✓		
Montello	238.0	*13.8%*	✓			
Greenthesis	173.5	*23.9%*	✓	✓	✓	✓
Aliplast	155.2	*13.6%*	✓			
Itelyum	142.4	*15.2%*	✓	✓	✓	
Dimensione Ambiente	119.9	*14.2%*	✓	✓		✓
Porcarelli	66.6	*9.6%*	✓	✓		✓
Stena Recycling	56.7 (**)	*7.5%*	✓	✓		
S.E.Val	41.7	*10.6%*	✓	✓		
Haiki+	**181.5**	***18.3%***	✓	✓		✓

Source: Haiki+;Value Track Analysis, (*) FY23, (**) Italian Branch; FactSet

Haiki+'s Key Success Factors

In this highly fragmented competitive arena, Haiki+ can count on a few key success factors, such as:

1. **Integrated Waste Management Services**: backed by the expertise of over 600 employees, Haiki+ delivers a comprehensive range of environmental services from waste collection and treatment to recycling and disposal, ensuring seamless support across the entire waste management value chain;
2. **Proprietary Infrastructure**: extensive asset base including advanced facilities strategically distributed across the country, allowing Haiki+ to provide vertical, high-value solutions;
3. **National Network**: beyond its own facilities, Haiki+ has cultivated a robust network of partnerships, ensuring consistent service quality nationwide. These collaborations (formalized agreements such as the "Cobat Points" network or long-standing commercial alliances) extend Haiki+'s reach and operational capacity even in regions where it lacks proprietary infrastructure;
4. **Single Point of Contact**: despite its diversified structure, Haiki+ offers clients a centralized, seamless experience through dedicated customer service and a proprietary online platform, simplifying waste management processes and providing clients with real-time insights and control over their activities;
5. **Certified Sustainability**: Haiki+ adheres to stringent international standards, including UNI EN ISO9001, UNI EN ISO14001, and EMAS certifications, ensuring the highest quality and environmental standards in its operations. This commitment reinforces its leadership in delivering certified, sustainable solutions;
6. **Research & Development**: collaborating with leading companies, universities, and research centers, Haiki+ invests in advanced technologies and processes to unlock new opportunities for waste recovery and valorization.

Haiki+: SWOT Analysis

STRENGHTS	WEAKNESSES
1. One-Stop-Shop With Comprehensive Service Offering 2. Proprietary and Extensive National Footprint 3. Robust Partner Network 4. Pioneer in Emerging Sectors 5. High Barriers to Entry in Core Landfill Business	1. Underdeveloped Capacity at Recycling Plants 2. Capital-Intensive Operations 3. Complex and Leveraged Group Structure 4. Negative Perception of Related Parties' Role
OPPORTUNITIES	**THREATS**
1. Supportive EU/Italian Policies and Funding 2. Highly Fragmented Market 3. Rising Demand for Specialized Waste Management 4. Landfill Mining Opportunity 5. Potential Scale Effect of New Projects	1. Highly Regulated Industry 2. Reliance on Macroeconomics and Energy Costs 3. Large Incumbents' Presence 4. Potential Cash-Out for Minority Interests 5. Many Projects Under Development 6. M&A Integration Challenges

Source: Value Track Analysis

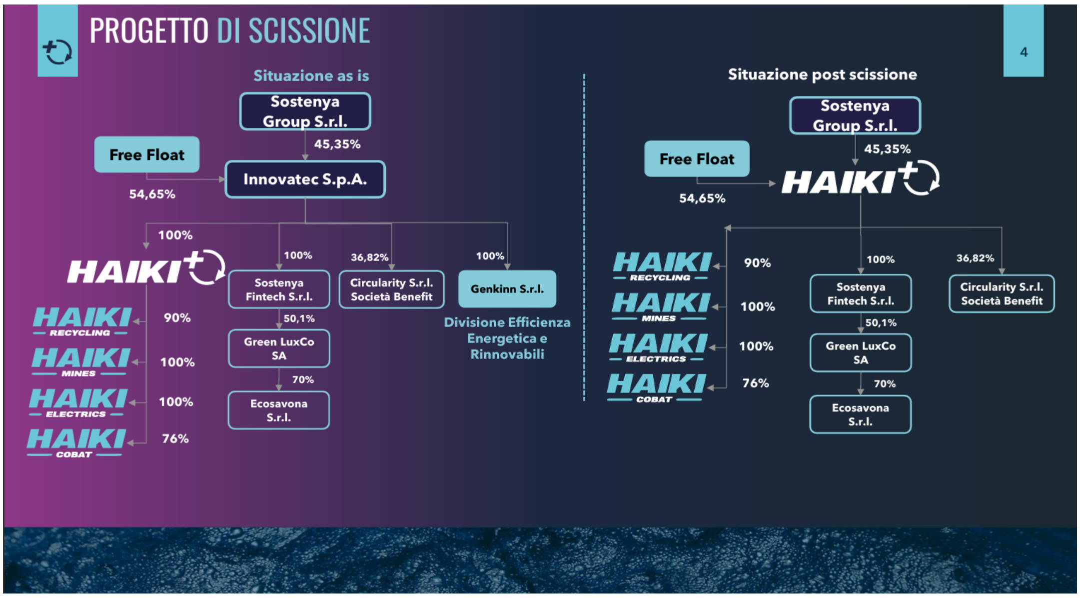
Business Plan & Growth Strategies

Haiki+'s 2025–2027 business plan outlines an ambitious strategy to establish the company as a national leader in the circular economy. With a focus on (i) expanding waste volumes managed and (ii) internalized, (iii) industrializing the Cobat system, (iv) achieving leadership in key strategic sectors, and (v) evolving the landfill business model, Haiki+ management forecasts €328mn Revenues, €62mn in EBITDA (19% margin), and €21mn FCF. This trajectory positions Haiki+ as a highly integrated industrial entity and central hub for converting waste into high-value materials, leveraging innovation, operational excellence, and first-mover advantages in emerging markets, and reflecting a decisive evolution from its former role as a provider of environmental service.

The New Haiki+'s Ambition

On November 25th, 2024, after the launch of the spin-off project, Haiki+'s board of directors approved the **business plan** for the years **2025–2027**. This plan defines Haiki+'s strategic roadmap, aiming to establish the company as the **national leader in the circular economy**. The strategy leverages a network of proprietary facilities strategically distributed across Italy, a solid ecosystem of reliable partners, and the full realization of substantial past and planned investments, whose full potential is set to drive the company's growth trajectory in the coming years.

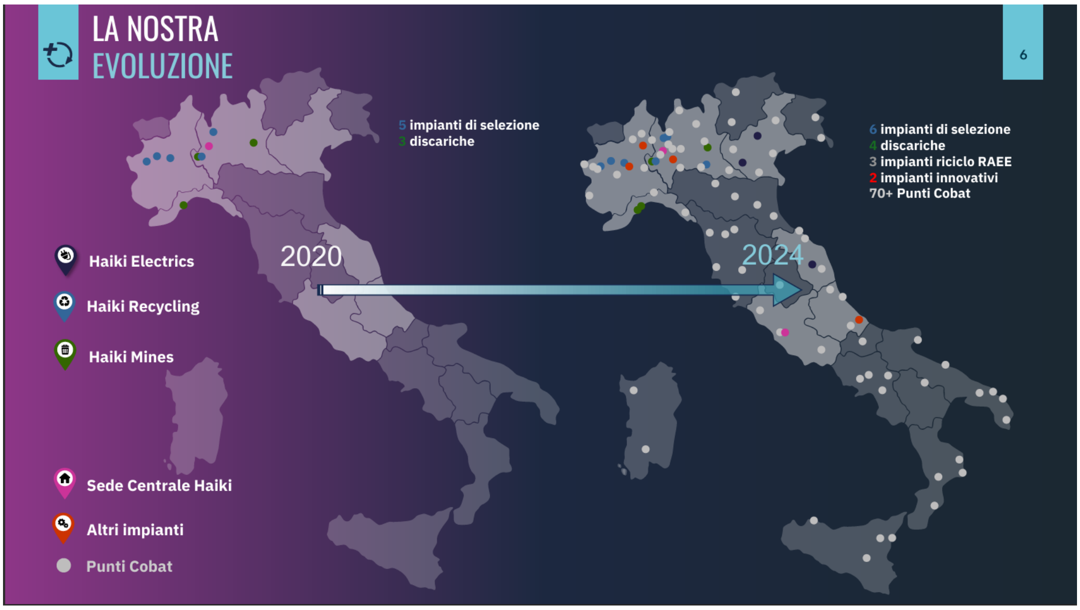
Haiki+: Spin-Off Project



Source: Haiki+ Business Plan

Building on this groundwork laid by the Haiki group over the past three (marked by **internal restructuring** and the group's **transformation into an industrial entity**) the plan positions Haiki+ as a **central hub for converting waste into high-value materials** that replace virgin resources, reflecting a **decisive evolution from its former role as a provider of environmental services**.

Haiki+: Asset Base Evolution



Source: Haiki+ Business Plan

Key Strategic Guidelines and Targeted KPIs

Now that the Haiki Group has completed its organizational restructuring, its strategic objectives will focus on **consolidating its market position** by strengthening its presence in already established areas, **expanding** its **portfolio of services and facilities**, and aiming to become a **leader in specific niches**. At the same time, the group will offer generalist services for the integrated, controlled, and environmentally compliant management of industrial waste cycles.

Haiki Group's management has identified five key strategic directions to pursue in the development of its activities, summarized as follows:

1. **Increase in Managed Volumes**: Haiki's strategic relevance is also measured in the tonnage it handles. Therefore, the plan includes a significant commercial effort to expand its processing base nationwide;
2. **Increase in Internally Sorted Volumes**, i.e. the percentage of waste the group can process internally. Through targeted investments in upgrading existing facilities and developing new, innovative plants, Haiki aims to enhance this capability;
3. **Industrialization of the Cobat System**: the core of Haiki Group is the intermediary platform managed by Haiki Cobat, which now becomes the cornerstone of an industrial system focused on material recovery in the Group's core sectors;
4. **Leadership in Strategic Sectors**: the Italian waste management industry is vast and diverse, with competitors holding strong positions in some areas and others still lacking clear leadership. Haiki+ has identified the sectors where it aims to become the national leader and will invest accordingly to secure this position;
5. **Evolution of Haiki Mines' Business Model**: while the current circular waste management approach reduces disposal needs, some waste inevitably requires landfilling. By applying circular principles to landfill operations, Haiki+ aims to change this paradigm.

The new Haiki+ will have a **broader geographic presence**, a **more comprehensive portfolio of facilities**, and an increased focus on **technological innovation,** providing tangible solutions to the growing demand for raw material recovery from waste.

