



TOWARDS A CLEANER FUTURE, TOGETHER

COMPANY PRESENTATION

INNOVATEC GROUP

05 May 2022



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TODAY'S SPEAKERS



COMPANY PRESENTATION

INNOVATEC GROUP

✓ **INDUSTRY AND INNOVATEC OVERVIEW**

- BUSINESS MODEL & STRATEGY
- 2022-2024 PLAN
- FY2021 RESULTS
- GOVERNANCE





CLEANTECH INDUSTRY

Any **process, product or service** that aims at **reducing negative environmental impacts** through:



Environmental protection activities – recovery, recycling and disposal of materials



Sustainable **use of resources**: water, air and the environment as a whole



Significant improvements in terms of **energy efficiency**



WHAT IS CLEANTECH?





EU ENERGY TRANSITION TARGETS

LANDFILL WASTE DISPOSAL TARGET



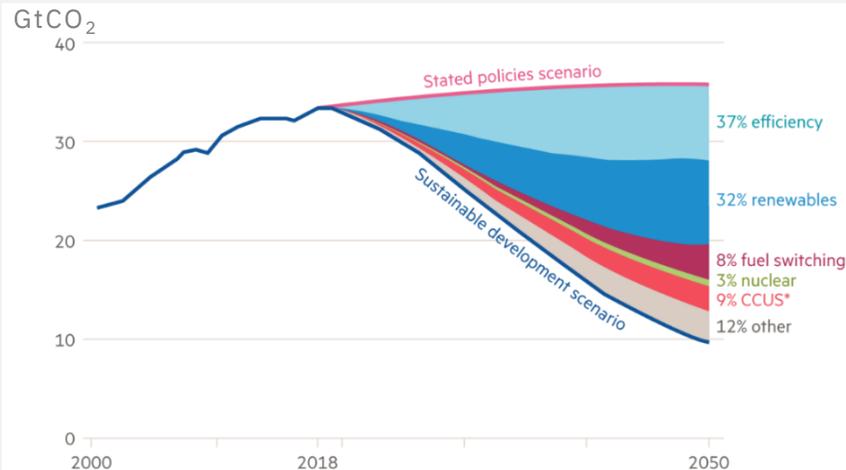
TARGETED EMISSIONS REDUCTION*



RES INSTALLED CAPACITY



RECYCLED WASTE



ELECTRICITY GENERATION FROM RES



CIRCULAR ECONOMY TO MAXIMIZE THE RE-USE OF RESOURCES

STRONG EXPANSION IN EE

UNPRECEDENTED GROWTH IN RENEWABLES

Source: European Commission

*Reduction of GHGs emissions vs 1990 baseline



INNOVATEC GROUP

WHO WE ARE

CLEANTECH INDUSTRY

INTEGRATION

ENVIRONMENT & CIRCULAR ECONOMY		INNOVATION & CONSULTANCY SERVICES	EE & RENEWABLES	
TRADITIONAL ENVIRONMENTAL SERVICES	Collection	High level advisory in circular economy + Cleantech corporate venture capital	B2B	Energy efficiency EPC
	Selection			PV plants
CIRCULAR ECONOMY SERVICES	Recovery of Materials		B2C	Smart vertical technologies
	Disposal			HouseVerde (“HV”)
	Recycling	Energy communities		
	Energy recovery	PA	Kyoto fund	
	EPR driven services		Energy communities	
The Italian leading operator providing 360-degree services in circularity and sustainability		We integrate Energy Efficiency services and the full cycle of Environmental services , from recovery to recycling	We also have an impact in helping other Companies improve the circularity in their products and processes	

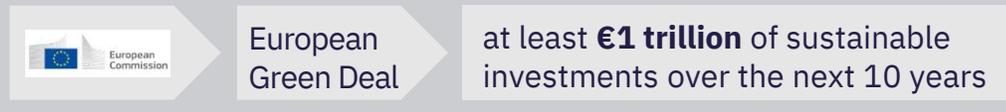
END TO END INTEGRATION





WE ARE IN AN ATTRACTIVE BUSINESS

EU INVESTMENTS



ITALIAN GOVERNMENT INVESTMENTS



4 ACCESSIBLE MARKETS FOR INNOVATEC:

1

SUPERBONUS 110%

Deduction for interventions dedicated to households' insulation and energy saving
€14 bn

2

ENERGY TRANSITION

Funding for innovative projects ("Progetti Faro), promotion of innovative power plants, biomethane, Green Ports
€3.5 bn

3

ENERGY COMMUNITIES

Funding for the development of renewable energies in energy communities
€2.2 bn

4

AGRO-PV

Funding for the development of PV plants in agriculture and farming
€2.6 bn

INNOVATEC CAN INTERCEPT RELEVANT FUNDS FOR BUSINESS DEVELOPMENTS





2022-2024 GROWTH BUSINESS PLAN

KEY DRIVERS

A clear strategic path and a serious commitment **in our 2022-2024 business plan:**

1



Strong Investment Plan to strengthen and deepen our footprint in circular economy

€59M

2



Investing in **human capital** to fuel the EE business

+125 HR

3



Leveraging our unique Asset Base

Ready to surf the industry momentum to seize **opportunities** that open up in the **regulatory context**

around **€100M Fixed Assets**

4



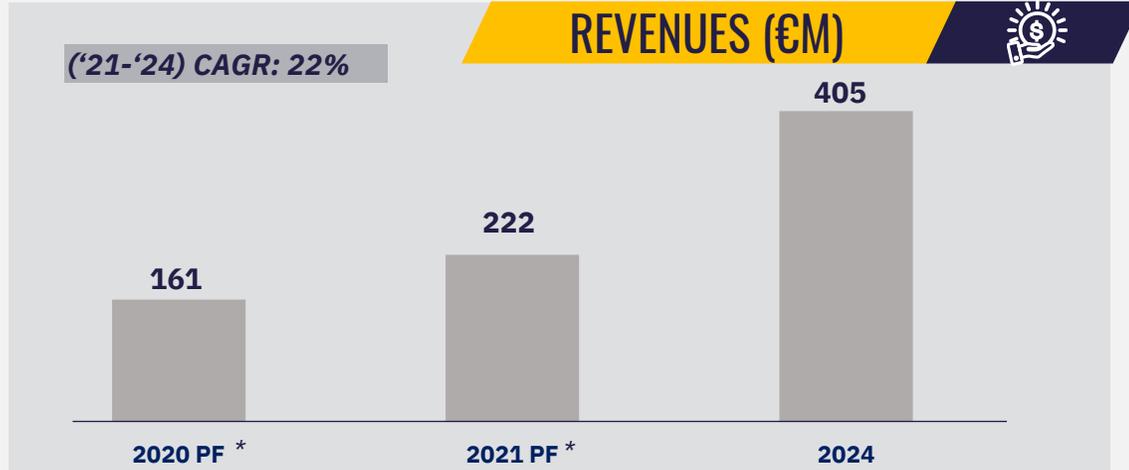
Combining growth and financial discipline

POSITIVE NFP €31M

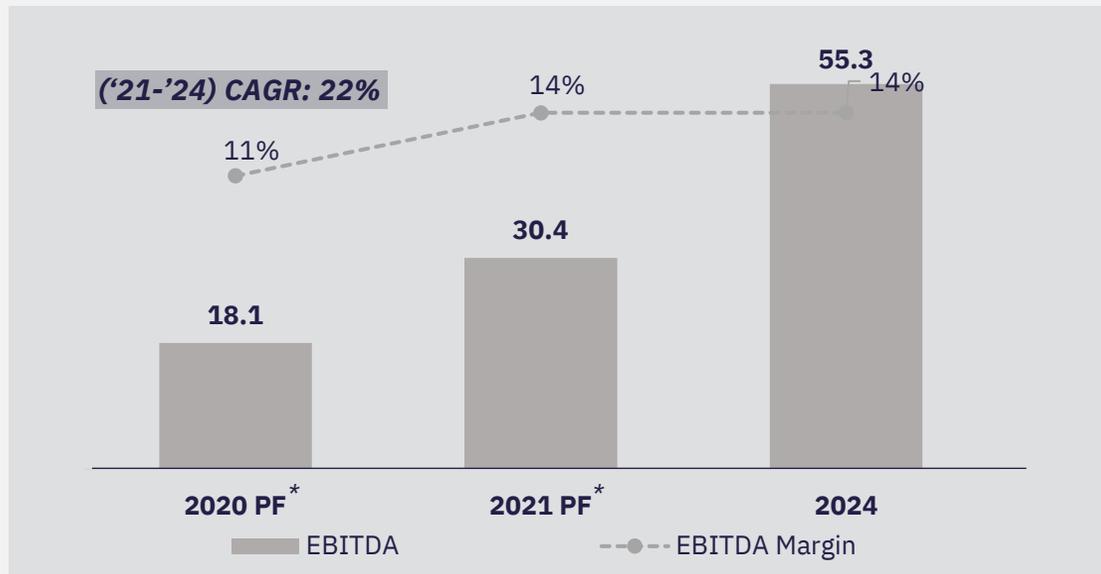
BE A LEADER IN THE CLEANTECH INDUSTRY TO REWRITE THE FUTURE FOR NEXT GENERATIONS



