



I N N O V A T E C

E M B R A C E I N N O V A T I O N

AIM INVESTOR DAY



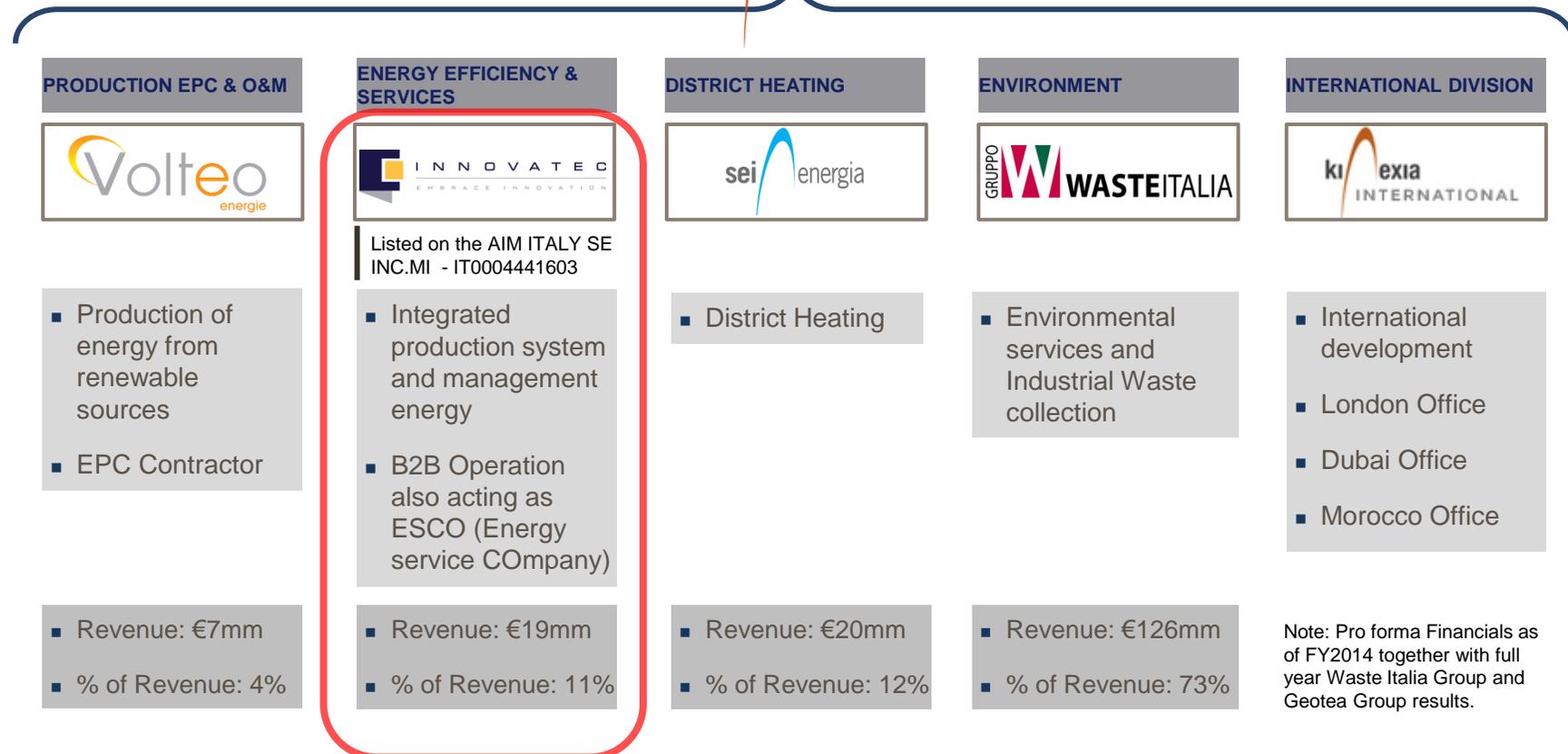
**II Edizione
Palazzo Mezzanotte
15 aprile 2015**

