



1H 2023 Results Presentation



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LORENZO SPEDINI



Chief Executive Officer

*Founder of Ecomembrane
+20 years of experience in the
renewable energies field*

*c.23 years
with Ecomembrane*

PAOLO GIARDINO



Chief Financial Officer

*Pluriannual experience as CFO in
Renewable Energy and Helthcare
companies*

Joined Ecomembrane in 2023

WHAT WE PROMISED AND WHAT WE ALREADY DELIVERED



NEW Key events from IPO

-   **New Order for CO2 gasometer**
-   **Granted patent for low-pressure gas hydrogen storage**
-   **Hiring of 7 new resources**
-   **Sold minority stakes in Alvus/Favus**
-   **Signing for the acquisition of Splash SuperPools**
-   **New welding facility and steel production unit**

A Mission-critical partner...



Tailor made production

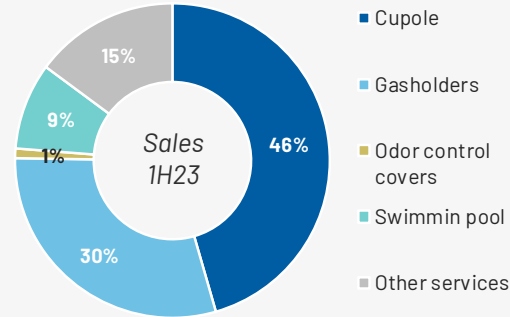
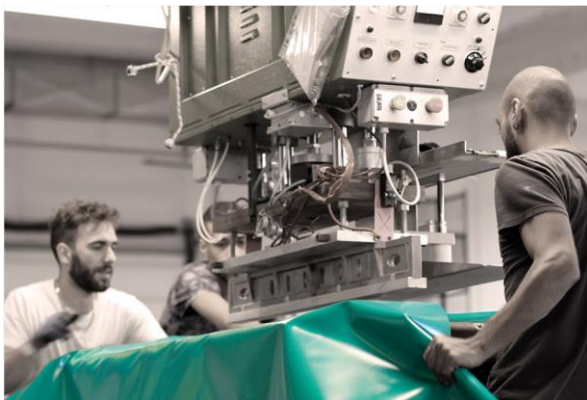
Manufacturing of gasholders, digester covers and odor control covers of any size, using performance guaranteed PVC coated membranes



Partnership with clients

Active consultants from design stage to installation of the equipment and post-sale maintenance

... to a well-diversified portfolio of clients operating in the renewable energy and biogas fields



Ecomembrane at a glance



10

NEW

1 new patent for gas hydrogen storage



>1200

Installations realized all over the world



€4.4m⁽¹⁾

Sales 1H23



~ 1.4x⁽¹⁾

2020-2022 Sales growth



€-0.4m⁽¹⁾

EBITDA 1H23



Production plants in Italy and USA



41%

Free Float



20

Distributors around the world



At the forefront of the **green energy transition**



Born as Biogas Plant producer and **1st Italian mover in the sector**



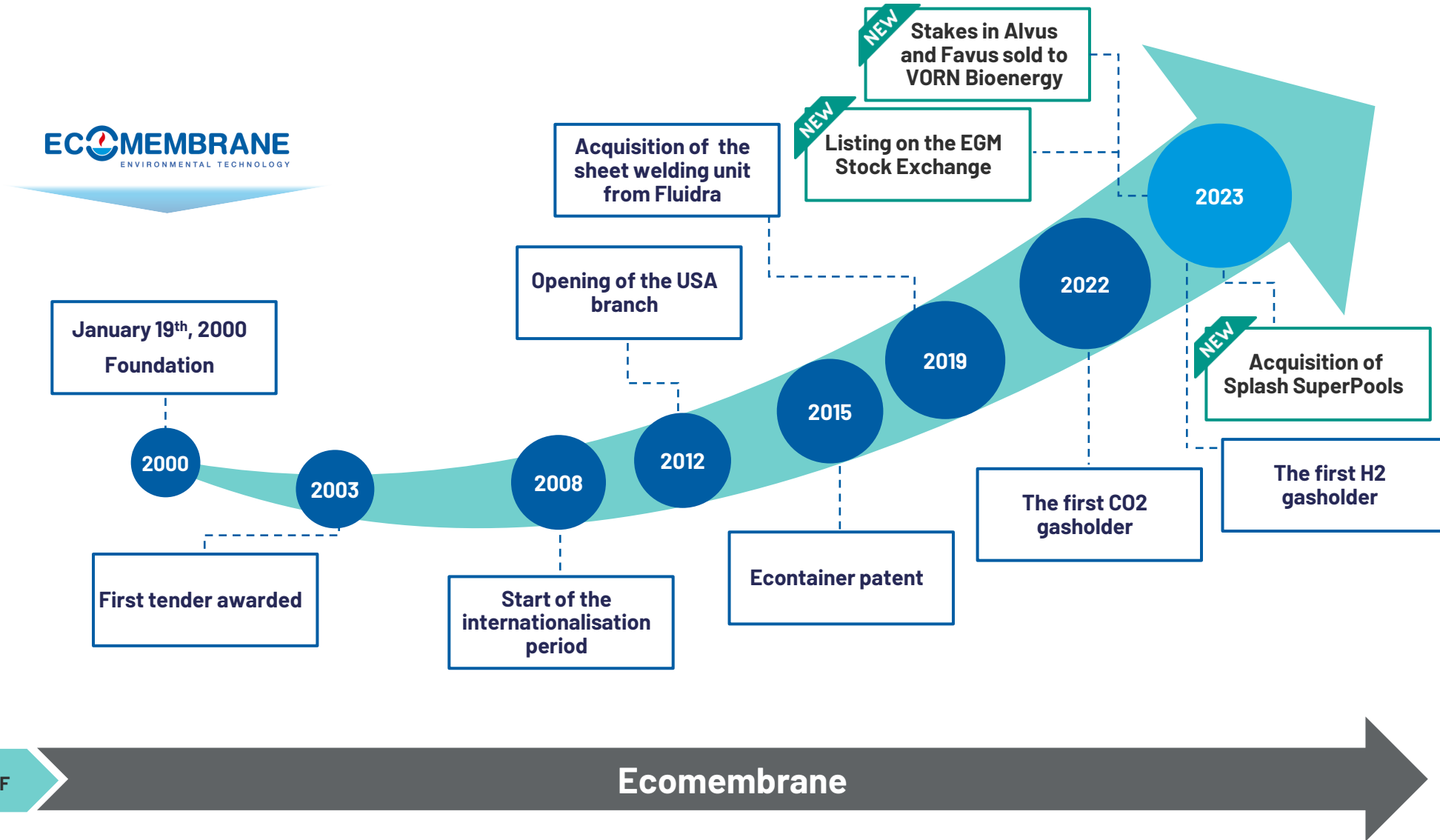
Best-in-class **know-how** and **distinctive technology**