2022-24 BP AT A GLANCE

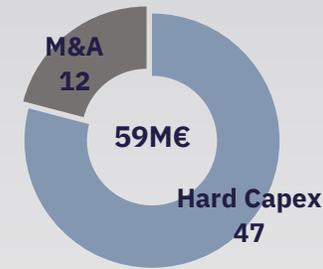


* 2020 and 2021 Revenues and EBITDA including COBAT financial results



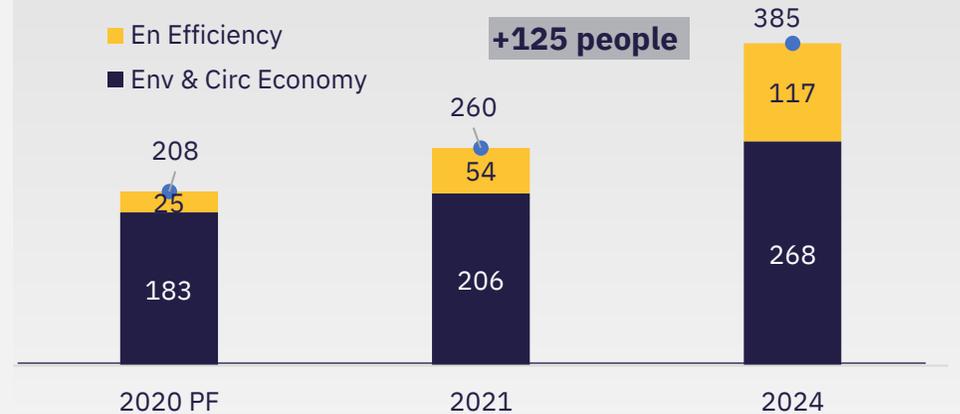
EBITDA (€M)

Cumulative CAPEX and Recruitments (2022-2024)



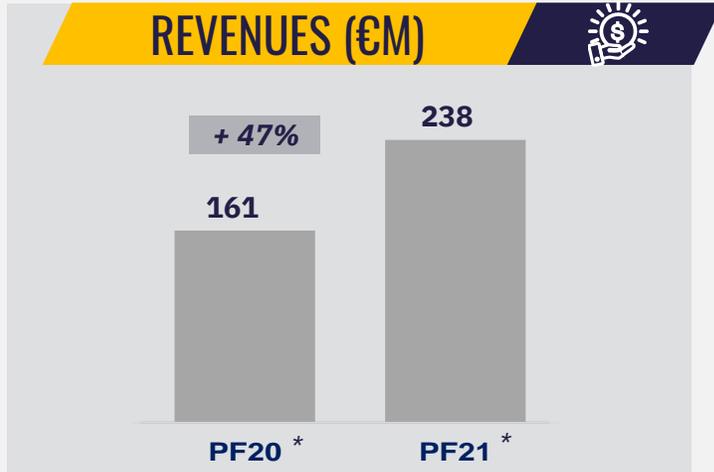
CAPEX + M&A

Investing in capex and in vertical technologies via acquisitions as well as in human resources to fuel growth in revenues and EBITDA

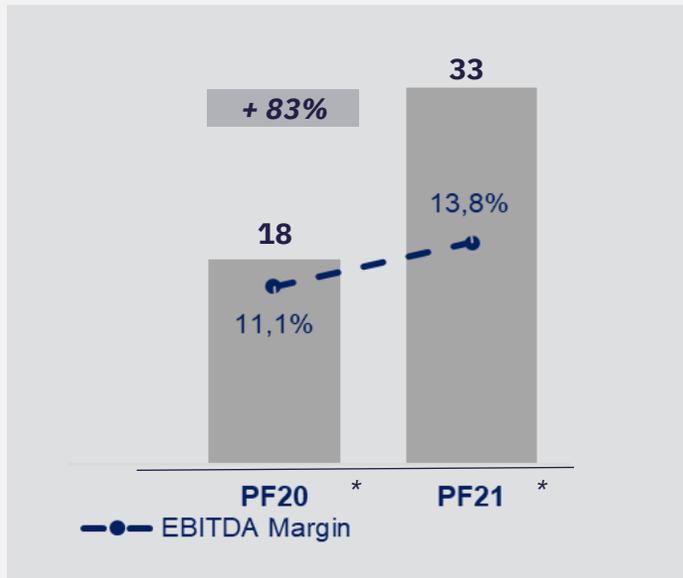




FY21 AT A GLANCE

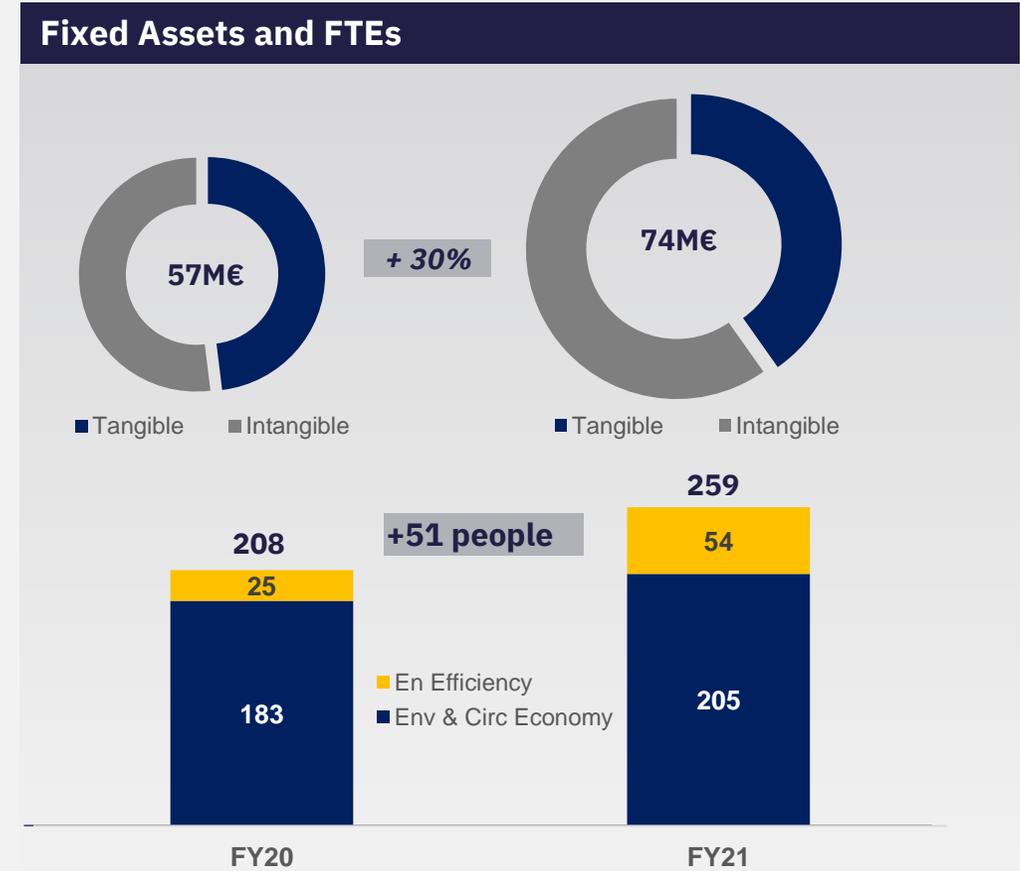


* PF figures include COBAT results



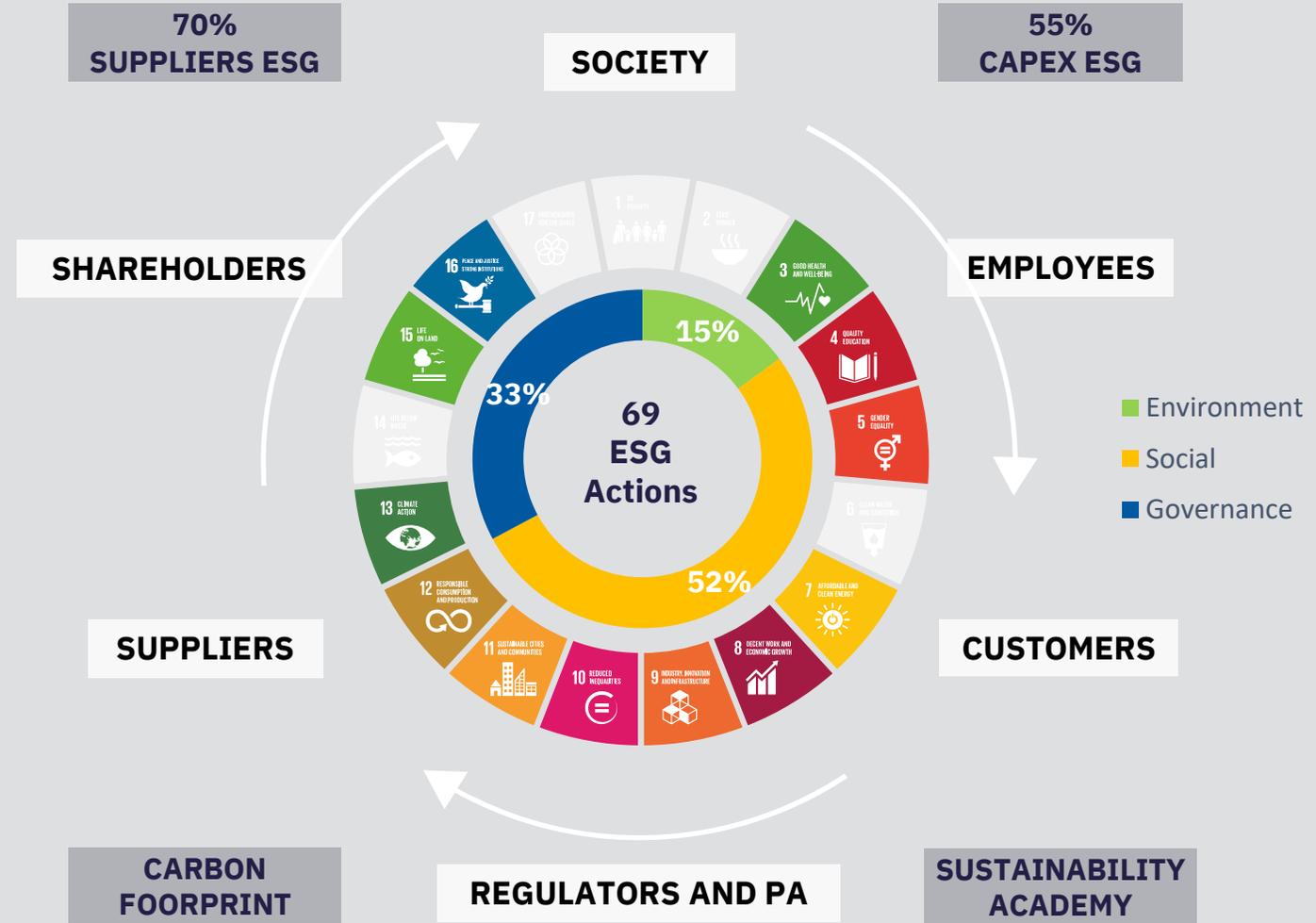
—●— EBITDA Margin

EBITDA (€M)



