
RES
RECUPERO
ETICO
SOSTENIBILE
Company Presentation

Overview

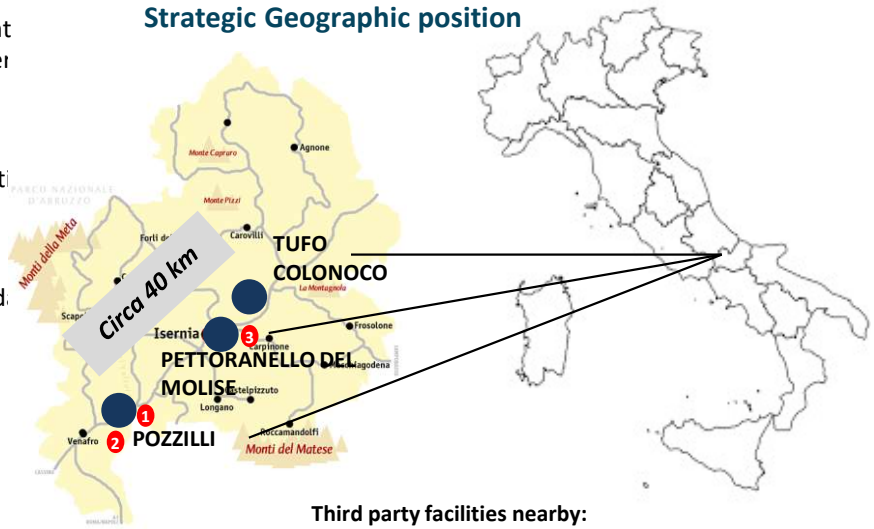
Company

RES S.p.A. has been operating in the circular economy and environmental sustainability sector for over 30 years. The company deals with the entire process of waste management from selection to functional treatment and transformation to the regeneration and recover of waste and reuse as raw production materials**.**

Operations are carried out in 3 plant facilities:

- **Pozzilli (IS),** where there is a dedicated plant to plastic and bulky materials select and the production of Secondary Solid Fuel («**SSF**»);
- **Tufo Colonoco (IS)**, where there are:
  - ✓ A mechanical-biological waste treatment plant («**TMB**») and production of Second Solid Fuel («CSS»);
  - ✓ A landfill;
  - ✓ A composting plant;
  - ✓ A biogas plant and two photovoltaic systems.
- **Pettoranello del Molise (IS)**, where there are:
  - ✓ Plastics Advanced selection plant:
  - ✓ Plastics Washing and granulation plant
  - ✓ Plastic Chemical Recycling (under construction)

Strategic Geographic position



Third party facilities nearby:

1. Herambiente waste to energy plant
2. Colacem cement factory
3. Sewage/purification plant managed by Cogem (RES related party) in association with Herambiente

Key Financials

(€'000)	30.06.2024	30.06.2023	Var %	31.12.2023
Turnover	**15,097**	**9,958**	**51.6%**	**20,663**
EBITDA	**5,141**	**2,049**	**150.9%**	**4,435**
EBITDA %	*34.1%*	*20.6%*	*13.5%*	*21.5%*
NET RESULT	**2,802**	**899**	**211.8%**	**2,034**

