



INNOVATEC GROUP

TOWARDS A CLEANER FUTURE, TOGETHER

COMPANY PRESENTATION

Mid & Small in Milan Conference 2023



INNOVATEC GROUP

23 november2023

INNOVATEC GROUP

COMPANY PRESENTATION

01 INNOVATEC IN ACTION

02 OUR PLAN TOWARDS SUSTAINABILITY

03 MARKET OVERVIEW

04 FINANCIAL PLAN 2024 - 2026

05 SEPTEMBER 30, 2023 RESULTS



INNOVATEC A LEAD PLAYER IN THE CLEAN TECH INDUSTRY



Vision

Shaping the future towards an alternative, sustainable development model to help Corporate, Communities & People to embrace sustainability and reduce environmental footprint



Mission

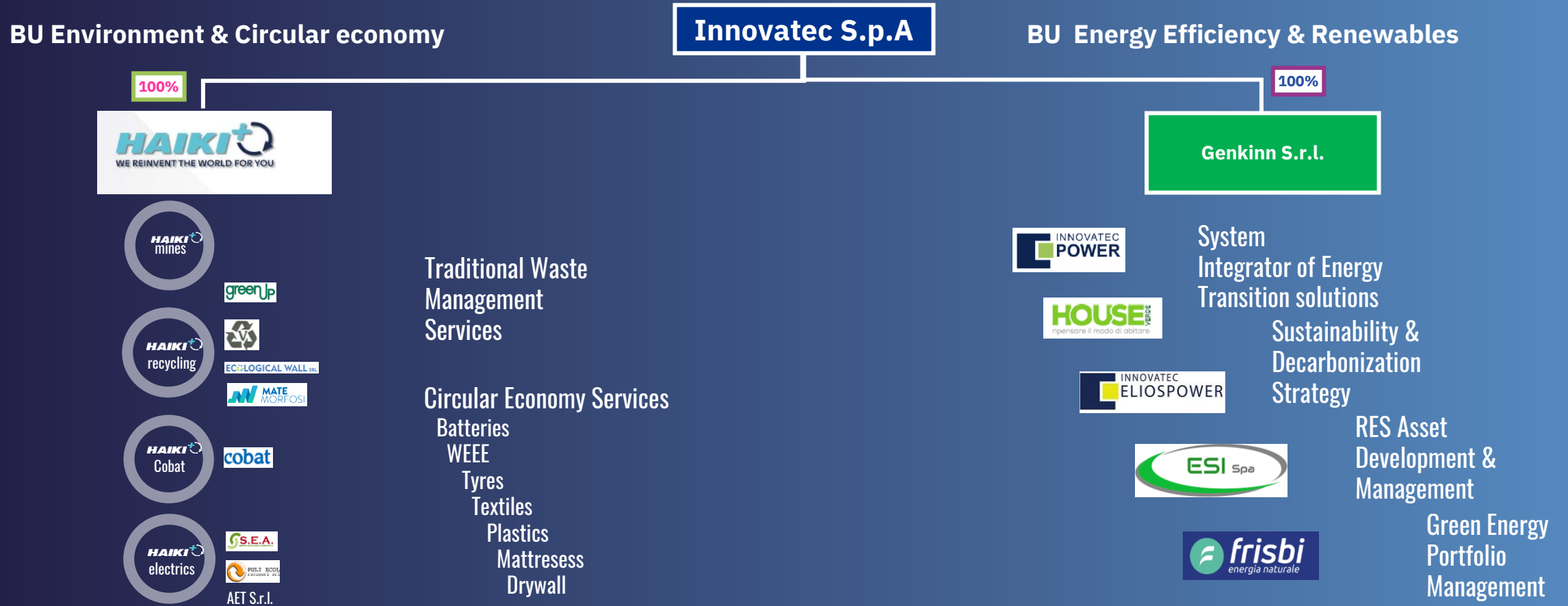
Diversification and integration of innovative end-to-end solutions that integrate energy efficiency and environmental services, from the recovery of industrial waste to its recycling



INNOVATEC: 2 BUSINESS UNITS TO COVER ALL CLEANTECH VALUE CHAIN



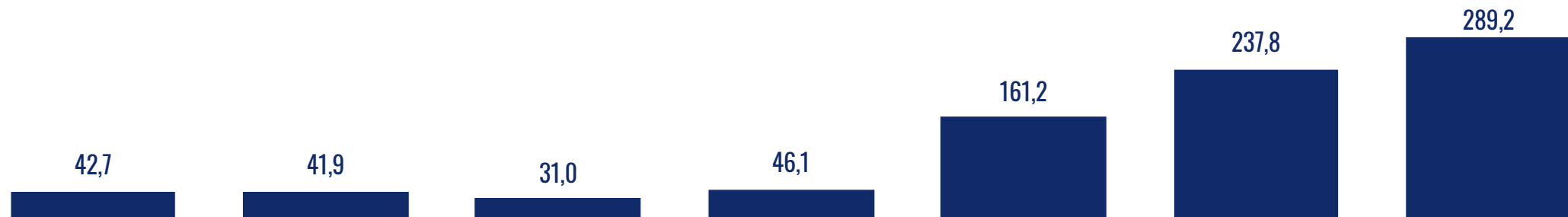
Innovatec's offering address Corporate, People, Communities and PA's with a **360° degrees offering portfolio to cover circularity and energy needs** to enable the path toward **sustainability**



INNOVATEC'S KEY FIGURES IMPRESSIVE GROWTH....



REVENUES
(€M)



CAGR '20-'22
22%

EBITDA
(€M)



CAGR '20-'22
22%

EBIT
(€M)



CAGR '20-'22
34%

2016

2017

2018

2019

2020

Pro Forma

2021

Pro Forma

2022

GREEN POWER GROUP
ACQUISITION

PROJECT LAUNCH
HOUSE
VERDE
ripensare il modo di abitare

VESCOVO
ROMANO

ECOLOGICAL WALL SRL

CLEAN TECH LUXCO

cobat

S.E.A.

ELIOSPOWER

FULI BOOL
recupero srl

AET

ALBARUM

frisbi
energia naturale
ESI

Notes: PF figures include COBAT results

A SOLID GROWTH PATH



WITH A SOLID ASSET BASE



8 SORTING & TREATMENT PLANTS
 7 BIOGAS AND PV PLANTS
 3 LANDFILLS
 3.300 EQUIPMENT & VEHICLES
 600kt WASTE MANAGEMENT
 2.000 CLIENTS (95% RETENTION RATE)

5 CONSORTIA (Batteries, WEEE, Tyre, Compositi, Textile)
 400 HUMAN RESOURCES
 50 WASTE PARTNERS
 200 SALE FORCE
 30 TECHNICIANS
 60 COBAT COLLECTION HUBS

450MWp PV PIPELINE
 40MWp AVERAGE PV EPC BACKLOG
 50€M BUILDING RENOVATION BACKLOG
 2 LITHIUM PATENTS

ECOLOGICAL WALL
 end-of-life plaster board treatment plant able to recover gypsum

MATE MORFOSI
 end-of-life mattresses treatment plant able to recover 90% materials

cobat ecofactory

the first plant in Italy dedicated to the recovery of lithium and cobalt from end-of-life EV batteries through a patented treatment, as well as alkaline batteries



M&A SPEED UP

in order to gather some of the strategic assets leveraging on its capacity to produce positive cash flows and to receive additional debt



REORGANISATION

Refocused the structure, our business proposal, go-to-market strategy and operative organization.



SLOWDOWN IN INDUSTRIAL PRODUCTION STOP & GO IN ECOBONUS 110%

The decrease on revenues, margins and cash generation was only partially offset by the positive performance of the remaining businesses