A KEY ENABLER OF SUSTAINABILITY

ESG – AT THE CORE OF INNOVATEC'S PURPOSE



SUSTAINABILITY IS AT THE HEART OF INNOVATEC BUSINESS AND FULLY INTEGRATED IN CORPORATE STRATEGY





COMPANY PRESENTATION

INNOVATEC GROUP

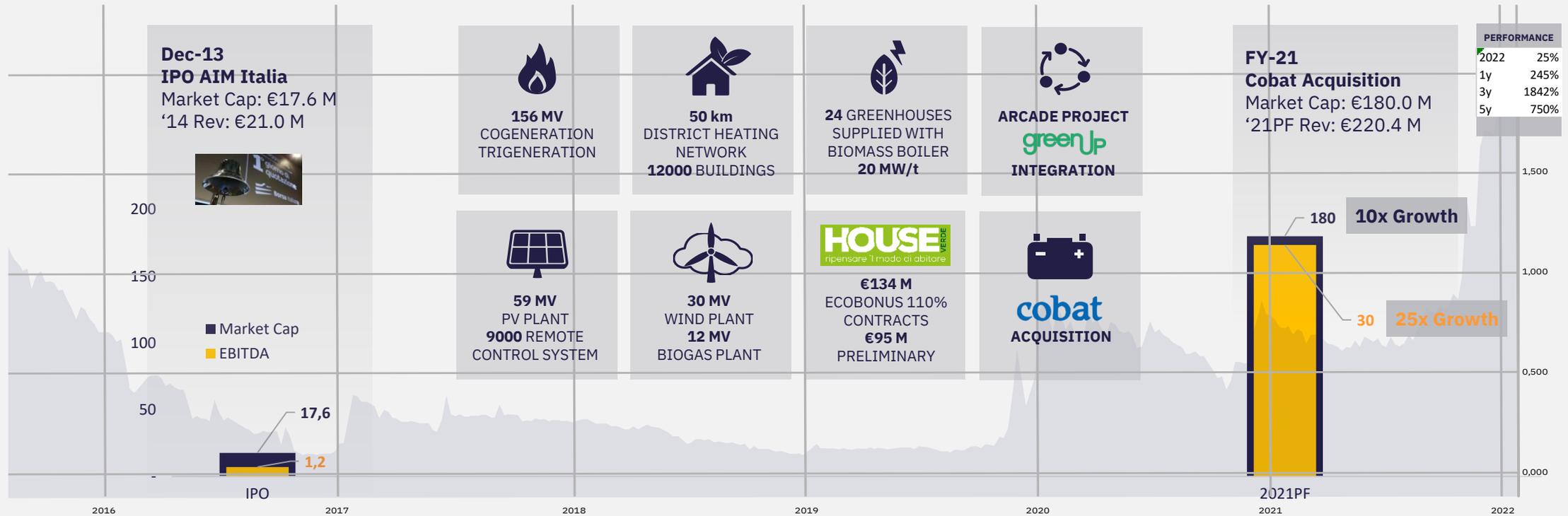
- INDUSTRY AND INNOVATEC OVERVIEW
- ✓ **BUSINESS MODEL & STRATEGY**
- 2022-2024 PLAN
- FY2021 RESULTS
- GOVERNANCE





COMPANY MILESTONES

19 April 22
Price per share: €2.25



ALWAYS THERE TO SEIZE THE NEXT OPPORTUNITY

ACHIEVEMENTS

A vertically integrated structure, with a presence at every step of the cycle, which ensures cost efficiency and flexibility, underpinned by complementary customer service

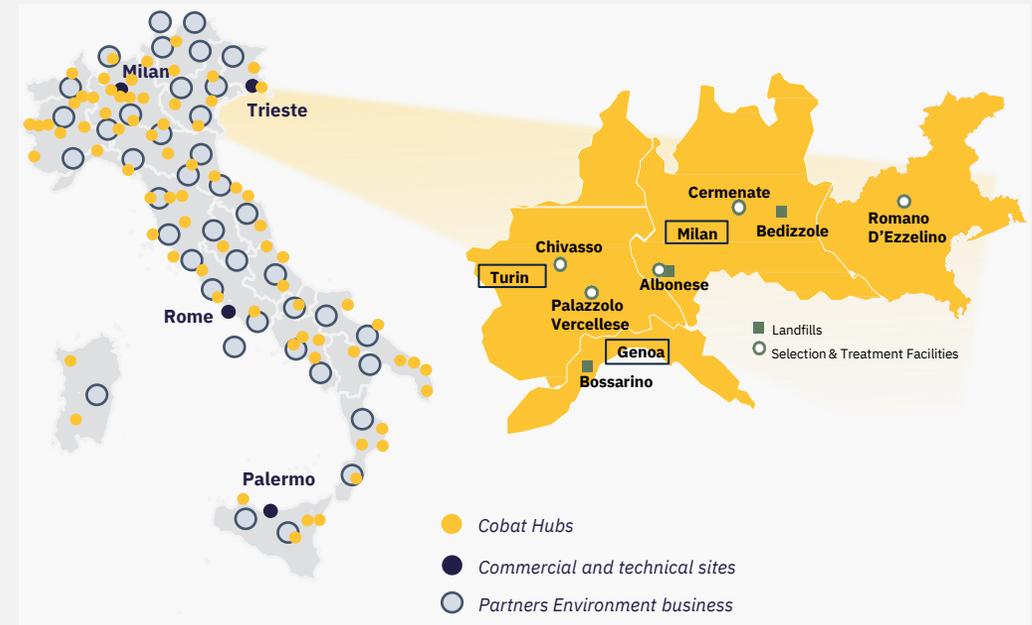
Area of Operations		Italy
Sorting & treatment plants (North Italy)		5
Bio-gas Plants		5
Landfills proprietary/under management		2/1
PV Plants		2
Proprietary vehicles		100
Equipments		3,300
Patents (<i>Lithium Batteries recovery</i>)		2
Corporate Clients (<i>Environment services</i>)	around	1,600
Loyalty rate		95%
Partners (<i>Environmental services</i>)		50
COBAT Collection Hubs		60
Clients (<i>Energy Efficiency</i>)	around	400
Sale force (in house and partners)	around	200
Technicians		30

KEY FIGURES



OUR ASSET BASE

Unmatched presence in Lombardy and Piedmont



Business model based on Innovatec sale force and consolidated partnerships



ROADMAP TO 2024 LEADERSHIP

MAIN DRIVERS

ENVIRONMENT & CIRCULAR ECONOMY		INNOVATION & CONSULTANCY SERVICES	EE & RENEWABLES
STRENGTHEN OUR ASSET BASE <ul style="list-style-type: none"> Enhance traditional treatment facilities Expand our customer base Extend landfills' residual life 	Invest in breakthrough technologies + Promote transition to circular economy	BECOME A LEADER IN OUR SECTOR <ul style="list-style-type: none"> HouseVerde (HV) Market share increase Integrate HV social housing proposal Integrate HV hotel proposal 	
BROADEN OUR SERVICE PROPOSAL <ul style="list-style-type: none"> Develop recycling facilities Implement consortium management to other waste classes EPR driven services 		FACILITATE ENERGY TRANSITION <ul style="list-style-type: none"> Create energy communities Develop & build large scale PV plants as EPC contractor 	
TRANSFER OUR KNOW HOW <ul style="list-style-type: none"> Advanced recovery facilities dedicated to municipal waste 	Support innovative start up	BECOME A PROBLEM SOLVER TO REDUCE EMISSIONS <ul style="list-style-type: none"> Smart vertical technologies 	

FOCUS ON VALUE CREATION AND MEDIUM-TERM RETURN

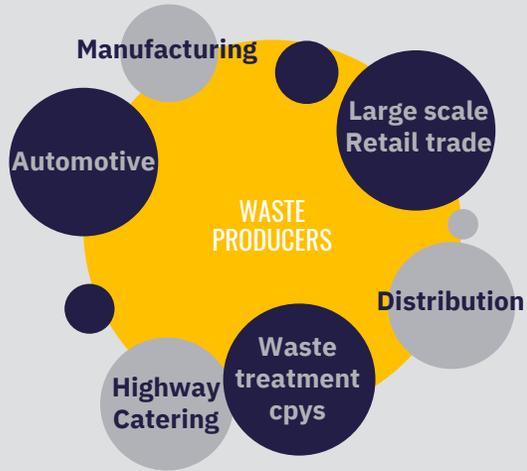
ESG DRIVEN



ENVIRONMENT & CIRCULAR ECONOMY

A vertically integrated structure, with a presence at every step of the cycle, which ensures cost efficiency and flexibility, underpinned by complementary customer service