INVESTOR PRESENTATION

Innovatec: Future in the Smart Energy

Milano 15 Aprile 2015 – Palazzo Mezzanotte Borsa Italiana

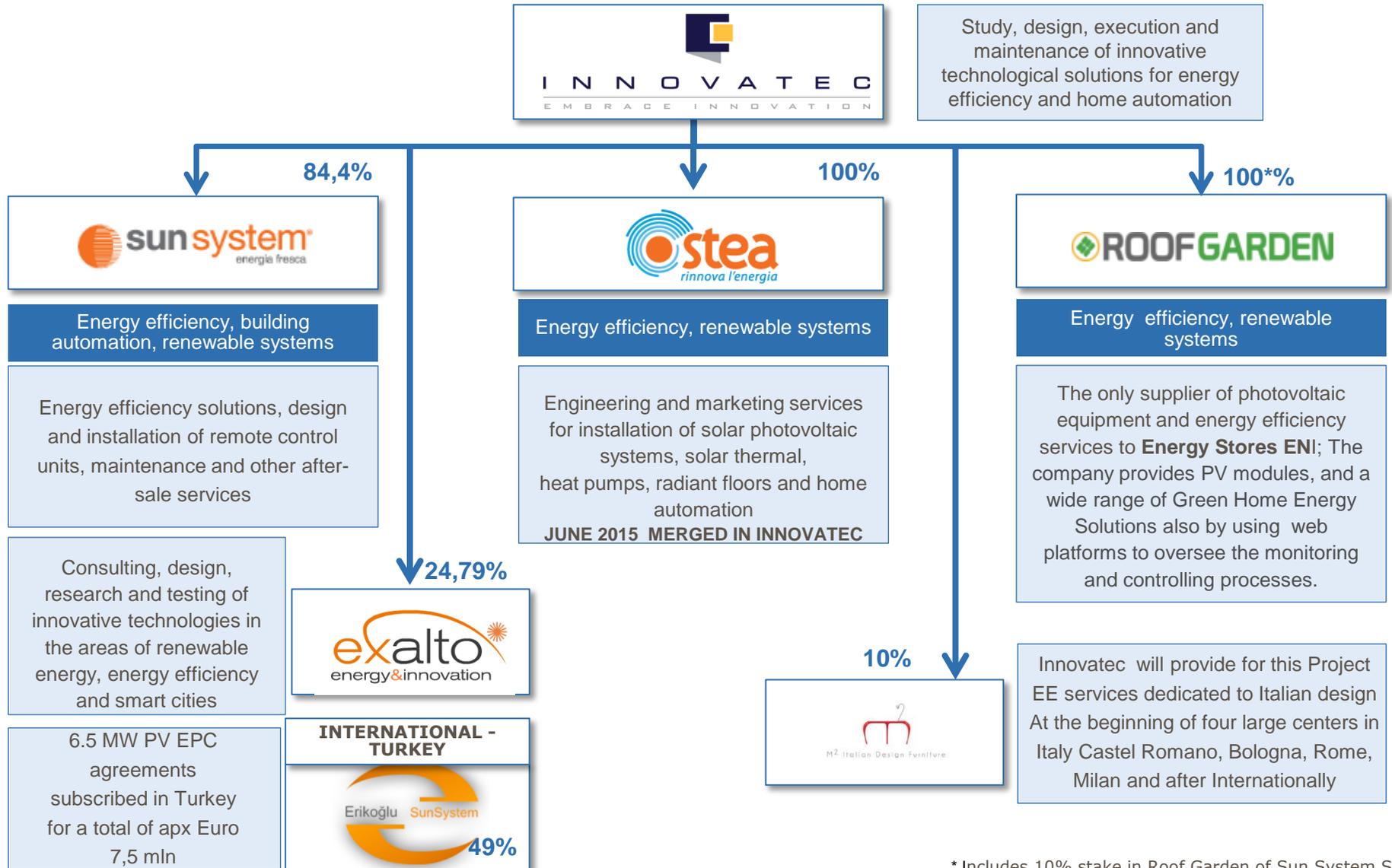
INNOVATEC IN KINEXIA GROUP : OVER 30 YEARS IN THE GREEN SECTOR



Note: Pro forma Financials as of FY2014 together with full year Waste Italia Group and Geotea Group results.

KINEXIA FOSTERS THE DEVELOPMENT OF TECHNOLOGICAL SOLUTIONS INTEGRATING THE PRODUCTION OF ENERGY FROM RENEWABLE SOURCES AND ENVIRONMENTAL SERVICES TOWARDS A CIRCULAR ECONOMY MODEL (OR ZERO WASTE MODEL).