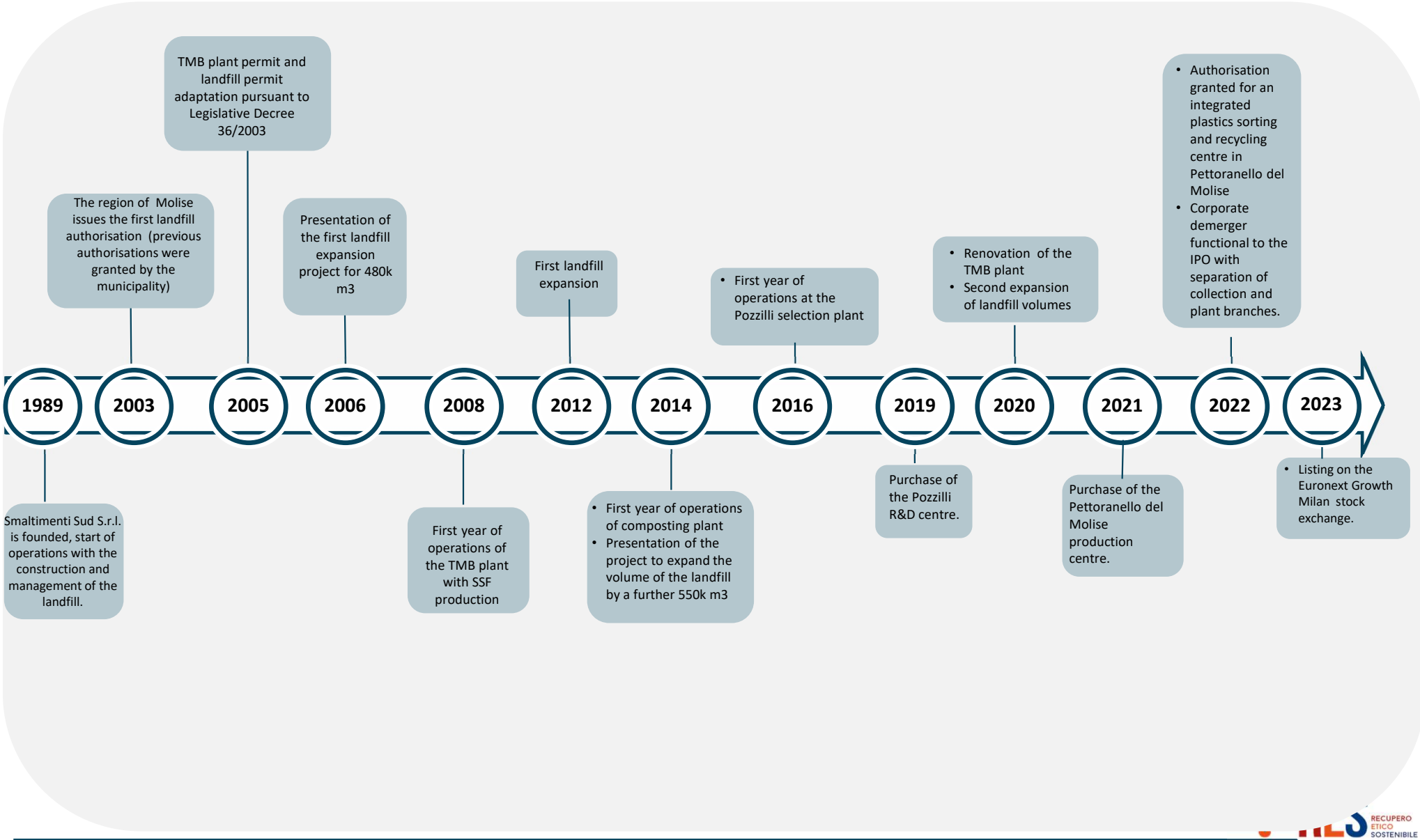
EBITDA Adj	**5,468**	**2369**	**130.8%**	**5,062**
EBITDA % Adj	36.2%	23.8%	*12.4%*	24.5%

(€'000)	30.06.2024	30.06.2023	Var	31.12.2023
Net Financial Position	**7,974**	**1,581**	**6,394**	**1,581**