WASTE SERVICE CLIENTS



ACTIVITIES

COLLECTION / TRANSPORT	SORTING & TREATMENT	DISPOSAL	RECYCLE / RECOVERY
	circular economy		circular economy
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 from "RAEE"
	Processing and trading wastepaper and other recovered materials		

CIRCULAR ECONOMY SERVICES



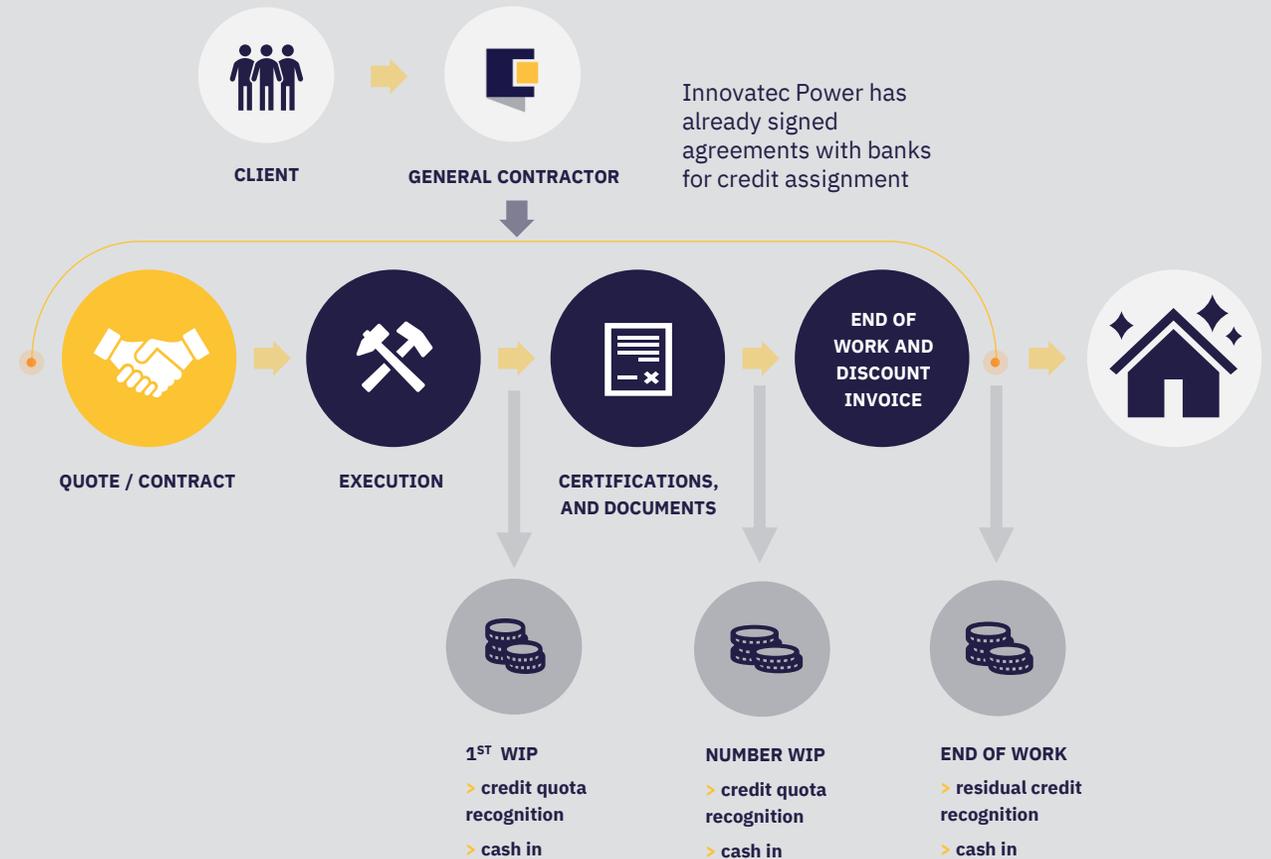
ENVIRONMENT & CIRCULAR ECONOMY BUSINESS DIVISION

BUSINESS

EE – B2C

HOUSE
VERDE
ripensare il modo di abitare

- *Zero-cost EE building/house renovations or securing with anti-seismic renovations benefitting from the Italian incentives “Superbonus”*
- **Innovatec’s value proposition is to ensure the completion of the entire project, facilitating the execution of technical works - assuming the role of General Contractor - with no cost to be beared by the client**



THE HOUSEVERDE PROPOSAL



EE – B2B



“AS IS” ANALYSIS

Energy consumption analysis of companies that use energy fossil fuels and coal



ENERGY EFFICIENCY

Design, installation and management technologies to improve EE to clients



CONTRACTUAL ANALYSIS

Resource recovery and purchase price reductions



RENEWABLE SOURCES

Improve sustainability and produce energy independently

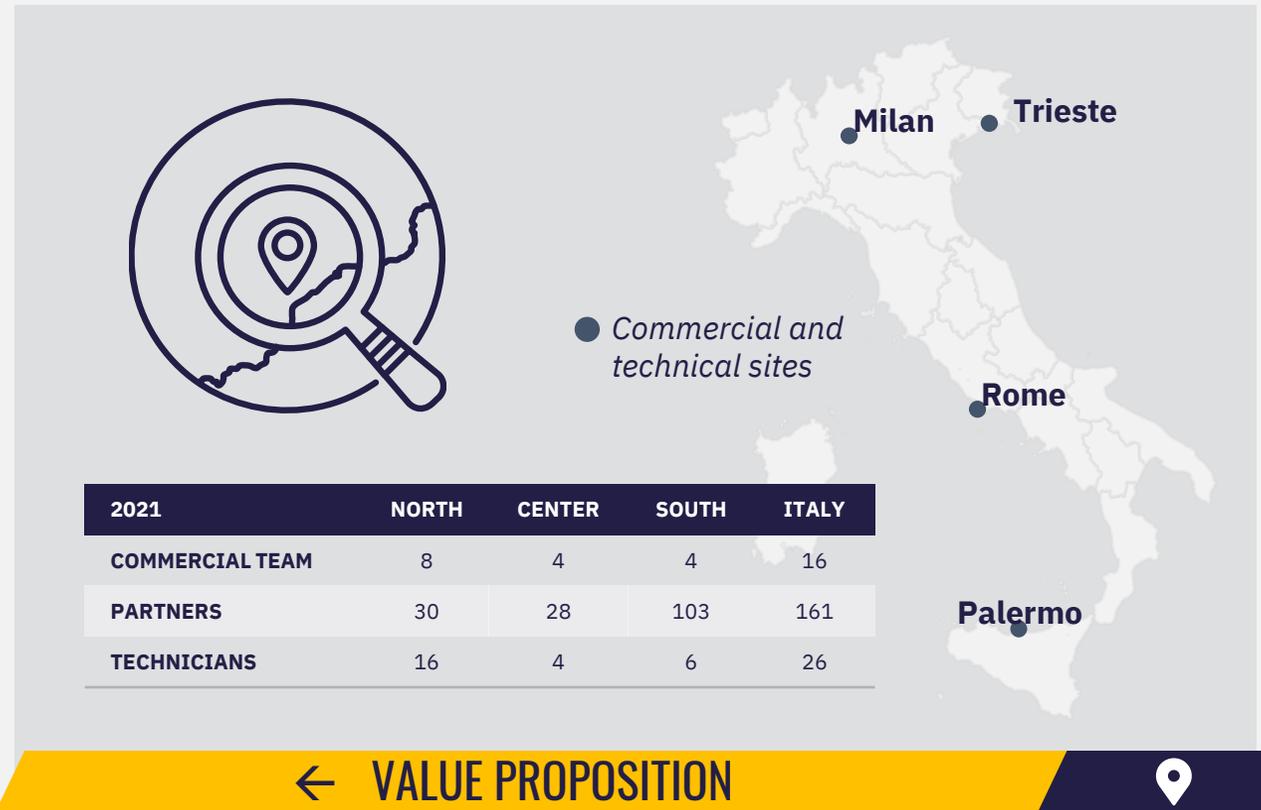
- Solar thermal
- Wind power
- Biogas / Biomethane



MONITORING CONSUMPTION

Monitoring and identification of the company's energy profile

- Energy audit + ISO 5001
- Evaluation of efficiency measures
- Support for access to incentive mechanisms (TEE).





COMPANY PRESENTATION

INNOVATEC GROUP

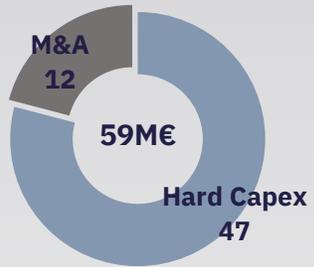
- INDUSTRY AND INNOVATEC OVERVIEW
- BUSINESS MODEL & STRATEGY
- ✓ **2022-2024 PLAN**
- FY2021 RESULTS
- GOVERNANCE





MAIN GROWTH DRIVERS

Cumulative CAPEX and Recruitments (2022-2024)

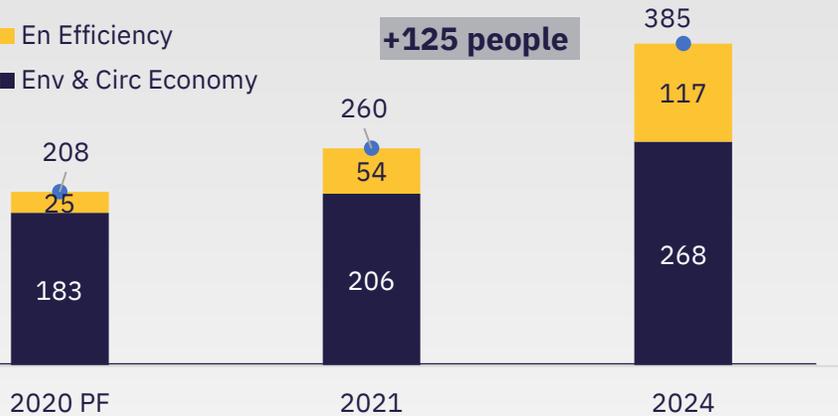


CAPEX + M&A

Investing in capex and in vertical technologies via acquisitions as well as in human resources to fuel growth in revenues and EBITDA

