

Envipco Holding – Fourth quarter 2022 results

Highlights

- Record year with revenues of EUR 56.0 million in 2022 (+46%), and EUR 12.9 million in Q4'22 (+5%)
- Revenue accelerating in Europe with 145% year-on-year growth to EUR 17.8 million in 2022
- Sustained market investments delivering a strong European orderbook for 2023, demonstrated by successes in Scotland passing 1000 RVMs and the announced MOL group award
- Delivery of 24 Quantum platforms to Greece in Q4'22, proof point of penetration of a pre-DRS market with exciting growth prospects over the coming years
- North America reaching revenue of EUR 38.2 million in 2022 (+27%) driven by growth in both Program Services and RVM Sales
- EBITDA EUR 1.2 million for the full year 2022 and negative EUR 1.6 million in the fourth quarter, in line with expectations given fluctuations in revenue due to timing of orders
- First step in strengthening the balance sheet by private placement of EUR 15 million, December 2022

Envipco reported revenues of EUR 12.9 million during the fourth quarter, bringing full year revenue to record EUR 56 million, an increase of 45% from 2021. Year-on-year revenue growth was mainly driven by reverse vending machine (RVM) sales in Europe as well as continued growth in program services and machine sales in North America. As expected, growth in the fourth quarter was impacted by somewhat lower machine sales in North America compared to last year's strong Q4'21. This was compensated by program services growth and strong Greece Quantum revenues.

Total gross profit for the quarter was EUR 3.8 million, corresponding to a gross margin of 29.2%. This compared to EUR 3.9 million and 31.5% in Q4'21. The somewhat lower margin is mainly explained by introductory sales in Greece at lower margins. Excluding Greece gross margin came in at 31.6%. The pre-DRS contracts in Greece have been renegotiated in Q4 and margin contribution improved compared to Q3, an effect that will continue into 2023.

“2022 has been a very successful year for the business. Sustained investments in our future are being validated through commercial successes. 2023 will be a transformative year as we fulfil our order book, deliver strong revenue and EBITDA growth, drive profitability, and most importantly provide the foundation for future growth and performance. We are excited to be creating a cleaner world for future generations through our recycling technology”, says Simon Bolton, CEO.

Throughout 2022, Envipco saw continued growth in North America, and was awarded multiple RVM contracts to new European markets. The company is also gaining traction from pre-DRS (Deposit Return Scheme) markets, such as Greece, as retailers prepare for upcoming legislation. In the fourth quarter the company was selected as one of two RVM Technology Providers for the coming national DRS in Hungary, a meaningful validation of Envipco's market position and technology portfolio.

Currently, some 20 European countries are either operating with, have legislated, or are politically discussing DRS. Romania and Scotland will have legislation in place during 2023 - Portugal, Poland, Ireland, and the UK are anticipated in 2024, and Spain and France in 2025. The aggregate market opportunity is expected to triple in 2025 compared to 2019.

Envipco continues to prepare the organization for growth and capture the upcoming market opportunity. EUR 15 million was raised in a private placement during the fourth quarter as a first step to strengthen the balance sheet. In preparation for upcoming demand, production capacity was increased with a new Romanian manufacturing plant in May 2022. As demand increases and production is scaled, the company is set for operational leverage and subsequent margin improvements.

The recent wins in Europe provide an aggregate opportunity pipeline of thousands of machines over the coming years, and the company is continuing to pursue upcoming opportunities in additional markets. The combined outlook provides a strong trajectory and has built a very solid orderbook which will underpin 2023 growth and beyond.

The complete financial statements for the fourth quarter 2022 for Envipco is attached hereto and is also available at <https://www.envipco.com/investors> and www.newsweb.no.

The company will host a digital presentation for investors, analysts, and other stakeholders via webcast today at 13:00am CET. CEO Simon Bolton, CFO Derk Visser and COO Bob Lincoln will present the Company.

The presentation will be followed by a live Q&A session. The presentation will be in English.

For further information please contact:

Derk Visser, Group CFO
+31 33 2851773
derkv@envipco.com

About Envipco Holding N.V.

Envipco Holding N.V. (Envipco), www.envipco.com, is a Netherlands-based holding company listed on Euronext Amsterdam and Euronext Oslo Growth (Symbols: ENVI/ENVIP). Envipco, with operations in several countries around the globe, is a recognized leader in the development and operation of reverse vending machines (RVMs), automated technological systems for the recovery of used beverage containers. Known for its innovative technology and market leadership, Envipco holds several intellectual property rights for RVM systems, including but not limited to beverage refund deposit markings, material type identification, compaction, and accounting.

This information is subject to the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act