



TOWARDS A CLEANER FUTURE, TOGETHER

COMPANY PRESENTATION

“CALL FOR GROWTH – ENVENT WINTER CONFERENCE 2023”

INNOVATEC GROUP

15 February 2023



COMPANY PRESENTATION

INNOVATEC GROUP

“CALL FOR GROWTH – ENVENT WINTER CONFERENCE 2023”

✓ OVERVIEW

- INDUSTRY OVERVIEW AND MARKET OPPORTUNITIES
- INNOVATEC IN ACTION
- FY2021 AND 9M22 RESULTS
- INVESTMENT OPPORTUNITY





Raffaele Vanni

*Head of Investor
Relations*



Elio Catania

Chairman



Matteo Marini

CEO



Roberto Maggio

Director

TODAY'S SPEAKERS



CLEANTECH INDUSTRY

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



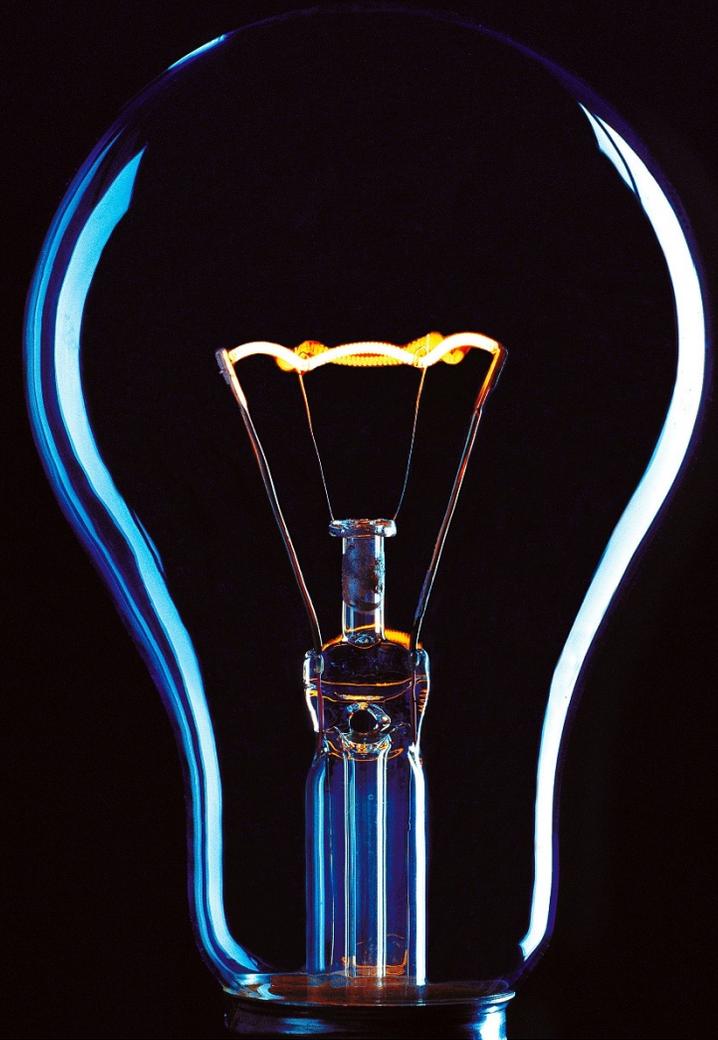
Environmental protection activities – recovery, recycling and disposal of materials



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



Significant improvements in terms of **energy efficiency**



WHAT IS CLEANTECH?





INNOVATEC A LEAD PLAYER IN THE CLEAN TECH INDUSTRY



Vision - Shaping the future towards an **alternative, sustainable development model** to help communities become carbon neutral by providing innovative, responsible, practical and timely solutions to environmental problems.