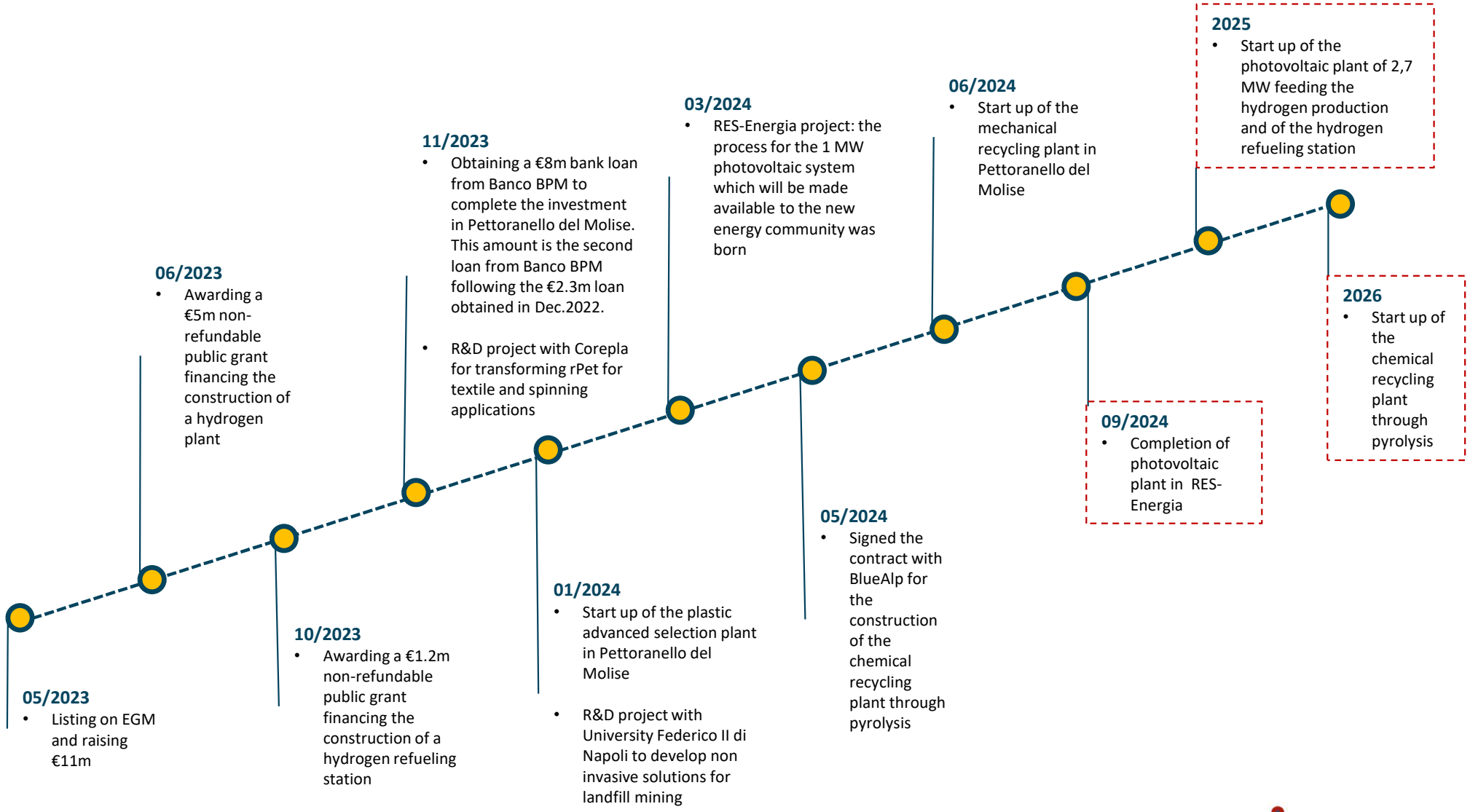
Total waste quantities managed in H1 2024 112.5 kton (165.3 kton in FY2023)

- 2,9 kton — Compost (2.6%)
- 35.9 kton — TMB (35.7%)
- 40,2 kton — Discarica (37,3%)
- 25,5 kton — Selezione Pozzilli (22,7%)
- 7,9 kton — Selezione Pettoranello (7,0%)
- 7.3 kton — Rivendita (6,5%)