Global reach and **responsive time-to-market**

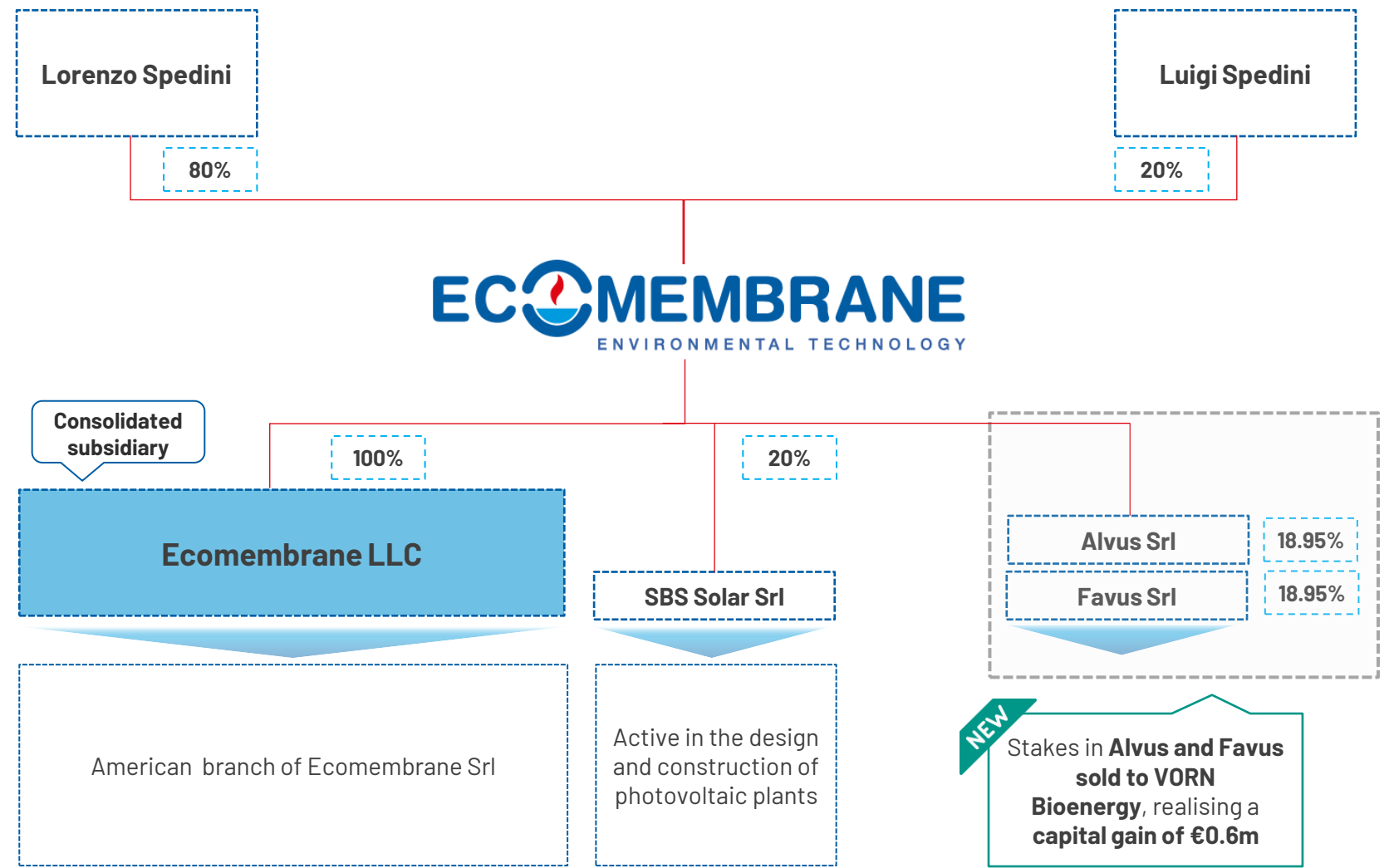
OVER 20 YEARS OF GROWTH

- **Agrisilos** Srl was **founded in 1970 by Luigi Spedini**, focusing on the production of **membranes for swimming pool**
- The Company became one of the **first and best player in the world** during '80es and '90es
- In 1982, ENEA contacted Agrisilos to **substitute ancient gasholders** realized in stainless steel
- From that year on, the main area of attention has been the **biogas field** and Agrisilos started operating as a biogas plants producer



