

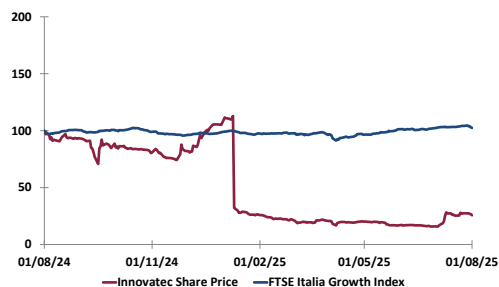


## NEUTRAL

**Current Share Price (€): 0.27**

**Target Price (€): 0.30**

### Innovatec - 1Y Performance



Source: S&P Capital IQ - Note: 01/08/2024=100

### Company data

ISIN number	IT0005628778
Bloomberg code	INC IM
Reuters code	INC.MI
Industry	Renewables
Stock market	Euronext Growth Milan
Share Price (€)	0.27
Date of Price	01/08/2025
Shares Outstanding (m)	96.4
Market Cap (€m)	26.2
Market Float (%)	54.65%
Daily Volume	451,800
Avg Daily Volume YTD	741,754
Target Price (€)	0.30
Upside (%)	10%
Recommendation	OUTPERFORM

### Share price performance

	1M	3M	6M	1Y
Innovatec - Absolute (%)	63%	27%	-1%	-74%
FTSE Italia Growth Index (%)	0%	6%	5%	2%
1Y Range H/L (€)			1.20	0.17
YTD Change (€) / %			-0.84	-76%

Source: S&P Capital IQ

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## Pureplay solar PV developer

**We initiate coverage of Innovatec: NEUTRAL rating, Target Price €0.30 per share.**

Innovatec, listed on Euronext Growth Milan since 2013, following the spin-off of Haiki+ sub-holding, its Environmental services and Circular economy BU, separated into an additional publicly traded entity listed in January 2025, is now a pureplay in the photovoltaic market segment, where it acts as developer, EPC contractor, asset manager, energy producer and reseller.

### Integrated value proposition for PV development

Innovatec is building a pipeline of authorizations for the development of PV plants, primarily located in Central and Southern Italy. Part of this pipeline is intended for sale prior to construction, while other projects will be delivered as turnkey plants or retained as own assets. Innovatec's development strategy is focused on expanding EPC activities, both within its own pipeline and through projects executed by the controlling interest ESI.

### Clean energy demand accelerates, urging faster deployment

Corporate commitments and the growing energy needs of hyperscalers are rapidly driving up demand for renewable energy. Data centers already account for up to 2% of global electricity use, a share that could surge by 2030, putting additional pressure on renewable capacity. Yet deployment often struggles to keep pace, hindered by permitting delays and grid bottlenecks, underscoring the need for streamlined processes and infrastructure. In response, climate policies are becoming more ambitious, Europe's REPowerEU and Italy's revised PNIEC, reinforced by the FER X decree, aim to accelerate the energy transition through clearer targets, new incentives, and simplified authorizations.

### PV pipeline and plan to 2027

The 2025-27 strategic plan targets portfolio development, including 250MW PV project pipeline and anticipated investments of €27m, supported by €20m in project finance. For 2025 the guidance is total revenues at €66m, adjusted EBITDA of €4.3m, with 6.5% margin, and net debt of around €4.7m. Targets for 2027 are to reach revenues of €88m and EBITDA of €9.4m, 11% margin, with net debt projected to reach €12m.

### Target Price €0.30 per share, NEUTRAL recommendation

Innovatec is today a pureplay in the solar PV industry, who has matured expertise and credentials and has the vision of becoming an integrated player presiding the authorization, development and management phases of the renewable energy value chain. Through the investment in a 35MW in-house pipeline, Innovatec aims to enter power generation and complement its business with stable and visible cash flows. The PV market opportunity suggests a significant value potential and our assessment is founded on a mid-term perspective of value building on key competencies and own PV asset base. We initiate coverage of Innovatec with a target price of €0.30 per share and NEUTRAL rating, implying 10% potential upside on current share price at €0.27.

KEY FINANCIALS AND ESTIMATES (€m)	2024PF-E	2025E	2026E	2027E
Revenues	27.8	54.8	67.3	74.0
YoY %	na	97%	23%	10%
EBITDA	0.5	3.2	5.9	7.5
Margin	1.8%	5.8%	8.7%	10.1%
EBIT	(4.7)	0.9	3.4	4.8
Margin	-17.0%	1.7%	5.0%	6.5%
Net Income (Loss)	(6.7)	0.3	1.9	2.7
Net (Debt) Cash	1.0	(7.3)	(10.2)	(15.2)
Equity	14.0	14.3	16.2	18.9

Source: EnVent Research 2024PF-27E

# 1. INVESTMENT CASE AND PROFILE

## Company

**New Innovatec:  
sole focus on  
renewables**

**Innovatec SpA**, listed on Euronext Growth Milan since 2013, operates in the renewable energy industry, leveraging on its industry-specific know-how and experience. Following the spin-off of its Environmental services and Circular economy BU (Haiki+ sub-holding), separated into an additional publicly traded entity listed in January 2025, Innovatec has reshaped its business model to focus solely on renewables and energy efficiency.

The recently released 2025-27 Business Plan states as main strategic objectives to catch renewable energy market opportunities and focus on the photovoltaic market segment as developer, EPC contractor, asset manager and energy producer.

Innovatec is building a pipeline of authorizations for the development of PV plants, primarily located in Central and Southern Italy. Part of this pipeline will be sold prior to construction, while other projects will be delivered as turnkey plants or retained as owned assets. Innovatec's development strategy is increasingly focused on expanding EPC activities, both within its own pipeline and through projects executed by the controlling interest ESI.

### Main operations:

- Development of photovoltaic projects
- Construction and engineering
- Authorizations monetization
- Energy production and sale

### Key figures 2024 (pro-forma estimated):

- €27.8m consolidated revenues
- 2% EBITDA margin
- €1m net cash position

Source: EnVent Research and Company data

### Mission

To accelerate the energy transition by developing, building and delivering clean energy solutions conceived to be efficient, sustainable, creating long-term value for businesses, communities and the environment.

### Vision

To become a leading integrated player in the renewable energy sector in Italy, driving decarbonization across the energy value chain through a full-service end-to-end approach.

### Opportunity

Global push toward decarbonization, rising energy prices and growing demand for secure, locally generated renewable energy are creating a strong momentum for utility-scale solar projects. The increasing need for energy independence and regulatory support further enhance the long-term growth potential.

### Value proposition

Innovatec offer spans from authorizations to EPC and asset ownership, by combining technical expertise, development processes and the ability to monetize authorizations or deliver turnkey solutions.

## Drivers

### Industry drivers

**Surging demand for renewables driven by hyperscalers and corporate commitments.** According to McKinsey, the global push for decarbonization is accelerating, with over 400 *RE100* companies (committed to 100% renewable energy) underscoring the need for greater capacity. Leading hyperscalers, as cloud and data providers, are at the forefront of this shift. Data centers already consume 1-2% of global electricity, a figure that could triple or quadruple by 2030.

**Towards net zero emission.** The global push for net-zero is driving more ambitious climate policies. In Europe, the REPowerEU plan has raised renewable targets and streamlined processes. Italy is aligned through its Integrated National Energy and Climate Plan, which sets clear 2030 goals for emissions cuts and a growing share of renewables. This path is now reinforced by the FER X decree, aimed at accelerating clean energy deployment through new incentives and simplified procedures. FER X is expected to boost investments and support Italy's energy transition.

**Solar power leads as clean energy becomes more affordable.** Technological progress in renewables has sharply lowered production costs, reinforcing solar's leadership. Over the past decade, innovations have made clean energy increasingly competitive, with utility-scale renewable plants producing electricity at lower costs than fossil fuel sources. In many markets, new solar installations became the most cost-effective option for power generation.

**From fossil fuels to clean power: the energy industry's shift.** The oil and gas sector is increasingly pivoting toward renewables as global energy systems move toward decarbonization. Under growing pressure to evolve, these companies are exploring sustainable power as a way to diversify their portfolios and remain competitive. Embracing renewables offers them a chance not only to adapt but to take a leading role in the energy transition (source: McKinsey, *How oil and gas companies can be successful in renewable power*, 2023).

### Company drivers

**A legacy in the energy sector and renewables.** Innovatec has a long-standing presence in the energy industry, with experience ranging from energy efficiency solutions and renewable plant construction to smart grid technologies and energy storage.

**End-to-end service in the photovoltaic sector.** Innovatec offers a comprehensive service throughout the entire photovoltaic value chain: from securing authorizations and managing design, to constructing plants and transferring authorization titles or selling the produced energy.

**Flexible rollout of 250MW PV projects pipeline.** Innovatec is developing a 250MW pipeline of ground-mounted photovoltaic plants, mainly in Central and Southern Italy. Around 150MW

are progressing under the simplified PAS procedure, of which 40MW are already authorized, while the remaining 100MW follow the standard authorization path. Projects average about 7MW in size. The pipeline will be partly sold before construction, partly delivered as turnkey projects, and some assets will be retained in-house.

### Challenges

**Finance management is crucial.** Developing and constructing photovoltaic plants for sale or long-term ownership involves financing needs and risks such as project delays and material price fluctuations that can impact margins and working capital. Photovoltaic plant construction is usually assisted by dedicated project financing by financial institutions and investment funds. Innovatec starts its development plan with a debt-free financial position, which, combined with selective pipeline management, flexible business models, and disciplined cash flow control, helps to mitigate risks and maintain a solid financial support throughout the project lifecycle.

**Lengthy authorization procedures.** Obtaining authorization for photovoltaic installations often involves time-consuming and bureaucratic procedures. These delays can stall project development and lead to higher implementation costs.

**Grid congestion and limited transmission capacity.** Italy's power grid is increasingly saturated, with existing infrastructure often reserved for potential rather than operational renewable projects. This creates bottlenecks and delays in connecting ready-to-go installations. The imbalance between generation in the southern regions and demand in the northern ones adds to the pressure on the system.

**Regulatory risk.** Incentive system for photovoltaics in Italy is complex and fragmented, with varying regulations and procedures at national and regional levels. This regulatory patchwork can discourage investment and create hurdles for smaller players entering the market.

**Strategy execution risk.** The execution of Group strategy, including the planned expansion of the PV business, may cause to incur in additional financial debt, which may introduce additional risks and volatility to financial performance. As such, financial discipline is needed, taking into duly consideration that Innovatec business is dependent upon authorizations and regulation and, as such, subject to external risks. The plan execution is the key issue in the short-term: Innovatec needs to build a good track record to trigger a re-rating.

**Increasing competition could trigger margin pressure.** The fragmented competitive arena, with low entry barriers, is a permanent feeder of competition from Italian and international players that could generate pressure on margins.

## History and key developments

Innovatec was set-up in 2013, receiving a contribution in kind from Kinexia SpA (then renamed Gruppo Waste Italia), a once listed Italian group of companies in the renewables and environmental business, and then listed on Euronext Growth Milan (formerly AIM Italia). Following some M&A transactions and a reorganization within the wider holding group, the current group structure and scope of operations was outlined in 2021-22. A key milestone in Innovatec history was the separation of the Energy efficiency and renewables BU from the Environmental services and circular economy BU, completed through the spin-off and listing of Haiki+ SpA in January 2025.

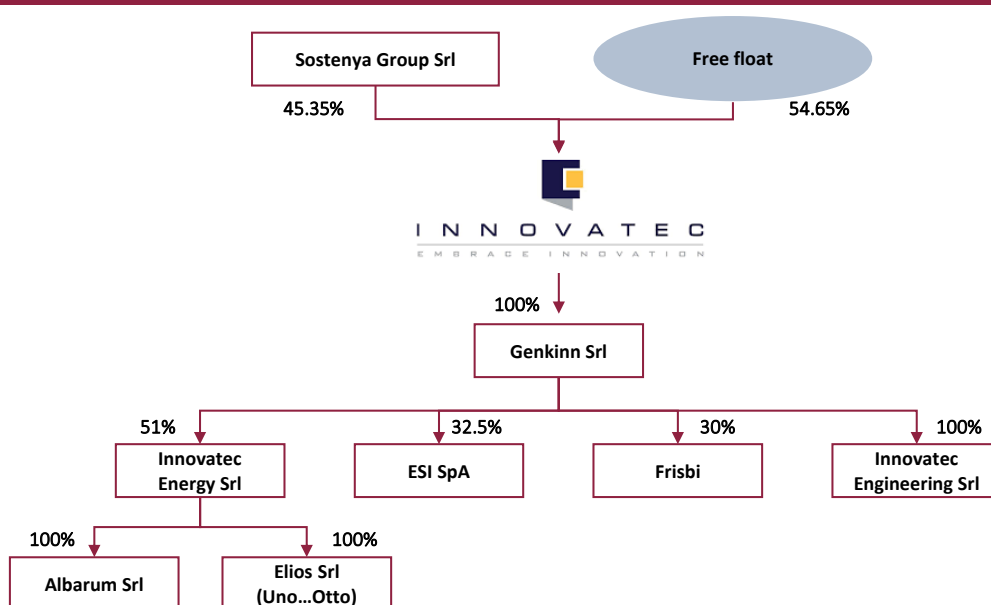
### Key milestones

2013	<ul style="list-style-type: none"> <li>Spin-off from Kinexia and listing of Innovatec on Euronext Growth Milan (ex-AIM Italia)</li> </ul>
2016	<ul style="list-style-type: none"> <li>Acquisition of Green Power, previously listed on Euronext Growth Milan</li> </ul>
2022	<ul style="list-style-type: none"> <li>Establishment of Eliospower, now Innovatec Energy</li> <li>Acquisition of controlling stake in ESI</li> <li>Establishment of Genkinn as sub-holding for Energy efficiency and Renewables BU</li> <li>Acquisition of minority stake in Frisbi</li> <li>Acquisition of Albarum</li> </ul>
2024	<ul style="list-style-type: none"> <li>Sale of Innovatec Power, subsidiary for energy efficiency services specialized in Ecobonus building renovation</li> <li>Haiki+ spin-off project</li> </ul>
2025	<ul style="list-style-type: none"> <li>Haiki+ listing on Euronext Growth Milan</li> </ul>