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





INNOVATEC GROUP

WHO WE ARE

IN A RIGHT INDUSTRY IN A RIGHT TIME

€238M PRO FORMA REVENUES IN 2021

€33M PRO FORMA EBITDA IN 2021

14% EBITDA MARGIN 2021

ENVIRONMENT & CIRCULAR ECONOMY



- TRADITIONAL ENVIRONMENTAL SERVICES
- CIRCULAR ECONOMY SERVICES

ENERGY EFFICIENCY & RENEWABLES



- B2B / PA
- B2C

END TO END INTEGRATION





INNOVATEC GROUP

WHO WE ARE

ENVIRONMENT & CIRCULAR ECONOMY

ENERGY EFFICIENCY & RENEWABLES

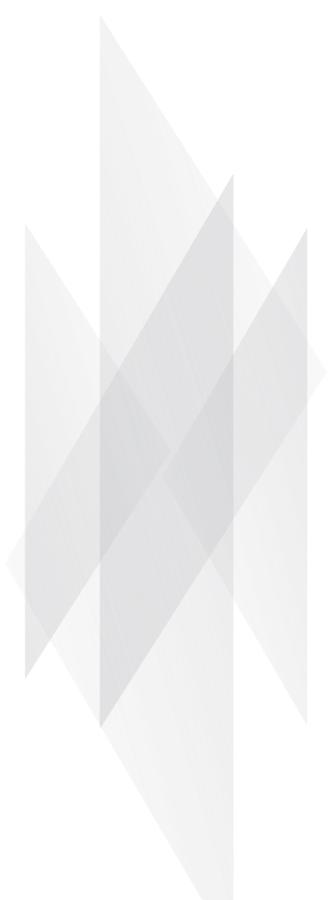
€170M PRO FORMA REVENUES IN 2021

13.3% EBITDA MARGIN 2021

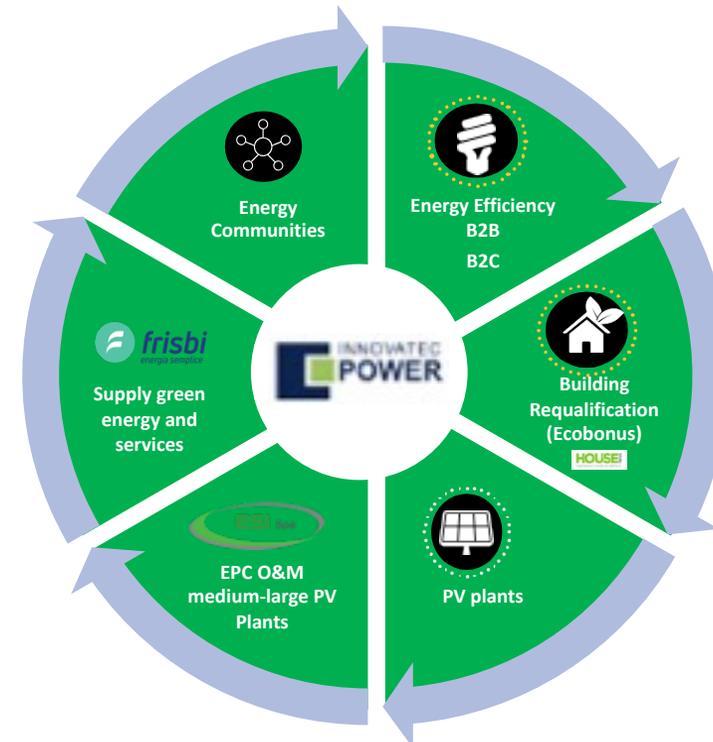
€67M REVENUES IN 2021

16.6% EBITDA MARGIN 2021

ITALIAN LEADING OPERATOR PROVIDING 360-DEGREE SERVICES IN CIRCULARITY AND SUSTAINABILITY



INTEGRATING ENERGY EFFICIENCY SERVICES AND RENEWABLES



END TO END INTEGRATION





ROADMAP TO 2024 LEADERSHIP

INTEGRATION OF THE OFFER
MAIN DRIVERS

ENVIRONMENT & CIRCULAR ECONOMY		INTEGRATION	EE & RENEWABLES
STRENGTHEN OUR ASSET BASE <ul style="list-style-type: none"> Enhance treatment facilities Expand our customer base Extend landfills' residual life 	Invest in breakthrough technologies + Promote transition to circular economy	EXPAND BUILDING RENOVATION BUSINESS <ul style="list-style-type: none"> HouseVerde exploit mkt conditions and adjust on new regulatory changes Integrate HV social housing proposal PA 	
IMPROVE VERTICALITIES IN RECYCLING <ul style="list-style-type: none"> Develop recycling facilities Implement consortium management to other waste classes EPR driven services 		RENEWABLES <ul style="list-style-type: none"> Support creation of energy communities Concentrate on 20/30MW PV plants both traditional and AgriPV B2B and B2C 	
TRANSFER OUR KNOW HOW <ul style="list-style-type: none"> Advisory (Circularity) 		ENERGY EFFICIENCY <ul style="list-style-type: none"> Energy process redesigning Smart vertical technologies 	

FOCUS ON VALUE CREATION AND MEDIUM-TERM RETURN

ESG DRIVEN

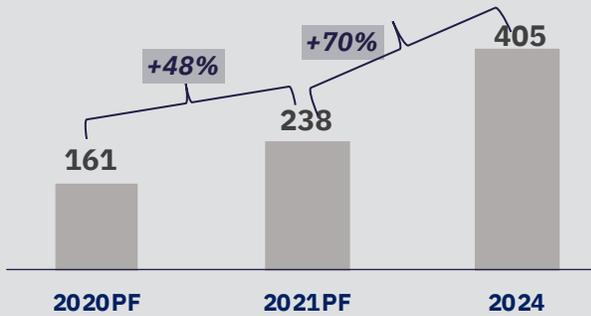


BP 22-24: INVESTMENTS FOR GROWTH

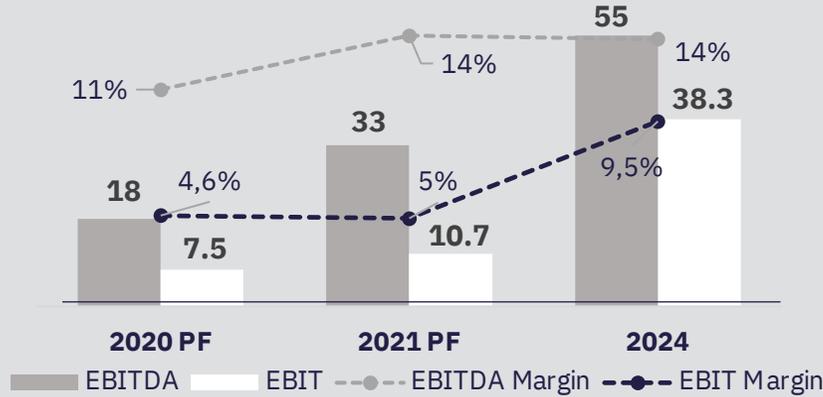
KEY DRIVERS

2024 TARGETS vs 2021

REVENUES (€M)