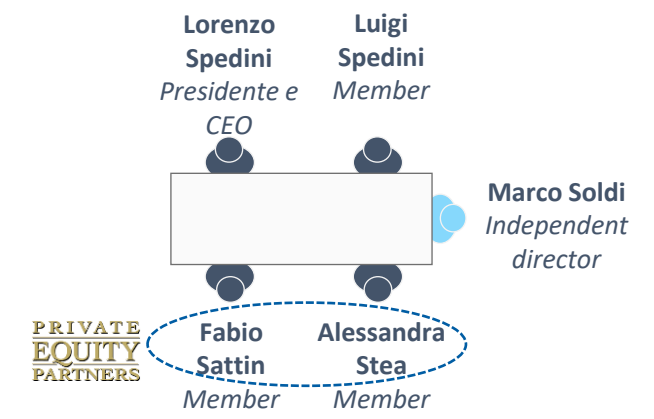
GROUP STRUCTURE AND CORPORATE BODIES

Group Structure



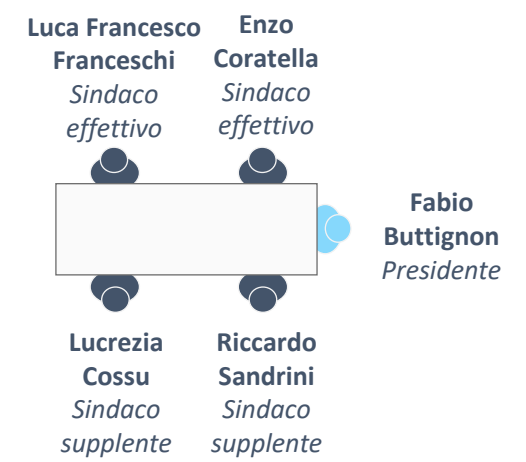
NEW Board of Directors

Effective from IPO



NEW Board of Statutory Auditors

Effective from IPO



Source: Group information

A COMPELLING EQUITY PROPOSITION



EUROPEAN BIOMETHANE AND BIOGAS MARKETS

Regulation updates

NEW

- ✓ The government has submitted the **new version of the Energy and Climate Plan (PNIEC)** to the EU. The plan includes updated targets (compared to 2019), incorporating the RepowerEU guidance and with more ambitious targets on energy transition
- ✓ **First tranche of incentives from the NRRP:** the GSE published the rankings for the first NRRP tender for biomethane production. The available capacity was 67k smc/h (reference year 2022) and 60 projects were approved for a total capacity of about 30k smc/h or 45% of the total capacity

