Envipco Holding N.V.

Annual Report 2024

envipco

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In this Annual Report "Envipco", "the Company" and "the Group" are used interchangeably to refer to Envipco Holding N.V. and/or any of its subsidiaries.

This copy of the annual report of Envipco Holding N.V. for the year 2024 is not in the ESEF format as specified by the European Commission in Regulatory Technical Standard on ESEF (Regulation (EU) 2019/815). The ESEF reporting package is available at www.envipco.com/investor-relations.

Envipco at a glance

Envipco is a leading recycling technology company, with more than four decades of experience delivering reverse vending machines (RVMs) and systems to leading customers operating deposit return schemes (DRS) across the world. The company holds a broad technology portfolio addressing customer needs across all segments. The company is innovative, has an agile partnership approach, broad operating experience and is a practical enabler of DRS implementation and operation. Envipco offers compelling competitive products and solutions in our chosen markets.

Addressing vast global market

+200k RVMs

Focus currently on European growth markets

Current presence in

14 markets

with rapid expansion in Europe from strong foundation in North America

2024 revenue

EUR 114.0 million

YoY growth of 30.1%

Organizational capacity

455 employees

well positioned to drive ambitious growth plans

About Envipco

The founding of Envipco started as a desire to help recover and support material reuse of beverage containers. That was over forty years ago and this has been our single focus since then – we are at our heart a company that accelerates recycling, to really help our customers become sustainable, and to drive the circular economy. We have examples of this operating across the world with retailers, municipalities, and the beverage industry. Our professional and service oriented teams are ready to develop the best solution for each situation.

Vision and Mission

At Envipco, we are creating a cleaner world for future generations through our recycling technology.

Our mission is to make recycling easier for everyone. Emerging as the forward-thinking leader, we continuously invest in developing and offering innovative technology solutions for drinks packaging recycling.

We have a clear strategy for accelerating growth and are committed to deliver excellent products and services to our customers, tangible results to our investors, and a great place to work for our employees.

Envipco 5 values

At Envipco, our values define who we are and guide our actions. We are committed to sustainable environmental solutions, driven by a passion for innovation and excellence. We prioritize delivering exceptional performance and fostering trust and respect in all our relationships.

Our solid growth this year is a testament to our unwavering commitment to our core values of trust, passion, excellence, performance, and commitment, which continue to drive our success and inspire our team to achieve outstanding results.

Highlights

- Group revenues +30.1% y/y to €114.0m;
- Europe revenues +43.6% y/y to €79.7m on high activity in Hungary and Romania in addition to incremental sales from Ireland;
- Gross margins 37.1%, up from 34.5% in 2023 with gross profit +39.9% y/y to €42.4m;
- EBITDA €11.9m for a margin of 10.4%;
- Closed the acquisition of Sensibin Ltd.

Key figures

In EUR million	FY 2024	FY 2023	FY 2022	FY 2021
Revenues	**114.0**	**87.6**	**56.4**	**38.4**
- Europe	79.7	55.5	18.1	7.2
- North America	34.3	32.1	38.2	31.2
Gross profit	**42.4**	**30.3**	**18.5**	**13.4**
Gross profit %	37.1%	34.6%	32.7%	34.9%
Operating expenses	38.7	28.5	23.1	14.7
Operating profit (EBIT)	**3.7**[1]	**2.3**[1]	**(2.7)**[2]	**2.3**[2]
Net profit/(loss) after taxes after minority	(3.0)[1]	0.6[1]	(4.2)[2]	0.6[2]
EBITDA[3]	**11.9**[1]	**8.3**[1]	**2.3**[2]	**5.9**[2]
EBITDA %	10.4%	9.5%	4.1%	15.4%
Earnings/(loss) per share in €	(0.05)	0.01	(0.09)	0.01
Total assets	135.9	98.4	78.9	51.7
Equity	65.2	42.0	27.9	30.5
Net debt[4]	(3.8)	4.2	(1.6)	4.0

1) Including other income 2024 of €0.3m from cancellation and resale of UK inventory (2023: €0.5m) and other expenses 2024 of €0.3m from revaluation of a contingent consideration (2023: €0).
2) Including other income 2022 of €1.9 million (PPP forgiveness) and 2021 of €3.4 million (DPG settlement, PPP forgiveness and Fire damage settlement).
3) EBITDA, not being a defined performance measure in IFRS-EU, is defined in the Other information section of this report.
4) Net debt, not being a defined performance measure in IFRS-EU, is defined in the Other information section of this report.

A global recycling technology company set for future growth

Unprecedented **global market opportunity**

Captured **leading position** in European markets

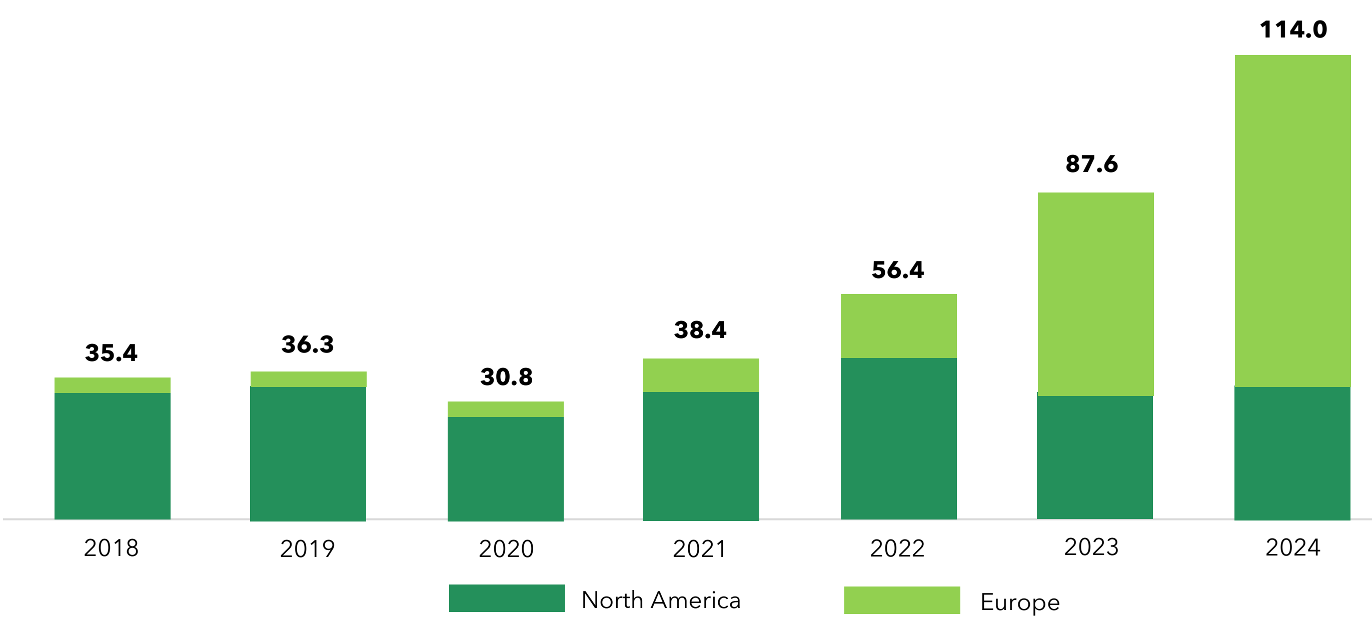
Investing in **highly competitive** delivery platform, products and services

Executed by a **seasoned team**

Driving **revenue growth** and **profitability**

Delivering on our European growth strategy

Revenues, EURm



Increased awareness and legislative initiatives largely driven by North American market

DRS second wave (EU)

Letter from the CEO

I welcome you to our 2024 annual report and update on our business. 2024 was another successful and exciting year for Envipco. We continued to execute on and further develop our growth strategy. Envipco delivered solid performance in existing markets, strong market share gains in new greenfield markets, while acting on selected brownfield opportunities.

We successfully closed the acquisition of Sensibin, adding new technologies to support our offering and market share targets. We continue to invest in a robust and agile organization, business development, leading products to support our growth ambitions. Another important milestone last year was the private placement in March that also broadened our investor base. This was combined with strengthening our investor relations strategy culminating in the uplisting to Euronext Oslo Børs in December 2024.

We delivered another year of solid financial performance. Revenues increased 30.1%, gross margins widened to 37.1% and we generated 43.4% growth in EBITDA. Key revenue drivers in 2024 were Greece, Hungary and Romania, in addition to growth in our US operations. European revenues were up 43.7% from 2023 and comprised 70.0% of group revenues. North American revenues increased 6.9% year-on-year. We improved our working capital management, which combined with EUR 25m proceeds from the private placement built a strong financial position exiting the year.

Our team grew to 455 employees in 2024. We continue to develop Envipco as an exciting destination for global talent, where people can develop their careers in a rapidly growing, international company which has a strong purpose.

The organizational investments are important building blocks for the future, as Envipco is facing exciting market opportunities. Late 2024 the EU Council formally adopted the EU Packaging and Packaging Waste regulation (PPWR), mandating ambitious recovery rates of 90% through deposit return schemes (DRS) in all EU countries by 2029. Several countries are preparing or planning DRS rollout. Poland DRS is expected to go live in Q4 25. Portugal DRS is anticipated live in 2026, followed by the Czech Republic and Greece. Spain's failure to meet set recovery levels triggered the introduction of DRS in Spain. The UK government recently approved DRS legislation and is moving ahead to launch DRS in October 2027. Singapore is preparing to introduce DRS in 2026 as the first Asian nation, and Turkey has announced DRS to go live late 2025 through a regional rollout. This wave of countries implementing a DRS to recover beverage containers offers an unprecedented opportunity for Envipco.

We are thrilled about our prospects and Envipco's future. We are strategically, financially and operationally strongly positioned to capitalize on rising opportunities facing us in existing and new markets and enter 2025 with confidence and enthusiasm. My thanks to our customers, employees, shareholders and stakeholders as we embark on this exciting future together.

We will continue to drive forward strongly aligned with our mission: Making recycling easier for everyone. Envipco's journey will continue to be exciting, inspiring and rewarding.

CEO, Simon Bolton

Executive Management Team

Simon Bolton
CEO and Executive Board member

A citizen of the United Kingdom, Simon joined Envipco in 2020 as CEO. Prior to joining Envipco, he was CEO International of Waterlogic, a UK company with a global reach, 2500 employees and USD 350 million revenue. Simon previously held senior management positions at General Electric, Invensys and other industrial/technology companies. Simon holds an MBA degree from IMD Lausanne, a MSc degree in Engineering Business Management from Warwick University (UK) and a BEng degree from Imperial College London. Simon is also an Executive member of the Board of Directors.

Patrick Gierman
Chief Financial Officer

A citizen of the Netherlands, Patrick joined Envipco as Chief Financial Officer (CFO) on January 1st 2025. Prior to joining Envipco, he was CFO of OTT HydroMet, a stand-alone Veralto Operating Company providing globally solutions for Hydrology, Meteorology, and Solar Energy. Patrick has 20 years international experience in financial leadership roles with General Electric, Danaher and private equity combined with 7 years as Public Auditor at EY and PwC. Patrick has a master's degree in business economics from the University of Amsterdam and is certified as Chartered Accountant (RA).

Robert Lincoln
President Americas

A citizen of the United States, Bob joined Envipco in 2010 with leadership responsibility over the company's technology development initiatives, core business development, and new market activities. As President Americas, he currently leads Business Development and sales in the Americas. Prior to joining Envipco, Bob was the president of another major reverse vending company. He is a native of Connecticut and began his career at Proctor & Gamble before being engaged in the recycling industry. Bob earned his Bachelor of Arts Degree from Lawrence University.

Mikael Clement
Chief Strategy and IR Officer (CSO)

A citizen of Norway, Mikael joined Envipco as Chief Strategy and IR Officer (CSO) in 2024. Prior to joining Envipco Mikael was CFO of Xplora Technologies. Mikael has 25 years international capital markets experience as buy and sell-side analyst, corporate finance advisor and board advisor. He has experience as board member of Fjellsport Group, a Nordic online retailer. Mikael holds a BBA (Siviløkonom) in Finance and Int'l business and a Bachelor of Arts in German from Pacific Lutheran University in WA, USA and resides in Oslo.

Filomena Cionti
Chief Human Resource Officer

A Dual citizen of both Germany and her native Italy, Filomena joined Envipco in 2022. Currently she is Chief Human Resource Officer. Previously at Balda Medical GmbH, a part of the Stevanato Group she served as a HR Country Manager with 400+ employees. Her formal education is in literature and commercial law. Filomena has extensive experience working in pan-European teams and managing recruiting as well as HR development in multiple countries.

Fons Buurman
Chief Commercial Officer

A citizen of the Netherlands, Fons joined Envipco in 2021 as VP Business Development Europe. Currently Fons is Chief Commercial Officer Europe & Asia leading the commercial organization across these regions. Prior to joining Envipco, Fons held Marketing, Sales and Business Development positions in international consumer packaging industry with Tetra Pak and WestRock and in Consumer Electronics with Philips.
Fons holds a bachelor's degree from the Haarlem Business School.

Manfred Albrecht
VP Global Operations

A citizen of Germany, Manfred joined Envipco as VP Global Operations in November 2024. He has over 30 years of intensive experience in the packaging industry and has several senior operational roles across multiple sites. Manfred served as COO and member of the Executive Board at Bischof & Klein SE & Co for 10 years. Following this he worked as an independent consultant specializing in lean transformations. Manfred holds a degree in Process Engineering from the University of Applied Sciences in Munich.

Andrew Keene
Chief Technology Officer

A citizen of United States, Andrew joined Envipco in 2022 with responsibility for the Group's Chief Technology Office. Previously at Mobile Robotics – Logistics Solutions he served as Head of Hardware Engineering. Andrew has 28 years' experience in Product Design & Engineering from a variety of companies; Sharkninja, Insulet, Keurig, Gillette, Raytheon and Bosch. He holds a MBA degree from Boston College and a MSc degree in Mechanical Engineering from Northeastern University.

Terje Hanserud
Director Special Programs

A citizen of Norway, Terje joined Envipco in 2014. As Director Special Programs he is supporting Business Development in new markets. Terje is also leading the Product Management team. He served as a CEO of a sensor technology start up. For 14 years prior to that, he was Senior Vice President and CTO for another major reverse vending company. Terje has extensive experience in technology innovation and international business development in a variety of fields including miniature gas sensors, recycling machinery, computers and national deposit systems. Terje earned a M.Sc. in Electronics and Computer Science from the Norwegian University of Technology.

Board of Directors

As per Articles of Association of the Company, the Board comprises executive and non-executive board members. As of 31 December 2024, the Board included five non-executive and two executive board members. At the AGM Mrs. Charlotte Gylche was appointed as non-executive Board Member whereas Mr. Simon Bolton was reappointed as executive Board Member. The rotation schedule of the Board of Directors is available on the company's website.

The current Directors of the Company are:

Name	Position	Year of First Appointed	End of Term
G. Garvey	Non-Executive Director & Chairman	2008	Annual General Meeting of 2026
S. Bolton	Executive Director & CEO	2020	Annual General Meeting of 2027
M. Bouri	Executive Director	2020	Annual General Meeting of 2025
A. J. Aas	Independent Non-Executive Director	2021	Annual General Meeting of 2025
A. Cormack	Independent Non-Executive Director	2022	Annual General Meeting of 2025
E. Thorsen	Non-Executive Director	2023	Annual General Meeting of 2025
C. Gylche	Independent Non-Executive Director	2024	Annual General Meeting of 2025

Gregory Garvey

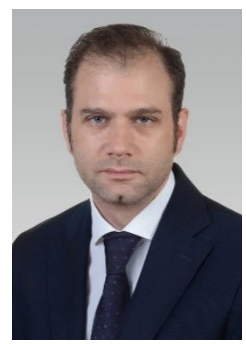
Non-Executive Director and Chairman of the Board

Gender : male
Year of birth : 1955
Nationality : USA
Term : since 2012

A citizen of the United States of America is currently the Chairman of Virtual Hold Technology LLC, a privately held software company. Greg has served as Vice Chairman of a major European Reverse Vending company and served as CEO and President of its North American division. He also formerly served on the Board of Wise Metals Group LLC and was previously Vice Chairman of Tandberg ASA, a publicly traded video conferencing company based in Norway. In both companies, Greg has been a principal investor. Formerly he was a partner with Price Waterhouse. Greg is a graduate of the University of New Haven, holding a BS in Financial Accounting and is also a Certified Public Accountant.

Maurice Bouri

Executive Board Member



Gender : male
Year of birth : 1978
Nationality : Lebanon
Term : since 2020

A citizen of The United Kingdom, is the former President of Societe des Huiles et Dérives (SHD), a grain derivatives manufacturing and commodities trading company. Maurice held this position from 2012 until 2019. Maurice is currently Executive Director and was formerly Director of Sales and Marketing for the Balkan Region for Fushe Kruja Cement, a cementitious products manufacturing company. Maurice is the holder of a dual degree in Industrial Psychology and Marketing from the University of Buckingham, England. Maurice is also an Executive member of the Board of Directors.

Charlotta Gylche
Non-Executive Director and Member of the Audit Committee

Gender : female
Year of birth : 1987
Nationality : Swedish
Term : since 2024

A citizen of Sweden, Charlotta is founder of Albion & I Ventures, a management and venture advisory firm. She has a strong background in business development, commercial and organizational strategy and new venture management through her 12 years with Orkla ASA and Orkla Ventures. She has strong experience in working with recycling initiatives and sustainability agendas. Charlotta is also well versed and experienced in working in Board environments as a member and advisor. She has a MSc and BSc degree in Business & Economics from the Stockholm School of Economics.

Ann Cormack
Non-Executive Director and Member Audit Committee

Gender : female
Year of birth : 1962
Nationality : British
Term : since 2022

Ann, a citizen of the United Kingdom is a very experienced executive in strategy and organizational change management. Most recently she was Executive Head of HR for the De Beers Group of Companies where she led a global transformation driven by technology changes and the covid pandemic. Previously, Ann was Director International, Rolls-Royce plc with responsibility for country strategy and business development, which also included compliance, ethics and government relations. She has considerable experience in the energy sector with a recent focus on renewable sources and sustainability. Ann has held both executive and non-executive Board roles including at Chatham House the Foreign Commonwealth and Development Office. She has an MA from Edinburgh University.

Anne Jorun Aas
Non-Executive Director and Chair Audit Committee

Gender : female
Year of birth : 1972
Nationality : Norwegian
Term : since 2021

A citizen of Norway, Anne Jorun is currently the CEO of Farmforce AS, a SaaS company providing data collection and management tools for agricultural supply chain management in over 30 countries. Previous board positions include Eltek ASA, Kjeller Innovasjon and Board Chair of ENERGIX, a large program in the Norwegian Research Council. Anne Jorun has held several management positions, including SVP of Organization and Strategy at Scatec Solar, COO of Scatec, Interim CEO of Kjeller Innovasjon and has six years at McKinsey and Company. She has a PhD in Nuclear Chemistry from the University of Oslo/University of Uppsala and CERN, Geneva.

Erik Thorsen
Non-Executive Director

Gender : male
Year of birth : 1956
Nationality : Norwegian
Term : since 2023

A citizen of Norway, Erik has more than 25 years of industry experience as CEO ASA of another key reverse vending machine company (1996-2005) and REC ASA (2005-2009). Erik held positions as board chairman and board member and has been advisor to several public technology companies.
Erik holds a degree in Mathematics from the University of Oslo and an MBA in International Finance and Marketing from the University of Karlstad.

As of 31 December 2024, the following Board members held shares in the Company

Name	Position	% Voting Rights
G. Garvey[1]	7,351,980	12.74
M. Bouri[1]	2,974,601	5.16
S. Bolton	112,074	0.19
E. Thorsen	262,500	0.46

1) The Bouri Family collectively holds 16,856,070 shares, along with rights to acquire an additional 1,850,000 shares from Gregory Garvey. Maurice Bouri, a member of the Bouri Family, holds the right to acquire 277,500 shares out of the 1,850,000 from Gregory Garvey. See also "Substantial Shareholdings".

Financials and operational developments

Financials

in EUR millions	FY2024	FY2023
Continuing Operations		
Revenues	114.0	87.6
Gross Profit	42.3	30.3
Gross profit %	37.1%	34.6%
Operating profit/(loss)	3.7[1]	2.3[1]
Total profit / (loss) attributable to owners of the parent	(3.0)[1]	0.6[1]
EBITDA[2]	11.9[1]	8.3[1]
Earnings/(loss) per share in €	(0.05)	0.01
Equity		
Shareholders' equity	65.2	42.0
Liquidity ratio (current assets/current liabilities)	1.8x	1.6x
Assets		
Total Assets	135.9	98.4

1) Includes other income €0.5m in 2023 and €0.3m in 2024 from cancellation and resale of UK inventory and other expenses 2024 of €0.3m from revaluation of a contingent consideration (2023: €0).
2) EBITDA, not being a defined performance measure in IFRS-EU, is defined in the Other information section of this report.

Results

Group revenues FY 2024 were €114.0m. This represents 30.1% revenue growth from €87.6m in 2023. Revenues from Europe increased 43.7% y/y to €79.7m, comprising 70.0% of Group revenues, up from 63.4% in FY 2023. North American revenues increased 6.9% to €34.3m.

Key FY 2024 revenue growth drivers were higher RVM sales, +35.3% y/y to €77.5m from €57.3m in FY 2023. European RVM sales were up 37.2% from €54.0m to €74.1m, while North American RVM sales remained stable y/y from €3.3m in FY 2023 to €3.4m in FY 2024. The main contributors to RVM sales gains were new sales to greenfield markets in Europe, including Romania, Hungary and Ireland. Revenues from markets having introduced DRS in the last 2 years comprised 47.2% of Group revenues. Greece continues to be a significant RVM revenue contributor for the company in Europe.

Group Program services revenues increased 20.5% y/y from €30.3m to €36.5m in FY 2024. In North America, Program services revenues increased 7.3% y/y to €30.9m on higher collected volumes. The company generates limited service-revenues during DRS startup and warranty periods. European Program services continued to make up a smaller share of the region's revenues, but grew 273.3% to €5.6m in FY 2024.

Gross profit increased 39.6% YoY to €42.3m in FY 2024. Gross margins expanded to 37.1% from 34.6% in FY 2023. The increase in gross margins are mainly driven by increased sales volume, operational efficiencies in the Company's production locations and procurement savings realized based on increased volume and supply-based management.

Operating expenses were €38.7m in FY 2024. This marks an increase of 35.7% from €28.5m in FY 2023. The increase is explained by additional headcount to support business growth, market development costs related to new market opportunities and related professional fees. Non-recurring costs in FY 2024 related to the uplisting to Euronext Oslo Børs, acquisition related costs and extended audit costs amounted to €1.7m in FY 2024. There were no non-recurring costs in FY 2023. The opex/sales ratio in FY 2024 was 33.9%, slightly up from 32.5% in FY 2023. Other income in FY 2024 was €0.3m from the resale of Scottish inventory. In FY 2023 other income related to the same was €0.5m. Other expenses in FY 2024 were €0.3 from a revaluation of a contingent consideration.

Headcount increased by 44 during the year from 411 at year-end 2023 to 455 at year-end 2024.

FY 2024 EBITDA[1] was €11.9m, up 43.4% from €8.3m in FY 2023. EBITDA margin increased from 9.5% in FY 2023 to 10.4% in FY 2024.

Operating profit FY 2024 ended at €3.7m compared to €2.3m in FY 2023 with operating margin increasing from 2.6% in FY 2023 to 3.2% in FY 2024.

Net financial items were €–3.0m in FY 2024 of which net interest expenses were €–1.9m and net FX losses €1.2m. In FY 2023 net financial items were €-1.1m with net interest expense at €-1.5m and net FX gains €0.3m. Results before tax FY 2024 were €0.7m, with net results at €-2.9m. The company is in a taxable position in selected markets. In FY2023, reported results before tax were €1.2m with net results at €0.6m.

Cash Flow

Cash outflow used in operating activities totalled €-4.0m in FY 2024 vs €2.8m inflow in FY 2023 driven by a net increase in working capital of €15.9m (€8.7m 2023) offset by a positive EBITDA of €11.9m in 2024 (€8.3m 2023).

Working capital increase was mainly caused by higher trade receivables due to strong top-line growth and reduction in advanced payments partly offset by reduction in inventory. Inventories were down because of the sale of excess inventory from the delayed Scottish DRS implementation and improved inventory management driving higher inventory turns also lowering the Company's accounts payable position.
Net interest related to external borrowing amounted to €1.1m (2023: €0.6m). Corporate income taxes paid amounted to €1.4m in 2024 vs €0.4m in 2023.

Net cash flow from investment activities added up to €10.3m in FY 2024 vs €7.4m in FY 2023. Capitalized internal product development expenses amounted to €1.5m in FY 2024, down from €2.0m in FY 2023 due to additional support provided to production operations.

Investments in property, plant and equipment, comprised of IT investments related to the Company's global ERP roll-out and leased equipment at customer locations totalled to €5.1m in FY 2024 compared to €5.7m in FY 2023. In FY 2024 the €1.5m investment in acquired technology related to the Sensibin acquisition. There were no acquisitions in FY 2023. The capex/sales ratio excluding acquisition related spending was 7.7% in FY 2024 vs 8.5% in FY 2023.

Net cash flow from financing activities amounted to €32.6m in FY 2024. In FY 2023 net cash flow from financing activities was €1.0m. Net proceeds from the private share placement in March 2024 amounted to €24.8m. In FY 2024 the Company had a net increase in borrowings of €9.8m from utilized credit lines and a cash out related to capitalized lease liabilities of €1.9m. In FY 2023 the company had a net increase in borrowings of €4.2m, repaid shareholder loans of €1.6m and cash out on lease liabilities of €1.1m.

The net cash improvement for FY 2024 was €18.3m vs. a reduction in cash of €3.6m for FY 2023.

Financial position

At end of 2024, Envipco had total assets of €135.9m, up from €98.4m at end of 2023.

Non-current assets of €42.0m in FY 2024 (FY 2023: €29.8m) mainly consisted of PPE and capitalized technology. FY 2024 PPE of €23.7m (FY 2023: €17m) is mainly comprised of leased RVMs at customer locations for €12.8m plus owned and leased properties for €6.7m.

FY 2024 intangible assets of €14.9m (FY 2023: €9.2m) consist of internal product development for €7.1m, acquired technology for €6.1m from the Sensibin acquisition and capitalized IT investments related to the global ERP roll-out of €1.4m.

1) EBITDA, not being a defined performance measure in IFRS-EU, is defined in the Other information section of this report.

Inventories of €28.9m at end FY 2024 were down from €32.2m at end FY 2023. The reduction is explained by sale of excess inventory from the delayed Scottish DRS implementation and improved inventory management driving higher inventory turns. Trade receivables increased from €23.9m end FY 2023 to €34.3m end FY 2024 driven by increased commercial activity in Q4. Gross working capital increased to €63.2m at the end of 2024, from €56.1m at the end of 2023 on higher activity levels.

Total equity amounted to €65.2m at end 2024, corresponding to an equity ratio of 48%. This compares to equity of €42.0m and an equity ratio of 43% at year-end 2023.

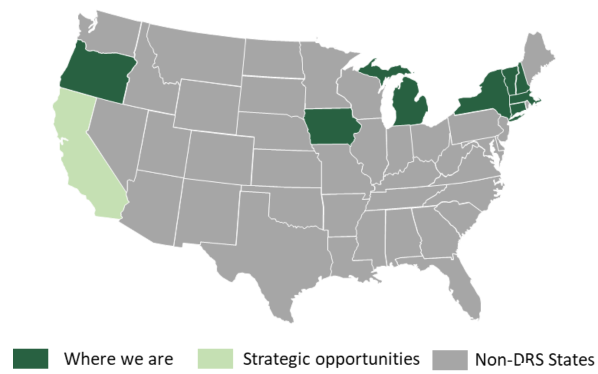
Envipco had total borrowings of €26.9m at year-end 2024 split between long-term borrowings of €8.1m and short-term borrowings of €18.8m. The short-term borrowings mostly relate to the termination of the US credit facilities and a factoring facility in Romania. The Company is in the process of entering into a new finance agreement to refinance its current debt and secure funding for future growth. With its recent growth, the Company will refinance this debt at favourable interest rates. Combined with a cash position of €30.7m results in net debt[1] of €-3.8m at year-end 2024. At year-end 2023, total borrowings were €16.7m. Combined with a cash position of €12.5m resulted in a net debt[1] of €4.2m.

Trade creditors were €16.5m at end 2024, a slight reduction from €18.5m at end 2023. Accrued expenses were €11.1m at year-end 2024 vs €11.2m end 2023.