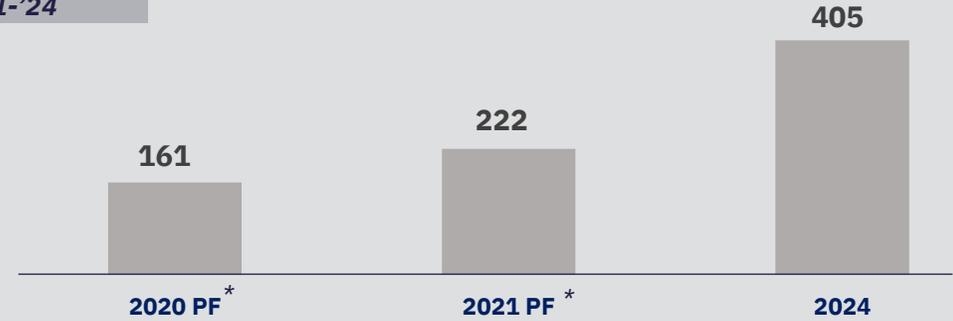
- En Efficiency
- Env & Circ Economy

+125 people



REVENUES (€M)

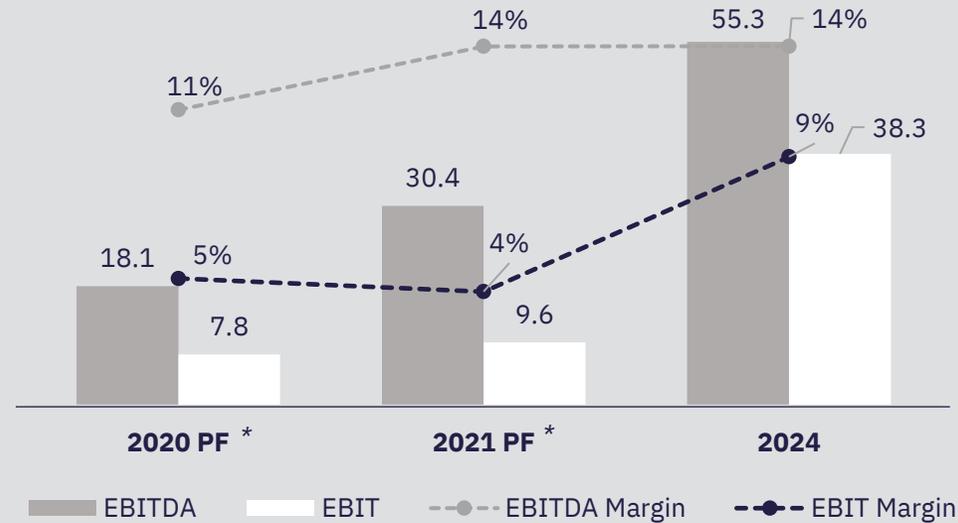
CAGR: 22% '21-'24



('21-'24) CAGR: 22%

('21-'24) CAGR: 58%

• 2020 and 2021 Revenues, EBITDA and EBIT include COBAT financial results



EBITDA & EBIT (€M)



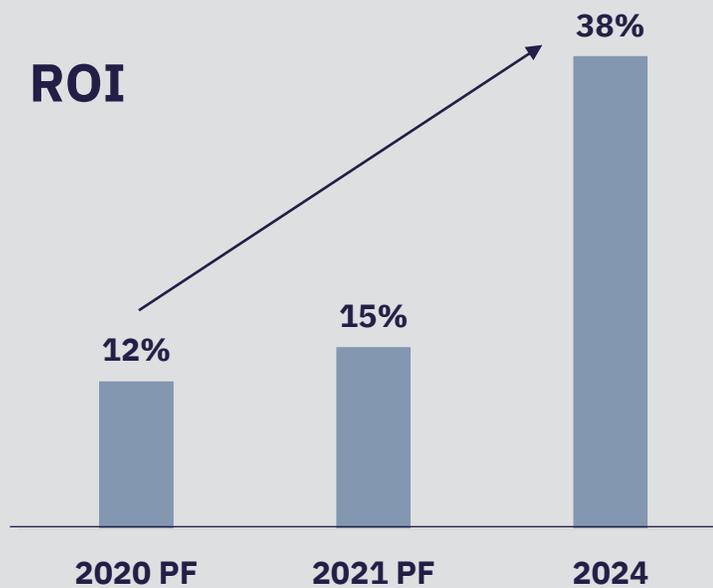
ROE & ROI

INCREASED VALUE FOR SHAREHOLDERS

ROE



ROI



29% ROE

38% ROI

The Plan envisages an increasing return for shareholders and on capital invested



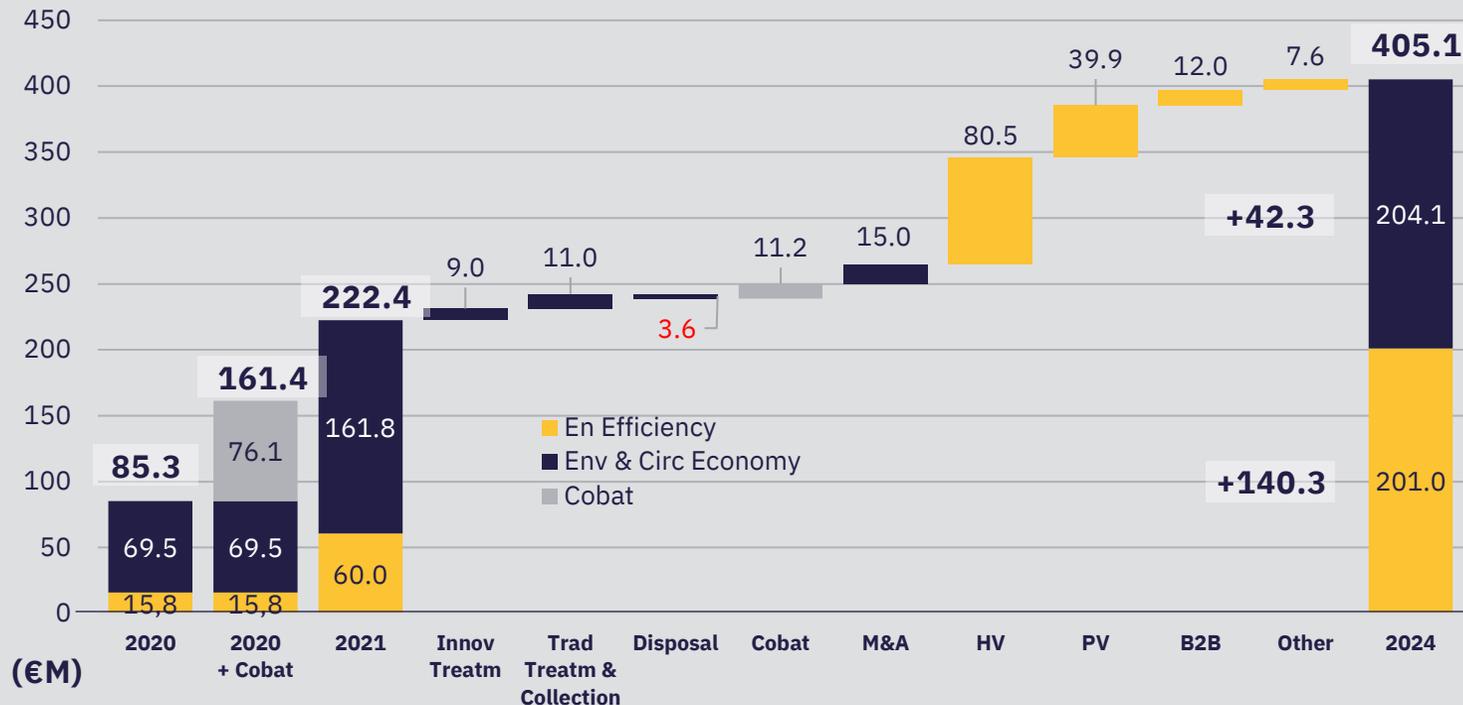
STRONG INCREASE OF ROE AND ROI OVER THE PLAN