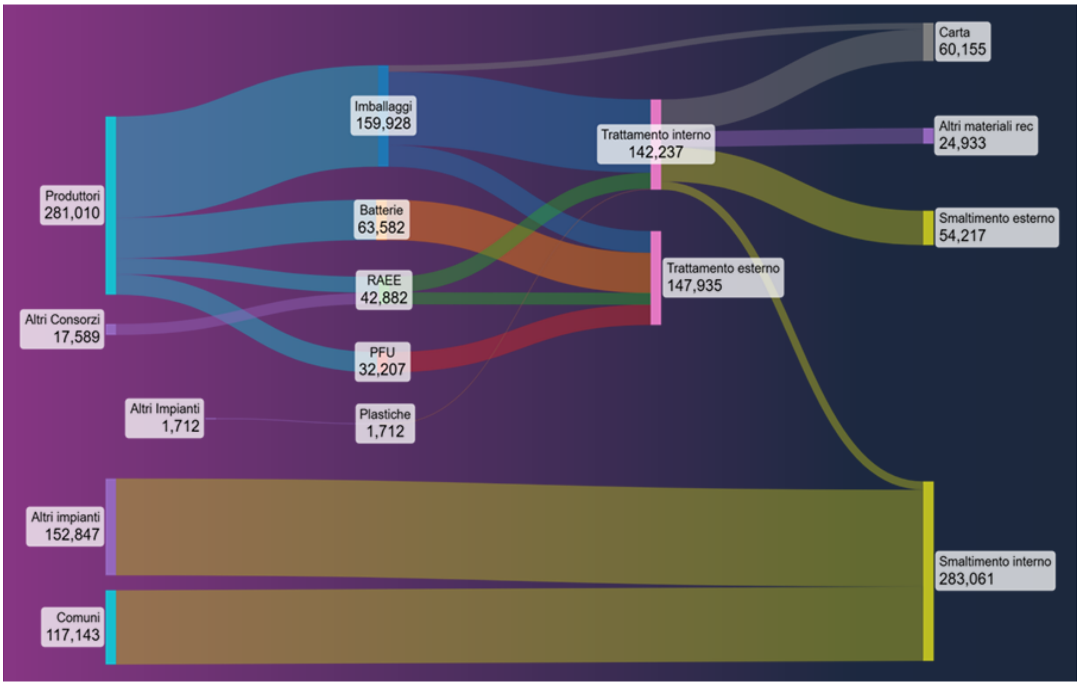
Haiki+'s strategic objectives have been translated into operational actions and measurable industrial KPIs.

#1. Increase in Managed Volumes

In 2023, Haiki+ managed ca. 600k tons of waste, of which 49% was collected directly from producers, 27% originated from other treatment facilities, and 20% came from urban waste streams. Over the next three years, the Group aims to reach ca. 800k tons of waste handled, representing a **+30%** increase (+200k tons) compared to FY23. This growth should be driven by the quantity of waste to be sent to treatment facilities (ca. 500k tons vs. ca. 300k tons in 2023), complemented by approximately 300k tons managed by disposal sites within the Group's post-spin-off perimeter. The increased quantity of waste to be sorted should arise from:

- **Haiki Recycling**: established as a sorter of mixed industrial waste (typically packaging), during the plan's horizon the company should bring several facilities (already authorized or in the process of authorization) into full operation, specifically dedicated to recycling certain waste categories, while simultaneously increasing its treatment capacity. Management forecasts **56k tons** from the new plants in Cremona (**Isacco**) and **Lazzate** for packaging, **Lodi** for plasterboard, Novara (**Igers**) for textile and clothing;
- **Haiki Cobat**: **35k tons** from the full recovery of Cobat clients active in the recycling of batteries, and **51k tons** from the industrialization of the Cobat system (more details below);
- **Haiki Electrics**: maximizing the utilization of existing facilities, implementing innovative lines dedicated to extracting critical materials from WEEE (so-called urban mining), achieving leadership in photovoltaic panel recycling, and expanding territorial coverage. All this, together with the recently finalized acquisition of **Treee Group**, should imply additional **50k tons** of waste over the course of the plan.

Haiki+: Managed and Sorted Volumes in FY23PF



Source: Haiki+ Business Plan

#2. Increase in Internally Sorted Volumes

Leveraging ongoing facility developments and targeted M&A operations (**10 new plants** by the end of the business plan horizon) , Haiki+ aims to maximize the proportion of waste directly processed by its treatment facilities. The target KPI for the share of waste treated in-house is set at **70%** of waste managed for treatment (vs. 49% in FY23).

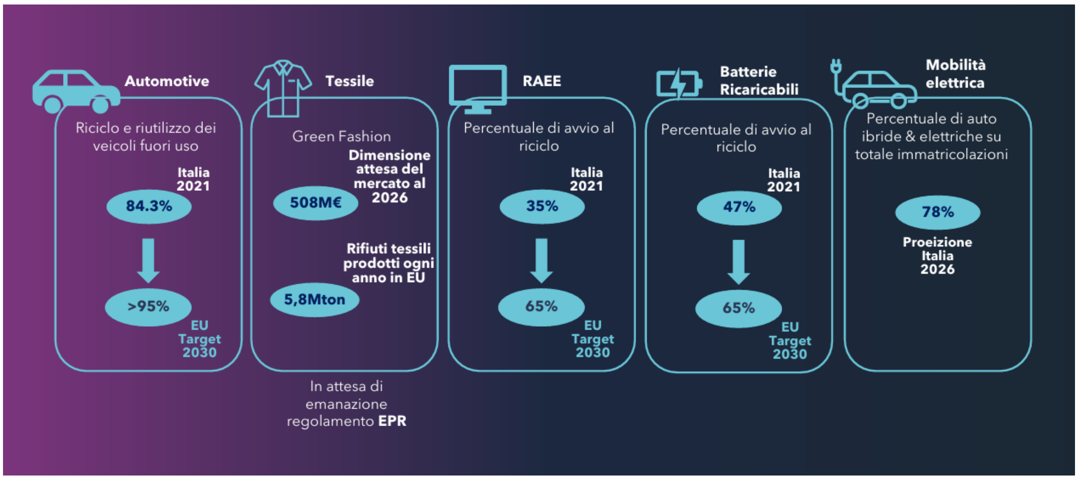
#3. Industrialization of the Cobat System

Haiki Cobat has always operated as an intermediary platform dedicated to the transparent, efficient, and sustainable end-of-life management of products. Under the new strategic framework, Haiki Cobat evolves into the industrial core of the Group, complementing its historical market leadership with treatment capabilities in the sectors where it has the greatest exposure by finalizing **targeted extraordinary operations** that will enable it to internalize battery recycling and achieve nationwide coverage for the WEEE segment. In addition, the lithium battery recycling plant developed by **Cobat Ecofactory** in Pollutri, based on a proprietary patent, is nearing its inauguration. This facility represents the first industrial-scale implementation of its kind in Italy, positioning the company as a first mover in a niche market poised for significant growth over time.

#4. Leadership in Strategic Sectors

The shift required for Haiki Recycling and Haiki Cobat involves commercial efforts, technical upgrades and targeted acquisitions for the development of innovative facilities dedicated to recycling specific waste categories. In this context, the projects of Igers (**textile** waste), Cobat Ecofactory (**lithium batteries**), and new M&A aimed at recycling **WEEE** and **lead-acid batteries** play a pivotal role.

Haiki+: Key Strategic Sectors to Address



Source: Haiki+ Business Plan

#5. Evolution of Haiki Mines' Business Model

Haiki Mines aims to apply circular economy principles to the final disposal sector. The plan's objectives for this area include implementing the first **landfill mining** project in Europe and extending the useful life of its strategic assets (financial and economic projections do not account for the positive flows expected from this project, recently authorized).

Haiki+: Strategic Development

Business Unit	Today	Tomorrow
Haiki Recycling	Management, Valorization	Management, Valorization, Recycling
	7 Specialized Plants	10+ Specialized Plants
	National Coverage	National Coverage
	<50% Internally Recycled Waste	>70% Internally Recycled Waste
Haiki Mines	Disposal	Disposal and Landfill Mining
	4 Landfills	4 Landfills
	Limited Useful Life	Renewable Useful Life
Haiki Electrics	Collection, Treatment, Valorization	Collection, Treat., Val., Recycling
	3 Specialized Plants	3+ Specialized Plants
	WEEE R1, R2, R3, R4, R5	R1, R2, R3, R4, R5, Components, PV
Haiki Cobat	End of Life Product Management, Consulting, Training	End of Life Product Management, Recycling, Consulting, Training
	+70 Companies and 24 Consortium Facilities	+70 Companies and 24 Consortium Facilities, 3 Recycling Plants
	+170k Tons Intermediated	+170k Tons Inter., 40k Tons Treated

Source: Haiki+ Business Plan

Targeted Financials

The above key drivers have been translated into specific economic, financial, and asset-related objectives for Haiki+, aligned with the corporate perimeter materialized after the spin-off. These objectives can be summarized as follows:

- **Value of Production** at €244mn in 2025E and €328mn in 2027E;
- **EBITDA** at €46mn in 2025E and €62mn in 2027E;
- **EBITDA Margin** at 19% in 2025E and in 2027E;
- **Net Debt** at €44mn in 2025E and €6mn in 2027E.

Haiki+: Business Plan Financial Targets

BP Targets (IT GAAP, €mn)	FY23PF	FY24P	FY25E	FY26E	FY27E	*CAGR 24-27*
Value of Production	**182**	**202-208**	**244**	**//**	**328**	16%
EBITDA	**33**	**30-33**	**46**	**//**	**62**	**23%**
EBITDA Margin (%)	*18%*	*15%-16%*	*19%*	*//*	*19%*	*nm*
Net Debt	**62**	**60**	**44**	**//**	**6**	**nm**

Source: Haiki+ Business Plan

The key messages underlying these figures are:

- **Sustained Revenue Growth** driven by both organic expansion, through the full utilization of the asset base, and inorganic growth through external initiatives;
- **Margin Stability**: FY23 was marked by exceptionally high margins within the Haiki+ perimeter. A key challenge will be maintaining these margins while transitioning the revenue structure towards a greater focus on sorting and recycling activities;
- **Strategic Investments of +€50mn** in new technology to upgrade existing facilities, extend the useful life of its strategic assets, and establish leadership in its target sectors;

- **Targeted M&A of €15mn** to accelerate its growth trajectory and quickly secure leading positions in currently underserved sectors;
- **Healthy Debt Levels** assumed to remain manageable but the plan excludes the potential buyout of Green LuxCo Capital's 49.9% minorities, likely to be triggered by Ancient Stone's legal actions. A cash-out could push FY25E coverage ratios near covenant limits.