Operational Developments

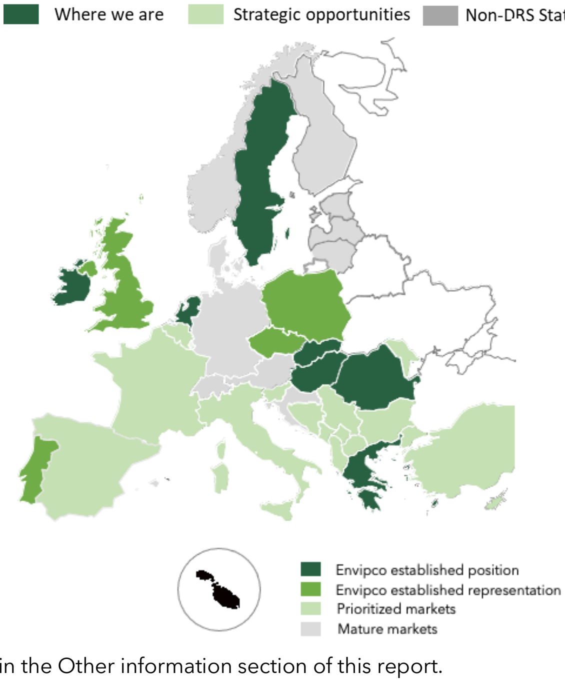
North America

North America delivered revenues of €34.3m in 2024 vs €32.1 million for the full year 2023. Machine sales amounted to €3.4 million in 2024, flat y/y with 2023 revenues of €3.3m with the FX effect being immaterial. Program services revenues were €30.9m in 2024, up 7.3% from €28.8m in FY 2023 on higher collection volumes primarily driven by the doubling of deposit value in Connecticut.



Europe

Sales in Europe grew strongly to €79.7m in 2024, +43.3% from €55.6m in 2023. Machine sales amounted to €74.1m in 2024, up 37.0% y/y from €54.1 million in 2023. Romania and Hungary were key growth drivers in 2024 on deployments of RVMs as these markets introduced DRS. Greece continues to be a major market for the Company in Europe. Program service revenues in Europe were up 273.3% y/y to €5.6m in 2024 driven by increased installed base and related service and maintenance activity.



1) Net debt, not being a defined performance measure in IFRS-EU, is defined in the Other information section of this report.

Risk management and appetite

The Company has deployed a risk detection, evaluation, and management process fitting to its size and history. The Board and Management Team continuously analyse potential risks, evaluate their (financial) impact and likelihood, and determine appropriate measures to minimize these risks. This gives Envipco the opportunity to align the business strategy with Envipco's risk appetite.

The Management Team monitors risks as they arise and evolve, assesses their development, and implements necessary countermeasures as required. To manage our business risks, we use highly experienced staff and external consultants. We rely further on third parties to enable us to meet our local regulatory requirements. We therefore take special care in selecting our permanent personnel and contractors.

The Board of Directors is focused on ensuring that managing risks is important for long-term value creation for the Company's employees, shareholders and other stakeholders.

The following strategic, operational, financial and compliance risks are identified

Strategic Risks

A majority of Envipco's current RVM business is dependent upon legislation and adaptation to local markets. Therefore, Envipco may be at risk if such legislation is postponed, cancelled or if the product portfolio does not meet market requirements. In addition, increasing competition, technological innovation and new market uncertainties can result in lower margins on RVM's.

Other strategic risks like increased inflation, higher energy prices as well as the impact of the Ukrainian war on the European economy may result in a slow-down of the economy and less demand for RVM's.

Envipco observes an increasing trend of geopolitical tensions and deglobalization which intensifies protectionism. Examples of protectionism measures are trade policies, tariffs, custom duties, taxation, sanctions, production requirements, local value creation, and restrictions in repatriation from foreign investments.
Tariffs and other restrictions on imports announced and implemented by the US, and retaliatory trade measures in response thereto, have the potential to impact international trade relations and supply chains, with notable consequences for the EU.
In addition, protectionism may increase general uncertainty on the development of local regulations that may result in changes and timing of implementation of such regulations.

Operational Risks

Operational risks may occur when the implementation of DRS in a country is delayed by slower adaptation of the EU targets by the local government which can lead to supply chain disruptions and not being able to achieve certain economies of scale or RVM's and parts & materials becoming obsolete. Repurposing to other markets can mitigate this risk.

Disruptions in IT environment like cyberattacks, security breaches or viruses may have a negative impact on the services to customers. Envipco is constantly reviewing these risks and has implemented currently recognised best practise security measurements to mitigate these risks.

Quality issues on installed products may lead to disruption or delay in implementation, postponement of payment from customers and/or increased warranty costs. To mitigate these risks quality control procedures have been put in place.

The Company's future success relies on the continued service of management and other key personnel, including production, service, research and development, marketing and sales. The loss of the services of those employees could have a material adverse effect on Envipco's business. To support the Company's growth, the ability to attract, retain and develop skilled personnel, is key. To mitigate this risk, Envipco seeks to optimise use of public interest in sustainability and specifically, deposit return schemes, in order to attract and retain talent.

Financial Risks

Most of Envipco's customers are operators, bottlers and big retailers whose viability is a risk for Envipco. To mitigate the financial risks Envipco has to diversify its customer base, foster strong relationships with key customers, closely monitor the creditworthiness of customers and adapt payment terms based on contract and scope (e.g. 50% upfront and 50% on delivery) which gives security.

Sharp fluctuations in foreign exchange rates, interest rates and material and commodity prices, can impact the financial situation of Envipco but tight cash, liquidity and supplier management will mitigate these risks. No hedging is applied to manage foreign exchange and interest rate risk.

Non-availability of lines of credit or restrictions on existing facilities due to breach of covenants or lack of liquidity to continue to fund business developments in new markets, may impact the long-term strategy of the Envipco. Capital markets and other financing options are closely monitored by the Company to secure additional funding if needed.

Compliance risks

Envipco complies with local laws and regulations. Not complying to can lead to financial penalties and reputational damages. The main legislation relates to compliance with environmental legislation and anti-bribery and corruption laws and regulations.

The Company has taken measures to further strengthen the management of compliance issues like the code of conduct, policy and diversity, equality and inclusion policy and whistle blower policies are communicated to all employees. Compliance to the Dutch Governance Code which regulates the relationships between management, the Board of Directors and AGM is high priority. These policies including compliance or explaining non-compliance can be found on the website of Envipco.

Looking ahead, the Company just started conducting a comprehensive double materiality assessment to comply with the upcoming Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS). Reference is made to the Sustainability and EU taxonomy section.

Research and Development

Envipco manages research and development expenditures across the entire product portfolio in accordance with our strategic priorities. The Company makes decisions about whether or not to proceed with development projects on a project-by-project basis. To maintain and improve the competitiveness of our product and be able to address the new markets for RVMs in Europe, Envipco invests in Research and Development. Envipco has developed products over the last years that are unique in the RVM marketplace and established the Company as one of the innovation leaders. The Quantum platform is the first and only continuous bulk feed RVM with market success particularly in high volume outdoor installations, the Flex series of RVMs represents the most compact full-service machine in the market taking 2 or 3 different material fractions. Designed for large supermarkets and hypermarkets, Envipco's internally developed Modula machine offers high-speed recycling with a large storage capacity. On top of that, it gives the flexibility to add up to 8 compartments to extend capacity or to add new materials to be collected. The Modula can take PET bottles, beverage Cans, One-way Glass, Refillable Glass and is prepared to take Beverage Cartons too. It comes with Envipco's world-class compaction technology for PET and Cans and different breaker options for One-Way glass.

Research costs are recognized as an expense when incurred. Development costs are capitalized if certain conditions are met as further explained in Note 3 of the consolidated financial statements.

Employees

On 31 December 2024 the Company had 455 employees (2023: 411), with main growth in areas of production and supply chain. Envipco recognizes the benefits of diversity and is fully committed to providing equal opportunities and treatment for all. The Company has an open and inclusive culture in which diversity is considered to add value to our Company. The health and well-being of its employees is an important value of our business.

Envipco and its employees must act with integrity, honesty and in compliance with the laws, as stipulated in the Company's Code of Conduct, which is available on the Company website. All employees are trained on the code of conduct and acknowledge it when they join the Company.


PANTAMERA
PANTAMERA
RÄKNAR
15:37
Kr 28.00
Fortsätt panta eller tryck på klar!
Här kan du panta dina burkar och PET-flaskor
Häll i panten
Välj hur du vill ha dina pantpengar utbetalda
Pantkvitto
Skänk panten
Returfack
Kom någon förpackning i retur?

Substantial Shareholdings

The Dutch Financials Supervision Act (Wet op het financieel toezicht¸ the "FSA") imposes an obligation on persons holding certain interests to disclose (inter alia) percentage holdings in the capital and/or voting rights in the Company when such holdings reach, exceed or fall below 3, 5, 10, 15, 20, 25, 30, 40, 50, 60, 75 and 95 percent (as a result of an acquisition or disposal by a person, or as a result of a change in the Company's total number of voting rights or capital issued). Certain derivatives (settled in kind or in cash) are also taken into account when calculating the capital interest.

The statutory obligation to disclose capital interest relates not only to gross long positions, but also to gross short positions. Required disclosures must be made to the Dutch Authority for the Financial Markets (AFM) without delay. The AFM then notifies the Company of such disclosures and includes them in a register, which is published on the AFM's website.

Furthermore, an obligation to disclose (net) short positions is set out in the EU Regulation on Short Selling.

According to notifications made to the AFM as set out in the publicly accessible Register substantial holdings and gross short positions of the AFM at www.afm.nl, the following parties held a substantial holding of at least 3% of the Company's capital and/or voting rights as of 31 December 2024.

Holder[1]	Shares	Votes	% Capital	% Voting rights
Bouri Family[2]	16,856,070	16,856,070	29.22%	29.22%
G. Garvey[3]	7,351,980	7,351,980	12.74%	12.74%
Aktia Asset Management	3,262,466	3,262,466	5.66%	5.66%
Otus Capital Management	2,785,195	2,785,195	4.83%	4.83%
Lazard Freres Gestion	2,265,000	2,265,000	3.93%	3.93%
DNB Asset Management	2,089,494	2,089,494	3.62%	3.62%

1) This table sets out the information on substantial holdings of each of the named parties based on the number of shares and voting rights notified by them to the AFM as at the applicable notification dates indicated below. The number of shares or voting rights as well as the percentage of shares or voting rights held by these parties at 31 December 2024 may be different.
2) Notification date 25 June 2024. The presented holding excludes the Bouri Family's right to acquire 1,850,000 shares from Mr. Gregory Garvey (at 31 December 2024 representing 3.21%) (see press release of 28 March 2023). See additional information regarding the Bouri Family's holding below. Two members of the Bouri family sold a total of 7,932,267 shares in a secondary offering in January 2025, equivalent to 13.74% of outstanding shares. The remaining Bouri family shareholdings are after the sale 8,923,803 shares, equivalent to 15.47% of outstanding shares.
3) Notification date 15 March 2024. The presented holding includes 1,850,000 shares which are subject to the abovementioned repurchase option of the Bouri Family.

Bouri Family shareholding and Bouri Family Voting Agreement

On 27 September 2023, the Company's largest investor and non-executive director, Mr. Alexandre Bouri passed away. The investment of the late Mr. Alexandre Bouri in the Company has been inherited by his direct family - his wife Mrs. Kathleen Bouri and their five children (the "**Bouri Family**"), including their sons Mr. Maurice Bouri, who serves as an executive director on the Board, and Mr. Mark Bouri, who acts as an advisor to the Board. Collectively, the heirs inherited 19,830,670 shares and rights to acquire 1,850,000 shares. Mr. Maurice Bouri and Mr. Mark Bouri each inherited their part of the inheritance consisting of 2,974,601 shares and the right to acquire 277,500 shares.

In June 2024 one family member, L. Bouri, sold all shares owned in Envipco, 2,974,600 shares, in a secondary offering. The remaining five Bouri family members collectively held 16,856,070 shares in Envipco at 31 December 2024, representing a collective ownership of 29.2% of outstanding shares.

In January 2025 two family members, K.E. Bouri and V. Bouri Tamari, sold all shares owned in Envipco, 4,957,667 shares and 2,974,600 shares respectively, in a secondary offering.

The three remaining Bouri family shareholders as of January 2025, C.M.A. Bouri, M. Bouri and M.A. Bouri, collectively holding 8,923,803 shares, have entered into a 365-day lockup on their shareholdings.

In relation to their collective shareholding in Envipco, the members of the Bouri Family are acting as a concert group, and they have entered into an agreement to pursue a sustained joint policy.

Bouri Family shareholdings as of 31 December 2024:

Holder	Shares	Votes	% Capital	% Voting rights
K.E. Bouri	4,957,667	4,957,667	8.59%	8.59%
C.M.A. Bouri	2,974,601	2,974,601	5.16%	5.16%
M. Bouri	2,974,601	2,974,601	5.16%	5.16%
M.A. Bouri	2,974,601	2,974,601	5.16%	5.16%
V. Bouri Tamari	2,974,600	2,974,600	5.16%	5.16%
Total	**16,856,070**	**16,856,070**	**29.22%**	**29.22%**

Corporate Governance

General

Envipco Holding N.V. ("Envipco") is a publicly limited liability company incorporated under the laws of the Netherlands, with its registered seat in Amsterdam and its offices at Van Asch van Wijckstraat 4C, 3811 LP Amersfoort, the Netherlands, chamber of commerce registration number 33304225. This section gives an overview of the information concerning the Dutch Corporate Governance Code, the Board of Directors and the General Meeting of Shareholders . Envipco has a one-tier governance structure consisting executive and non-executive directors. Its Board of Directors is responsible for the Company's governance structure and the compliance with the Code and must provide a clear explanation on a deviation.

Compliance with the Dutch Corporate Governance Code

Companies with registered office in the Netherlands whose shares have been admitted to trading on a regulated market or comparable system or, under certain circumstances, on a multilateral trading facility or comparable system, whether in the Netherlands or elsewhere, are required under Dutch law to disclose in their annual reports whether or not they comply the provisions of the Dutch Corporate Governance Code (CGC) of 22 December 2022 effective 1 January 2023 (the "Code") and, if and to the extent they do not comply, to explain the reasons why.

The Company is committed to applying the principles and best practice provisions of the Code. The Code recognises that a one-size fits all approach does not work for a Company's governance structure, and deviations can be justified. The comply-or-explain principle stresses the responsibility of the Board for the Company's governance structure and compliance with the Code.

Below, the principles and best practice provisions where the Company deviates from the Dutch Code are listed. An overview of all principles and best practice provisions of the Dutch CGC as well as the Company application of these in accordance with the 'comply or explain' principle is also available on the Company's website.

The Board of Directors

The Company has a one-tier Board Governance structure (5.1 of CGC). The Board of Directors consists of two executive and five non-executive directors. The executive directors are responsible for the day-to-day management of the Company and for implementing the Company's strategy, operational objectives and general policies.

In accordance with the Code, the Board's role is to provide leadership to and supervision of the Company on matters of strategy, risk management & internal controls, and policies. It has overall responsibility for the management and control of the Company and is authorized to take all actions if necessary to achieve the Company's purpose. In performing their duties, Directors must be guided by the best interests of the Company and its stakeholders, including business partners, employees, and shareholders.

The Board has set rules concerning its organization, decision-making, and other internal matters. This set of rules is available on Envipco's website. The composition of the Board consists of a broad diversity of experience, knowledge, and skills.

The directors are appointed by the Company's Annual General Meeting of shareholders upon nomination by the Board. The general meeting may dismiss a Director at any time by a two-thirds majority vote if less than half of the issued share capital is represented at the General Meeting, unless the resolution for dismissal is passed at the Board's proposal.

The Board meets as often as any Director considers necessary. Resolutions are passed by a simple majority of votes cast. In the case of a tie in the vote of the Board, the resolution is not passed.

Any resolutions concerning a material change to the Company's identity or its business must be submitted to the Annual General Meeting for approval. They elect a chairman of the Board among themselves. Currently the Company has three female members in the Board of Directors.

Independence

According to Best Practice Provision Art. 2.1.7. the majority of the Non-Executive Directors must be independent; at most, one Non-Executive Director does not have to meet the independence criteria. A Board member is considered "not independent" if he or she, a spouse, partner, or close family member (related by blood or marriage up to the second degree) meet any of the conditions listed below:

- Has been an employee or member of the management board of the Company, including associated companies (as referred to in Section 5:48 of the Financial Supervision Act Wet op het financieel toezicht/ Wft) in the five years prior to their appointment;
- Receives personal financial compensation from the Company, or an associated company, other than the compensation received for the work performed as a Board member;
- Has had an important business relationship with the Company or an associated company in the year prior to the appointment;
- Is an executive of a company in which a member of the management board of the Company which (s)he supervises is a non-executive Board member;
- Has temporarily performed management duties during the previous twelve months in the absence or incapacity of a member of the management board;
- Has a shareholding in the Company of at least 10%;
- Is a member of the management board or supervisory board, or a representative in some other way, of a legal entity that holds at least 10% of the shares in the Company, unless the entity is a Group company.

Two Non-Executive Directors do not qualify as independent. Mr. Garvey does not qualify as independent due to his shareholding in the Company. Mr. Thorsen does not qualify as independent as he receives personal compensation as advisor to the Company.

The Selection and Nomination Committee consist of Mr. Garvey and Ms. Cormack as Non-Executive Directors. The Governance Code describes that more than 50% of the members of this Committee should be independent. This means that only 50% independence is met. They are joined by Mr. Marc Bouri as advisor to the Selection and Nomination Committee.

Conflicts of Interest

Any form of conflict of interest between the Company and the members of its Board shall be prevented. To avoid conflicts of interest, adequate measures should be taken. The Non-Executive Directors are responsible for the decision-making on dealing with conflicts of interest regarding Directors and majority Shareholders in relation to the Company. In 2024 there have been no cases of conflicts of interest, transactions between the Company and members of the Board of Directors or transactions with shareholders holding 10% or more of the shares of the Company.

Committees

The Board of Directors has established three committees: the Audit Committee, the Renumeration Committee and the Selection and Nomination Committee. The way these committees operate is described in the Committee charters that are published on the Company's website. All Committees have a preparatory and advisory role to the Board of Directors.

Audit Committee

The Audit Committee advises the Board in relation to its responsibilities, undertakes preparatory work for the Board's decision-making regarding the supervision of the integrity and quality of the Company's financial and sustainability reporting and the effectiveness of the Company's internal risk management and control systems and shall prepare resolutions of the Board in relation thereto.

The main responsibilities of the Audit Committee are:

- Inform the Board of the outcome of the statutory audit and explain how the statutory audit contributed to the integrity of financial and sustainability reporting and what the role of the audit committee was in that process;
- Monitor the financial reporting process and submit recommendations or proposals to ensure its integrity;
- Monitor the effectiveness of the design and operation of the Company's internal risk management and control systems in relation to the financial reporting of the Company including review and discussion of flaws in the effectiveness of the design and operation of the internal controls;
- Monitor the statutory audit of the annual accounts, in particular the performance thereof;
- Review and monitor the independence of the external auditor, and request from the external auditor a formal written statement at least annually delineating all relationships between the external auditor and the Company regarding the external auditor's independence;
- Implement a procedure for the selection of an external auditor and recommend to the Board an external auditor to be appointed in accordance with Article 16 of Regulation (EU) No 537/2014, as well as submit a proposal to the board for the relevant external auditor's engagement to audit the annual accounts;
- Assist the Company in preparing the disclosure to be included in the Company's applicable filings;
- Monitor the effectiveness of the design and operation of the Company's internal controls with the board, the CEO, and the CFO, as appropriate.
- Funding of the Company;
- The Company's tax policy.

The Committee meets at least four times per year, or more frequently according to need. At least one Committee member must have an accounting or auditing background.

The Audit Committee consists of three Non-Executive directors appointed by the Board of Directors. Currently the members are chaired by Ms. Aas, with Ms. Cormack and Ms. Gylche (Finance representative) as members. Ms. Gylche replaced Mr. Christian Crepet as Non-Executive Board member after her appointment by the AGM on August 23 2024.

Remuneration Committee

The Remuneration Committee advises the Company on the remuneration policy and benefits for the Board members and the individual Directors. The Committee also advises the CEO on the remuneration of members of the Executive Management Team who are not Executive Directors.

The main responsibilities of the Remuneration Committee are:

- Every four years, submit a clear and understandable proposal to the Board concerning the Remuneration Policy that will be submitted to the General Meeting for adoption as required by law;
- Submit proposals for, and prepare the Board's decision-making regarding the determination of remuneration of the individual Executive Directors and of the individual Non-Executive Directors, within the Remuneration Policy;
- Annually prepare a remuneration report, taking into account the requirements of the Code and matters required by law, which must be tabled at each annual General Meeting for a non-binding advisory vote by the Shareholders and shall be posted on the Company's website.

When formulating a proposal for the Remuneration policy the committee takes into consideration:

- The objectives of the strategy for the implementation of sustainable long-term value creation;
- Scenario analyses carried out in advance;
- The pay ratios within the Company' Group;
- An appropriate ratio between the variable and fixed remuneration components. The variable remuneration component is linked to measurable performance criteria determined in advance, which are predominantly long-term in character.

The Remuneration Committee was reestablished in December 2023 and is operational since January 2024. The committee consist of three members who must be Non-Executive Directors. One member is an Executive Director which deviates from the Best Practise Provision of the Code 5.1.4. His Executive role is limited to the remuneration of members of the Executive Management Team not being Executive Directors. Currently the Committee is chaired by Mr. Thorsen, with members Mr. Garvey and Mr. Bouri. The charter of the Remuneration Committee can be found on the Company's website.

Selection and Nomination Committee

The Selection and Nomination Committee advises the Board of Directors regarding selection criteria, the appointment and reappointment of Directors and succession planning. Their main responsibilities according to its charter are:

- Propose selection criteria and appointment procedures for the Directors;
- Review the size and composition of the Board and submit proposals for the composition profile of the Board;
- Review the functioning of individual directors and report on such reviews to the Board;
- Propose a plan for the succession of directors;
- Submitting proposals for (re)appointment of directors;
- Supervise the policy of the Board regarding the selection criteria and appointment procedures for the Company's Executive Management Team;
- Advise the Chief Executive Officer regarding the appointment and replacement of the members of the Executive Management Team who are not Executive Directors.

All members of the Committee must be Non-Executive Directors. The Committee shall meet as often as required for a proper functioning of the Selection and Nomination Committee, and for that purpose at least four times a year. Currently the Selection and Nomination Committee is chaired by Mr. Garvey with Ms. Cormack as Non-Executive members. They are joined by Mr. Marc Bouri as advisor to the Selection and Nomination Committee.

As Mr. Bouri's role to the Selection and Nomination Committee is a deviation from the principle that only a Non- Executive Director can be a member of the committee in accordance with article 3.2 of the Charter, he shall not in any way be directly involved in the selection and appointment of Non-Executive Directors.

The charter of the Selection & Nomination Committee can be found on the Company's website.

Meetings & attendance

The table below shows the number of meetings and attendance rate of the Board of Directors, the Audit Committee and the Remuneration Committee during annual year 2024. Attendance rate for the Board of Directors and Audit Committee was 95% and 100% respectively.

Name	Board of Directors	Audit Committee	Remuneration Committee	Selection & Nomination Committee
G. Garvey	12/12	9/9	1/1	2/2
S. Bolton	12/12			
M. Bouri	11/12		1/1	
A. J. Aas	12/12	11/11		
A. Cormack	12/12	11/11		2/2
E. Thorsen	10/12		1/1	
C. Gylche[1]	3/3	2/2		
C. Crepet[1]	8/9			

1) Ms. Gylche was appointed per 23 August 2024 at the AGM .

Note: The Nomination Committee has been operational as of January '24.

Board Composition

During 2024 several changes took place in the composition of the Board of Directors. Ms. Charlotta Gylche was appointed as Non-Executive Director. Mr. Christian Crepet was Board member for 13 years where he offered the Company significant leadership and experience in this sector.

Ms. Charlotta Gylche has a strong background in business development, commercial and organizational strategy has strong experience in working with recycling initiatives and sustainability agendas, She is also well versed and experienced in working in Board environments both as a member and advisor.

Furthermore, shortly after his appointment as Non-Executive Director in 2024, Mr. George Katsaros, decided to resign from the Board of Directors with immediate effect due to unexpected personal reasons.

All (re) appointments were approved at the AGM of 23 August 2024.

Rotation schedule

Any changes in the composition of the Board require careful consideration from a succession planning perspective. The Board tries to mitigate the potential risk of Directors simultaneously retiring. The Board rotation schedule will be made available on the Company's website.

Code of Conduct

The Company subscribes to the highest standards of ethical business conduct and fair and honest dealings with all of its stakeholders: employees, customers, partners, suppliers, shareholders, investors and the community at large.

The Code of Conduct sets forth standards to promote honest and ethical conduct, appropriate public disclosures and legal compliance and includes policies related to conflicts of interest, record keeping, use of Company property or resources, and policies regarding fraud, dishonesty or criminal conduct. This code applies to the Company and all its affiliates and provides a mandatory guide for every employee (including every officer) and member of the Board of Directors (BOD Members). It explains its role within the Company as it relates to the work Envipco does and how to interact with one another and those with whom to do business.

The policy is available on the Company's website.

Diversity and Inclusion

Envipco is an international company with subsidiaries in Europe and the US. This international presence creates an environment where people of diverse cultures and backgrounds collaborate to achieve our mission, accelerate in their roles, and perform at their highest potential.

The Company executes a policy of recruiting and retaining the best talent available and aims to provide an inclusive working environment regardless of the gender, ethnicity, faith or sexual orientation of our employees. Envipco is committed to providing equal employment opportunities to all employees and job applicants. The Group believes that companies that are diverse in e.g., age, race, gender, sexual orientation, ethnicity, physical or mental ability are proven to be more successful in attracting talent and accomplish better performance and growth.

Envipco has the ambition to encourage women to apply for any function within the Company, including the extended leadership group, particularly when they have a background in fields that traditionally have a higher proportion of male employees.

Envipco is also working on incorporating diversity aspects like age, gender, race nationality, educational background or professional background into its total organization including executive management team, extended leadership group and Board of Directors.

Regardless of rules and regulations, Envipco emphasizes that diversity and inclusion is very important to guarantee a safe and inclusive environment for all employees to work for and develop themselves.

In 2024, the Company experienced a good improvement of gender diversity initiatives, achieving a female representation of 21.93%.

The male workforce, although still the majority, saw a slight proportional decrease, indicating a positive rebalancing trend. This year also served as a pivotal moment to solidify a more inclusive culture, setting the foundation for sustained diversity growth into 2025 and beyond.

Specifically, in 2024, the departments with the highest representation of women were Human Resources (78% female), Finance (62% female), and Customer Service (58% female). These departments continued to attract and retain a higher number of female employees due to the inclusive policies and career development opportunities designed to support women in leadership and operational roles.

Parallel to gender diversity, age diversity has also evolved. The Company maintains a healthy distribution across different age groups, focusing on attracting young talent while retaining experienced professionals.

Additionally, in 2024, Envipco initiated a comprehensive analysis of remuneration practices and the gender pay gap. The objective of this initiative is to thoroughly evaluate compensation equity and, where discrepancies are identified, to develop and implement a targeted action plan in 2025 aimed at reducing /eliminating any existing gender pay gap.

In addition to the above, Envipco is committed to:

Equality in the workplace

Encourage equality, diversity and inclusion in the workplace as they are good practice and make business sense.

Create a working environment free of bullying, harassment, victimization and unlawful discrimination, promoting dignity and respect for all, and where individual differences and the contributions of all staff are recognized and valued.

Take seriously complaints of harassment, victimization and unlawful discrimination by fellow employees, customers, suppliers, visitors, the public and any others in the course of the organization's work activities.

Training

Make opportunities for training, development, and progress available to all staff, who will be helped and encouraged to develop their full potential, so their talents and resources can be fully utilized to maximize the efficiency of the organization.

Decisions

Make decisions concerning staff based on merit (apart from in any necessary and limited exemptions and exceptions allowed under the local legislation).

Monitoring

Review employment practices and procedures when necessary to ensure fairness, and also update them and the policy to take account of changes in the law.

Monitor the make-up of the workforce regarding information such as age, sex, ethnic background, sexual orientation, religion or belief, and disability in encouraging equality, diversity and inclusion, and in meeting the aims and commitments set out in the equality, diversity and inclusion policy.

Strategic direction

While the organization's efforts are beginning to show positive results, sustaining and accelerating this momentum is critical. We are dedicated to enhancing diversity in both gender and age, ensuring all employees feel valued and supported, and reinforcing our commitment to an inclusive workplace for everyone.

For 2025 and beyond, Envipco will:

- Continue to promote diversity in recruitment across all departments.
- Introduce targeted initiatives to attract and retain female talent in technical and field roles.
- Enhance mentorship programs to facilitate knowledge sharing across generations.
- Create inclusive career pathways and development programs to support women and young talent in traditionally male-dominated sectors

  The policy is available on the Company's website.

Whistleblower

Envipco has established a whistleblower policy according to the European Directive 2019/1937 on the protection of persons who report breaches of Union law in connection with the respective national law. This policy assures protected communications for individuals who report violations of legal requirements, as well as violations of the Envipco's internal Code of Conduct.

The whistleblower system is available to all Envipco employees and temporary workers, and they are encouraged to report violations of law or the internal code of conduct. All employees are required to contact a reporting office in the event of violations of the law or a reasonable suspicion thereof. In any case the internal reporting office shall be the preferred communication channel. To make this possible for violations in connection with business processes, an e-mail address has been set up which employees and other affected parties can contact. In the case of violations of the law, both internal and external reporting offices can be contacted.