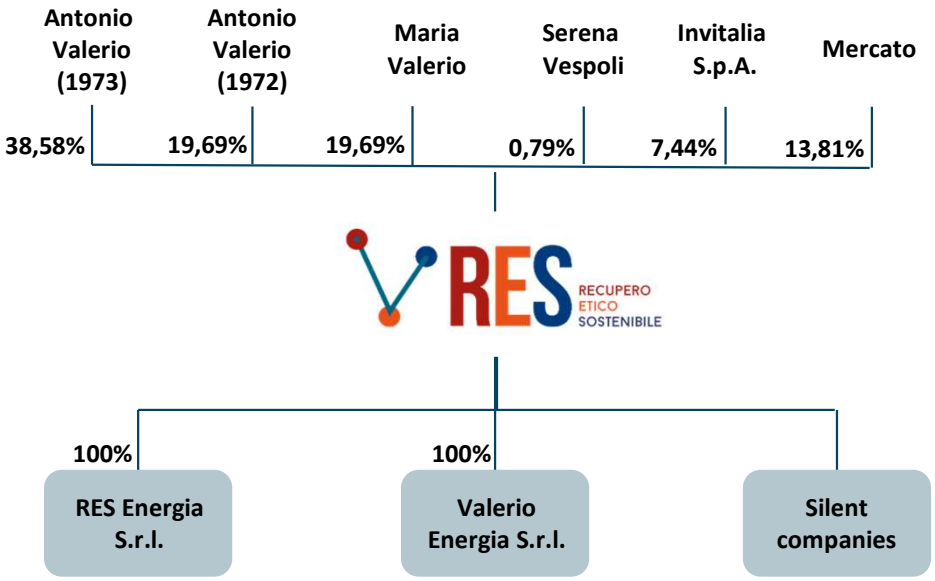
From 1989 to IPO



From IPO to 2026



Organizational Structure



- **Valerio Energie S.r.l.:** owner of two photovoltaic systems at the landfill. In turn it controls 100% of Valerio Servizi S.r.l., a purpose company established for the construction of a methane gas distributor for motor vehicles.
- **RES Energia S.r.l.:** owner of ex Fonderghisa production plant (where a 1MW photovoltaic plant will be built).
- **Inactive companies:**
  - **DV Ecologia (20%)**: Company for specific projects, currently inactive.
  - **Marte S.r.l. (100%)**: Inactive company (originally established for the construction of a demolition plant).

BOARD OF DIRECTORS

President
Maria Valerio

CEO
Antonio Valerio (1973)

Independent Director
Enrico Testa

Independent Director
Piero Angelone *

Director
Antonio Valerio (1972)

Independent Director
Fabrizio Cannizzaro *

Director
Serena Vespoli

BOARD OF STATUTORY AUDITORS

President: – Giovanni Petrollini
Standing Auditors: Paolo Milano - Anthonj Tamburri
Alternate Auditors: Mary Pellegrino - Pasquale Pirraglia

ADVISORY & AUDIT FIRM

BDO

** Currently undergoing appointment by the Assembly of 29 June 2023 to approve budget as of 31.12.2022*

1 Overview

2 **Business Model**

3 Strategy & Investment Highlights

4 New R&D Projects

5 Key Financials

6 Competitive Landscape

Business Model

- **RES is vertically integrated across the entire waste supply chain, overseeing every phase of waste lifecycle.**
- The Company business model focuses on waste management ; passing from entry as waste and exixting the plant in the form of a resource:

Tasks carried out by RES

COLLECTION

- Urban waste (pre sorted and undifferentiated) treated within the plant centre deriving from 71 Municipalities located mainly in the Molise region (n. 66 Municipalities) and residually in the neighbouring regions (n. 5 Municipalities)
- Smaltimenti Sud S.r.l., a related Party pertaining to RES, directly manages the collection and transportation operations on behalf of 53 of the total 71 Municipalities served
- Non hazardous special waste is delivered by leading third-party companies including: Herambiente S.p.A., Gruppo ACEA, Gruppo Porcarelli, AMA, Aciam S.p.A., SAF S.p.A. e Picenambiente S.p.A.

SELECTION/ TREATMENT

- Waste is treated in the various facilities owned by the Group including the selection plant, the composting plant and the TMB plant.