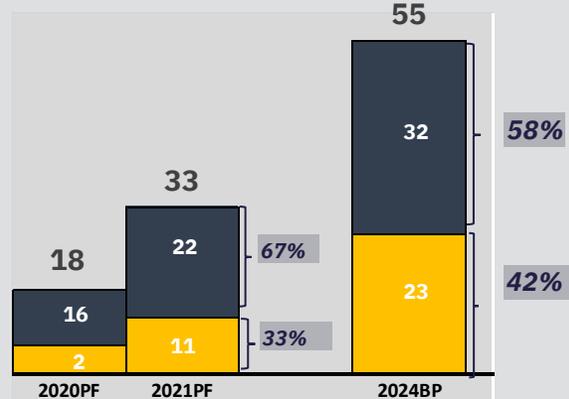
EBITDA & EBIT (€M)



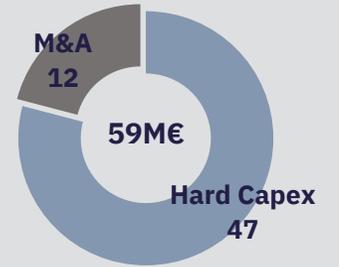
REVENUES REAKDOWN (€M)



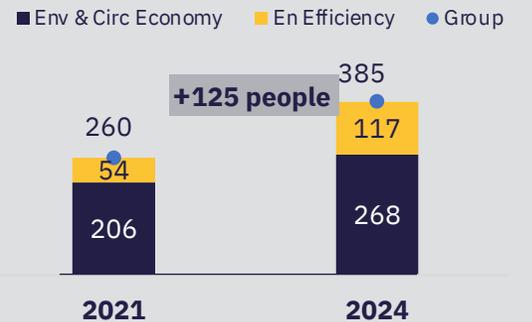
EBITDA BREAKDOWN (€M)



Capex M&A



HUMAN RESOURCES



A CLEAR STRATEGIC PATH AND A SERIOUS COMMITMENT IN OUR 2022-2024 BUSINESS PLAN





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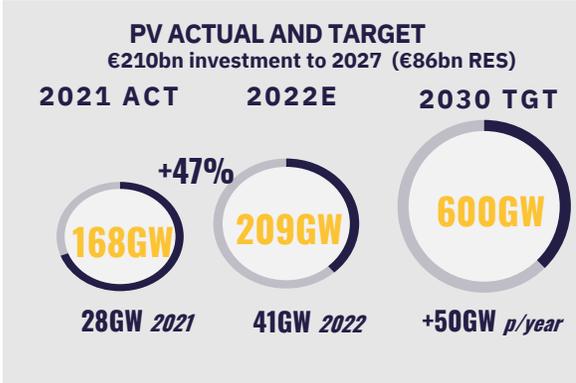
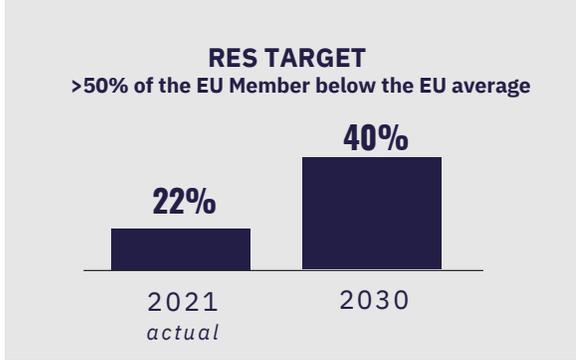
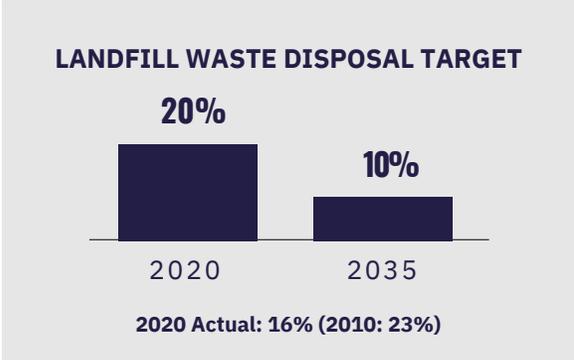




INNOVATEC

ENERGY TRANSITION TARGETS

EUROPE



CIRCULAR ECONOMY TO MAXIMIZE THE RE-USE OF RESOURCES

STRONG EXPANSION IN EE

UNPRECEDENTED GROWTH IN RENEWABLES

Source: European Commission

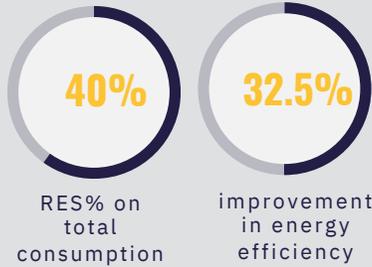
*vs 1990 baseline



ITALY MARKET OPPORTUNITIES

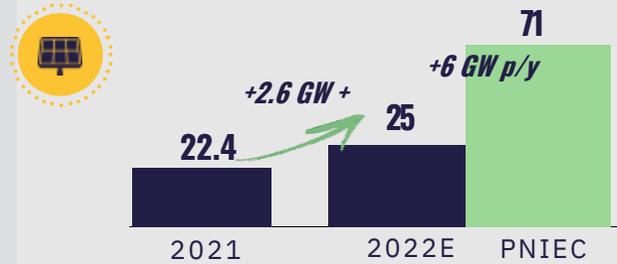
ENERGY EFFICIENCY & RES

EU 2030 TARGETS



STRONG EXPANSION IN EE & RES

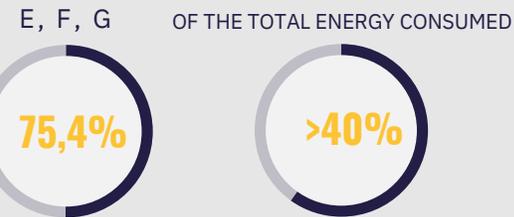
PV CAPACITY (GW)