THE RAMP UP OF THE PV BUSINESS IS TAKING LONGER THAN INITIALLY FORECASTED

2026 PLAN: RELAUNCH OPPORTUNITY



500€M REVENUES

66€M EBITDA

14% EBITDA MARGIN



CAPEX +77€M

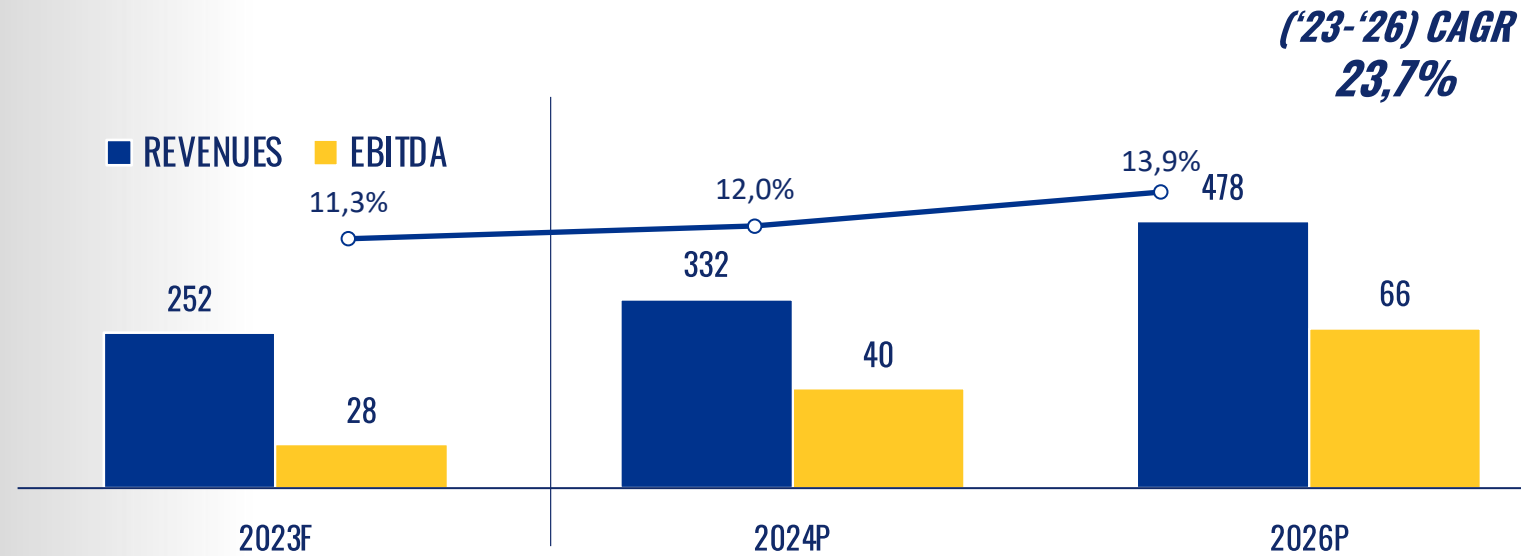
HR (+137 to 2026)



NFP TO ZERO

Leverage available for further business development

Data in €M



**(‘23-‘26) CAGR
23,7%**

**(‘23-‘26) CAGR
59,2%**

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ESG RATING RECEIVED IN 2022



Industry Commercial Services
Sub Industry Facilities Maintenance

Morningstar **Sustainalytics**, a company specialized in developing research, ratings and analytical data on ESG parameters, analyzed Innovatec performance, providing a **high-quality score** that is useful in supporting investors' choices, as well as incentivizing the consideration of sustainable issues within corporate policies and practices.

The lower the rating, the lower the exposure to ESG Risk

ESG Risk Rating

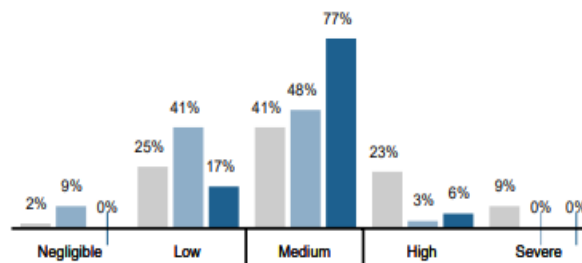
21.6

Last Full Update Jul 4, 2023

Medium Risk



ESG Risk Rating Distribution



ESG Risk Rating Ranking

UNIVERSE	RANK	PERCENTILE
	(1 st = lowest risk) (1 st = Top Score)	
Global Universe	5218/15613	34th
Commercial Services INDUSTRY	257/445	58th
Facilities Maintenance SUBINDUSTRY	23/76	30th

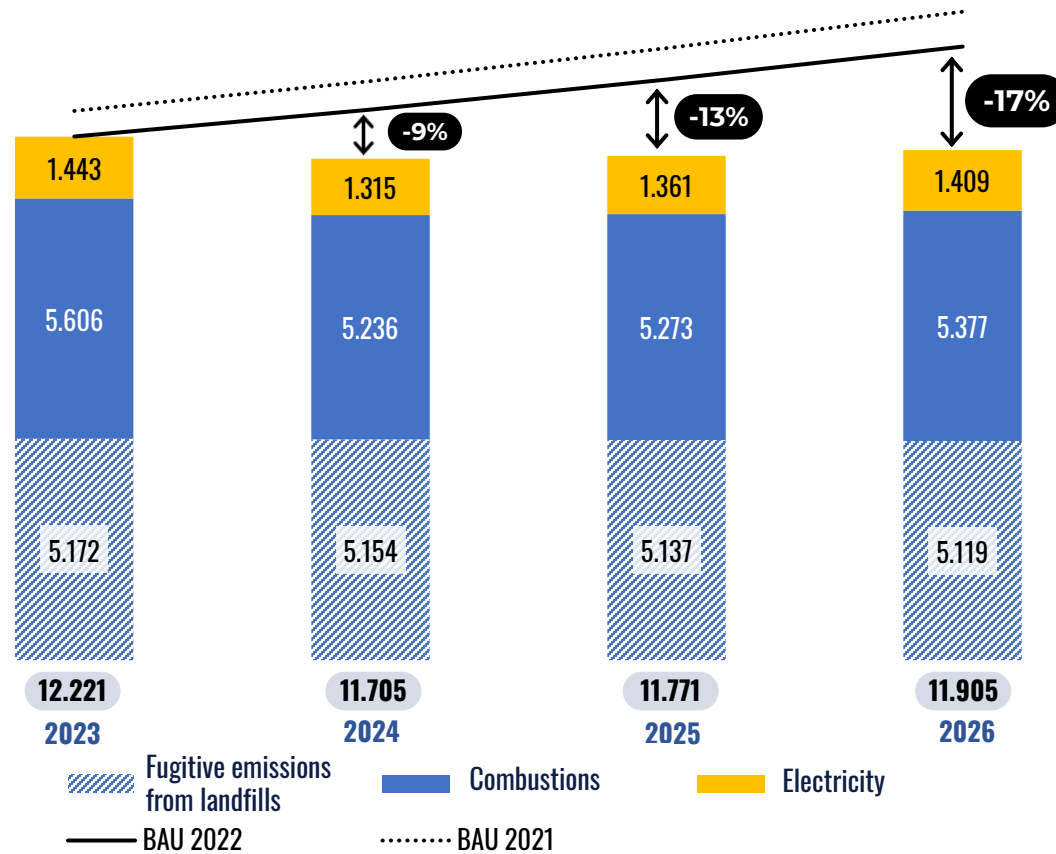
OUR STRATEGY TOWARDS CARBON NEUTRALITY



Implementing all the proposed actions, a **-17%** reduction in emissions is observed by 2026 compared to the Business As Usual (BAU) scenario updated to 2022 (**-21%** vs BAU 2021)

Emissions for power purchase can be fully offset by purchasing Renewable Guarantees of Origin through certified energy traders

Projected emissions Carbon Management Plan (t CO₂eq)



PROJECTED REDUCTIONS (ton CO ₂ eq)*	TOT. 2024 - 26
Light vehicle electrification	1.275
Efficient collection logistics	316
Converting collection vehicle to Euro 6	80
Electrification 50% collection vehicles	3.156
PV capacity enhancement	519
TOTAL	5.346
PROJECTED COMPENSATIONS (ton CO ₂ eq)*	TOT.
RENEWABLE ENERGY PURCHASE	3.960 (-9,5%)
CARBON CREDITS PURCHASE	21.279 (-90%)

*:Discounted against projections from the 2022-2024 Business Plan; the same growth rates are assumed for 2025 and 2026 as those projected for 2024

OUR CARBON MANAGEMENT PLAN



ACTIONS		2024	2025	2026
Innovatec S.p.A.				
POLICIES	Coordination with sustainability committee			
POLICIES	Updating emission sources and periodic reporting			
POLICIES	Scope 3 Evaluation			
REDUCTION ACTIONS	Light vehicle electrification			
COMPENSATION ACTIONS	Renewable energy purchase on facilities and premises			
HAIKI+				
POLICIES	Environmental Audit – before acquiring new plants			
POLICIES	Environmental Audit – plant updating			
REDUCTION ACTIONS	Efficient collection logistics			
REDUCTION ACTIONS	PV capacity enhancement			
REDUCTION ACTIONS	Progressive Electrification of collection vehicles			

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AMBITIOUS EU TARGETS WILL BOOST DEMAND FOR CIRCULARITY



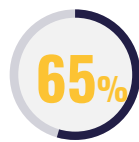
In the coming years, all industries will face several **challenges** related to the **recycling of components and waste** to reduce their **environmental impact**.

Innovatec has several opportunities to expand its market presence.

WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT

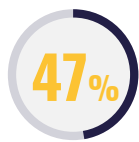


ITALY



EU TARGET

BATTERIES & RECHARGEABLES



ITALY



EU TARGET

GROWTH OF LITHIUM BATTERIES RECYCLING

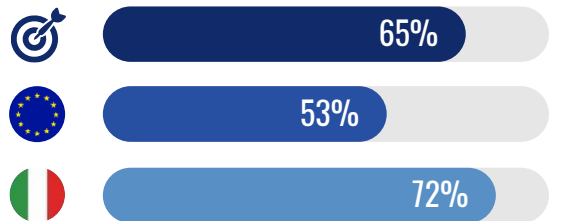


2025 EU TARGET

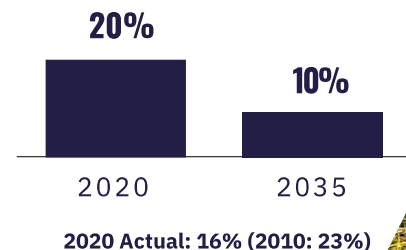


2030 EU TARGET

RECYCLING SHARES %



LANDFILL WASTE DISPOSAL TARGET



76 Mtons*

Special waste volumes

<0,9%

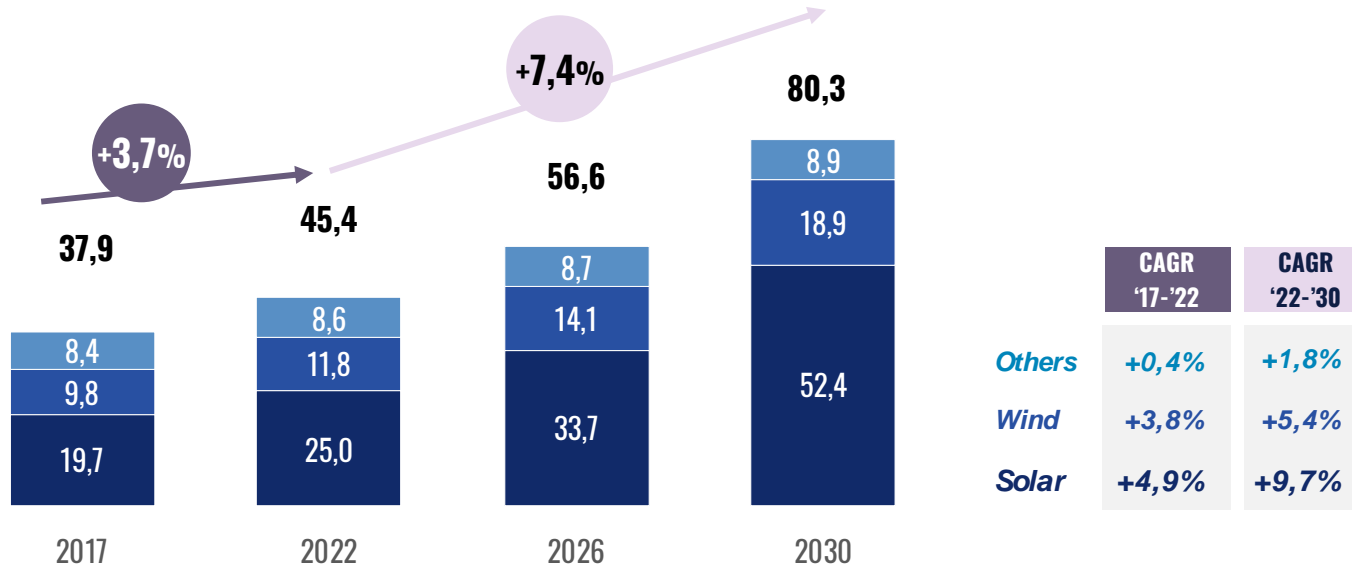
Innovatec's share in waste volume



ACCELERATION TOWARD CLEAN & RENEWABLE ENERGY IN ITALY



RENEWABLE ENERGY MARKET, CUMULATIVE INSTALLED CAPACITY (GW)



35GW

Renewable Energy Sources to be added from 2022 to 2030

+3,5GW/year

average PV installation rates for the period 2022-2030 (expected)



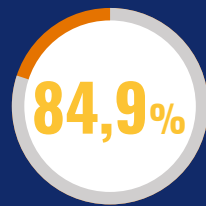
FUTURE GROWTH DRIVERS IN INNOVATEC REFERENCE MAIN INDUSTRIES



Next years **challenges** will accelerate our Client's journey toward sustainability: **Automotive** will switch to EV increasing recycling, **Fashion** will be **revolutionized by green fashion** and growth of recycling, 10 millions of **buildings** will be **renovated** to become **energy efficient**.

AUTOMOTIVE

REUSE & RECOVERY FOR END LIFE VEHICLES
(2020 ; % of weight of vehicles)



ITALY



EU TARGET

ELECTRIC & HYBRID CAR REGISTRATIONS

+4,8M

Expected new Electric & Hybrid car between '22 and '26 (replacing traditional vehicles)

+26,5%

CAGR 2022-2026

FASHION & GARMENTS

5,8

Million tons of textiles are thrown away, or about 11 kg per person, in the EU every year

<1%

of material used to produce clothing is recycled into new clothing

GREEN FASHION WEAR MARKET IN ITALY (€M)

€508M

Expected Market Value (2026)

CAGR 2022-2026:

+5,4%

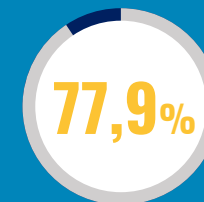
CONSTRUCTION & BUILDING

EU 2030 TARGET FOR BUILDINGS



Of buildings in Europe are expected to face renovations

ITALIAN BUILDINGS



9,7m out of 12,2m buildings are below target

€30-40 Bn

DISTRIBUTED IN THE NEXT 7 YEARS
(2023-2030)

INNOVATEC'S CLIENTS INDUSTRY TRENDS: OTHER INDUSTRIES



Other Industries expected to **experiment future massive growth** in sustainability transition

FOOD & BEVERAGE

FOOD&BEVERAGE MARKET (€Bn)

€29Bn

Expected
Market Value
(2026)

CAGR 2022-2026:
+3,7%

FOOD & BEVERAGE MARKET SIZE

>60k

Number of Italian
companies (2020 data)

ELECTRONICS & BATTERIES

CONSUMER ELECTRONICS MARKET (€Bn)

€40Bn

Expected
Market Value
(2026)

CAGR 2022-2026:
+6,6%

BATTERIES ACCUMULATORS MARKET SIZE

>150k

Batteries and
accumulators sent for
recycling in Italy in
tons (2020 data)

MATTRESSES & DRYWALL

EU IT MATTRESSES MARKET

29M

5M

RECYCLING RATE IN EU

14%

DRYWALL

high recoverable value (93% gypsum, 7%
paper)

High incinerated rate

85%

MARKETS HIGHLIGHTS: SIGNIFICANT GROWTH OPPORTUNITIES



CORPORATE

WASTE

76Mtons* SPECIAL WASTE VOLUMES (2020)

<0,9%
Innovatec's share in waste volume

AUTOMOTIVE

4,3M

EXPECTED NEW ELECTRIC & HYBRID CAR REGISTERED IN ITALY 2023-2026, **REPLACING TRADITIONAL MODELS**

FASHION & GARMENTS

+5,4%
CAGR 2022-2026

EXPECTED GROWTH OF GREEN FASHION MARKET IN ITALY



PEOPLE, COMMUNITIES & PA

CONSTRUCTIONS & BUILDINGS

~78%

ITALIAN BUILDINGS BELOW ENERGY EFFICIENCY TARGET (**9,7** millions of buildings)

€30-40Bn

INVESTMENTS IN REQUALIFICATIONS (distributed in period 2023-2030)

RENEWABLE ENERGIES

+11GW

RENEWABLE ENERGY SOURCE 2022-2026

+9GW

PHOTOVOLTAIC INSTALLATIONS 2022-2026

~€9Bn

CUMULATED PHOTOVOLTAIC MARKET VALUE 2022-2026

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HAIKI+: THE ABILITY TO ENVISION A NEW FUTURE



► The BU serves the so-called “special waste producers” and provides environmental services at every step of the cycle,

WASTE SERVICE CLIENTS



Cobat:

- Ripa: batteries
- RAEE: WEEE
- TYRE: tyre
- Compositi: composite material (i.e. glass and carbon fiber)
- Tessile: textile product

ACTIVITIES



Collection and transportation of waste from producers via own fleet and third-party collectors

Transportation to selection & treatment facilities and landfills

60 Collection Hubs

Sorting materials into recoverable and non-recoverable

Compacting

Refuse-derived fuel (“RDF”)

Processing and trading wastepaper and other recovered materials

Treatments and recover materials to trade
24 Partners
(3 proprietary plants)