Furthermore, employees and other affected parties are encouraged to report violations of Envipco's internal Code of Conduct. This is crucial to ensure positive and trusting cooperation. All whistleblower reportings and possible violations of Envipco's internal Code of Conduct are reported to the compliance officer who will investigate and follow up on these reportings.

Deviations from the Best Practices of the Dutch Governance Code

The Company does not comply with the following provisions of the Dutch Corporate Governance Code:

1.2.1 The Company is currently maturing their formal risk management and control system which is in the process of being enhanced since the second part of 2024. The Company did conduct a first risk assessment, which it will continue to expand during 2025 including the definition and implementation of appropriate countermeasures;

1.3 Due to the size of the Company, Envipco did not have an internal audit function. Given the growth of the Company and the increasing reporting requirements, the Company created an internal audit function responsible for further enhancing and maintaining the risk management & control system and compliance matters. This function is expected to be further strengthened in 2025. In addition, the Company hired a Sustainability Officer taking on the responsibility of the ESG and CSRD administration;

2.1.7. The composition of the Board of Directors is such that the members are able to operate independently and critically vis-à-vis one another, the management board and any particular interests involved. This impact results under the one-tier board governance structure;

The Board currently has five Non-Executive Directors - Mr. Gregory Garvey (Chair), Ms. Anne Jorun Aas, Ms. Ann Cormack, Ms. Charlotta Gylche and Mr. Erik Thorsen. The Board deviates from Best Practice Provision as two Non-Executive Directors are not considered independent – Mr. Gregory Garvey in view of his +10% shareholding, and Mr. Erik Thorsen because of his advisory role to the Company.

2.1.9. The Company deviates from this Best Practice Provision, as the Board's Chair Mr. Gregory Garvey does not qualify as independent. In his role of Board Chairman, he offers the Company many years of significant knowledge of the sector where the Company is operating. Also Mr. Thorsen does not qualify as independent because of his former advisory role to the Company;

2.2.2. The Company presently deviates from this Best Practice Provision, as the tenure as Non-Executive Director of Mr. Gregory Garvey exceeds twelve years. Mr. Gregory Garvey offers many years of significant experience and knowledge of the sector the Company is operating;

2.2.6. At least once per year, outside the presence of the management board, the supervisory board should evaluate its own functioning, the functioning of the various committees of the supervisory board and of the individual supervisory board members and discuss the conclusions of this evaluation. They shall discuss the conclusions of the evaluations and shall identify aspects where the Directors require further training or education. The first evaluation of the Board of Directors will take place in 2025;

2.3.10. The Company presently has no secretary. Due to the size of the Company, the Company believes this is not currently necessary. Appointment of a secretary in the near future will be seriously considered as the Company is more and more confronted with an increasing complexity of new laws and regulations, now dealt with by the CFO of the Company;

5.1.3 The Company presently deviates from this Best Practice Provision, as the Board's Chair Mr. Gregory Garvey does not qualify as independent but brings extensive experience within the sector the Company operates;

5.1.4 The Company deviates from this Best Practice Provision that an executive board member cannot be a member of the Remuneration Committee, subject to the restriction that an executive board member who is member of the Remuneration Committee shall not in any way be involved in the remuneration of members of the Board and that executive board member's role within the Remuneration Committee shall relate only to the remuneration of members of the Executive Management Team not being executive board member.

Board Responsibility Statement

Annual declaration on internal risk management and control systems

Based on this report and in accordance with best practice provision 1.4.3 of the Dutch Corporate Governance Code as adopted on December 20, 2022, and effective as of January 1, 2023 and acknowledging the internal risk management and control systems being further strengthened in 2024, and having an action plan in place for 2025 to further improve the control systems, the Board of Directors confirms that, to the best of their knowledge:

- The internal risk management and control systems of Envipco provide reasonable assurance that financial reporting does not contain material inaccuracies;
- There have been no material failings in the effectiveness of the internal risk management and control systems with regard to the risks associated with the strategy and activities of Envipco and its affiliated subsidiaries, including the strategic, operational, compliance and reporting risks;
- There are no material risks associated with the strategy and activities of Envipco and its affiliated subsidiaries, including the strategic, operational, compliance and reporting risks, or uncertainties that could reasonably be expected to have a material adverse effect on the continuity of Envipco's operations in the coming twelve months;
- It is appropriate that the financial reporting is prepared on a going concern basis.

It should be noted that the above does not imply that these systems and procedures provide absolute assurance as to the realization of operational and strategic business objectives, or that they can prevent all misstatements, inaccuracies, errors, fraud and non-compliance with legislation, rules and regulations. Nor can they provide certainty that the Board of Directors will achieve its objectives.

Declarations

As required by section 5:25c paragraph 2(c) of the Dutch Financial Supervision Act, the Board of Directors hereby confirm that to the best of their knowledge:

- The financial statements 2024 of Envipco included in this Annual Report give a true and fair view of the assets, liabilities, financial position and profit or loss of Envipco and its affiliated subsidiaries included in the consolidation taken as a whole;
- The management report of Envipco gives a true and fair view of the position at the balance sheet date, the development and performance of the business during the financial year 2024 and the affiliated subsidiaries included in the consolidation together with a description of the principal risks and uncertainties that Envipco faces.

Gregory Garvey – Chairman

Anne Jorun Aas – Non Executive Director

Ann Cormack – Non Executive Director

Charlotta Gylche – Non Executive Director

Erik Thorsen – Non Executive Director

Maurice Bouri - Executive Director

Simon Bolton - Executive Director & CEO

General Meetings of Shareholders and Voting Rights

An Annual General Meeting of Shareholders (AGM) is held within six months of the end of every financial year. The main purpose of the AGM is to decide on matters as specified the Company's Articles of Association and under Dutch law, such as the adoption of the financial statements and the discharge of the executive and non-executive members of the Board of their respective executive and non-executive duties. Extraordinary General Meetings of Shareholders (EGMs) are held if the Board or any of its members deem it necessary.

A General Meeting of Shareholders shall be convened at least 42 days before the day of the meeting. The notice convening any General Meeting of Shareholders shall contain an agenda indicating the items for discussion included therein. The notice for convening the General Meeting of Shareholders shall mention the registration date and the manner in which the persons with meeting rights at the General Meeting of Shareholders may procure their registration and the way they may exercise their rights. The registration date is the twenty-eighth day prior to the date of the General Meeting of Shareholders.

Every shareholder may attend, speak at and vote at the General Meeting of Shareholders. Decisions of the General Meeting of Shareholders are taken by a majority of three/fourths of the votes validly cast, except where Dutch law or the Company's Articles of Association provide for a special or greater majority.

Decree Article 10 EU Takeover Directive

Pursuant to the Implementing Decree of 5 April 2006 relating to Article 10 of Directive 2004/25/EC on takeover bids of 21 April 2004 of the European Parliament and the Council of the European Union, Envipco includes the following explanatory notes:

- The Company's share capital consists of ordinary shares only. All shares are registered shares. As at 31 December 2024 Envipco had issued 57,690,377 ordinary shares;
- The Articles of Association do not provide for any limitation on the transferability of the shares;
- Significant direct and indirect shareholdings are set out in this report under the section 'Substantial holdings';
- As at 31 December 2024, the Bouri Family held 29.22% of the Company's shares. In relation to their collective shareholding in Envipco, the members of the Bouri Family are acting as a concert group and they have entered into an agreement to pursue a sustained joint policy and to exercise their voting rights jointly (*overeenkomst die voorziet in een duurzaam gemeenschappelijk beleid inzake het uitbrengen van de stemmen*) in the meaning of section 5:45 subsection 5 FSA, the Bouri Family Voting Agreement. The Bouri Family is exempted from the mandatory offer obligation of section 5:70 FSA pursuant (the exemption of) section 5:71 subsection 1 under (g) FSA. See also in this report under the section "Bouri Family shareholding and Bouri Family Voting Agreement";
- Envipco currently does not hold any employee share scheme in which the control rights are not exercised directly by the employees;
- There are no restrictions on voting rights. All shares entitle the holder to one vote per share. No securities with special control rights have been issued. No agreement has been entered with any shareholder that could give rise to any limitation on the transfer of shares and/or voting rights.

Unless otherwise specified by the Articles of Association, all resolutions at the General Meeting of Shareholders shall be passed by a majority of three/fourths of the votes cast.

- The General Meeting of Shareholders shall appoint the members of the Board and may at any time suspend or remove any member of the Board. The non-executive members of the Board shall determine the remuneration and the terms and conditions of employment for each executive director separately. The remuneration

for the non-executive members of the Board shall be determined by the General Meeting of Shareholders;
- The General Meeting of Shareholders may resolve to amend the Articles of Association;
- The issue of new shares or granting of rights to subscribe for shares shall be by a resolution of the General Meeting of Shareholders or by the Board if the Board has been designated as the body with this power by a resolution of the General Meeting of Shareholders, for a period not exceeding five years. On 23 August 2024 the General Meeting of Shareholders has delegated its powers to issue shares or grant rights to subscribe for shares and to exclude pre-emptive rights in relation thereto to the Board up to a maximum of 20% of the number of outstanding shares at 23 August 2024 (i.e. up to 11,538,075 Shares);
- The Company is entitled to buy-back fully paid-up shares in its own share capital for consideration, with due observance of Article 2:98 of the Dutch Civil Code. As per Article 2:98 of the Dutch Civil Code, a buy-back of shares is only possible if the General Meeting of Shareholders has authorised the Board for this purpose. This authorisation is valid for a maximum of eighteen months. At the date of this report, there is no such authorisation outstanding.

Sustainability and EU taxonomy

Environmental, Social, and Governance (ESG) dimensions define a company's approach to doing business responsibly and sustainably. Envipco's overall societal impact is expressed by these dimensions and aligned with the increasingly held view that companies who hold themselves accountable to their stakeholders will be more viable, valuable, and competitive in the long term.

Envipco, is not just expressed by these dimensions, but also defined by them. Our RVM's efficiently catalogue beverage containers, support sustainable supply chains, enhance producer responsibility, and thereby help to reduce carbon footprints. We positively impact society and the environment while committing to responsible and sustainable business practices. Therefore, ESG principles guide our operations, reinforcing our dedication to transparency, accountability, and long-term value creation.

As a leader in reverse vending technology, Envipco plays a vital role in driving circular economy by enabling efficient recycling solutions. Private-sector companies like ours have a responsibility to collaborate with partners across the supply chain, as well as with public and private organizations to address global sustainability challenges. Our multi-stakeholder approach ensures that we maximize our societal impact – not only through our innovative recycling solutions but also in the way we conduct business. We are deeply committed to reducing environmental waste, fostering an inclusive and ethical workplace, and upholding the highest standards of corporate governance. By prioritizing these principles, we aim to be a front-runner within ESG areas.

Envipco's ESG commitments

Since 2023, Envipco maintains its environmental action area commitments and is in the process of drafting a fully integrated approach to responsible and sustainable business. This framework, to be published in 2025, is the foundation by which policies, actions, metrics, and targets will be set – in consultation with and preparation for the Corporate Sustainability Reporting Directive (CSRD). This will enable Envipco to set challenging environmental and social targets, while maintaining the highest standards of governance. Envipco believes this is the best way to create superior, long-term value for Envipco's stakeholders. In this spirit, Envipco has conducted a Double Materiality Assessment (DMA) to both inform our sustainability framework and also define the scope of future reporting.

As a summary of 2024 action areas, Envipco is committed to:

a) Conserving energy; reducing direct and indirect energy usage for manufacturing, operations and servicing of our products giving preference to renewable sources of energy;
b) Complying with all applicable environmental legislation and relevant codes of practice;
c) Encouraging all staff to improve their awareness of the environment and to become more environmentally responsible;
d) Using our position to communicate and promote the critical role recycling has in establishing a sustainable society;
e) Reducing usage of and emissions from utilities and transport associated with our operations and events.

To achieve this, Envipco aims to:

a) Reduce our use of energy through improvements to energy efficiency;
b) Substitute fossil fuels with renewable energy sources where possible;
c) Minimize waste by reducing consumption and developing effective waste management and recycling procedures;
d) Ensure that all staff are given the opportunity to take an active role in implementing environmental best practice;
e) Work with our suppliers to ensure they share our commitment and practices;
f) Monitor and measure our energy consumption to optimize our energy efficiency.

Furthermore, all Envipco products are developed and manufactured according to environmental requirements of REACH and RoHS (Restriction of the Use of certain Hazardous Substances in Electrical and Electronic Equipment) and designed for recyclability. In our design efforts, the Company seeks to minimize power usage both during operations (efficient compaction) and in idle mode.

Envipco regularly reviews the success of the environmental measures and makes further improvements in environmental protection and energy efficiency wherever necessary. Our Group-wide actions are based on laws, regulations, and standards. Group-wide environmental protection: In the design, construction, production and operation of facilities and in other activities, adequate technical and economic facilities are to be used to conserve energy and resources, prevent CO2 emissions and minimize any environmental impact. Especially when new production processes and procedures are used, environmental compatibility and the impact on the energy requirement must be included in the overall technical-economic decision.

All sites will have in place adequate emergency procedures to protect life, property and to protect the environment.

Due to our responsibility for the efficient use of resources and the preservation of ecosystems, Envipco is committed to involving suppliers and service providers of the Envipco Group in our energy and environmental policy objectives, and to motivating and encouraging them accordingly.

Envipco puts into practice the five-level waste hierarchy worldwide, as required by the EU. The five levels are prevention, re-use, recycling, recovery, and disposal. As far as reasonably possible, the highest level of this hierarchy is sought.

Whilst the Company has limited water use during manufacture and operations, Envipco is continually seeking to reduce water consumption and wastewater throughout the entire Envipco Group production network.

Our aim is to reduce the environmental impact of commercial traffic generated by Envipco's service fleet. The main effects of road and rail traffic on the environment and the immediate area are Energy demand, land use, pollution and CO2 emissions, together with noise pollution. Energy consumption due to traffic exhibits the typical environmental impact of gasoline and diesel combustion in all modes of transport. For this reason, Envipco constantly strives to reduce the level of inbound and outbound delivery traffic, as well as individual employee traffic, via various measures. This means that employees should use leverage technologies such as videoconference or chat services in place of travel when possible. Employees should also use travel options that minimize emissions where possible such as public transit, walk or use electric cars. Envipco Group is constantly reducing the number of emissions due to fewer service visits by connecting all our installed recycling machines online with advanced diagnostics and service systems.

Climate risk

In 2024, in our risk assessment Envipco included the potential impact of climate change on our business model and strategy, of which the increasing public awareness on the need to recycle plastic and other beverage container materials is an important part. Recycling plastic helps combat climate change by reducing the need to produce new plastic from fossil fuels, which cuts down on greenhouse gas emissions. It also keeps plastic waste out of landfills and incinerators, where it can release harmful gases like methane or CO_2. By using less energy overall compared to producing new plastic, recycling helps lower the carbon footprint of plastic consumption.

The Company assessed the impact on useful lives and residual values of PP&E and intangible assets and have concluded there is no significant climate change impact.

The Company has previously assessed the physical risks of climate change using Climate Analytics' Climate Impact Explorer under various Intergovernmental Panel on Climate Change (IPCC) scenarios to model Envipco's physical risk exposure. These risks include peril-specific hazards (e.g., flooding and 1-in-100-year storm frequency) under the Net Zero 2050 and Below 2°C scenarios. Under these conditions, there is no increased geographic vulnerability of our main facilities in Naugatuck (CT)-US, Osnabrück-Germany, Szebes- Romania, and Koropi- Greece.

Envipco concluded that the effect of climate-related risks does not have a material impact on accounts and disclosures in the financial statements as of 31 December 2024. The Company will be conducting an update of their assessment in 2025 given its expansion of activities in Europe.

Further, Envipco supports a more sustainable economy by recovering beverage containers and expects that new markets introducing DRS will have a positive impact on our business opportunities.

CSRD

As part of our commitment to responsible and transparent corporate reporting, Envipco has undertaken a Double Materiality Assessment (DMA) to align with the EU Corporate Sustainability Reporting Directive (CSRD). This assessment is a crucial step in preparing for our first CSRD-compliant report. In anticipation, Envipco has voluntarily conducted this assessment for 2024 to enhance our understanding of Environmental, Social, and Governance (ESG) factors that impact our business and the broader society.

The double materiality approach considers both financial materiality of how sustainability issues impact Envipco's financial performance (outside in) and impact materiality of how Envipco influences society and the environment (inside out). This methodology ensures that our sustainability efforts address not only regulatory compliance but also strategic business risks and opportunities. The assessment was conducted in multiple phases, including internal research, stakeholder engagement, and expert validation, culminating in a prioritized list of material topics.

Our materiality analysis identified key themes that shape Envipco's sustainability strategy, including climate change & energy, circular economy & waste, product quality & safety, employee well-being, and governance & data integrity. These themes reflect both our core business operations and stakeholder expectations. Insights from this analysis will directly inform our sustainability goals, risk management framework, and corporate governance practices.

To ensure the robustness of our approach, the Company engaged with a wide range of stakeholders, including employees, investors, suppliers, customers, policymakers, and NGOs. Their perspectives helped refine our focus areas, validate findings, and strengthen our sustainability commitments. The final shortlist of material topics was reviewed and approved by Envipco's senior leadership, ensuring alignment with our corporate strategy. This Double Materiality Assessment serves as a foundation for our future CSRD reporting and strategic decision making. It reinforces our commitment to transparency, innovation, and long-term value creation in the circular economy.

Omnibus Outlook

The Omnibus package, proposed by the EU Commission in February 2025, aims to simplify sustainability reporting and reduce administrative burdens, particularly for small and medium-sized enterprises (SMEs) of which Envipco is currently one. The most significant change is a reduction in the number of companies required to comply with the CSRD – effectively removing around 80% of businesses from its scope. In April 2025, Envipco was released of reporting obligations for 2025 until 2027 as a result of the approved "Stop the Clock" component of the Commission's proposal. Regardless of other regulatory changes yet to come sustainability elements remain, including double materiality (DMA), due diligence duties, and core reporting themes. In light of this regulatory uncertainty, Envipco will continue to align with established sustainability standards and market expectations, rather than relying solely on regulatory mandates in order to maintain a competitive edge. Thus, Envipco will proactively integrate CSRD principles into our 2025 sustainability framework, while contextualizing our policies, actions, metrics, and targets according to European Sustainability Reporting Standards (ESRS) Mandatory Disclosure Requirements as of 2025.

EU Taxonomy

The EU Taxonomy is a classification system, establishing a list of environmentally sustainable economic activities, to help both investors and companies gain insights into whether their economic activities can be considered environmentally sustainable. It is built upon the EU Green Deal targets and objectives and aims to shift capital flows towards more sustainable investments in the EU.

A company's activity only aligns to the EU Taxonomy when:

1) It is 'eligible' (i.e. the economic activity is covered by the EU Taxonomy); and when
2) It 'substantially contributes to' (at least) one of the 6 environmental objectives (i.e. climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystem), 'does not harm the other objectives';
3) and the Company itself 'meets the minimum social safeguards'.

In their annual reporting, companies should reflect on the eligibility and alignment of their activities in terms of their Turnover, Operational Expenditure and Capital Expenditure. Listed and large companies that are not currently mandated to report under the scope of the NFRD (such as Envipco) will need to report for the first time in 2026 (for the financial year 2025).

The Company's activities' eligibility and alignment with EU Taxonomy in 2024

Following last year's actions and reporting, and taking a step forward, the Company has broadened and deepened the scope of the voluntary Taxonomy assessment in 2023, including alignment to the EU Taxonomy. Last year the Company included the activity *Collection and transport of non-hazardous waste in source segregated fractions* (related to NACE E38.11). Through the addition of EU Taxonomy regulation encompassing activities for the substantial contribution to circular economy, it was possible to identify additional activities. Based on Regulation (EU) 2020/852, supplemented with Regulation (EU) 2021/2139, Regulation (EU) 2021/2178, Regulation (EU) 2023/2485, and Regulation (EU) 2023/2486, two additional eligible activities were identified: *Manufacture of electrical and electronic equipment* (related to NACE C26); and *Product-as-a-service and other circular use- and result-oriented service models* (related to NACE C26). The tables below show how the eligible activities contribute to the reporting KPIs[2] (i.e. Turnover, OpEx, CapEx).

Currently, the alignment of the eligible activities with the EU Taxonomy is 0%. This was mainly because the documentation that is required to support the requirements of the assessment has not yet been formalized. Adherence to the Minimum Safeguards is ingrained within the Company's DNA and culture. However, policies have to be formalized in writing to fulfil alignment with EU Taxonomy requirements. The assessment was helpful to identify the information and procedural gaps to demonstrate future alignment, and to identify the necessary actions to address them in the coming years.

1) According to Directive 2013/34/EU large companies or large undertakings are defined as those meeting two of the following criteria (over two consecutive financial years): a net turnover of more than €50 million, a balance sheet total of more than €25 million and have more than 250 employees on average.
2) Double counting of Turnover, CapEx, and OpEx is avoided through the inherent segregation of our business activities. The identified material EU Taxonomy activities are each linked to different business activities from Envipco (one-to-one matches).

Plans for the upcoming years

In 2026, it will be mandatory for the Company to report on the EU Taxonomy over financial year 2025. The Company will strive to improve processes that can contribute to more alignment to the EU Taxonomy. Through the introduction of a new Enterprise Resource Planning (ERP) application, more insights into Turnover, CapEx, and OpEx streams will be realized. This will allow to segregate these monetary flows, such that it may be possible to more accurately allocate them to activities identified within the EU Taxonomy.

Turnover

Economic Activities (1)	Code (2)	Absolute turnover (3)	Proportion of Turnover (4)	Substantial Contribution Criteria						'Does Not Significantly Harm' criteria									
				Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned proportion of total turnover, year N (18)	Category (enabling activity) (20)	Category (transitional activity) (21)
Text		Thousands, EUR	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES			**85%**																
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities		**-**	**0%**														**0%**		
Of which Enabling		**-**	**0%**														**0%**	**E**	
Of which Transitional		**-**	**0%**														**0%**		**T**
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of electrical and electronic equipment	C26	76.546	67%																
Collection and transport of non-hazardous waste in source segregated fractions	E38.11	10.574	9%																
Product-as-a-service and other circular use- and result-oriented service models	C26	9.452	8%																
Turnover of Taxonomy-eligible but not		**96.573**	**85%**																
Total (A.1+A.2)		**96.573**	**85%**																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**17.442**	**15%**																
Total (A+B)		**114.014**	**100%**																

CapEx

Below table shows the CapEx the Company has identified related to eligible activities.

Economic Activities (1)	Code (2)	Absolute turnover (3)	Proportion of Turnover (4)	Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Har									
				Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Taxonomy aligned proportion of total CapEx, year N (18)	Category (enabling activity) (20)	Category (transitional activity) (21)
Text		Thousands, EUR	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES			**58%**																
A.1. CapEx of environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities		**-**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0%**		
Of which Enabling		**-**	**0%**														**0%**	**E**	
Of which Transitional		**-**	**0%**														**0%**		**T**
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned)																			
Manufacture of electrical and electronic equipment	C26	1.382	7%																
Collection and transport of non-hazardous waste in source segregated fractions	E38.11	-	0%																
Product-as-a-service and other circular use- and result-oriented service models	C26	9.816	51%																
CapEx of Taxonomy-eligible but not environmentally		**11.198**	**58%**																
Total (A.1+A.2)		**11.198**	**58%**																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of Taxonomy-non-eligible activities		**8.189**	**42%**																
Total (A+B)		**19.388**	**100%**																

OpEx

The Company has decided to omit reporting OpEx on the eligible activities as the Company was not able to allocate OpEx into one of the three distinct categories set by Regulation (EU) 2021/2178 annex I. However, the Company is implementing processes which will provide more detailed insights into these resources going forward. Looking to the future, with mandatory disclosure on EU Taxonomy, OpEx will be allocated to the relevant activities.


COMPACT
envipco
Making recycling easier.
Odzyskaj swoją kaucję!
1 Włóż butelki lub puszki
2 Wciśnij przycisk
3 Odbierz bon, paragon

Report of the Board of Directors

General

The Board of Directors of the Company hereby presents its Director's Report for the financial year ended on 31 December 2024.
Envipco Holding N.V. is a public limited liability company incorporated in accordance with the laws of The Netherlands. Envipco Holding N.V. and its subsidiaries listed under Note 3 together form the Company. This report refers to best practice provision 5.1.5 of the Corporate Governance Code (CGC).

Supervision by the Non-Executive Directors

The Board has a duty to ensure that the actions of the Executive Directors and Management Team align with the Company's strategic priorities and values. The Non-Executive Directors supervise the policies implemented by the Executive Directors and the Management Team, and the general affairs of the Company.
The composition of the board with necessary personal information Board of Directors can be found in Section Envipco at a glance and Corporate Governance. According to CGC the following board members are not independent:, Mr Garvey and Mr Thorsen, which is also highlighted in the Corporate Governance section. The term of each Board member is shown on the Rotation Schedule on the Company website and so managed through the General Meeting of Shareholders to ensure staggered terms and adequate continuity of service. Mr Garvey service exceeds 12 years on account of their significant leadership and experience in this sector.

Governance

Through a focused working group the Board continues to develop, approve and publish updated Board regulations, policies and procedures for the Company; these are available on the Company's website. As part of these updates, specific charters have been defined for both the Board itself and three installed committees: The Audit Committee, Remuneration Committee and Selection & Nomination Committee. The framework and scope of these committees is elaborated in the Corporate Governance section of this report.

In light of increasing requirements for listed companies and the Board's wish to continue to develop and improve the internal control environment due to the growth of the Company, the Board has implemented an Internal Audit function during the 4th quarter (ref. 1.3.6 of the CGC). This function will further strengthen the Company's risk management process and internal control framework in addition to the role of the Board and the Audit Committee.

Board Operations

The Board has remained closely involved in the strategy and monitoring of the progress as the Company has expanded geographically and launched new products during the year.

The Board has also developed the governance framework and implemented several measures to identify, evaluate and manage potential threats more effectively. This includes regular risk reviews covering multiple areas such strategic, operational and product risks, and implementing an Internal Audit function. Additionally, we have invested in advanced cybersecurity measures to protect against data breaches and other digital threats.

It is important to note that no specific management measures have been taken for certain emerging risks due to their unpredictable nature. We are continuously monitoring these areas and will adapt our strategies as more information becomes available..

The Board met 12 times during 2024, of which twice was in person. Materials were prepared by the Chief Executive Officer and management team prior to and discussed during the meetings. Through these meetings the Board regularly discussed the strategy, the implementation of the strategy and the principal risks, the Company's operations and financing. In addition, the Board regularly discussed and evaluated specific actions and board operations. Attendance at board meetings is shown in the Corporate Governance section of this report.

Audit Committee

The Audit Committee (AC) was established early 2023 and had its charter approved by the board in 2023. The AC had regular scheduled meetings throughout the year on the review of quarterly unaudited results, and related presentation materials. Review and input were provided to management and the Board.

After 5 years with KPMG Accountants N.V. the AC has taken the lead together with management to change their external auditor for the financial year 2024. After a careful selection process, the AC proposed to appoint BDO Audit & Assurance B.V. as auditor for the financial year 2024, which has been formally adopted by the AGM on August 23rd. The AC participated in the 2024 audit planning and coordination with the external auditor.

The AC along with the Board, reviews management's plans for improvement to the financial reporting process, the financial organization and the internal accounting control environment. The AC acknowledges that as the Company is growing and maturing, there is a need for further formalisation of financial and risk processes and procedures.

The AC along with the Board has reviewed management's assessment and plans for initiating activities in support of the impending 2025 CSRD reporting requirements. For further details see Section Corporate Governance.

Renumeration Committee

The Company has a remuneration policy (beloningsbeleid) that relates to the remuneration of Executive Directors and the Directors. The presently applicable remuneration policy has been approved by the General Meeting on 23 August 2024 – a copy is available on the Company's website www.envipco.com. In accordance with Dutch law, the remuneration policy will be resubmitted for approval to the General Meeting every four years. The aim of the remuneration policy for the Executive Directors is to ensure that the Company is able to attract, motivate and retain qualified and experienced Executive Directors, and to incentivize and reward long-term and sustainable growth. It includes base salary, short and long-term (LTIP) incentive plans and other benefits. Consistent with the Dutch CGC, the remuneration of the Non-Executive Directors is not dependent on the Company's results. The Non-Executive Directors will determine the remuneration and the terms and conditions for each Executive Director separately, considering the provisions of the remuneration policy. The General Meeting shall determine the remuneration of the Non-Executive Directors.

Selection & Nomination Committee

The Committee was established in December 2023 and is operational since January 2024.

In 2024, the Selection & Nomination Committee held two meetings where it discussed the composition and size of the Board of Directors, Board committees and Management Team. The Committee, together with the CEO, led the search for open senior leadership positions including those of Chief Financial Officer and Non-Executive Board member.

Risk management and Internal Controls

The Board of Directors is responsible for the control environment, including risk management and internal control systems in order to properly manage the strategic, operational and other risks and uncertainties that could have a material adverse effect on the Company's business and day-to-day operations.