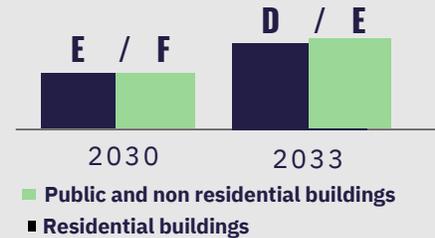
€30bn market in the next 8 years

BUILDINGS

75% OF ITALIAN BUILDINGS ARE ENERGY INEFFICIENT



9M out of 12.2M buildings are below Target



€30-40bn per year distributed in the next 7 years to 2030

UNPRECEDENTED GROWTH IN EE & RES MORE AND MORE IN FUTURE YEARS



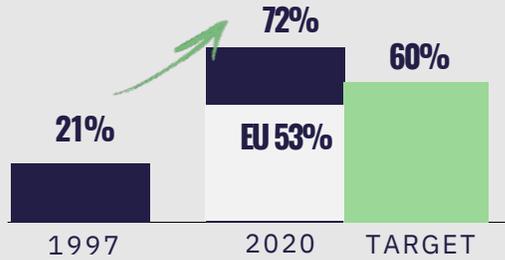


ITALY MARKET OPPORTUNITIES

CIRCULAR ECONOMY: WEEE & BATTERIES

ITALY AN EXCELLENCE IN RECYCLING IN THE EU MARKET

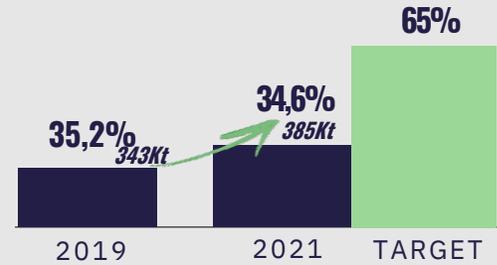
WASTE RECYCLING



WEEE, BATTERIES, MATTRESSES, TEXTILES, DRIWALL still below TARGET

WEEE

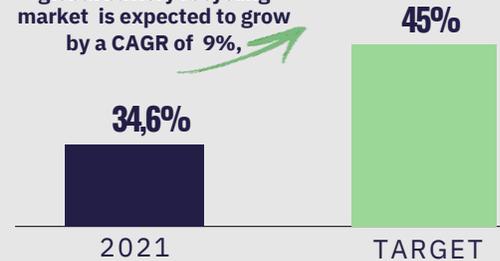
Kt collected and recycling rate (+5% vs 2020)



- Market expected to grow significantly in the coming years

BATTERIES & RECHARGEABLES

global battery recycling market is expected to grow by a CAGR of 9%,



- Market expected to grow significantly in the coming years
- Innovatec opens to play a strategic role in **WEEE, batteries and electric cars growing markets** thanks to **Cobat** track record expertise and **ownership patents for the recovery of lithium batteries**

INNOVATEC A LEAD PLAYER IN WEEE AND BATTERIES SECTORS WITH A FUTURE IMPRESSIVE GROWTH





ITALY MARKET OPPORTUNITIES

CIRCULAR ECONOMY: MATTRESSES TEXTILES & DRYWALL

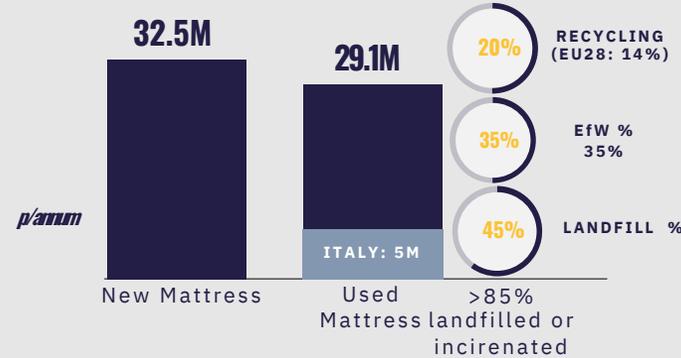
EU 2030 TARGETS



STRONG EXPANSION IN EE & RES

MATTRESSES % RECYCLED

7 EU RELEVANT COUNTRIES



MATTRESSES CAN BE RECYCLED UP TO 90%

NEED TO SCALE UP TO 70/75% RECYCLING

(based upon existing and upcoming EPR target for mattresses)

TEXTILE WASTE

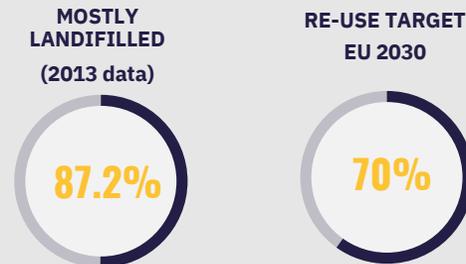


FAR AWAY FROM EU TARGET

Italy anticipated (1/1/22) textile waste management (EPR framework)

Market expected to grow significantly in the coming years

DRYWALL WASTE EUROPE



FAR AWAY FROM EU TARGET

- Recycling plasterboard a successful alternative solution to landfill
- makes most efficient use of material resources (93% gypsum, 7% paper)

UNPRECEDENTED GROWTH IN EE & RES MORE AND MORE IN FUTURE YEARS





WE ARE IN AN ATTRACTIVE BUSINESS

EU INVESTMENTS



ITALIAN GOVERNMENT INVESTMENTS



EXAMPLE ACCESSIBLE MARKETS FOR INNOVATEC:

1

BUILDINGS RENOVATION

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





COMPANY PRESENTATION

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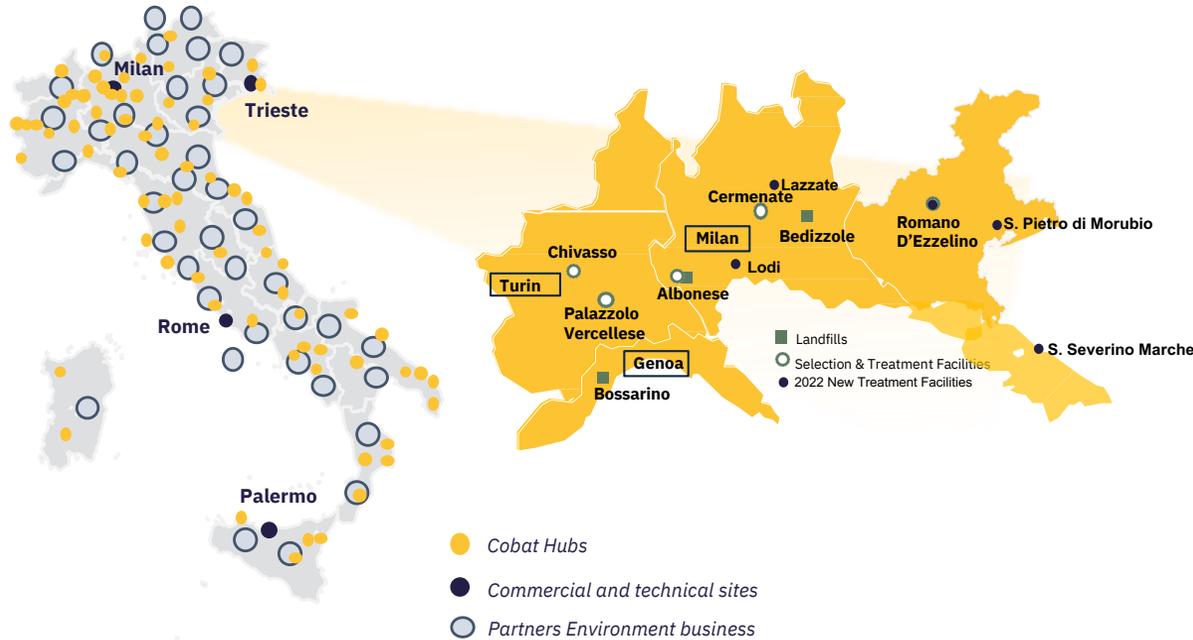
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INNOVATEC GROUP

SOLID ASSET BASE



BUSINESS MODEL BASED ON INNOVATEC SALE FORCE AND CONSOLIDATED PARTNERSHIPS



18

8 SORTING & TREATMENT PLANTS
7 BIOGAS AND PV PLANTS
3 LANDFILLS



600kt

WASTE MANAGEMENT



2000

CLIENTS

95%

LOYALTY RATE



338

HUMAN RESOURCES

200

SALE FORCE (in house & partners)