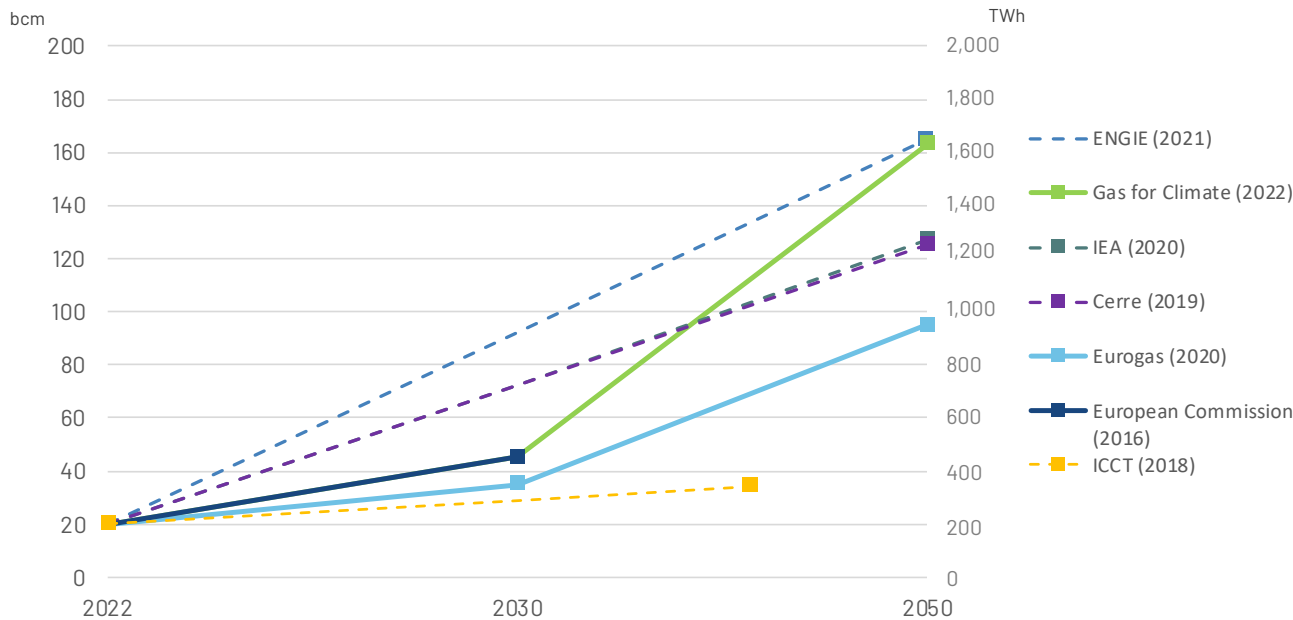
Attractive megatrends

Biogas and biomethane production: >2x by 2030⁽¹⁾



- ✓ EU is the world's greatest producer of biogas and biomethane and will be able to produce **10% of the entire gas demand** for the region
- ✓ Italy features **1,800 operating biogas plants** and a **total production of 24 TWh in 2021**

European biogas and biomethane production potential for 2030 and 2050



Biomethane leads the way



- ✓ Biomethane is one of **the most cost-competitive advanced biofuels:** a remedy to the energy costs instability and EU's energy import dependence
- ✓ **The production potential for biogas and biomethane by 2050 is up to 167 bcm (40% of the EU's total gas consumption in 2021)**

Snapshot of European Incentive Framework



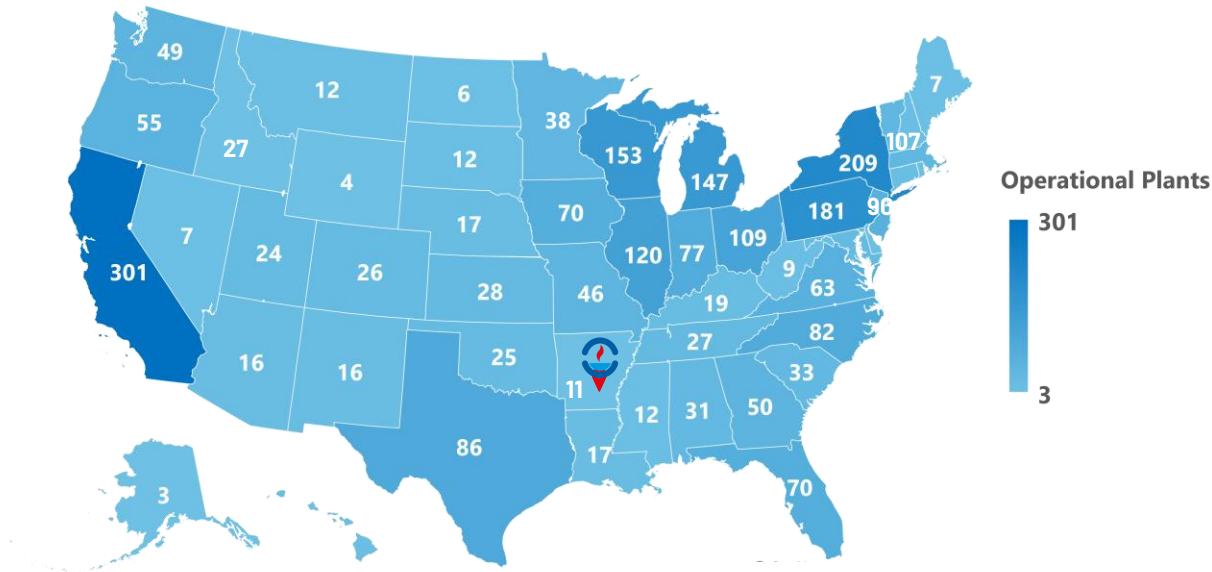
- ✓ **RepowerEU: €37 bn** to increase RNG⁽²⁾ production by 2030
- ✓ EU Commission approved a **€4.5 bn plan** (including **incentive tariffs** with an estimated budget of **€2.8bn**)
- ✓ The **Biomethane Decree (Sept. 2022)** allocates **€1.7bn** funds to support biomethane production

Source: EBA 2022. "EBA Statistical Report 2022". Brussels, Belgium, November 2022; European Union, Financing REPowerEU, May 2022

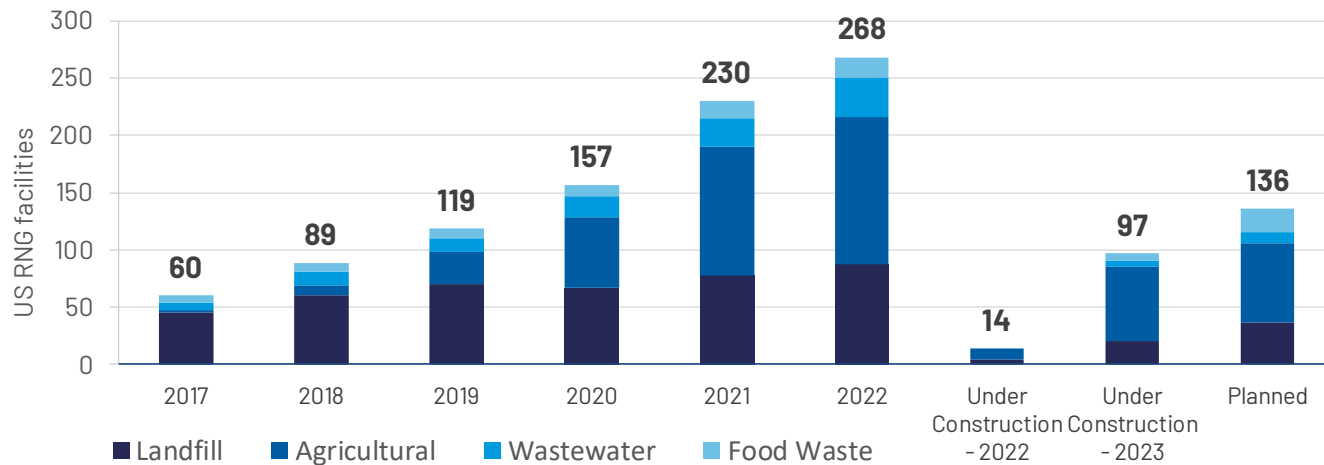
Notes: (1) compared to 2021 (2) Renewable Natural Gas