The Board of Directors recognises the importance of a formalised approach towards risk management for a rapidly growing organisation like the Company. In practice this means that it is important to maintain the right balance between formalised systems and procedures and the informal hands-on approach that is necessary to further boost the growth of the Company. Recognizing the growth demands, the Board of Directors has directed management to continue its efforts to strengthen the finance function and internal control processes.

Further, the Board of Directors has the primary responsibility for the prevention and detection of fraud, including designing and implementing appropriate procedures and controls to identify, assess and mitigate inherent fraud risks and the creation of awareness and attitude towards fraud drivers and corresponding fraud risks.
Creating awareness and the proper attitude towards fraud within the Company starts with establishing and promoting a culture of honesty and ethical behaviour supported by compliance training and further formally enforced by Envipco's Code of Conduct, the Whistle blower policy, the Insider trading policy and the annual risk assessment process, which started in 2024, with risk identification and quantification.
Envipco's internal control system is further designed to provide reasonable assurance to the Company's board regarding the preparation and fair presentation of published financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).
All internal control systems have inherent limitations, and therefore can provide only reasonable assurance with respect to financial statement preparation and presentation. Management periodically assesses the effectiveness of the Company's internal controls and believes these to be effective and reliable.

During 2024, the Company has initiated its risk assessment process focused on risk detection and risk evaluation. Early 2025, it further expanded the risk assessment process by defining risk mitigation actions and setting action plans. The Board and Executive Management Team continuously analyse potential risks, evaluate their (financial) impact and likelihood, and determine appropriate measures to minimize these risks to match the Company's risk appetite. As part of this management risk assessment, risks of fraud and non-compliance with laws and regulations are assessed.

Outlook

Envipco's industry leading RVMs enable automated, cost-efficient return systems securing clear material streams, and have proven to be highly competitive and efficient across markets. The Company is addressing expanding market opportunities in Europe and North America through a greenfield growth strategy and is extending its reach into existing DRS markets through a brownfield growth strategy. DRS is being mandated in all EU countries by 2029 through the EU Packaging and Packaging Waste Regulation, recently put into force following the formal adoption by the EU Council. DRS are planned to be introduced in Poland (2025), Portugal (2026), Singapore (2026), Czech Republic (2027), and in the UK (2027), and new countries are expected to follow. The Company continues to expand commercially in existing markets. DRS go-live in Poland and Portugal in Q4 25 and 2026 are anticipated to drive incremental activity levels from H2 25. The majority of European revenue will be new RVM sales as the Company generates limited service revenues during DRS startup and warranty periods. As the installed base expands European Program service revenues will grow. The actual timing and character of DRS go-live and corresponding retailer procurement patterns could entail uncertainty and quarterly variations are expected. Due to the timing of certain market opportunities, Envipco expects a slow start to 2025, building momentum and growth through the year. Envipco will continue to invest in market development, technology platform and the organization. Our go-to-market strategy requires up-front investments in new markets 1-3 years ahead of anticipated DRS go-live and revenue generation. As the Company leverages initial market investments and builds revenue base, further operating leverage will be realized. Envipco set out on an ambitious expansion strategy in 2021, targeting +30% market share in new greenfield markets, improving gross margins to 40% and eyeing revenue growth of 4-6x on the anticipated DRS rollout. The Company is delivering the market share target, is approaching its gross margin target, and new market rollouts will drive further growth. Envipco remains committed to its ambition of long-term growth and will refresh its financial targets and ambitions in 2025.

The Board will continue to support management on strategic priorities and initiatives including growing and strengthening our business in a sustainable way, strengthening our organization, and continuing to develop and mature governance, compliance, IT infrastructure and in areas such as CSRD.

Gregory Garvey - Chairman of the Board

Remuneration Report

Remuneration Policy of the Board of Directors

This Remuneration Report reflects the provisions of EU Shareholder Rights Directive that became effective in the Netherlands in 2019 (“SRD”). Our non-executive directors annually propose the remuneration of the individual executive members of our Board of Directors to the General Meeting of Shareholders. Customary benefits are provided to the executive director in line with respective industry and country practice.

The short-term compensation of the executive directors includes both fixed and variable compensation, which is dependent upon the area of individual responsibility, expertise, position experience, conduct and performance. The variable component of up to 50% of base salary is discretionary and dependent upon specific performance criteria such as EBITDA and aligned with the long-term performance measure of the Company and reviewed on an annual basis. There is no possibility to reclaim variable compensation.

For 2024, in line with 2023, the variable compensation was based on specific performance measures and goals including EBITDA, share price and market capitalisation and appropriate bonus based thereon was established. A Long-term incentive plan was implemented in 2023 as further explained below.

The Remuneration Policy for Non-Executive Directors is based on peer market groups similar to that used for the Executive Management Board. Consistent with the Dutch Corporate Governance Code, the remuneration of the Non-Executive Directors is not dependent on the Company’s results.

The non-executive Chairman of the Board is entitled to an annual remuneration of €50,000 and each other Non-Executive Director is entitled to an annual remuneration of €30,000.

Long-term incentive plan for executive management

A long-term incentive plan for executive management was approved and communicated in 2023 and on July 14, 2023, under the Company’s Shadow Share Plan, the Company awarded shadow shares to the executive management, of which 600,000 were granted to Simon Bolton. Shadow shares represent the conditional right to receive a performance-based bonus payment in cash. The fair value of the liability as at the balance sheet date has been determined by reference to the fair value of each awarded shadow shares (incorporating the strike price of the shadow shares and the fair value of the ordinary shares of the Company), taking into account the estimated outcome of applicable service and non-market performance conditions in the number of shadow shares that is expected to vest. All participants are required to remain in service until the end of the grant period.

Board Remuneration in 2024

The remuneration of the Board of Directors charged to the result in 2024 was €1,516,000 (2023: €1,274,000), which and can be specified as follows:

in EUR thousands	Fixed Salary/fee	Variable compens-ation	Fringe benefits	Pension cost	Long-term compens-ation plan	Total	Proportion of fixed and variable compensation
FY 2024							
S. Bolton[1]	433	120	14	-	554	1,121	40/60
G. Garvey	50	-	-	-	-	50	100/0
A.J. Aas	30	-	-	-	-	30	100/0
M. Bouri[1]	200	25	-	-	-	225	89/11
A. Cormack	30	-	-	-	-	30	100/0
C. Crepet[3]	15	-	-	-	-	15	100/0
C. Gylche[3]	15	-	-	-	-	15	100/0
E.Thorsen[2]	30	-	-	-	-	30	100/0
Total	**803**	**145**	**14**	**-**	**554**	**1,516**	
FY 2023							
G. Garvey	55	-	-	-	-	55	100/0
C. Crepet[3]	30	-	-	-	-	30	100/0
E. Thorsen[2]	15	-	-	-	-	15	100/0
A. Bouri	-	-	-	-	-	-	-
M. Bouri[1]	215	100	-	-	-	315	68/32
S. Bolton[1]	420	154	9	-	216	799	54/46
A.J. Aas	30	-	-	-	-	30	100/0
A. Cormack	30	-	-	-	-	30	100/0
Total	**795**	**254**	**9**	**-**	**216**	**1,274**	

1) S. Bolton is Executive Director since 1 July, 2020 and M. Bouri is Executive Director since August 15, 2023. Other members of the Board are Non-Executive Directors.
2) E. Thorsen is Non-Executive Director since August 15, 2023.
3) C. Crepet's term expired on August 23,2024 and is replaced by C. Gylche.

The fixed compensation of the Executive Directors Simon Bolton and Maurice Bouri are annually determined by the non-executive directors. The variable compensation is based on the realisation of set targets and approved by the non-executive directors.

The variable compensation in 2024 for Simon Bolton has been determined at €119,845 (2023: €154,000) as Simon led the growth of the business to record company revenues in 2024 and continues to build the foundation for future growth. In 2024 the Company saw a further execution of the Growth Plan, driven by extended growth in Hungary and Romania and consolidated growth in Greece.

As part of the long-term incentive plan, 600,000 shadow shares were granted to Simon on 14 July 2023, out of which 200,000 shares have been forfeited during 2023 and another 200,000 shares during 2024. The remaining 200,000 shares have been vested as of December 31, 2024. Accordingly, an expense of €554,000 has been accrued for in 2024, representing the fair value of the expected cash bonus payable under the grant based on the share price as at December 31, 2024 pro-rated for the service period that has been completed. The shadow shares for Simon have been granted with a strike price of €1.60, being the share price when his employment started. Targets have been set (retrospectively) for 2022, 2023, and 2024 at 80% of the annual budgeted revenue and EBITDA approved by the Board and the remuneration committee. The targets for 2022 have been met and the targets for 2023 and 2024 have not been met. Therefore, the 400,000 shadow shares for these years have been forfeited.

See Note 9 for more details on the long-term incentive plan.

Shadow shares awarded	Shares granted	Strike price	Grant date	Vesting date	Performance conditions
3-Year grant 2022	600,000	€1.60	14 July 2023	31 December 2024	2022-2024

Shadow shares awarded	Grant date	Unvested at 1 January 2024	Forfeited	Vested	Unvested at 31 December 2024
3-Year grant 2022	14 July 2023	400,000	(200,000)	(200,000)	-

Pension entitlements for Simon Bolton consist of €0 (2023: €0). Fringe benefits consist of social security and other costs paid by the employer €0 (2023: €9,000).

The variable compensation for Maurice Bouri has been determined at €25,000 (2023: €100,000) linked to the successful business performance in Greece: professionalizing the local assembly facility and facilitating and managing the strong revenue growth.

The pay ratio of the CEO in comparison with the average total employee benefit cost per employee, as required under the Dutch corporate governance system, was 17 in 2024 (2023: 12). The pay ratio is calculated as total benefits paid, excluding board compensation, to employee's average benefit expense per employee for the year.

The table below shows the year-on-year change in remuneration of the Board members. Also included is the change in EBITDA for those years as well as the change in employee compensation.

	2020	2021	2022	2023	2024
Executive Members					
S. Bolton	100%	129%	(7%)	42%	40%
M. Bouri[1]	-	-	100%	950%	(29%)
Non-executive Members					
G. Garvey	(2%)	(4%)	(2%)	10%	(9%)
C. Crepet[2]		25%	20%	-	(50%)
T.J.M. Stalenhoef	27%	10%	(67%)	(100%)	-
E. Thorsen[3]	-	-	-	100%	100%
D. D'Addario	-	-	100%	(100%)	-
A.J. Aas	-	100%	100%	-	-
A. Cormack	-	-	100%	100%	-
C. Gylche[2]	-	-	-	-	100%
EBITDA[4]	120%	53%	(59%)	265%	54%
Change in employee average compensation	8%	(7%)	6%	(8%)	(2%)

1) Mr. Bouri is an executive director since August 15, 2023.
2) C. Crepet's term expired and he is replaced by Ms. C. Gylche on August 23, 2024.
3) E. Thorsen is Non-Executive Director since August 15, 2023.
4) EBITDA, not being a defined performance measure in IFRS-EU, is defined in the Other information section of this report.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WARTOŚĆ PUNKTU
Włóż
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OSTRZEŻENIE: nie wkładaj materiałów łatwopalnych lub toksycznych - grozi to pożarem lub obrażeniami ciała

Consolidated Statement of Profit and Loss and Comprehensive Income

in EUR thousands	Note	FY 2024	FY 2023
Revenues	(6)	114,014	87,610
Cost of sales	(9, 14 & 17)	(71,675)	(57,342)
Gross Profit		**42,339**	**30,268**
Selling and distribution expenses		(4,402)	(2,763)
General and administrative expenses		(31,794)	(23,745)
Research and development expenses		(2,479)	(1,967)
Operating Expenses	(8)	**38,675**	**28,475**
Other income	(8)	296	492
Other expenses	(8)	(258)	-
Operating Results		**3,702**	**2,285**
Financial expense	(10)	(3,062)	(1,481)
Financial income	(10)	75	353
Results before tax		**715**	**1,157**
Income taxes	(11)	(3,691)	(556)
Net Results		**(2,976)**	**601**
Other comprehensive income			
Exchange differences on translating foreign operations		1,472	(1,081)
Total other comprehensive income		1,472	(1,081)
Total comprehensive income		**(1,504)**	**(480)**
Profit attributable to:			
Owners of the parent		(2,967)	603
Non-controlling interests		(9)	(2)
Total Profit/(loss) for the period		**(2,976)**	**601**
Total comprehensive income attributable to:			
Owners of the parent		(1,495)	(478)
Non-controlling interests		(9)	(2)
		(1,504)	**(480)**
Number of weighted average shares used for calculations of EPS		56,507	51,211
Earnings/(loss) per share for profit attributable to the ordinary equity holders of the parent during the period			
- Basic (euro)	(12)	(0.05)	0.01
- Fully diluted (euro)	(12)	(0.05)	0.01

The Notes to the financial statements in this report are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

in EUR thousands	Note	FY 2024	FY 2023
Assets			
Non-current assets			
Intangible assets	(13)	14,925	9,170
Property, plant and equipment	(14)	23,662	16,985
Financial assets	(15)	2,889	1,499
Deferred tax assets	(16)	478	2,153
Total non-current assets		**41,954**	**29,807**
Current assets			
Inventory	(17)	28,878	32,244
Trade and other receivables	(18)	34,318	23,890
Cash and cash equivalents	(19)	30,748	12,458
Total current assets		**93,944**	**68,592**
Total assets		**135,898**	**98,399**
Equity			
Share capital	(20)	2,885	2,585
Share premium	(20)	96,129	71,021
Translation reserves	(20)	5,982	4,510
Legal reserves	(20)	7,072	7,725
Retained earnings	(20)	(46,875)	(43,908)
Equity attributable to owners of the parent		**65,193**	**41,933**
Non-controlling interests		32	41
Total equity		**65,225**	**41,974**
Liabilities			
Non-current liabilities			
Borrowings	(21)	8,164	9,312
Lease liabilities	(21)	4,834	2,222
Other liabilities	(21)	4,521	375
Provisions	(22)	568	549
Deferred tax liability	(16)	48	50
Total non-current liabilities		**18,135**	**12,508**
Current liabilities			
Borrowings	(21)	18,771	7,363
Trade creditors		16,506	18,520
Accrued Expenses , Deferred revenue and Other current liabilities	(24)	11,127	11,171
Provisions	(22)	1,210	1,429
Lease liabilities	(21)	1,633	830
Tax and social security		3,291	4,604
Total current liabilities		**52,538**	**43,917**
Total liabilities		**70,673**	**56,425**
Total equity and liabilities		**135,898**	**98,399**

The Notes to the financial statements in this report are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flow

in EUR thousands	Note	FY 2024	FY 2023
Cashflow from operating activities			
Operating results		3,702	2,285
Adjustment for:			
Amortisation	(13)	2,424	1,459
Depreciation	(14)	5,771	4,576
Changes in:			
Changes in trade and other receivables		(11,083)	(12,955)
Changes in inventories		4,260	(8,788)
Changes in provisions		(235)	1,309
Changes in trade and other payables		(1,892)	11,718
Changes in deferred revenue		(4,546)	4,160
Cash generated from operations		**(1,599)**	**3,764**
Interest received		30	-
Interest paid		(1,138)	(613)
Income taxes paid		(1,372)	(372)
Net cash flow from operating activities		**(4,079)**	**2,779**
Investing activities			
Development expenditure, patents	(13)	(1,547)	(2,045)
Investments in property, plant & equipment	(14)	(7,260)	(5,706)
Acquisitions, net of cash acquired	(13)	(1,466)	-
Change in investments (restricted cash)	(15)	-	340
Net cash flow used in investing activities		**(10,273)**	**(7,411)**
Financial activities			
Proceeds of share issue	(20)	24,756	(486)[1]
Changes in borrowings – proceeds	(21)	10,364	9,000
Changes in borrowings – repayments	(21)	(575)	(4,802)
Changes in shareholder loan - repayments	(21)	-	(1,638)
Changes in lease liabilities – repayments		(1,941)	(1,088)
Net cash flow from financing activities		**32,604**	**986**
Net increase/(decrease) in cash and cash equivalents		**18,252**	**(3,646)**
Opening position		12,458	16,121
Foreign currency differences on cash and cash equivalents		38	(17)
Closing position		30,748	12,458
The closing position consists of:			
Cash and cash equivalents	(19)	30,748	12,458
Total closing balance in cash and cash equivalents		**30,748**	**12,458**

The notes to the financial statements in this report are an integral part of these consolidated financial statements.

1) In the financial statements of 2023, the cash flow statement incorrectly included two separate lines for a change in the share lending liability of €(15,000) and proceeds of share issue of €14,514 whereas these amounts did not reflect actual cash flows. In the comparative figures of the financial statements of 2024, the amounts relating to non-cash items were netted for the net cash flow of €(486). This netting has no further impact on the net cash flow from financing activities.

Consolidated Statement of Changes in Equity

in EUR thousands	Share Capital	Share Premium	Transl-ation Reserve	Legal Reserve	Retained Earnings	Total	Non-Control-ling Interests	Total Equity
Balance at 1 January 2023								
Changes in equity for 2023	**2,303**	**56,939**	**5,591**	**7,575**	**(44,511)**	**27,897**	**43**	**27,940**
Net profit/(loss) for the year	-	-	-	-	603	603	(2)	601
Other comprehensive income								
- Currency translation	-	-	(1,081)	-	-	(1,081)	-	(1,081)
Total comprehensive income for the period	**-**	**-**	**(1,081)**	**-**	**603**	**(478)**	**(2)**	**(480)**
Share issue	282	14,232	-	-	-	14,514	-	14,514
Legal reserve	-	(150)	-	150	-	-	-	-
Balance at 31 December 2023	**2,585**	**71,021**	**4,510**	**7,725**	**(43,908)**	**41,933**	**41**	**41,974**
Changes in equity for 2024								
Net profit/(loss) for the year	-	-	-	-	(2,967)	(2,967)	(9)	(2,976)
Other comprehensive income								
- Currency translation	-	-	1,472	-	-	1,472	-	1,472
Total comprehensive income for the period ended 31 December 2024	**-**	**-**	**1,472**	**-**	**(2,967)**	**(1,495)**	**(9)**	**(1,504)**
Share issue	300	24,455	-	-	-	24,755	-	24,755
Legal reserve	-	653	-	(653)	-	-	-	-
Balance at 31 December 2024	**2,885**	**96,129**	**5,982**	**7,072**	**(46,875)**	**65,193**	**32**	**65,225**

The notes to the financial statements in this report are an integral part of these consolidated financial statements.

Notes to Consolidated Financial statements

(1) General information

(a) Reporting entity

Envipco Holding N.V. is a public limited liability Company, listed on Euronext Amsterdam and Euronext Oslo, incorporated in accordance with the laws of The Netherlands, with its registered address at Van Asch van Wijckstraat 4, 3811 LP Amersfoort, The Netherlands (Chamber of Commerce number: 33304225). The Company is a holding Company and is incorporated in Amsterdam.

Envipco Holding N.V. and Subsidiaries (hereafter: "the Group", "the Company" or "Envipco") are engaged principally in Recycling in which it develops, manufactures, assembles, leases, sells, markets and services a line of "reverse vending machines" (RVMs) mainly in the USA and Europe.

(b) Financial reporting period

These financial statements cover the year 2024, which ended at the balance sheet date of 31 December 2024, and were authorized for issuance on 23 June 2025.

(c) Going concern

The financial statements are prepared on the basis of the going concern assumption, which assumes that the Company will continue to operate as a going concern for the foreseeable future. In the going concern assessment, management has taken into account both operational and financial aspects in the multi-year plan in which the continuity of the Company is closely monitored. The multi-year plan is estimated using the latest available information and management's expectations.

The financial year ended 31 December 2024 was a good year for the Company. The most important key figures in the context of the going concern assumption as per balance sheet date are as follows (based on the final consolidated financial statements):

		FY2024	FY2023
Group equity	EUR millions	65.2	42.0
EBITDA[1]	EUR millions	11.9	8.3
Gross working capital	EUR millions	63.2	56.1
Solvency ratio	%	39	33
Liquidity ratio		1.8	1.6
Debt service coverage		1.4	1.2
Senior net debt / EBITDA[1]		(0.3)	0.6

1) EBITDA, not being a defined performance measure in IFRS-EU, is defined in the Other information section of this report.

The growth of Envipco is expected to be driven by increasing European expansion taking place for the years to come due to the Packaging & Packaging Waste Regulation (PPWR). This EU PPWR directive entered into force on February 11, 2025, and aims to overhaul the previous Packaging Directive (Directive 94/62/EC) and introduces more stringent measures to promote sustainability. The PPWR requires the implementation of DRS by 2030, which incentivizes consumers to return used beverage containers for recycling. RVMs play a crucial role in these systems by providing a convenient and efficient way for consumers to return their containers .

As Envipco is largely dependent on implementation of the DRS legislation in Europe for its expected growth, the Company will continue to experience some level of volatility in quarterly performance given the timing of DRS schemes coming into effect.

Based on the expected European growth and required investments, , the Company has decided to end its relationship with US based TD bank and repay the credit facility consisting of 2 term loans, a mortgage and a revolver per 31 July 2025. Envipco initiated the process to refinance this credit facility with a new finance solution to finance the future growth.

Envipco has engaged a Dutch based and a US based Bank to offer a new credit facility supporting the growth in Europe. From both banks the Company received Committed Term Sheet (CTS) ranging from $ 14m to € 21m which it has currently under review. Although Envipco does not need additional financing due to its current cash position of ca EUR 20 million, a new credit line facility will provide increased flexibility in working capital management and timing of critical investments to finance future European growth. In addition, the Company keeps ongoing strong focus on working capital management to generate enough operating cash flows to meet its financial obligations when they fall due

Envipco expects to decide on this new financing solution and finalize the documentation and formal agreements with one of these banks before end of Q2 2025.

Reference is made to notes 21 Non-current Liabilities for more information. In 2024, all covenants related to external borrowings have been met and based on the multi-year plan, there are no indications that future covenants will not be met.

On this basis, management is of the opinion that the going concern of the Company is assured.

(2) Basis of preparation

(a) Statement of compliance

The consolidated financial statements of the Company are part of the statutory financial statements of the Company. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs) and with Section 2:362(9) of the Dutch Civil Code. The annual report has been prepared in ESEF and is in accordance with the requirements as set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

These Financial Statements have been approved for issue by the Board of Directors on 23 June 2025 and are subject to adoption by the Shareholders at the Annual General Meeting of Shareholders. All amounts are in thousands of euros unless stated otherwise.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity are disclosed in Note 3.

Basis of measurement

Due to rounding, numbers presented may not add up precisely to the totals provided. Valuation of assets and liabilities and determination of the result takes place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are presented at amortized costs. Income and expenses are accounted for on accrual basis. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements. Revenues from goods are recognized either at a point in time or over time, when (or as) the Company satisfies a performance obligations by transferring the promised goods or services to its customers . The cost of these goods is allocated to the same period. Revenues from services are recognized in proportion to the services rendered. The cost of these services is allocated to the same period.

(b) Measurement of fair values

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or;
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company used the fair value hierarchy for its projected performance payments under the Sensibin acquisition as explained in Note 21 Borrowings, Lease liabilities and Other non-current liabilities.

(c) Use of judgement and estimates

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the year ending 31 December 2024 is included in the following notes:

- Note 3(v) – Critical accounting estimates and judgements;
- Note 13 – impairment test of intangible assets: key assumptions underlying recoverable amounts, including the recoverability of capitalised development costs;
- Note 13 - Classification of the acquisition of Sensibin Limited: accounting for this acquisition as an asset deal under IAS 38 rather than a business combination under IFRS 3;
- Note 16 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used.

Reporting errors and changes in prior periods

Adjustments or restatements of the Company's Group financial statements (if any), will be based on the judgment as to whether the information should be restated, considering materiality.

Envipco clearly discloses where restatements are made including the nature of the restatement. For the year 2024, no reporting errors were identified.

<u>Changes in prior periods</u>

Leasing

During the current reporting period, the Company identified a prior period error relating to the accounting treatment of certain leases under IFRS 16. Specifically, the error pertained to the initial measurement and recognition of right-of-use (ROU) assets and corresponding lease liabilities in FY 2023.

The error resulted in the understatement of ROU assets and lease liabilities in the previously reported financial statements. The correction has been reflected in the ROU assets movement schedule as part of Note 14 Property, Plant and Equipment.

There was no material impact on the Company's statement of profit and loss and comprehensive income and statement of cash flow.

Management has reviewed the underlying processes and controls to ensure the completeness and accuracy of lease accounting under IFRS 16 going forward.

Salary mapping

During the current year, the Group undertook a review of the classification of certain salary-related expenses within its financial disclosures. As a result of this review, a change in the mapping of certain Salaries and Wages and Social Security expenses was identified related to prior period. This change pertains solely to the presentation within the notes to the consolidated financial statements and has been reflected in the updated comparative figures disclosed in Note 9 Employee Benefit Expense and Note L General and Administrative Expenses of the company only financial statements.

The reclassification has no impact on the previously reported consolidated statement of profit and loss, consolidated statement of financial position, or consolidated statement of cash flows.

The comparative information has been restated solely for enhanced consistency and clarity of disclosure.

Segment reporting

The Group has updated Note 6 Segment reporting for prior year to better reflect segment performance. Specifically, management fees and royalties have been added back to the Europe, North America and Corporate segment.

<u>Changes compared to Q4 2024 reporting</u>

Subsequent to the publication of the preliminary Q4 2024 financial results, the following adjustments have been reflected in the final audited financial statements for the year ended 31 December 2024.

A revision was made to the deferred tax asset position amounting to €1.6 million, which was previously capitalized. This was released following a reassessment of its recoverability. The change impacted both the statement of financial position as a reduction in deferred tax assets, and the income statement by an increase in tax expense of €1.6 million.

Additionally, a correction was made to the consolidated financial statements due to an error identified in the classification of intercompany revenues. In the Q4 2024 publication, certain intercompany revenues were incorrectly mapped and presented as external revenues.
This correction has lowered consolidated revenue with €0.7 million. Importantly, there was no impact on gross profit, net income, total assets, or total equity.

Further, an adjustment has been made to the external revenues and related cost of sales due a change in classification of a sales transaction. The adjustment has lowered consolidated revenue with €3.2 million and reduced gross profit with €0.9 million and net income with €0.7 million. In addition, total asset and total liabilities increased with €2.2 million and €3.1 million respectively.

In addition to the above, a reclassification has been made between the trade receivables and current borrowings amounting to € 4.2 million. This related to factored receivables which receipts from the financial institution were netted against the trade receivables instead of reported as short term borrowings. This reclass on the balance sheet has no impact to the income statement.

There were no other material changes between the preliminary Q4 2024 results and the final audited financial statements.

Management remains committed to ensuring that all reported figures reflect the most accurate and up-to-date information available at the time of issuance.

(3) Summary of material accounting policies

a) Standards issued and effective

A number of new standards and amendments are effective for annual periods beginning after 1 January 2024 but they do not have a material effect on the Company's consolidated financial statements.

b) Standards issued but not yet effective

Certain new accounting standards and amendments to standards have been published that are not mandatory for reporting periods starting on or after 1 January 2024 and have not been early adopted by the Company. For none of these standards that are not yet effective it is expected that they have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

c) Accounting policies applied

The Group has consistently applied the accounting policies set out in Note 3 to all periods presented in these consolidated financial statements.

d) Consolidated cash flow statement

The Group's consolidated statement of cash flows is presented using the indirect method.

The funds in the cash flow statement consist of cash and cash equivalents. Cash flows in foreign currencies are translated at an average rate.

e) Consolidation

Basis of consolidation

Based on IFRS 10, the Company prepares consolidated financial statements where it controls an entity or entities, as defined under Subsidiaries below, and following the principles of control, it will consolidate an entity irrespective of the nature of the entity. If the Company has the power by way of actual or potential voting rights over an entity, then such entity's results will be consolidated. The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single economic entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

Subsidiaries

Subsidiaries are all entities (including single economic entities) where the Group has control over an investee, it is classified as a subsidiary. The Company controls an investee, if all three of the following elements are present:

- Power over the investee;
- Exposure to variable returns from the investee and;
- The ability of the investor to use its power to affect those variable returns.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.
Intercompany transactions and balances between Group companies are eliminated.