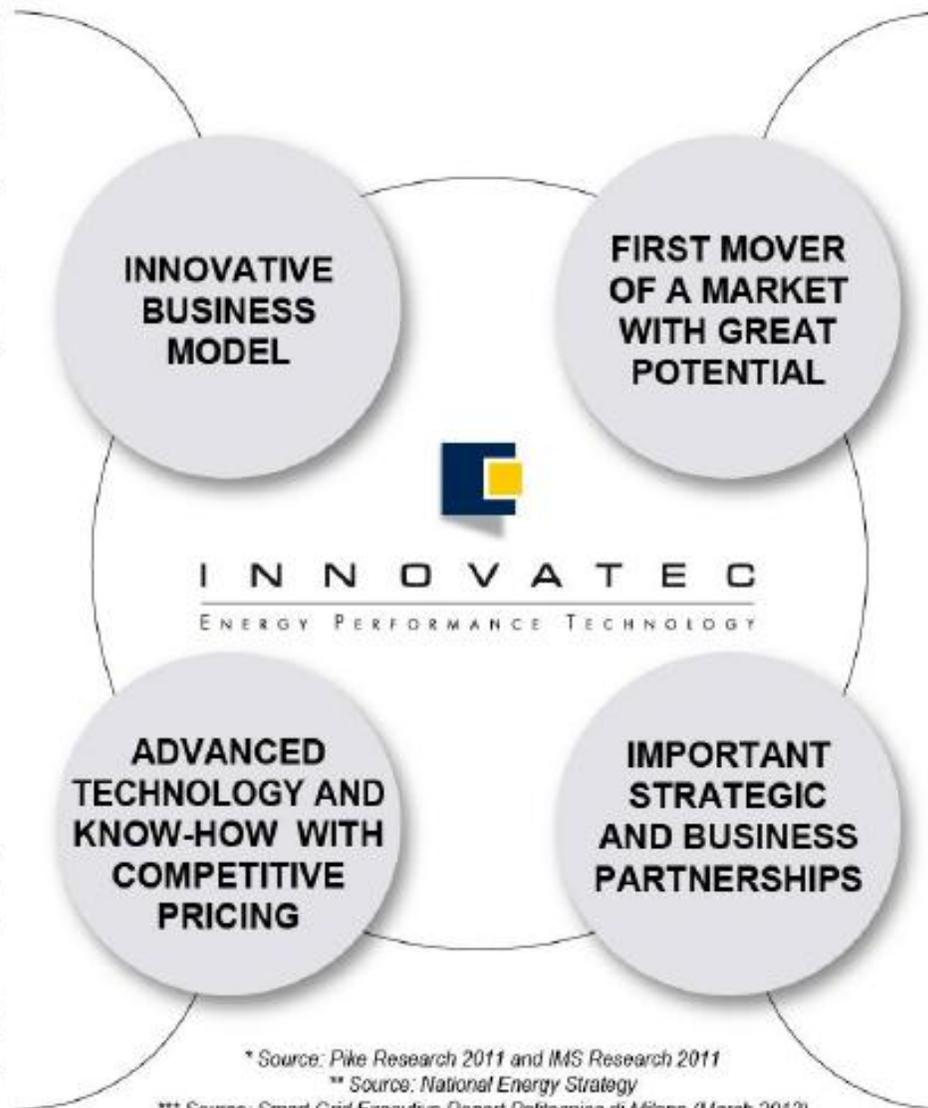
HIGHLIGHTS: INNOVATEC GROUP



* Includes 10% stake in Roof Garden of Sun System Srl

- **Specialization on retail and SME segment** throughout the value chain (technical feasibility study, material supply, installation, testing and connection, remote control and O&M)
- **Direct contact with the customer retail or SME**
- Innovatec is a real network operator of **integrated energy services**, which develops and manages technology, products and services

- Innovatec works with technologies and know-how able to develop **services and integrate high quality products** with competitive prices
- The Group developed a **unique software** for remote monitoring of plants and state-of the art storage systems



- **First mover in a highly attractive sector** with high growth prospects:
 - 2010-2015 CAGR global smart grid market +23%*
 - size of the Italian market until 2020: €50 to 60 billion for energy efficiency** and €30 billion for smart grids***
- In Italy, due to the high cost of energy, energy efficiency is the primary goal of the National Energy Strategy