Top Line Main Drivers:

More in detail, the total revenue increase of approximately €120mn over the 2024–2027 horizon, with 49% derived from **M&A** operations, 27% from the commissioning of **new facilities** currently under development or awaiting authorization, and the remaining 24% from **commercial expansion** and the full utilization of facilities already operational today.

Haiki+: Business Plan VoP 2027E

BP Targets (IT GAAP, €mn)	FY27E
Value of Production 2024P	208
Organic Growth	30
New Plants	32
M&A	58
Value of Production 2027E	**328**

Source: Haiki+ Business Plan

Profitability Main Drivers:

In terms of profitability, the business plan foresees:

- **Margin Expansion** thanks to (i) the full utilization of facilities that do not require an increase in structural costs, (ii) intensified commercial efforts, and (iii) cost efficiencies associated with ongoing aggregation operations;
- **Increase in Managed Volumes**: in 2025, the commencement of operations is planned at (i) the new Ecosavona landfill, (ii) Cobat Ecofactory, and (iii) Isacco, alongside the ramp-up of operations at the Lazzate facility;
- **M&A Contribution**: the acquisition projects, currently at various stages of execution, are expected to contribute approximately 15% of the consolidated EBITDA by the end of the plan, with a significant impact on the industrial front. However, numerical projections are cautious;
- **New Projects in 2026**: the textile sector, which the group is addressing through both a consortium approach (via Cobat Tessile) and recovery initiatives (with Igers), is expected to further enhance consolidated margins, leveraging Haiki's first-mover advantage in this market.

Haiki+: Business Plan EBITDA 2027E

BP Targets (IT GAAP, €mn)	FY27E
EBITDA 2024P	33
Margin Expansion	9
New Plants	11
M&A	9
EBITDA 2027E	**62**

Source: Haiki+ Business Plan

Free Cash Flow Drivers:

The 2025–2027 plan projects generating over €70mn in OpFCF (after taxes) and €20mn in Free Cash Flow. Key highlights include:

- **Capex** of **€55mn**, the majority of which tied to Haiki Mines' landfills maintenance and the completion of the new plants considered in the plan;
- **M&A** of **€11mn**, for a total of three acquisitions: Treee Group, and two other companies for the industrialization of the Cobat system;
- **Net Working Capital** absorption close to zero thanks to the cash conversion cycle of the new targets to be included in the consolidation perimeter;
- **Debt Service** of €52mn (€40mn principal and €12mn interest costs), alongside new credit lines of about €11mn to partially finance new investments.

Haiki+: Business Plan Cumulated Cash Flow FY25E-27E

BP Targets (IT GAAP, €mn)	FY25E-FY27E
NOPAT	144
Δ NWC	-1
Capex	-55
Δ Provisions	-15
OpFCF (a.t.)	**73**
M&A	-11
Net Financial Charges	-12
Δ Net Financial Position	**50**
Debt Repayments	-40
New Debt Commitments	11
Free Cash Flow	**21**

Source: Haiki+ Business Plan

Haiki+: Business Plan Cumulated Cash Flow FY25E-27E by Business Unit

BP Targets (IT GAAP, €mn)	FY25E-FY27E
Haiki Mines + Ecosavona	30
Haiki Recycling	4
Haiki Cobat	11
Haiki Electrics	-1
Haiki+ Holding (incl Financial Charges and Debt Principal Repayments)	-22
Free Cash Flow	**21**

Source: Haiki+ Business Plan

Financial Analysis

Haiki+ has demonstrated robust growth, achieving a Value of Production of €181.5mn in FY23PF (+38% $CAGR_{20\text{-}23PF}$) and an 18% EBITDA margin despite a still immature recycling segment. Strategic M&A and investments (~€140mn since FY20) have built a national footprint, positioning Haiki+ as a leading player in circular economy. Looking ahead, we project Haiki+ to reach €274mn in VoP and €50mn in EBITDA by 2027E. Key drivers include M&A, new facilities' scale-up, vertical integration, and full capacity utilization, enabling ~€40mn in cumulative FCF generation.

Historical Financial Profile

Guidelines and Consolidation Perimeter

Regarding Haiki+'s historical financial profile:

- Financial statements are prepared according to OIC (IT GAAP) standards.
- Pro forma consolidated statements were prepared for Haiki's admission document to reflect the spin-off from Innovatec and the acquisition of Ecosavona as if both completed on January 1st, 2023, and January 1st, 2024;
- The consolidation perimeter excludes assets from the Treee Group and Isacco, both acquired in 2H24.
- Pre-FY23PF data is derived exclusively from Value Track, based on Innovatec's historical consolidated financials, focusing on the Environment & Circular Economy business.

Key Figures & Messages

Haiki+ has achieved **high double-digit growth** in both revenue and operating profit, while maintaining a solid balance sheet despite its **capital-intensive nature** and **extensive M&A** activity. Key historical figures include:

- **Value of Production** at **€181.5mn** in FY23PF, with 38% CAGR from FY20;
- **EBITDA** at **€33.2mn**, more than 2x FY20, albeit showing a lower margin on VoP;
- **Net Debt Adj.** at **€62.2mn** in FY23PF, almost 2x EBITDA.

The main performance can be summarized as follows:

1. **Strategic acquisitions** driving market consolidation;
2. **Recycling** operations **yet to reach full margin potential**;
3. **High capital intensity**, requiring substantial Capex and M&A investments.

Haiki+: Key Financials FY23PF-1H24PF

Key Financials (IT GAAP, €mn)	FY23PF	1H24PF
Value of Production	**181.5**	**100.7**
EBITDA	**33.2**	**15.2**
EBITDA Margin (%)	*18.3%*	*15.1%*
Capex	**39.1**	**13.6**
Net Debt Adj.	**-62.2**	**-58.5**

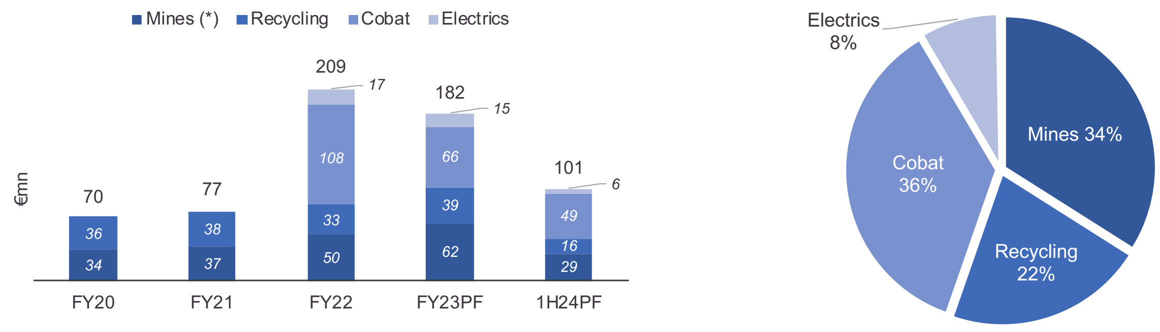
Source: Haiki+

1. Buy Approach to Accelerate Market Consolidation

Haiki+ acts as a natural aggregator in Italy's Circular Economy sector, achieving a 38% CAGR$_{20\text{-}23PF}$ and a **Value of Production** of **€181.5mn** in FY23PF, likely surpassing €200mn in FY24E, after €100.7mn in 1H24PF. In terms of revenue mix, Haiki+ presents a well-diversified profile Indeed, in FY23PF:

- **Haiki Cobat** €66mn (36%), down 40% YoY, impacted by the halt in operations at its largest client's facility due to surging energy costs;
- **Haiki Recycling** €39mn (22%), up 18% YoY, driven by increased volumes in 2H23, following challenges in 1H23 due to macroeconomic pressures on energy-intensive clients;
- **Haiki Electrics** €15mn (8%), with contributions from SEA, PuliEcol, and AET;
- **Haiki Mines**: €62mn (34%), including €18mn from Ecosavona. Standalone revenue (€44mn) grew 50% y/y, supported by internal works for the Boscaccio landfill expansion. Biogas energy sales contributed €2.1mn.

Haiki+: Value of Production Evolution and FY23PF Breakdown



Source: Haiki+, Value Track Analysis, (*) Haiki Mines including Ecosavona only in FY23PF-1H24PF

Over 54% of FY23PF revenue (€98.7mn) stemmed from all the **M&A** operations made over the last four years (Cobat, SEA, PuliEcol, AET, Ecosavona), expanding Haiki+'s service offerings and geographic reach. Excluding M&A, **organic growth** (6% CAGR$_{20\text{-}23PF}$) is attributable to the legacy Haiki Mines and Haiki Recycling operations (former "Green-Up S.r.l.").

2. Recycling Business Yet To Reach Full Margin Potential

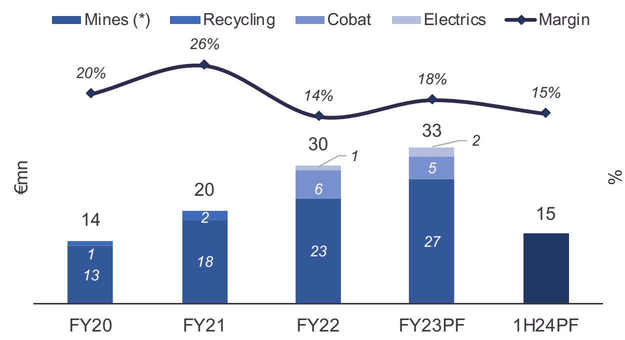
In 1H24PF, Haiki+ reported an **EBITDA Margin** of **15%**, reflecting a decrease of approximately 500 bps compared to FY20 and 300 bps versus FY23PF. This decline aligns with the increasing contribution of the recycling business (still in its consolidation phase) to total sales, offsetting the higher-margin disposal activities. However, improved capacity utilization at sorting and recycling facilities should mitigate this impact over time.

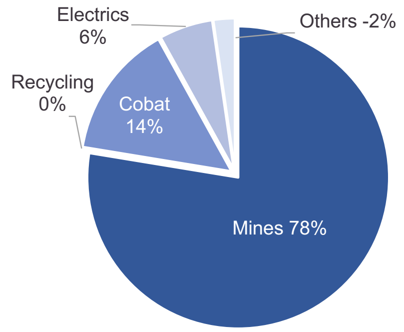
In absolute terms, however, Haiki+ reported an **EBITDA** of **€33.2mn** in FY23PF (29% CAGR$_{20\text{-}23PF}$), the majority of which contributed by Haiki Mines. More in detail:

- **Haiki Cobat**: €5mn, with a margin of 8% benefitting from lower volumes. However, profitability declined by approximately €1mn compared to FY22 due to the production halt at its largest client's facility;
- **Haiki Recycling**: €0mn contribution to EBITDA, as several facilities are underutilized. This underperformance is linked to challenges faced by energy-intensive clients, particularly in the paper recycling segment;

- **Haiki Electrics**: €2mn (13% margin), doubling EBITDA compared to FY22, driven by the full-year consolidation of PuliEcol and AET, which were included in the perimeter starting November 2022;
- **Haiki Mines**: €27mn (44% margin), driven by the strong profitability of landfill operations. Despite this, the margin was slightly diluted by internal works for the expansion of the Boscaccio landfill, which were billed at cost value. Key cost drivers include environmental taxes, royalties, and labor, typically accounting for only 30% of revenue.
- **Holding Costs**: approximately €1mn, reflecting overhead and administrative expenses.