DISPOSAL

Permanent disposal of waste

Recycling

Biogas recovery

Recycling

RECYCLE / RECOVERY

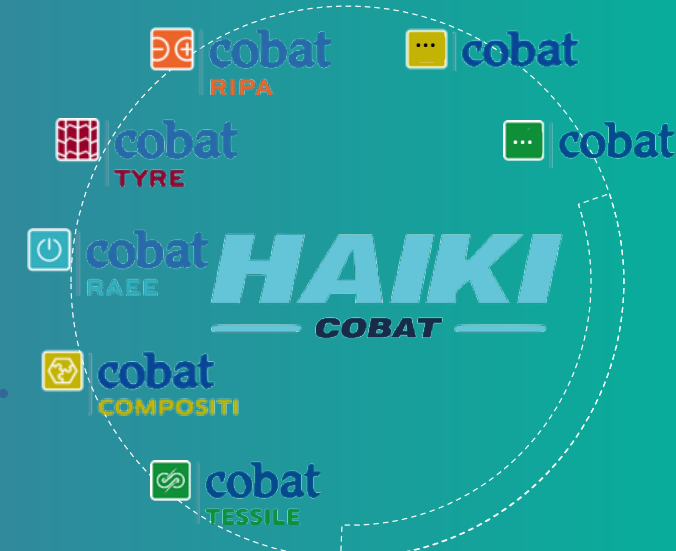
Biogas from landfill

EPR

Valuable Materials recovery

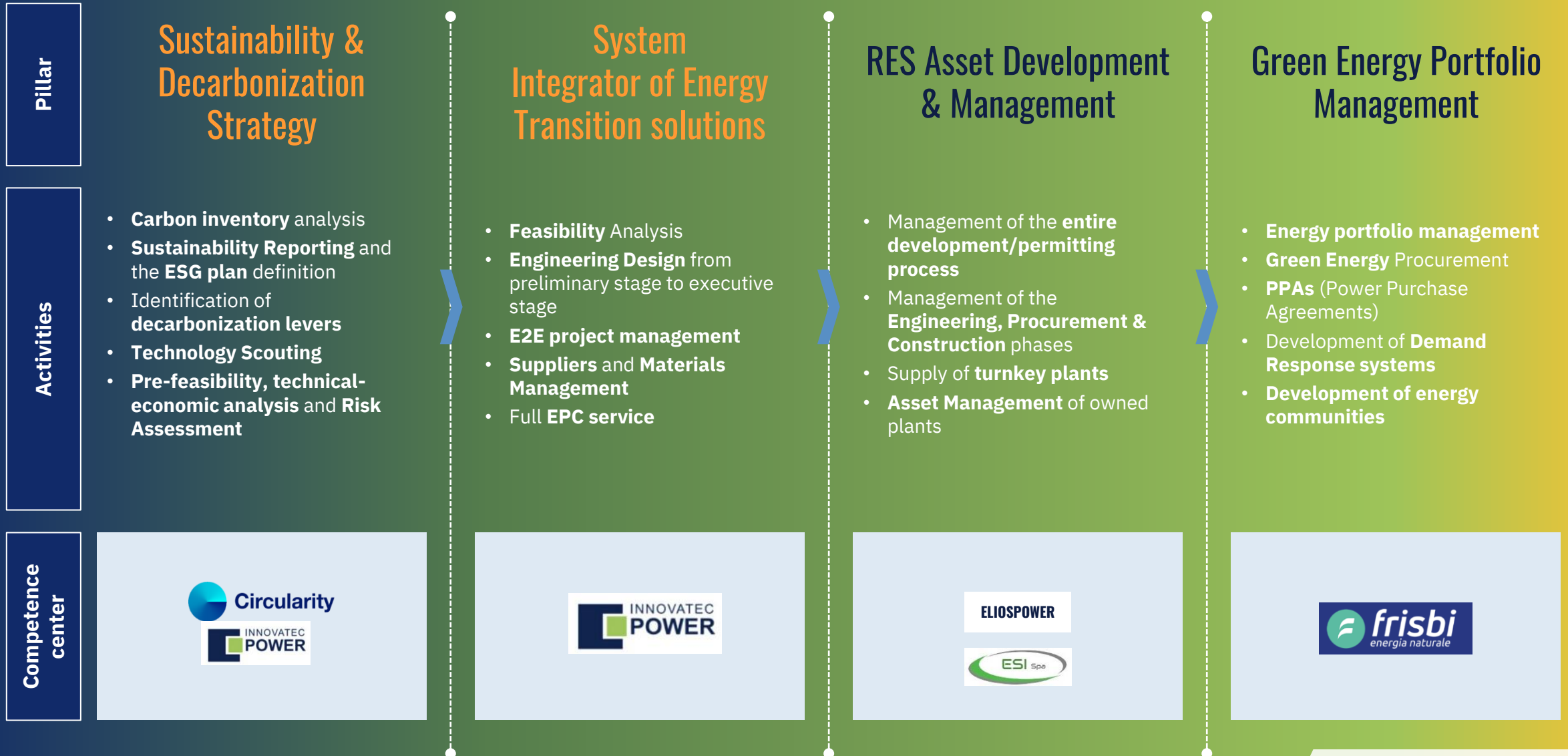
Valuable Materials recovery

CONSORTIA



EPR regulations will progressively affect most of the products, requiring additional consortia to take care of managing such products’ end of life. Haiki Cobat is perfectly positioned to replicate its unique service for each of them

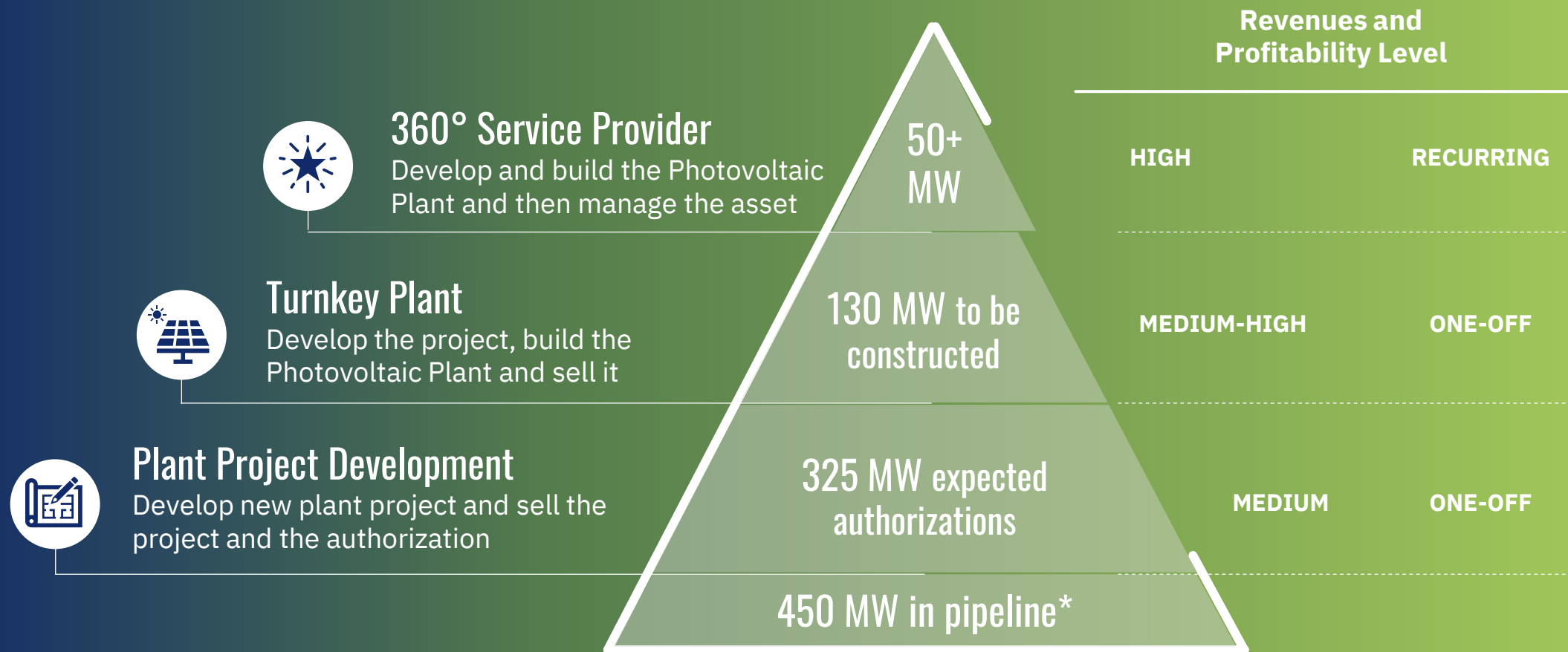
THE NEW 360° ENERGY CLEAN TECH PLATFORM



OFFERING PORTFOLIO FOR PHOTOVOLTAIC PLANT DEVELOPMENT



To affirm our role as **360° ENERGY CLEAN TECH PLATFORM** we designed a clear Offering Portfolio for ground mounted, utility scale Photovoltaic plant development. Thanks to these different types of offering we will seize several market opportunities balancing short and medium term business opportunities.