50

WASTE INDUSTRIAL PARTNERS



60

COBAT COLLECTION HUBS



2

LITHIUM PATENTS



3300

EQUIPMENTS

100

PROPRIETARY VEHICLES

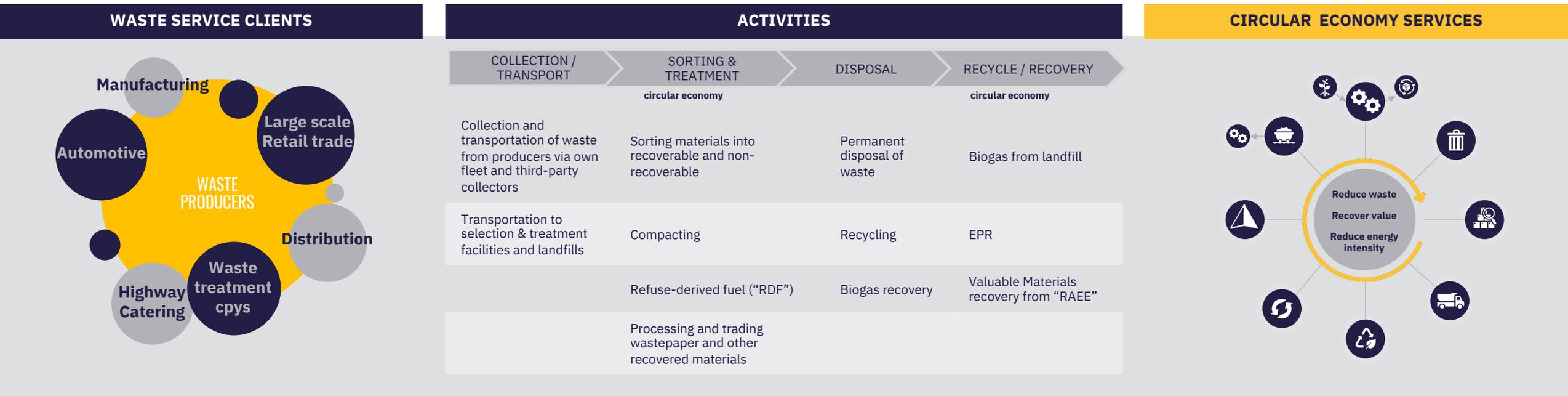
KEY FIGURES





ENVIRONMENT & CIRCULAR ECONOMY BUSINESS MODEL

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



ENVIRONMENT & CIRCULAR ECONOMY BUSINESS DIVISION

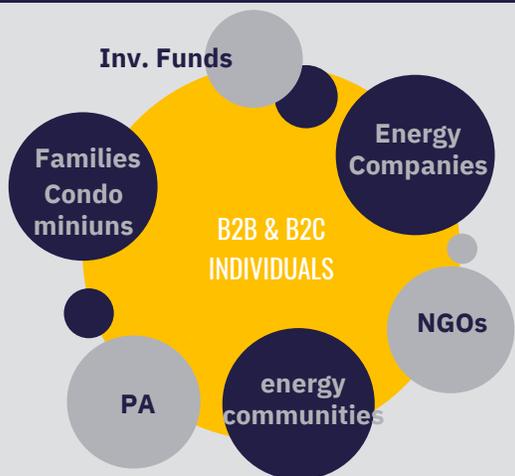
VALUE CHAIN

EE & RENEWABLES BUSINESS MODEL

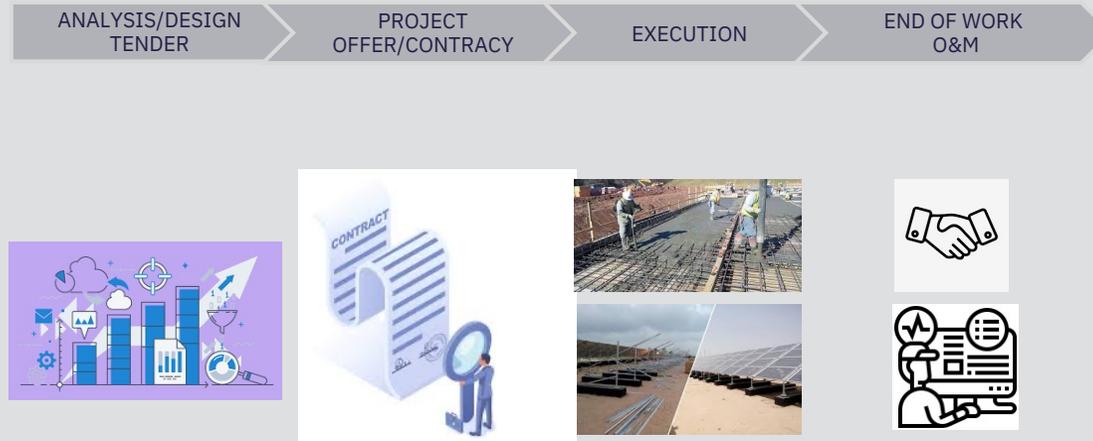
The BU **INNOVATEC POWER** offers to companies (B2B and PA), individuals (B2C) and Energy Communities Integrating energy efficiency services and renewables with an EPC approach

- ▶ **ESI SpA** (29,5% stake) listed in EGM Italy stock market offers EPC and system integrations on renewables.
- ▶ **frisbi** (30% stake) supplies green energy and services to households and businesses.

CLIENTS



ACTIVITIES



EE , PV, O&M SERVICES



ENERGY EFFICIENCY & RES BUSINESS DIVISION

VALUE CHAIN



ESG TARGET ACHIEVED IN 2021



SUSTAINABILITY COMMITTEE SET UP IN 2021



+ 9 GWH

OF ENERGY (100% RENEWABLE) PRODUCED BY PV AND BIOGAS PLANTS FED INTO THE NATIONAL GRID



- 15%

REDUCTION OF TOTAL EMISSIONS vs 2020 (-28% vs 2019)



48%

OF THE FLOWS COMING OUT OF THE PLANTS RE-INTRODUCED INTO THE PRODUCTION CYCLE AS NEW MATERIALS OR ENERGY RECOVERY



31.5%

OF WASTE DESTINED FOR RECOVERY IS RECYCLED



124k tons

PAPER AND CARDBOARD, WOODEN PALLETS AND REGENERATED JUTE SACKS AS NEW RAW MATERIALS.



28%

REDUCTION OF WATER WITHDRAWALS IN THE LAST 2 YEARS



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

- **Decapling organisational set up from the company structure**
- **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

PROCESS – PEOPLE – TECHNOLOGY – RESOURCES

E-GOVERNANCE



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2022 COMPANY ACHIEVEMENTS CONFIRM THE BP DRIVERS

IN LINE WITH BUSINESS PLAN DRIVERS

ENVIRONMENT & CIRCULAR ECONOMY

- NEW VERTICALS IN RECYCLING
- IMPLEMENTATION OF CONSORTIUM MGMT TO OTHER CLASSES OF WASTE
- EXTENSION LANDFILL SITE LIFE

IN LINE WITH BUSINESS PLAN DRIVERS

EE & RENEWABLES

- INTEGRATION OF ENERGY EFFICIENCY AND RENEWABLES OFFER
- BUILDING RENOVATION FOCUS
- PV NEW BUSINESS UNIT



cobat

ACQUISITION
IMPLEMENTATION OF
CONSORTIUM
MANAGEMENT
WAE
BATTERIES
TYRES
TEXTILES



S.E.A.
SERVIZI ECOLOGICI AMBIENTALI

AET
ACQUISITION
WAE RECYCLING
TREATMENT PLANT
VERTICALISATION



LAZZATE TREATMENT PLANT
AUTHORISATION
50Kt p/y

Working progress
ECOFABORY PLANT FOR LITHIUM
BATTERY PLANT IN
CENTER OF ITALY



ALBONESE LANDFILL
in AUTHORISATION
progress

Working progress
BEDIZOLE LANDFILL MINING



STRENGTHENING SALES NETWORK.
140 PARTNERS
INTEGRATION
EE RENEWABLES
OFFERS



HOUSE VERDE
ripensare il modo di abitare

ECOBONUS 110%



29.6% M&A
300MW realized
11 countries
58 Project
PIPELINE: 56MW

NEW PV BU
Target €100m
•EPC & Developer,
• synergies with Frisbi



FRISBI
ENERGY RESELLING
30% ACQUISITION
an innovative start-up
for the supply of digital
and green energy to
households and
businesses