Haiki+: EBITDA Evolution and FY23PF Breakdown





Source: Haiki+, Value Track Analysis, (*) Haiki Mines including Ecosavona only in FY23PF-1H24PF

Haiki+'s costs structure is predominantly variable, but also labour intensive, with over 600 employees currently in force. More in detail:

- **Raw Materials**: related primarily to Haiki Cobat and Haiki Electrics, accounting for 27% (FY23PF) and 32% (1H24PF) of VoP due to battery recycling cost pressures;
- **Costs of Services**: Cover maintenance, transportation, and other operational needs, accounting for ~35% of VoP in both periods;
- **Labour Costs**: totaled €21.1mn (12% of VoP) in FY23PF and €10.9mn (11%) in 1H24PF;
- **Other Costs**: driven by equipment rentals, environmental taxes, and general administrative expenses.

Below the EBITDA line, we believe worth to highlight:

- **D&A** and **Provisions**: ca. €21mn in FY23PF and €11mn in 1H24PF, largely tied to Haiki Mines' substantial fixed assets. Landfills' owners are required to allocate yearly funds by estimating closure and post-closure cash obligations to occur once the authorized disposal capacity is fully utilized;
- **Goodwill Amortization**: €2.9mn in FY23 and €1.4mn in 1H24PF, mainly related to Haiki Mines' landfills (amortized over 18 years), Cobat and SEA (both amortized over a 10 year-period);
- **Net Financial Charges**: €4mn in FY23PF and €2mn in 1H24PF, stemming from gross debt of ~€70mn, including bank loans and bonds.
- **Taxes**: €3.7mn in FY23PF and €1mn in 1H24PF, reflecting effective tax rates consistent with Haiki+'s profitability.
- **Minorities**: €0.5mn in FY23PF and €0.4mn in 1H24PF, primarily attributable to Ecosavona's minority shareholders.

As result of the above, Haiki+'s **EBIT** stood at **€12.5mn** (7% EBIT Margin) in FY23PF and at €4.5mn (4% margin) in 1H24PF, while **Net Profit** came out at **€4.1mn** and €0.9mn, respectively.

Haiki+: P&L FY23PF-1H24PF

P&L (IT GAAP, €mn)	FY23PF	1H24PF
Value of Production	**181.5**	**100.7**
Raw Materials (incl. Δ Inventory)	-48.8	-32.6
Costs of Services	-66.0	-35.7
Costs of Rent	-6.4	-3.2
G&A	-6.0	-3.1
Labour Costs	-21.1	-10.9
EBITDA	**33.2**	**15.2**
EBITDA Margin (%)	*18.3%*	*15.1%*
D&A	-18.2	-9.8
Provisions	-2.5	-0.9
EBIT	**12.5**	**4.5**
EBIT Margin (%)	*6.9%*	*4.5%*
Net Financial Charges	-3.9	-2.2
Non-Operating Income/Expenses	-0.4	0.0
Pre-Tax Profit	**8.2**	**2.4**
Taxes	-3.7	-1.0
Minorities	-0.5	-0.4
Net Profit	**4.1**	**0.9**

Source: Haiki+

3. Capital Intensive Business with Strong Capex and M&A Efforts

Haiki+ reported a **Net Debt Adj.** of **€62.2mn** in FY23PF, which improved to €58.5mn in 1H24PF. Including overdue payables, total Net Debt stood at €65.2mn in FY23PF and €61.5mn in 1H24PF.

Despite its high capital requirements, Haiki+ maintains manageable leverage, with **Net Debt Adj./EBITDA** at **1.9x** in FY23PF, within the covenants of the Group's bond issuances. Financial efficiency ratios include an FY23PF **ROE** of **~8%** and a post-tax **ROCE** of **~6%**.

Haiki+ operates in a highly capital-intensive industry, reflected in ca. €140mn significant investments in Capex and acquisitions over the past five years:

- **Capex**: **~€80mn** split between maintenance (primarily landfills) and growth initiatives. Growth Capex focused on advanced recycling facilities such as Cobat Ecofactory and new plants in Cremona, Lazzate, Lodi, and Novara;
- **M&A**: **~€60mn** spent on five strategic acquisitions aimed at expanding Haiki+'s geographic footprint and asset base, particularly in core recycling verticals (WEEE, batteries, tires) and landfills:
    - **Cobat S.p.A.** (now "Haiki Cobat"): €11.8mn cash outlay for 75.96% of shares (+€4.2mn net debt), acquired at transaction multiples of 8.3x-3.1x EV/EBITDA FY0-FY1;
    - **SEA S.r.l.**, **PuliEcol Recuperi S.r.l.**, **AET S.r.l.** (now "Haiki Electrics"): €11.8mn for 100% of these companies (+€8mn net debt), acquired at 1.3x-1.2x EV/Sales FY0-FY1;
    - **Ecosavona S.r.l.**: €23mn for the 50.10% of Green LuxCo Capital S.A. (in turn owner of the 70% of Ecosavona, thus Haiki+ controlling the 35.07%) through a mandatory convertible bond reserved to the seller and related party Sostenya Group S.r.l. Indeed, the consideration is convertible into equity as part of a future capital increase, with maturity as of October 22nd,

2028, but may be fully or partially repaid at any time at Haiki's discretion even before that date. We calculate a ~8x-9x EV/EBITDA FY0 transaction multiple.

- **Isacco S.r.l.** and **Treee** assets: finalized in 2H24 to further enhance the Group's service capabilities.

Haiki+: M&A Track Record

Target	Date	Division	Stake	Revenue (*)	EBITDA (*)	Net Debt (*)	Equity (**)	EV
Cobat S.p.A.	2021-2022	Cobat	75.96%	93.1	2.3	4.2	11.8	16.0
SEA S.r.l.	21-01-2022	Electrics	100.00%	5.8	0.7	3.8	4.4	8.2
PuliEcol Recuperi S.r.l.	28-10-2022	Electrics	100.00%	6.7	0.7	2.4	3.8	6.2
AET S.r.l.	03-11-2022	Electrics	100.00%	2.8	0.3	1.8	3.7	5.5
Green LuxCo S.A.	29-02-2024	Mines	50.10%	21.0	7.0	-1.0	23.0	22.0
Total (1H24PF)	**//**	**//**	**//**	**129.4**	**11.0**	**11.2**	**46.7**	**57.9**
Igers	17-06-2024	Recycling	22.05%	0.0	0.0	0.0	0.7	0.7
Isacco S.r.l.	05-07-2024	Recycling	63.00%	0.0	0.0	0.0	0.2	0.2
Treee S.r.l.	03-12-2024	Electrics	100.00%	31.5	-1.2	0.0	4.2	4.2
Total	**//**	**//**	**//**	**160.9**	**9.8**	**11.2**	**51.8**	**63.0**

Source: Haiki+, Value Track Analysis, (*) Actual financial figures of the last available FY period before being acquired, (**) Value of acquired stake

- **Net Working Capital**; Haiki Mines positively contributes to NWC through its favorable cash conversion cycle, as it collects payment for waste disposal upfront. Conversely, Haiki Cobat's operations create a negative cycle, requiring payment to suppliers for end-of-life components before collecting receivables from large clients. Factoring agreements are typically used to bridge this gap;
- **Provisions**: €56mn as of 1H24PF, primarily related to landfill closure and post-closure obligations for future site management once the authorized disposal capacity is exhausted;
- **Group Net Equity**: includes €8mn in minorities and a €23mn mandatory convertible bond tied to the Ecosavona acquisition.

Haiki+: Balance Sheet FY23PF-1H24PF

Balance Sheet (IT GAAP, €mn)	FY23PF	1H24PF
Net Fixed Assets	179.9	175.0
Net Working Capital	2.9	3.7
Provisions	65.5	64.0
Total Capital Employed	**117.3**	**114.8**
Group Net Equity	**55.1**	**56.2**
Net Financial Position Adj.	**-62.2**	**-58.5**

Source: Haiki+

Forecasts 2024E-27E

Estimates Guidelines

Our forecasts for Haiki+ are based on the following key assumptions:

- **Accounting Standards**: OIC (IT GAAP) principles.
- **Consolidation Perimeter**: all existing subsidiaries (including recently acquired Treee's assets, classified as "M&A"), and an additional short-term M&A for Haiki Cobat. While Haiki's business plan includes a further M&A deal in 2026E, this has been excluded due to limited visibility;
- **Ecosavona Authorization Renewal**: management of the landfill assumed to be extended after the expiration of end-2026, as management expect a low risk of losing the public tender;
- **Mandatory Convertible Bond**: assumed to remain within the Group's Net Equity (moving from quasi-equity to equity). In our valuation (see next chapter), the bond is considered as a liability, as there is no decision yet regarding the potential issue price of the underlying shares;
- **Investments**: reflect the disclosed business plan, excluding the 2026E M&A target's associated cash-out and Capex. Forecasts also include scaling up Igers S.r.l. to a majority stake, productivity enhancements at new plants (Cremona, Lazzate, Lodi, Pollutri), and the M&A cash-out for Haiki Cobat's short-term target;
- **Minorities Buy-Out**: while we have not factored in any minority buyouts, it is important to note that if the Green LuxCo Capital buyout occurs in FY25, the company could face financial strain, requiring management to address a potential covenant breach;
- **Warrants Excluded**: the "Warrant Haiki+ 2025-2026"-related cash in has been excluded as its strike prices (€1.47 and €1.81 p/s) are currently out of the money.

Key Forecasts & Drivers

Haiki+ is expected to sustain high single-digit growth, regain peak operating margins, and generate significant free cash flow, despite substantial investments to industrialize the Cobat system. By 2027E, we anticipate:

- **Value of Production** at **€274.4mn**, reflecting an 11% $CAGR_{24E\text{-}27E}$;
- **EBITDA** at **€50.4mn**, with >300 bps margin improvement vs. FY24E;
- **OpFCF** (before taxes) at **€33.6mn**, representing 67% of 2027E EBITDA;
- **Net Debt Adj.** at **€20.9mn**, after ~€40mn cumulative FCF generation.

