



INNOVATEC GROUP

TOWARDS A CLEANER FUTURE, TOGETHER

COMPANY PRESENTATION

NEXT GEMS 2023

INNOVATEC GROUP

18 OCTOBER 2023





Elio Catania
Chairman



Raffaele Vanni
CFO and Investor Relator

TODAY'S SPEAKERS

INNOVATEC GROUP

COMPANY PRESENTATION

01 INNOVATEC IN ACTION

02 OUR PLAN TOWARDS SUSTAINABILITY

03 MARKET OVERVIEW

04 FINANCIAL PLAN 2024 - 2026

05 WARRANT & DIVIDENDS



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

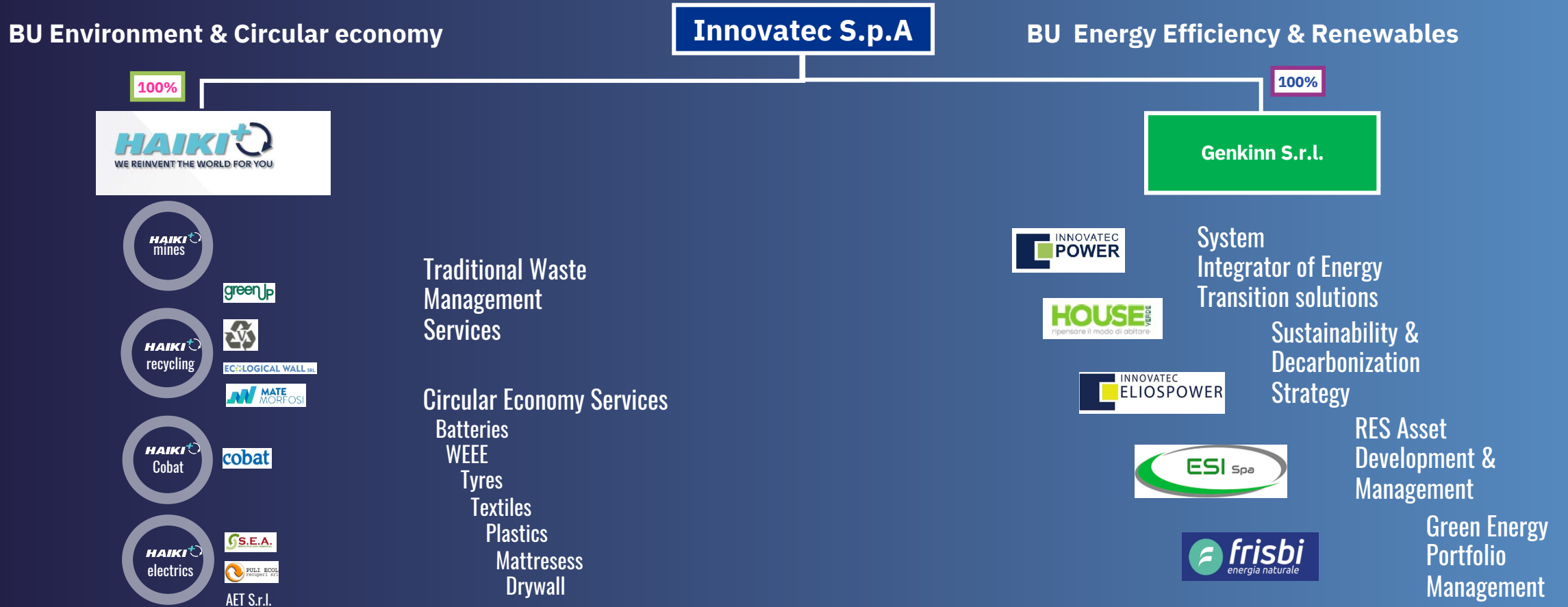
Diversification and integration of innovative end-to-end solutions that integrate energy efficiency and environmental services, from the recovery of industrial waste to its recycling



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**

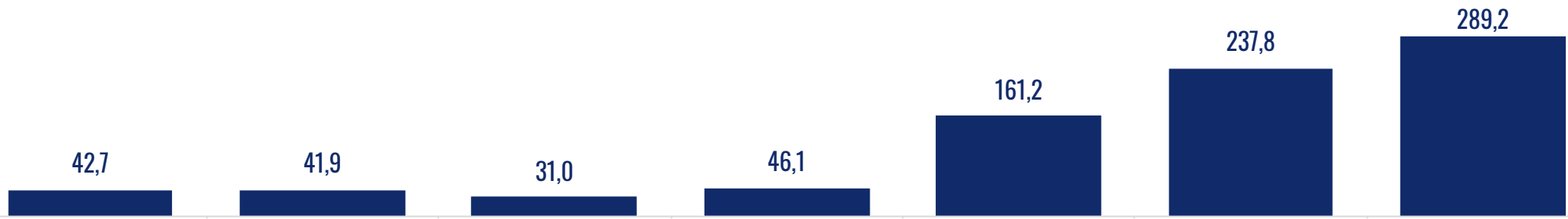


INNOVATEC'S KEY FIGURES IMPRESSIVE GROWTH....



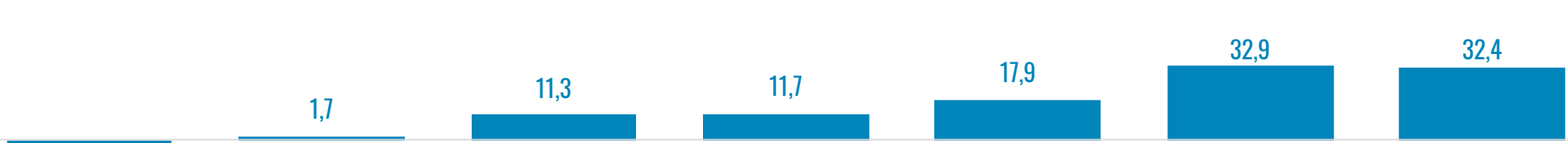
REVENUES
(€M)

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.