Source: Company data

## Shareholders, group, key people and organization

### Shareholders and group companies





Source: Company data - Note: Sostenya Group Srl is controlled by Nicola Colucci and Camilla Colucci, who own, respectively, a stake of 38% of share capital

Genkinn is Innovatec sub-holding which owns:

- 51% of Innovatec Energy, managing a pipeline of large-scale PV projects under development and under authorization. Innovatec Energy in turn owns: 100% of Albarum Srl, developer of large scale PV projects under Single Authorization; 100% of 8 SPVs (Elios... Srl) owners of large and medium scale PV projects.
- 32.47% of ESI, listed on EGM, offering turnkey solutions and management of energy projects
- 30% of Frisbi, a start-up for the supply of digital and green energy to households and businesses, which engages in the resale to the residential and business markets of energy from 100% renewable sources
- 100% of Innovatec Engineering, technical and engineering company that supports the group in the development of energy efficiency projects and renewable plants

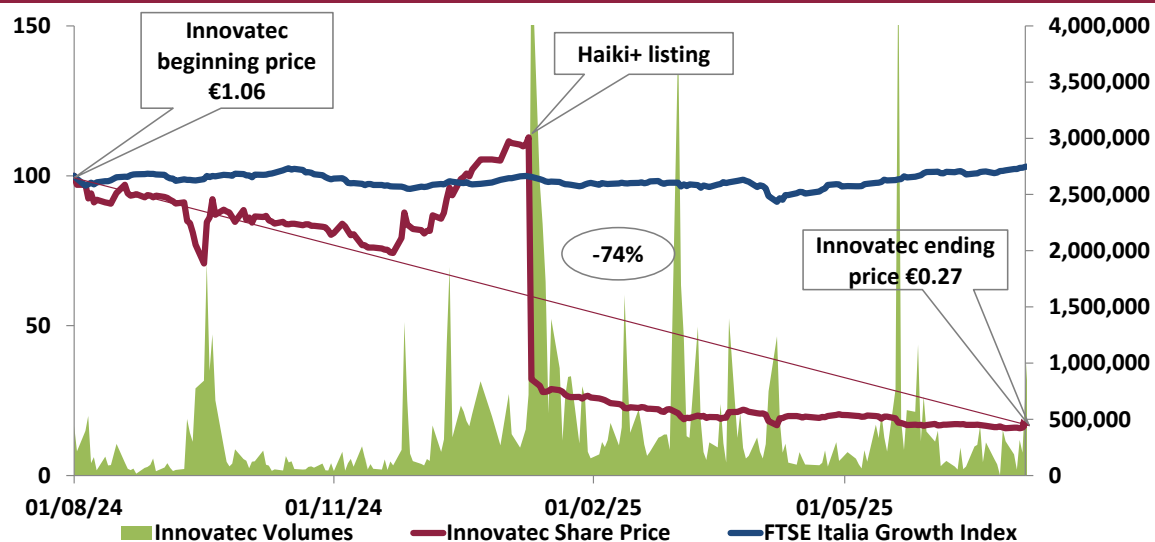
### Key people

Name and role	Background
<p><b>Roberto Maggio</b></p>  <p><b>Chairman and CEO</b></p>	<ul style="list-style-type: none"> <li>• Chairman of Innovatec since 2025</li> <li>• CEO of Innovatec since 2016</li> <li>• Past experiences as CEO at Waste Italia, SEI Energia and Seta</li> </ul>
<p><b>Raffaele Vanni</b></p>  <p><b>CFO</b></p>	<ul style="list-style-type: none"> <li>• CFO and Investor Relator of Innovatec since 2009</li> <li>• Past experiences in Kinexia, MV Augusta, Gruppo Editoriale L'Espresso, PwC</li> </ul>

Source: Company data

Haiki spin-off and  
listing in January  
2025

### 1Y Share price performance and volumes



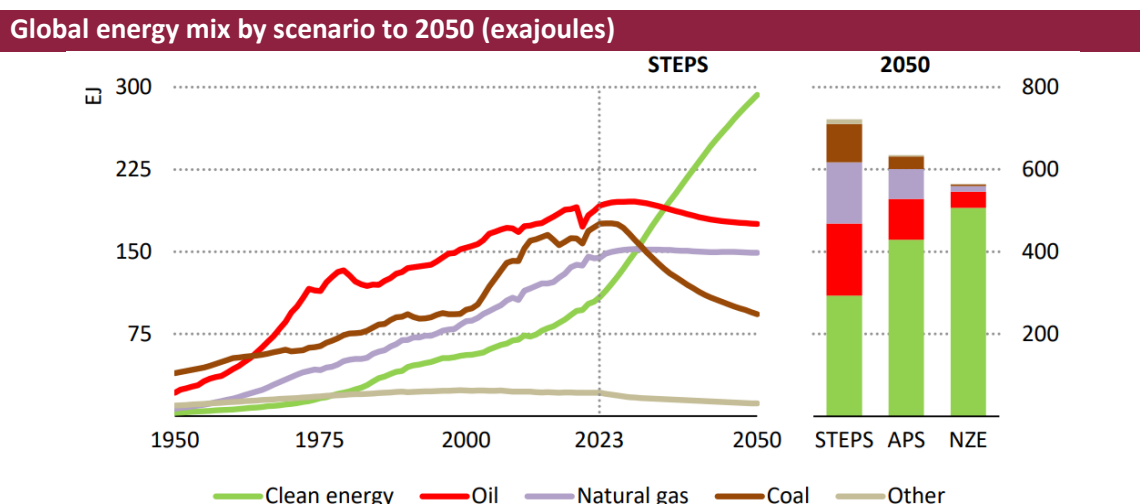
Source: S&P Capital IQ - Note: 01/08/2024=100

## 2. INDUSTRY INSIGHTS, MARKET TRENDS AND OUTLOOK

### Renewables

Over the past ten years, global energy demand has grown by 15%; 40% of that increase has been met by clean energy sources. According to the International Energy Agency scenarios, the use of renewables is set to rise sharply over the coming decades. In the Stated Policies Scenario, clean energy deployment accelerates even as overall demand growth slows. In this scenario, renewables would grow faster than total energy demand between 2023 and 2035, becoming the largest single energy source by mid-2030s. In the Announced Pledges Scenario, clean energy meets 40% of global energy demand by 2035 and 75% by 2050. Under the Net Zero Emissions scenario pathway, renewables and other clean sources supply 90% of global energy demand by 2050.

Source: IEA, *World Energy Outlook 2024*, 2024



Source: IEA, *World Energy Outlook 2024*, 2024

Note: STEPS, Stated Policies Scenario; APS, Announced Pledges Scenario; NZE, Net Zero Emissions scenario

### Regulatory framework

#### REPowerEU: A call for investments to fill the gap

Plan core objectives:

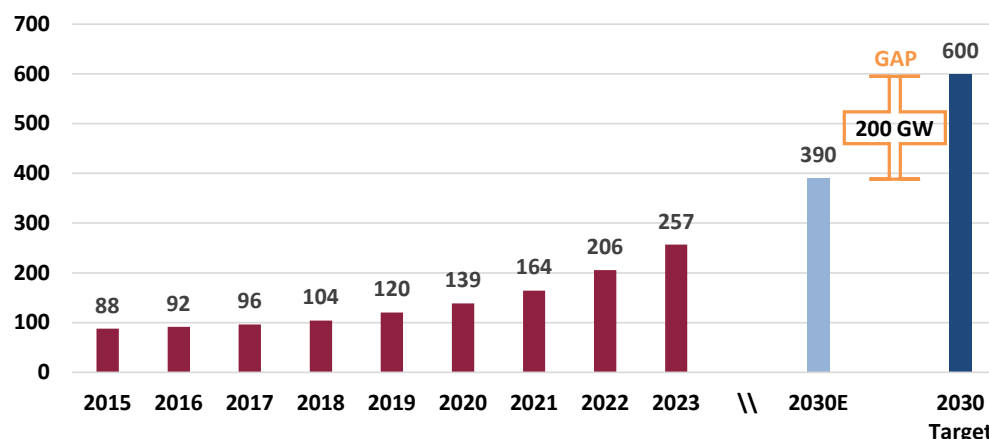
- Energy efficiency and savings
- Diversification of energy sources
- Accelerated deployment of renewable energy

In terms of photovoltaic capacity, 200GW have been added since 2015. According to McKinsey, Europe's solar pipeline is falling short of the 2030 target of 600GW, with less than 390GW expected to be operational by the end of the decade, resulting in a shortfall of approximately 200GW. A recovery is still achievable since additional solar capacity can be deployed quickly allowing the pipeline to expand and fill the gap by 2030.

Source: Ember, *Electricity Data Explorer*, ember-climate.org and McKinsey, *The energy transition: Where are we, really?*, 2024



### EU solar capacity installed 2015-23, 2030E and 2030 target



Source: Ember, *Electricity Data Explorer*, ember-climate.org and McKinsey, *The energy transition: Where are we, really?*, 2024

### Italy targets and regulatory framework

Italy's regulatory framework for renewable energy is shaped by the National Integrated Energy and Climate Plan, which outlines the country's strategy to achieve a more sustainable energy system, setting ambitious targets for 2030, including:

- 33% reduction in greenhouse gas emissions compared to 2005 levels
- 55% share of renewables in gross energy consumption

This strategic vision is now being supported by the FER X Transitory Decree, a key policy instrument introduced on 28 February 2025 to accelerate the deployment of clean energy.

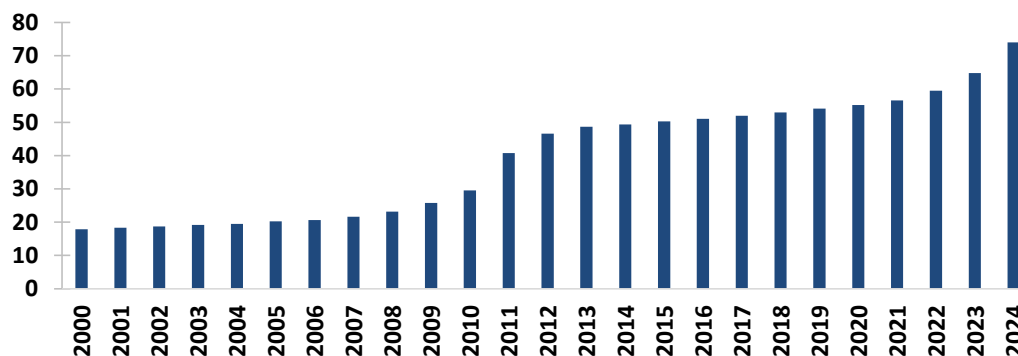
FER X is expected to play a central role in powering Italy's energy transition and driving a rebound in the renewables market during the second half of 2025. The decree introduces a new incentive scheme for solar, wind, hydroelectric and biogas plants, aiming to both expand new capacity and modernize existing infrastructure. Projects up to 1MW can access incentives directly upon commissioning, with 3GW of capacity allocated under this simplified mechanism. Larger projects must compete in auctions managed by the GSE, which will allocate up to 14.65GW.

The incentive scheme sets technology-specific feed-in tariffs - €85/MWh for solar PV, €80/MWh for wind, €110/MWh for hydro and €100/MWh for biogas from wastewater. Additional premiums are offered for PV installations replacing asbestos roofs, with tariffs reaching up to €105/MWh. FER X will remain in effect until 31 December 2025 or until the available capacity is fully assigned. The new framework enhances market visibility and is expected to unlock significant investment, reinforcing Italy's progress toward its 2030 climate and energy goals.

Source: MISE & Ministero dell'Ambiente & MIT, *Energia Clima 2030* and MASE, *Rinnovabili: entra in vigore il decreto FER X transitorio*, 2024

## Italian capacity still behind 2030 targets

### Clean energy capacity in Italy 2000-24, (GW)



Source: Ember, Electricity Data Explorer, ember-climate.org

In 2024, Italy reached 74,000MW from renewable energy sources, covering 41% of the country's energy needs. However, it is behind the 2030 targets set by the *Decreto Aree Idonee*, with a projected delay of 8 years, and the capacity installed over the past four years represents only 22% of the 2030 target.

The main challenge lies in the complex and fragmented regulatory framework, which involves several authorization steps: administrative, landscape, and grid connection approvals. These processes are lengthy, with average approval times of 22 months for photovoltaic plants and 43 months for wind plants. Only 16% of PV projects and 8% of wind projects successfully obtain authorization.

Source: Legambiente, *Scacco Matto alle Rinnovabili*, 2025

### Italy, regional capacity installed vs targets

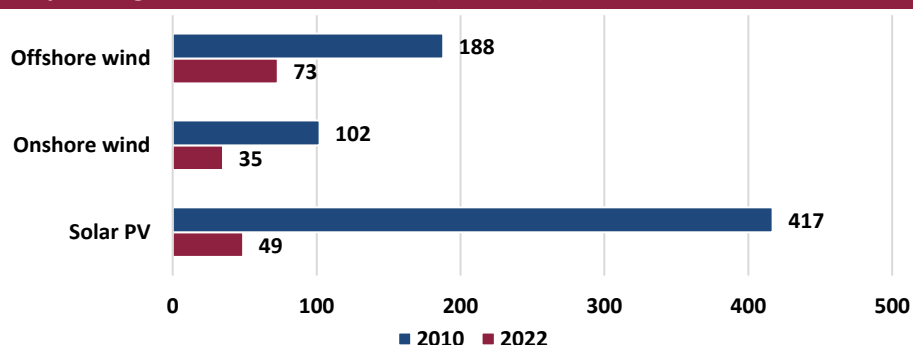
Region	2024 target (MW) <i>Decreto Aree Idonee</i>	Goal reached in 2024 (MW)	% of the 2030 target achieved	Years of delay
Aosta Valley	27	24	7%	45
Molise	175	102	10%	29
Calabria	549	386	12%	23
Sardinia	998	812	13%	21
Umbria	279	234	13%	20
Liguria	198	176	17%	14
Tuscany	667	587	14%	14
Sicily	1.842	1.778	17%	14
Marche	457	400	17%	14
Abruzzo	454	366	18%	13
Apulia	1.672	1.356	18%	12
Basilicata	543	415	20%	10
Emilia-Romagna	1.288	1.443	23%	8
Campania	909	1.087	27%	5
Piedmont	1.098	1.409	28%	4
Lombardia	1.963	2.509	29%	4
Veneto	1.373	1.689	29%	4
Friuli-Venezia Giulia	404	659	34%	2
Trentino-Alto Adige	279	389	34%	2
Latium	933	1.896	40%	0
<b>Italy</b>	<b>16.109</b>	<b>17.717</b>	<b>22%</b>	<b>8</b>

Source: Legambiente, *Scacco Matto alle Rinnovabili*, 2025

## Solar becomes most affordable power source as cost plummets

Since 2010, the levelized cost of electricity (LCOE) for solar PV has fallen by 88%, while onshore and offshore wind have seen reductions of 66% and 61%, respectively. These sharp declines, driven by technological progress, have pushed renewable energy past key economic thresholds, making clean power both cost-competitive and scalable, while also improving energy security. In 2022, 86% of newly commissioned utility-scale renewable projects generated electricity at lower costs than the cheapest fossil fuel options. Solar has emerged as the lowest-cost source of electricity in many markets, with an LCOE 29% below the most competitive fossil alternative (source: EY, *If every energy transition is different, which course will accelerate yours?*, 2023).