Non-controlling interest

The total comprehensive income of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their relative ownership interests.
The consolidated balance sheets comprise the financial data of Envipco Holding N.V., Amersfoort, The Netherlands, and the following Group companies:

Envipco (UK) Limited, London, United Kingdom – 100%
Envipco Automaten GmbH, Westerkappeln, Germany – 100%
Envipco Pickup & Processing Services Inc., Delaware, U.S.A. – 99.85%
Environmental Products Corporation, Delaware, U.S.A. – 99.85%
Environmental Products Recycling Inc., Delaware, U.S.A. – 99.85%
Envipco A.S., Oslo, Norway – 100%
Envipco N.D. Inc., Delaware, U.S.A. – 99.85%
Envipco Sweden A.B., Borlange, Sweden – 100%
Envipco Hellas SA, Athens, Greece – 100%
Envipco France SA, Paris, France – 100%
Envipco Solutions SRL, Alba Iulia, Romania – 100%
Envipco Portugal Unipessoal LDA, Lisbon, Portugal – 100%
Envipco Slovakia sro, Bratislava, Slovakia – 100%
Envipco Ireland Limited, Dublin, Republic of Ireland – 100%
Envipco Europe B.V., Amersfoort, The Netherlands – 100%
Envipco Hungary Kft, Budapest, Hungary – 100%
Envipco Poland Sp. z o.o., Warsaw, Poland – 100% - (established in financial year 2024)
Sensibin Limited, Dublin, Ireland – 100% - (acquired in financial year 2024)
Envipco Principal B.V. – 100% - (established in financial year 2024)

Envipco Poland Sp. z o.o., has been established on 12 April 2024 Warsaw to support sales and service activities for the Polish market. Further, on 14 August 2024 the Company acquired Sensibin Limited, a Dublin-based supplier of reverse vending machines. Envipco Principal B.V. was established on 15 August 2024.

Stichting Employees Envipco Holding (SEEH) is controlled by Envipco Holding N.V. The Board of Stichting Employees Envipco Holding currently consists of one former Board member of Envipco Holding N.V. It is a foundation and its function is to administer an Employee Share Option scheme. Currently there are no activities of the Foundation.

The acquisition method of accounting is used to account for Business combinations by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income.

Segment reporting

The segments are identified on the basis of internal reports about components of the entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess its performance. The Group considers geography as its main segment. Geographical segment performance is based on the segment's revenues, net results and EBITDA.

Similarly, the respective assets and liabilities are allocated to the geographical segments.
In addition, management measures legal entity performance based on revenues and operating results earned by the Company's business units, which includes both external and intercompany transactions.

This coincides with the Group's internal organisational and management structure and its internal financial management reporting system. A business segment is a group of operations engaged in providing services or products that are subject to risks and returns that are different from those of other business segments.

Foreign currencies
Foreign currency transactions and foreign operations

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Euros, which is the Company's functional and presentation currency. The subsidiaries that are included in the consolidation have the Euro, US Dollars, UK Sterling Pounds, Romanian Leu, Swedish Kronor, Norwegian Kroner and Hungarian Forint as their functional currency. Transactions and cash flows in foreign currencies are translated into the functional currency at the rate prevailing when the transaction took place. Related exchange rate differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the income.
Balance sheets of entities that have a functional currency other than the Euro are translated using the closing rates at each reporting date. The income statements of such entities are translated at the average rates during the period. The resulting exchange difference is recognised in the translation reserve. When a foreign entity is sold, such cumulative exchange difference is reclassified in the income as part of the gain or loss on sale. Translation gains and losses on inter-Company balances which are in substance a part of the investment in such Group Company are also recognised in other comprehensive income. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

f) Revenue

General
Revenue arises mainly from the offering of pickup and processing, repairs and maintenance, sale of RVMs and leasing of RVMs. To determine whether to recognise revenue, the Group follows a 5-step process according to IFRS 15:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations;
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers. When the Group acts as a principal revenue is recognised in the gross amount of consideration to which it expects to be entitled in exchange for the specified good or service transferred.

When the Group acts an agent with a performance obligation to arrange for the provision of the specified good or service by another party, then revenue is recognised in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

In the USA, under the Bottle Bill deposit system, one of the subsidiary's billing includes mandatory deposits on the beverage containers which once collected, are passed through to the operators of redemption sites where Envipco machines are used. These pass-through amounts are included in receivables and payables and are not recognised as revenues.

Payment terms

Payment terms differ both between and within the business streams as well as geographically, and include prepayments (typically the payments are due within 30 - 60 days after raising the invoice).

As the group does not extend credit terms to customers exceeding 12 months, it applies the practical expedient in IFRS 15 regarding significant financing components.

Identification of performance obligations and allocation of transaction price

Products and services may be sold separately or in bundled packages. When the sale of RVMs, installation and services are bundled into one contract, the transaction price is allocated to each distinct good or service representing a separate performance obligation. These typically include the following:

1. Sale of RVMs
2. Installation
3. Services

The transaction price contains fixed components and may contain variable components (for example, in relation to annual price indexation of services). An estimate of variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal will not occur when the uncertainty associated with the variable consideration is resolved.

The transaction price is allocated to each performance obligation identified in the contract on the basis of the relative stand-alone selling price of the distinct good or service.

Sale and installation of goods

Revenue from product sales is generally recognised when the product is delivered to the client and when there are no unfulfilled obligations that affect the client's final acceptance of the arrangement. Delivery does not occur until products have been shipped, risk of loss has been transferred to the client and client acceptance has been obtained, client acceptance provisions have lapsed, or the Group has objective evidence that the criteria specified in the client acceptance provisions are either perfunctory or have been satisfied. Revenue relating to the product sales is generally recognised at that point in time. Revenue from the installation is recognised when an RVM has been installed, typically shortly after its delivery. Due to the short timing difference between the delivery of goods and the completion of installation services (typically 3 to 5 days), the Company does not differentiate between the sale of goods and installation services for revenue recognition purposes.

For certain product sales, the nature of the Group's promise is to enhance assets that remain in control of the customer. As a result, revenue should be recognised over time. However, given the limited timeframe from the start of the assembly to delivery of the completed RVM, on average 5 to 10 working days, practically these revenues are recognised at a point in time upon delivery.

Leasing revenue

The Group assesses whether contracts with customers contain a lease, in accordance with the accounting policy under note (i) below.

For leased RVMs, the customer has the right to obtain substantially all of the economic benefits from use of these RVMs throughout the period of use whereby each machine is considered a separate lease component in the contract. Revenues from RVM leases are recognised over the term of the lease on a straight-line basis, when classified as operational leases.

Lease contracts where substantially all the risks and rewards are transferred are classified as finance leases. Revenue and the accompanying receivable are recognized at a point in time when the customer obtains control over the machine. The cost of the RVM is derecognized from inventory and recognized as cost of sales.

Lease contracts can also include non-lease components such as maintenance and technical support services, in respect of which reference is made to the accounting policy on service revenue.

Service and throughput revenue

The Group's primary service offerings include repairs, maintenance and technical support services, and pickup and processing. These services are provided either on a time and material basis or as a fixed-price contract.

The maintenance and technical support services that are contracted on a fixed-price basis are typically considered as stand-ready obligations and the revenue for such services are recognised over time based on an output measure of time elapsed.

Revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered.

Revenue from fixed-price contracts involving pickup and processing services are generally recognised in the period the services are provided using a straight-line basis over the term of the contract. If circumstances arise that may change the original estimates of revenues, costs, or extent of progress toward completion, then revisions to the estimates are made. These revisions may result in increases or decreases in estimated revenues or costs, and such revisions are reflected in income in the period in which management becomes aware of the circumstances that give rise to the revision.

For throughput contracts, revenue is recognized based on actual throughput fee every month.

Warranties

RVMs are normally sold with a warranty period ranging between 12 to 36 months. These warranties provided to customers are considered as assurance-type warranties as the Group promises to remediate, repair or replace the machines, if necessary, insofar the issue is resulting from manufacturing defects.

A provision for warranties is recognized when the underlying product is sold, based on the historical warranty data and a weighing of possible outcomes against their associated probabilities.

The Group has no other material obligations for returns, refunds or similar.

Contract assets and liabilities

The Group recognizes contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as deferred revenue in other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognizes unbilled revenue in other receivables in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

g) Cost of sales

Cost of sales includes all direct material and labour costs and those indirect costs related to contract performance, such as indirect labour, supplies, and depreciation costs. The Group performs ongoing profitability analysis of its service contracts in order to determine whether the latest estimates - revenues, costs and profits - require updating. If, at any time, these estimates indicate that a contract will be unprofitable, the entire estimated loss for the remainder of the contract is recorded immediately and presented as losses on contracts under provisions.

h) Finance income and finance costs

The Group's finance income and finance costs include:

- Interest income;
- Interest expense;
- Foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- Gross carrying amount of the financial asset; or
- Amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

i) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property where the amounts are contractually not distinct, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component. For those contracts where distinction is present in the contract, the Group separates the non-lease components.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Extension options:

Several lease contracts with respect to buildings contain extension options. On an individual basis the extension options are evaluated by management and where circumstances are such that control over the extension is obtained, or are reasonably certain to be obtained, extension options have been taken into consideration.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone selling price.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

j) Deferred and current tax

Deferred income tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a Business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss and does not give rise to equal taxable and deductible temporary differences, it is not accounted for.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available, against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Income taxes
The Group is subject to income tax in several jurisdictions and significant judgment is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Company recognises tax liabilities based on estimates of whether additional taxes and interest will be due.

These tax liabilities are recognised when, despite the Company's belief that its tax return positions are supportable, the Company believes that certain positions are likely to be challenged and may not be fully sustained upon review by tax authorities. The Company believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgments about future events. Reference is made to note S for use of accounting estimates and judgements. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

Deferred tax valuation
The Group recognises deferred tax assets for loss carry-forwards and deductible temporary differences, estimating the amount of future taxable profit that will be probable, against which the loss carry-forwards and deductible temporary difference can be utilised (see Note 16).

k) Intangible assets

All intangible assets have finite lives based on their economic use except for Goodwill. The intangible assets with finite lives are amortised using the straight-line method. The useful life is estimated between 5 and 7 years.

General and administrative expenses in the consolidated statement of comprehensive income include the amortisation charge for intangible assets.

Research and development
Research and development expenses are included in general and administrative expenses.
Research costs are recognised as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Group are recognised as intangible assets when the following criteria are met:
- It is technically feasible to complete the product so that it will be available for use;
- Management intends to complete the product and use or sell it;
- There is an ability to use or sell the product;
- It can be demonstrated how the product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the product are available; and
- The costs attributable to the product during its development can be reliably measured.

The capitalised development cost is amortised when the asset becomes available for use. Once the asset is completely developed, it is amortised over the estimated useful life, which is 7 years.
A legal reserve is made for capitalised development costs.

Software
Operational costs, which encompass expenses related to research, training and other activities explicitly outlined in IAS 38.69, are expensed as incurred. These expenses are recognized in the income statement in the year in which the services are received.

Capital expenditures involve costs associated with customization fees, data conversion, and other software implementation services. The classification of these costs as capital expenditure depends on whether they enhance the functionality of software or an intangible asset that is controlled by the Company or create a separate intangible asset, as outlined in accounting standards.

The capitalised software cost is amortised over the estimated useful life, which is 5 years.

Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets that have not been put into use yet are tested for impairment at each reporting date irrespective of whether indicators of impairment exist. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's or the Cash Generating Unit's (CGU) fair value less costs to sell and value in use.

The capitalisation and potential impairments of internally generated research and development is amongst others based on estimates of future recovery.

l) Property, plant and equipment

Property, plant and equipment are valued at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent expenditures that extend the asset's useful life are capitalised. Expenditures for repairs and maintenance are expensed when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values, based on the estimated useful lives of such assets.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.
Assets under construction will be depreciated once the assets are complete and available for use.
Depreciation is based on the estimated useful lives of assets as follows:

Buildings	40 years
Plant and machinery	4-7 years
Reverse vending machines	4-7 years
Vehicles and equipment	3-5 years

m) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other highly liquid investments with original maturities of three months or less. The cash and cash equivalents are available on demand.

n) Trade receivables

Trade receivables are initially recognised at the transaction price and subsequently carried at amortised cost less provision for expected credit losses. Due to the limited number of customers the Group determines the ECL of trade receivables on an individual basis as per balance sheet date. Please refer to paragraph (Q) Financial instruments initial recognition and subsequent measurement for further accounting policy elaboration in respect of the financial instruments.

o) Inventory

Envipco uses a weighted average actual cost method (WAAC) for valuation of inventory. Product inventory is valued at the lower of cost or net realisable value based on a weighted average actual cost method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Spare parts inventory for service activities is valued at the lower of historical cost, or net realisable value. Appropriate consideration is given to excessive inventory levels, product deterioration and other factors when establishing the net realisable value.

p) Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Amounts contributed by the shareholder(s) of the Company in excess of the nominal share capital, are accounted for as share premium. This also includes additional capital contributions by existing Shareholders without the issue of shares or issue of rights to acquire shares of the Company.

Minority interests are valued at the proportionate share of third parties in the net value of the assets and liabilities of a consolidated entity, determined in accordance with the Company's measurement principles.

The Company records purchases of its own ordinary shares (treasury shares) under the cost method whereby the entire cost of the acquired shares is deducted from equity until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity.

No treasury shares are held at 31 December 2024.

Reference is made to note 20 for further information on the numbers of shares authorized and issued, par value per share and reconciliation of number of shares outstanding.

q) Provisions

The Group recognises provisions for liabilities of uncertain timing or amount including those for onerous leases, warranty claims, leasehold dilapidations and legal disputes. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability. In the case of leasehold dilapidations, the provision takes into account the potential that the properties in question may be sublet for some or all of the remaining lease term.

r) Trade creditors and other current liabilities

Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost. Please refer to paragraph (q) Financial instruments initial recognition and subsequent measurement for further accounting policy elaboration in respect of the financial instruments.

s) Employee benefits

Employee benefits are charged to the profit and loss account in the period in which the employee services are rendered and, to the extent not already paid, as a liability on the balance sheet. If the amount already paid exceeds the benefits owed, the excess is recognised as a current asset to the extent that there will be a reimbursement by the employees or a reduction in future payments by the Company.

The Group subsidiaries sponsor defined contribution plans which cover substantially all of their employees. A defined contribution plan is a plan under which the Group companies pay fixed contributions into a separate entity. Under defined contribution plans, the Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, Envipco pays contributions to publicly or privately administered funds or insurance companies. Contributions are generally based on fixed amounts of eligible compensation and the cost for such plans is recognised based on employee service.

Share-based payments

The Group operates a share-based payment plan for certain employees, which has been classified as a cash-settled plan. Reference is made to note 9 for further details about the plan. The Group measures the services received from employees and the liability incurred at the fair value of the liability.

The liability is measured, at the end of each reporting period until settled, by reference to the fair value of each grant under the plan, multiplied by the number of shadow shares, whereby recognition of the liability takes place over the period in which the service is fulfilled (the vesting period). The amount recognized is adjusted to reflect the actual number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as expense is based on the actual number of awards meeting these vesting conditions.

Until the liability is settled, its fair value is remeasured at the end of each reporting period, with any changes in the fair value recognized in profit or loss. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

t) Financial instruments initial recognition and subsequent measurement

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets, except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- Amortised cost;
- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI).

In the periods presented the corporation does not have any financial assets categorised as FVOCI.
The classification is determined by both:

- The entity's business model for managing the financial asset;
- The contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within administrative expenses.

A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the Company has the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously. If there is a transfer of a financial asset that does not qualify for derecognition in the balance sheet, the transferred asset and the associated liability are not offset.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and other receivables fall into this category of financial instruments as well as loan receivables.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables and other receivables recognised and measured under IFRS 15.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and;
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2');
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date;
- '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The Group assesses impairment of trade receivables on an individual basis, using historical experience, external indicators and forward-looking information to calculate the expected credit losses.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and financial liabilities designated at FVTPL . Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

u) Fair values

The management assessed that cash and cash equivalents, trade and other receivables, trade and other payables and other current liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the interest-bearing loans and borrowings is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Reference is made to note 2 (b) Measurement of fair values and Note 21 Borrowings, Lease liabilities and Other non-current liabilities. Where the Company used the fair value hierarchy for its projected performance payments under the Sensibin acquisition.

v) Critical accounting estimates and judgments

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Key judgements and accounting estimates relate to the following:

- Note 6 – In the absence of a standard pricing list per country (or region), management estimates the stand-alone selling prices of goods and services using the expected cost-plus margin approach. This estimated stand-alone selling price per country (or region) is then used to allocate the contract price to individual performance obligations. the Group employs estimation methods to assess the stand-alone selling prices of products and services in order to allocate the discount to the performance obligations on a relative stand-alone selling price basis;
- Note 6 – judgement if performance obligations refer to sale and delivery of goods or manufacturing services;
- Note 6 – judgement if service and maintenance during the warranty period qualifies as a distinct performance obligation;
- Note 6 – judgement whether contractually extended billing period qualifies as customer financing;
- Note 9 – measurement of realizing targets in the long-term compensation plan;
- Note 11 and 16 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 13 and 14 – useful life of intangible and tangible fixed assets, including impairment testing if applicable;
- Note 13 and 21 - estimating the fair value of the contingent liability;
- Note 14 – length of leases and treatment of lease extension options;
- Note 17 – measurement of provision for obsolescence;
- Notes 22 - estimates related to provision for future warranty claims;
- Note 25 – recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

(4) Capital management

The Group's capital consists of its net equity and external borrowings. Management monitors and assesses the capital requirements for the Group and ensures that enough funding is available to meet the working capital requirements and also for the future business development. To raise funding, the Group considers both committed credit lines and equity contributions.

The Group and one of the Group's subsidiaries have to comply with certain financial covenants under its loan agreements, details of which are given in Note 21. The Group's current funding requirements have been met from private placement, Group Term Loan, operations and committed credit lines.

(5) Financial risk management

The Group has exposure to Credit, Liquidity and Market risks on the financial instruments used by it. The Board of Directors has the overall responsibility to monitor and manage these risks.

Credit risk

Credit risk arises from the possibility of asset impairment occurring because counterparties are not able to meet their obligations in transactions mainly involving cash and cash equivalents and trade receivables. To minimize the credit risk related to cash and cash equivalents, all of them are held with reputable banks that have demonstrated financial stability, hold appropriate licenses, and are under the supervision of regulatory authorities. All cash and cash equivalents are held at banks with a minimum credit rating of Aa3.

The main portion of receivables are related to RVM sales and services, which are managed closely for collections. The Group's exposure to credit risk related to trade receivables has reduced in 2024 compared to 2023 because the customer portfolio became more diversified.

See table below for the top-3 receivable position per customer per location. As part of its normal business operations, the Group extends credit to clients, conducts credit evaluations of these clients, and maintains an impairment provision for expected credit losses.

	FY 2024		FY 2023	
	Location	**Trade receivable**	**Location**	**Trade receivable**
Customer 1	Romania	17%	Hungary	26%
Customer 2	Hungary	7%	Malta	7%
Customer 3	Greece	7%	Romania	6%
Others	-	69%	-	61%
Total		**100%**		**100%**

USA operations manage its gross receivables using a deposit accounting system. Under this system, Envipco acts as a clearing house for services provided rather than for RVM sales. Payable funds to customers are disbursed only after receivables have been collected.

The carrying amount of financial assets represents the maximum credit exposure. This maximum exposure to credit risk for trade receivables and non-current trade receivables reported as part of financial assets at the reporting date by geographic region was:

in EUR thousands	Current	>30 Days	>60 Days	>90 Days	Total
FY 2024					
Europe	13,203	4,076	1,136	8,995	27,410
United States	6,749	1,473	446	296	8,964
Total	**19,952**	**5,549**	**1,582**	**9,291**	**36,374**
FY 2023					
Europe	11,253	740	138	3,561	15,692
United States	6,719	1,529	579	84	8,911
Total	**17,972**	**2,269**	**717**	**3,645**	**24,603**

Increase in Trade and other receivables mainly relates to high activity levels in Romania, Greece and Hungary. Increase in Trade and other receivables due > 90 days have been partially paid after year-end.

Management manages credit risk by reviewing the creditworthiness of counterparties on a regular basis and will set credit limits. No credit insurance is taken out. Due to the limited number of customers the Group determines the ECL of trade receivables on an individual basis.

Liquidity risk

Liquidity risk arises from the possibility that the Group may encounter difficulty in meeting its obligations as they fall due or inability to draw under re-finance credit facilities.

The Group's policy is to ensure, as far as possible, that it will have sufficient liquidity to meet its obligations in a timely manner. The executive directors follow liquidity risk management focused on maintaining sufficient cash, enforcing strict credit policy and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

The following are the Group's contractual maturities of financial liabilities based on contractual undiscounted payments including short term leases:

in EUR thousands	In 1 Year	1-2 Years	2-5 Years	> 5 Years	Total
FY 2024					
Borrowings	20,270	3,202	5,968	-	29,440
Lease liabilities	2,137	1,787	2,463	2,423	8,810
Trade creditors	16,506	11	-	-	16,517
Accrued expenses	6,779	-	-	-	6,779
Other liabilities	2,834	4,203	320	-	7,357
Total	**48,526**	**9,203**	**8,751**	**2,423**	**68,903**
FY 2023					
Borrowings	8,209	4,989	5,508	-	18,706
Lease liabilities	896	841	1,571	442	3,750
Trade creditors	18,520	-	-	-	18,520
Accrued expenses	5,111	-	-	-	5,111
Other liabilities	-	-	375	-	375
Total	**32,736**	**5,830**	**7,454**	**442**	**46,462**

Market risk

Market risk arises from the fact that the value of financial instruments may be positively or negatively affected by fluctuating prices on the financial markets. Market risk includes currency risk, fair value interest rate risk, and price risk.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to exchange rate fluctuations. Exposure to currency risks arises primarily when receivables and payables (including intercompany loans) are denominated in a currency other than the operating company's local currency. The Group is exposed to such risks as it operates internationally, primarily with respect to the US dollar. The Group manages its currency risk by closely monitoring the currency fluctuations and does not hedge its currency risk.
A 5% strengthening of US Dollar against the Euro would have decreased net profit by €0.6m due to the transactional impact. A 5% decline in US Dollar against the Euro would have had an approximately equal but opposite effect on the basis that all other variables remain constant.

Interest rate risk

The Group's interest rate risk arises from selected long-term borrowings. Such borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group tries to minimise its interest rate by negotiating both fixed and variable interest rates for the borrowings. The Group evaluated its exposure to interest rate risk based on its long-term debt (see Note 21) and concluded that. the interest rate risks on its borrowings do not need to be hedged.
In case the Company's interest rate increases by 1%, the impact on profit before tax is € 193,000 before tax.

Financial instruments – fair values and risk management

The Company has no financial assets and liabilities measured at fair value except for the Sensibin acquisition explained in Note 13.

At 31 December 2024 and 31 December 2023 the carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables approximated their fair values due to the short-term maturities of these assets and liabilities.

The fair values of the long-term debt as explained in Note 21 are not materially different from the carrying amounts as the interest rate risk is a floating rate plus spread where the spread equals the current market spread.

The Group does not make use of derivative instruments.

(6) Segment information

Envipco considers geography as its main segment. Management measures geographical segment performance based on the segment's profit, the respective assets and liabilities allocated to these segments.
In addition, management measures legal entity performance based on revenues and operating results earned by the Company's business units, which includes both external and intercompany transactions.

The Corporate segment includes the Holding Company.
The segments are identified on the basis of internal reports about components of the entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess its performance.

Segment information of the reportable segments is detailed below:

	FY 2024				FY 2023			
in EUR thousands	**Europe**	**North America**	**Corporate**	**Total**	**Europe**	**North America**	**Corporate**	**Total**
Revenues								
Sale & installation of goods[1]	74,119	3,400	-	77,519	54,053	3,278	-	57,331
Pick-up & processing services[2]	-	9,421	-	9,421	-	8,846	-	8,846
Service revenue[2]	5,449	12,174	-	17,623	1,433	11,149	-	12,582
Leasing revenue[2]	135	9,316	-	9,451	68	8,783	-	8,851
Total	**79,703**	**34,311**	**-**	**114,014**	**55,554**	**32,056**	**-**	**87,610**
Net Results	9,363	(6,379)	(5,960)	(2,976)	1,254	(556)	(97)	601
EBITDA[3]	16,452	(695)	(3,860)	11,897	3,848	3,812	661	8,321
Depreciation & Amortisation	2,758	3,454	1,983	8,195	1,141	3,446	1,448	6,035
Total assets	82,317	33,408	20,173	135,898	53,615	33,589	11,196	98,400
Total liabilities	30,399	22,308	17,966	70,673	25,876	19,228	11,320	56,424

1) As disclosed in the accounting policies, revenue from sale and installation of goods are recognized at a point in time.
2) As disclosed in the accounting policies, revenue from services and leasing are recognized over time.
3) EBITDA, not being a defined performance measure in IFRS-EU, is defined in the Other information section of this report.

The above revenue figures exclude intercompany transactions between the Company's operating segments. In 2024, North America segment sold for €8,722,000 (2023: €21,333,000) worth of intercompany machines and parts to the European segment. The sharp decrease is because of increased localized European production of machines. European intercompany sales to North America were €2,534,000 (2023: €4,487,000).

An amount of €15,761,000 (2023: €21,856,000) is included in sales of goods which relates to manufacturing services in which the Group enhances an asset already controlled by the customer. As disclosed in Note 3f - Revenue, in practice, the corresponding revenues are recorded at a point in time, and therefore presented under the sales of goods category.

Legal entity performance:

in EUR thousands	FY 2024 RVM revenue	Program Services revenue	**Total revenue**	Operating results
Envipco Solutions SRL	46,749	3,036	**49,875**	9,695
Environmental Products Corporation	12,122	30,912	**43,034**	(4,082)
Envipco Europe B.V.[1]	28,017	63	**28,080**	3,879
Envipco Hellas SA	19,139	-	**19,139**	2,993
Envipco Automaten GmbH	18,591	181	**18,772**	(765)
Other	11,792	2,633	**14,425**	(9,535)
IC elimination	(58,891)	(330)	**(59,221)**	1,517
Total	**77,519**	**36,495**	**114,014**	**3,702**

1) Envipco Europe B.V. consists of mainly of Hungarian activities.

in EUR thousands	FY 2023 RVM revenue	Program Services revenue	**Total revenue**	Operating results
Envipco Solutions SRL	23,784	349	**24,133**	2,308
Environmental Products Corporation	24,611	28,778	**53,389**	(178)
Envipco Europe B.V.[1]	14,274	-	**14,274**	1,503
Envipco Hellas SA	26,270	-	**26,270**	1,885
Envipco Automaten GmbH	28,785	172	**28,957**	603
Other	17,338	1,218	**18,556**	(2,860)
IC elimination	(77,731)	(238)	**(77,969)**	(976)
Total	**57,331**	**30,279**	**87,610**	**2,285**

Group revenue for 2024 includes two main customers: €18,897,000 (2023: €26,270,000) relates to Envipco Hellas S.A., and €26,835,000 (2023: €14,274,000 million) relates to Envipco Europe B.V.

The non-current assets, being intangible fixed assets and property, plant & equipment, of the Company's country of domicile i.e., Netherlands, were €9,065,000 (2023: €9,014,000). Other major countries Romania and the USA had non-current assets of €5,478,000 (2023: €3,204,000) and €9,717,000 (2023: €9,701,000) respectively.

See table above for Revenue details where contract (lease) revenues and performance obligations for RVM sales have been disclosed as part of the Group's revenue recognition policies. The FY 2024 program services revenue contains €1,445,000 (2023: €52,000) of variable throughput income.

(7) Audit fees

The fee paid to the Group's auditors for the following services can be specified as follows:

in EUR thousands	FY 2024			FY 2023		
	BDO Audit & Assurance B.V.	Other Network	Total	KPMG Accountants N.V.	Other Network	Total
Audit fee of financial statements	576	433	1,009	389	313	702
Other audit engagement[1]	37	-	37	-	-	-
Tax-related advisory services	-	-	-	-	-	-
Other non-audit services	-	-	-	-	-	-
Total	**613**	**433**	**1,046**	**389**	**313**	**702**

1) Relates to CSRD readiness procedures for FY2025.

BDO Audit & Assurance B.V. is the auditor in 2024 to the Company and its subsidiaries (2023: KPMG Accountants N.V.).

The fees mentioned in the table for the audit of the financial statements relate to the total fees for the audit of the financial statements, irrespective of whether the activities have been performed during the financial year.

(8) Operating expenses, Other income and Other expenses

Operating expenses

in EUR thousands		FY 2024	FY 2023
Employee benefit expenses	(9)	19,931	14,601
Professional and legal expenses		6,745	4,463
Office, IT and Insurance expenses		2,874	2,891
Amortisation expenses	(13)	2,424	1,459
Marketing and travel expenses		1,850	1,385
Depreciation expenses	(14)	1,751	691
Other personnel related expenses		851	813
Research and Development expenses (excl. personnel)		643	641
Other operating expenses		1,606	1,531
Total Operating expenses		**38,675**	**28,475**

Professional and legal expenses increased from €3,760,000 in 2023 to €6,037,000 in 2024. This increase primarily relates to the Company's expansion and the growing complexity of its activities. Professional and legal expenses mainly entail consulting services, compliance related support and legal assistance for commercial contracts, uplisting and employee related topics.

Additionally, the 2024 audit fees of € 1,046,000 (2023: €702,000) are included in the professional and legal expenses.

Other income

in EUR thousands	FY 2024	FY 2023
Fee for cancellation and resale of UK inventory	246	477
Other	50	15
Total	**296**	**492**

The Company received EUR 0.2m (2023: EUR 0.5m) on other income from cancellation and resale of UK inventory.