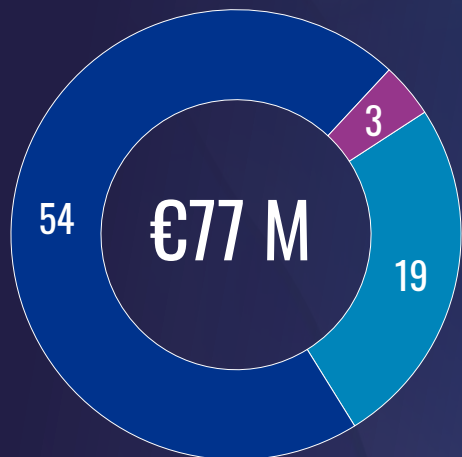
*:projects currently in development phase, for which authorizations are expected between 2023 and 2024

2026 PLAN: GROWTH & FINANCIAL AMBITONS



Cumulative CAPEX and Recruitments (2023-2026)

■ HARD CAPEX
 ■ M&A
 ■ DECARBONIZATION PLAN TO REDUCE GROUP'S EMISSIONS

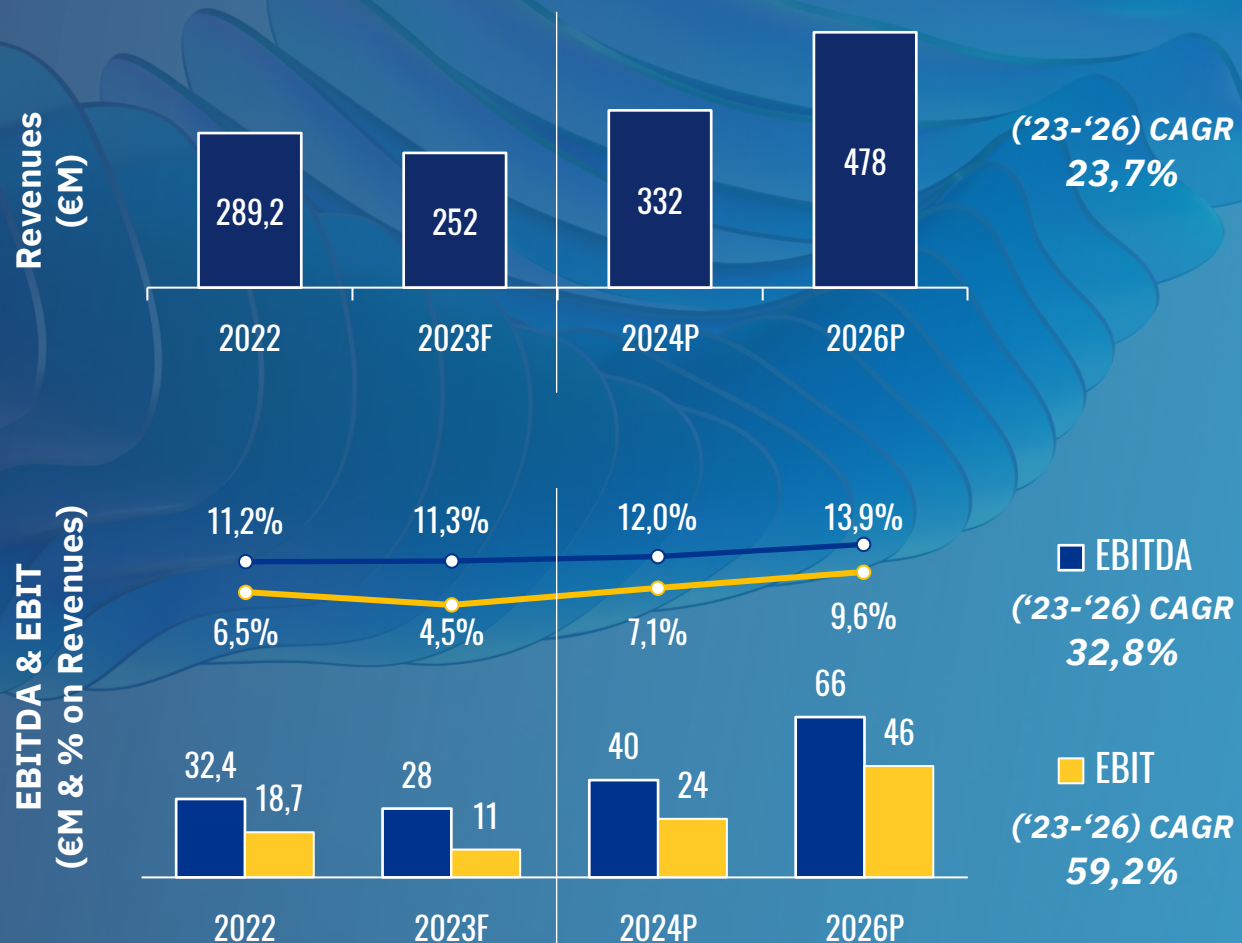
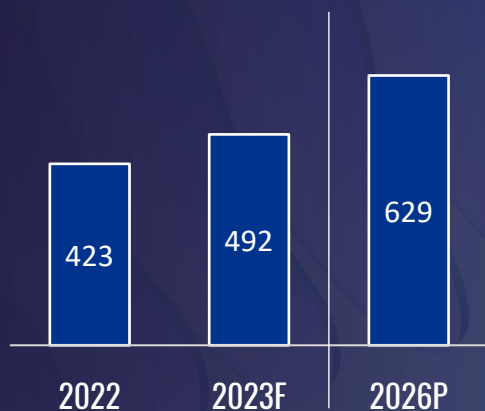


~63%
Assets renovation
vs '22

~62%
Operating Cash
Flow for CapEx

CAPEX + M&A
Investing in capex and in vertical technologies via acquisitions as well as in human resources to fuel growth in revenues and EBITDA

Recruitments
The company plans to hire +137 new employees between 2023 and 2026



BUSINESS UNIT BREAKDOWN



ENV. & CIRC. Business

- Expansion of its service portfolio, complementing the existing offer with a new platform of Clean Tech solutions supported by investments in innovative treatment and recycling plants (“Verticals”), as well as the implementation of consortium management to other waste classes in an EPR perspective.

EE & RES Business

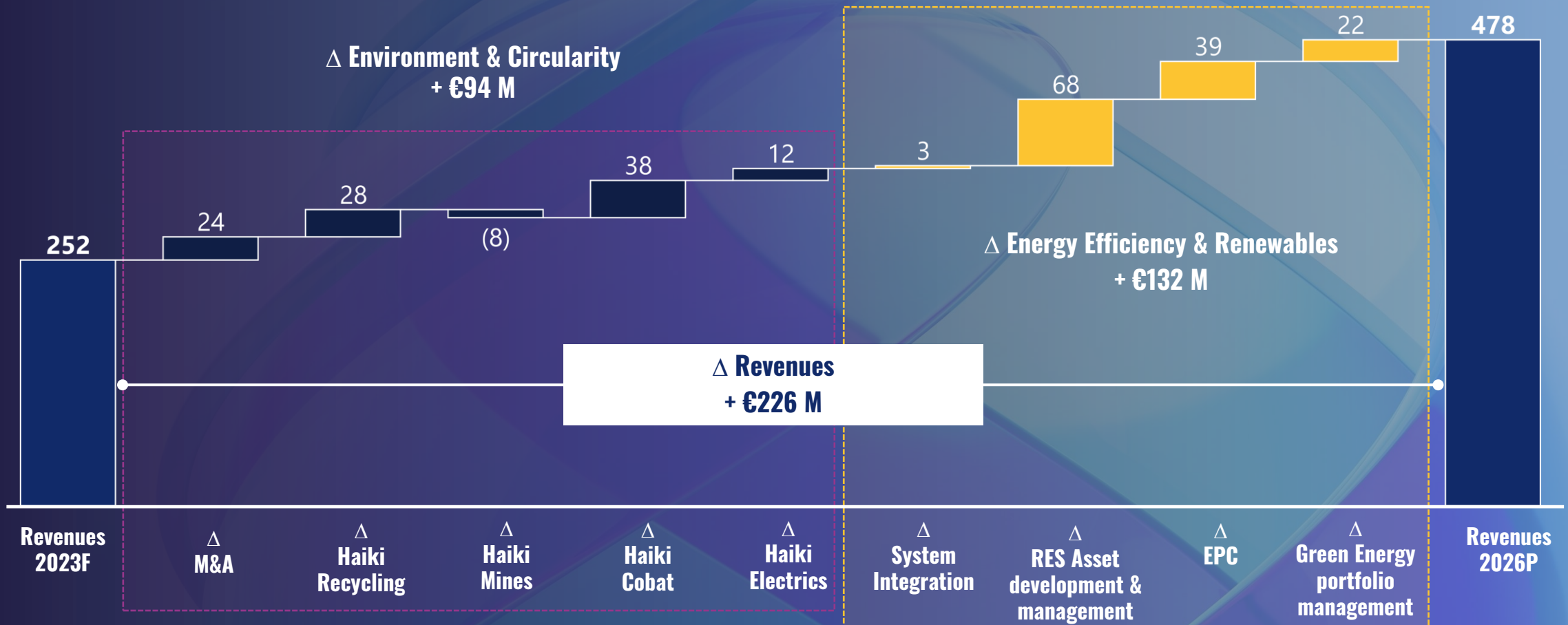
- B2B, B2C and PA
- PV Pipeline valorisation:
 - sale of the authorization;
 - sale of the plant ready to produce (also thanks to ESI S.p.A.)
 - proprietary asset management distributing the energy produced thanks to Frisbi S.r.l. .