- **Strong direct commercial network**
- **Business partnerships** with Eni Energy Store (through its subsidiary Roof Garden) and Officinae Verdi (promoted by Unicredit and WWF), a company operating in the promotion and marketing of products / services for **energy efficiency**
- Agreement with Agos Ducato for **financing solutions** for the acquisition of its products, and with Unicredit for Officinae Verdi
- **Technological and business partnerships** with international utilities such as E.ON and GDF

* Source: Pike Research 2011 and IMS Research 2011

** Source: National Energy Strategy

*** Source: Smart Grid Executive Report Politecnico di Milano (March 2012)

Energy Storage System: SUN SYSTEM EVO

- The Group has a **renewable energy storage system connected to the internet** (Sun System EVO), developed in collaboration with AROS (Riello Group) and BYD (worldwide leader in storage systems) that integrates algorithms for web data processing (i.e. weather forecast). The system is paired with a **next generation lithium-ion battery**, perfectly suitable for plants with power capacity between 3 and 6 kWp.

Nowadays due to the lack of incentive systems, we believe that providing a storage system in the marketplace is of utmost importance.

Monitoring system: REX

- The Group has developed a special software (for exclusive use) using the latest and most innovative technology which allows the full **monitoring of the energy produced and consumed either by homes or buildings**. REX consists of a plant data logger and a data processing software. The data logger records all the power plant energy production data and the **software** process all data gathered and make it available to customers via the internet both on their tablets and smartphones. It is possible to monitor all the energy flows within the house **by pairing REX with specific storage devices**, i.e. the energy produced, stored or used to generate electricity, gas, water, etc. or transferred to the electric grid. In addition, in case of failure, REX Transmits automatically an alarm directly to the Group's operation room which informs the customers and starts the procedures to fix the problem.

Know-how in the energy efficiency and home-automation technologies

- Over the years Innovatec has developed expertise and distinctive technologies in terms of system integration both in the **energy efficiency** and in the home-automation sectors.

Expertise in the design and installation of renewable energy plants

- Over **4.000 power plants** installed among Sun System, Stea and Roofgarden.

IT: web based community

- Thanks to an exclusive contract with a software house, the Group has an information sharing **platform** that enhances data sharing between energy producers and consumers (i.e. energy behaviour).



SMART ENERGY BOX

By INNOVATEC

REX, A proprietary system to control consumption directly online.

THERMAL SOLAR

Production of domestic hot water for heating integration.



CHP (COGENERATION)

The combined process of production of electrical energy and heat in the same installation.

PV (PHOTOVOLTAIC)

With sunlight it is possible to reduce energy consumption from the network and lower the cost of energy.