USA BIOMETHANE AND BIOGAS MARKETS

Operational US Biogas plants by state



US RNG¹ Facilities 2017-2022 and future development



Attractive megatrends

Huge production potential: only 15% industry potential has been released



- ✓ **14,958 new sites available for development**
- ✓ If fully realized, these new biogas systems could generate **103 trillion kilowatt hours of electricity annually**

US Biomethane production steadily increasing



- ✓ **Targeted waste diversion:** 50% cut to food waste in landfills by 2030
- ✓ Corporations¹ are **pursuing RNG² projects** to meet ESG targets and their decarbonization efforts

Important incentives in the US regulation framework



- ✓ **Inflation Reduction Act 2022:**
 - 30% credit rate to any project completed prior 2024
 - 10% credit for RNG projects in fossil-fuel reliant communities
- ✓ **Rural Energy for America Program:** \$0.3 bn funds to be allocated in the energy sector

Source: American Biogas Council Official Website; DOE; Canaccord Genuity; Archaea Energy studies; US Inflation Reduction Guidebook 2023; Publicly available information
 Notes: (1) Amazon, UPS, SoCalGas; (2) Renewable Natural Gas

WELL-DIVERSIFIED PROPOSITION ACROSS DIFFERENT PRODUCT LINES...

Product portfolio...

Best-in-class technical competence

360° production of all necessary components

	2&3 MASTER		CUPOLA M3		SPECIAL SHAPES
	CUPOLA M3 HEAT SHIELD		2MASTER ON PLATFORM		M1 CONE
	CUPOLA M2		ECONTAINER		CLARICOVER
	LAGOON COVER		FLC MEMBRANE		ACCESORIES
	NEW H2 MASTER		NEW CO2 MASTER		

An invaluable result of history, experience and innovation

 HIGH QUALITY	 ORIGINALITY
 ON DEMAND PRODUCTS	 LOW MAINTENANCE
 HIGH WORKING PRESSURE	 PARTNERSHIP WITH CLIENTS
 WORLD RECORD STORAGE	 RECOGNIZED BRAND

...targeting the entire industry spectrum

- | | |
|--|---|
| <ul style="list-style-type: none"> 1 AGRICULTURAL PLANTS 2 LIVESTOCK / INDUSTRIAL PLANTS 3 INDUSTRIAL PLANTS | <ul style="list-style-type: none"> 4 WASTEWATER TREATMENT PLANTS 5 LANDFILLS 6 SPECIAL ENERGY PRODUCTION PLANTS |
|--|---|

Sources: Group information

AT THE FOREFRONT OF INNOVATION

A corporate structure built around Research and Development...

Market analysis and strategy

Conception of innovative products before the existence of a real underlying market



R&D

Design, prototyping, model creation and testing activities



✓ **First-mover advantage**



✓ Distinctive **know-how** and **expertise** on the field



✓ Direct involvement of **CEO** and **senior management**



✓ **R&D centre** based in the **Italian headquarter**

✓ The **CEO** is the direct **responsible of the R&D**

✓ **4 dedicated engineers**, 1 designer and 1 technical manager

✓ **10 active patents** and **2 patents filed**



...leading Ecomembrane at the forefront of the new frontier of energy storage

CO₂

- ✓ In 2022, **Ecomembrane produced the first membrane gasholder for CO₂ storage**, which is simultaneously the **world's largest pressurised membrane gasholder**
- ✓ Upcoming further potential from the development of the **carbon capture market**

NEW

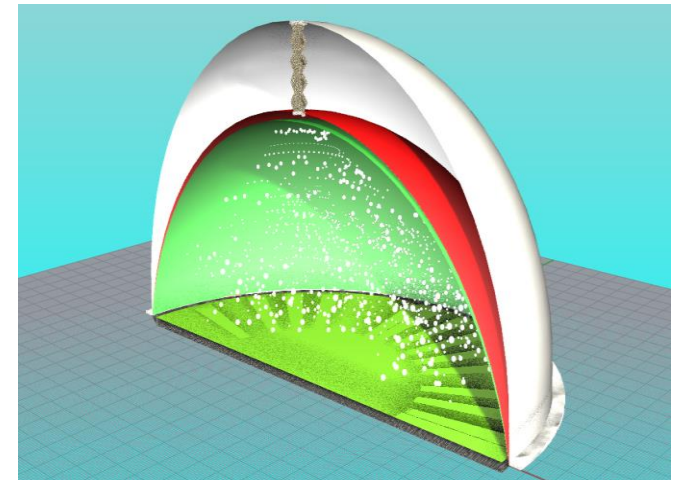
New CO₂ project - received order for the supply of components for the **construction of a CO₂ gasometer** for an amount of €1.55m