<i>MEuro</i>	2022A	2023F	2024BP	2025BP	2026BP	CAGR % '23-'26
Environment & Circular Economy	176,0		224,0		278,0	
Energy Efficiency	114,0		108,0		201,0	
REVENUES	289,0	252,0	332,0	397,0	479,0	24%
Environment & Circular Economy	21,0		29,0		43,0	
Energy Efficiency	12,0		11,0		23,0	
EBITDA	32,4	28,4	40,0	53,0	66,0	33%
Environment & Circular Economy	12%		13%		13%	
Energy Efficiency	11%		10%		10%	
EBITDA Margin	11%	11%	12%	13%	14%	
EBIT	18,7	11,5	23,6	34,0	46,1	59%

INCREASED CONTRIBUTION FROM EE AND TREATMENT ACTIVITIES



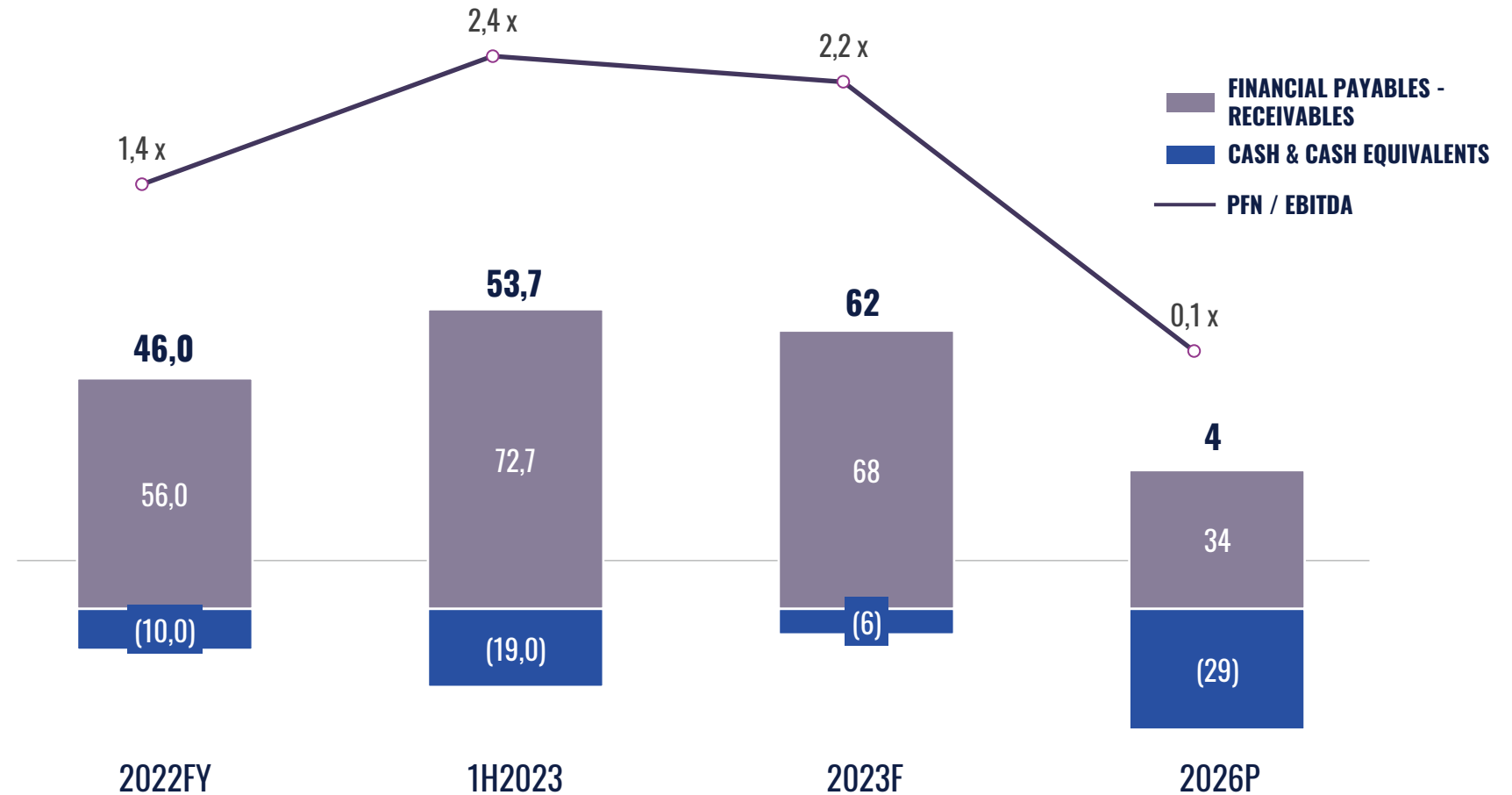
In the Plan period Environment & Circularity and Energy Efficiency & Renewables contributes to revenues growth at 2026P respectively for an increase of €94M and €132M.



NET FINANCIAL POSITION



According to estimates, a **strong exponential growth of cash & cash equivalents is expected, projected to increase from just €10million to 24 million by 2026**. This, combined with a general contraction in the balance of financial debts and credits, would result in a significant reduction in the net financial position, **decreasing by more than €35 million; dropping from 46 million to 10 million over the span of three years**.

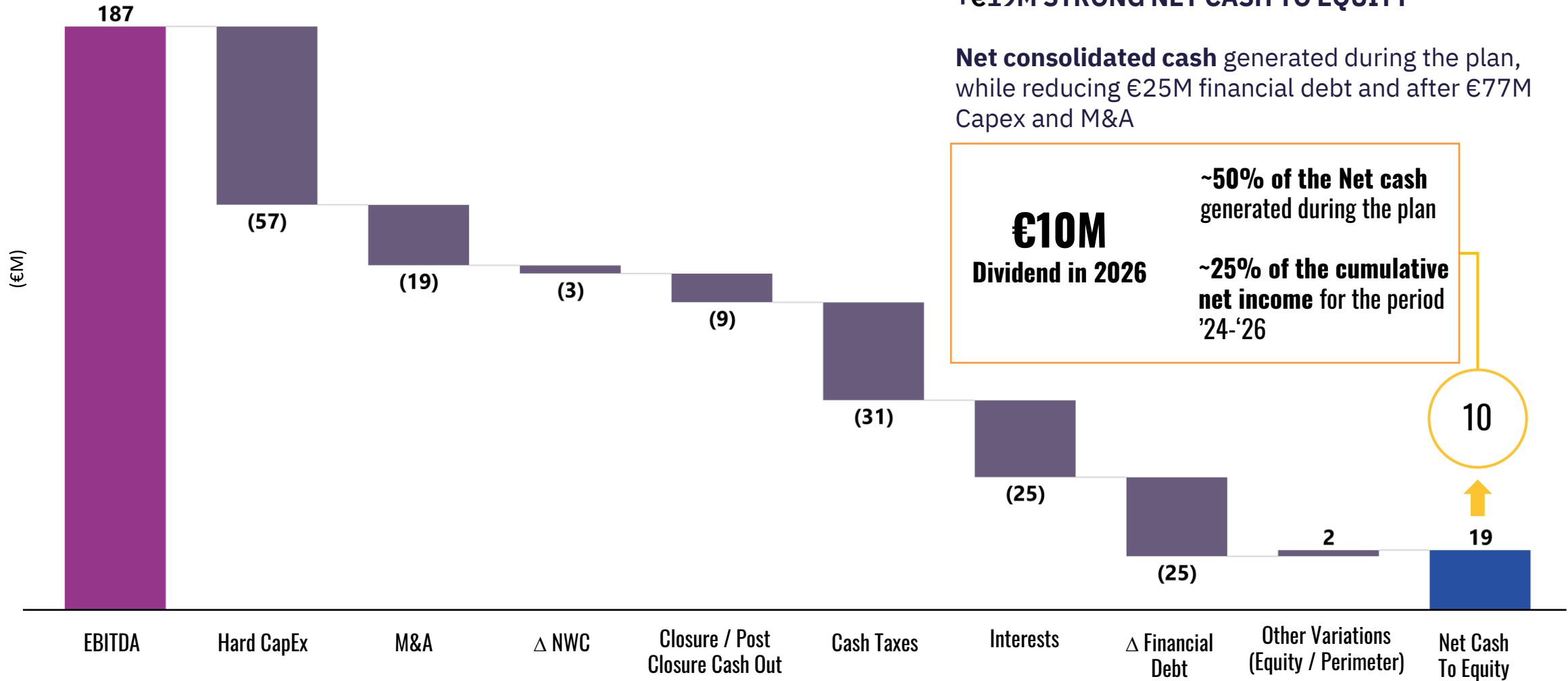


Data in €M

POSITIVE CASH GENERATION



CUMULATED CASH FLOW 2023 - 2026



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RESULTS AS OF 30 SEPTEMBER 2023