REVENUES

DOUBLE-DIGIT GROWTH TARGETS

INCREASED CONTRIBUTION FROM EE AND ADVANCED TREATMENT ACTIVITIES



CAGR 22%

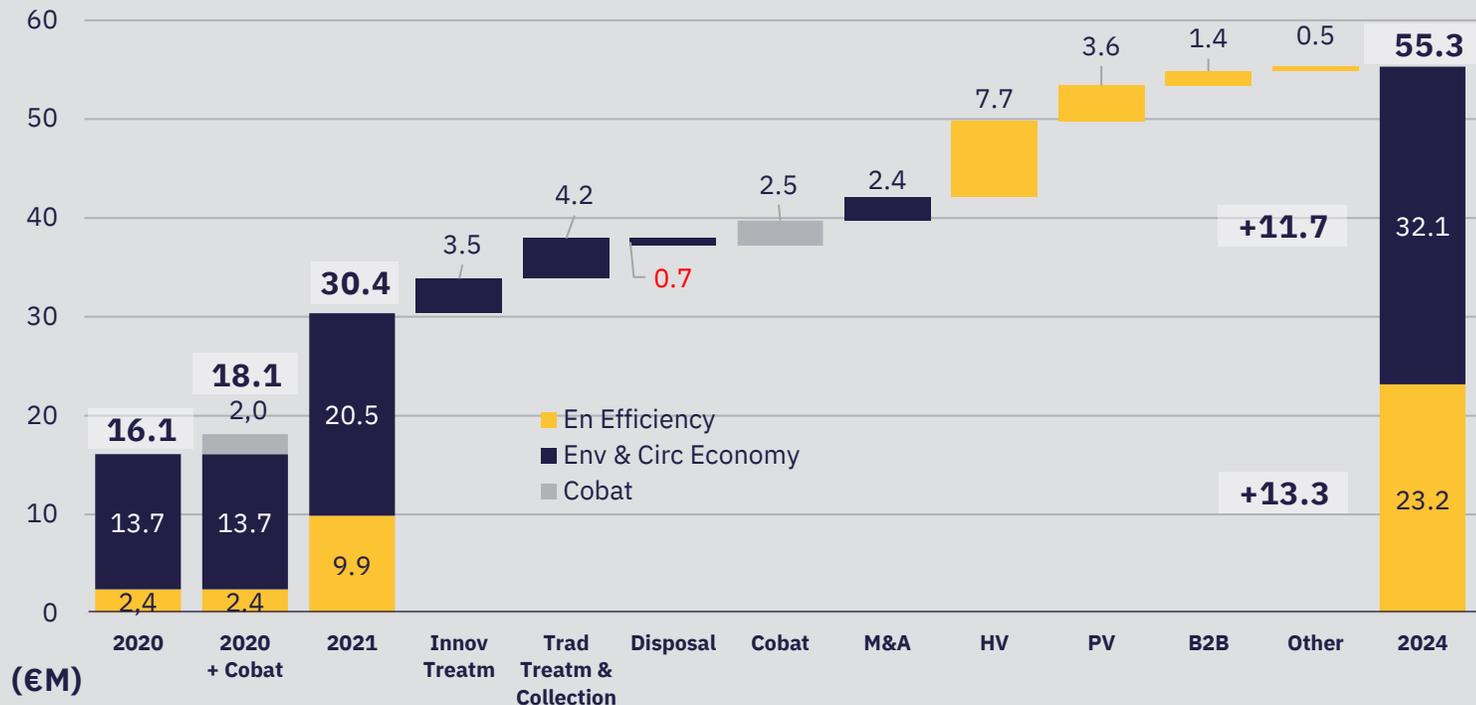
- **14% organic CAGR** in **collection** business through corporate client acquisition
- **Expansion** in lithium **batteries** and **PV** modules recycling
- **Disposal activities:** -3% CAGR, the only activity for which a reduction is foreseen
- **Houseverde** in 2024 will contribute €135M to revenues (2024 target: 60% social housing)
- **Energy communities:** €8M revenues in 2024
- **65MWp PV** plants construction all over the Plan
- **New vertical technologies** to reduce emissions €7.6M revenues target 2024
- **M&A activity** focused on treatment facilities: €15M additional revenues by 2024



EBITDA

DOUBLE-DIGIT GROWTH TARGETS

BALANCED MARGINS EVOLUTION WITH BOTH BUSINESS AREAS CONTRIBUTING EQUALLY TO EBITDA GROWTH



CAGR 22%

- **10%** target **EBITDA Margin** for **collection** business by the end of the plan through critical mass increase and lead client acquisition
- **COBAT** increase in **margins** thanks to cost efficiencies and cross selling
- **Disposal activities**: progressively decreasing contribution to environment sector EBITDA
- **8%** of environment sector **EBITDA** foreseen from target **acquisitions** by 2024, potentially further expandible
- **Houseverde** expanding its weight, while reducing marginality because of competitive pressure and increase in equipment costs
- **EPC** activities in **PV sector** contributing **15%** of Energy Efficiency sector EBITDA by 2024



MARGINS

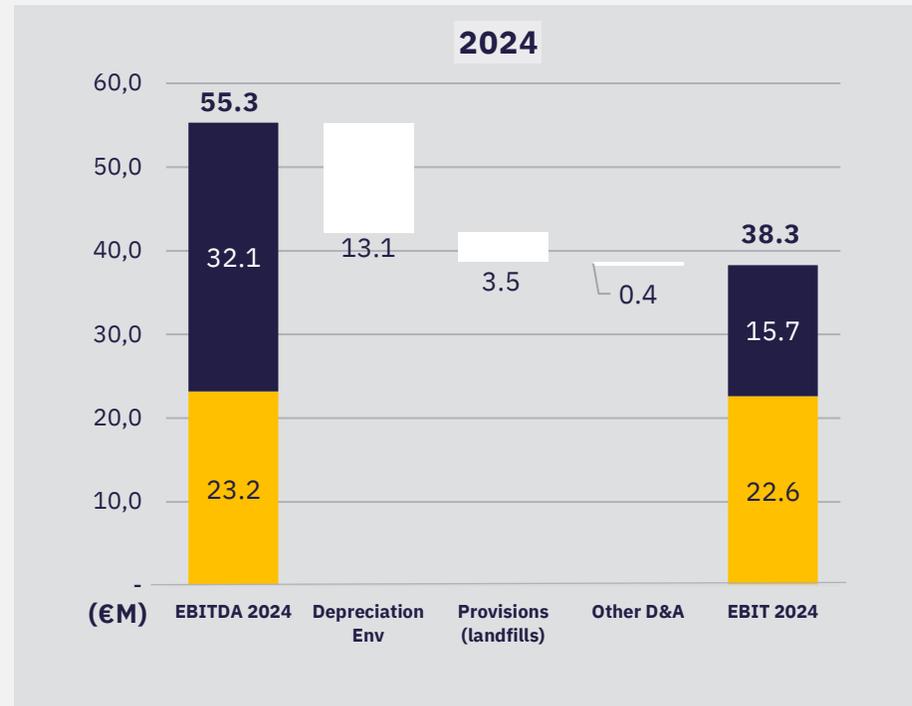
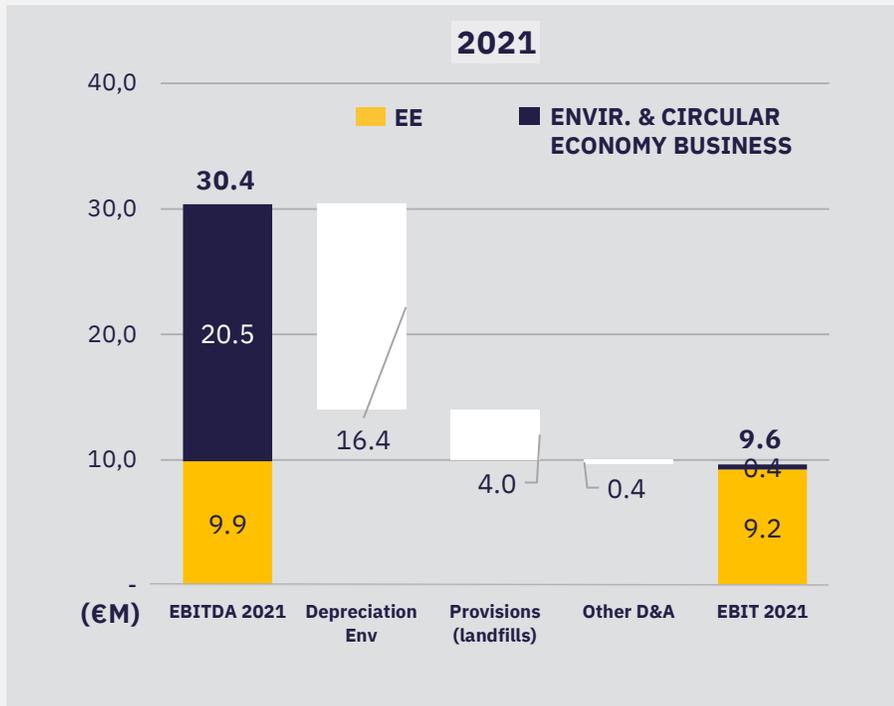
INCREASING OPERATING MARGINS

EBITDA → 13.7%

EBIT → 4.3%

EBITDA → 13.7%

EBIT → 9.5%



22% EBITDA CAGR

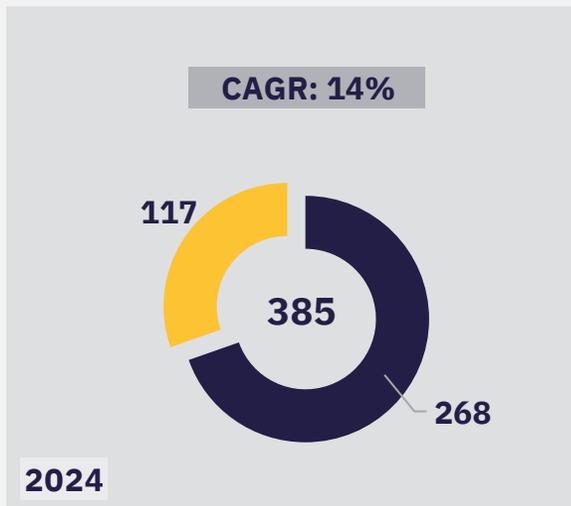
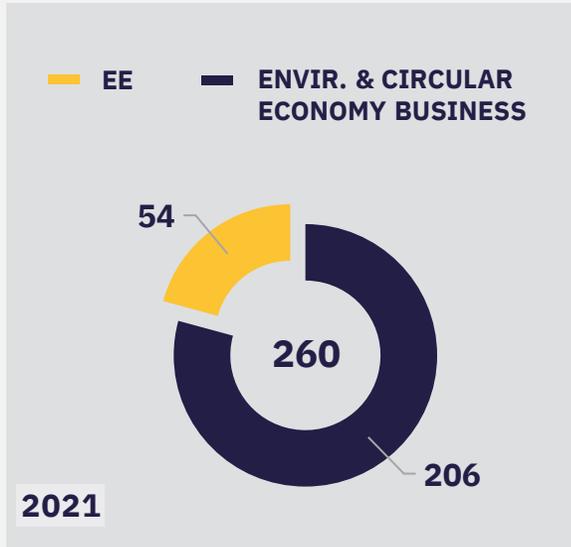
58% EBIT CAGR