### Renewable power generation cost 2010-22 (\$/MWh)

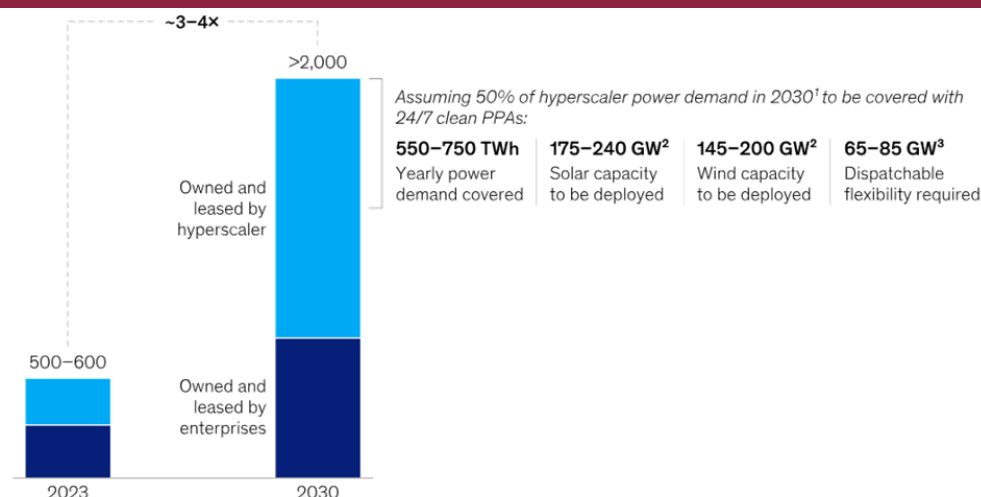


Source: EY, *If every energy transition is different, which course will accelerate yours?*, 2023

## Outlook

### Surging demand for renewables driven by hyperscalers and corporate commitments

#### Expected yearly power consumption from data centers, TWh



Source: McKinsey, *How hyperscalers are fueling the race for 24/7 clean power*, 2024

According to McKinsey, as companies worldwide pursue decarbonization goals and the demand for green power generation grows, 24/7 clean power purchase agreements are

becoming increasingly vital. The demand from leading hyperscalers, such as major cloud and data service providers, is driving this trend. Global renewable power providers are ramping up efforts to meet these new opportunities.

Currently, data centers consume 500 to 600 TWh, or 1-2% of global power supply, but McKinsey's analysis predicts this demand could grow three-to fourfold by 2030. Over 400 companies, part of the RE100 initiative, have committed to 100% renewable power consumption, highlighting the urgent need for additional capacity.

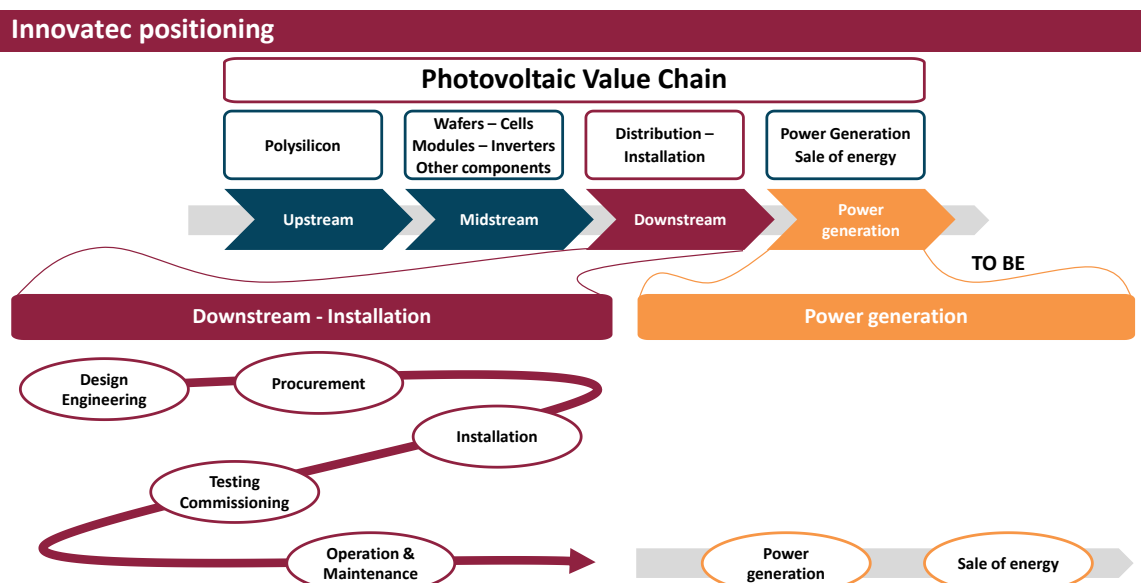
Source: McKinsey, *How hyperscalers are fueling the race for 24/7 clean power*, 2024

### 3. BUSINESS MODEL AND STRATEGY

#### Energy efficiency and renewables

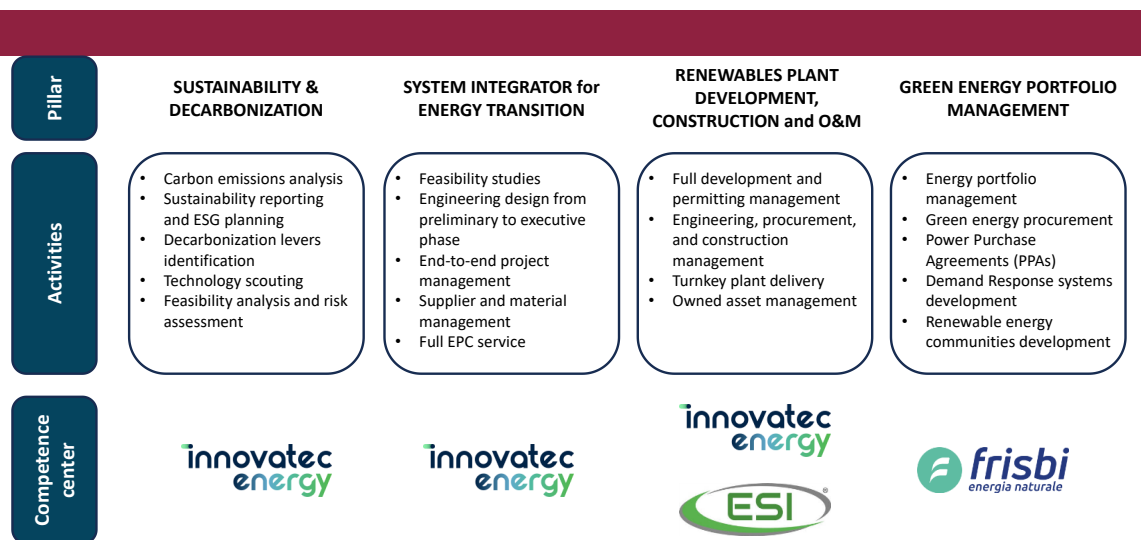
##### PV value chain and Innovatec positioning

Innovatec operates in the photovoltaic supply chain, covering utility-scale PV plants development and energy efficiency systems for both private and business customers. Innovatec provides an end-to-end service: from obtaining authorizations to developing and building plants, up to transferring authorization titles or selling renewable energy.



Source: EnVent Research on Company data

#### Four pillars



Source: Company data



## Main operations

### Renewable project development

Authorizations for the construction of ground-mounted photovoltaic plants (including agrivoltaic systems). Pipeline of 250MW photovoltaic projects.



### Transfer of photovoltaic authorization titles

Part of the authorization titles in the pipeline is expected to be sold to third parties, offering customers additional services such as EPC and/or O&M.



### Plant construction

EPC activities:

- Innovatec Energy: in-house projects. Photovoltaic plants can be retained for energy sales through Frisbi or sold under different models - 'ready to build' (before construction) or 'turnkey' (upon project completion), flexibility of offer based on market conditions and client needs
- ESI: monitors the market to identify EPC project tenders, valuating each opportunity based on technical requirements and projected profitability



### Energy sale

Frisbi operates in the B2B energy market offering renewable power supply.

## Revenue model

Revenue stream	Profitability	Recurring / One-off
PV plant management	High	Recurring
PV plant construction and sale - Turnkey	Medium-High	One-off
Authorization title sale	Medium	One-off

Source: Company data

## PV plants development - pipeline

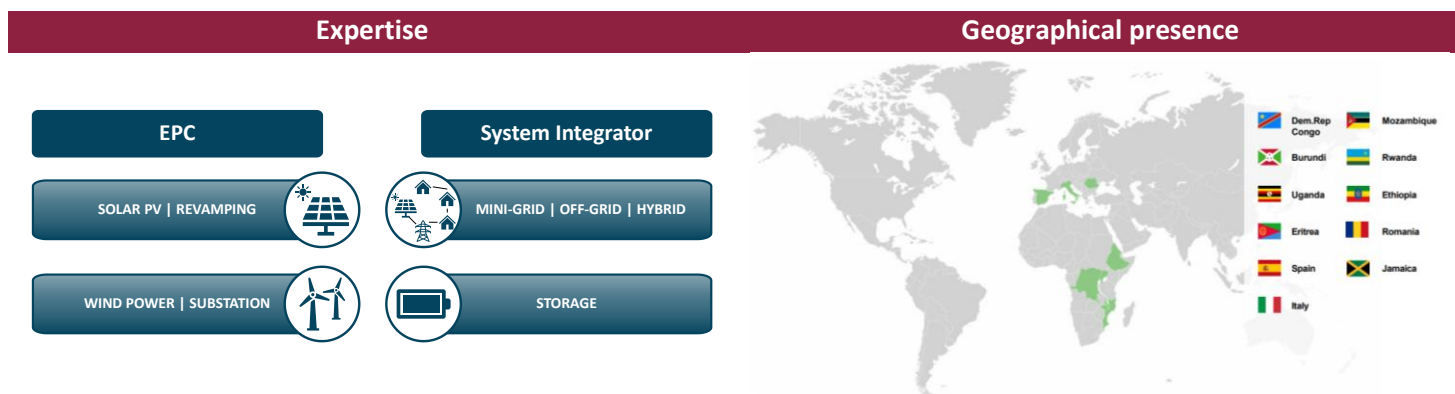


Innovatec is developing a pipeline of authorizations for ground-mounted photovoltaic plants with a total capacity of 250MW, including 150MW under PAS (simplified administrative authorization), of which 40MW have already been authorized, and 100MW under the standard administrative authorization process. The projects are primarily located in Central and Southern Italy, with an average size of approximately 7MW.

Source: Company data

## ESI at a glance

ESI, founded in 2018 and listed on the Euronext Growth Milan exchange in 2020, operates in the renewable energy market as EPC contractor and system integrator. ESI specializes in renewable energy solutions, including photovoltaic systems, wind farms, and mini-grid, off-grid, hybrid and storage systems. ESI expertise spans the entire project lifecycle, from initial engineering design through final construction, including the revamping of existing large-scale traditional photovoltaic plants.



Source: Company data

Year	Tenders participated		Tenders awarded	
	MWp	€m	Mwp	€m
<b>2021</b>	1.227	€580	46	€25
<b>2022</b>	1.101	€416	32	€23
<b>2023</b>	495	€477	65	€14

Source: Company data

## Frisbi for renewable energy distribution

Frisbi, founded in 2018, is an innovative startup active in renewable energy distribution for business and private consumers. As part of Innovatec Group business plan, Frisbi will be responsible for the distribution of the energy produced in proprietary PV plants.

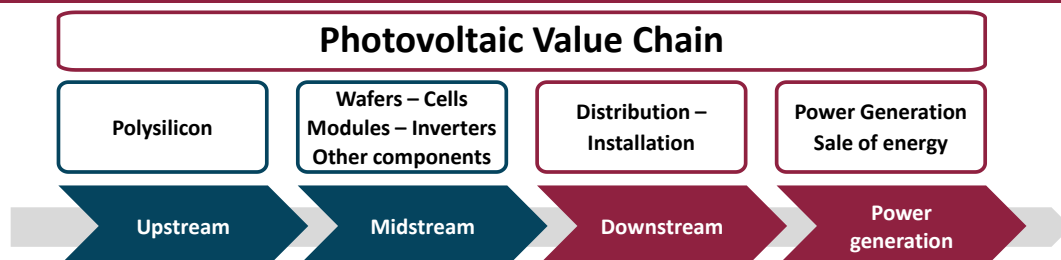
KPIs	2022	2023	H1 2024
<b>GW distributed</b>	2.3	4.2	5.3
<b># clients</b>	150	229	520
<b># POD</b>	236	387	972

Source: Company data

## Strategy

Innovatec Group development plan would be driven by an increase in EPC activities, both in the pipeline of authorizations under development and in third-party construction with ESI. The sale of authorizations and turnkey plants will support revenues to fund the development of plants retained as assets, approximately 35MW, which are expected to significantly contribute to revenues starting in 2027.