REVENUES €149,9m (N22: €222,3m)

EBITDA €19,2m (13%)

- BU Env.&EC (€23.4m)
- BU EE&RES €-2,4m
- Holding net costs €-1,8m

EBIT a €4,6m (3%)

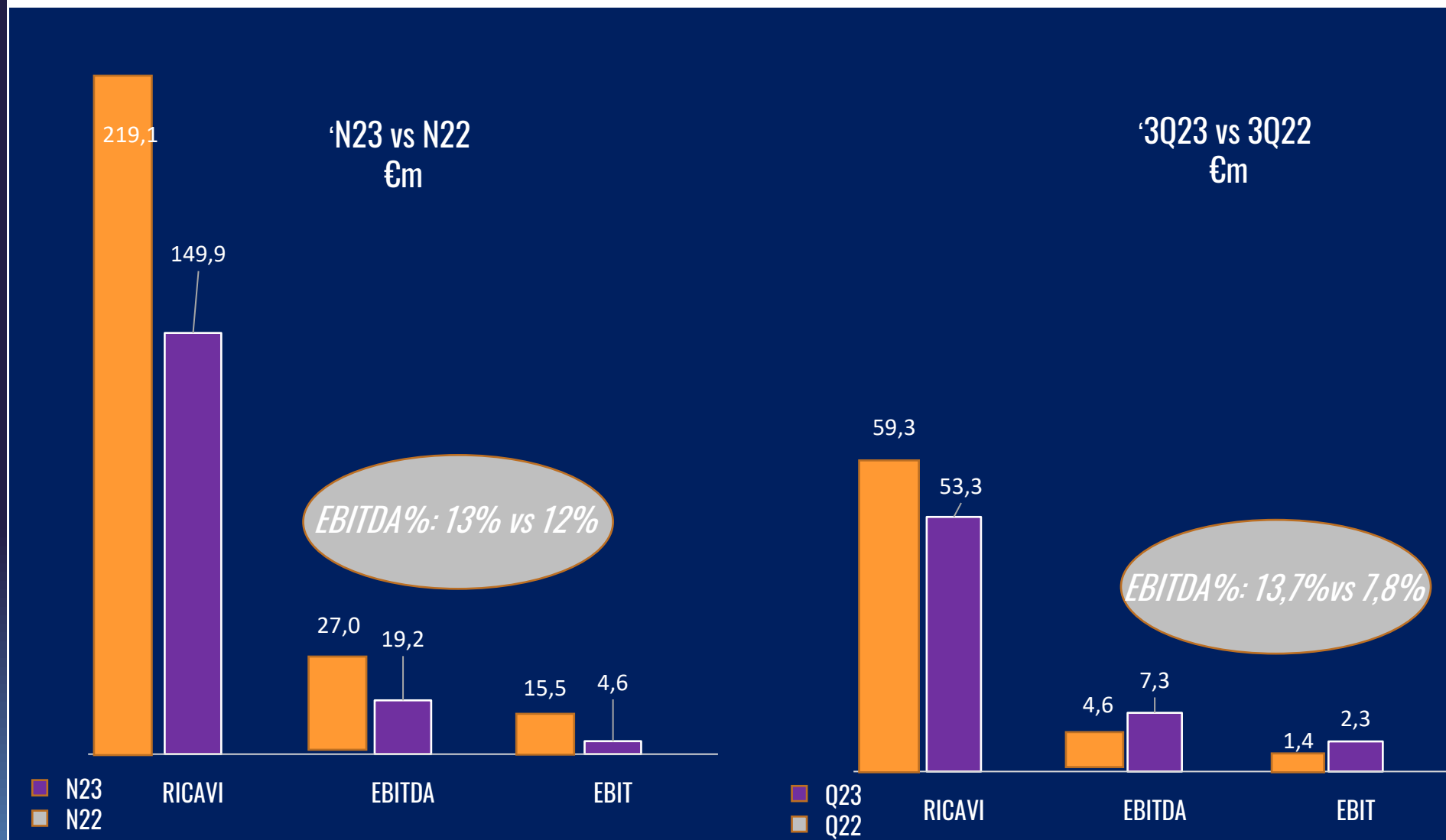
3Q23

REVENUES €53,3m

EBITDA €7,3m (13,7%)

EBITDA BU EE&RES positive (€+0,4m), BU Env.&EC at €7,6m (3Q23: €4,6m)

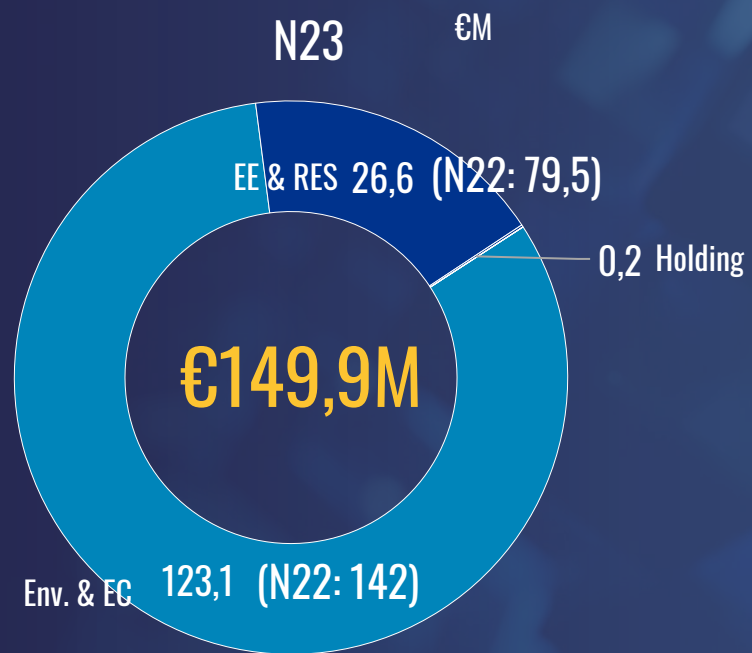
EBIT a €2,3m, EBIT margin 4,4% (3Q23: 2,4%)



