



Envipco Announces 2022 First Quarter Results Unaudited

Strong year-on-year revenue growth of 25% in Q1 2022

Regulated Information

Key figures

in EUR millions	Q1 2022	Q1 2021	FY 2021
Revenues	10.4	8.3	38.4
Gross Profit	3.4	3.1	13.4
Gross profit %	32.9%	37.0%	35.0%
Operating Expenses	4.6	3.8	14.7
EBIT	(1.1)	2.7*	2.3*
Net profit/(loss) after taxes after minority	(1.3)	2.0	0.6
EBITDA	(0.2)	3.4	5.5
Earnings/(loss) per share in €	(0.03)	0.46	0.01
Shareholders' equity	29.7	31.1	30.5

*Including other income of EUR 3.4 million positive (DPG settlement, PPP forgiveness).

Highlights

- 25% revenue growth to EUR 10.4 million in Q1'22 from Q1'21, including favorable currency impact of 7%
- Strong quarter in North America with year-on-year revenue growth of 34% to EUR 9.4 million, driven by improved program service volumes, solid RVM sales, and favorable currency impact of 9%
- Strong orderbook with key retailers in North America to be delivered in Q2/Q3'22
- European revenue of EUR 1.0 million, down 24% from Q1'21 due to Sweden customer installation delays. Sweden order book developing well with expectation to be fully recouped in the remainder of the year
- Malta RVMs built and shipped with revenue to be recognized in Q2 and Q3 of 2022
- Gross margin 32.9% up from 31.5% in Q4'21 from improved labor efficiencies and some cost stabilization of components and logistics. The company has solid plans on continuous margin improvement going into H2'22
- Romanian manufacturing plant launched in May 2022; global manufacturing capacity up to 30,000 RVMs annually
- Organizational investments and significant increased market development activities in Scotland, Ireland, Romania, and Portugal tied to DRS developments

Comment of Simon Bolton, CEO Envipco

“Q1 was another strong revenue quarter and continues the growth trajectory of the company. While we are continuing to see the impact of supply chain challenges and logistical cost increases, we are countering these with pricing strategies and focused margin improvement projects. This is seen this Quarter with improved Gross Margins vs. Q4 2021. We are confident that we can manage these cost pressures over the medium term with continued focus from the team and ramping up our Romanian facility. We are experiencing significant progress within our targeted markets and wider activity both within the Europe and the US. With a strong outlook going into Q2, we remain optimistic about solid growth this year and setting a good foundation towards our long-term targets.” – Simon Bolton, CEO

Outlook

Envipco is continuously expanding and developing in new and existing markets as they mature and DRS schemes approach Go-Live. The company is well positioned for growth in the short and longer term. The company has built a strong orderbook for Q2'22, and significant revenue growth is expected. Shipments have already been sent to Malta, additional Quantum units are expected to be installed in Sweden, and new opportunities are materializing in new countries throughout Europe and in North America.

Gross margin improvement is a key focus area, particularly following the challenging market conditions and inflationary pressures seen in 2021. In the first quarter of 2022 the company focused on reducing temporary labor and began projects to optimize product cost. Cost of components and logistics are expected to normalize over time. Envipco is continuously managing product cost, improving price levels, and working to ensure a lean and profitable business with improved margins going forward.

The new Romanian facility will improve production capacity with local European presence, reducing manufacturing costs, simplifying supply chains, and lowering freight costs as the facility is ramped up. We are growing in North America, winning contracts with key national retailers, and positioning the company for expansion. The company is continuously investing in the global organization building the right capabilities to deliver on the exciting opportunities ahead.

We remain confident in our strategy, our investments, and our ability to deliver strong growth and execute on our long-term revenue and gross margin targets. We are excited to be creating a cleaner world for future generations through our recycling technology.

Please refer to our website www.envipco.com to download a full pdf version of our 2022 First Quarter Report.

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About Envipco Holding N.V.

Envipco Holding N.V. (Envipco), www.envipco.com, is a Netherlands-based holding company listed on Euronext Amsterdam (Symbol: ENVI) and Euronext Growth Oslo (Symbol: 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 announcement contains forward-looking statements concerning the condition and business of Envipco. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions. All forward-looking statements contained in this announcement are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward-looking statements. This information is subject to the disclosure requirements pursuant to Section 5-12 of the Norwegian Securities Trading Act.