Other expenses

in EUR thousands	FY 2024	FY 2023
Revaluation contingent consideration	258	-
Total	**258**	**-**

The revaluation of the contingent consideration relates to an updated NPV calculation of the projected performance payments of the Sensibin acquisition. See Note 13 for further details.

(9) Employee benefit expense

in EUR thousands	FY 2024	FY 2023
Salaries and wages	26,198	22,830
Social Security expenses	2,218	2,185
Pension expenses	1,002	685
Long-term compensation plan	917	254
Total	**30,335**	**25,954**
Average number of employees		
North America		
Production/Supply chain	31	45
Research and Development	22	16
Sales and Service	73	93
General Administration	24	18
Management	6	4
Europe		
Production/Supply chain	130	130
Research & Development	14	11
Sales & Service	89	19
General Administration	53	37
Management	7	5
Total	**449**	**378**

During 2024, the average number of employees employed by the Company's Dutch entities amounted to 17 (2023: 13 persons).

The employment benefit expense is included in the following line items in the financial statements:

in EUR thousands	FY 2024	FY 2023
Cost of sales	10,404	11,353
Total cost of sales	**10,404**	**11,353**
General and administrative expenses	15,284	10,636
Selling and distribution expenses	1,864	1,189
Research and development expenses	2,783	2,776
Total operating expenses	**19,931**	**14,601**
Total employee benefit expense	**30,335**	**25,954**

Remuneration of the Management Board

The remuneration of the Management Board charged to the result in 2024 was €1,516,000 (2023: €1,274,000), which can be specified as follows:

in EUR thousands	Fixed Salary/fee	Variable compensation	Fringe benefits	Pension cost	Long-term compensation plan	Total
FY 2024						
S. Bolton[1]	433	120	14	-	554	1,121
G. Garvey	50	-	-	-	-	50
C. Crepet[2]	15	-	-	-	-	15
E. Thorsen[3]	30	-	-	-	-	30
C. Gylche[2]	15	-	-	-	-	15
M. Bouri[1]	200	25	-	-	-	225
A.J. Aas	30	-	-	-	-	30
A. Cormack	30	-	-	-	-	30
Total	**803**	**145**	**14**	**-**	**554**	**1,516**
FY 2023						
S. Bolton	420	154	9	-	216	799
G. Garvey	55	-	-	-	-	55
C. Crepet[2]	30	-	-	-	-	30
E. Thorsen[3]	15	-	-	-	-	15
A. Bouri	-	-	-	-	-	-
M. Bouri[1]	215	100	-	-	-	315
A.J. Aas	30	-	-	-	-	30
A. Cormack	30	-	-	-	-	30
Total	**795**	**254**	**9**	**-**	**216**	**1,274**

1) S. Bolton is Executive Director since 1 July, 2020 and M. Bouri is executive Director since August 15, 2023; Other members of the Board are Non-Executive Directors.
2) C. Crepet's term expired and was replaced by C. Gylche on August 23, 2024.
3) E. Thorsen is Non-Executive Director since August 15, 2023.

Non-executive Directors obtain a fixed compensation based on time spent and amounts charged. Also see Note 26 for related party transactions.

Long-term compensation plan for executive management

The Envipco Holding N.V. Employee Shadow Share Plan ("the plan") was approved by the Board of Directors in 2022 and published in 2023. Under the plan, certain employees of the Group may receive remuneration in the form of shadow shares, a form of share appreciation rights. Shadow shares represent the conditional right to receive a performance-based bonus payment in cash.

The plan has been assessed to qualify as a cash-settled share-based payment plan. Participants will not acquire any equity instruments. Shadow shares will only vest if certain service and non-market performance conditions are met. Underperformance in one year may be compensated by overperformance in the next year, to allow for retroactive vesting of shadow shares. This will only take place if the overperformance is at least equal to the underperformance and any shortfall is fully compensated. Shortfall is defined as the variance between actual performance and 100% of the forecasted revenue and EBITDA in the year of underperformance. For shadow shares to vest each year the vesting performance target must be met and the participant needs to have been employed on a full-time basis for the entire period of the bonus grant.

Additionally, vesting is conditional upon the Group meeting certain financial targets during the vesting period.

The shadow shares in the three plans have been granted at a strike price of respectively €1.60, €1.80, and €3.20. Targets have been set (retrospectively) for all plans at 80% of the annual forecasted revenue and EBITDA approved by the Board and the remuneration committee. The target for 2022 has been met, but the targets for 2023 and 2024 have not been met. Consequently, the shadow shares for 2023 have been forfeited as the performance of 2024 did not compensate the performance for 2023.

The shadow shares for 2024 did not actually forfeit because if both the 2025 revenue and EBITDA exceed 100 percent of the forecasted revenue and EBITDA, it has the possibility to compensate the performance of 2024 for the plan which have not been vested yet.

As at 31 December 2024, management assessed the likelihood of overperformance in 2025 required for the vesting of the shadow shares 2024 and concluded that such overperformance is not expected. Management will reassess this estimate at each subsequent reporting period and adjust the expected vesting accordingly.

For years subsequent to 2024, management has assumed at the balance sheet date that realistic targets will be set, and as a result, it is assumed that vesting conditions will be met.

The appreciation is calculated based on the share price of €5.45 as at December 31. The fair value of the equity instruments was measured based on the quoted share price, as the impact of volatility and discounting was not material. The plan with 3-Year grant 2022 has been vested by December 31, 2024 with 200.000 shares.

The following table details the grants awarded under the plan in 2024:

Shadow shares awarded	Shares granted	Strike price	Grant date	Vesting date	Performance conditions
3-Year grant 2022	600,000	€1.60	14 July 2023	31 December 2024	2022-2024
4-Year grant 2022	150,000	€1.80	14 July 2023	31 December 2025	2022-2025
4-Year grant 2023	500,000	€3.20	14 July 2023	31 December 2026	2023-2026
Total	**1,250,000**				

The total of the outstanding shadow shares as at 31 December 2024 is as follows:

In number of shares	3-Year grant 2022	4-Year grant 2022	4-Year grant 2023	Total
Grant date	14 July 2023	14 July 2023	14 July 2023	
Unvested at 1 January 2024	400,000	112,500	450,000	**962,500**
Granted	-	-	50,000	**50,000**
Forfeited	(200,000)	-	(112,500)	**(487,500)**
Reassessed	-	(37,500)	(137,500)	**-**
Vested	(200,000)	-	-	**(200,000)**
Unvested at 31 December 2024	**-**	**75,000**	**250,000**	**325,000**

The 3-Year Grant 2022 plan has ended, resulting in the vesting of 200,000 shares. These shares have not yet been settled, and the corresponding liability is presented in the table below.

The reassessed shares represent the possibility of vesting in case of overperformance in the subsequent financial year.

The liability as at year-end and the and expense for the year can be detailed as follows:

in EUR thousands	Grant date	Liability at 1 January 2024	Expense recognised in profit or loss	Liability at 31 December 2024
3-Year grant 2022	14 July 2023	216	554	770
4-Year grant 2022	14 July 2023	32	131	163
4-Year grant 2023	14 July 2023	6	232	237
Total		**254**	**917**	**1,170**

The fair value of the liability as at the balance sheet date has been determined by reference to the fair value of each awarded shadow shares (incorporating the strike price of the shadow shares and the fair value of the ordinary shares of the Company), taking into account the estimated outcome of applicable service and non-market performance conditions in the number of shadow shares that is expected to vest. The fair value of the liability does not take into account the expected volatility of the share price.

(10) Finance expense and income

The interest expenses relate to interest on borrowings and lease commitments. Interest income relates to interest received on bank balances.

in EUR thousands	FY 2024	FY 2023
Interest expenses	(1,883)	(1,481)
Interest income	75	83
Exchange (losses)/ gains	(1,179)	270
Net finance cost	**(2,987)**	**(1,128)**

(11) Income taxes

Effective tax rate

Envipco operates in several jurisdictions with varied local statutory income tax rates. This causes a difference between the average statutory income tax rate and The Netherlands tax rate of 25.8%. The following table reconciles income taxes based on the Group's weighted average statutory income tax rate and the Group's income tax benefit from continuing operations:

in EUR thousands		FY 2024		FY 2023
Profit/(loss) before tax		715		1,157
Taxation (charge)/credit – statutory rate	25.8%	(184)	25.8%	(298)
Tax (charge) credit for different statutory tax rates on foreign subsidiaries		113		108
Non-deductible expenses/other		513		180
Recognition of previously unrecognized tax losses and deductible temporary difference		998		750
Effect of current year used losses for which no deferred tax asset has been recognised or cannot be realized anymore		(3,062)		(1,321)
Release of previously recognized deferred taxes on loss carry forwards		(1,579)		
Realisation of carry forward losses		(267)		
Prior year adjustment		(11)		-
State tax		(212)		26
Effective income tax	**240%**	**(3,691)**	**48%**	**(556)**

Current and deferred tax income/ (expense)

in EUR thousands	FY 2024	FY 2023
Current	(1,781)	(697)
Deferred	(1,910)	141

None of the items of other comprehensive income are included in income taxes. See Note 16.

(12) Earnings per share

The numerator for both basic and fully diluted net result per ordinary share (earnings per share or EPS) is net result attributable to holders of ordinary shares. The denominator for basic EPS is the number of ordinary shares outstanding during the year. The fully diluted EPS is same as the basic EPS, as the Group does not have any potentially dilutive instruments outstanding.

The net result per ordinary share has been calculated according to the following schedule:

in EUR thousands	FY 2024	FY 2023
Numerator		
(Loss)/earnings used in basic and diluted EPS	**(2,976)**	**601**
Denominator		
Weighted average number of shares used in basic and diluted EPS (x1000)	**56,507**	**51,211**

Basic and diluted earnings per share for 2024 and 2023 have been calculated using the weighted-average number of current ordinary shares of 56,506,815 and 51,211,440 respectively.

(13) Intangible Assets

in EUR thousands	Goodwill	Patents, Licenses & Concessions	Software	Development Costs	Acquired Technology	Total
At 1 January 2023						
Cost	166	1,379	626	15,096	-	17,267
Accumulated amortisation and impairment	-	(1,151)	-	(7,521)	-	(8,672)
Net carrying amount	**166**	**228**	**626**	**7,575**	**-**	**8,595**
Changes to net carrying amount in 2023						
Additions	-	26	563	1,456	-	2,045
Disposals	-	-	-	-	-	-
Amortisation	-	(81)	(72)	(1,307)	-	(1,460)
Currency translation	(5)	(5)	-	-	-	(10)
Total changes in 2023	**(5)**	**(60)**	**491**	**149**	**-**	**575**
At 31 December 2023						
Cost	161	1,400	1,189	16,552	-	19,302
Accumulated amortisation and impairment	-	(1,232)	(72)	(8,828)	-	(10,132)
Net carrying amount	**161**	**168**	**1,117**	**7,724**	**-**	**9,170**
Changes to net carrying amount in 2024						
Additions	-	36	562	949	6,643	8,190
Disposals - cost	-	-	-	(2,146)	-	(2,146)
Disposals – amortisation	-	-	-	2,146	-	2,146
Impairment	-	(28)	-	-	-	(28)
Amortisation	-	(70)	(242)	(1,601)	(511)	(2,424)
Currency translation	10	7	-	-	-	17
Total changes in 2024	**10**	**(55)**	**320**	**(652)**	**6,132**	**5,755**
At 31 December 2024						
Cost	171	1,443	1,751	15,355	6,643	25,363
Accumulated amortisation and impairment	-	(1,330)	(314)	(8,283)	(511)	(10,438)
Net carrying amount	**171**	**113**	**1,437**	**7,072**	**6,132**	**14,925**

The development costs reported are internally generated in respect of new product development. The disposals include internally developed intangible assets that were fully amortized and assessed as having no remaining future economic benefits, and were derecognized.
The acquired technology of €6.643,000 of 2024 relates to the acquisition of Sensibin Limited, an innovative Irish-based supplier of Reverse Vending Machines (RVMs) as further detailed below.

In 2024, €28,000 has been impaired as part of the Patents, Licenses and Concessions (2023: €0). No further triggers for impairment were identified.

See Note 21 for security of assets.

The amortization expenses are included in the following line items in the financial statements:

in EUR thousands	FY 2024	FY 2023
General and administrative expenses	2,424	1,459
Total amortisation expenses	**2,424**	**1,459**

Goodwill

Goodwill as per 31 December 2024 and 2023 relates to goodwill of one Cash Generating Unit in the RVM segment in the US, which was tested for any impairment, based on its value in use, by using present value of discrete cash flows for next three years and the present value of the terminal cash flow with the following assumptions: pre-tax WACC discount rate of 7.40% (2023: 9.54%), working capital requirement at 3% of revenue and terminal cash flow growth rate of 2.5% both in 2024 and 2023. Sensitivities related to the value in use calculation would imply that a 1% increase in the discount rate or using a 0% growth rate would not have resulted in an impairment.

Patents, licenses & concessions

All concessions are being amortised with a useful life of 7 years.

Software

Software pertains to the implementation of phase 1b of the Company's Enterprise Resource Planning system which is being amortised over it's useful life of 5 years.

Development costs

The capitalised development costs relate to internally developed assets in respect of new product development namely New Glass Compartment and Refillable Glass Machines for the existing and new markets. All materials, labour and overhead costs directly attributable to these projects have been capitalised. €949,000 (2023: €1,456,000) was capitalised in 2024. Fully developed assets are amortised over their expected useful lives, which is 7 years, evaluated on a periodic basis. The largest individual asset included in the development cost has a book value of €1,918,000 (2023: €2,397,000) related to New Recognition System which has a remaining amortization period of 5 years and 9 months.

Acquired technology

On August 14, 2024, Envipco acquired 100% of Sensibin Limited, an innovative Irish-based supplier of Reverse Vending Machines (RVMs). The acquisition value of the acquired technology amounted to €6,643,000. During 2024, an amortization expense of €511,000 was recognized resulting in a carrying amount at December 31, 2024 of €6,132,000.

The Company has applied the concentration test to conclude that the company did not acquire a business. As such, the transaction is not accounted for as a business combination but as an acquisition of a group of assets and liabilities, whereby the cost of the acquisition is allocated to the acquired assets and liabilities.

The transaction included a put & call option arrangement that is in place with the sellers. Envipco has determined that this is effectively a contingent consideration mechanism and as such does not constitute a non-controlling interest of the sellers. The cost of the acquisition therefore consists of both a fixed consideration paid in cash and this contingent consideration. The liability resulting from the contingent consideration is considered part of the cost of the group of assets and liabilities acquired.

The consideration in the transaction amounted to €7,027,000, of which € 1,500,000 was paid in cash and € 5,526,000 has been recognized as a liability for contingent consideration related to projected performance payments (reference is made to note 21).

Envipco does not amend of the cost of the acquired technology as initially recognized. The Company considers this the most appropriate method in order to ensure consistency with management's interpretation of the definition of cost from IAS 16 and 38, as well as the conclusion that the liability from the performance payments as mentioned above is a contingent consideration arrangement within the scope of IFRS 9.

Consequently, the acquired technology is amortised over its expected useful live, which is 5 years, evaluated on a periodic basis.

The assets and liabilities acquired at the time of the transaction were as follows:

in EUR thousands	FY 2024
Acquired technology	6,643
Property, plant and equipment	6
Trade and other receivables	139
Cash and cash equivalents	34
Trade creditors and accrued expenses	(53)
Net assets acquired	**6,769**
Revaluation contingent consideration	258
Total consideration	**7,027**

(14) Property, Plant and Equipment

in EUR thousands	Reverse Vending Machines	Land & Buildings	Plant & Machinery	Vehicles & Equipment	Total
At 1 January 2023	**8,246**	**3,011**	**1,314**	**1,604**	**14,175**
Changes to net carrying amount in 2023					
Additions	4,508	2,061	971	680	8,219
Disposals/transfers to inventory[1]	(363)	-	(54)	(22)	(439)
Depreciation	(3,019)	(667)	(304)	(588)	(4,576)
Currency translation	(274)	140	(10)	(248)	(392)
Total changes in 2023	**851**	**1,534**	**603**	**(178)**	**2,811**
At 31 December 2023					
Cost	30,989	6,339	3,398	4,375	45,101
Accumulated depreciation	(21,891)	(1,793)	(1,481)	(2,950)	(28,115)
Net carrying amount	**9,098**	**4,546**	**1,917**	**1,425**	**16,985**
Changes to net carrying amount in 2024					
Additions	9,817	2,579	700	2,703	15,799
Disposals/transfers to inventory[1]	(3,880)	-	(1)	(57)	(3,938)
Reclassifications	603	298	(875)	(26)	-
Depreciation	(3,511)	(985)	(240)	(1,035)	(5,771)
Currency translation	635	248	(265)	(32)	586
Total changes in 2024	**3,664**	**2,140**	**(681)**	**1,553**	**6,676**
At 31 December 2024					
Cost	38,164	9,464	2,957	6,963	57,548
Accumulated depreciation	(25,402)	(2,778)	(1,721)	(3,985)	(33,886)
Net carrying amount	**12,762**	**6,686**	**1,236**	**2,978**	**23,662**

1) Disposals/transfers to inventory pertain to the transfer of the maintained PPE to the inventory.

Per end of 2024, no assets were under construction and no triggers for impairment were identified. The 2024 additions were mainly made up of investments in lease and demo RVMs and production investments in the Romanian and Greek facilities.

See Note 21 for security of assets.

The depreciation expenses are included in the following line items in the financial statements:

in EUR thousands	FY 2024	FY 2023
Cost of sales	4,020	3,885
Total cost of sales	**4,020**	**3,885**
General and administrative expenses	1,705	670
Selling and distribution expenses	41	16
Research and development expenses	5	5
Total operating expenses	**1,751**	**691**
Total depreciation expenses	**5,771**	**4,576**

Leases as lessee

The Group leases a number of buildings, plant and machinery and vehicles. The leases typically run for a period of three to five years, with an option to renew the lease after that date. A lessee is required to determine the lease term as the non-cancellable period of a lease, together with periods covered by an extension option if it is reasonably certain that the option will be exercised. Several lease contracts with respect to buildings contain extension options. On an individual basis the extension options are evaluated by management and where circumstances are such that control over the extension is obtained, or are reasonably certain to be obtained, extension options have been taken into consideration.

During 2024, no leased properties have been sub-let except for a smaller property lease in Greece. Information about leases for which the Group is a lessee is presented below.

Additions in 2024
Increased leases in 2024 mainly relate to production in US and Romania facilities, and commercial/field service organization in Hungary and Poland.

Corrections of prior period leases
During 2024, Envipco identified and recorded previously omitted lease contracts and corrections to existing leases, leading to a change in the opening balances of right-of-use (ROU) assets and lease liabilities. These corrections were recorded at net book value (NBV), including accumulated depreciation, interest, and lease payments from prior years.
As a result, ROU assets increased by €1,818,000, lease liabilities increased by €1,957,000, and the net impact of €139,000 was recognized in profit or loss. Management has assessed the net impact of these prior period omissions to be immaterial, and accordingly, no adjustment to previously issued financial statements has been made.

Short-term and low-value leases
The Group leases certain assets with lease terms of 12 months or less and/or low-value assets such as vehicles. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases, applying the exemptions permitted under IFRS 16.
The total expense related to leases accounted for under the short-term and low-value exemptions amounted to €8,685.

Guarantees and security deposits
In connection with certain lease agreements, the Group has provided security deposits and guarantees to lessors. As of 31 December 2024, the total amount of deposits held by lessors in relation to lease contracts was €238,000. These deposits are typically refundable upon termination of the lease and do not affect the measurement of lease liabilities under IFRS 16.

Right-of-use assets

in EUR thousands	Land and Buildings	Plant and Machinery	Vehicles and Equipment	Total
At 1 January 2023	**740**	**70**	**988**	**1,798**
Changes to net carrying amount in 2023				
Additions	1,622	78	375	2,075
Depreciation charge for the year	(517)	(33)	(382)	(932)
Currency translation	215	6	(216)	5
Total changes in 2023	**1,320**	**51**	**(223)**	**1,148**
At 31 December 2023				
Cost	2,885	183	1,495	4,563
Accumulated depreciation	(826)	(64)	(731)	(1,621)
Net carrying amount	**2,059**	**119**	**764**	**2,942**
At 1 January 2024	**2,059**	**119**	**764**	**2,942**
Changes to net carrying amount in 2024				
Additions	1,333	159	1,290	2,782
Corrections[1]	788	64	966	1,818
Disposals	-	-	(17)	(17)
Depreciation charge for the year	(776)	(65)	(763)	(1,604)
Currency translation	143	9	61	213
Total changes in 2024	**1,488**	**167**	**1,537**	**3,192**
At 31 December 2024				
Cost	5,149	415	3,795	9,359
Accumulated depreciation	(1,602)	(129)	(1,494)	(3,225)
Net carrying amount	**3,547**	**286**	**2,301**	**6,134**

1) For more explanation, see prior page "Corrections of prior period leases".

Amounts recognised in profit or loss

in EUR thousands	FY 2024	FY 2023
Depreciation of right-of-use assets	(1,604)	(932)
Interest on lease liabilities	(417)	(231)
Expenses relating to short-term leases	(9)	-

Amounts recognised in statement of cash flows

in EUR thousands	FY 2024	FY 2023
Total cash outflow for leases	(1,941)	(1,088)

(15) Financial Assets

in EUR thousands	FY 2024	FY 2023
Deposits with vendors	39	34
Non-current trade receivables	2,057	713
Loan receivable	793	752
Total financial fixed assets	**2,889**	**1,499**

Non-current trade receivables relate to a retention withheld by selected customers when settling a sales invoice for RVMs sold. The retention has the purpose to protect the customer from losses if the Company fails to fulfil its contractual obligations during the warranty period of the RVMs. Since management has assessed that the retention is withheld for reasons other than the provision of financing to the customer, no discounting is applied in accordance with IFRS 15.62(c).

The loan receivable relates to an affiliate under common control of one of the biggest shareholders as of 31 December 2024, with an interest rate of Euribor plus 2.5% which is extended in the year and is repayable on 31 January 2026.

Changes in non-current trade receivables are included in the operating cash flow as part of changes in trade and other receivables.

Schedule of movement of non-current trade receivables

in EUR thousands	FY 2024	FY 2023
At beginning of period	713	-
Additions	1,344	713
At end of period	**2,057**	**713**

Schedule of movement of Loan receivable

in EUR thousands	FY 2024	FY 2023
At beginning of period	752	724
Additions	41	28
At end of period	**793**	**752**

(16) Deferred Tax Assets and Liabilities

	December 31, 2024					
in EUR thousands	Balance at 31 Dec 23	(Charge)/ credit P&L	Currency translation	Net balance	Deferred tax assets	Deferred tax liabilities
Property, plant and equipment	(835)	497	(16)	(354)	-	(354)
Inventory	991	(687)	33	337	337	-
Tax losses carried forward	820	(902)	82	-	-	-
Accrued expenses	565	(565)	-	-	-	-
Other	562	(112)	(3)	447	495	(48)
Total	**2,103**	**(1,769)**	**96**	**430**	**832**	**(402)**
Set off to tax	-	-	-	-	(354)	354
Net tax assets and liabilities	**2,103**	**(1,769)**	**96**	**430**	**478**	**(48)**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax relates to the same fiscal authority. The deferred tax liabilities are offset against deferred tax assets in the same fiscal unity.

The deferred tax charge for the year amounted to - €1,769,000. No deferred tax assets have been recognised for losses in non-US subsidiaries. Prior year activated tax assets in the US subsidiaries have been revalued to €0.

Available tax losses totalling €35,474,000 (2023 €26,637,000), expire as follows: €2,376,000 in 2025, €683,000 in 2027, €472,000 in 2028, €3,746,000 from 2031 through 2044 and €28,197,000 with no expiration.
Cumulative tax losses where no deferred tax has been recognised amounted to €35,474,000 (2023: €20,062,000).

Current and deferred tax income/(expense)

The deferred tax charge was recognised during the year due to the derecognition of previously recognized tax losses of a Group's subsidiary, and is further explained in Note 11.

(17) Inventory

in EUR thousands	FY 2024	FY 2023
Finished Goods	9,038	10,974
Raw materials and parts	21,713	22,820
Work in progress	951	563
Provisions for obsolescence	(2,824)	(2,113)
Total	**28,878**	**32,244**

The decrease in inventory is mainly related to a reduction in the commercial finished goods inventory which was specifically high in 2023 because of preparations for early Q1 2024 activity. Total amount of inventories released to the P&L during the year 2024 amounts to €47,423,000 (2023: €36,413,000).
Finished goods are valued at lower of cost and net realisable value. Cost includes material cost, direct labour and overheads. Raw material and parts are valued at lower of cost and net realisable value. Cost includes purchase cost and cost of bringing the part to its present location. Work in progress is valued including direct material cost and a proportion of direct labour and overheads.
Estimates of net realisable value of inventory are based on the most reliable evidence available at the time the estimates are made. The carrying amount of the inventory carried at fair value less costs to sell is nil. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

As such, estimates are continuously evaluated and it is common that in the normal course of business, circumstances that previously caused inventories to be written down below cost no longer exist resulting in reversals of write-downs.

Schedule of movement of provision for obsolescence

in EUR thousands	FY 2024	FY 2023
Beginning of period	2,113	2,244
Addition to/release of provision	580	(61)
Exchange gains/(losses)	131	(70)
End of period	**2,824**	**2,113**

The increase/ (decrease) in provisions relating to inventories is affected through cost of sales.

The gross carrying amount of the items included in the provision is €4,610,000 (2023: €3,443,000).

(18) Trade and Other Receivables

in EUR thousands	FY 2024	FY 2023
Trade receivables	31,728	17,654
Unbilled revenue	-	3,435
Other receivables	779	1,634
Prepaid expenses	1,811	1,167
Total	**34,318**	**23,890**

The unbilled revenue in 2023 relates to machines installed in 2023 and invoiced in 2024. In 2024 there was no such case.

Estimates of the recoverability of trade receivables are based on the most reliable evidence available at the time the estimates are made. As these estimates are continuously evaluated, it is common that in the normal course of business, circumstances that previously caused trade receivables to be impaired no longer exist resulting in reversals of impairment charges.

Trade receivables are shown net of bad debt provisions of €625,000 and €634,000 at the end of years 2024 and 2023 respectively.

Schedule of movement of bad debts

in EUR thousands	FY 2024	FY 2023
Beginning of period	634	600
Addition	268	340
Release	(185)	(228)
Utilization	(135)	(57)
Currency translation adjustment	43	(21)
End of period	**625**	**634**

(19) Cash and cash equivalents

in EUR thousands	FY 2024	FY 2023
Bank balances	30,707	12,458
Short-term deposits	4	-
Cash on hand	37	-
Total	**30,748**	**12,458**

All cash and cash equivalents are freely available and not subject to any restrictions.

(20) Shareholders' Equity

Share Capital

The Company has only one class of shares: Ordinary Shares. Each ordinary share carries one vote per share and the entitlement to receive dividends as declared.

No treasury shares are held at 31 December 2024.

The authorised and issued share capital is build-up as per below:

Authorised and issued share capital

	Ordinary Shares	
	FY 2024	**FY 2023**
Number of authorised shares	80,000,000	80,000,000
Authorised share capital	€ 4,000,000	€ 4,000,000
Number of outstanding shares on 1 January	51,690,377	46,051,280
Number of outstanding shares on 31 December	57,690,377	51,690,377
Issued share capital on 31 December	€ 2,884,519	€ 2,584,519
Nominal value	€ 0.05	€ 0.05

The Group has issued 6,000,000 ordinary shares in 2024 for a total consideration of NOK 300,000,000 (€26,131,000).

Share premium reserve

For full detailed movements in share premium reserve please refer to the consolidated statement of changes in equity.

Legal reserve

According to Book 2 of the Netherlands Civil Code, the Company is required to restrict part of its equity from distribution to Shareholders, by forming a legal reserve equal to the amount it has capitalised for development costs. The equity enclosed in this legal reserve is not at the disposal of the General Meeting of Shareholders. Therefore, this amount cannot be distributed to Shareholders until the capitalised development costs have been recognised in the profit and loss account. The capitalised development costs as of 31 December 2024 amounted to €7,072,000 (2023: €7,725,000). A legal reserve equalling these amounts has been created in both the years by decreasing the share premium reserve with these respective amounts.

Movement in legal reserve is in respect of the capitalised development costs of -€653,000 (2023: €150,000).

See Note 13 for more information.

Retained earnings

At the Company's Annual General Meeting of the Shareholders it will be proposed to include the 2024 result in retained earnings.

Translation reserve

Group entities, whose functional currency is other than Euro, the Group's reporting currency, are translated using closing rates for balance sheets and average rates for income statements. The resulting difference is recognised as translation reserve in equity and is non-distributable.

(21) Borrowings, Lease liabilities and Other non-current liabilities

in EUR thousands	FY 2024	FY 2023
Borrowings – current portion	18,771	7,363
Borrowings – non-current portion	8,164	9,312
Total borrowings	**26,935**	**16,675**
Lease liabilities – current portion	1,633	830
Lease liabilities – non-current portion	4,834	2,222
Total lease liabilities	**6,467**	**3,052**
Projected performance payments	3,231	-
Share based payment	1,170	255
Other	120	120
Other non-current liabilities	**4,521**	**375**

Projected performance payments under the Sensibin acquisition equals €5,526,000, out of which €3,231,000 is presented in Other non-current liabilities. The remaining €2,295,000 is presented as Other current liability.
Reference is made to Note 13 for further details on this acquisition.