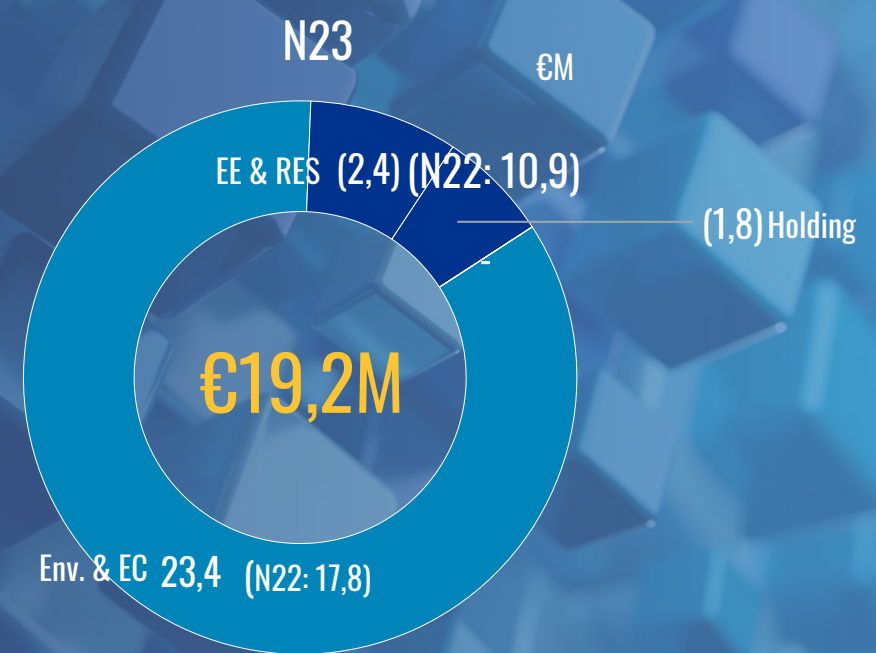
REVENUES AND EBITDA BREAKDOWN 9M23



REVENUES BREAKDOWN



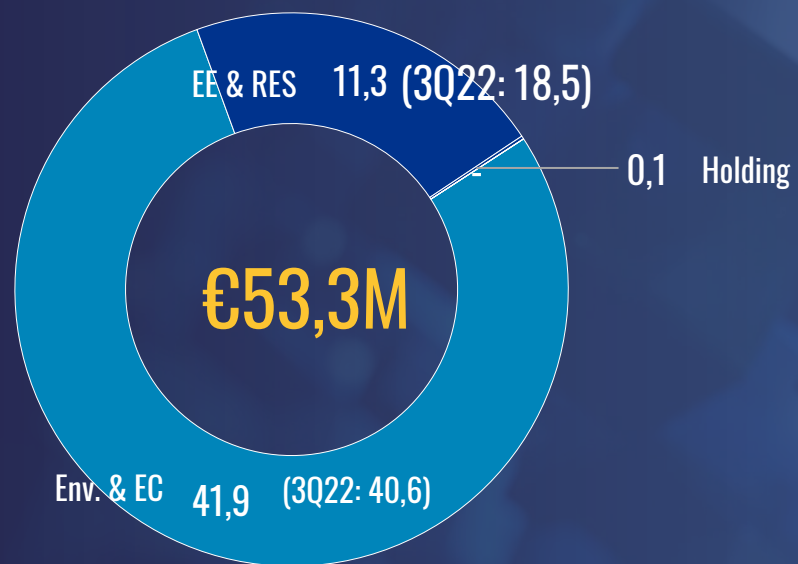
EBITDA BREAKDOWN





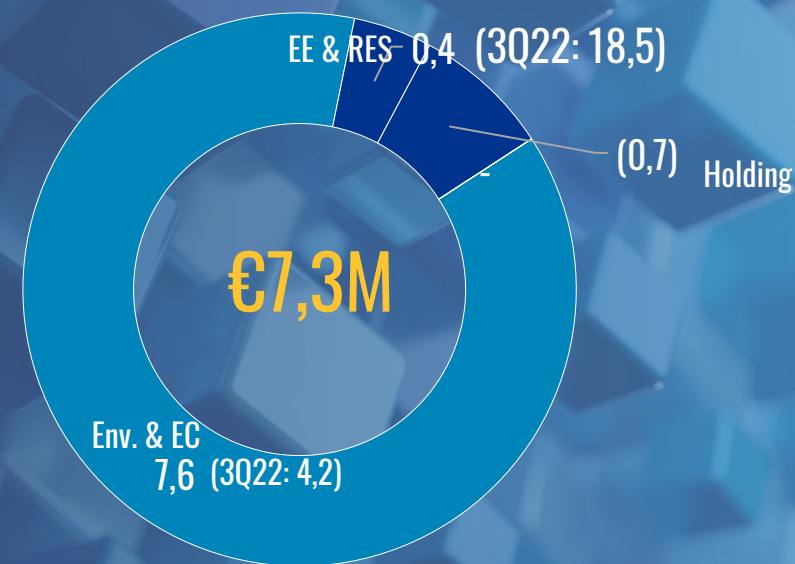
REVENUES BREAKDOWN

3Q23



EBITDA BREAKDOWN

3Q23

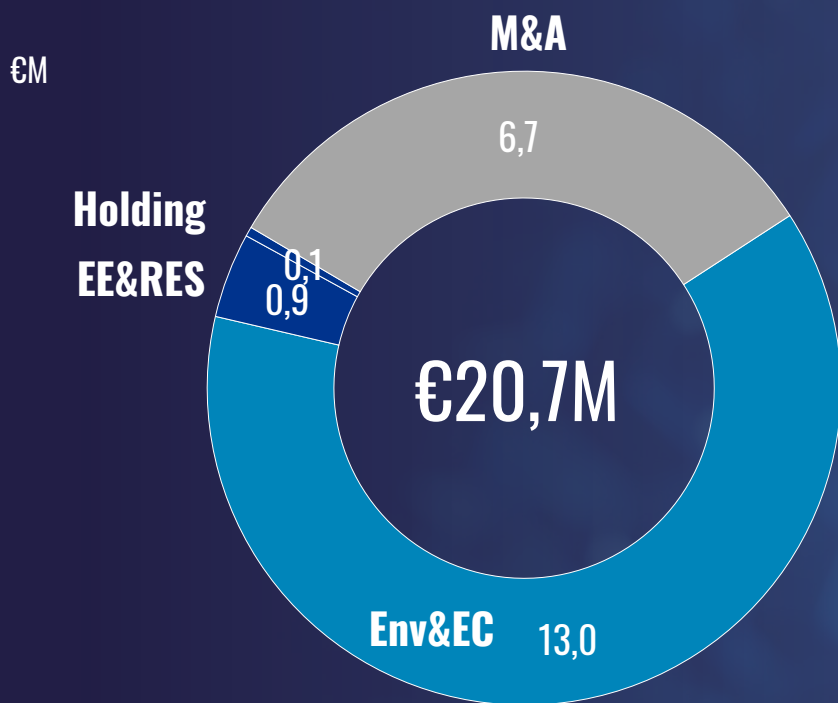


CAPEX & M&A



CAPEX and M&A at Euro 20,5 million of which Euro 6,7 million M&A

CAPEX AND M&A

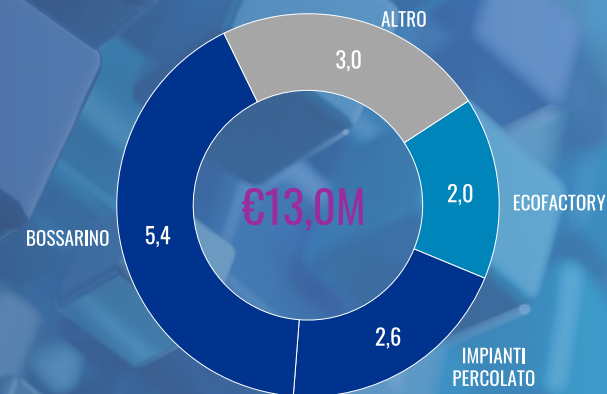


M&A

ESI S.p.A.	0,8
SEA S.p.A.	0,3
Circularity	0,6
Vescvo Romano & C. S.r.l.	2,5
Arum S.p.A.	2,5
Totale	6,7

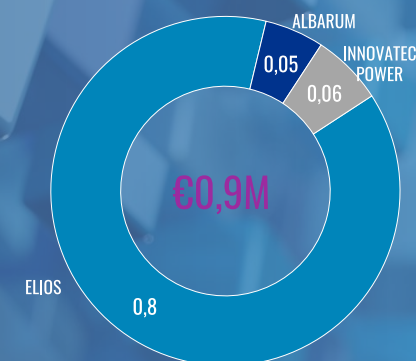
€M

BU ENV&EC



Euro Milioni

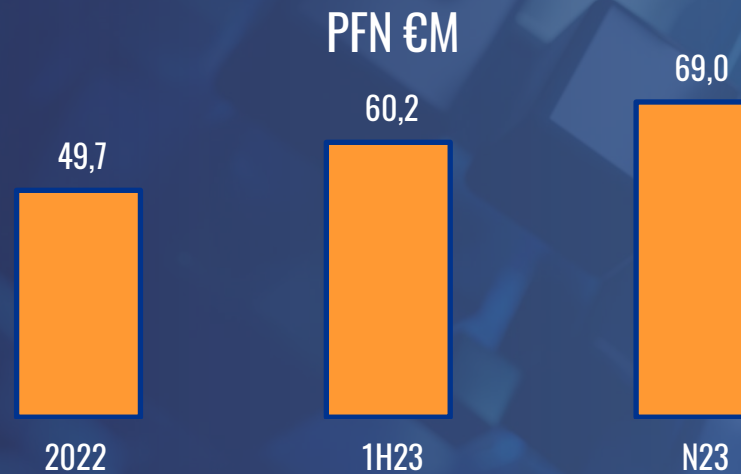
BU EE&RES



NET FINANCIAL POSITION 30 SEPTEMBER 2023



The Net Financial Position as at 30 September 2023 was negative at about Euro -69 million (Euro -50 million as at 31 December 2022) substantially due to Capex and M&A investments made during the period. During the first half of the year, there was a gradual collection of about Euro 25 million in 110% ecobonus credits. The ecobonus credits in the “*cassetto fiscale*” at today's date is about Euro 33 million.

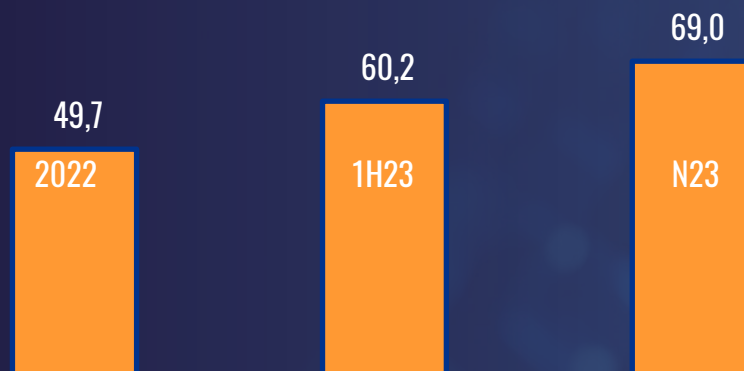


NET FINANCIAL POSITION



Negative at Euro 69 milioni as of 30 September 2023

NFP €M



CASH FLOW €M

MEuro	9M23
EBITDA	19,2
Financial Expenses	(5,4)
NWCC	0,7
Others	(2,6)
& M&A	11,9
Capex	(14,0)
M&A	(6,7)
Capex acquired from M&A	0,0
Operating Cash flow	(8,8)
Capital Increase	0,0
2023	(8,8)