### Positioning at plan completion



Source: Company data



## 4. COMPETITION AND RISK PROFILE

### Competitive scenario in renewables market: highly fragmented

The competitive arena of the renewables industry is populated by various types of companies across the value chain, playing different roles in financing, development, construction, and management processes of renewable energy plants. These phases involve a wide range of activities, from project initiation to ongoing operation. The main actors are:

- **Developers** - identify suitable sites, manage authorization procedures and liaise with local authorities and landowners to secure project feasibility
- **EPC (Engineering, Procurement, and Construction) contractors** - responsible for the design and construction of plants, they oversee the entire project lifecycle, ensuring that technical and regulatory standards are met
- **Photovoltaic module and component manufacturers** - suppliers of materials and components such as modules, inverters and solar trackers
- **Management and maintenance companies** - once the plants are operational, these companies handle day-to-day management, preventive and corrective maintenance and performance monitoring
- **Finance and investment companies** - provide the necessary funding and financing solutions to support the development and construction of renewable energy projects
- **Independent Power Producers (IPPs)** - develop, own and operate renewable energy plants, selling the electricity generated either through long-term contracts (PPAs) or on the wholesale market
- **Utilities** - major players in the sector, utilities are involved in the development, financing, and integration of large-scale photovoltaic plants into the electrical grid

### Competition drivers

- Access to projects and resources (sites, authorizations, PPAs)
- Cost and execution efficiency (CAPEX and OPEX)
- Technological innovation
- Financial strength and access to capital
- Track record and reputation
- Vertical integration and presence along the value chain
- Institutional and regulatory relationships

### Competitive forces and determinants of risk profile

- **Competitive rivalry:** High. The competitive arena is fragmented and populated by both small and large, domestic and international companies. The high competitive pressure may impact EPC turnkey prices
- **New entrants:** Medium. Technological innovation, falling costs and regulatory incentives have lowered entry barriers, intensifying competition, especially in mature markets like solar and wind. Large-scale project times and capital intensity still set barriers.
- **Suppliers:** Medium. Solar modules and other raw materials are available from multiple

sources. The need for critical raw materials can expose to price volatility and supply chain risks.

- **Substitutes:** Low. Solar remains a primary cost-effective source for renewable energy.
- **Customers:** Medium-high. Demand for clean power is rising sharply from both utilities and large corporates committed to net-zero targets. Higher demand for ready to build authorizations for PV plants.

Competitive forces		
Forces	Factors	Risk map
Competitive rivalry	<ul style="list-style-type: none"> <li>• High rivalry among existing firms</li> <li>• International competitors</li> </ul>	
New entrants	<ul style="list-style-type: none"> <li>• Reducing costs and regulatory incentives lowered the entry barriers</li> </ul>	
Suppliers	<ul style="list-style-type: none"> <li>• Multiple suppliers for solar modules and other materials</li> </ul>	
Substitutes	<ul style="list-style-type: none"> <li>• Solar is a primary cost-effective source for renewable energy</li> </ul>	
Customers	<ul style="list-style-type: none"> <li>• Higher demand for ready to build authorizations for PV plants</li> </ul>	

Source: EnVent Research

## Industry players competing within the Italian arena

### Competitor profiles

#### IPP and developers

##### EF Solare Italia - FY23 Revenues €477m

Independent power producer, owns 300 PV plants in Italy and 10 in Spain, with a cumulative power output of 1GW.

##### Tozzi Green - FY23 Revenues €65m

EPC for renewable power plants and owner of a portfolio of plants. Operates in Italy and abroad. Cumulative power capacity developed: wind 460MW; solar 180MW; hydropower 90MW; biogas 30MW.

##### Altea Green Power - FY23 Revenues €16m

Independent power producer and EPC contractor for the construction and management of renewable power plants.

## EPC contractors

### Comal - FY23 Revenues €136m

EPC for utility-scale PV plants. Track record of more than 45 plants built for a cumulative power output above 750MW.

### STE Energy - FY23 Revenues €72m

EPC for solar and hydropower plants. Track record of more than 450 plants built for a cumulative power output above 1.7GW.

### ESPE - FY23 Revenues €59m

System integrator in electrification and EPC for PV plants roof-mounted, over 0.5MW, and ground-based with power ranging 1-30MW. Track record of more than 180 ground-based and 520 roof-mounted plants built for a cumulative power output of 560MW.

### Renergetica - FY23 Revenues €2m

EPC for the construction and management of renewable power plants.

Source: EnVent Research on publicly available information and Creditsafe

## Competitors services

Company	Engineering	Procurement	Construction	Commissioning	Monitoring and maintenance	Proprietary assets	Energy production	Energy trading
<b>IPP and developers</b>								
EF Solare Italia	●	●	●	●	●	●	●	
Tozzi Green	●	●	●	●	●	●	●	
Altea Green Power	●	●	●	●	●	●	●	
<b>EPC</b>								
Comal	●	●	●		●			
STE Energy	●	●	●	●	●			
Espe	●	●	●	●	●			
Renergetica	●	●	●	●	●			
Innovatec	●	●	●	●	●			●

Source: EnVent Research on publicly available information

## Financial performance

Company	Revenues 2023 (€m)	Revenue CAGR 5Y	EBITDA 2023 (€m)	EBITDA % 2023	EBITDA % Avg. 19-23	EBIT 2023 (€m)	EBIT % 2023	EBIT % Avg. 19-23	Net Debt (Cash) 2023 (€m)
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### IPP and developers

EF Solare Italia	477.0	9.0%	302.1	63.3%	70.1%	127.0	26.6%	13.4%	1,769.6
Tozzi Green	65.3	-18.4%	37.9	58.0%	51.0%	9.2	14.0%	24.8%	352.1
Altea Green Power	16.1	40.1%	7.7	48.0%	30.3%	7.6	47.0%	29.6%	4.4
<b>Mean</b>		<b>10.2%</b>		<b>56.5%</b>	<b>50.4%</b>		<b>29.2%</b>	<b>22.6%</b>	
<b>Median</b>		<b>9.0%</b>		<b>58.0%</b>	<b>51.0%</b>		<b>26.6%</b>	<b>24.8%</b>	

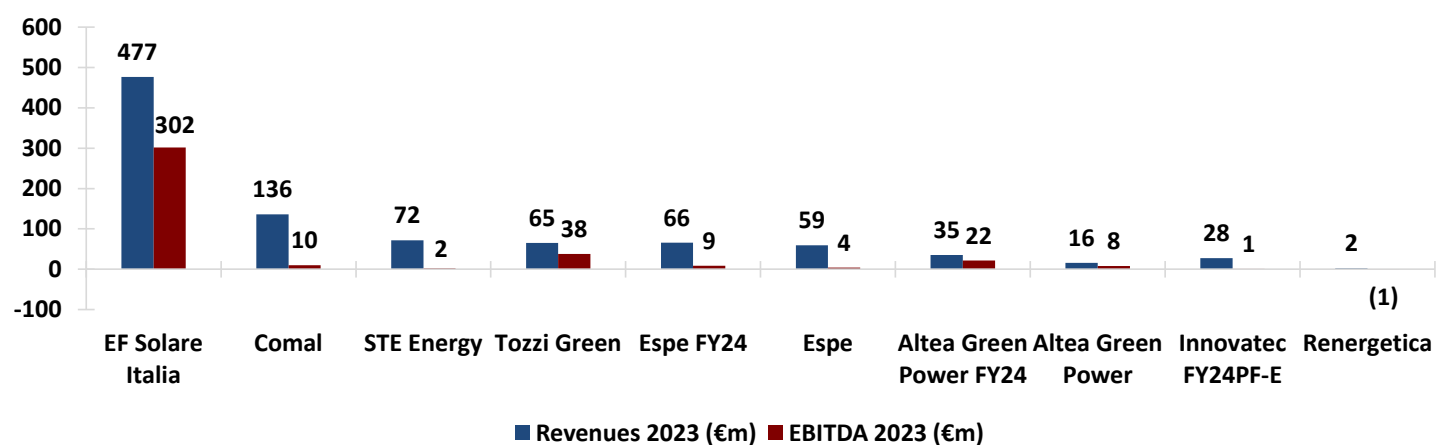
### EPC

Comal	136.2	47.4%	10.0	7.4%	8.4%	8.3	6.1%	7.0%	30.2
STE Energy	71.9	54.1%	2.4	3.3%	5.5%	1.1	1.5%	2.4%	2.9
Espe	59.4	58.4%	4.2	7.0%	3.8%	2.8	4.8%	1.4%	1.4
Renergetica	2.2	-6.7%	(1.1)	-51.2%	-4.3%	(1.2)	-55.2%	-13.8%	1.3
<b>Mean</b>		<b>38.3%</b>		<b>-8.4%</b>	<b>3.4%</b>		<b>-10.7%</b>	<b>-0.8%</b>	
<b>Median</b>		<b>50.8%</b>		<b>5.2%</b>	<b>4.7%</b>		<b>3.2%</b>	<b>1.9%</b>	

Innovatec FY24PF-E	27.8	-	0.5	1.8%	-	(4.7)	-16.9%	-	(1.0)
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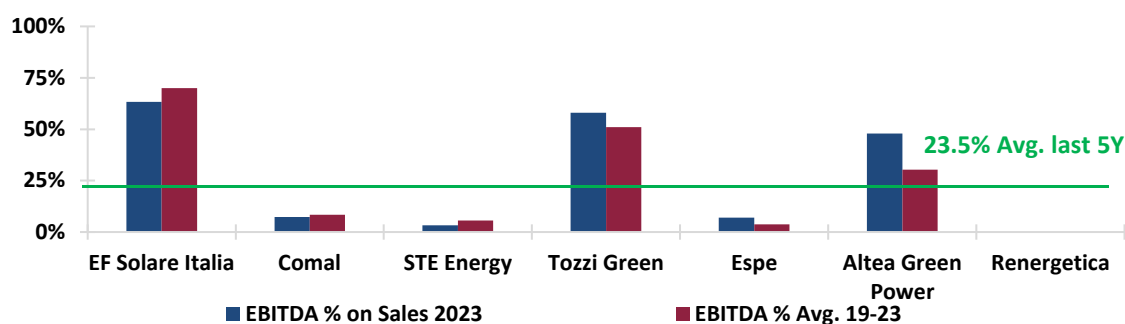
Source: EnVent Research on Credisafe - Note: STE Energy financial data before 2020 not available; - Note: FY24 Proforma estimated data for Innovatec

## Revenues and EBITDA FY23 + FY24 for listed companies (€m)



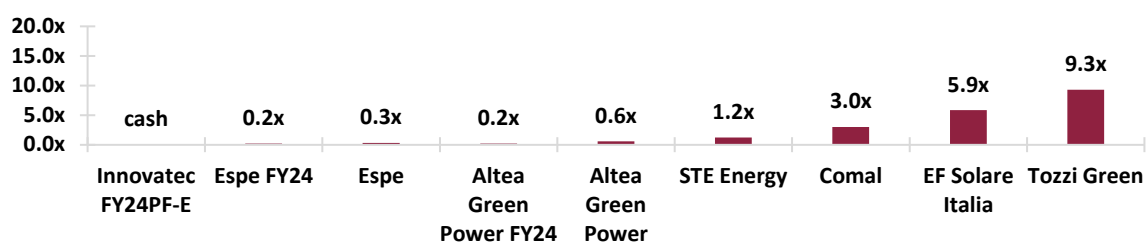
Source: EnVent Research on Credisafe, S&P Capital IQ, Company data - Note: FY24 Proforma estimated data for Innovatec

## EBITDA margin FY23 and avg last 5Y (%)



Source: EnVent Research on Credisafe - Note: STE Energy financial data before 2020 not available

### Net Debt/EBITDA FY23 + FY24 for listed companies (x)



Source: EnVent Research on Credisafe and S&Pcapital IQ - Note: FY24 Proforma estimated data for Innovatec

### Key takeaways

- Revenue growth across the industry
- Independent power producers and asset-holders show significant operating profitability, with EBITDA margin historically above 50%, to cover the high debt leverage for own plants as cost of power production
- EPC historically showing EBITDA margin below 10%

## 5. MARKET METRICS

### Market value of comparable companies

#### Selection criteria of listed peers

Key factors:

- Renewables market
- EPC contractors and developers
- Power producers
- Geographical scope: Worldwide

#### Industry players segmentation

- Developers
- Power producers and developers

#### Profiles - Developers

**ABO Energy (Germany) - FY24 Revenues €446m - Market cap €352m**

**Comparability: Medium**

Developer of renewable energy projects in Germany and internationally, also operational management and maintenance services. Over 6GW of projects developed and sold.

**Emeren (USA) - FY24 Revenues €89m - Market cap €82m**

**Comparability: Medium**

PV plants developer, owner and operator. Pipeline of projects and IPP assets over 7GW in solar projects and over 10GW in energy storage.

**PLC (Italy) - FY24 Revenues €87m - Market cap €56m**

**Comparability: Medium**

Operates through its subsidiaries in the development, management, EPC, monitoring and dispatching and maintenance of PV and wind power plants. Listed on Euronext Milan.

**ESPE (Italy) - FY24 Revenues €66m - Market cap €37m**

**Comparability: Medium**

EPC and system integrator with track record of more than 700 plants built for a cumulative power output above 560MW. Listed on Euronext Growth Milan.

#### Profiles - Power producers and developers

**EDP Renováveis (Spain) - FY24 Revenues €2bn - Market cap €10.9bn**

**Comparability: Medium-Low**

EDP Renováveis produces, manages, and distributes energy globally, with over 27GW of installed renewable capacity.

**ERG (Italy) - FY24 Revenues €738m - Market cap €2.8bn**

**Comparability: Medium-Low**

Independent power producer, with an installed capacity of 3.8GW, of which 3.2GW of wind farm and 0.6GW from solar plants, distributed across Europe and USA. Listed on Euronext Milan.