Haiki+: Key Financials 2023PF-2027E

Key Financials (IT GAAP, €mn)	2023PF	2024E	2025E	2026E	2027E	*$CAGR_{24-27}$*
Value of Production	**181.5**	**201.6**	**223.3**	**255.5**	**274.4**	***11%***
EBITDA	**33.2**	**30.5**	**37.7**	**44.5**	**50.4**	***18%***
EBITDA Margin (%)	*18.3%*	*15.1%*	*16.9%*	*17.4%*	*18.4%*	*330bps*
OpFCF (b.t.)	*//*	**5.9**	**17.1**	**28.4**	**33.6**	*//*
Net Debt Adj.	62.2	60.8	58.6	42.0	20.9	*//*

Source: Haiki+, Value Track Analysis

Key drivers should be:

1. Revenue Growth: increased **managed volumes**, **M&A**, ramped-up of **new plants**;
2. Profitability: **vertical integration**, higher **facility utilization**, first-mover in **new verticals**;
3. **Free Cash Flow**: solid **operating profitability**, **reduced investments post-2025E**.

1. Value of Production to Reach €274mn by 2027E

We project Haiki's Value of Production to reach €202mn in 2024E, on the lower end of the Company's guidance. From there, revenues are expected to grow by €73mn over the 2025E-27E period, achieving €274mn by 2027E. Key contributors include:

- **Haiki Cobat**: adding €33mn through resumed client battery recycling, vertical integration projects (e.g., **Cobat Ecofactory**), and acquiring an already **identified target** focused on WEEE and battery recycling.
- **Haiki Recycling**: contributing €26mn from new facilities (**Cremona, Lazzate, Lodi, Novara**) reaching near full capacity by the end of the forecast period;
- **Haiki Electrics**: adding €17mn, mainly from the **Treee** Group acquisition, operational from 2025E (thus considered as an M&A operation in our breakdown);
- **Haiki Mines**: stabilizing at €54mn-€55mn annually post-2025E, slightly lower than 2024E, which included internal works for the **Boscaccio** landfill expansion.

By 2027E, the revenue mix is expected to shift significantly, with Haiki Recycling and Haiki Electrics gaining a combined 10 percentage points, reducing Haiki Mines' weight.

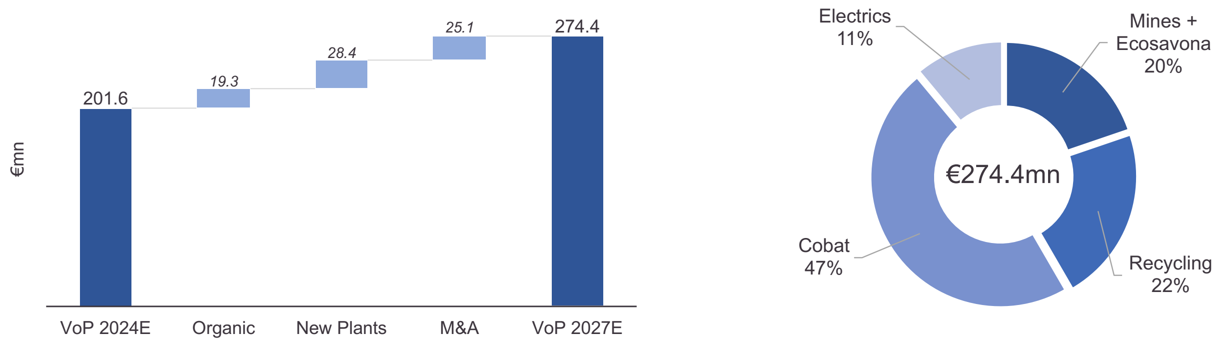
Haiki+: Value of Production Breakdown 2023PF-2027E

VoP (IT GAAP, €mn)	2023PF	2024E	2025E	2026E	2027E	*CAGR 24-27*
Haiki Cobat	66.0	96.4	107.7	125.5	129.9	*10%*
Haiki Recycling	39.0	33.7	38.3	49.3	60.0	*21%*
Haiki Electrics	15.0	13.1	22.4	26.3	30.3	*32%*
Haiki Mines + Ecosavona	62.0	58.4	54.9	54.4	54.3	*-2%*
Others	-0.5	0.0	0.0	0.0	0.0	*nm*
Value of Production	**181.5**	**201.6**	**223.3**	**255.5**	**274.4**	***11%***

Source: Haiki+, Value Track Analysis

Of the projected €73mn revenue increase between 2025E and 2027E, approximately 34% is expected to stem from **M&A** activities (Treee Group and Haiki Cobat's target), 39% from **newly commissioned facilities**, and the remaining 27% from **organic growth** driven by the full utilization of existing operational facilities.

Haiki+: Value of Production Evolution and Breakdown in 2027E



Source: Value Track Analysis

2. EBITDA Margin to Improve to 18% by 2027E

We forecast Haiki+'s EBITDA to grow from ca. €30mn in 2024E (lower-end guidance) to €50.4mn in 2027E, with a margin increase of 330bps, thanks to:

- **Haiki Cobat**: adding ca. €5mn driven by vertical integration and superior margins at Cobat Ecofactory, pioneering the recycling of lithium batteries;
- **Haiki Recycling**: contributing €6mn from ramped-up operations at innovative facilities like Lazzate and Lodi (plasterboard recycling) and entering the textile recycling sector;
- **Haiki Electrics**: benefitting from higher volumes at legacy facilities (SEA, PuliEcol, AET) and contributions from Treee Group, suffering from operational distress over the last few years;
- **Haiki Mines**: adding €7mn, supported by operational commencement at the new Ecosavona landfill lot and the completion of internal works impairing margins in 2023PF-24E.

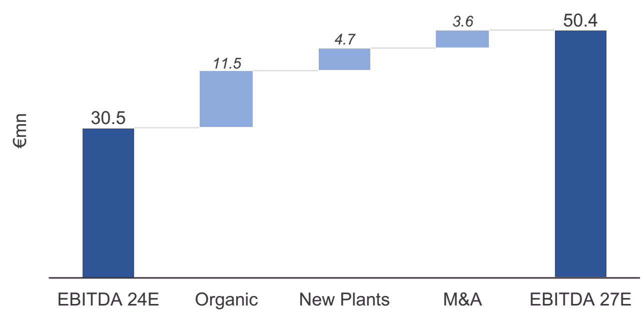
Haiki+: EBITDA Breakdown 2023PF-2027E

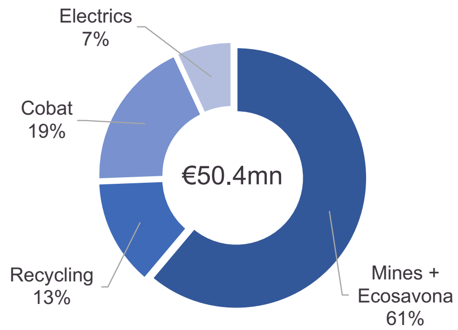
EBITDA (IT GAAP, €mn)	2023PF	2024E	2025E	2026E	2027E
Haiki Cobat	5.0	4.6	6.2	8.1	9.4
EBITDA Margin (%)	*8%*	*5%*	*6%*	*6%*	*7%*
Haiki Recycling	0.0	0.6	1.8	4.1	6.7
EBITDA Margin (%)	*0%*	*2%*	*5%*	*8%*	*11%*
Haiki Electrics	2.0	1.3	1.6	2.6	3.5
EBITDA Margin (%)	*13%*	*10%*	*7%*	*10%*	*11%*
Haiki Mines + Ecosavona	27.0	24.0	28.0	29.7	30.8
EBITDA Margin (%)	*44%*	*41%*	*51%*	*54%*	*57%*
Others	-0.8	0.0	0.0	0.0	0.0
EBITDA	**33.2**	**30.5**	**37.7**	**44.5**	**50.4**
EBITDA Margin (%)	***18.3%***	***15.1%***	***16.9%***	***17.4%***	***18.4%***

Source: Haiki+, Value Track Analysis

By 2027E, Haiki Mines will remain the largest EBITDA contributor, though its weight should decline as other divisions gain 18 percentage points collectively.

Haiki+: EBITDA Evolution and Breakdown in 2027E





Source: Value Track Analysis

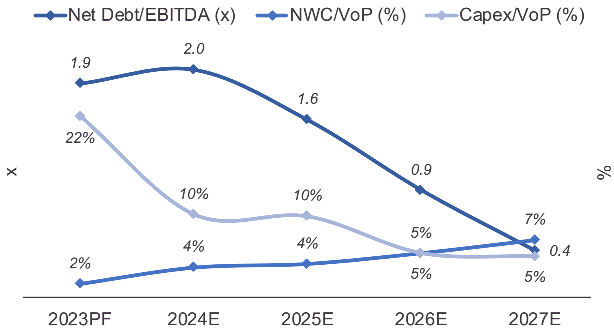
3. Net Debt Adj. to Decline to €20.9mn by 2027E

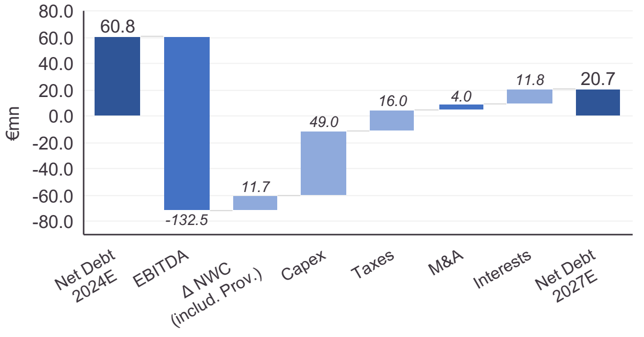
We expect Net Debt Adj. to decrease from €61mn in December 2024E to ~€21mn by 2027E, reflecting €40mn cumulative free cash flow generation (before debt principals repayments) despite substantial investments. Key highlights include:

- **Capex** of ca. **€50mn**, largely tied to Haiki Mines and productivity enhancements across the asset base;
- **M&A** cash-out of ca. **€4mn** for the industrial target of Haiki Cobat included in our P&L estimate. The Treee Group acquisition (€4.2mn) was reflected in 2024E cash flows;
- **Net Working Capital** expected to absorb €12mn, primarily due to the industrialization of Haiki Cobat and significant revenue growth.

Despite significant investments, we expect Haiki+ to keep financial leverage within acceptable limits and comply with debt covenants. However, FY25E ratios appear tight, leaving little room for flexibility. If the Green LuxCo Capital's minority buyout occurs in FY25, the company could face a potential covenant breach, as anticipated.