ACLITERRA COLDIRETTI AGREEMENTS

FOR AGRIPV DEVELOPMENT AND EPC

2022 ACHIEVEMENTS IN ACCORDANCE WITH BP PLAN





2021 STRONG PERFORMANCE IN ALL KEY INDICATORS



Execution of the growth strategy in line with the BP22-24 trends

Prompt reaction to new scenarios

Timely **M&A deals**

Asset based **consolidation**



Business verticalization continues

Significant **strengthening of core business portfolio** achieved through **attractive M&A in circular economy**

M&A: €19.8M CAPEX: €7.3M



Significant investment in **human capital** to fuel the EE business

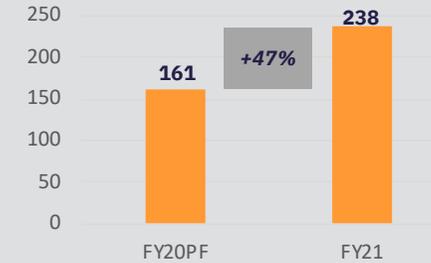
HR count: +51



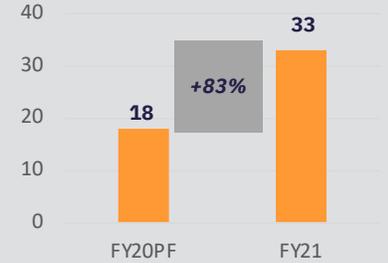
EBIT margin reached 7.0% (PF21: 4.5%)

EBIT already exceeded PF21 FY figure (+46%)

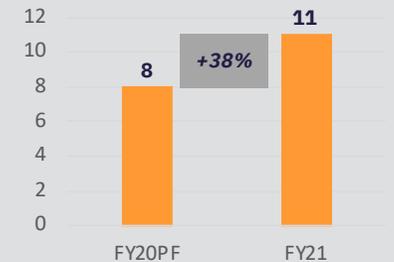
REVENUES (€M)



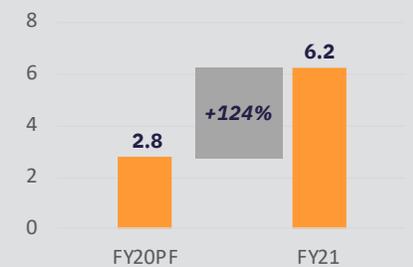
EBITDA (€M)



EBIT (€M)



GROUP NET INCOME (€M)



* PF figures include COBAT results

TIMELY EXECUTION OF CLEAR STRATEGIC PATH, BOTH IN ORGANIC GROWTH AND IN M&A





1H22 GROWTH PATHS CONTINUE



Execution in line with the BP22-24 trends
Prompt reaction to new scenarios (Photovoltaic)
Timely **M&A deals** both in the **circular economy** and **EE& RES** business
Asset based **consolidation**



Business verticalization continues
Significant **strengthening of core business portfolio** achieved through **attractive M&A** deals that open up in the regulatory context (  and new PV Bu)

M&A: €7.4M CAPEX: €8.7M



Significant investment in **human capital** to fuel the EE business

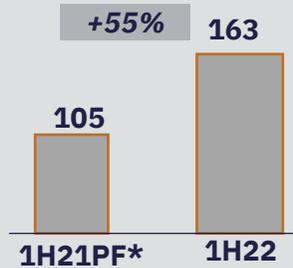
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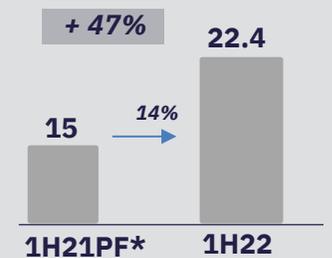
TARGET on EBIT margin already reached (9% vs 5%)

Bottom line more than doubled

REVENUES (€M)



EBITDA (€M)



EBIT (€M)



GROUP PROFIT (€M)



* PF figures include COBAT results

TIMELY EXECUTION OF CLEAR STRATEGIC PATH, BOTH IN ORGANIC GROWTH AND IN M&A





9M22 IN LINE WITH BP DRIVERS (1/2)



Revenues €M 222.3

- ✓ Organic growth in **Environmental & Circular** business thanks to volumes and prices.
- ✓ **Energy Efficiency** revenues generation was slowed down due to regulation uncertainties



EBITDA €M 27.2, EBITDA margin 12,2%

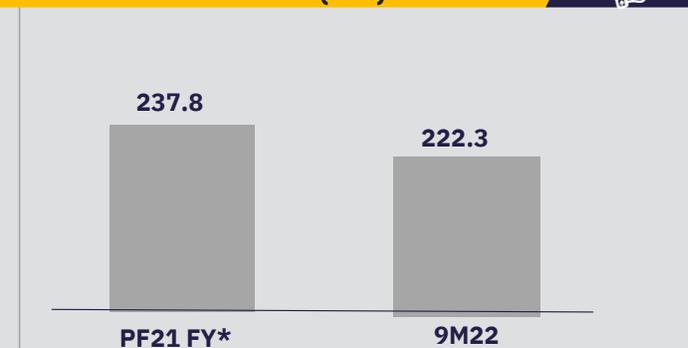
Despite the worsening macro-economic climate, the Group successfully upheld its marginality (-1,6pts vs PF21).