H₂

- ✓ By 2050, the demand for hydrogen is expected to increase to **614 million metric tons annually**, which would provide 12% of the world's energy needs⁽¹⁾

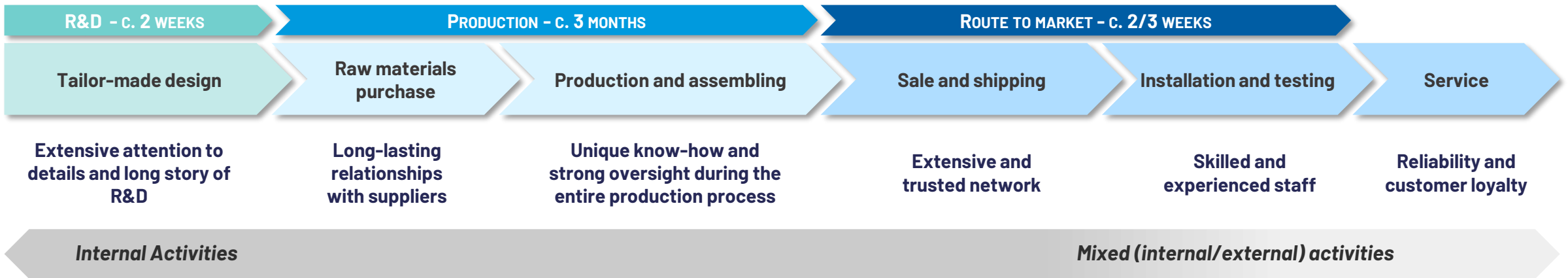
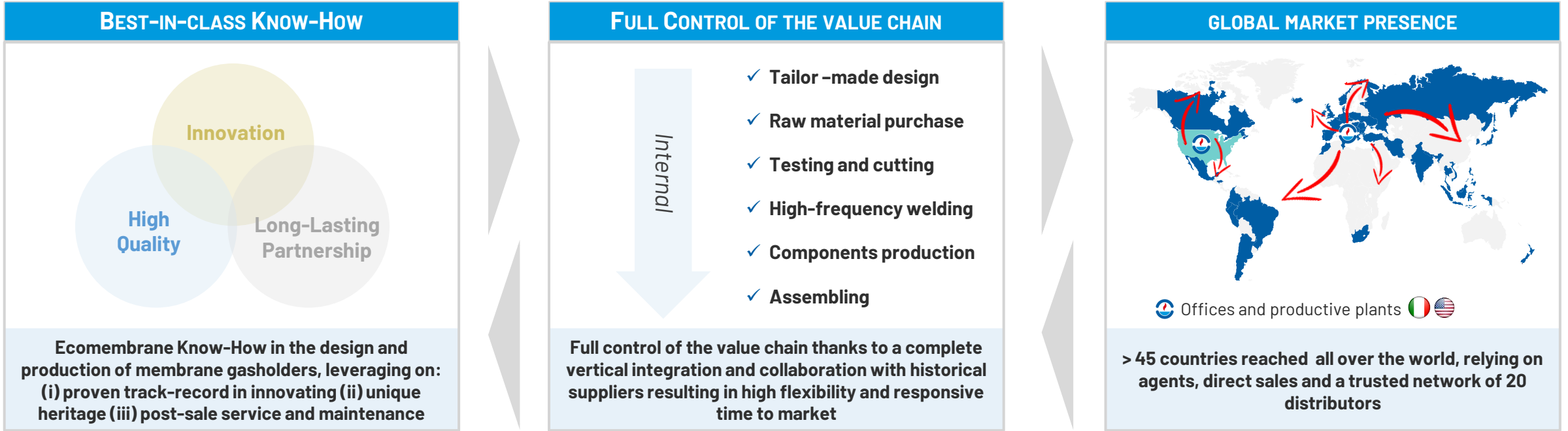
NEW

New patent granted for low-pressure gas hydrogen storage - making hydrogen more cost-effective and accessible as a source of green energy transformation