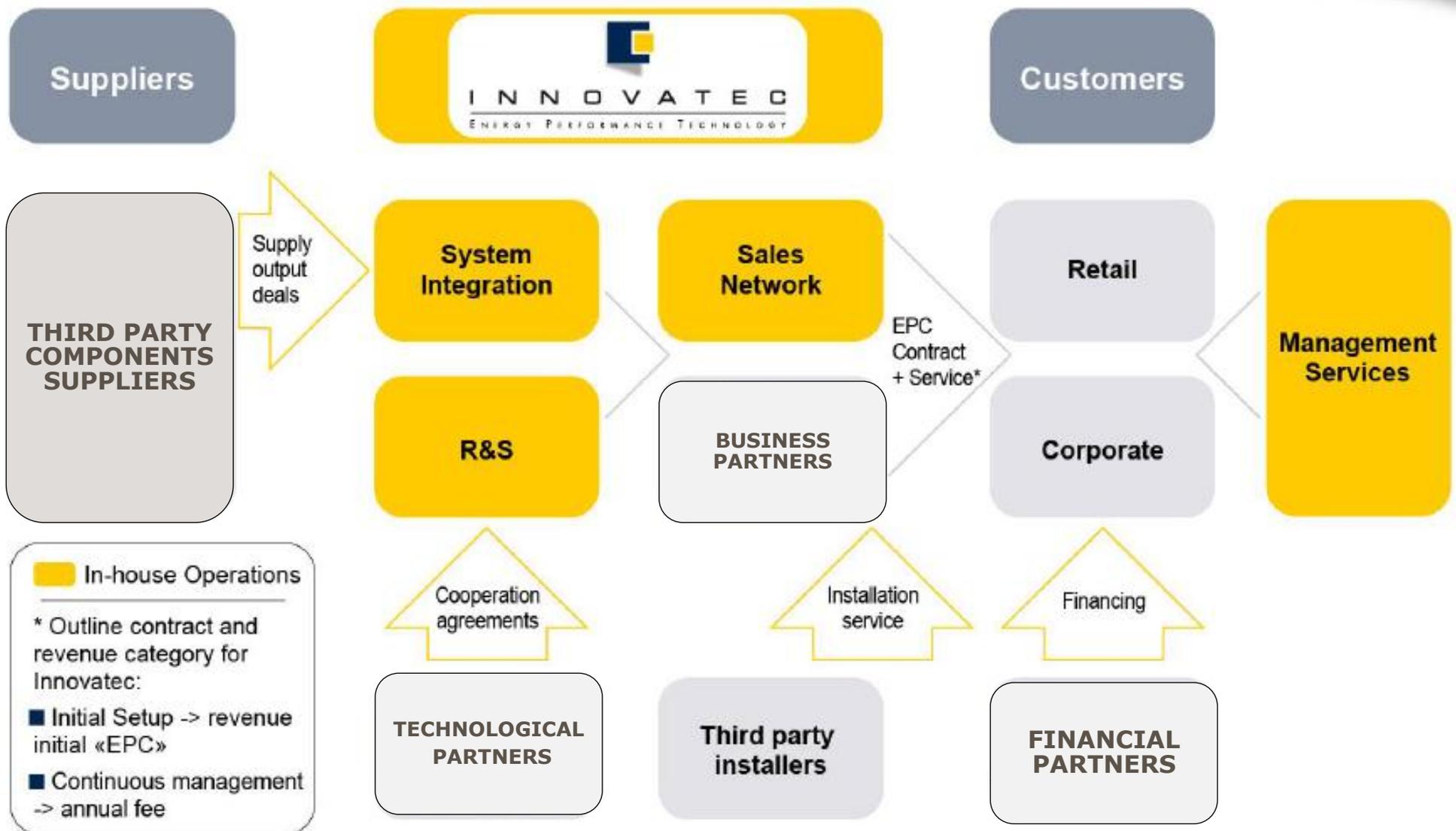
LED LIGHTING

A simple and reliable technology to meet any lighting requirement

HEAT PUMPS

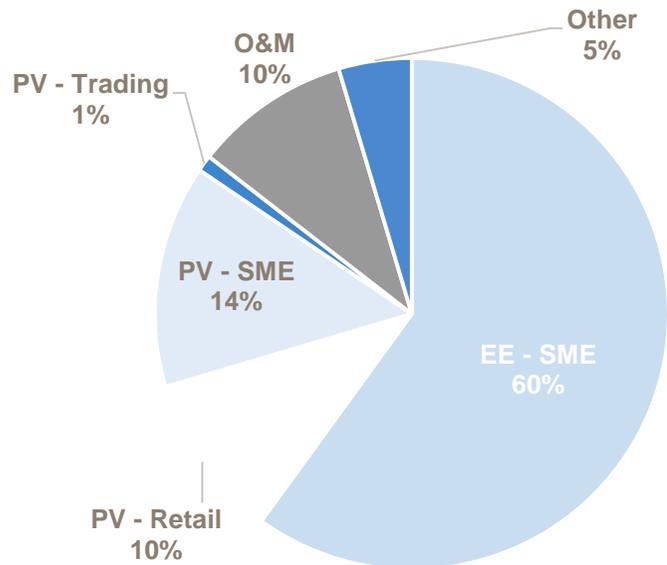
Allows the combined air / hot and cold water in a much more efficient way







FY2014 REVENUE BREAKDOWN



FY2014 FINANCIAL HIGHLIGHTS

Revenues 2014: Euro 21 mln

EBITDA 2014: Euro 1,2 mln

EBITDA% 2014: 6%

WCEE BACKLOG: Euro 17,5 mln

HR: 53 MKT Cap: Euro 9 mln

NFP as at 31/12/2014 : Euro (13,2) mln

Net Invested Capital 2014: Euro 26,8 mln

PN as at 31/12/2014: Euro 13,6 mln

INDUSTRIAL RESULTS

PLANTS BUILT & INSTALLED

- **PV Plant MW** 175 MW built;
- **PV Plant n.:** 3.800
- **PV Plant n. :** 1.600 with Telecontrol system

EE GREENHOUSE

- **Energy Efficiency:**
“Greenhouses” project for a total White Certificates’ value of €17 mln; EE soft orders for €35 mln
2015 €4 mln Greenhouses Pprojects to date with equivalent €4 mln WCEE

EE BUILDING RENOVATION

- **Building Renovation** “Capo Mulini” project for the green & cleantech renovation of a hotel complex in Sicily for a total value of €47 mln EPC contract

EE FOR S.M.E.