PULI ECOOL
recupero srl

AET

ALBARUM

frisbi
energia industriale

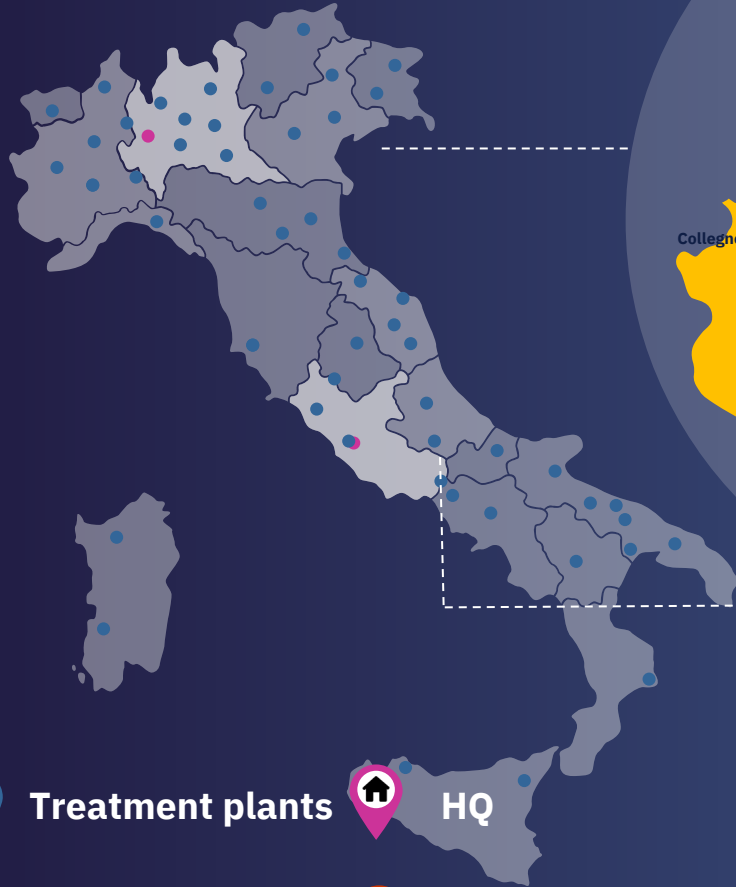
ESI

Notes: PF figures include COBAT results

A SOLID GROWTH PATH



WITH A SOLID ASSET BASE



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

- Treatment plants
- HQ
- Landfills
- Other facilities
- Collection hubs
- Partners

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



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

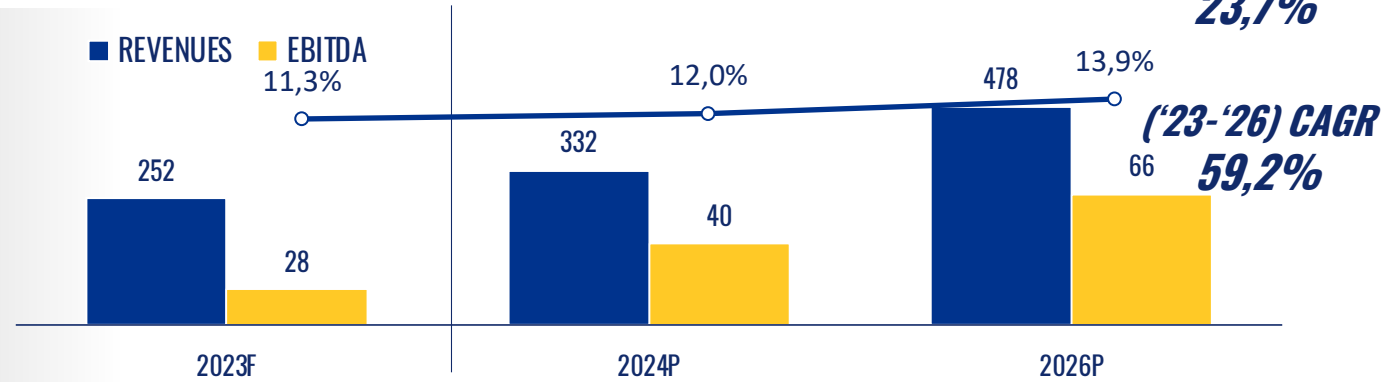


CAPEX +77€M
HR (+137 to 2026)

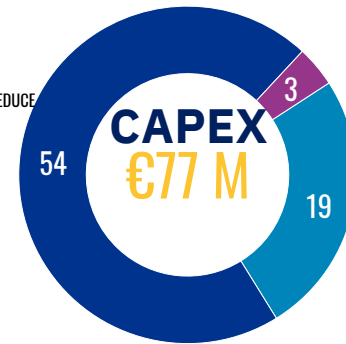


NFP TO ZERO
Leverage available for futher business development

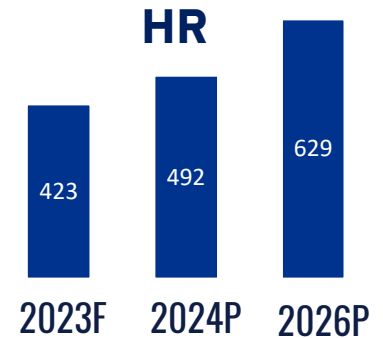
Data in €M



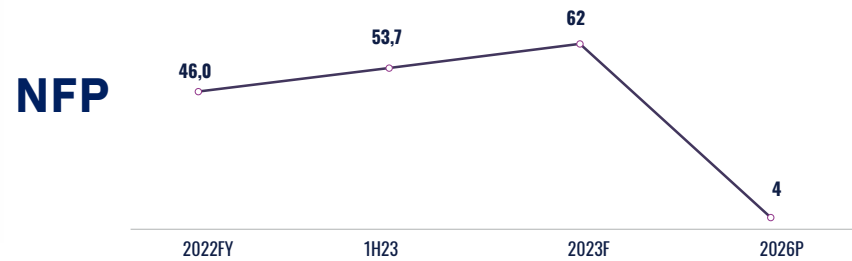
- HARD CAPEX
- M&A
- DECARBONIZATION PLAN TO REDUCE GROUP'S EMISSIONS



Data in €M



Data in €M



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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