The fair value at initial recognition was determined based on the discounted value of expected performance payments to be made to the sellers. The performance payments are dependent on meeting certain order quantities and gross profit targets in the periods subsequent to the acquisition. The maximum amount of performance payments payable to the sellers, when all targets will be met, amounts to €6,500,000. As of year-end, the Company has a strong pipeline of related opportunities that it is working on and it expects to close. Though as of the date of preparing these financial statements, no concrete orders have been secured for the first target by mid-August 2025, which has been valued at approximately €2,295,000 as of December 31, 2024.
The liability has been increased to reflect the passage of time (unwinding of the discount). This cost of €258,000 is recognized as an other expense in profit or loss.
The fair value of the liability as at 31 December 2024 is estimated to be in line with the carrying amount. Such fair value measurement is categorized within level 3 of the fair value hierarchy and is based on an income approach.

In addition, a liability for the share-based payment plan in the amount of €1,170,000 (2023: €255,000) and a loan of €120,000 (2023: €120,000) payable to Mr. Gregory Garvey, a related party are included. There are no conditions, interest or maturity period for this loan. For further details on the share-based payment plan, reference is made to note 9.

Borrowings

In 2024, Environmental Products Corporation (EPC) has a borrowing from third-party lenders for $9,831,000 (€9,463,000). Envipco Solutions Romania (ESR) has a borrowing from third-party lenders for RON 11,178,000 (€2,247,000). And Envipco Holding NV has a borrowing from third-party lenders for €7,941,000.

The following finance arrangements are in place at year-end:

in EUR thousands	Nominal interest rate	Year of maturity	Face Value	Carrying amount FY 2024	Carrying amount FY 2023
Line of credit (LOC)	US Prime Rate	2025	$6,000	€5,776	€2,534
Line of credit (LOC)	ROBOR plus 2.25%	2025	RON 15,000	€2,247	€292
Mortgage facility	5.50%	2025	$2,240	€1,378	€1,320
Term loan	3.51%	2025	$6,000	€866	€1,629
Term loan	SOFR plus 3.0%	2025	$3,000	€1,443	€1,901
Term loan	7.35%	2028	€9,000	€7,941	€9,000
Financing arrangement	8.92%	2029	€3,162	€3,090	-
Factoring arrangement	ROBOR plus 1.9%	2025	RON 20,867	€4,194	-

The Company agreed to end and fully repay the Line of Credit (LOC) of $6,000,000 (€5,776,000), the Mortgage facility of $1,432,000 (€1,378,000) and the two term loans of $900,000 (€866,000) and $1,499,000 (€1,443,000) collateralised by a fixed and floating charge on all assets of the USA subsidiary in 2025.

The debt covenants in relation to the first two Term Loans and mortgage facilities are linked to the performance of the USA subsidiaries and have been met during 2024 and 2023. The third Term Loan with a carrying amount of €7,941,000 (2023: €9,000,000) was secured in 2023, is quarterly repayable until 2028 and has an interest rate of 7.35%. This Loan is collateralised by the Company's trade receivables in Europe.

The debt covenants related to the third Term Loan are linked to the Group's solvency, debt service coverage and senior net debt/EBITDA. In 2024, the Group met all three of them. Reference is made to Note 1 Going concern analysis on the re-financing of the Group.

During 2024, the Company entered into an agreement for the transfer of legal ownership of several self-manufactured RVMs to a financing company, and subsequently entered into a 5-year leaseback agreement with that same party. The RVMs are used by the group to fulfil its performance obligations under service agreements with external customers for which revenues are recorded in accordance with IFRS 15. Although the legal ownership of the RVMs was transferred to the leasing company, management concludes that the transfer of the assets did not satisfy the requirements of IFRS 15 to be accounted for as a sale. Therefore, the RVMs continued to be recognized in property, plant and equipment (Note 14).

The cash consideration received from the financing company upon transfer of the legal ownership is recognized as a financial liability under borrowings and accounted for in accordance with IFRS 9 as prescribed in IFRS 16.103(a). Subsequently, the financial liability is measured at amortized cost at an effective interest rate of 8.92% per year.

The financial liability matures within 5 years and will be settled with future lease terms payable to the leasing company. The total carrying value of the liability as of December 31, 2024 amounts to €3,090,000, of which € 750,000 is presented as a current financial liability.

The Company also entered into a factoring arrangement with a financial institution for a portion of its trade receivables. The total amount factored was €4,194,000 (2023: n/a), with an interest rate of 1.9% per annum applied by the factor.

Reconciliation of movements of liabilities to cash flows arising from financing activities

Schedule of borrowings movement

in EUR thousands		FY 2024	FY 2023
At beginning of period		16,675	14,550
Additions	Cash impact	10,364	9,000
Regular repayments	Cash impact	(2,529)	(1,721)
Changes in credit lines	Cash impact	1,954	(3,081)
Changes in shareholder loans	Cash impact	-	(1,638)
Sub-total of cash impact		**9,789**	**2,560**
Translation effect	No cash impact	471	(435)
At end of period		**26,935**	**16,675**

Schedule of lease liabilities movement

in EUR thousands		FY 2024	FY 2023
Beginning of period		3,052	1,854
Additions	No cash impact	2,753	2,074
Corrections	No cash impact	1,957	-
Interest expense	No cash impact	417	231
Repayment	Cash impact	(1,941)	(1,088)
Translation effect	No cash impact	229	(19)
End of period		**6,467**	**3,052**

Schedule of other non-current liabilities movement

in EUR thousands		FY 2024	FY 2023
Beginning of period		375	120
Additions	No cash impact	4,146	255
End of period		**4,521**	**375**

The additions include a €3,231,000 liability for projected performance payments under the Sensibin acquisition and €916,000 related to the share-based payment plan (2023: €255,000).

Future payments under long term borrowings

in EUR thousands	FY 2024	FY 2023
Current	20,270	8,209
Due between 1 to 5 years	9,170	10,497
Total undiscounted long term borrowings	**29,440**	**18,706**
Less: future interest	(2,505)	(2,031)
Total borrowings	**26,935**	**16,675**

No borrowings are due beyond 5 years as at 31 December 2024.

Future payments under lease liabilities

in EUR thousands	FY 2024	FY 2023
Current	2,137	1,052
Due between 1 to 5 years	4,250	2,256
Due more than 5 years	2,423	344
Total undiscounted lease payments	**8,810**	**3,652**
Less: future interest	(2,343)	(600)
Total lease liabilities	**6,467**	**3,052**

Fair value of borrowings

		FY 2024		FY 2023	
in EUR thousands	Nominal interest rate	Carrying amount	Fair Value	Carrying amount	Fair Value
Line of credit (LOC)	US Prime Rate	€ 5,776	€ 5,776	€ 2,534	€ 2,534
Line of credit (LOC)	ROBOR plus 2.25%	€ 2,247	€ 2,247	€ 292	€ 292
Mortgage facility	5.50%	€ 1,378	€ 1,460	€ 1,320	€ 1,322
Term Loan	3.51%	€ 866	€ 832	€ 1,629	€ 1,643
Term Loan	SOFR plus 3.0%	€ 1,443	€ 1,372	€ 1,901	€ 1,982
Term Loan	7.35%	€ 7,941	€ 8,050	€ 9,000	€ 9,031
Financial arrangement	8.92%	€ 3,090	€ 3,090	-	-
Factoring arrangement	ROBOR plus 1.9%	€ 4,194	€ 4,194	-	-
Total		**€ 26,935**	**€ 27,021**	**€ 16,675**	**€ 16,804**

To estimate the fair values of the interest-bearing loans, long-term fixed-rate borrowings are evaluated by the Group based on parameters such as interest rates and the risk characteristics of the financed project.

Increases and decreases reconcile to cash flow statement.

(22) Provisions

in EUR thousands	FY 2024	FY 2023
Current	1,210	1,429
Non-current	568	549
Total provisions	**1,778**	**1,978**

Movement of warranty provisions

Warranty provisions are required for warranty for the repair and maintenance of product sales and are adequate for expected usage. The warranty provision relates to 1-3 years of warranty provided on European machines sales.

in EUR thousands	FY 2024	FY 2023
Beginning of period	1,970	680
Additions	2,111	1,894
Release	(1,267)	(287)
Utilisation	(1,070)	(305)
Exchange gains/(losses)	34	(12)
End of period	**1,778**	**1,970**
Current portion	1,210	1,421
Non-current portion	568	549

(23) Employee Benefit Plans

Group companies provide pension benefits for their employees. The way these benefits are provided varies according to the legal, fiscal and economic conditions of each country. Such benefits are provided under defined contribution plans. For the year ended 31 December 2024, expenses relating to defined contribution plans amounted to €1,002,000 (2023: €685,000) caused by increasing headcount.

(24) Accrued Expenses , Deferred revenue and Other current liabilities

in EUR thousands	FY 2024	FY 2023
Payroll and vacation accruals	4,660	2,962
Other accrued expenses & current liabilities	4,952	2,149
Deferred revenue	1,515	6,060
Total	**11,127**	**11,171**

The increase in payroll and vacation accruals is mainly related to an increase in personnel and related accruals and certain bonus accruals.

Other accrued expenses & liabilities consist of various liabilities such as rent and lease, audit fees, professional & legal fees and projected performance payments under the Sensibin acquisition. The increase in other current liabilities relates to the current portion of these projected performance payments for an amount of €2,295,000. Reference is made to Notes 13 and 21 for further details on this acquisition.

Deferred revenue consists predominantly of contractual prepayments from customers on machine deliveries. The decrease is mainly due to specific prepayments received from a major customer in 2023 related to scheduled performance obligations to be met in Q1 2024.

Movement of deferred revenues

in EUR thousands	FY 2024	FY 2023
Beginning of period	6,060	1,900
Additions	14,983	13,227
Release	(19,528)	(9,067)
End of period	**1,515**	**6,060**

Revenue reported resulting from the deferred revenue balance movement is €19,529,000 (2023: €9,067,000). The closing balance is expected to be recognized as revenue within 12 months.

(25) Off balance sheet assets and commitments

The future minimum lease receivable under non-cancellable RVM operating leases as of 31 December 2024 and 2023 were as follows:

in EUR thousands	FY 2024	FY 2023
Within 1 year	2,861	2,499
Between 2 to 5 years	4,228	3,801
Total	**7,089**	**6,300**

Lease revenues from RVMs for the year ended 31 December 2024 were €3,815,000 (2023: €3,332,000).

Fiscal unity

The Company, is part of the fiscal unity with Envipco Europe B.V. for corporate income tax (CIT) and value-added tax (VAT) purposes. The standard conditions stipulate that each of the companies is liable for the tax payable by all companies belonging to the fiscal unity. Pursuant to the Collection of State Taxes Act, the Company, along with the subsidiary that is part of the fiscal unity, is wholly and severally liable for taxation payable by the fiscal unity.

(26) Related party transactions

In 2024, Envipco entered into a Share Lending Agreement with Mr. Gregory Garvey, a related party (see Note 21), in association with the private placement. Pursuant to the Share Lending Agreement, the lending shareholder lent a total of 6,000,000 shares and was not entitled to any consideration for this. The Company has on 15 March 2024 issued and redelivered the 6,000,000 shares to the lending shareholder.

The balance receivable at year end from an affiliate under common control of the majority shareholder was €793,000 (2023: €752,000) with interest at Euribor plus 2.5% which was extended in the year and repayable on 31 January 2025. Reference is made to Note 15 for further details.

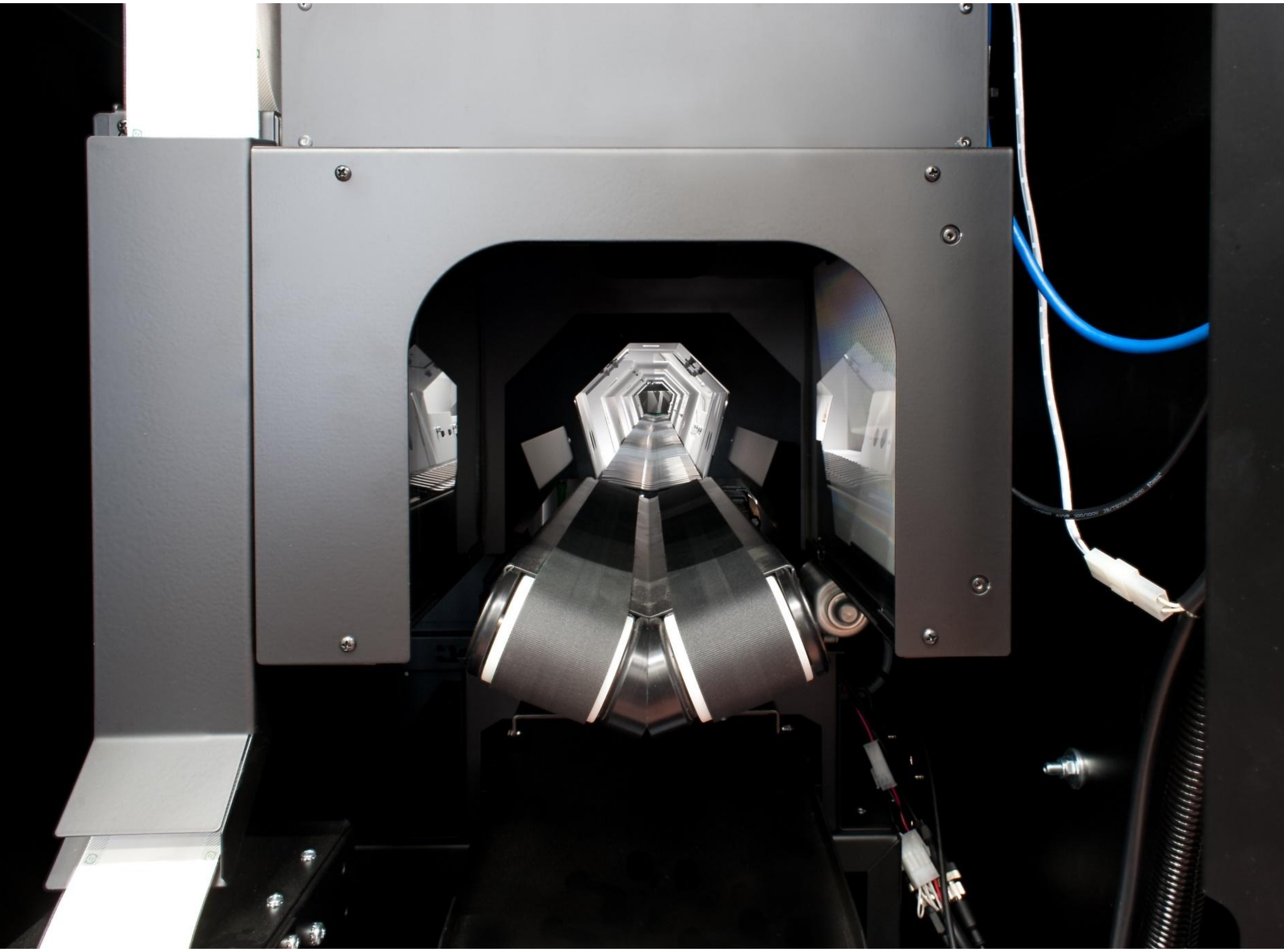
Other liabilities include a loan of €120,000 (2023: €120,000) payable to Mr. Gregory Garvey, a related party (see Note 21). There are no conditions, interest or maturity period for this loan.

Details on the remuneration of the board of directors are provided in Note 9 of the consolidated financial statements

(27) Post balance sheet events

There are no Post balance sheet events to report.

Company Only Financial Statements



Company Only Statement of Financial Position

(After appropriation of results)

in EUR thousands	Note	FY 2024	FY 2023
Assets			
Non-current assets			
Intangible assets	(C)	8,521	8,876
Tangible assets	(C)	544	138
Financial fixed assets	(D)/(H)	61,413	47,948
Total non-current assets		**70,478**	**56,962**
Current assets			
Inventory		-	29
Trade and other receivables	(E)	11,600	3,591
Cash and cash equivalents	(F)	9,148	647
Total current assets		**20,748**	**4,267**
Total assets		**91,226**	**61,229**
Equity	(B)/(G)		
Share capital		2,884	2,585
Share premium		96,131	71,021
Translation reserves		5,983	4,510
Legal reserves		7,071	7,725
Retained earnings		(46,874)	(43,908)
Total equity		**65,195**	**41,933**
Liabilities			
Non-current liabilities			
Loans from subsidiaries	(I)	3,735	4,719
Loans from credit institutions	(J)	5,824	7,412
Other liabilities	(J)	8,313	3,636
Total non-current liabilities		**17,872**	**15,767**
Current liabilities			
Creditors and other liabilities	(K)	6,041	1,941
Loans from credit institutions	(K)	2,118	1,588
Total current liabilities		**8,159**	**3,529**
Total liabilities		**26,031**	**19,296**
Total equity and liabilities		**91,226**	**61,229**

The notes to separate financial statements are an integral part of these separate financial statements.

Company Only Statement of Profit and Loss

in EUR thousands	Note	FY 2024	FY 2023
Revenues		24	-
Cost of sales		(124)	-
Gross Profit		**(100)**	**-**
General and administrative expenses	(L)	(12,507)	(8,055)
Market development expenses		(203)	(181)
Other income	(M)	7,205	7,422
Other expenses	(M)	(258)	-
Total expenses		**(5,763)**	**(814)**
Operating Profit (loss)		**(5,863)**	**(814)**
Financial expense	(N)	(1,266)	(671)
Financial income	(N)	1,208	1,361
Profit (loss) before tax		**(5,921)**	**(124)**
Tax on result from ordinary activities	(O)	(47)	-
Share of result from participating interests	(P)	3,001	727
Net Results		**(2,967)**	**603**

The notes to separate financial statement are an integral part of these separate financial statements.

Notes to Company Only Financial Statements

(A) General Information

For general information about the Company and its principal activities, Envipco refers to Note 1 of the consolidated financial statements. Refer to Note H for an overview of the Company's subsidiaries.

Accounting principles used to prepare Separate Financial Statements

The Company financial statements have been prepared in accordance with Part 9 of Book 2 of the Netherlands Civil Code. In accordance with Article 2:362 subsection 8 of the Civil Code, the Company has elected to apply the accounting policies used in the consolidated financial statements to the separate Company financial statements. The financial statements are presented in Euros, which is the Company's functional currency. All amounts are in thousands unless stated otherwise.

In addition, Consolidated Group companies (financial fixed assets) are valued based on their net equity, determined using the Group accounting policies. In case the net equity of a Group Company is negative, the Company nets the negative equity value with the intercompany loans which are determined to be part of the net investment as far as this is possible. For the remaining part of the negative equity, the Company records a provision for as far as the Company assesses that it has a legal or constructive obligation to reimburse the Group companies' losses.

The Company makes use of the option to eliminate intragroup expected credit losses against the book value of loans and receivables from the Company to participating interests, instead of elimination against the equity value / net asset value of the participating interests.

The share in the result of participating interests consists of the share of the Group in the results of these participating interests, determined on the basis of the accounting principles of the Group. Results on transactions, where the transfer of assets and liabilities between the Group and the non-consolidated participating interests and mutually between non-consolidated participating interests themselves, are not recognised as they can be deemed as not realised.

(B) Composition of Shareholders' Equity

Refer to the statement of changes in equity and Note 20 of the consolidated financial statements for Shareholders' equity of the separate financial statements.

(C) Intangible and Tangible Assets

Intangible Assets

In EUR thousands	Patents and Licenses	Software	Development costs	Total
At 31 December 2022				
Cost	787	626	15,097	16,510
Accumulated amortisation and impairment	(720)	-	(7,521)	(8,241)
Net carrying amount	**67**	**626**	**7,576**	**8,269**
Changes to net carrying amount in 2023				
Additions	-	563	1,456	2,019
Amortisation	(33)	(72)	(1,307)	(1,412)
Total changes in 2023	**(33)**	**491**	**149**	**607**
At 31 December 2023				
Cost	787	1,189	16,553	18,529
Accumulated amortisation and impairment	(753)	(72)	(8,828)	(9,653)
Net carrying amount	**34**	**1,117**	**7,724**	**8,875**
Changes to net carrying amount in 2024				
Additions	-	562	949	1,511
Disposals – cost	-	-	(2,146)	(2,146)
Disposals – amortisation	-	-	2,146	2,146
Amortisation	(21	(242)	(1,601)	(1,865)
Total changes in 2024	**(21)**	**320**	**(652)**	**(354)**
At 31 December 2024				
Cost	787	1,751	15,355	17,893
Accumulated amortisation and impairment	(775)	(314)	(8,283)	(9,372)
Net carrying amount	**12**	**1,437**	**7,072**	**8,521**

Development costs

Key projects under development during 2024 included New Glass Compartment and Refillable Glass Machines for the existing and new markets.

Disposals include internally developed intangible assets that were fully amortized and assessed as having no remaining future economic benefits, and were derecognized.

See also Note 13 of the consolidated financial statements for capitalised development costs and software of the Company.

(C) Intangible and Tangible Assets

Tangible Assets

In EUR thousands	Reverse Vending Machines	Vehicles & Equipment	Total
At 31 December 2022			
Cost	-	-	-
Accumulated amortisation and impairment	-	-	-
Net carrying amount	**-**	**-**	**-**
Changes to net carrying amount in 2023			
Additions	140	-	140
Amortisation	(2)	-	(2)
Total changes in 2023	**138**	**-**	**138**
At 31 December 2023			
Cost	140	-	140
Accumulated amortisation and impairment	(2)	-	(2)
Net carrying amount	**138**	**-**	**138**
Changes to net carrying amount in 2024			
Additions	342	111	453
Amortisation	(37)	(10)	(47)
Total changes in 2024	**305**	**101**	**406**
At 31 December 2024			
Cost	482	111	593
Accumulated amortisation and impairment	(39)	(10)	(49)
Net carrying amount	**443**	**101**	**544**

Development costs

Key projects under development during 2024 included New Glass Compartment and Refillable Glass Machines for the existing and new markets.

See also Note 13 for capitalised development costs and software of the Company.

(D) Financial Fixed Assets

in EUR thousands	FY 2024	FY 2023
Investment in subsidiaries	46,499	31,597
Loans to subsidiaries	14,121	15,599
Loans receivables – affiliate	793	752
Total Financial Fixed Assets	**61,413**	**47,948**

The loans to subsidiaries are typically renewed on an annual basis without agreed repayment schedule and are subject to EURIBOR +2% for European loans and SOFR +2% for US loans. These loans are classified as long term.

The loan receivable of €793,000 (2023: €752,000) that relates to a loan to an affiliate under common control of the majority shareholder which is extended in the year and repayable on 31 January 2026, with interest at Euribor plus 2.5%.

Movements in Investment in subsidiaries were as follows:

in EUR thousands	FY 2024	FY 2023
Beginning of period	31,597	30,276
Investments and loans provided	6,769	1,757
Results of the Group companies for the year	3,001	727
Exchange differences	1,472	(1,081)
Movement of negative participations to loans	3,131	(1,193)
Movement of negative participations to provision	529	1,111
End of period	**46,499**	**31,597**

The Investments and loans provided relates to the acquisition of Sensibin Ltd., an innovative Irish-based supplier of Reverse Vending Machines (RVMs).

Movements in Loans to subsidiaries were as follows:

in EUR thousands	FY 2024	FY 2023
Beginning of period	15,599	2,676
Additions	3,576	21,860
Interest expense	1,162	1,200
Repayments	(3,085)	(11,330)
Movement of negative participations to loans	(3,131)	1,193
End of period	**14,121**	**15,599**

For further details, reference is made to Note 13 of the consolidated financial statements.

Reference is made to Note S for securities and guarantees.

(E) Receivables

in EUR thousands	FY 2024	FY 2023
Trade receivables	70	104
Other receivables	963	542
Receivables from subsidiaries	10,567	2,945
Total	**11,600**	**3,591**

In 2024, Other receivables mainly include prepaid expenses for €363,000 (2023: €241,000) and VAT for €499,000 (2023: €216,000).

Receivables from subsidiaries include management service fee and royalties charged. As the position is considered short term, no Interest is charged. The remaining balances are expected to be collected within 12 months and otherwise reclassified as loans from subsidiaries and subject to interest.

(F) Cash and Cash Equivalents

in EUR thousands	FY 2024	FY 2023
Cash at bank and in hand	9,148	647
Total	**9,148**	**647**

All cash and cash equivalents are freely available and not subject to any restrictions.

(G) Shareholders' Equity

Refer to Consolidated statement of changes in equity and Note 20 Shareholders' equity of the Company's consolidated financial statements for further information regarding the Company's Shareholders' equity.

Share premium reserve

For full detailed movements in share premium reserve please refer to the consolidated statement of changes in equity.

Legal reserve

According to Book 2 of the Netherlands Civil Code, the Company is required to restrict part of its equity from distribution to Shareholders, by forming a legal reserve equal to the amount it has capitalised for development costs. The equity enclosed in this legal reserve is not at the disposal of the General Meeting of Shareholders. Therefore, this amount cannot be distributed to Shareholders until the capitalised development costs have been recognised in the profit and loss account. The capitalised development costs as of 31 December 2024 amounted to €7,072,000 (2023: €7,725,000). A legal reserve equalling these amounts has been created in both the years by decreasing the share premium reserve with these respective amounts.

Dividends

No dividends were declared or paid by the Company for the year.

Proposed appropriation of profit or loss for the financial year 2023

At the Annual General Meeting of 23 August 2024, the appropriation of profits were adopted and therefore, the 2023 results were added to the retained earnings.

Proposed appropriation of profit or loss for the financial year 2024

No dividend was paid in 2024. The Board of Directors proposes that the result for the financial year 2024 will be added to the retained earnings. The financial statements reflect this proposal.

The Netherlands Civil Code stipulates that the Company can only make payments to the shareholder and other parties entitled to the distributable profit insofar as (1) the Company can continue to pay its outstanding debts after the distribution (the so-called distribution test), and (2) the shareholder's equity exceeds the legal reserves and statutory reserves under the articles of association to be maintained (the so-called balance sheet test). If not, management of the Company shall not approve any distribution

(H) Subsidiaries and Affiliates of Envipco

The Company has the following subsidiaries:

Envipco (UK) Limited, London, United Kingdom – 100%
Envipco Automaten GmbH, Westerkappeln, Germany – 100%
Envipco Pickup & Processing Services Inc., Delaware, U.S.A. – 99.85%
Environmental Products Corporation, Delaware, U.S.A. – 99.85%
Environmental Products Recycling Inc., Delaware, U.S.A. – 99.85%
Envipco A.S., Oslo, Norway – 100%
Envipco N.D. Inc., Delaware, U.S.A. – 99.85%
Envipco Sweden A.B., Borlange, Sweden – 100%
Envipco Hellas SA, Athens, Greece – 100%
Envipco France SA, Paris, France – 100%
Envipco Solutions SRL, Alba Iulia, Romania – 100%
Envipco Portugal Unipessoal LDA, Lisbon, Portugal – 100%
Envipco Slovakia sro, Bratislava, Slovakia – 100%
Envipco Ireland Limited, Dublin, Republic of Ireland – 100%
Envipco Europe B.V., Amersfoort, The Netherlands – 100%
Envipco Hungary Kft, Budapest, Hungary – 100%
Envipco Poland Sp. z o.o., Warsaw, Poland – 100% - (established in financial year 2024)
Sensibin Limited, Dublin, Ireland – 100% - (acquired in financial year 2024)
Envipco Principal B.V. – 100% - (established in financial year 2024)

Envipco Poland Sp. z o.o., has been established on 12 April 2024 Warsaw to support sales and service activities for the Polish market. Further, on 14 August 2024 the Company acquired Sensibin Limited, a Dublin-based supplier of reverse vending machines. Envipco Principal B.V. was established on 15 August 2024.

(I) Loans from subsidiaries

in EUR thousands	FY 2024	FY 2023
Beginning of period	4,719	4,217
Additions	-	302
Interest expense	255	298
Repayments	(1,388)	-
Translation effect	151	(98)
End of period	**3,735**	**4,719**

Loans from subsidiaries include current balances that have been rolled over by the Company annually and will not be repaid in the short term. Interest is charged at 1-year EURIBOR for European business units and 1-year SOFR for non-European business units +2% in 2024. The Company has formalised the agreements in 2024 and has presented this as non-current in the balance sheet in accordance with the revised maturity.

Reference is made to Note S for securities and guarantees.

(J) Other non-current Liabilities

Loans from credit institutions

in EUR thousands	FY 2024	FY 2023
Loans from credit institutions	5,824	7,412
Total	**5,824**	**7,412**

The loan from credit institution relates to a loan with a carrying amount of €7,941,000 (2023: €9,000,000), with €5,824,000 classified as non-current. This loan was secured in 2023, is quarterly repayable until 2028 and has an interest rate of 7.35%.