RECOVERY OF MATERIALS AND ENERGY PRODUCTION

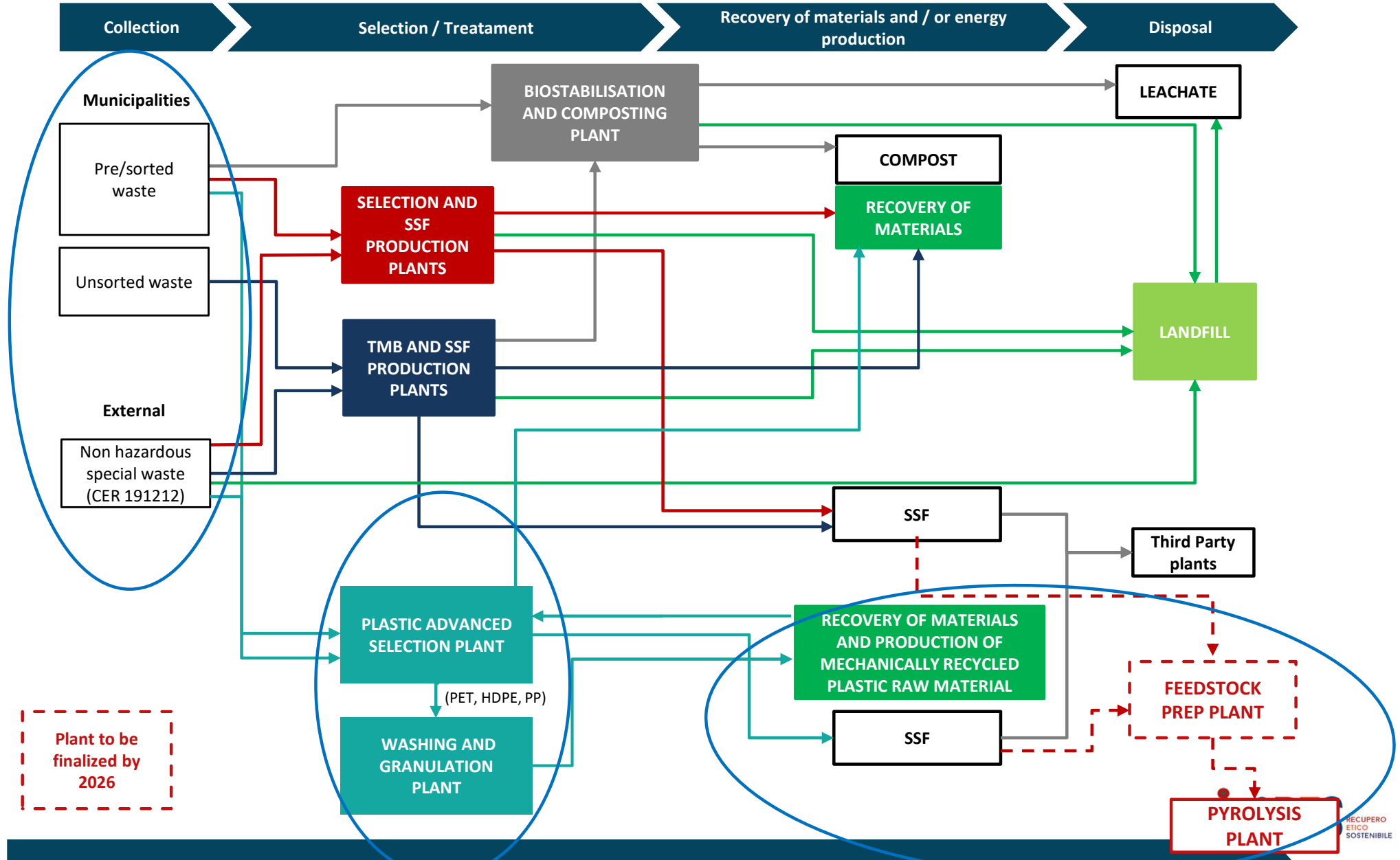
- Materials recovered from waste treatment; paper, glass, plastic and metals can be used to recover resources destined for supply chain consortia and partly for sale on the free market to be subsequently introduced into the production circuit as primary or secondary recycled raw materials.
- A compost is obtained from the organic waste fraction which can be utilised as Compost as a soil amendment or fertiliser.
- The secondary solid fuel (SSF) derived from selection plant and TMB processing, is transferred to third-ppary plants and used to produce electricity via incineration.
- Electricity is produced from the two photovoltaic systems and the biogas plant at the landfill.

DISPOSAL

- The non recoverable fraction from waste resulting from the treatment processes carried out directly by RES, as well as waste delivered by third parties, is disposed of in the landfill.
- The leachate produced at the composting plant and at the landfill is in turn disposed of by third parties and in part at the Pozzilli purification plant managed by Cogem, an external company outside the listing perimeter attributable to the Valerio family, in a joint venture with Herambiente.

End-to-End control of the whole value chain

RES is one of the few companies to be present in every phase of the waste management cycle, guaranteeing cost efficiency and operational flexibility.