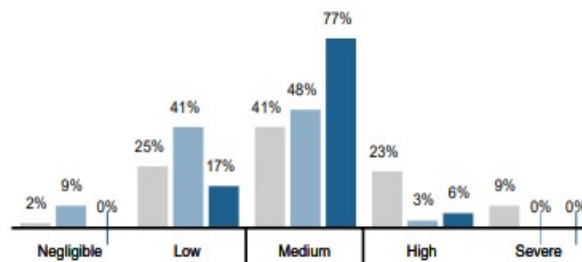
21.6

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 |

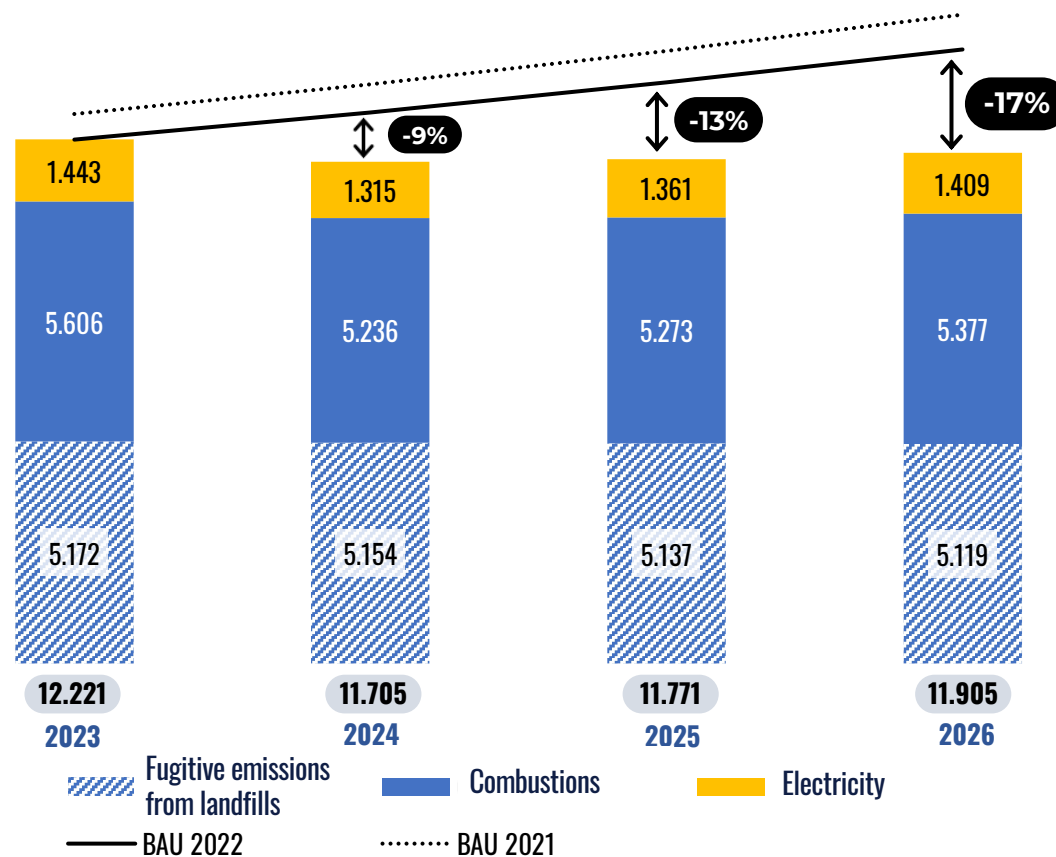
OUR STRATEGY TOWARDS CARBON NEUTRALITY



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

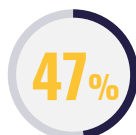


ITALY



EU TARGET

BATTERIES & RECHARGEABLES



ITALY



EU TARGET

GROWTH OF LITHIUM BATTERIES RECYCLING



2025 EU TARGET



2030 EU TARGET

RECYCLING SHARES %



LANDFILL WASTE DISPOSAL TARGET

20%



10%

2020

2035

2020 Actual: 16% (2010: 23%)

76 Mtons*

Special waste volumes

<0,9%

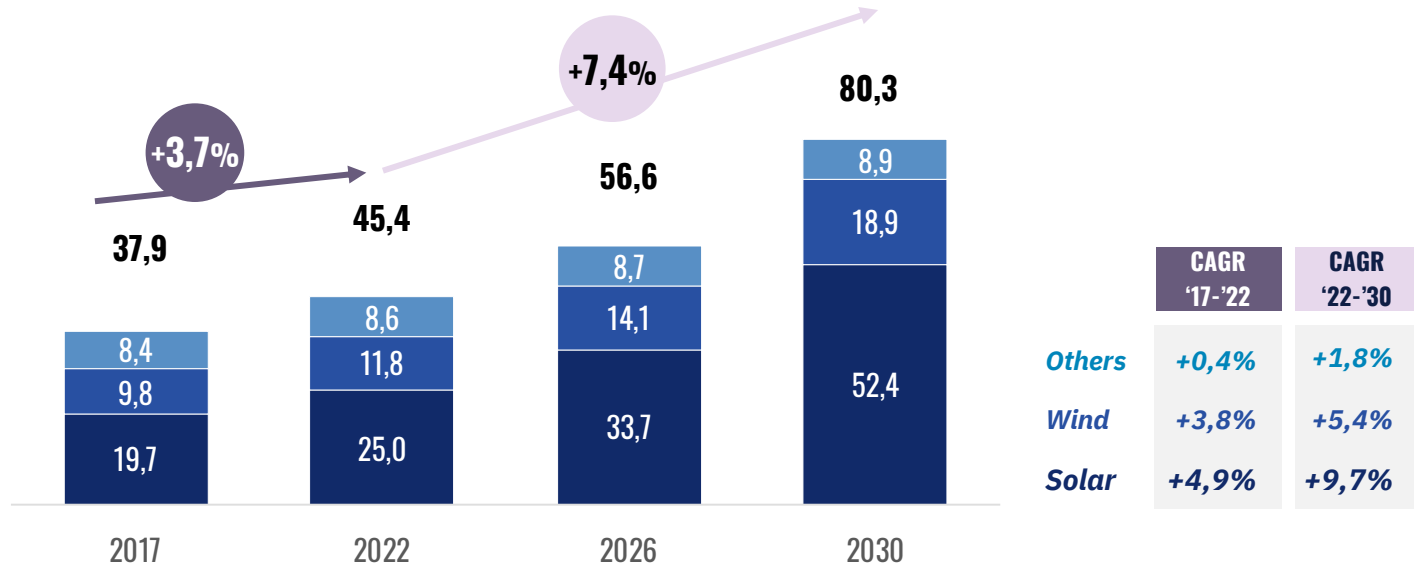
Innovatec's share in waste volume



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)



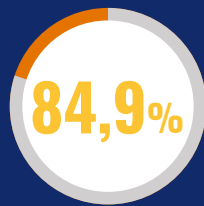
FUTURE GROWTH DRIVERS IN INNOVATEC REFERENCE MAIN INDUSTRIES



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%

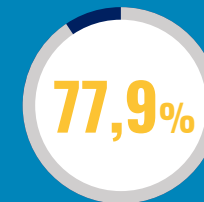
CONSTRUCTION & BUILDING

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:

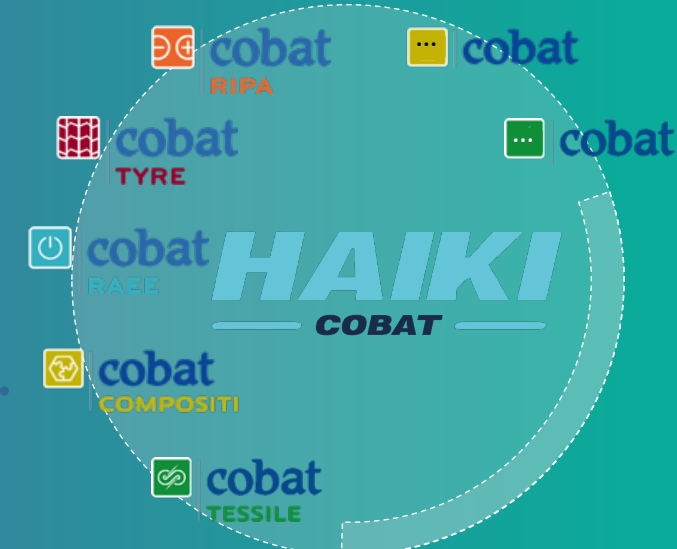
- Ripa: batteries
- RAEE: WEEE
- TYRE: tyre
- Compositi: composite material (i.e. glass and carbon fiber)
- Tessile: textile product

multi-product Consortium

ACTIVITIES

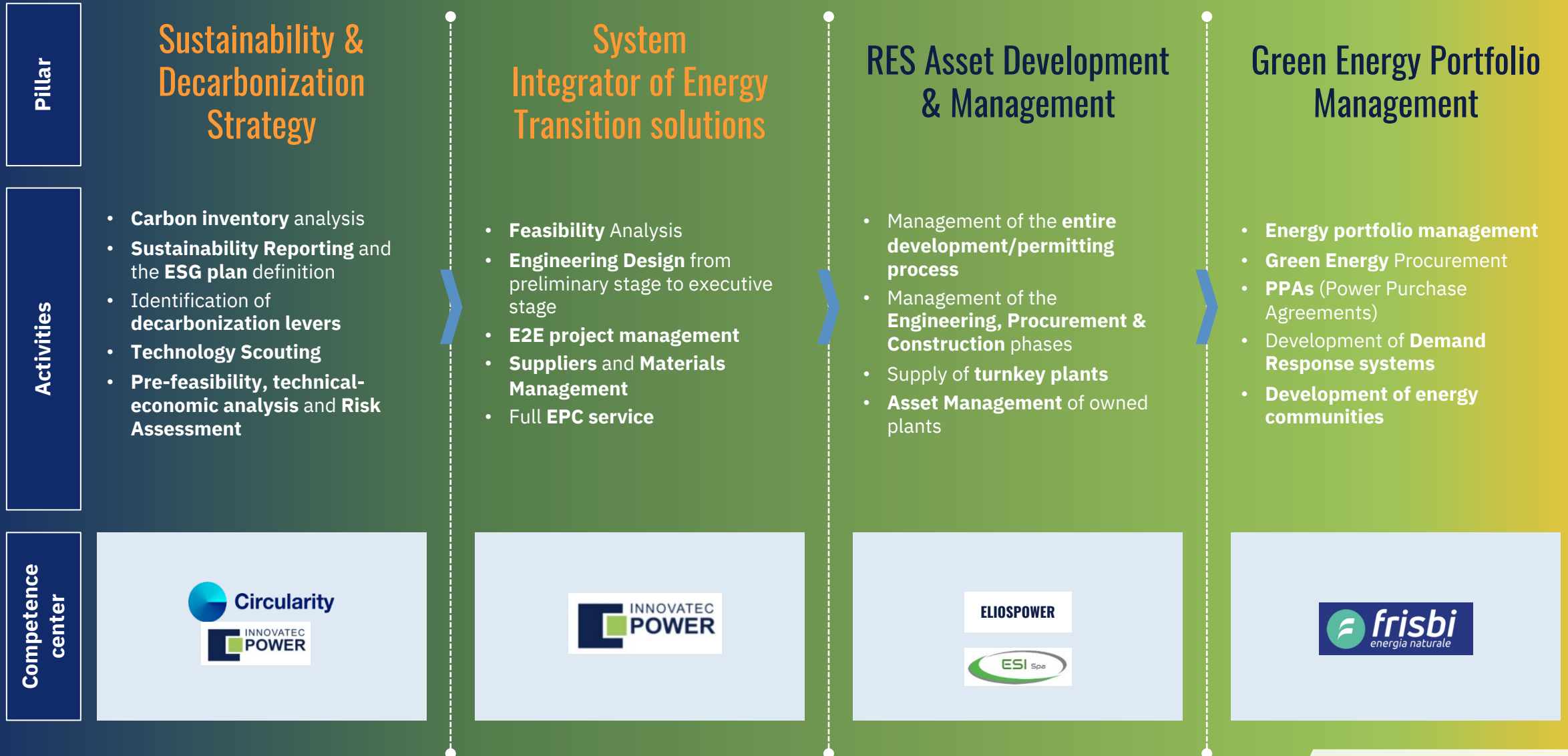
| COLLECTION / TRANSPORT | SORTING & TREATMENT | DISPOSAL | RECYCLE / RECOVERY |
|--|--|-----------------------------|-----------------------------|
| Collection and transportation of waste from producers via own fleet and third-party collectors | Sorting materials into recoverable and non-recoverable | Permanent disposal of waste | Biogas from landfill |
| Transportation to selection & treatment facilities and landfills | Compacting | Recycling | EPR |
| | Refuse-derived fuel (“RDF”) | Biogas recovery | Valuable Materials recovery |
| | Processing and trading wastepaper and other recovered materials | | |
| 60 Collection Hubs | Treatments and recover materials to trade 24 Partners (3 proprietary plants) | Recycling | 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