- **Softorders to date:**
- **Euro 34 mln presented to S.M.E**

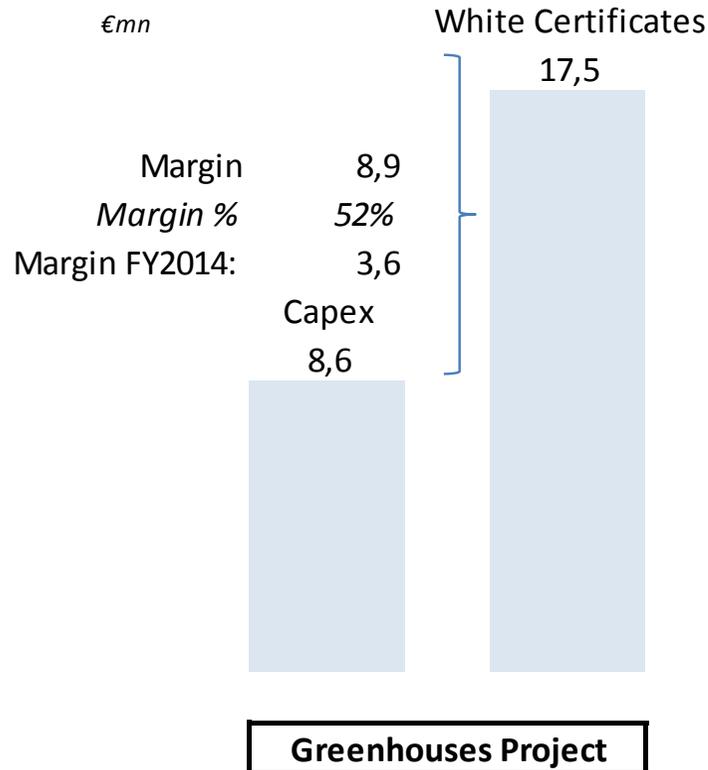
INTERNATIONAL

International

- 6.5 MW PV EPC agreements subscribed in Turkey for a total of apx Euro 7,5 mln

WCEE: White Certificates for Energy Efficiency

FY2014 GREENHOUSES PROJECT

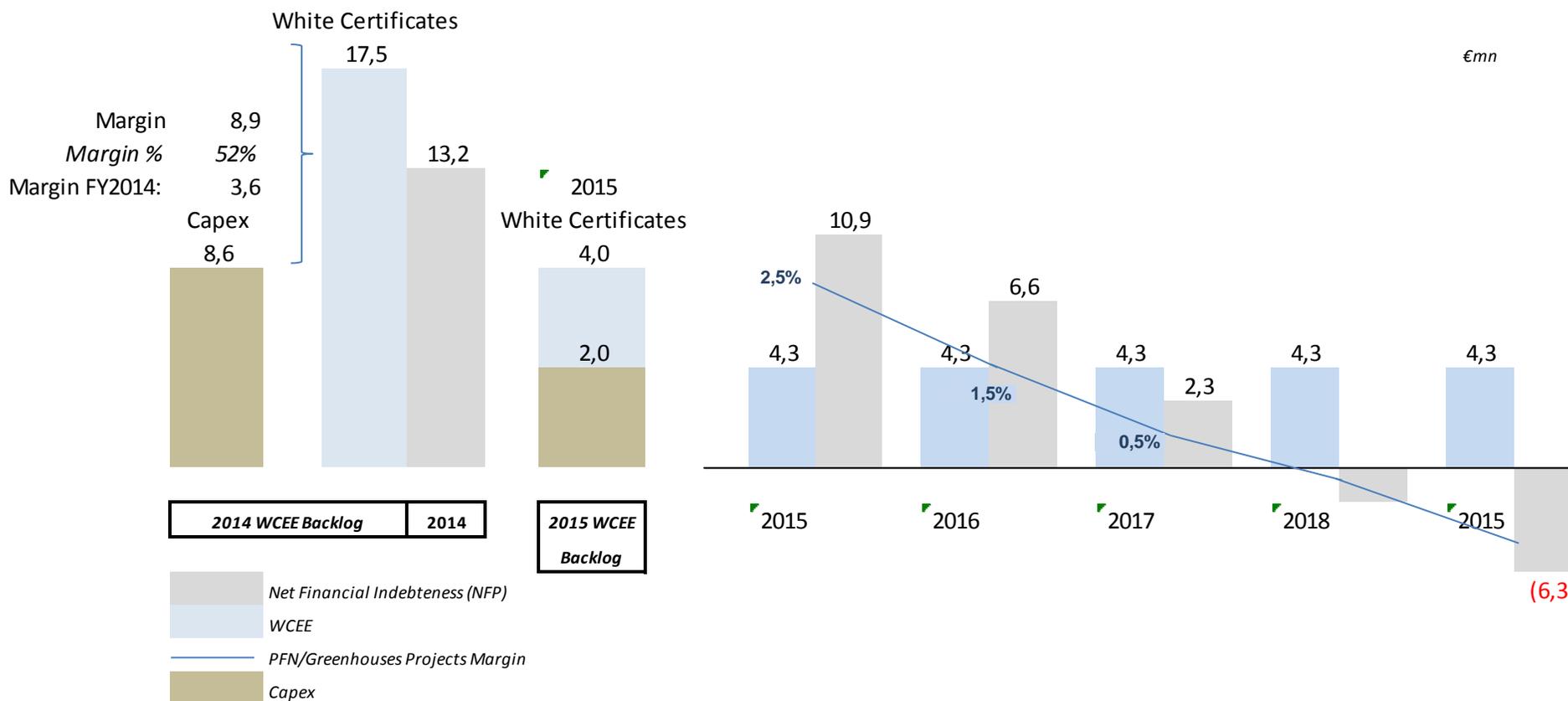


- **With the beginning of the installation process, the Group has posted in the FY 2014 "greenhouses" revenues of Euro 11.8 million and an EBITDA margin of apx. Euro 3.6 million.**

- **The White Certificates (WCEE) Backlog is the date of December 31, 2014 of apx Euro 17 million for a total investment of EUR 8 million.**
- **The Euro 9 million margin has been accounted for Euro 3,6 milioni in the FY 2014 while the remaining divided over the next five years given the strategic choice not to monetize and advance the WCEE (through bilateral agreements with "energy-hungry society"). This choice determines a lower benefit on EBITDA in 2014 but guarantees in the future five years to account an higher EBITDA on Projects finalised in the FY 2014 due to a direct sale of the WCEE in the trade market and not through bilateral agreements**

In the third quarter of 2014, the Group began operation of the project "greenhouses", energy efficiency project entirely devoted to the agricultural sector for which the Energy Services Operator (GSE) provides incentive mechanisms for the replacement of heating systems powered by fossil fuels annexes to installations greenhouses, with new plants fueled by biomass plant matrix. The positive impact of such replacement in terms of reducing climate-altering emissions has been recognized by the national legislature, which provided for such interventions access to the incentive