This Loan is collateralised by the Company's trade receivables in Europe.
The debt covenants related to the third Term Loan are linked to the Group's solvency, debt service coverage and senior net debt/EBITDA. In 2024, the Group met all three of them.

Other liabilities

in EUR thousands	FY 2024	FY 2023
Provision against investments	3,790	3,262
Other liabilities	4,523	374
Total other liabilities	**8,313**	**3,636**

The Company determines that a constructive obligation exists to reimburse for all of the subsidiaries' losses and therefore records a provision for the entire amount of the subsidiaries' negative equity after netting with the intercompany loans.

Projected performance payments under the Sensibin acquisition are in total €5,526,000. €3,231,000 is presented as Other non-current liabilities and the remaining portion of €2,295,000 is presented as an Other current liability.

In addition, a liability for the share-based payment plan in the amount of €1,170,000 (2023: €254,000) and a loan of €120,000 (2023: €120,000) payable to Mr. Gregory Garvey, a related party are included in the Other non-current liabilities. There are no conditions, interest or maturity period for this loan.

For further details on the share-based payment plan, see Note 9 of the consolidated financial statements.

(K) Creditors and Other Liabilities

in EUR thousands	FY 2024	FY 2023
Creditors	1,602	1,073
Accrued expenses	1,374	783
Payables to subsidiaries	706	85
Other liabilities	2,360	85
Total	**6,042**	**1,941**

Accrued expenses consist mainly of payroll and vacation accrual of €1,114,000 EUR (2023: €601,000).

Other liabilities includes €2,295,000 related to the current portion of the projected performance payments under the Sensibin acquisition.

Loans from credit institutions

in EUR thousands	FY 2024	FY 2023
Loans from credit institutions	2,118	1,588
Total	**2,118**	**1,588**

From the loan specified in Note J above, €2,118,000 (2023: €1,588,000) is classified as current.

(L) General and Administrative Expenses

General and administrative expenses include the following:

in EUR thousands	FY 2024	FY 2023
Employee benefit expense	5,897	2,818
Compliance and other costs	4,699	3,823
Depreciation and amortisation	1,911	1,414
Total	**12,507**	**8,055**

Employee benefit expense

The total employee benefit expense is split in the following categories:

in EUR thousands	FY 2024	FY 2023
Salaries and wages	4,467	2,250
Social Security expenses	411	207
Pension expenses	103	107
Long-term compensation plan	916	254
Total	**5,897**	**2,818**
Average number of employees		
Director	1	1
General and Administrative	16	12
Total	**17**	**13**

During 2024, the average number of employees amounted to 17 (2023: 13 persons) all working from the Netherlands.

For, details on the remuneration of the Board of Directors, reference is made to Note 9 of the consolidated financial statements.

(M) Other operating income and expenses

Other operating income

in EUR thousands	FY 2024	FY 2023
Management fee	6,381	4,773
Royalty fee	824	802
Market development	-	1,847
Total	**7,205**	**7,422**

Management fees increased in 2024 compared to 2023 because of increased corporate cost supporting the growth of the organization. In 2023, the Company had an agreement to invoice its market development costs partially to one of its subsidiaries as they benefit from the increased activity from that development, which has ended at 31 December, 2023.

Other operating expenses

in EUR thousands	FY 2024	FY 2023
Revaluation contingent consideration	258	-
Total	**258**	**-**

The revaluation of the contingent consideration relates to an updated NPV calculation of the projected performance payments of the Sensibin acquisition. See Note 13 of the consolidated financial statements for further details.

(N) Finance Income and Expense

in EUR thousands	FY 2024	FY 2023
Interest and similar expenses – external	(643)	(386)
Interest and similar expenses – intercompany	(240)	(285)
Interest and similar income - external	46	35
Interest and similar income - intercompany	1,162	1,219
Exchange gains/(losses)	(383)	107
Total	**(58)**	**690**

Change in exchange gain is driven by strengthening of the US Dollar versus Euro. The movement in interest expense is due to the loan from external credit institution as included in note K. Movement in interest and similar income is driven by increase in loans granted to subsidiaries as included in note D.

(O) Tax on Result from Ordinary (Business) Activities

The tax on the result from ordinary activities, amounting to a credit of €0 (2023: €0) can be specified as follows:

in EUR thousands	FY 2024	FY 2023
Result before taxes	(2,967)	603
Income tax using the appropriate tax rate in the Netherlands @ 25,8%	765	(156)
Participation exemption	774	188
Current year losses for which no deferred tax asset was recognised	(1,587)	(32)
Effective taxes	(47)	-

Tax losses in Dutch fiscal unity where no deferred tax has been recognised amounted to €9,329,975 (2023: €7,450,654). The Company, together with its subsidiaries in the Netherlands is part of the fiscal unity of Envipco Holding N.V. for corporate income tax purposes. The standard conditions stipulate that each of the companies is liable for the tax payable by all companies belonging to the fiscal unity.

(P) Transactions with Related Parties

Transactions and relations with the Shareholders and affiliates are explained in Notes 18 and 26 of the consolidated financial statements.

Net research and development costs invoiced by Germany and USA were €948,000 (2023: €1,456,000) to the Company. The Group companies charge interest on intercompany loans. No interest is charged on the intercompany current account balances. The Company also charges a management- and royalty fee to its subsidiaries.

The Company provided a Guarantee of $9,531,000 in 2024 and $11,358,000 in 2023 to the USA subsidiary’s lender, TD Bank N.A., for the credit facilities.

(Q) Financial Instruments

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk.

In the notes to the consolidated financial statements information is included about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

These risks, objectives, policies and processes for measuring and managing risk, and the management of capital apply also to the separate financial statements of the Company.

(R) Fair Value

The fair values of most of the financial instruments recognised on the statement of financial position, including trade and other receivables, cash and cash equivalents and current liabilities, is approximately equal to their carrying amounts.

The fair value of the loans due to and from Group companies cannot be determined with sufficient certainty. For further information, please refer to Note D - Financial fixed assets and Note I - Loans from subsidiaries.

(S) Commitments and Contingencies

Fiscal unity

The Company, is part of the fiscal unity with Envipco Europe B.V. for corporate income tax (CIT) and value-added tax (VAT) purposes. The standard conditions stipulate that each of the companies is liable for the tax payable by all companies belonging to the fiscal unity. Pursuant to the Collection of State Taxes Act, the Company, along with the subsidiary that is part of the fiscal unity, is wholly and severally liable for taxation payable by the fiscal unity.

Off balance sheet commitments

The Company provided a Guarantee of $9,531,000 in 2024 and $11,358,000 in 2023 to the USA subsidiary's lender, TD Bank N.A., for the credit facilities.

In addition, the Company issued a Parent Company Guarantee to its subsidiaries Envipco Automaten GmbH and Environmental Products Corporation confirming that it is always in a position to meet its obligations to its creditors in a timely manner until at least the end of December 31, 2025.

The Company determines that a constructive obligation exists to reimburse for all of the subsidiaries' losses and therefore records a provision for the entire amount of the subsidiaries' negative equity after netting with the intercompany loans.

(T) Post Balance Sheet Events

There are no Post balance sheet events to report.

Gregory Garvey Chairman	Anne Jorun Aas	Ann Cormack	Charlotta Gylche
Erik Thorsen	Maurice Bouri Executive	Simon Bolton Executive CEO	

23 June 2025

Other information

Statutory rules concerning appropriation of results

In Article 15 of the Company statutory regulations the following has been presented concerning the appropriation of result:

1. In the Company's books, a dividend reserve shall be maintained for each class of shares. These dividend reserves shall be designated as 'dividend reserve' followed by the letter corresponding with the relevant class of shares;
2. The Company may make distributions to Shareholders and other persons entitled to distributable profits only to the extent that the Shareholders' equity exceeds the sum of the paid and called-up part of the share capital and the reserves which must be maintained by law;
3. An amount equal to three percent of the average balance of the relevant dividend reserve over the relevant financial year, increased by the amounts withdrawn from the reserves pursuant to the provisions of paragraph 5 of this article, shall be retained from the profit as referred to in paragraph 2 of this article and added to each of the dividend reserves. If the amount calculated as described above is larger than the available profit, the amounts to be added shall be decreased pro rata;
4. The profit that remains after applying the above shall be at the disposal of the General Meeting of Shareholders. If the General Meeting of Shareholders does not resolve to add the profit to the Company's general reserve, the profit shall be added to the abovementioned dividend reserves pro rata to the nominal amount of the shares of the single class;
5. Losses shall be charged to the Company's general reserve and, if and to the extent this reserve is insufficient, to the dividend reserves pro rata to the nominal amount of the shares of the single class;
6. Each withdrawal from the dividend reserve pursuant to the provisions of the preceding paragraph must be compensated before any addition can be made to any dividend reserve pursuant to paragraph 4;
7. The General Meeting of Shareholders shall resolve to distribute such amounts on the shares corresponding with a particular dividend reserve as has been decided upon by the meeting of the holders of the single class of shares, up to the amount of the positive balance of that dividend reserve and if and to the extent the relevant dividend reserve is sufficient.
   The General Meeting of Shareholders may only decide not to distribute the amounts referred to in the preceding sentence if and to the extent that it can be demonstrated, and that the Company's liquidity position does not allow this;
8. The General Meeting of Shareholders is authorised to apply the dividend reserves for a different purpose after having obtained the prior approval of all holders of shares of a particular class, on the understanding that the distribution shall be charged to the various reserves' pro rata to the nominal amount of the shares of the relevant classes;
9. The Company may only make interim additions to the dividend reserves if the requirement in paragraph 2 has been met and provided that the prior approval of the General Meeting of Shareholders has been obtained;
10. No distribution shall be made in favour of the Company on shares acquired by the Company in its own capital for such shares;

11. Shares for shares on which, pursuant to the provisions of paragraph 7, no distribution is made in favour of the Company do not count for the purpose of calculating the profit appropriation;

12. The claim for payment of dividends shall lapse on the expiry of a period of five years.

Alternative performance measures

The Company uses EBITDA and Net debt as financial performance measures as it enhances the understanding of The Company's performance.

As both are not defined performance measures in IFRS-EU and the definitions vary between companies, the tables below show the definitions used throughout this report including the calculations.

Reconciliation of Net results to EBITDA

in EUR thousands	FY 2024	FY 2023	FY 2022	FY 2021
Net results	**(2,976)**	**601**	**(4,178)**	**592**
Income taxes	(3,691)	(556)	(224)	(933)
Results before tax	**715**	**1,157**	**(3,954)**	**1,525**
Adjustments for:				
- Net finance (cost) and or income	(2,987)	(1.128)	(1,244)	(806)
- Depreciation	(5,771)	(4,576)	(3,590)	(2,717)
- Amortisation	(2,424)	(1,460)	(1,379)	(890)
EBITDA	**11,897**	**8,321**	**2,259**	**5,938**

Calculation of Net debt

in EUR thousands	FY 2024	FY 2023	FY 2022	FY 2021
Current borrowings	18,771	7,363	3,620	1,140
Non-current borrowings	8,164	9,312	10,930	5,922
Total borrowings	**26,934**	**16,675**	**14,550**	**7,062**
Cash and cash equivalents	30,748	12,458	16,121	3,061
Net debt	**(3,814)**	**4,217**	**(1,571)**	**4,001**

Independent Auditor's report

The Independent Auditor's report is set forth on the following page.

Independent auditor's report

To: the shareholders and the board of Envipco Holding N.V.

Report on the audit of the financial statements 2024 included in the annual report

Our opinion

We have audited the financial statements 2024 of Envipco Holding N.V. based in Amsterdam. The financial statements comprise the consolidated financial statements and the company financial statements.

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of Envipco Holding N.V. as at 31 December 2024 and of its result and its cash flows for 2024 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code;
- the accompanying company financial statements give a true and fair view of the financial position of Envipco Holding N.V. as at 31 December 2024 and of its result for 2024 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. the consolidated statement of financial position as at 31 December 2024;
2. the following statements for 2024: the consolidated income statement, the consolidated statements of profit and loss and comprehensive income, changes in equity and cash flows; and
3. the notes comprising material accounting policy information and other explanatory information.

The company financial statements comprise:

1. the company only statement of financial position as at 31 December 2024;
2. the company only statement of profit and loss for 2024; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Envipco Holding N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at € 1.7 million. The materiality is based on a benchmark of revenues (representing 1.5% of reported revenues), which we consider to be one of the principal considerations for members of the company in assessing the financial performance of the group. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the board of directors that misstatements in excess of € 85,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Envipco Holding N.V. is at the head of a group of components. The financial information of this group is included in the financial statements of Envipco Holding N.V.

We applied the revised group auditing standard in our audit of the financial statements. The revised standard emphasizes the role and responsibilities of the group auditor. The revised standard contains new requirements for the identification and classification of components, scoping, and the design and performance of audit procedures across the group. As a result, we approached audit coverage in the design of our audit approach in accordance with the revised group auditing standard.

We performed risk assessment procedures throughout our audit to determine which of the components are likely to include risks of material misstatement to the financial statements. Within our audit, components are determined based on the risk profile and size of the entities within the group. To appropriately respond to those assessed risks, we planned and performed further audit procedures.

We have performed audit procedures on the following components: Envipco Holding N.V., Environmental Products Corporation, Envipco Pickup & Processing Services Inc., Environmental Products Recycling Inc., Envipco Automaten GmbH, Envipco Hellas SA, Envipco Solutions SRL and Envipco Sweden AB. The determined audit procedures are performed by the group engagement team as well as component audit teams for components based in the United States, Germany, Greece, Romania and Sweden.

We have performed audit procedures for 97% of revenues and 93% of total assets. At group level, we assessed the aggregation risk in the remaining financial information and concluded that there is less than reasonable possibility of a material misstatement.

By performing the procedures mentioned above at components, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the financial statements.

Audit approach going concern

As explained in the section ‘Going concern’ on page 52 and 53 of the financial statements, the board of directors has carried out a going concern assessment and has not identified any events or circumstances that may cause reasonable doubt on the entity's ability to continue as a going concern.

Our procedures to evaluate the going concern assessment of the board of directors included, amongst others, the following:

- inquired with key members of management and the Board to understand the Company’s ability to continue as a going concern;
- considered whether the board of directors’ going concern assessment contains all relevant information that we have knowledge of, as a result of our audit and inquired the board on key assumptions and estimates;
- evaluated the budgeted operating results and related cash flows for the period of twelve months from the date of preparation of the financial statements taking into account developments in the industry, other external factors and our knowledge from the audit;
- analyzed whether the current and necessary financing to be able to continue all the business activities is secured, including compliance with relevant covenants;
- obtained information from the board about its knowledge of going concern risks beyond the period of the going concern assessment carried out by the board of directors.

Our audit procedures did not reveal any information that conflicts with the board's assumptions and the going concern assumption used.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud and non-compliance with laws and regulations. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management’s process for responding to the fraud risks and monitoring the system of internal control and how the audit committee exercises oversight, as well as the results thereof. We refer to section ‘Risk management and Internal controls’ as part of the Report of the Board of Directors on page 40 and 41 for management’s fraud risk assessment for further details.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks. We have communicated significant deficiencies in internal control in writing to the board of directors.

As part of our process of identifying risks of material misstatements of the financial statements due to fraud, we evaluated fraud risk factors with respect to fraudulent financial reporting, misappropriation of assets and bribery and corruption. We evaluated whether these fraud risk factors indicate that a risk of material misstatement due fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.
We considered available information and inquired with relevant executives, directors and the audit committee. Our audit procedures did not lead to indications for fraud potentially resulting in material misstatements.

The fraud risks identified by us and the specific procedures performed are as follows:

RISK OF MANAGEMENT OVERRIDE OF CONTROLS	
Description:	Management is in a unique position to perpetrate fraud because management is able to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Therefore, in our audit, we paid attention to the risk of management override of controls at: • Journal entries and other adjustments made throughout the year and during the course of preparing the financial statements; • Consolidation adjustment entries; • Estimates and estimation processes; • Significant transactions outside the ordinary course of business. For Envipco specifically, we identified a fraud risk related to revenue recognition, which is further detailed in the next paragraph.
Our audit approach and observations:	In response to the assessed fraud risk of management override of controls, our audit procedures included, amongst others, the following: • We made enquiries with management and the board and obtained written representations regarding any actual, suspected, or alleged instances of management override of controls. • We inspected the minutes of meetings of those charged with governance to identify any discussions or decisions relevant to the risk of management override. • Where relevant to the audit, we evaluated the design and implementation of internal control measures in processes related to the preparation of the financial statements, the generation and processing of journal entries and elimination entries, and the estimation process. These evaluations were performed assuming a risk of management override of controls in these processes. • We selected and tested manual journal entries based on risk criteria, with particular focus on entries related to revenue recognition. Substantive audit procedures were performed on these entries. • We tested the material adjustment entries made during the consolidation process by reviewing supporting documentation to ensure their validity. • We performed audit procedures on significant management estimates, including evaluating the processes and assumptions underlying these estimates. • We assessed the adequacy and accuracy of the disclosures in the notes to the financial statements. Our audit procedures did not reveal any specific indications of fraud or suspicions of fraud related to management override of controls, that could result in material misstatements.

RISK OF FRAUDULENT FINANCIAL REPORTING DUE TO OVERSTATEMENT OF REVENUES	
Description:	We addressed the risk of fraud in revenue recognition for which we refer to the key audit matter ‘revenue recognition’, as set out in the section ‘Our key audit matters’ of this report.
Our audit approach and observations:	For the audit work performed in response to the assessed fraud risk, we refer to the key audit matter ‘revenue recognition’, as set out in the section ‘Our key audit matters’ of this report.

RISK OF NON-COMPLIANCE WITH ANTI-BRIBERY AND CORRUPTION LAWS	
Description:	Envipco and its group companies operate in countries with a low Corruption Perceptions Index (CPI) and jurisdictions where specific anti-bribery and corruption laws are applicable. Furthermore, the group engages in contracts with government entities or government-related companies, which amplifies the risk of exposure to corruption. Despite these elevated risk factors, we observed that management has not implemented a formalized written corruption risk assessment or an anti-bribery and corruption policy to mitigate these risks. Therefore, in our audit, we pay attention to the risk of non-compliance with anti-bribery and corruption laws.
Our audit approach and observations:	For the audit work performed in response to the assessed fraud risk, we refer to the key audit matter ‘non-compliance with anti-bribery and corruption laws’, as set out in the section ‘Our key audit matters’ of this report.

RISK OF OVERSTATING OF EXPENSES AND FRAUDULENT PAYMENTS	
Description:	The Group incurs a significant volume of expenses, which gives rise to an inherent risk of material misstatement due to errors or fraudulent activity in the accounting for these expenses. The risk is heightened by the potential for payments being made to incorrect creditors or bank accounts, particularly due to weaknesses in the purchase-to-pay process. Given the volume of expenses, as well as the potential for fraudulent payments, we identified the risk of overstating expenses and unauthorised payments as key area of focus in our audit.
Our audit approach and observations:	In response to the assessed fraud risk related to expenses and payments, we performed, amongst others, the following procedures: • We held discussions with the board of directors of Envipco Holding N.V. to identify any known or suspected instances of fraud. • We evaluated the design and implementation of the Group’s internal control measures related to the purchase-to-pay process to assess their effectiveness in mitigating fraud risks.

	• We tested the appropriateness of journal entries made during the year. This included testing manual journal entries over expenses and entries that met specific risk-based criteria. • We performed a test of detail on profit-and-loss related journal entries, corroborating these entries with supporting evidence to ensure their validity. • We conducted data analytics testing on outgoing payments using pre-defined risk-based criteria to identify unusual or potentially fraudulent transactions. • We performed a can-do-did-do analysis to test transactions where segregation of duties within the purchase-to-pay process was not ensured, focusing on potential control weaknesses. • We remained alert for indications of fraud throughout all other audit procedures and evaluated whether any identified findings or misstatements were indicative of fraudulent activity. Based on our audit procedures performed, we did not identify any specific indications or suspicions of fraud relating to overstating expenses or payments to non-existent creditors, which could result in material misstatements.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the board of directors and to the audit committee. The key audit matters are not a comprehensive reflection of all matters discussed.

REVENUE RECOGNITION	
Description:	For the year ended 31 December 2024, the Group recognised revenue amounting to € 114.0 million from contracts with customers, relating to sales of goods, services, and leasing, as disclosed in Note 6 of the financial statements. Revenue is a key performance indicator for the Group, and its significance as the largest item in the financial statements makes it a critical area of focus. Additionally, the Group conducts a high volume of transactions with several major customers, which increases the complexity to revenue recognition and its associated risks. We identified the existence of revenues as a significant risk, with a particular focus on the risk of overstatement due to premature revenue recognition or fictitious revenues. Such risks may arise from management override of controls to meet market expectations or shareholders' targets. As outlined in the section 'Audit approach fraud risks' of this report, our audit focused on specific fraud risks related to revenue recognition, including the cut-off of revenue, the validity of sales invoices, the recognition of revenue in the correct accounting period, and the risk of inappropriate manual journal entries.
Our audit approach:	Our audit procedures to address the risk of fraud in revenue recognition included, but were not limited to, the following:

	• We evaluated the Group's revenue recognition policies for all material streams of revenue, including significant customer and lease contracts, to ensure compliance with IFRS 15 *Revenue from Contracts with Customers* and IFRS 16 *Leases*. • We assessed the design and implementation of the Group's internal control measures related to revenue recognition to identify any potential weaknesses or risks. • We performed detailed substantive testing of revenue by vouching a sample of sales invoices to supporting documentation, such as records of goods dispatched or services rendered and authorized sales contracts; • We conducted detailed substantive testing of lease revenue by vouching a sample of lease invoices to supporting records and authorized lease contracts. • We verified the existence of outstanding accounts receivable as at year-end through customer confirmations and subsequent cash collection testing. • We reviewed credit notes issued during the year and subsequent to year-end. Additionally, we performed cut-off testing and periodicity analysis to ensure revenue transactions were recorded in the correct reporting period. • We performed specific procedures on manual journal entries, including the assessment of trade debtor write-offs other than cash receipts, to identify any unusual or inappropriate adjustments. • We assessed the adequacy and completeness of the disclosures in the financial statements relating to revenues, as outlined in Note 6. Based on the audit procedures performed, we have not identified any material findings.

ACQUISITION OF SENSIBIN	
Description:	On 14 August 2024, Envipco completed the acquisition of 100% of Sensibin Limited, an Ireland-based supplier of innovative Reverse Vending Machines (RVMs). As disclosed in Note 13 to the financial statements, €6.6 million was capitalized as acquired technology as part of this transaction. The acquisition has been accounted for as the purchase of a group of assets and liabilities. The accounting for this acquisition is inherently complex, as it requires significant judgement by management to determine how the structure and substance of the transaction align with the requirements of EU-IFRS. Specific areas of judgement include the identification of acquired assets and liabilities, the allocation of the purchase price to these assets and liabilities, and the determination of whether the acquisition constitutes a business combination under IFRS 3 or an asset acquisition. Given the magnitude of the transaction and the significant judgement and complexity involved, the accounting for the acquisition of Sensibin Limited has been identified as a key audit matter in our audit.
Our audit approach:	Our audit procedures to address the key audit matter included, but were not limited to, the following:

	• We obtained an understanding of the background, structure, and terms of the transaction by holding discussions with management and its legal and accounting advisors, as well as by reviewing the relevant agreements. • We reviewed and challenged management's accounting analysis, including position papers prepared by management's experts, to evaluate the appropriateness of the accounting treatment. • We assessed the compliance of the accounting treatment with the requirements of IFRS by evaluating an challenging the significant judgements and estimates made by management. This included consulting with our IFRS and valuation experts to ensure the accounting treatment aligned with IFRS requirements. • We evaluated the methodology and assumptions used in the concentration test applied by management. This included auditing the concentration test assessment (fair value assessment) as of the acquisition date, in collaboration with our auditor experts from the Corporate Finance department and Financial Accounting Advisory Services experts. • We assessed the adequacy and completeness of the disclosures in the financial statements, particularly those relating to the acquisition (Note 13). Based on the audit procedures performed, we have not identified any material misstatements.

COMPLIANCE WITH ANTI-BRIBERY AND CORRUPTION LAWS AND REGULATIONS	
Description:	The Company is required to comply with anti-bribery and corruption laws and regulations. Non-compliance with these regulations could result in significant fines, penalties, or reputational damage. The board of directors has emphasized the importance of compliance in the paragraph 'Compliance risks' within the Risk management and appetite section on page 16 of the annual report. This area is of particular importance in our audit due to the inherent fraud risks associated with non-compliance, especially in group companies operating in countries with a low Corruption Perceptions Index (CPI) or in jurisdictions where specific anti-bribery and corruption laws apply. Additionally, group companies with contracts involving government entities or government-related companies pose a heightened risk. Given the potential financial and reputational implications, combined with the inherent complexity of ensuring compliance across diverse jurisdictions, we have identified compliance with anti-bribery and corruption laws and regulations as a key audit matter.
Our audit approach:	Our audit procedures to address the risks associated with compliance with anti-bribery and corruption laws and regulations included, but were not limited to, the following: • We conducted discussions with the board of directors of Envipco Holding N.V. to assess any known or suspected instances of fraud due to corruption, as well as indications of potential non-compliance with anti-bribery and corruption laws.

	• We evaluated the design and implementation of the Group's internal control framework over compliance risks. This included reviewing Envipco's risk assessment processes, policies (e.g., the Code of Conduct and whistleblower policies), and governance measures. • We performed additional integrity checks on selected customers of group companies operating in countries with a low Corruption Perceptions Index (CPI) to assess potential risks. • We obtained an understanding of the process for initiating contracts by conducting inquiries with the board of directors and relevant management. • We tested the appropriateness and reasonableness of expenses related to specific contracts and their counterparties, ensuring they were consistent with contractual terms and free from indicators of non-compliance. • We tested journal entries meeting predefined risk-based criteria, including manual entries related to expenses, to identify any unusual or potentially fraudulent transactions. • We performed data analytics on outgoing payments using pre-defined risk-based criteria to identify any unusual payment patterns or transactions indicative of fraud or non-compliance. • Throughout our audit, we remained alert for indications of fraud or corruption as well as potential non-compliance with anti-bribery and corruption laws. Where identified, we evaluated whether findings or misstatements were indicative of fraud or non-compliance. Based on the audit procedures performed, we have not identified any material findings.

MATURING CONTROL ENVIRONMENT	
Description:	During our first year as Envipco's external auditor, we observed that the company's control environment is still in the process of maturing. This is reflective of its current stage of growth and evolving operational complexity. Our audit identified a relatively large number of deficiencies in internal controls, which indicates a need for further development to support the company's expanding operations and future growth objectives. The control environment plays a critical role in ensuring accurate financial reporting and maintaining strong governance. Deficiencies in internal controls increase the risk of a material misstatement in the financial statements. As a result, we identified the maturing control environment as a key audit matter in our audit of the financial statements.
Our audit approach:	Our audit approach included an assessment of the internal control environment that management relies on for financial reporting. This was conducted through an interim audit, the primary objective of which was to evaluate the maturity and effectiveness of Envipco's internal controls. We engaged IT specialists to perform detailed testing of IT general controls, focussing on the complexity of Envipco's IT environment. The procedures included evaluating the design and implementation of controls over program development and changes, access to programs and data, and IT operations. Additionally, we held discussions with the board of directors to understand their evaluation of the evolving control environment. We assessed the

	board's recognition of existing control deficiencies and their plans to address them. We also observed a strong commitment from the organization, as expressed by the board, to allocate the necessary resources to strengthen the internal control environment and support future improvements.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- Report of the Board of Directors;
- Remuneration Report;
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code;
- Other chapters, including:
  - Envipco at a glance;
  - About Envipco
  - Letter from the CEO;
  - Financials and operational developments;
  - Risk management and appetite;
  - Corporate governance;
  - Diversity and Inclusion;
  - Board Responsibility Statement;
  - Sustainability and EU taxonomy.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code as well as the information as required by Sections 2:135b and 2:145 sub-Section 2 of the Dutch Civil Code for the remuneration report.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 and Section 2:135b sub-Section 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code. The board of directors is also responsible for the preparation of the remuneration report in accordance with Sections 2:135b and 2:145 sub-Section 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the board as auditor of Envipco Holding N.V. on 23 August 2024, as of the audit for the year 2024 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

European Single Electronic Format (ESEF)

Envipco Holding N.V. has prepared its annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report prepared in XHTML-format, including the (partly) marked-up consolidated financial statements as included in the reporting package by Envipco Holding N.V., complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF, whereby management combines the various components into one single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included among others:

- obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package;
- identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion including:
  - obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files have been prepared in accordance with the technical specifications as included in the RTS on ESEF;
  - examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the board of directors for the financial statements

The board of directors is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board of directors is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors is responsible for assessing the company’s ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the board of directors should prepare the financial statements using the going concern basis of accounting, unless the board of directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The board of directors should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The audit committee of the board of directors is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error, during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- concluding on the appropriateness of the board of directors' use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amstelveen, 23 June 2025

For and on behalf of BDO Audit & Assurance B.V.,

sgd.
A.P. van Veen RA

Envipco Holding N.V.

Van Asch van Wijckstraat 4
3811 LP Amersfoort
the Netherlands

www.envipco.com