- EBITDA margin is flat at 14% all over the Plan
- EBIT margin increases over the Plan due to higher contribution of EE business and a steady transition towards more sustainable businesses such as material recovery and advanced waste treatment

INCREASE OF EBITDA CONVERSION INTO EBIT OVER THE PLAN; EBIT MARGIN PROGRESSIVELY INCREASING TO 10% IN 2024



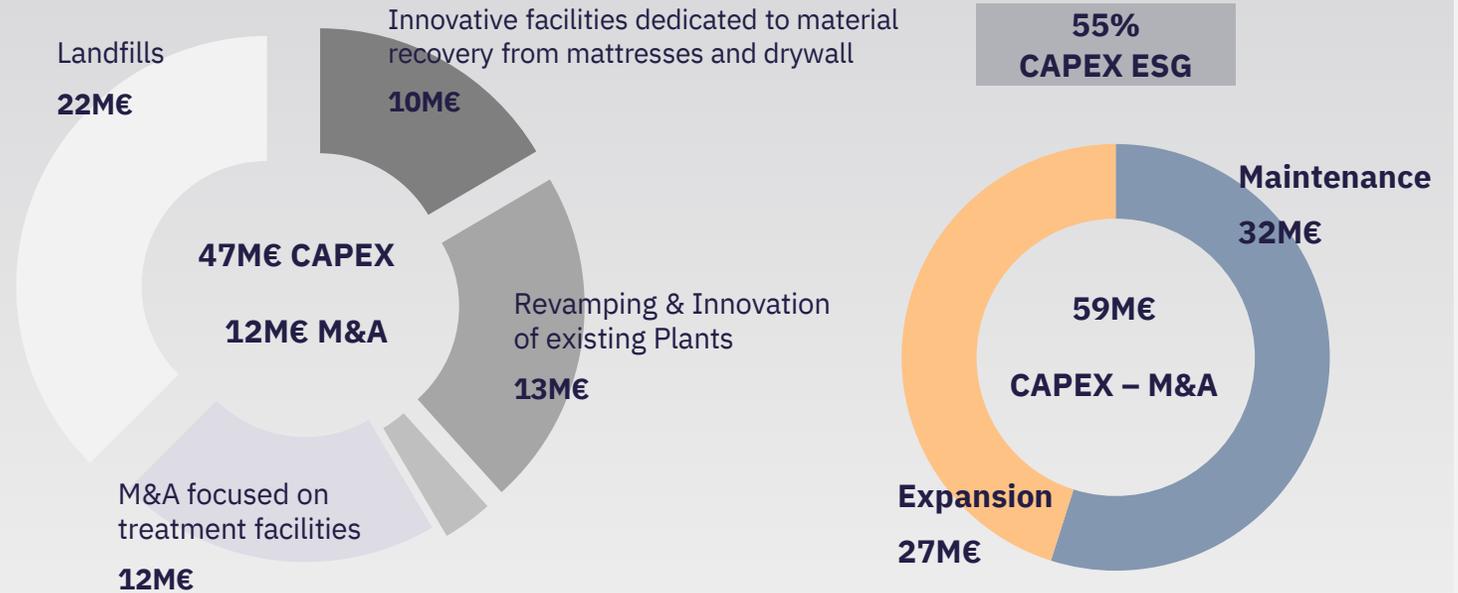
INVESTMENTS FOR GROWTH



HR INCREASE



CAPEX & M&A



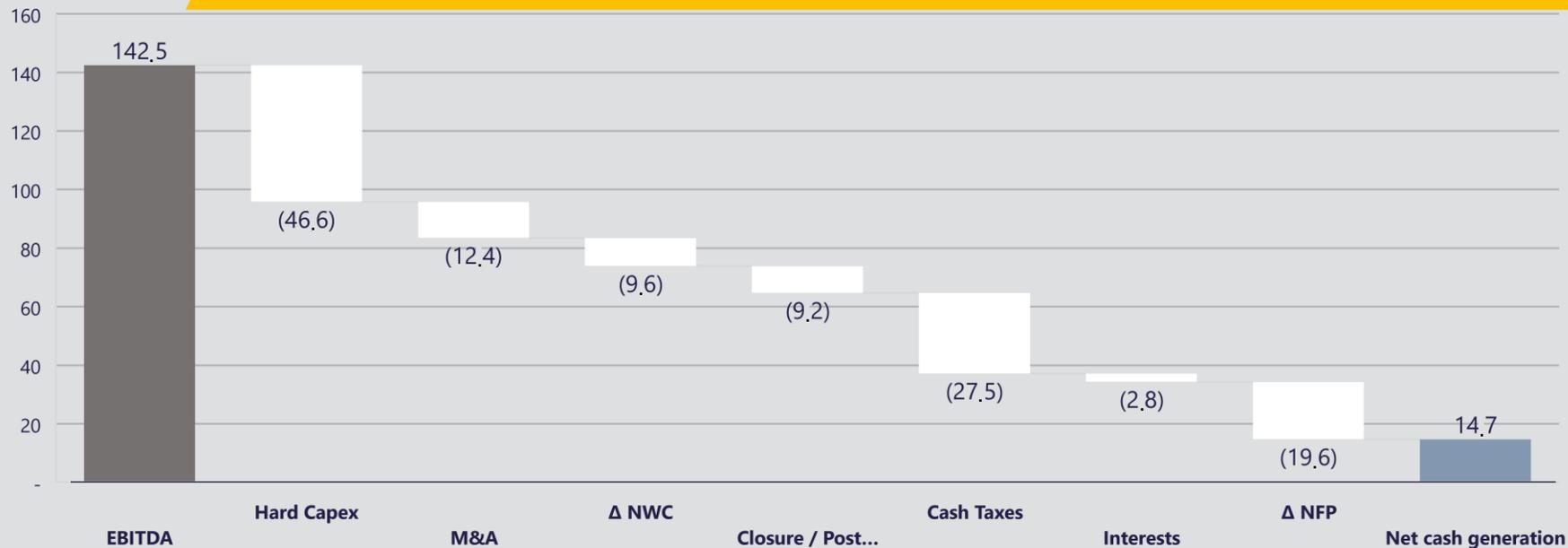
Selective capex and HR increase support organic growth and lead to expansion in new profitable areas.



CASH FLOW

POSITIVE CASH GENERATION

+€14.7M STRONG FREE CASH FLOW TO EQUITY



60% CASH ON HAND INCREASE TO €40M IN 2024 YE

Net consolidated cash generated during the plan, while repaying €19M financial debt and after €59M Capex and M&A



STRONG CASH GENERATION OVER THE PLAN



COMPANY PRESENTATION

INNOVATEC GROUP

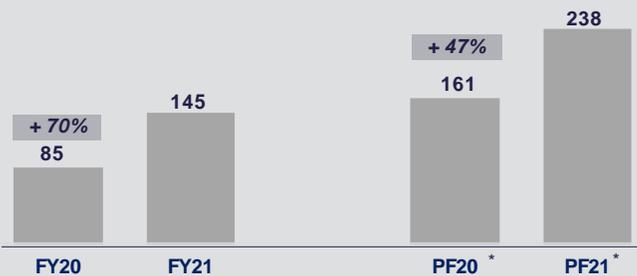
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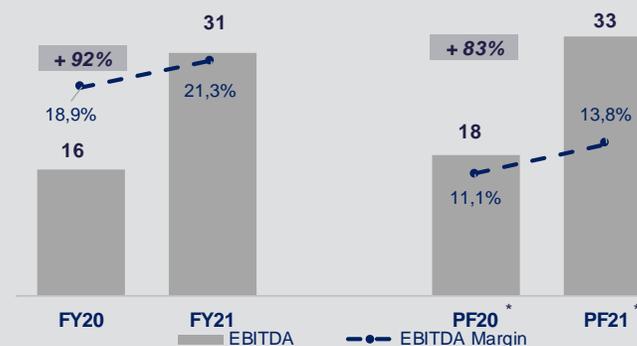
FY21 AT A GLANCE

REVENUES (€M)

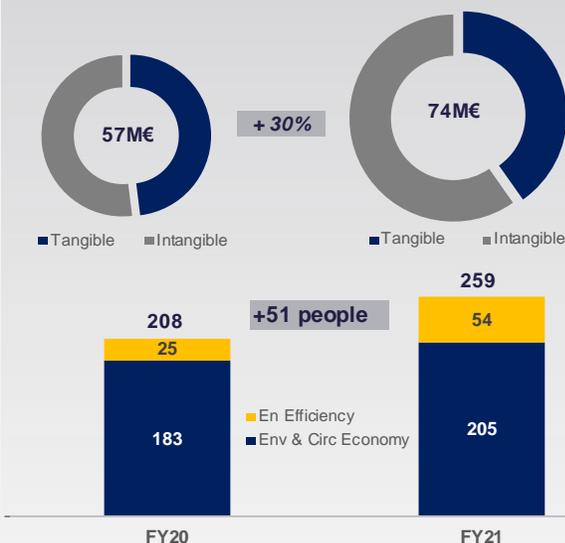


* PF figures include COBAT results

EBITDA (€M)



Fixed Assets and FTEs



FY21 business operations confirmed our ability to execute our **growth strategy** thanks to **speed, cost efficiencies** and **timely M&As**



Energy Efficiency has demonstrated the ability of profiting from national legislation by building a nation wide partnerships' network dedicated to **HOUSE VERDE**