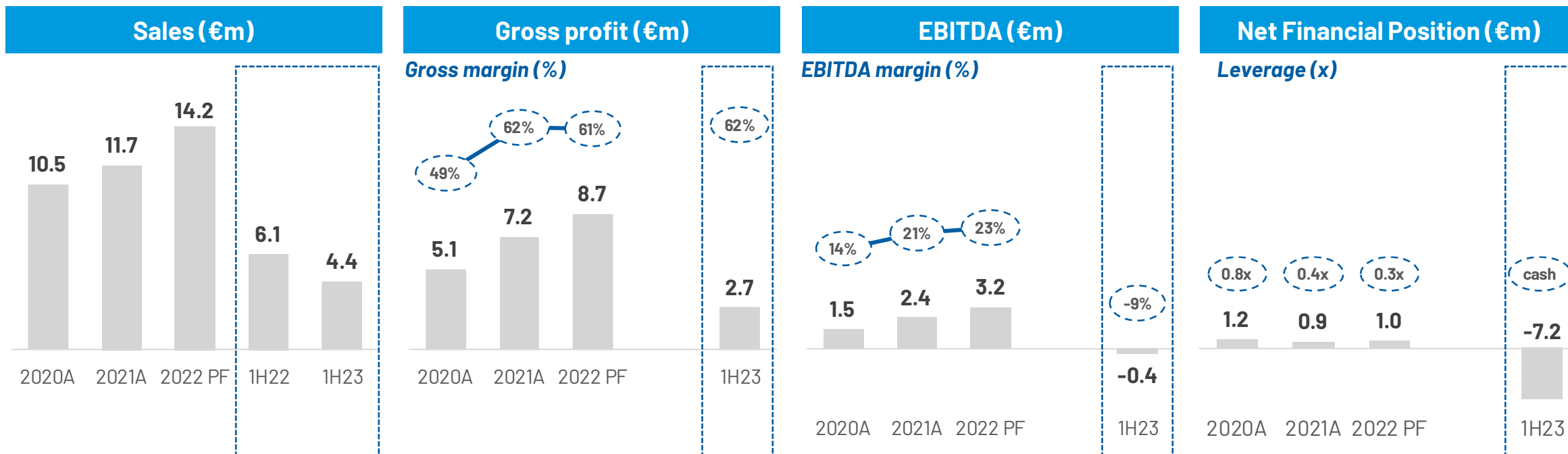
Source: Group information; (1) Spglobal website, "Global hydrogen demand seen at 614 million mt/year by 2050: IRENA"; (2) technical management choice

TIGHTLY CONTROLLED VALUE CHAIN: SPEED, RELIABILITY AND INNOVATION



Sources: Group information

1HALF2023 FINANCIAL PERFORMANCE SIGNIFICANTLY AFFECTED BY SEASONALITY



- 1H23 sales equal to €4.4m and down from the 1H22 results, reflect a **marked seasonality effect** that foresees a **significant generation of revenues** concentrated **in the second half of the year**
- During 1H23, this **seasonality effect** was **even more pronounced** as, both in Italy and abroad, **particularly in the US**, operators waited to access the incentives rather than starting with works

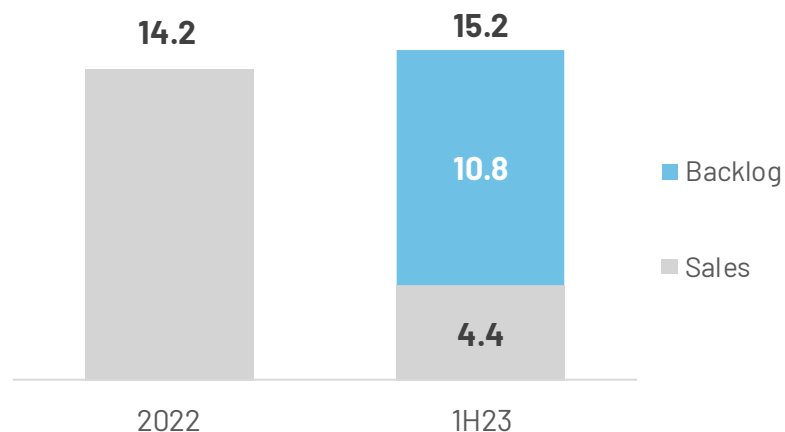
- 1H23 EBITDA is significantly influenced by **seasonality of revenues** as well as by the **increase in structural costs, as foreseen by Budget**, in order to adapt the Group to the expected growth in business volume
- Specifically, **personnel costs** amounted to €1.4m and reflected the **new hires for the period**, in line with the plan to strengthen the structure

- 1H23 Net Financial Position is **cash positive for €7.2m**
- Cash and cash equivalents, amounting to €9.1m, are largely higher than bank borrowings, which decreased to €1.9m from €2.5m as of FY22 PF, mainly **thanks to the capital raised at IPO**

STRONG BACKLOG AS OF 30.06.23

Strong backlog of orders to be deployed in the next months of FY 2023

First Half results and backlog – 1H2023 vs FY2022



- ✓ As of 30.06.2023, the Group had an "**order backlog**" of **€10.8m** consisting of:
 - order confirmations already signed and
 - orders awaiting confirmation as of 30 June (and confirmed in the following 30 days)
- ✓ The **sum of "order backlog" and revenues** as of 30 June 2023 amounts approximately to **€15m**, which is **higher than** the actual revenues for the entire **FY22**
- ✓ It should also be noted that these figures **do not yet reflect** the potential of the **New Biomethane Decree**, which will be realized starting from the following financial year

Comments



...Volume of business in the first half of the year historically characterised by a **high level of seasonality**, with the **greatest generation of revenues achieved in the last quarter** of each FY



...**Grants available** to finance the construction and the upgrade of plants, both in Europe and US, combined with timing spent for **filing procedures**, lead to a **shifting of the orders** and consequently to a higher level of revenue seasonality



The **current order backlog** fully confirms **Ecomembrane growth potential**, enhanced by the Group strategic positioning, high technological competences and financial resources obtained through the IPO

STRONG RESILIENCE AND UNTAPPED POTENTIAL TO EXPLOIT FUTURE GROWTH

Key Macro Challenges



COVID-19 Pandemic Outbreak



Raw Material and Energy Costs Price Increase



Supply Chain Disruption

Ecomembrane evidence

Financial Performance Resilience

- Exposure to resilient and **highly growing end-markets**, which benefitted from greater attention and **incentives** from the governments after the pandemic