**Grenergy (Spain) - FY24 Revenues €637m - Market cap €1.8bn**

**Comparability: Medium-Low**

Grenergy designs, develops and operates large-scale renewable energy plants, through three business lines: D&C; Energy as independent power producer, Services ie. O&M and asset management. Track record of more than 70 plants built for a cumulative power output of 900MW.

**Voltalia (France) - FY24 Revenues €547m - Market cap €0.9bn**

**Comparability: Medium-low**

Independent power producer and EPC, with an installed capacity of 2.5GW. As EPC, Voltalia has developed and sold 500MW assets. Also provides operation and maintenance services.

**Alerion (Italy) - FY24 Revenues €240m - Market cap €1.0bn**

**Comparability: Medium-Low**

Produces electricity from renewable sources, mostly from wind and solar. Alerion is a developer and asset holder with installed gross capacity close to 950MW. Listed on Euronext Milan.

**Solaria Energia (Spain) - FY24 Revenues €210m - Market cap €1.4bn**

**Comparability: Medium-Low**

Developer and independent power producer, with an installed capacity of 3.2GW in Southern Europe.

**Ecoener (Spain) - FY24 Revenues €82m - Market cap €270m**

**Comparability: Medium-Low**

Ecoener builds and operates hydroelectric, wind and PV plants. Owned plants have a capacity of 340MW, of which 50% installed in Spain and the remainder mostly in Central and South America.

**Altea Green Power (Italy) - FY24 Revenues €35m - Market cap €138m**

**Comparability: Medium-Low**

Independent power producer and EPC for the realization and management of renewable power plants. Listed on Euronext Star Milan.

**Iniziativa Bresciane (Italy) - FY24 Revenues €29m - Market cap €66m**

**Comparability: Medium-Low**

Independent power producer and developer of small and medium-sized free-flowing and run-of-the-river hydroelectric plan. Listed on Euronext Growth Milan.

Source: EnVent Research on publicly available information and S&P Capital IQ, update 01/08/2025

## Key data comparison

Company	Revenues				EBITDA Margin %				EBIT Margin %				Net financial debt (cash) 2024 (€m)	Avg Capex/EBITDA 2020-24
	2024 (€m)	YoY % change	2020-24 CAGR %	2024A-27E	2024	Avg 2020-24	Min 2020-24	Max 2020-24	2024	Avg 2020-24	Min 2020-24	Max 2020-24		
Innovatec	28	-	-	58%	2%	-	-	-	-17%	-	-	-	(1.0)	-
ESI	25	48%	13%	16%	12%	13%	-9%	44%	8%	8%	-12%	26%	(0.2)	2.2x

### Developers

ABO Energy	446	49%	32%	3%	15%	21%	15%	25%	14%	20%	14%	23%	229.7	0.1x
Emeren	89	-7%	10%	9%	12%	10%	0%	25%	5%	1%	-10%	17%	3.4	39.5x
PLC	86	30%	8%	7%	10%	3%	-15%	10%	9%	-1%	-19%	9%	(12.9)	0.7x
Espe	66	52%	51%	12%	13%	7%	2%	13%	9%	5%	1%	9%	13.9	0.5x

Mean		31%	25%	8%	12%	10%	1%	18%	9%	6%	-4%	15%		10.2x
Median		39%	21%	8%	12%	8%	1%	19%	9%	3%	-4%	13%		0.6x

### Power producers and developers

EDP Renováveis	2,017	0%	7%	13%	44%	56%	44%	65%	4%	19%	4%	28%	9,368.8	3.0x
ERG	738	0%	-4%	7%	69%	65%	54%	71%	35%	33%	19%	41%	2,048.9	0.5x
Grenergy	637	59%	54%	20%	21%	20%	17%	26%	18%	17%	12%	22%	642.3	4.1x
Voltaia	547	10%	24%	11%	34%	35%	26%	43%	13%	17%	13%	24%	1,947.6	2.9x
Alerion Clean Power	240	23%	23%	2%	76%	75%	69%	82%	54%	49%	30%	66%	598.5	0.4x
Solaria Energía	210	-9%	34%	17%	80%	82%	74%	86%	61%	65%	52%	73%	1,111.0	2.0x
Ecoener	82	28%	25%	28%	48%	53%	48%	57%	27%	32%	27%	42%	539.1	3.1x
Altea Green Power	35	118%	80%	20%	62%	51%	28%	77%	61%	51%	28%	77%	7.4	0.01x
Iniziativa Bresciane	29	14%	9%	4%	67%	65%	57%	71%	34%	29%	12%	35%	100.5	1.0x

Mean		27%	28%	14%	56%	56%	46%	64%	34%	35%	22%	45%		1.9x
Median		14%	24%	13%	62%	56%	48%	71%	34%	32%	19%	41%		2.0x

Source: EnVent Research on S&P Capital IQ, update 01/08/2025

### Key takeaways:

- Median 5Y revenue growth exceeded 20% for both clusters, over 30% for smaller companies
- IPP players and asset holders report significantly higher EBITDA margins, with median 2024 margin at 62% vs 12% for developers only
- Net financial debt is higher for IPPs, reflecting heavy capex



## Market multiples

Company name	EV/REVENUES			EV/EBITDA			EV/EBIT			P/E		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Innovatec	0.4x	0.4x	0.3x	6.6x	3.9x	3.2x	n.m.	6.3x	4.8x	n.m.	11.2x	8.5x
ESI	0.5x	0.4x	0.3x	4.6x	3.2x	2.5x	6.5x	4.7x	3.6x	10.0x	7.7x	6.0x
<b>Developers</b>												
ABO Energy	1.5x	1.3x	1.2x	7.4x	6.3x	5.6x	9.6x	8.0x	6.9x	10.7x	8.6x	7.3x
Emeren	1.8x	1.2x	n.a.	9.2x	5.0x	n.a.	n.m.	n.m.	n.a.	n.m.	8.7x	n.a.
PLC	0.5x	0.4x	0.4x	4.2x	3.8x	3.6x	5.3x	4.9x	4.9x	10.0x	9.3x	9.1x
Espe	0.7x	0.6x	0.5x	5.6x	4.1x	3.8x	8.2x	4.8x	4.4x	10.2x	5.6x	5.2x
Mean	1.1x	0.9x	0.7x	6.6x	4.8x	4.3x	7.7x	5.9x	5.4x	10.3x	8.0x	7.2x
Median	1.1x	0.9x	0.5x	6.5x	4.5x	3.8x	8.2x	4.9x	4.9x	10.2x	8.7x	7.3x
<b>Power producers and developers</b>												
EDP Renováveis	8.4x	7.9x	7.7x	11.7x	10.8x	10.4x	22.2x	19.2x	18.5x	30.7x	22.9x	21.4x
ERG	6.2x	5.7x	5.6x	9.0x	8.4x	8.1x	17.5x	15.6x	15.1x	15.5x	13.8x	13.2x
Grenergy	3.9x	3.3x	2.3x	12.2x	11.1x	6.6x	14.4x	13.6x	8.3x	16.2x	18.2x	11.2x
Voltaia	5.2x	4.5x	4.0x	12.3x	9.7x	7.9x	25.5x	18.2x	13.8x	n.m.	n.m.	n.m.
Alerion Clean Power	7.5x	6.7x	n.a.	13.2x	10.8x	n.a.	23.3x	16.7x	na	28.3x	15.8x	n.a.
Solaria Energía	9.5x	9.0x	7.6x	11.1x	9.9x	9.0x	13.5x	14.2x	11.7x	13.3x	14.6x	12.7x
Ecoener	7.7x	5.9x	4.8x	14.0x	10.0x	7.7x	22.8x	15.4x	11.4x	35.0x	12.5x	8.8x
Iniziativa Bresciane	5.6x	5.5x	5.2x	7.8x	7.6x	7.2x	15.2x	14.6x	13.6x	11.4x	10.2x	10.9x
Altea Green Power	2.7x	2.4x	2.3x	4.6x	4.2x	4.0x	4.7x	4.3x	4.0x	6.5x	5.9x	5.6x
Mean	6.3x	5.7x	4.9x	10.7x	9.1x	7.6x	17.7x	14.6x	12.1x	19.6x	14.2x	12.0x
Median	6.2x	5.7x	5.0x	11.7x	9.9x	7.8x	17.5x	15.4x	12.7x	15.8x	14.2x	11.2x

Source: EnVent Research on S&P Capital IQ, update 01/08/2025

## Peer groups critique

- Renewable power plants developers: high variability on revenue and EBITDA multiples within Italian and foreign companies
- IPPs and developers: variability of profitability multiples, revenue multiples more consistent

## 6. FINANCIAL ANALYSIS AND PROJECTIONS

### Transitioning towards the new Innovatec

We recall that Innovatec has undergone the spin-off of its Environmental services and Circular economy BU (Haiki+ sub-holding), separated into an additional publicly traded entity listed on Euronext Growth Milan on January 10<sup>th</sup>, 2025.

Last years reported financials, including FY24 accounts, do not mirror the current consolidation scope and operations of Innovatec after spin-off.

### Innovatec Group - Consolidated FY24 financial statements

#### Accounting and consolidation scope

- **Accounting standards** - IT GAAP (OIC)
- **Consolidation scope** - still includes the sub-holding company Haiki+ and its subsidiaries, as well as spun-off companies Sostenya Fintech, Green LuxCo Capital, Ecosavona, Innovatec USA, Circularity

#### Key figures - Last 2 years P&L and B/S

€m	2023	2024
<b>Total Revenues</b>	<b>215.5</b>	<b>232.1</b>
<b>EBITDA</b>	<b>28.8</b>	<b>31.7</b>
<i>Margin</i>	13.4%	13.7%
<b>EBIT</b>	<b>12.0</b>	<b>(1.7)</b>
<i>Margin</i>	5.6%	-0.7%
<b>Net Income (Loss)</b>	<b>0.2</b>	<b>(9.0)</b>
Group	0.1	(10.2)
Minorities	0.1	1.1
Net Working Capital	20.1	5.6
Non-current assets	132.9	197.5
Provisions	(40.3)	(68.0)
<b>Net Invested Capital</b>	<b>112.7</b>	<b>135.0</b>
Net Debt (Cash)	64.5	69.1
Shareholders' Equity	41.9	32.0
Convertendo debt-equity Sostenya	0.0	23.0
Minority interests	6.2	10.9
<b>Sources</b>	<b>112.7</b>	<b>135.0</b>

Source: Company data

#### Revenue and profitability analysis

In FY24 Innovatec consolidated total revenues were €232m, +8% YoY, driven by the Environmental services and Circular economy BU which contributed €204m (+12% YoY), more than offsetting the performance of the Energy Efficiency and Renewables BU at €27.4m, -45% YoY. Most of revenues of the Energy Efficiency and Renewables BU were generated by ESI EPC business. EBITDA was €31.7m, +10% YoY, 13.7% margin vs 13.4% in FY23, mostly generated by the Environmental services and Circular economy BU. EBIT was €(1.7)m, down from €12m in FY23, due to the capital-intensive activity of the Environmental services and Circular economy

BU. Holding operating costs were €4m, due to higher overheads and provisions. Interest and writedowns of financial assets decreased to €6.8m, from €9m, as a result of the elimination of charges on the sale to financial institutions of Ecobonus 110% tax credits following the deconsolidation of Innovatec Power, partially offset by an increase in interest expense. Consolidated net loss of €(9)m, vs €0.2m net income in FY23, of which €(10.2)m Group net loss and €1.1m income of minorities arising from Haiki Cobat, Ecosavona and ESI.

#### Segment performance - Revenues, EBITDA, EBIT

€m	2023	2024
<b>Total Revenues</b>	<b>215.5</b>	<b>232.1</b>
Environment and Circular Economy	165.1	204.3
Energy Efficiency and Renewables	50.2	27.4
Holding	0.2	0.4
<b>EBITDA</b>	<b>28.8</b>	<b>31.7</b>
Environment and Circular Economy	29.2	31.3
Energy Efficiency and Renewables	1.2	1.2
Holding	(1.6)	(0.7)
<b>EBIT</b>	<b>12.0</b>	<b>(1.7)</b>
Environment and Circular Economy	13.8	3.1
Energy Efficiency and Renewables	0.3	(0.8)
Holding	(2.1)	(4.0)

Source: Company data

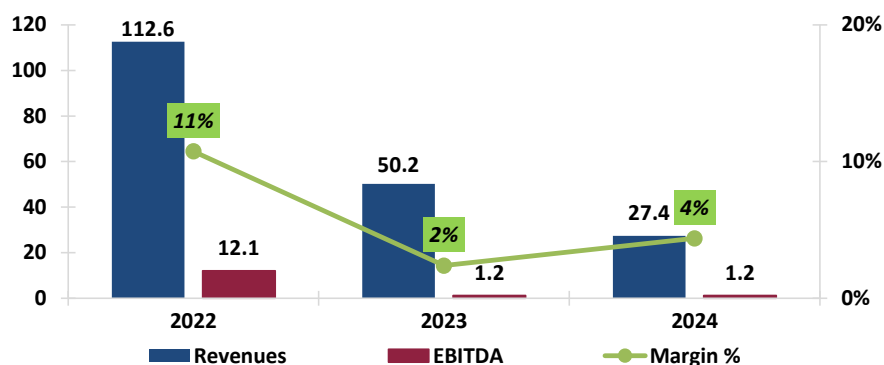
#### Balance sheet and cash flow analysis

Net invested capital increased to €135m as of year-end 2024, from €113m as of December 2023, reflecting around €30m capex and M&A incurred during the year, partially offset by a reduction in net working capital of €19m resulting from collection of 110% Ecobonus credits net of supplier and subcontractor payments. Adjusted net financial debt was €69.1m, vs €64.5 as of year-end 2023. Group Shareholders' Equity decreased to €32m, while minority interests increased to €10.9m after consolidation of Green LuxCo Capital and its subsidiary Ecosavona.

#### Segment performance - Energy efficiency and Renewables BU

The closest proxy to Innovatec current consolidation scope and operations after spin-off is represented by its Energy efficiency and Renewables BU.