Rev.
60 M€



Environmental core activity, managed by **greenUp** has reinforced its footprint, by increasing revenues and margins thanks to commercial effort and efficiencies, leveraging on existing strategic assets

EBITDA
+6 M€
+47%



Strategic M&As (EoY'21 **cobat** and BoY'22 SEA) have proven to be a powerful instrument to ramp up operations and profit from economies of scale



Reference **B2B market** has shown high interest for our consultancy services and all-around energy efficiency approach

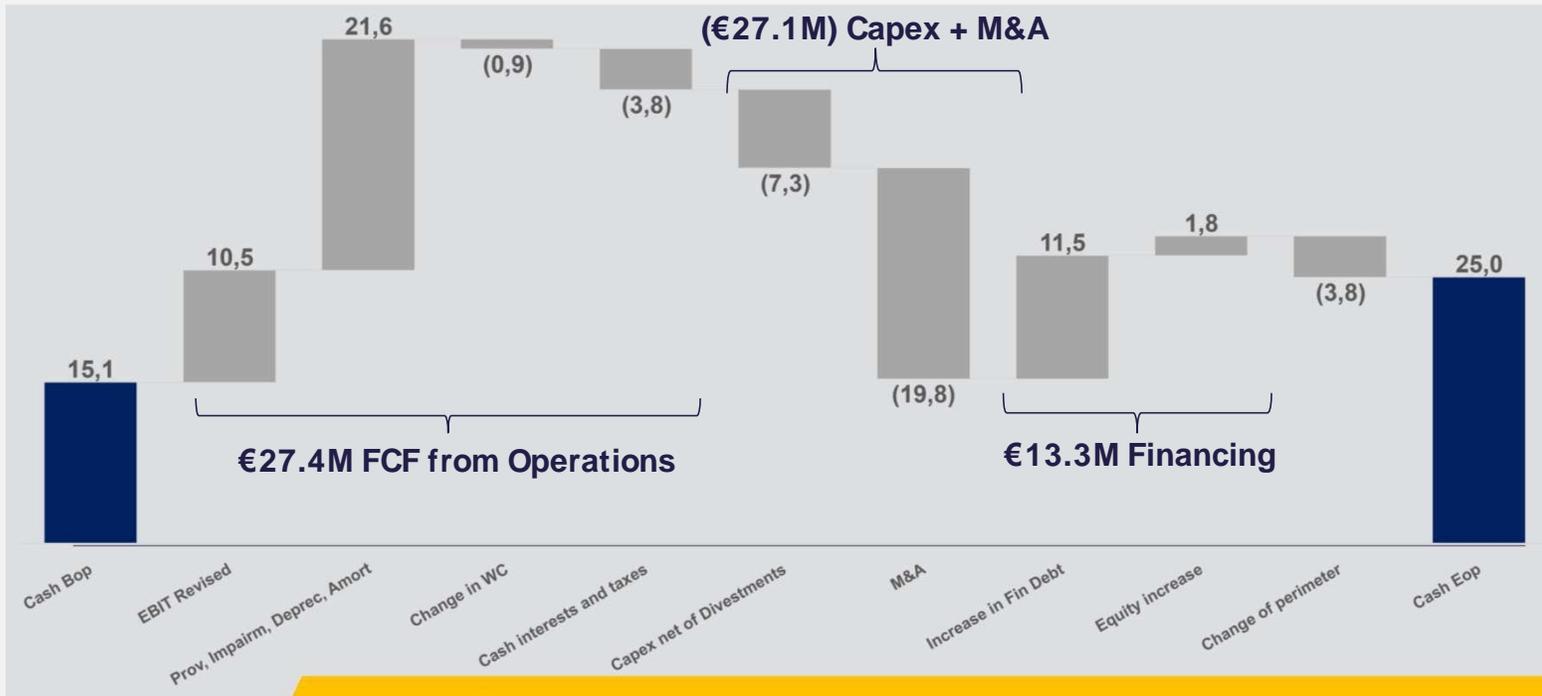
STRONG GROWTH IN ALL ECONOMIC AND FINANCIAL INDICATORS

OUR FY21 RESULTS



CASH FLOW

FY21 CUMULATED CASH FLOW



+€9.9M FCF

Solid cash from Operations
 During FY21 Innovatec generated **€27.4M cash from operations**, both BU contributing to the result

A clear growth path
 The group invested its cash in environmental **Capex (€7.3M)** and in expansive **M&As (Cobat, CleanTech)**, which consolidated today perimeter

Healthy Financing management
 In order to collect the resources needed to continue along the traced development road, the Group raised **additional debt and equity for €13.3 M**

INCREASED CASH ON HAND AVAILABLE FOR FURTHER M&A AND CAPEX DEPLOYMENT

OUR FY21 RESULTS



COMPANY PRESENTATION

INNOVATEC GROUP

- INDUSTRY AND INNOVATEC OVERVIEW
- BUSINESS MODEL & STRATEGY
- PLAN 2022-2024
- FY2021 RESULTS
- ✓ **GOVERNANCE**





NEW GOVERNANCE AND ORGANIZATION

DECENTRALIZATION

- **Shortening** decision-making chain
- **New Responsibilities transferred** to the Business Units (i.e Business Development, Operational Excellence)

DIGITALIZATION

- **New ways of working**
- **Digital Planning** implementation

STREAMLINING THE ORGANIZATIONAL STRUCTURE

- **BU's reduction**
- **Rationalization** of the corporate model



COMPETENCES

- **Accelerated development paths** for critical roles
- **Key competences mapping** (digital, leadership, etc ..)
- **MBO aligned** with shareholders' interests

CORPORATE GOVERNANCE

Traditional administration and control system

- BoD, Statutory Auditors and Shrs' Meeting
- Advisory Board
- Supervisory Board dl 231/2001
- Related Parties Committee
- Sustainability Committee
- Enterprise risk mng. procedures & controls

PROCESS – PEOPLE – TECHNOLOGY – RESOURCES

E-GOVERNANCE



COMPANY PRESENTATION

INNOVATEC GROUP



INNOVATEC STOCK & IR COMMITMENTS



INNOVATEC STOCK



Both the improved **liquidity profile** and the recent **price increase** reflect the stronger market interest in the equity story



New **institutional investors** entered the Company's Shareholder Register in January 2022 via ABB



Innovatec is committed to have at least **three analysts** that will soon initiate the **coverage of the stock**



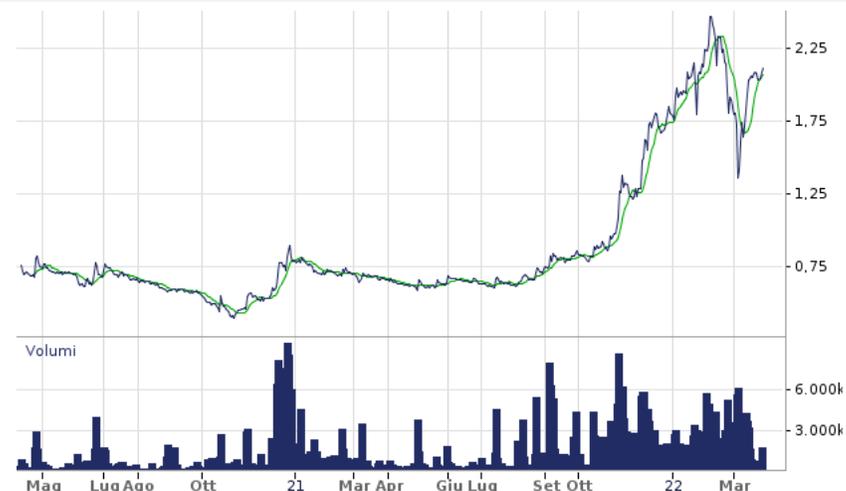
Innovatec aims at **listing its shares on the STAR** segment of **Euronext Milan** over the Plan's period

STOCK DATA – INNOVATEC SPA

Listing Market	Euronext Growth Milan
ISIN	IT0005412298
BIT	INC
Price per Share (19 Apr 22)	2.25
Mobile average 50 days p.p.s.	2.0733
52 weeks performance	261%
Average volumes 10 days	1.11M
Average volumes (3m)	2.22M

SHAREHOLDERS DATA

n. Ord. Shares (M)	95.4
Floating	55%
Major Shareholder (Colucci Family)	45%
MKT Cap (€M) (@ €2.25 as of 19/4/22)	215
MKT Cap Floating (€M)	118



STOCK & SHAREHOLDERS DATA





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INNOVATEC GROUP

EMBRACE INNOVATION

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PEC: innovatecpower@legalmail.it



ANNEXES

INNOVATEC GROUP





M&A STRATEGY

INNOVATEC ACQUISITION STRATEGY



- In its business plan, Innovatec is allocating over **€12 Mln to M&A** in the **cleantech** sector, of which €4 Mln to seeding innovation through startup acquisition via Innovatec Venture
- At least **€8 Mln** will be dedicated to acquire **existing companies** in **bordering areas** – both geographically and from a business perspective – targeting primarily treatment facilities able to complete the Group’s asset base in **waste recovery**. Those funds **could be increased** by using part of the excess cash flow to further enhance the Group’s critical mass, or through additional indebtedness linked to M&A considering the low D/E ratio
- The aim is not only to implement a **more comprehensive treatment proposal**, but also to **acquire specific competences** in material recovery teaming up with technical partners rather than merely incorporating businesses
- Preferentially, Innovatec is targeting to acquire **controlling stakes** in companies in need of a business partner to develop their **industrial plan**, eventually granting an **earn out** in case of positive achievement of the shared objectives
- M&A valuations are made balancing **medium term financial return** with foreseen Capex essentials to scale up the acquired activities