Haiki+: Key Cash Flow Metrics and Cumulative Cash Flow Statement 2024E-27E





Source: Value Track Analysis

Haiki+: Operating Ratios 2023PF-2027E

Key Ratios (IT GAAP, %)	2023PF	2024E	2025E	2026E	2027E
Average ROCE (before taxes, %)	*10.7%*	*7.3%*	*9.5%*	*15.1%*	*22.4%*
Average ROCE (after taxes, %)	*5.9%*	*3.9%*	*4.5%*	*8.7%*	*14.1%*
Average ROE (%)	***8.6%***	***2.4%***	***3.0%***	***8.4%***	***14.7%***

Source: Haiki+, Value Track Analysis

Haiki+: Leverage & Coverage Ratios 2023PF-2027E

Key Ratios (IT GAAP, %)	2023PF	2024E	2025E	2026E	2027E
Gearing (Net Debt / Equity, %)	*112.9%*	*105.8%*	*96.5%*	*61.9%*	*26.1%*
EBITDA / Net Financial Charges (x)	*8.5*	*7.3*	*8.6*	*>10*	*>10*
Net Debt / EBITDA (x)	***1.9***	***2.0***	***1.6***	***0.9***	***0.4***

Source: Haiki+, Value Track Analysis

Haiki+'s Business Plan Targets vs. Value Track's Estimates

Our forecasts diverge from Haiki+'s business plan in two key areas:

- **M&A Inclusion**: we include the short-term M&A tied to Haiki Cobat's industrialization but exclude the 2026E deal ("M&A Operation #3", to contribute to the Group's P&L by 2027E) due to low visibility;
- **Conservative Assumptions**: our estimates are 9% lower on Value of Production and 15% lower on EBITDA, reflecting a cautious approach to revenue growth and cash flow conversion.

By adopting conservative projections, we account for potential risks, including prolonged cash conversion cycles.

Haiki+: Items Considered in Business Plan vs. Value Track's Estimates

Key Items	Division	Investment Year	P&L Year	Business Plan	VT Estimates
Ecosavona Authorization Renewal	Mines	//	2027	Y	**Y**
Lazzate Plant	Recycling	2023-24-25-26	2025	Y	**Y**
Novara Plant (Igers)	Recycling	2024-25-26	2026	Y	**Y**
Cremona Plant (Isacco)	Recycling	2024-25-26	2026	Y	**Y**
Lodi Plant	Recycling	2023-24	2025	Y	**Y**
Novara Plant (Igers)	Recycling	2024-25	2026	Y	**Y**
Pollutri Plant (Cobat Ecofactory)	Cobat	2023-24	2025	Y	**Y**
M&A Operation #1 (Treee)	Electrics	2024	2025	Y	**Y**
M&A Operation #2	Cobat	2025	2025	Y	**Y**
M&A Operation #3	**Cobat**	**2026**	**2027**	**Y**	**N**

Source: Haiki+, Value Track Analysis

For a like-for-like comparison, Haiki+'s 2027E business plan forecasts should be adjusted to exclude the contribution of "M&A Operation #3", both in terms of P&L and investments, which is not factored in our estimates.

Haiki+: Business Plan Targets vs. Value Track's Estimates

Key Financials (€mn, IT GAAP)	2024E			2025E			2027E		
	BP	VT	Δ	BP	VT	Δ	BP (*)	VT	Δ
Value of Production	**208.0**	**201.6**	***-3%***	**244.0**	**223.3**	***-8%***	**328.0**	**274.4**	***-16%***
EBITDA	**33.0**	**30.5**	***-8%***	**46.0**	**37.7**	***-18%***	**62.0**	**50.4**	***-19%***
EBITDA Margin (%)	*15.9%*	*15.1%*	*-80bps*	*18.9%*	*16.9%*	*-200bps*	*18.9%*	*18.4%*	*-50bps*
Net Debt Adj.	**56.0**	**60.8**	***4.8***	**44.0**	**58.6**	***14.6***	**6.0**	**20.9**	***14.9***

Source: Value Track Analysis, (*) Business Plan 2027E Targets Adjusted for M&A Operation #3

Financial Statements 2023PF-27E

Haiki+: P&L 2023PF-2027E

P&L (IT GAAP, €mn)	2023PF	2024E	2025E	2026E	2027E	*CAGR24-27*
Value of Production	**181.5**	**201.6**	**223.3**	**255.5**	**274.4**	***11%***
Raw Materials (incl. Δ Inventory)	-48.8	-64.5	-67.0	-76.6	-82.3	*8%*
Costs of Services	-66.0	-70.6	-78.2	-89.4	-96.1	*11%*
Costs of Rent	-6.4	-6.7	-6.9	-7.2	-7.4	*4%*
G&A	-6.0	-7.2	-5.5	-8.5	-7.9	*3%*
Labour Costs	-21.1	-22.3	-28.1	-29.3	-30.4	*11%*
EBITDA	**33.2**	**30.5**	**37.7**	**44.5**	**50.4**	***18%***
EBITDA Margin (%)	*18.3%*	*15.1%*	*16.9%*	*17.4%*	*18.4%*	*330bps*
D&A and Provisions	-20.7	-21.8	-26.3	-27.9	-27.7	*8%*
EBIT	**12.5**	**8.7**	**11.4**	**16.6**	**22.7**	***38%***
EBIT Margin (%)	*6.9%*	*4.3%*	*5.1%*	*6.5%*	*8.3%*	*400bps*
Net Financial Charges and Others	-4.3	-4.2	-4.4	-4.4	-3.1	*-10%*
Taxes	-3.7	-2.1	-3.7	-5.2	-7.3	*51%*
Minorities	-0.5	-1.2	-1.8	-2.4	-3.0	*36%*
Net Profit	**4.1**	**1.2**	**1.5**	**4.6**	**9.4**	***100%***

Source: Haiki+, Value Track Analysis

Haiki+: Balance Sheet 2023PF-2027E

Balance Sheet (IT GAAP, €mn)	2023PF	2024E	2025E	2026E	2027E
Net Fixed Assets	179.9	176.2	178.5	166.4	154.6
Net Working Capital	2.9	7.2	9.0	13.6	19.0
Provisions	65.5	65.2	68.1	70.3	72.5
Total Capital Employed	**117.3**	**118.2**	**119.3**	**109.7**	**101.0**
Group Net Equity	**55.1**	**57.4**	**60.7**	**67.8**	**80.1**
Net Financial Position Adj.	**-62.2**	**-60.8**	**-58.6**	**-42.0**	**-20.9**

Source: Haiki+, Value Track Analysis

Haiki+: Cash Flow Statement 2024E-2027E

Cash Flow (IT GAAP, €mn)	2024E	2025E	2026E	2027E
EBITDA	30.5	37.7	44.5	50.4
Δ Net Working Capital (incl. Prov.)	-4.6	1.1	-2.5	-3.2
Capex (excl. M&A)	-20.0	-21.7	-13.7	-13.7
OpFCF (b.t.)	**5.9**	**17.1**	**28.4**	**33.6**
As a % of EBITDA	*19%*	*46%*	*64%*	*67%*
Cash Taxes	-2.1	-3.7	-5.2	-7.3
M&A Cash-Out	-4.2	-4.0	0.0	0.0
Net Financial Charges	-4.2	-4.4	-4.4	-3.1
Others	6.0	-2.9	-2.2	-2.2
Δ Net Financial Position Adj.	**1.4**	**2.2**	**16.6**	**21.1**

Source: Haiki+, Value Track Analysis

Valuation

We initiate coverage on Haiki+ with a fair equity value of €0.95 per share, as a result of a balanced approach combining (i) a relative valuation based on EV/EBITDA multiples for 2025E-2026E, cross-checked with recent M&A transactions, resulting in a fair equity value of €0.80 p/s; and (ii) a long-term focused DCF model capturing Haiki+'s strong FCF generation potential after an initial phase of significant cash absorption, yielding a fair equity value of €1.10 p/s.

Haiki+ Fair Equity Value at €0.95 p/s

We initiate coverage on Haiki+ with a **fair equity value of €0.95 per share**, derived from the average of a short-term Peers Analysis, supported by a relative valuation, and a long-term DCF model capturing the cash flow benefits of a normalized long-term scenario.

Haiki+'s potential is underpinned by:

1. **Closing the Gap vs. Peers**: we expect Haiki+ to improve profitability and efficiency ratios through new plants' integration and acquisitions, significantly boosting recycling capacity in high-margin verticals;
2. **Medium-Term Free Cash Flow Generation**: we project a robust free cash flow in FY26E-FY27E (~50% cumulative yield), following an initial phase of substantial cash absorption driven by the investments in new plant development and M&A.

Despite the strong FCF prospects, we remark the **challenging financial outlook** faced by Haiki+ in **2025E**, with potential risks of breaching the "Haiki S.p.A. 6% 2021-2026" bond covenants, particularly if required to pay for Ancient Stone's minority stake in Green LuxCo Capital (we estimate ca. €23mn in our Enterprise Value adjustments). To address this, equity-strengthening measures, cost cutting and/or a halt in M&A activities, may be necessary.

Haiki+: Multiples Sensitivity at Various Stock Price Levels

Fair Equity Value p/s (€)	EV/EBITDA (x)			EV/EBIT (x)			P/E Adj. (x)		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
€ 0.65	6.1	4.8	3.8	20.1	12.8	8.4	41.4	13.6	6.7
€ 0.75	6.3	5.0	4.0	20.9	13.3	8.8	47.8	15.6	7.7
€ 0.85	6.6	5.2	4.2	21.8	13.9	9.3	54.2	17.7	8.7
€ 0.95	**6.8**	**5.4**	**4.4**	**22.6**	**14.5**	**9.7**	**60.6**	**19.8**	**9.7**
€ 1.05	7.1	5.6	4.6	23.5	15.1	10.1	66.9	21.9	10.8
€ 1.15	7.4	5.8	4.7	24.3	15.7	10.5	73.3	24.0	11.8
€ 1.25	7.6	6.1	4.9	25.2	16.2	11.0	79.7	26.1	12.8

Source: Value Track Analysis

Peers' Analysis

Our relative valuation, based on peers' analysis, yields a fair equity value of €0.80 p/s. We utilized 2025E-26E as reference years, given their greater visibility, and applied the average EV/EBITDA multiples of comparables, as other metrics appeared less relevant. Additionally, we cross-checked our valuation with recent M&A transactions within the waste management sector.

Peers Selection

Italian waste management specialists are mostly private firms, while publicly traded multi-utilities often combine waste management with energy, limiting comparability due to their energy-driven revenue mix. In contrast, large listed European waste operators offer better benchmarks, particularly those aligned with Haiki+ in value chain coverage (e.g., collection, sorting, disposal, recycling) and waste types (municipal/special, hazardous/non-hazardous). Further details on peers' descriptions and trading multiples are available in the appendix.