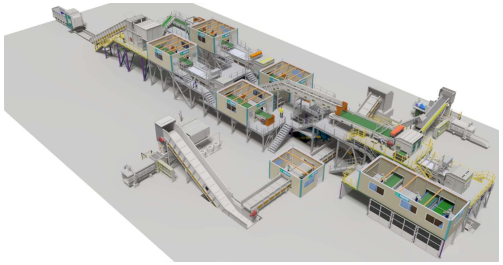


4 Business Units

Plant Equipment

Pozzilli

Selection Plant for SSF production



INPUT

- Waste sorting
- Non hazardous special waste

OUTPUT

- Recycled materials (plastic, paper, glass, metals)
- SSF

AUTHORIZED QUANTITIES

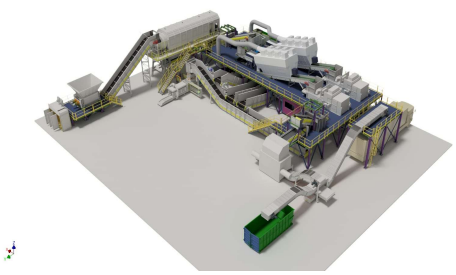
- **59 ktons per year**

R&D Centre

- Landfill Mining
- rPet for textile and spinning applications

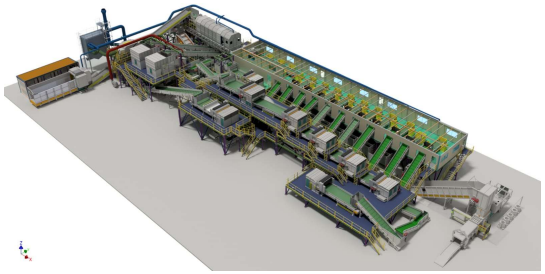
Plant Equipment

Tufo Colonoco

	TMB Plant for SSF production	Composting and biostabilisation Plant	Landfill	Biogas Plant (625 kWp)	Two photovoltaic Systems (988 kWp and 80 kWp)
					
INPUT	• Unsorted waste collection • Non hazardous special waste	• Differentiated organic waste • Fraction from TMB	• Non hazardous special waste • Composting and TMB waste	• Biogas generated from landfill waste (organic fraction)	
OUTPUT	• Recycled materials • SSF	• FOS • Leachate • Compost	• Leachate	• Renewable energy	• Renewable Energy
AUTHORIZED QUANTITIES	• **91,25 ktons per year**	• **18 ktons per year**	• **84k/tons per year**	• **3,93 mln mc/year of biogas**	• n.a.

Plant Equipment

Pettoranello

	Plastic advanced selection & washing and granulation plants	Plastic Chemical Recycling plant (pyrolysis)
	 	
INPUT	• Presorted plastic waste collection (PET, HDPE, PP) • Non hazardous special waste • Plasmix	• Poliolefin from Plasmix / Flexible packaging
OUTPUT	• Recycled materials in bales • PET flakes and pellets (R-Pet), HDPE flakes and pellets (R-HDPE), PP flakes and pellets	• Pyrolytic Oil
AUTHORIZED QUANTITIES	• **Selection Plant: 40 kton per year** • **Washing and granulation Plant: 8 kton per year**	• **20 ktons per year**

To be finalized by 2026

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Future Investments

RES TODAY	ACTION PLAN	RATIONALE	RES TOMORROW
Mechanical Recycling Plastic Products → Plastic advanced selection & washing and granulation plants → Plastic flakes and pellets **Organic Recycling** Organic → Organic Recycling plant → Compost	**CHEMICAL RECYCLING PLANT (PYROLYSIS)** Timeline: 2026 Investment: €22m-€25m	➢ Making the Pettoranello site an innovative hub for plastic recovery and a ref. point for the transformation and chemical recycling of plastics ➢ RES to be the first waste management company entering the chemistry industry and the first national operator able to close the entire waste cycle, from initial collection to the direct sales of the raw material, both from mechanical and chemical recycling processes.	**Mechanical Recycling + Organic Recycling + Chemical Recycling** Plastic Products → Plastic advanced selection & washing and granulation plants → Pyrolytic Oil
Renewable energy production Photovoltaic, Biogas	**HYDROGEN PRODUCTION PLANT FROM PHOTOVOLTAIC 2,7 MW** **PHOTOVOLTAIC PLANT HYDROGEN REFUELING STATION** Timeline: 2025 Investment: €7m	➢ Strengthening RES's position with the production of an innovative fuel. ➢ Renewing company waste collection fleet with hydrogen/powered ones within the next 5 years	**Renewable energy production** Photovoltaic, Biogas, Hydrogen
Photovoltaic **1.1 MW**	**1 MW PHOTOVOLTAIC**	➢ Allocate 50% of the produced green energy to our selection plant in Pozzilli and the remaining 50% to residential users and public administrations through an Energy Community.	Photovoltaic **4.8 MW**
	RECOVERY OF CAR COMPONENTS PLANT	➢ Promote sustainability through the recycling of materials, reducing the environmental impact of end-of-life vehicles	
	R&D PROJECTS Timeline: end of 2024	➢ Landfill Mining interventions to enhance the disposed materials and recover volumes	