- ✓ **Environmental & Circular** business was slightly impacted by direct and indirect cost increase (only partially rebated on customers).
- ✓ **Energy Efficiency** business EBITDA% in 3Q22 suffered due to the above mentioned slow down.

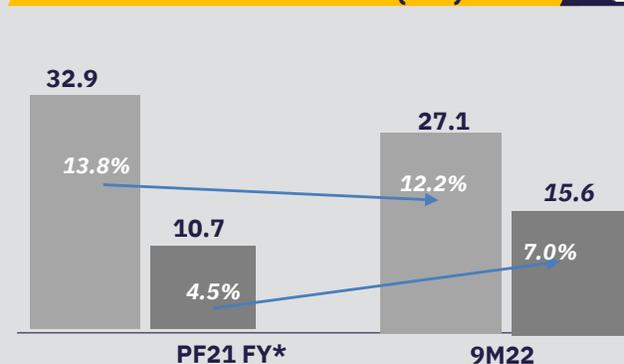
EBIT €M 15.6, EBIT margin 7%

- ✓ EBIT Margin continues to benefit by the increased weight of the **Energy Efficiency** (less capital intensive than Environmental & Circular business)

REVENUES (€M)



EBITDA and EBIT (€M)



* PF figures include COBAT results

SUCCESSFULLY REACTED TO THE WORSENING OF MACROECONOMIC SCENARIO





9M22 IN LINE WITH BP DRIVERS (2/2)



Business verticalization continued in the 3rd QTR 22

M&A: €8.5M YTD: €15.9M
 CAPEX: €3.7M YTD: €12.4M



Successful investment in **human capital**

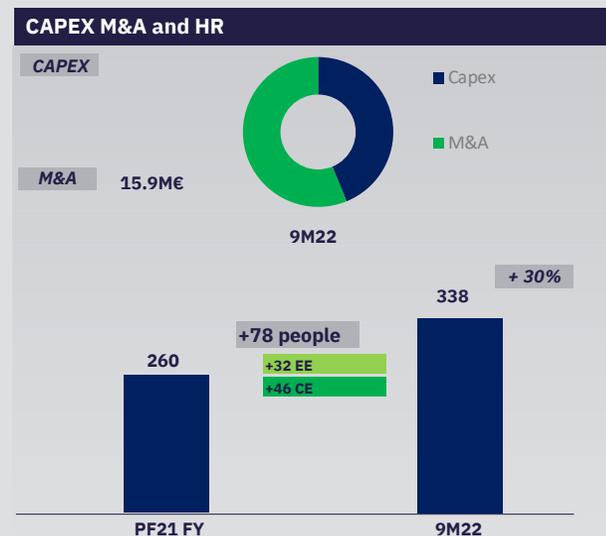
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3rd QTR: +14 YTD: +78

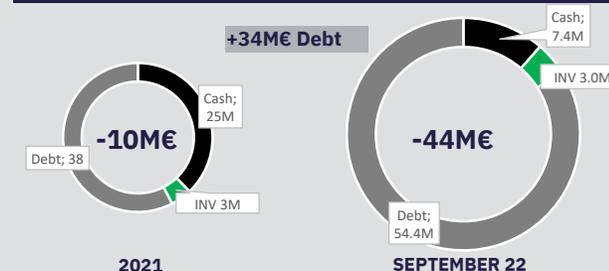


Net Debt rose to **€M44** mostly due to recent M&A for €M15.9 (and related financial debt for €7.7M), Capex for €M12.4 as well as an increase in NWC due to the lengthening of the eco-bonus tax credit assignments.

In order to normalize the NWC value €M10 adjustment was estimated on HV (HV NWC Adj.)



NET FINANCIAL POSITION



€m

CASH FLOW	30-Sep-22
EBITDA	27,1
Delta NWC	(27,2)
Capex	(12,4)
M&A	(15,9)
Additional Debt from M&A	(7,7)
Others	(4,1)
Operating CF	(40,2)
Capital Increase	6,2
Change in NFP	(34,0)

NET DEBT INCREASE DRIVEN BY BUSINESS DEVELOPMENT (M&A AND CAPEX) & NWC





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INNOVATEC STOCK



Intense IR activity: a total of **50 institutional investors met** in 2022



Fulfilled commitment to have three **analysts covering the stock**



Confirmed objective to be **listed 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 (as of 13 Feb 2023) - €	1.61
Mobile average 50 days	1.68
Avg daily volumes last QTR	260k
Avg daily volumes Q4 2022	283k
Avg daily volumes Q3 2022	384k

SHAREHOLDERS DATA

no. of Ordinary Shares (M)	95.4
Free Float	55%
Major Shareholder (Colucci Family)	45%
Mkt Cap (€M) (@ €1.61 as of 13 Feb. 2023)	154
Free-Float Mkt Cap (€M)	85.0

INC +107,2% 3y
FTSE Italy All-Share Index: +9,2% 3y



STOCK & SHAREHOLDING DATA



Source: Elaborations on Borsa Italiana data



ANALYST COVERAGE



INTESA SANPAOLO	<ul style="list-style-type: none">• Youness N. El Alaoui• Alberto Francese	3.4 euro <i>(last update as of 3 August 2022)</i>	BUY
MIDCAP – TP ICAP	<ul style="list-style-type: none">• Filippo Migliorisi	3.0 euro <i>(last update as of 3 August 2022)</i>	BUY
VALUE TRACK	<ul style="list-style-type: none">• Valentina Romitelli• Marco Greco• Filippo Mazzoleni	2.50 euro in 12m – 3.60 euro in 2y <i>(last update as of November 2022)</i>	

STRONG UPSIDE POTENTIAL



INNOVATEC GROUP INVESTMENT HIGHLIGHTS





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