Haiki+: Peers' Value Chain Positioning

Peers	Waste Material	Collection	Sorting & Treat.	Disposal	Recycling
Recupero Etico Sostenibile S.p.A	Special Non-Hazardous; Municipal	✓	✓	✓	✓
Mo-BRUK S.A.	Special Hazardous and Non; Municipal	✓	✓	✓	✓
Renewi Plc	Special Hazardous and Non; Municipal	✓	✓	✓	✓
Seche Environnement SA	Special Hazardous and Non; Municipal	✓	✓	✓	✓
Lassila & Tikanoja Oyj	Special Hazardous and Non; Municipal	✓	✓	✓	✓
Befesa SA	Special Hazardous		✓		✓
Umicore SA	Special Hazardous and Non		✓		✓
Aurubis AG	Special Hazardous and Non		✓		✓
Johnson Matthey Plc	Special Hazardous and Non		✓		✓
Haiki+	**Special Non-Hazrdous; Municipal**	✓	✓	✓	✓

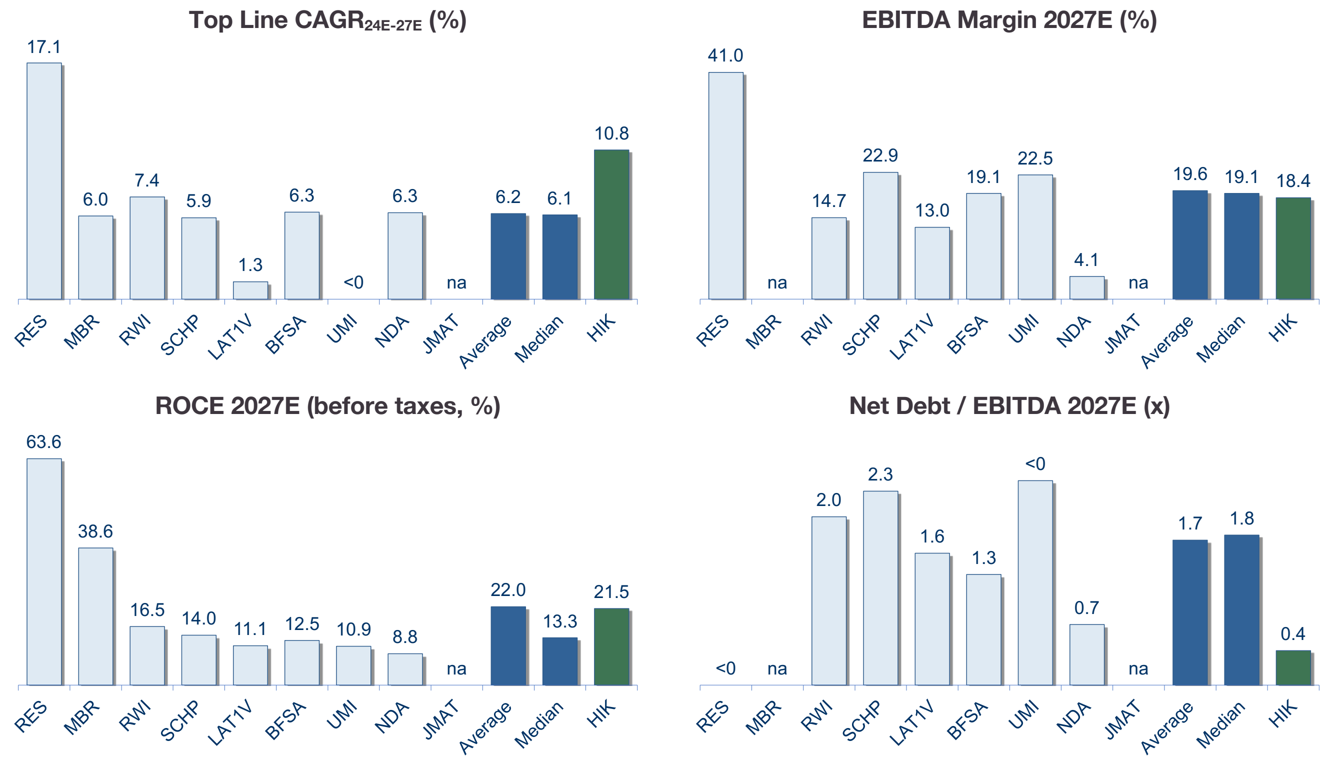
Source: Various, Value Track Analysis

Operating Benchmark

Based on consensus estimates for our selected peers, Haiki+ demonstrates:

- **Growth**. Haiki+ is projected to achieve an 11% $CAGR_{24E\text{-}27E}$, outpacing all peers except RES. Approximately 34% of this growth is expected to stem from two M&A deals;
- **Profitability**. Haiki+ is anticipated to significantly narrow the EBITDA margin gap with peers over the next three years, reaching 18.4% versus the average of 19.6%. This improvement highlights its ability to enhance operational efficiency and profitability through its strategic investments. However, Haiki+ will remain below top performers such as RES and Mo-BRUK;
- **Capital Intensity**. Haiki+ is expected to approach the cluster's ROCE (pre-tax) levels by 2027E, achieving 21.5%. This reflects a strong alignment with peers, supported by low net working capital, reduced capex needs, and rising operating profits;
- **Financial Leverage**. Haiki+ is projected to improve its capital structure, achieving a Net Debt/EBITDA ratio below 0.5x by 2027E, versus the peer average of over 1.5x. However, a potential covenant breach in 2025E could arise, especially if required to pay for Ancient Stone's minorities in Green LuxCo Capital.

Haiki+: Operating Benchmark vs. Peers



Source: FactSet, Value Track Analysis

Stock Market Multiples Benchmark

The selected peers are trading at average EV/EBITDA multiples of 6.2x (2025E) and 5.3x (2026E). Haiki+'s multiples align with FY26E-FY27E values but show a premium for FY25E. Key observations include:

- **Size Dispersion**: the cluster exhibits significant dispersion in Market Cap, with Haiki+ at approximately €82mn compared to Aurubis' €3.4bn. However, valuation multiples appear unaffected by size metrics;
- **Focus on EV/EBITDA**: EV/EBITDA multiples are consistent across the cluster, with higher-profit peers like RES and Mo-BRUK trading at premium valuations. Other metrics show higher dispersion and limited correlation with efficiency ratios;
- **Historically Consistency**: since our initiation of Innovatec coverage in March 2022, environmental services comparables have consistently traded at approximately 6x-7x EV/EBITDA FY1, with current values maintaining this trend;
- **Haiki+'s Demanding Valuation** in FY25E significantly decreases by FY26E-27E, with multiples aligning with or even trading at a discount to peers, driven by the company's superior expected growth rate.

Haiki+: Peers' Trading Multiples

Peers	Market Cap (€mn)	EV/Sales (x)			EV/EBITDA (x)			EV/EBIT (x)			P/E Adj. (x)		
		2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Recupero Etico Sostenibile S.p.A	110.5	3.5	2.6	2.0	8.9	6.4	4.8	12.5	8.4	6.1	18.4	13.3	10.7
Mo-BRUK S.A.	290.1	3.9	3.4	3.8	8.4	7.2	na	9.6	8.1	8.5	13.4	11.5	10.3
Renewi Plc	757.6	0.8	0.7	0.7	5.3	4.7	4.4	10.6	8.9	7.6	11.1	8.6	6.9
Seche Environnement SA	565.8	1.1	1.0	0.9	5.1	4.4	4.1	9.8	8.2	7.5	9.2	7.6	6.4
Lassila & Tikanoja Oyj	322.4	0.6	0.6	0.6	5.1	4.8	4.7	11.3	10.4	10.4	10.0	9.2	9.0
Befesa SA	829.6	1.1	1.0	0.8	5.9	5.3	4.4	9.6	8.4	6.7	9.7	8.4	7.4
Umicore SA	2,535.5	1.2	1.2	1.3	6.1	5.7	5.7	9.6	9.2	9.1	10.5	9.6	9.5
Aurubis AG	3,356.0	0.2	0.2	0.2	6.1	5.3	4.7	10.2	9.0	7.7	12.0	10.4	8.9
Johnson Matthey Plc	2,743.2	0.9	0.8	na	5.0	4.4	na	7.0	6.1	na	7.7	6.9	na
Average	**1,278.9**	**1.5**	**1.3**	**1.3**	**6.2**	**5.3**	**4.7**	**10.0**	**8.5**	**8.0**	**11.3**	**9.5**	**8.6**
Median	**757.6**	**1.1**	**1.0**	**0.9**	**5.9**	**5.3**	**4.7**	**9.8**	**8.4**	**7.7**	**10.5**	**9.2**	**8.9**
Haiki+	**81.0**	**1.1**	**0.9**	**0.8**	**6.6**	**5.2**	**4.2**	**21.7**	**13.9**	**9.2**	**>50**	**17.5**	**8.6**
Discount vs. Average (%)	*-94%*	*-25%*	*-30%*	*-41%*	*6%*	*-3%*	*-11%*	*>100%*	*62%*	*16%*	*>100%*	*85%*	*0%*

Source: FactSet, Value Track Analysis

Relative Valuation

Based on operational and multiple comparisons, we opted not to apply a discount to Haiki+'s "fair" multiples, considering the following:

- Smaller size both in terms of revenue and market cap;
- Lower current operating and net profitability.

BUT:

- Exceptional growth rates in revenue and EBITDA, exceeding peers' averages;
- Improving return on capital employed, despite a heavy investment plan.

Additionally, the potential or theoretical cash-out for minority stakes is accounted for in the Enterprise Value adjustments below, even though it is not directly reflected in Haiki+'s Net Debt.

Therefore, we are valuing Haiki+ at 6.2x-5.3x EV/EBITDA for FY25E-FY26E, in line with peers' average, getting to a fair equity value of €0.80 p/s.

Haiki+: Relative Valuation

Relative Valuation (€mn)	2025E	2026E
Fair EV/EBITDA (x)	**6.2**	**5.3**
EBITDA	37.7	44.5
Fair Enterprise Value	233.4	237.8
Net Debt	58.6	42.0
EV Adjustments	107.2	107.2
Fair Equity Value	**67.5**	**88.6**
NOSH (mn)	96.4	96.4
Fair Equity Value p/s (€)	**0.70**	**0.90**
Average Fair Equity Value p/s (€)	**0.80**	

Source: Haiki+, Value Track Analysis

As expected, the resulting fair equity value p/s is highly dependent on Haiki+'s capital structure, which is leveraged not only by Net Debt levels, but also by the substantial amount of landfills' closure and post-closure funds, and minority interests.