Ability to pass-through costs

- Long-lasting relationships with **multiple suppliers**
- Energy-efficient company**, substantially immune from energy price increases

Vertical Integration Benefits

- Ecomembrane designs and manufactures every component of its products**, thus having a complete oversight over the value chain

Ecomembrane Key Critical-Win Factors

- ✓ **High quality**
- ✓ **On demand products**
- ✓ **High working pressure**
- ✓ **World record storage**
- ✓ **Originality**
- ✓ **Low maintenance**

THE IPO IS JUST THE BEGINNING: KEY EVENTS FROM THEN

Business-related milestones



New Order for CO2 gasometer

- ✓ Received order for the **supply of components** for the construction of a CO2 gasometer **for an amount of €1.55m**
- ✓ This order confirms the growth potential of the CO2 **projects and will represent a further significant referral for the Group**



Granted patent for low-pressure gas hydrogen storage

- ✓ Thanks to the new patent, Ecomembrane will be able to develop systems capable of **storing low pressure hydrogen** produced from renewable sources, **reducing** significantly the **management costs**
- ✓ This important achievement brings the number of **active patents to 10**, confirming the positioning of Ecomembrane among the most advanced companies in the industry

M&A



Sold minority stakes in Alvus/Favus

- ✓ Signing of an agreement with **VORN Bioenergy Gmbh (Macquarie's platform in the biogas segment)** to sell Ecomembrane's stakes in Alvus (18.95%) and Favus (18.95%)
- ✓ Consideration of €0.77m and closing expected by the end of 2023 (**divestment capital gain of €0.56m**)
- ✓ Ecomembrane is expected to become a **'preferred' partner for VORN Bioenergy**, supplying PVC membranes for the construction of Alvus/Favus plants in Italy (**pipeline of 15 greenfield biogas projects** over the next years). The green-field component could have €10-15m revenue potential for Ecomembrane within the next years



Acquisition of Splash SuperPools

- ✓ Agreement **signed with Little Rock Holdings, Inc**, through the subsidiary Ecomembrane LLC, for the **purchase of 100% of Splash SuperPools, Ltd**
- ✓ The transaction confirms the strong focus on strategic M&A, announced at IPO

More details in next slide

THE ACQUISITION OF SPLASH SUPERPOOLS

The **acquisition** of **Splash SuperPools** represents the **first step** toward the **creation** of a **truly global player**

Snapshot of the transaction

- Agreement signed with **Little Rock Holdings**, Inc, through the subsidiary Ecomembrane LLC, for the **purchase of 100% of the share capital of Splash SuperPools**, Ltd (US based manufacturer of above-ground swimming pools) for a **price of \$2.3m**
- The transaction confirms the strong focus on **strategic M&A, announced at IPO**
- The consideration, **funded through part of the IPO proceed**, was determined based on the 2023-2026 business plan approved by the board of directors of Splash SuperPools
- Closing expected by the end of October

Key data points of Splash SuperPools



Strategic rationale

- Splash SuperPools** was **already partner of Ecomembrane LLC through a service contract**, according to which Splash provided the necessary resources and facilities to ensure Ecomembrane LLC production in the US market
- Increase productivity** thanks to direct control of the workers in production, which will also benefit from **collaboration with Italian production managers**
- The control of the **full production in North America** will allow Ecomembrane to cover the **more mature biogas market** as required in the next years

Source: Group information

ANNEX

P&L

Consolidated Statement of Profit or Loss (€'000)	1H 2023
Revenues from sales and services	4,386
Increase in fixed assets for internal work	210
Other revenues	22
Total Value of Production	4,618
Cost of raw materials, supplies and consumables	(1,562)
Cost of services	(1,629)
Cost of rents and leases	(315)
Personnel costs	(1,439)
Other operating expenses	(80)
Total Cost of Production	(5,024)
EBITDA	(406)
Amortization	(455)
Provisions	(51)
Impairment of receivables	-
EBIT	(911)
Financial income / (expenses)	(17)
EBT	(929)
Taxes	(28)
Profit for the period/year	(957)

Balance Sheet

Consolidated Statement of Financial Position (€'000)	2022 Pro-forma	1H 2023
Intangible assets	1,199	2,962
Property, plant and equipment	1,122	1,476
Non-current financial assets	296	256
Total Fixed Assets	2,616	4,694
Inventories	2,729	3,180
Trade receivables	3,236	2,393
Trade payables	(2,316)	(1,861)
Trade Working Capital	3,649	3,712
Other current assets	420	234
Other current liabilities	(1,730)	(2,102)
Net tax receivables / (payables)	(102)	712
Accrued income / (liabilities) and deferred charges / (income)	(347)	(577)
Net Working Capital	1,889	1,979
Provisions for risks and charges	(334)	(339)
Provisions for employee severance indemnities	(378)	(420)
Net Invested Capital	3,794	5,914
Cash and cash equivalents	(1,665)	(9,107)
Short-term financial liabilities	1,127	334
Medium and long-term bank debt	1,383	1,532
Other financial liabilities	192	-
Net financial position	1,037	(7,241)
Share capital	15	1,427
Reserves	740	12,442
Consolidated reserves	243	243
Profit/(loss) for the period	1,759	(957)
Total Equity	2,757	13,155
Total Liabilities and Equity	3,794	5,914