#### Energy efficiency and Renewables BU - Historical revenues and EBITDA (€m)



Source: Company data

Looking at the performance of Innovatec Energy efficiency and Renewables BU over the past three years, the downsizing of turnover and profitability is linked to regulatory uncertainties, the initial stop&go and then final cut of 110% Ecobonus tax credits, and subsequent readjustment of Innovatec business. FY24 was a transitional year, marked by cut to Ecobonus, regulatory changes impacting the renewables business, and Haiki+ spin-off, while repositioning Innovatec business model towards direct renewables energy production.

In FY24 Energy efficiency and renewables BU revenues fell by -45% YoY to €27.4m, reflecting the performance of the consolidation of ESI (subject to *de facto* control), following Innovatec Power sale in June 2024 (due to the Ecobonus stop and subsequent focus on B2B and renewable development). ESI recorded Total Revenues (Value of Production including work in progress) of €25.1m (+48% YoY), from 10 EPC projects, 3 system integrator projects and 1 revamping work (vs H2 contribution to FY23 revenues of €7m). The energy efficiency and renewables segment recorded €2.2m revenues, mainly from expansion works of Boscaccio landfill managed by Ecosavona (now part of Haiki+), B2B activities, and capitalizations of works for project development and in-house construction of PV plants. The renewables segment did not record any revenue, due to delays in the authorization process for photovoltaic projects in pipeline.

BU EBITDA was €1.2m, as in FY23, with slightly higher profitability (4% margin vs 2% in FY23), thanks contribution from ESI (€3m EBITDA) and the deconsolidation of Innovatec Power. EBIT was €(0.8)m, vs breakeven in FY23, after goodwill amortization of ESI acquisition and €0.5m provisions for risks.

Headcount as of year-end was of 80 employees, vs 122 at the end of 2023, after the sale of Innovatec Power.

Capex was €4.7m, for project development (€3.5m) and purchase by ESI of a warehouse (€1m).

Period group transactions:

- Sale of minority stake in Arum for €2.5m, consistent with the purchase price paid in the previous year
- Sale of 100% of Innovatec Power for €2.7m in June 2024
- Sale of 50% stake in Rete Ambiente for €0.5m, to be cashed in 10 instalments between June 2024 and December 2028
- Spin-off of Haiki+ in January 2025

### **Innovatec Group - Pro-forma consolidated FY24 key figures *post-spin-off***

Innovatec reported some FY24 key figures as pro-forma consolidated, simulating effect of Haiki+ spin-off since beginning of the year, consistent with data presented at listing and current scope of consolidation (actual effect of spin-off on listing day 10/01/2025).

€m	2024PF
<b>Net working capital</b>	<b>2.6</b>
<b>Adj net financial (debt) cash</b>	<b>1.0</b>

Source: Company data

## Current trading

### €3m Bond 2025-26

Innovatec has issued in March 2025 a €3m bond, subscribed by Zenit SGR, to finance the investment program in the pipeline of PV projects and authorizations. The bond is due November 2026, with 7% annual interest rate, amortizing repayment with 15 months preamortization, subject to EBITDA and Equity covenants.

### Sale of 4.5MW PV plant

In May 2025, the SPV Elios 6, owner of an in-house developed ground-mounted 4.5MWp PV plant located in Petilia Policastro (KR) authorized in PAS, has been sold for a consideration of €4.4m. Construction works started in July 2025 with Innovatec as EPC contractor and ESI as nominated technical contractor.

### Agreement with Altea Green Power

In July 2025 Innovatec has entered with Altea Green Power, listed on Euronext Growth Milan, a three-year agreement for the purchase and the co-development of PV projects in Italy, at different stages of development, including BSS storage. Altea Green Power may acquire PV projects included in Innovatec pipeline.

## Management guidelines: 2025-27E business plan highlights

### New trajectory

In November 2024, management disclosed strategic guidelines, investment plan and financial targets of Innovatec 2025-27E business plan, focusing on renewable energy and energy efficiency, after the spin-off of Haiki waste management and circular economy BU.

### Refocusing on PV market opportunities

Following the recent uncertainties and delays in the regulatory and incentives framework in the energy efficiency and renewables markets, Innovatec new course starts from making its business independent from incentives and targeting continuity and stability of revenues and profits.

The focus is on photovoltaic energy, unlocking the value potential of the solar assets pipeline under development, on B2B energy efficiency and on renewable energy communities.

### Major guidelines

**Photovoltaic** - Innovatec combines its own development potential with the expertise and execution of ESI (consolidation of 100% of ESI figures, 32% shareholding):

- Pre-construction sale to customers - 153MW
- Sale of authorized turn-key plants (projects in pipeline authorized and built) - 60MW
- In-house development, construction and asset management (with or without ownership) - 35MW, contributing to turnover starting from 2027
- Sale and distribution of produced energy to businesses, households and energy communities through Frisbi subsidiary
- EPC and revamping of small/medium/large-size photovoltaic systems on behalf of its customers by ESI, with order backlog of €32m as of year-end 2024 (€35m as of July 2025)

### Energy efficiency and B2B

- Focus on B2B with new brand recognition and higher-margin orders
- Launch of two renewable energy communities projects (worth €1.5m 2025-27E)

## Financial guidelines and targets for 2025-27E

### Management guidance 2025-27E (issued in November 2024)

€m	2024	2025E	2026E	2027E
<b>Total Revenues</b>	<b>27.4</b>	<b>66.3</b>		<b>87.6</b>
YoY %	-45%	142%		-
<b>EBITDA</b>	<b>1.2</b>	<b>4.3</b>		<b>9.4</b>
Margin	4%	6%		11%
<b>EBIT</b>	<b>(0.8)</b>	<b>2.2</b>		<b>7.2</b>
Margin	neg	3%		8%
<b>Net (Debt) Cash</b>	<b>-</b>	<b>(4.7)</b>		<b>(12.0)</b>
Net Debt/EBITDA	-	1.1x		1.3x
<b>Capex</b>	<b>10.0</b>		<b>6.0</b>	<b>5.0</b>

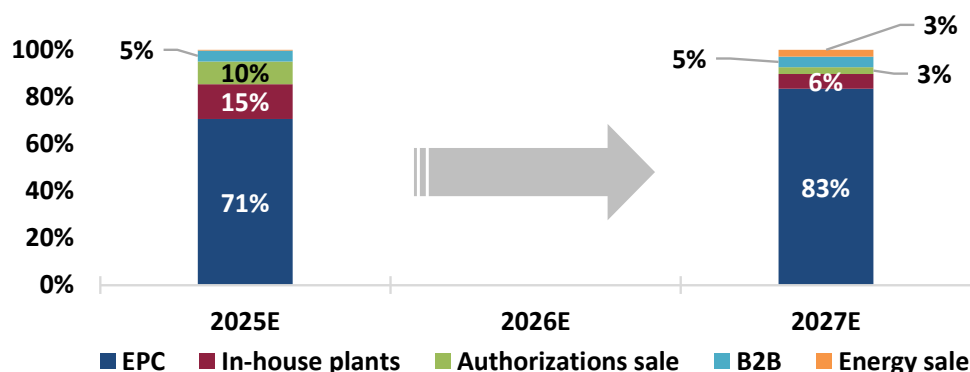
Source: Company data

**Main revenue increase from EPC business**

**Capex for 35MW in-house own plants**

- Revenues (including capitalization of internal works) €66m in 2025E, from €27m in 2024, and up to €88m in 2027E (47% 2024-27E CAGR)
- EBITDA Adjusted €4.3m in 2025E, 6.5% margin, from 4% in 2024, up to €9.4m, 10.7% margin (100% 2024-27E CAGR) - the EBITDA adjustment includes margins from the disposal of SPVs that own the PV plants built
- EBIT €2.2m in 2025E, 3% margin, from negative EBIT in 2024, up to €7.2m, 8% margin
- Planned organic investments in own plants €21m in 2025-27E, plus €6m in 2028E totalling €27m, corresponding to 35MW (of which 15MW in construction in 2027, with end of works in mid-2028)
- Net financial debt €5m in 2025E and €12m in 2027E, 1.1x-1.3x EBITDA, driven by investments in pipeline financed by project financing
- Cash generated by EPC business and sales of PV authorizations - cumulated €5m cash flows over plan period - supports the injection needed for project financing and a liquidity buffer for business continuity, add-ons and contingencies

### Total revenue breakdown 2025-27E



Source: Company data - Note: including capitalizations

## Our estimates

### The starting point: what was wrong and what's next

FY24 was marked by the stop to 110% Ecobonus, regulatory changes and uncertainties impacting renewables, delays in setting incentives for Industria 5.0 Italian Government initiative, and the group reorganization with Haiki+ spin-off, effective since January 10<sup>th</sup>, 2025. In this context, Innovatec has reshaped and reorganized its business by making it independent from tax incentives, accelerating the refocusing on development, ownership and management of medium/large-scale PV plants from an asset management perspective. Major goals are direct production and sale of energy (also through the subsidiary Frisbi) to businesses, households and energy communities (Independent Power Producer) or plant sale to customers pre-construction or turnkey (EPC contractor).

After the reorganization, Innovatec claims a clear vision about medium-long run objectives, absence of debt, being engaged in a new business cycle to cope with the urgency to fill the capacity gap of renewables infrastructure in order to reach nationwide targets.

### Key growth drivers

The current pipeline under development is 250MW, of which 40MW authorized for construction of PV plants in Italy. Innovatec is pooling its development potential with ESI expertise and execution capacity: the backlog of ESI as of year-end 2024 was €32.3m (updated to €34.8m as of July 2025); recently, ESI announced the acquisition of a SPV authorized to construct and operate a 3MWp PV plant (Monterosi), worth €3m investment, with construction beginning in April 2025 and completion expected by end of 2026.

**ESI transitioning to IPP: 20MW in-house capacity target within next 3Y**

Key growth drivers:

- Underlying market massive demand
- Pipeline of projects under development and/or authorized
- Order backlog
- Expertise in PV plant construction
- Diversified service portfolio for PV development, catching different market opportunities and balancing short/mid-term opportunities
- Recurring revenues and margins from in-house plants
- Higher margins expected from sale of turnkey plants

### Estimates rationale and construction

Projections have been drawn up over a 3Y period, consistently with management guidelines. Our estimates do not include any equity injection and assume no dividend policy.

The starting point of our projections is represented by our estimate of 2024PF, assuming that Haiki+ spin-off had occurred on January 1<sup>st</sup> 2024, to represent figures consistent with current scope and 2025-27E. EnVent "2024PF-E" has been drawn up based on: Innovatec, Haiki+ and ESI FY24 financial statements, segment information, available information about spin-off, Innovatec management estimate of FY24 proforma financial position.

## Management guidance critical review

Our assumptions are based on management strategic and operating hints, planned investments and financial targets, that we factor in our projections model.

We have made a critical review of management guidelines: revenues could be lower than expected in case of possible slowdown in plan execution, delays in authorizations, or other variations of factors; also capital expenditure could be higher than factored in.

The main growth driver is top line; profitability is expected to reach the 9-10% EBITDA margin region.

## Cautious stance

Our estimates are broadly consistent with management guidelines, somewhat conservative as to revenues, profitability and cash generation. Obtaining authorization for photovoltaic installations often involves time-consuming and bureaucratic procedures, which can stall project development and lead to higher costs. In addition, the sale of authorizations is often preferred as ready to build authorization, requiring longer timing and procedures to obtain the green light for construction. We consider that to a certain extent revenue and profitability fluctuations are inherent in the ongoing initiatives and that a major determinant of Company performance are level and timing of capex, funding needs and financial debt load. We note that, in principle, renewable energy and energy efficiency projects should require limited capital investment.

## Medium-high risk profile

In the framework of our *medium-high* risk profile assessment, with the competitive pressure possibly impacting EPC turnkey prices, we also consider that, according to growth plan, Innovatec perspective looks promising.

### Metrics and assumptions

<b>Revenues</b>	<ul style="list-style-type: none"> <li>Operating revenues built per business and revenue model: <ul style="list-style-type: none"> <li>Sale of turnkey PV plants, based on 60MW pipeline at €900/1,000k per MW</li> <li>Sale of authorizations, based on 140MW pipeline at €50-100k per MW or at €100-130k per MW ready to build authorization</li> <li>Energy sale from in-house plants in asset management, with major contribution starting from 2026</li> <li>B2B, including: Ecosavona works worth €52.1m in partnership with Haiki Mines (Innovatec 20-Haiki Mines 80) estimated at €2.4m per year; B2B contracts worth €3-4m per year; renewable energy communities below €1m per year</li> <li>ESI, estimates as per EnVent Research</li> </ul> </li> <li>Capitalizations, reflecting direct cost of construction of in-house plants in asset management</li> <li>Change in WIP and inventory, reflecting direct cost of construction of turnkey plants</li> </ul>
<b>Operating charges</b>	<ul style="list-style-type: none"> <li>Materials 65% of revenues</li> <li>Services 22-15% of revenues</li> <li>Personnel €4.9m in 2024PF-E to €5.9m in 2027E</li> <li>Other operating costs 2.5-2% of revenues</li> </ul>
<b>Working capital</b>	<ul style="list-style-type: none"> <li>DSO 50</li> <li>DPO 220-200</li> </ul>



	<ul style="list-style-type: none"> <li>• DOI 170</li> </ul>
<b>Capex</b>	<ul style="list-style-type: none"> <li>• Investment over 2025-27E estimated in €20m, mainly fixed assets for in-house PV plants</li> </ul>
<b>Equity</b>	<ul style="list-style-type: none"> <li>• No assumptions on capital raising, dividend distribution, warrants exercise</li> <li>• Haiki+ spin-off, effected on January 10<sup>th</sup> 2025, resulted in a €10.3m decrease in Innovatec Equity and subsequent transfer to Haiki+</li> </ul>

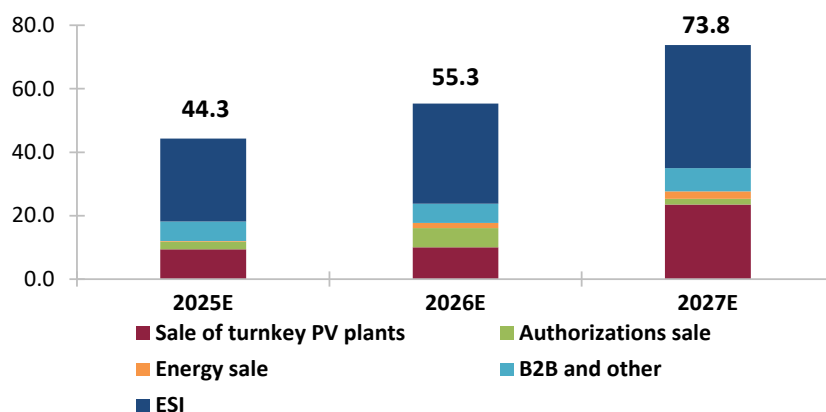
Source: EnVent Research

## Financial projections

### Accounting and consolidation scope

- **Accounting standards** - IT GAAP (OIC)
- **Consolidation scope** - parent company Innovatec SpA; ESI SpA, listed on EGM, owned with a share of 32.47%, subject to *de facto* control; subsidiaries in which Innovatec holds directly or indirectly, 50% or more of the share capital

### Operating revenues breakdown (€m)



Source: EnVent Research 2025-27E

On the top line, growth is driven primarily by ESI EPC business, to which starting from 2025E will be added sales of turnkey PV plants and authorizations sales. Contribution from in-house PV plants is set to start from 2027 onwards.