Haiki+: EV Adjustments

EV Adjustments (€mn)	Brief Description	2024E	2025E-2027E
Landfills Closure and Post-Closure Funds	Net Present Value of >€55mn Funds	42.5	42.5
Green LuxCo Capital Convertible Bond	€23mn Treated as Debt (No Visibility on Conversion Terms)	23.0	23.0
Green LuxCo Capital Minority Interest	Potential Buy-Out of Ancient Stone's 49.90% Minority Stake	22.9	22.9
Ecosavona Minority Interest	30% Remaining Minority Stake	13.1	13.1
Cobat Minority Interest	24.05% Remaining Minority Stake	2.8	2.8
M&A Operation #2	Assuming 51% Stake to be Acquired in FY25E	4.0	0.0
M&A Operation #2 Minority Interest	49% Remaining Minority Stake	2.9	2.9
Total		**111.2**	**107.2**

Source: Value Track Analysis

Cross Check with M&A Transactions

In 2024, the waste management market witnessed a consolidation process with some M&A deals announced regarding public companies. Here below a summary of the most recent and relevant ones, which outline an average EV/EBITDA of ca. 6.6x, broadly in line vs. Haiki+'s peers trading multiples.

Haiki+: M&A Transactions in the Waste Management Market

Year	Buyer	Target	Transaction Value (mn)	Stake Acquired (%)	EV/EBITDA LTM (x)
2019	Acea SpA	Berg SpA	$6.7	60%	8.7
2021	Ambienthesis	Assets of Greenthesis	€75.0	100%	4.2
2023	Greenthesis S.p.A.	Bigaran Srl	$13.0	70%	5.3
2024	Greenthesis S.p.A.	Ethan Group	€25.3	80%	4.5
2024	Patrizia SE	Greenthesis S.p.A.	$147.8	40%	10.2
2024 (*)	Macquarie Europe	Renewi Plc	$888.6	100%	6.6
Average	//	//	//	//	**6.6**

Source: FactSet, Value Track Analysis, (*) Deal only announced, but not finalized yet

Discounted Cash Flow

Our DCF model estimates a fair equity value of €1.10 p/s, based on outstanding NOSH and a target capital structure of 30% (Net Debt / Total Capital Employed). This structure reflects Haiki+'s expansion phase, the capital intensity of its business, and its M&A-driven strategy.

We consider the DCF method particularly suited to capturing Haiki+'s long-term potential in a normalized scenario, following an initial phase of significant cash flow absorption due to its investment program for new plants and acquisitions.

WACC Assumptions

Here below a summary of our WACC assumptions, mainly sourced from Damodaran online data sets.

Haiki+: WACC at Target Capital Structure

WACC Assumptions	Target Capital Structure
Risk-Free Rate (%)	2.0%
Capital Structure (D/D+E) (%)	30%
Unlevered Beta (x)	1.1
Levered Beta (x)	1.5
Market Risk Premium (Italy) (%)	5.4%
Additional Risk Premium (%)	3.0%
Credit Spread (%)	4.0%
Tax Rate (%)	24.0%
Cost of Equity (%)	**12.8%**
Cost of Debt (%)	**4.6%**
WACC (%)	**10.3%**

Source: Damodaran, Value Track Analysis

DCF Model

The DCF model incorporates free cash flows from 2025E to 2034E, with the terminal value calculated using a 5.5x EV/EBITDA exit multiple, corresponding to a terminal growth rate ("g") of ca. 1.1%.

Haiki+: DCF Valuation

DCF Valuation	€mn
Discounted Free Cash Flows 2025E-2034E	141.7
Discounted Terminal Value @ 2034E with TV/EBITDA=5.5x	135.5
Fair Enterprise Value	**277.3**
Net Financial Position 2024E	60.8
EV Adjustments 2024E	111.2
Fair Equity Value	**105.3**
NOSH (mn)	96.4
Fair Equity Value p/s (€)	**1.10**

Source: Value Track Analysis

Haiki+: DCF Sensitivity

Fair Equity Value p/s (€)		Terminal Value / EBITDA (x)				
		4.5x	5.0x	5.5x	6.0x	6.5x
WACC (%)	9.3%	1.02	1.16	1.30	1.44	1.58
	9.8%	0.93	1.06	1.19	1.33	1.46
	10.3%	0.84	0.96	**1.10**	1.22	1.35
	10.8%	0.75	0.87	0.99	1.12	1.24
	11.3%	0.67	0.78	0.90	1.02	1.13

Source: Value Track Analysis

Appendix

Asset Base

Haiki+: Presence on the Waste Management Value Chain

Business Unit	Company	Site	Type	Waste	State
Haiki Mines	Haiki Mines	Albonese (PV)	Landfill	Non-Hazardous Special	Active
		Bedizzole (BS)	Landfill	Non-Hazardous Special	Active
		Bossarino (SV)	Landfill	Non-Hazardous Special	Active
		Andria, Giovinazzo, Chivasso, Bedizzole, Bossarino	Biogas Plant	Biogas Energy Recovery	Active
	Ecosavona	Boscaccio (SV)	Landfill	Non-Hazardous Special and Municipal	Active
Haiki Cobat	Cobat	//	//	//	Active
	Cobat Ecofactory	Pollutri (CH)	Recycling	Lithium Batteries	Starting
Haiki Recycling	Haiki Recycling	Albonese (PV)	Sorting	Special	Active
		Cermenate (CO)	Sorting	Special	Active
		Chivasso (TO)	Sorting	Special	Active
		Collegno (TO)	Sorting	Special	Active
		Lazzate (MB)	Sorting	Special	Active
		Lodi (LO)	Recycling	Plasterboard	Active
		Palazzolo Vercellese (VC)	Sorting	Special (Packaging)	Active
	Isacco	Gabbioneta (CR)	Sorting	Special	Active
	Igers	San Pietro Mosezzo (NO)	Recycling	Textile	Pending Authorization
	Matemorfosi	Palazzolo Vercellese (VC)	Recycling	Mattresses	Pending Authorization
Haiki Electrics	Haiki Electrics	Romano D'Ezzelino (VI)	Recycling	WEEE	Active
		San Severino Marche (MC)	Recycling	WEEE	Active
		San Pietro di Morubio (VR)	Recycling	Plastics from WEEE	Active
	Treee Group	Fossò (VE)	Recycling	WEEE	Active
		Rho (MI)	Recycling	WEEE	Temporarily Inactive
		Livorno (LI)	Recycling	WEEE	Active
		Montalto di Castro (VT)	Recycling	WEEE	Active
		Anagni (FR)	Recycling	WEEE	Active

Source: Haiki+

Net Financial Position Structure

Analyzing Haiki+'s FY23PF Net Financial Position structure, it becomes evident that:

- **Cash & Equivalents** correspond to €7.6mn, with Long-Term Financial Credits worth other €3.9mn (mainly securities available for sale);
- **Debt to Banks** are worth €30.5mn, out of which €10.3mn to be repaid in the short-term;
- **Other Debt Facilities** correspond to:
    - "VER Capital Credit Partners SME VII", i.e. a €10mn facility maturing in 2028, worth €8.8mn as of December 2023;
    - "Haiki S.p.A. 6% 2021-2026%", i.e. a €10mn bond issued in December 2021 to finance the growth of Haiki Recycling and its asset base, with a fixed gross annual interest rate of 6%, and maturity in September 2026, worth €8.4mn in December 2023;
    - "Haiki S.p.A. Basket Bond", i.e. a €8mn bond issued in November 2022 to finance the growth of Haiki+ and its asset base, with a fixed gross annual interest rate of 5.21%, and maturity in October 2028, still worth €8.0mn in December 2023;
    - Other financial debt worth €18.0mn as of FY23PF, mainly referring to factoring advances on Haiki Cobat's receivables, leases for real estate and machinery, debts related to SEA S.r.l.'s acquisition, deferred commitments for Participating Financial Instruments, and outstanding payments for additional stakes in Haiki Electrics and Haiki Recycling.

Bonds are subjected to financial covenants, the stricter ones being the Net Debt / EBITDA threshold of 2.0x and 1.5x for FY24E-FY25E, respectively, and the Net Debt / Equity threshold of 130% in the FY24E-FY28E period.

Haiki+: Net Financial Position Structure FY23PF-1H24PF

P&L (IT GAAP, €mn)	FY23PF	1H24PF
Cash & Deposits	7.6	6.2
Long-Term Financial Credits	3.9	3.2
Debt to Banks	-30.5	-28.7
Bonds	-16.4	-14.2
Other Financial Debts	-26.8	-25.0
Net Financial Position Adj.	**-62.2**	**-58.5**
Overdue Payables to Suppliers	-2.9	-3.0
Net Financial Position	**-65.1**	**-61.5**

Source: Haiki+

Peers Description

Haiki+: Peers Description

Recupero Etico Sostenibile (RES) – Italian company specialized in the recycling & energy recovery of urban and industrial waste. Its operations include sorting, collection, and treatment, along with the sale of recyclables, i.e., plastics and metals. RES also produces solar energy, biogas and eco-sustainable clothing, showcasing its devotion to the circular economy.

Mo-BRUK (MBR) – Polish industrial waste leader excelling in hazardous waste treatment, alternative fuel production, and industrial landfilling. The company also operates fuel stations and inspection facilities while contributing to sustainable infrastructure with its concrete surface construction expertise, development of PV and hybrid off-grid plants and the creation of energy storage systems. It is also specialized in revamping.

Renewi (RWI) – With 97% of revenue stemming from the Netherlands and Belgium, it specializes in sustainable waste management, recycling, and recovery, emphasizing circular economy principles. Its core operations include processing commercial and organic waste, hazardous waste reprocessing, and biomass-based energy production.

Séché Environnement (SCHP) – French leader in waste recycling and treatment, specializing in hazardous and non-hazardous materials. It transforms waste into energy and valuable resources while offering decontamination and rehabilitation services, driving sustainable solutions for industrial and municipal clients.

Lassila and Tikanoja Oyj (LAT1V) – Finland-based leader providing waste management, biofuel solutions, and property services across Finland, Sweden, and Latvia. Its expertise includes converting waste into raw materials, maintaining wastewater systems, and offering energy-efficient property automation and repair services.

Befesa (BFSA) – It specializes in recycling steel dust and aluminum residues, recovering materials like waelz oxide and aluminum concentrates. Its innovative processes support sustainability in construction and automotive industries by minimizing waste and maximizing resource recovery.

Umicore (UMI) – Belgium-based company pioneering in materials technology and recycling, with a focus on catalysis, battery materials, and precious metal recycling. Its advanced solutions drive clean technologies, such as emission control and renewable energy storage, underscoring its mission of creating sustainable value.

Aurubis (NDA) – Germany-based company producing primary copper and precious metals, recycling secondary raw materials, and processing copper into final products. Its portfolio includes rod and specialty wire, rolled products, architectural solutions, cathodes, precious metals, sulfuric acid, and recycled metals.

Johnson Matthey (JMAT) – UK-based company specializing in chemistry, catalysis, and process design. It provides sustainable solutions, accepting industrial waste and residues with recoverable gold, silver, and platinum group metals. The company develops products and services for clean energy, emissions control, and other industries.

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