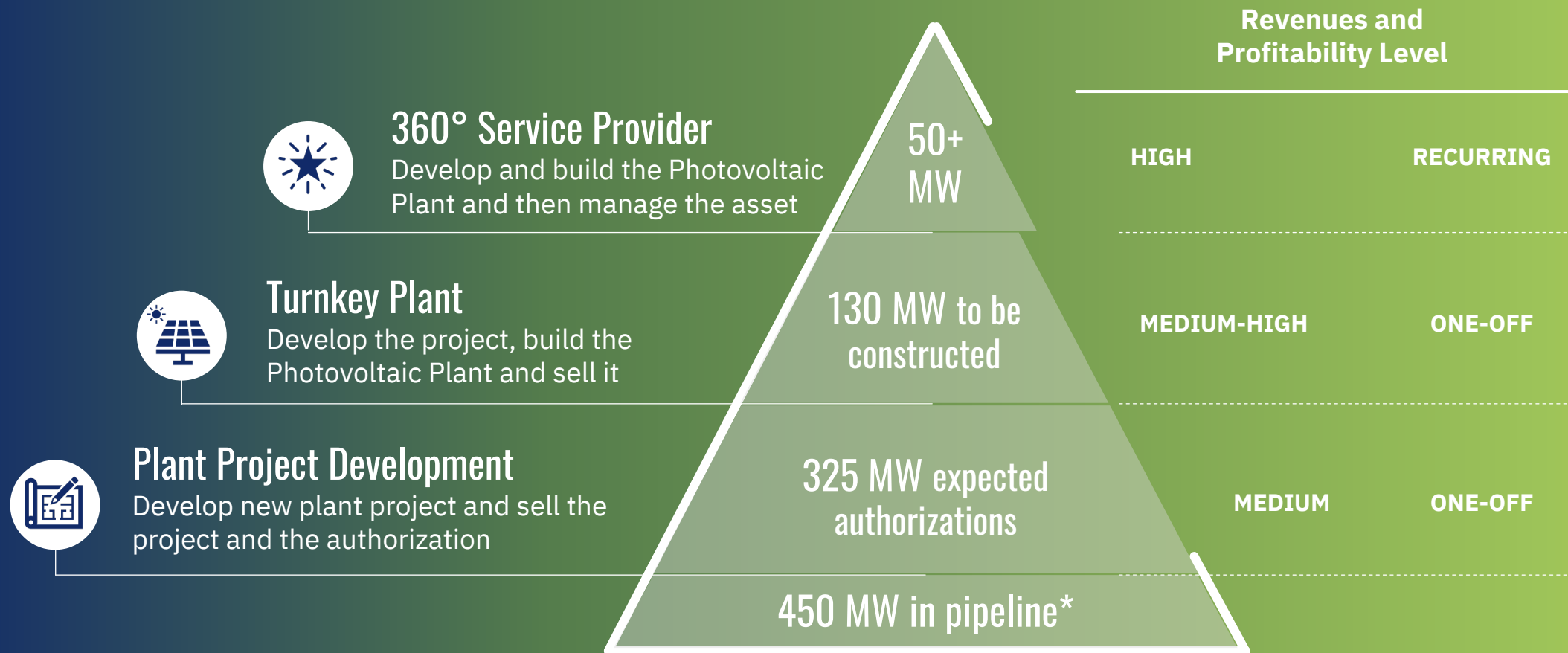
THE NEW 360° ENERGY CLEAN TECH PLATFORM



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.