### Consolidated Profit and Loss

	Previous scope		New scope		
€m	2024	2024PF-E	2025E	2026E	2027E
Operating revenues	212.1	17.8	44.3	55.3	73.8
Change in WIP and inventory	7.6	7.9	0.0	7.2	(3.5)
Capitalizations	7.2	1.4	10.5	4.8	3.8
Other income	5.3	0.8	0.0	0.0	0.0
<b>Total Revenues</b>	<b>232.1</b>	<b>27.8</b>	<b>54.8</b>	<b>67.3</b>	<b>74.0</b>
YoY %	7.7%	-	97.2%	22.8%	9.9%
Materials	(77.1)	(12.9)	(35.9)	(43.8)	(47.7)
Services	(80.8)	(9.0)	(9.7)	(11.1)	(11.4)
Personnel	(28.2)	(4.5)	(4.9)	(5.3)	(5.9)
Other operating costs	(14.3)	(0.9)	(1.1)	(1.4)	(1.5)
Operating costs	(200.4)	(27.3)	(51.6)	(61.4)	(66.5)
<b>EBITDA</b>	<b>31.7</b>	<b>0.5</b>	<b>3.2</b>	<b>5.9</b>	<b>7.5</b>
Margin	13.7%	1.8%	5.8%	8.7%	10.1%
D&A	(26.7)	(2.0)	(2.2)	(2.5)	(2.7)
Writedown of receivables and provisions	(6.8)	(3.3)	0.0	0.0	0.0
<b>EBIT</b>	<b>(1.7)</b>	<b>(4.7)</b>	<b>0.9</b>	<b>3.4</b>	<b>4.8</b>
Margin	-0.7%	-17.0%	1.7%	5.0%	6.5%
Interest	(6.7)	(1.9)	(0.5)	(0.7)	(1.1)
Writedown of financial assets	(0.1)	(0.1)	0.0	0.0	0.0
<b>EBT</b>	<b>(8.5)</b>	<b>(6.8)</b>	<b>0.4</b>	<b>2.7</b>	<b>3.7</b>
Margin	-3.7%	-24.3%	0.8%	4.0%	5.1%
Income taxes	(0.5)	0.1	(0.1)	(0.8)	(1.1)
<b>Net Income (Loss)</b>	<b>(9.0)</b>	<b>(6.7)</b>	<b>0.3</b>	<b>1.9</b>	<b>2.7</b>
Margin	-3.9%	-24.1%	0.5%	2.8%	3.6%

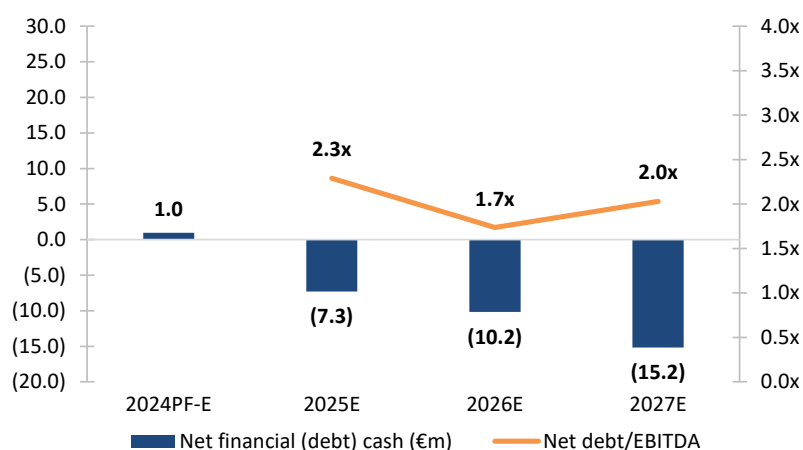
Source: Company data 2024; EnVent Research 2024PF-27E

### Consolidated Balance Sheet

€m	2024	2024PF-E	2025E	2026E	2027E
Work in progress and inventory	26.8	23.6	25.5	31.3	34.5
Trade receivables	32.1	2.4	9.2	11.2	12.4
Trade payables	(59.3)	(28.6)	(34.4)	(41.3)	(40.5)
Trade Working Capital	(0.4)	(2.6)	0.3	1.3	6.3
Other assets (liabilities)	(23.9)	(1.0)	(0.5)	(0.7)	(0.7)
<b>Net Working Capital</b>	<b>(24.3)</b>	<b>(3.6)</b>	<b>(0.2)</b>	<b>0.6</b>	<b>5.6</b>
Intangible assets	35.4	9.2	9.1	8.9	8.6
Property, plant and equipment	112.2	5.0	10.4	14.7	17.7
Equity investments and financial assets	7.3	3.5	3.5	3.5	3.5
<b>Non-current assets</b>	<b>197.0</b>	<b>17.7</b>	<b>22.9</b>	<b>27.0</b>	<b>29.8</b>
<b>Provisions</b>	<b>(68.0)</b>	<b>(1.0)</b>	<b>(1.1)</b>	<b>(1.2)</b>	<b>(1.4)</b>
<b>Net Invested Capital</b>	<b>104.6</b>	<b>13.0</b>	<b>21.6</b>	<b>26.4</b>	<b>34.0</b>
<b>Net Debt (Cash)</b>	<b>61.7</b>	<b>(1.0)</b>	<b>7.3</b>	<b>10.2</b>	<b>15.2</b>
<b>Equity</b>	<b>42.9</b>	<b>14.0</b>	<b>14.3</b>	<b>16.2</b>	<b>18.9</b>
<b>Sources</b>	<b>104.6</b>	<b>13.0</b>	<b>21.6</b>	<b>26.4</b>	<b>34.0</b>

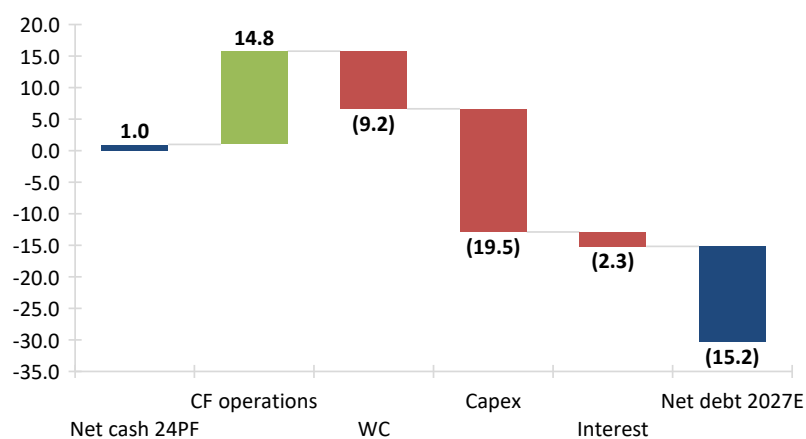
Source: Company data 2024; EnVent Research 2024PF-27E

### Net financial debt (€m) and net debt/EBITDA (x) 2024PF-27E



Source: EnVent Research 2024PF-27E

### Net financial debt bridge cumulative 2024-27E (€m)



Source: EnVent Research 2024PF-27E

### Consolidated Cash Flow

€m	2025E	2026E	2027E
<b>EBIT</b>	<b>0.9</b>	<b>3.4</b>	<b>4.8</b>
Current taxes	(0.1)	(0.8)	(1.1)
D&A	2.2	2.5	2.7
Provisions	0.1	0.1	0.1
<b>Cash flow from P&amp;L operations</b>	<b>3.1</b>	<b>5.2</b>	<b>6.5</b>
Trade Working Capital	(2.9)	(1.0)	(5.0)
Other assets and liabilities	(0.5)	0.1	0.1
Capex	(7.5)	(6.5)	(5.5)
<b>Operating cash flow after WC and capex</b>	<b>(7.7)</b>	<b>(2.2)</b>	<b>(3.9)</b>
Interest	(0.5)	(0.7)	(1.1)
<b>Net cash flow</b>	<b>(8.3)</b>	<b>(2.9)</b>	<b>(5.0)</b>
Net Debt (Beginning)	1.0	(7.3)	(10.2)
Net Debt (End)	(7.3)	(10.2)	(15.2)
<b>Change in Net Debt (Cash)</b>	<b>(8.3)</b>	<b>(2.9)</b>	<b>(5.0)</b>

Source: EnVent Research 2024PF-27E

### Ratio analysis

Key ratios	2025E	2026E	2027E
ROE	2%	12%	14%
ROS	2%	5%	6%
ROIC	4%	13%	14%
TWC/Revenues	1%	2%	9%
NWC/Revenues	0%	1%	8%
Capex/Revenues	14%	10%	7%
Net Debt/EBITDA	2.3x	1.7x	2.0x
Net Debt/Equity	0.5x	0.6x	0.8x
Cash flow from P&L operations/EBITDA	98%	88%	87%
FCF/EBITDA	neg	neg	neg

Source: EnVent Research 2025-27E

## 7. VALUATION

### Starting point in Innovatec value building path

#### Valuation topics and drivers

With roots back in 2013 as pioneer in energy efficiency and smart grid markets, after a decade of growth and diversification through M&A, and, lastly, the group reorganization, Innovatec is today a pureplay in the solar PV industry, which has matured expertise and credentials and has a clear vision of becoming an integrated player presiding over the authorization, development and management phases of the renewable energy value chain. Through investment in a 35MW in-house pipeline, Innovatec aims to enter power generation and complement its business with stable and visible cash flows.

Value drivers:

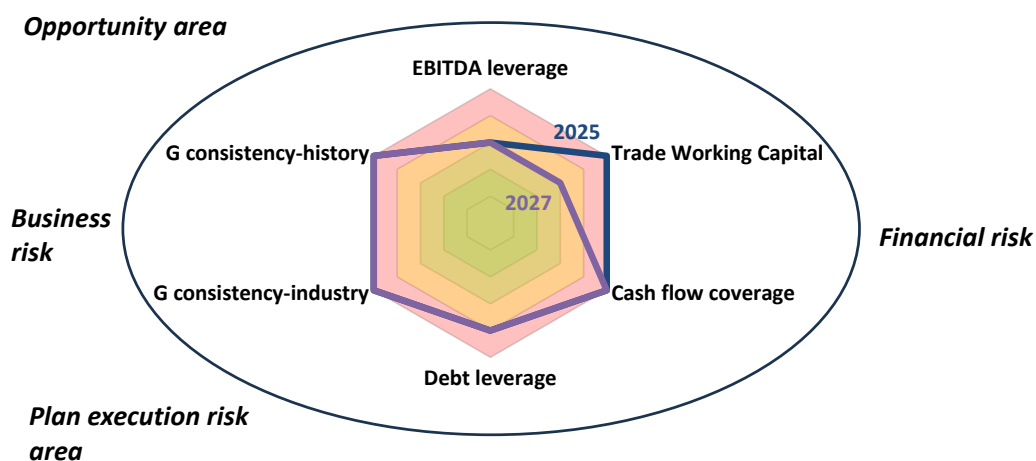
- Energy transition and decarbonization commitment
- PV cost reduction
- Increasing energy demand
- PV, self-consumption and energy independence

The PV market opportunity represents a significant value potential and our assessment is founded on a mid-term perspective of value building on key competencies and building of a PV asset base. The underlying assumption is the execution of Group 2025-27E strategy. The trade-off of such a challenging plan would be the capability and discipline to manage the needed financial resources.