mechanism of white certificates. The recognition of the title reward is provided for five years and the cash flows deriving from the sale of such certificates can also be accelerated by concluding bilateral contracts for sale to persons who, by the nature of its business ("energy-hungry society"), have an obligation to surrender each year a certain number of white certificates ("TEE") to the market.

2014 €17,5mn WCEE backlog and todate 2015 €4mn WCEE backlog are giving a relevant positive impact on future free cash and deleveraging financial Debts without considering any additional EBITDA from other BP EE Projects



DISCLAIMER-This document has been prepared by Innovatec solely for investors and analysts. This document does not constitute an offer or invitation to purchase or subscribe any shares or other securities and neither it nor any part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

Some information contained herein and other material discussed at the meetings may include forward-looking information based on Innovatec's current beliefs and expectations. These statements are based on current plans, estimates, projections, and projects and therefore you should not place undue reliance on them.

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, but are not limited to: changes in global economic business, changes in the price of certain commodities including electricity, WCEE, the competitive market and regulatory factors.

Moreover, forward-looking statements are current only at the date they are made.



INNOVATEC S.p.A.
Via G.Bensi, 12/3
20152 Milano
Raffaele Vanni (CFO & Investor Relations)
www.innovatec.it



IR TOP Consulting
Via C. Cantù, 1
20123 Milano
Tel. +39.02.45473884/3
www.irtop.com
ir@irtop.com