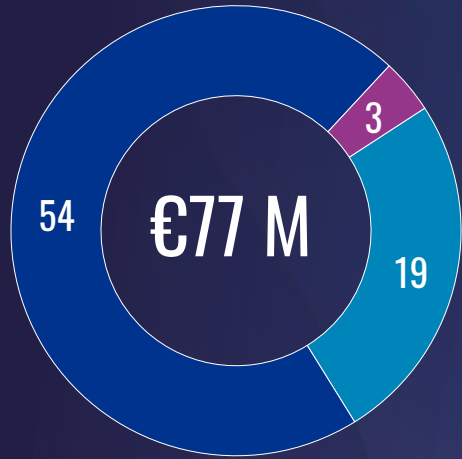
* :projects currently in development phase, for which authorizations are expected between 2023 and 2024

2026 PLAN: GROWTH & FINANCIAL AMBITONS



Cumulative CAPEX and Recruitments (2023-2026)

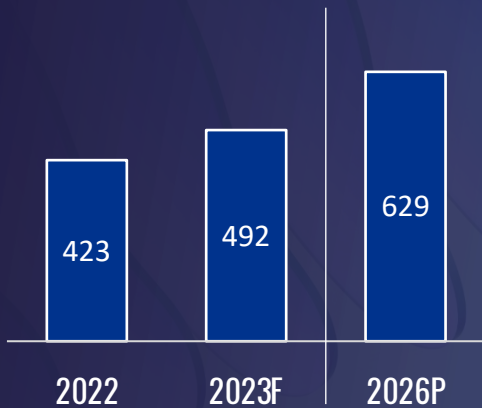
■ HARD CAPEX
 ■ M&A
 ■ DECARBONIZATION PLAN TO REDUCE GROUP'S EMISSIONS



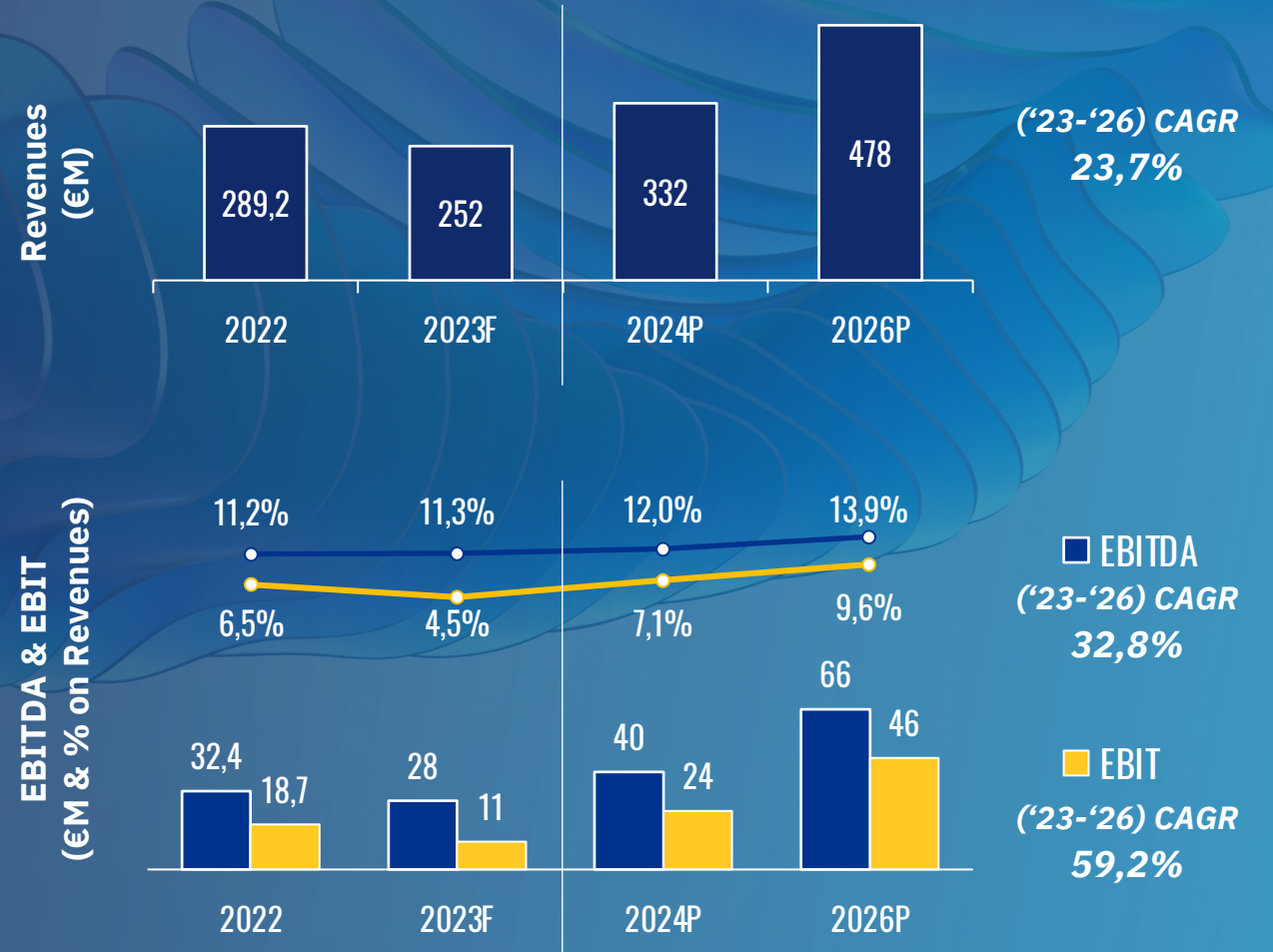
~63%
 Assets renovation vs '22

~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

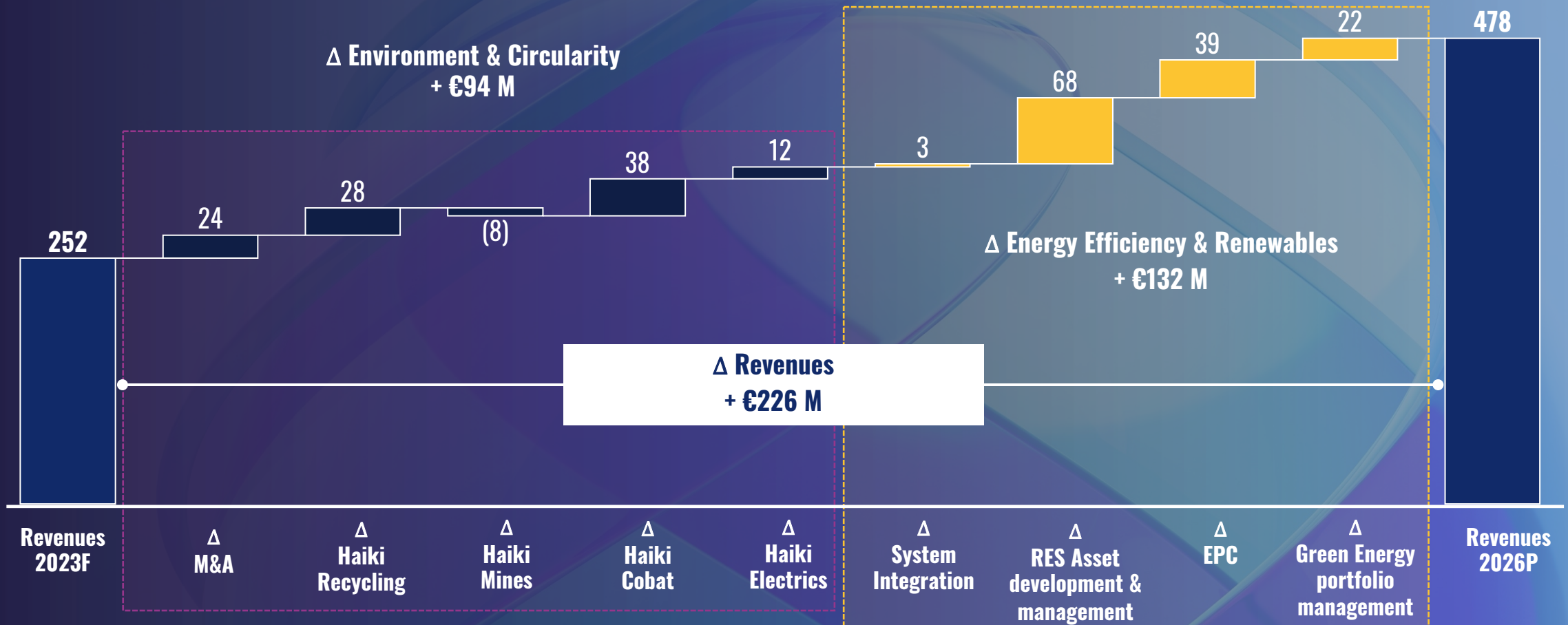