#### Financial risk assessment: medium/high

Challenging financial guidelines

Cash generation main issue during investment plan



## Valuation metrics

- Discounted Cash Flows applied to 2025-27E consolidated financial projections
- Market multiples
- Regression analysis on EBITDA and EBIT
- SOP, combining Innovatec and ESI standalone

## Discounted Cash Flows

Metrics and assumptions:

- Risk free rate: 3.5% (Italian 10-year government bonds interest rate - last 30 days average. Source: Bloomberg, August 2025)
- Market return: 12.9% (last 30 days average. Source: Bloomberg, August 2025)
- Market risk premium: 9.4%
- Beta: 1 (judgmental as per financial risk assessment)
- Cost of equity: 12.9%
- Cost of debt: 7%
- Tax rate: 24% IRES
- 45% debt/(debt + equity) as target capital structure
- WACC calculated at 9.5%
- Perpetual growth rate after explicit projections (G): 3%
- Terminal Value assumes 10% EBITDA margin
- Adjustments to equity value: ESI minority interest at market value

### DCF model

€m	2025E	2026E	2027E	Perpetuity
<b>Revenues</b>	<b>54.8</b>	<b>67.3</b>	<b>74.0</b>	<b>76.2</b>
<b>EBITDA</b>	<b>3.2</b>	<b>5.9</b>	<b>7.5</b>	<b>7.6</b>
<i>Margin</i>	<i>5.8%</i>	<i>8.7%</i>	<i>10.1%</i>	<i>10.0%</i>
<b>EBIT</b>	<b>0.9</b>	<b>3.4</b>	<b>4.8</b>	<b>6.6</b>
<i>Margin</i>	<i>1.7%</i>	<i>5.0%</i>	<i>6.5%</i>	<i>8.7%</i>
Taxes	(0.3)	(0.9)	(1.3)	(1.8)
<b>NOPAT</b>	<b>0.7</b>	<b>2.5</b>	<b>3.5</b>	<b>4.8</b>
D&A	2.2	2.5	2.7	1.0
Provisions	0.1	0.1	0.1	0.0
<b>Cash flow from operations</b>	<b>3.0</b>	<b>5.0</b>	<b>6.3</b>	<b>5.8</b>
Trade Working Capital	(2.9)	(1.0)	(5.0)	(0.2)
Other assets and liabilities	(0.5)	0.1	0.1	0.0
Capex	(7.5)	(6.5)	(5.5)	(1.0)
<b>Yearly Unlevered free cash flow</b>	<b>(7.9)</b>	<b>(2.3)</b>	<b>(4.2)</b>	<b>4.6</b>
WACC	9.5%			
Long-term growth (G)	3.0%			
<b>Discounted Cash Flows</b>	<b>(7.2)</b>	<b>(2.0)</b>	<b>(3.2)</b>	
Sum of Discounted Cash Flows	(12.3)			
<b>Terminal Value</b>				<b>70.7</b>
Discounted TV	53.9			
<b>Enterprise Value</b>	<b>41.5</b>			
Net Cash (Debt) as of FY24PF-E	1.0			
ESI minority at mkt value + other minorities	(8.6)			
<b>Equity Value</b>	<b>34.0</b>			

Source: EnVent Research

<b>DCF - Implied multiples</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
EV/Revenues	0.8x	0.6x	0.6x
EV/EBITDA	13.1x	7.1x	5.6x
EV/EBIT	43.8x	12.2x	8.6x
P/E	114.6x	17.8x	12.8x

<b>Current market price - Implied multiples</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
EV/Revenues	0.5x	0.4x	0.3x
EV/EBITDA	7.9x	4.3x	3.4x
EV/EBIT	26.6x	7.4x	5.3x
P/E	88.5x	13.7x	9.9x

Source: EnVent Research

## Market multiples

We have applied to our 2025-27E estimates market multiples from the Renewables power plants developers cluster.

EBIT and Earnings so far are to be considered somewhat misleading due to the current stage of development of the Company which is in an investment cycle whose payback is not expected in the short-term. Moreover, the peculiarity of its articulated business model makes it challenging to assess in the near term the revenue and size of operating and net income mix. As a consequence, we consider reliable revenues and EBITDA multiples coming from peers with a more established business.

### Market multiples application

Innovatec (€m)		Market Multiples	EV	Net cash as of FY24PF-E	Minority interest	Equity value
<b>2025E Op. Revenues</b>	44.3	1.1x	48.7	1.0	(8.6)	<b>41.1</b>
<b>2026E Op. Revenues</b>	55.3	0.9x	50.9	1.0	(8.6)	<b>43.3</b>
<b>2027E Op. Revenues</b>	73.8	0.5x	40.5	1.0	(8.6)	<b>32.9</b>
Mean 2025-27E			46.7			<b>39.1</b>
<b>2025E EBITDA</b>	3.2	6.5x	20.7	1.0	(8.6)	<b>13.1</b>
<b>2026E EBITDA</b>	5.9	4.5x	26.5	1.0	(8.6)	<b>18.9</b>
<b>2027E EBITDA</b>	7.5	3.8x	28.3	1.0	(8.6)	<b>20.7</b>
Mean 2025-27E			25.2			<b>17.6</b>
<b>2025E EBIT</b>	0.9	8.2x	7.8	1.0	(8.6)	<b>0.2</b>
<b>2026E EBIT</b>	3.4	4.9x	16.8	1.0	(8.6)	<b>9.2</b>
<b>2027E EBIT</b>	4.8	4.9x	23.4	1.0	(8.6)	<b>15.8</b>
Mean 2025-27E			16.0			<b>8.4</b>
<b>2025E Earnings</b>	0.3	10.2x				<b>3.0</b>
<b>2026E Earnings</b>	1.9	8.7x				<b>16.5</b>
<b>2027E Earnings</b>	2.7	7.4x				<b>19.6</b>
Mean 2025-27E						<b>13.0</b>

Source: EnVent Research, August 2025

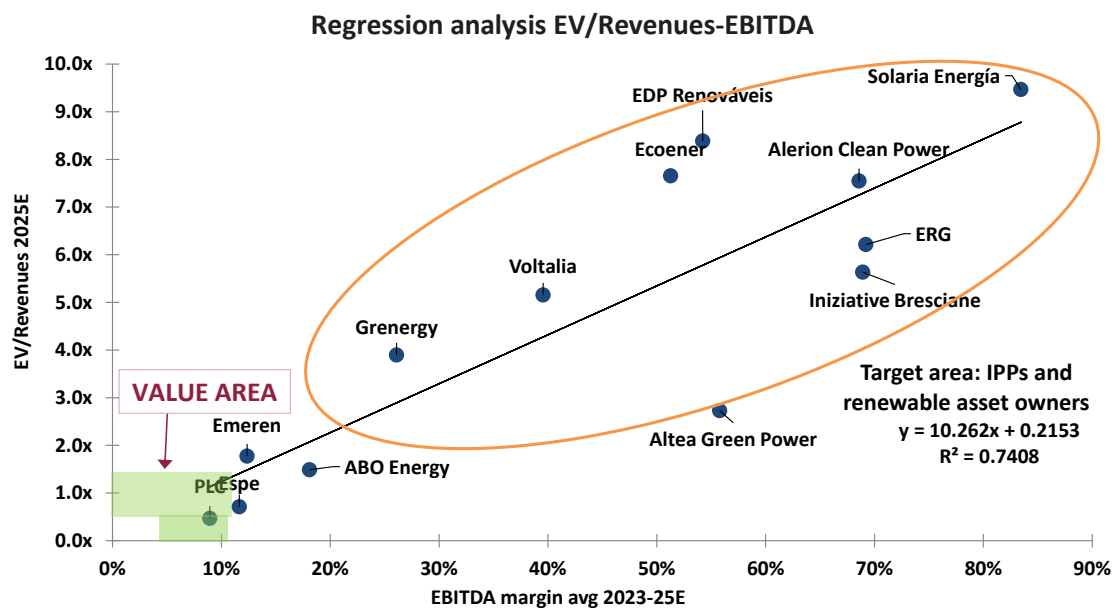
## Regression analysis

The regression analysis, combining the embedded values implied by EV/Revenues of listed peers and their EBIT margin, helps to visualize a suitable value area for Innovatec.

Data show that EBIT margin in the 2-7% range, as per our estimates, results in 2-3x EV/Revenues from the regression curve.

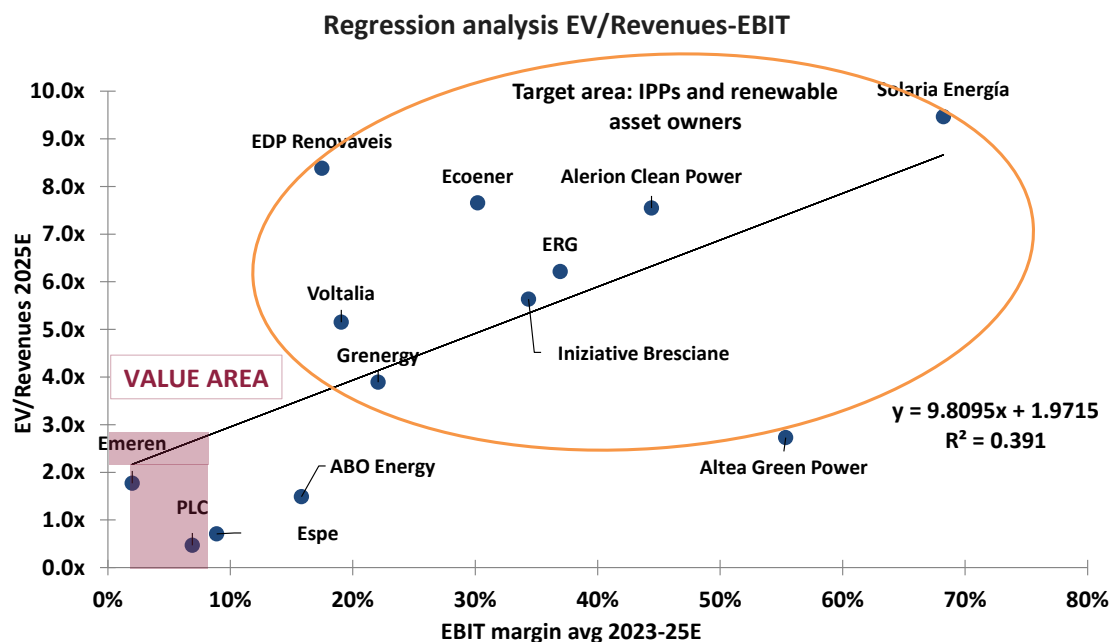


Values to be adjusted  
downwards by  
EBITDA cash  
conversion



Source: EnVent Research, August 2025

Regression on EBIT  
metrics vs EBITDA:  
higher relevance



Source: EnVent Research, August 2025

### Sum of Parts

Given the peculiarity of Innovatec, holding an interest in another listed company which is subject to *de facto* control and, thus, all of its revenues, assets, and liabilities are included in the parent's financials (in addition to the minority interest on the balance sheet), it is advisable to perform also a Sum of Parts valuation, to avoid double-counting or misrepresenting the value of Innovatec.

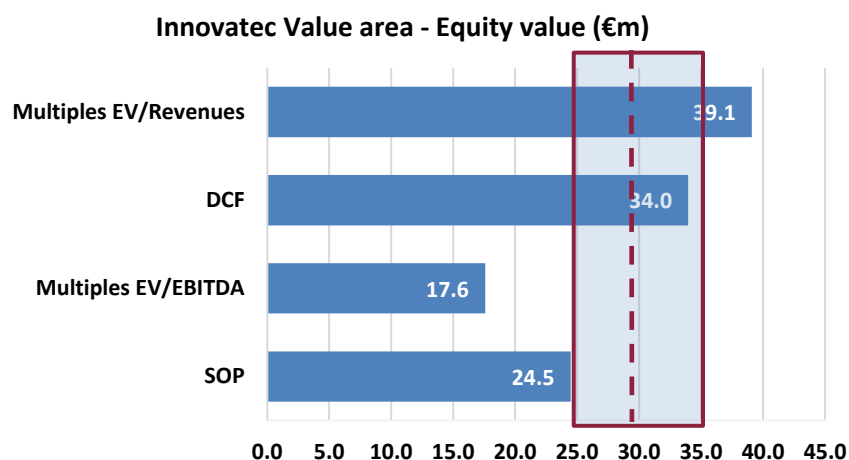
We value separately:

- Innovatec own operations standalone, through DCF (excluding ESI cash flows)
- its stake in ESI, at market value

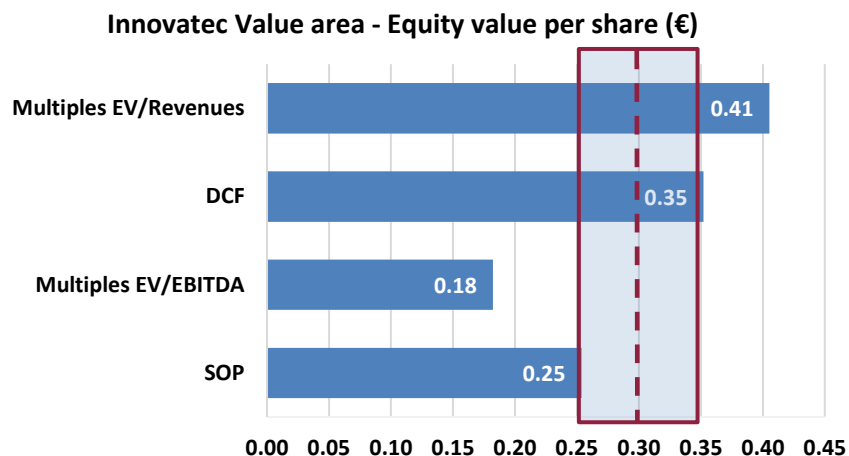
€m	
<b>Innovatec Group</b>	
Innovatec standalone	9.6
ESI standalone	7.5
<b>SOP EV</b>	<b>17.1</b>
Net Cash as of FY24PF-E (less ESI)	0.2
Minorities (less ESI)	(0.3)
<b>Equity value Innovatec Group</b>	<b>17.1</b>

Source: EnVent Research

## Valuation summary and Target price



Source: EnVent Research



Source: EnVent Research

**Value area encompassing market and analytical methodologies**

The mix of analytical and market-based values supports the design of a value area with equity values converging in the €25-35m range. Within the value area, we obtain an average equity value of €29m. As such, we are initiating coverage of Innovatec with a NEUTRAL rating and a target price of €0.30 per share, implying a potential upside of 10% on current stock price at €0.27.

Please refer to important disclosures at the end of this report.

<b>Innovatec Price per Share</b>	<b>€</b>
<b>Target Price</b>	<b>0.30</b>
Current Share Price (01/08/2025)	0.27
<b>Premium (Discount)</b>	<b>10%</b>

Source: EnVent Research

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Rating system and rationale (12-month time horizon):

OUTPERFORM: stocks are expected to have a total return above 10%;

NEUTRAL: stocks are expected to have a performance between -10% and +10% consistent with market or industry trend and appear less attractive than Outperform rated stocks;

UNDERPERFORM: stocks are among the least attractive in a peer group, with the target price 10% below the current market price;

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The stock price indicated in the report is the last closing price on the day of Production.

Date and time of Production: 01/08/2025 h. 6.35pm

Date and time of Distribution: 04/08/2025 h. 6.30pm

## DETAILS ON STOCK RECOMMENDATION AND TARGET PRICE

Date	Recommendation	Target Price (€)	Share Price (€)
04/08/2025	NEUTRAL	0.30	0.27

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