- B2B, B2C and PA
- PV Pipeline valorisation:
 - sale of the authorization;
 - sale of the plant ready to produce (also thanks to ESI S.p.A.)
 - proprietary asset management distributing the energy produced thanks to Frisbi S.r.l. .

| <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



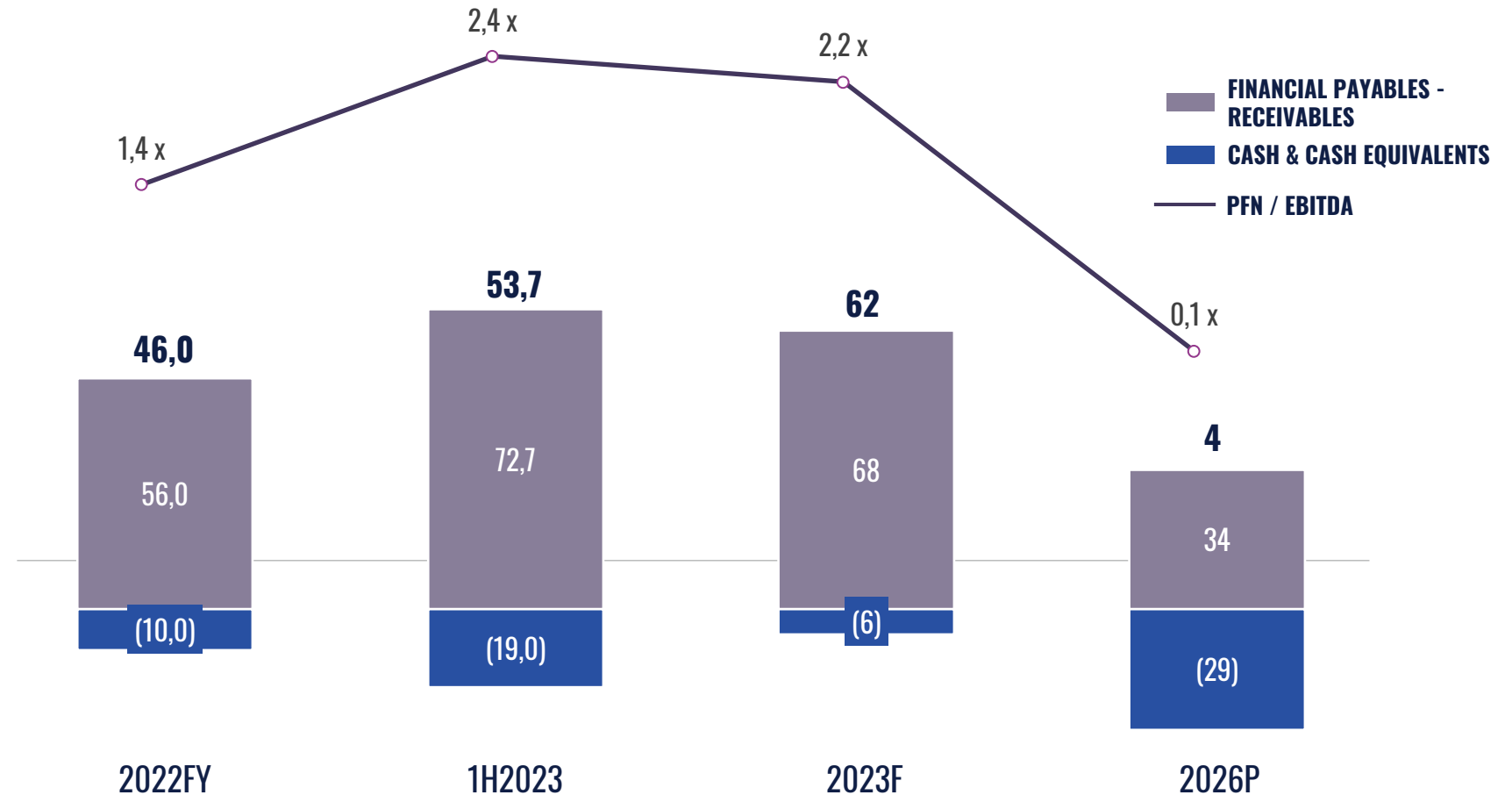
In the Plan period Environment & Circularity and Energy Efficiency & Renewables contributes to revenues growth at 2026P respectively for an increase of €94M and €132M.



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**.

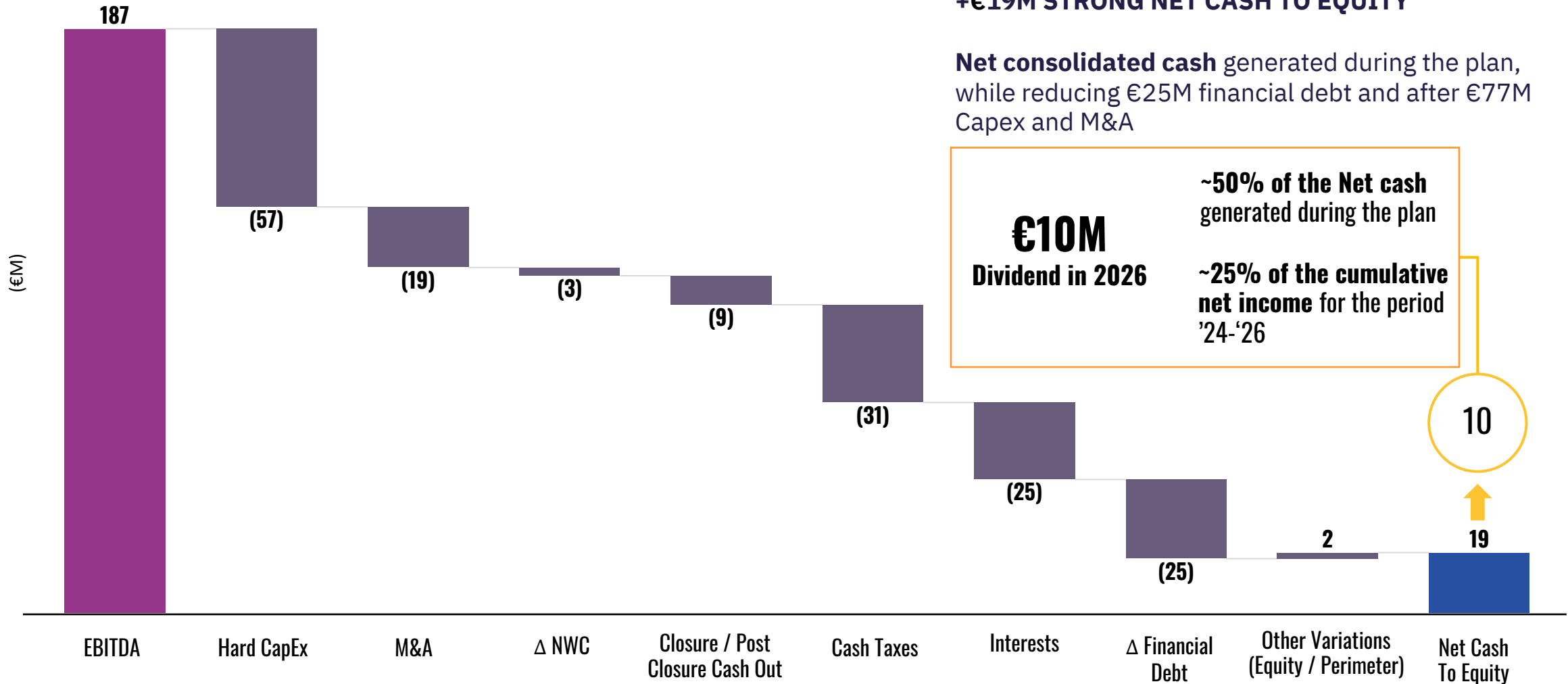


Data in €M

POSITIVE CASH GENERATION



CUMULATED CASH FLOW 2023 - 2026



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DIVIDEND POLICY END PLAN

€ 10M: €0.10 per share

Est. Dividend yield: 5.52%
(discounted)

ROE: 26%⁽¹⁾

ROI: 25%

Cumulative estimated yield 2024-2026
(referring to 18/09/23 spot price)

12.83%



FREE WARRANTS TO BE ISSUED DURING 4Q2023

Ratio: 32 INC shares vs 1 Warrants
1 Warrants = 1 New Shares

Strike prices
4Q2024: €1,90 *approx.*
4Q2025: €2,10 *approx.*
1Q2027: €2,60 *approx.*

(1) After dividend distributed by the end of the Plan