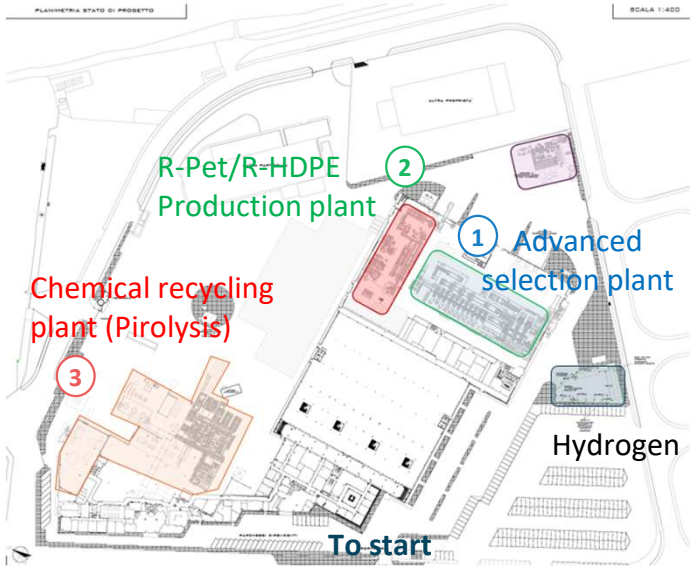
RES RECUPERO ETICO SOSTENIBILE

Pettoranello del Molise

Innovative hub for plastic recovery

With the aim of becoming a reference point for advanced and innovative plastic recycling in Italy, the construction of the pyrolysis plant will complete the innovative hub for plastic recovery in Pettoranello, creating a cutting-edge model of circular economy.

- Total investment of approximately €35m-€40m, divided into two phases.
- Obtained a non-repayable contribution of €9.6 million within the PNRR, which recognized the strategic and innovative value of the project.
- Highly innovative technological project, which goes beyond the current state of the art in the circular economy field: RES has been the first waste management company entering the chemistry industry and will be the first national operator able to close the entire waste cycle, from initial collection to the direct sales of the raw material, both from mechanical and chemical recycling processes.



Delivered in 2023-2024

PHASE 1 – MECHANICALLY RECYCLED MATERIAL

1. Plastic advanced selection plant equipped with 10 optical selectors
2. Mechanical recycling plant for the production of PET / HPDE / PP flakes and pellets

To start 2026

PHASE 2 – NEW END OF WASTE RAW MATERIAL

3. Industrial plant able to transform process plastic waste into pyrolytic oil for the plastics industry, with end of waste certification

BUSINESS SYNERGIES

- The pyrolysis plant will be powered/feeded by the processing waste of the selection plant and by the SSF currently produced by other RES plants with a clear economic benefit for the Group (reduction of disposal costs)
- Currently under negotiation 10years offtake contracts with key petrol-chemical companies to supply the entire plant output capacity
- Currently under negotiation an agreement with a key Italian polymers distribution company for the sale of mechanical recycled PET/HDPE/PP

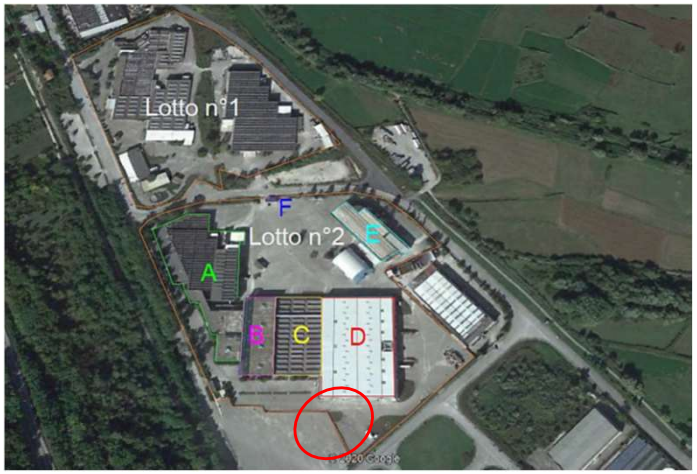
RES RECUPERO ETICO SOSTENIBILE

Hydrogen production plant

Strengthening RES position in green energy production, renewing vehicles with new hydrogen-powered ones and providing the HQ in Pettoranello with a renewable hydrogen plant powered by photovoltaic energy

The project involves the construction of an advanced 1008 kWp hydrogen production plant capable of producing 210Nm3/hr of hydrogen with a purity of 99.9%, and two photovoltaic plants with a total capacity of approximately 2670 kWp. The construction of a hydrogen station is also planned.

The activities already started in H1-2024 and the system is planned to be in production by the end of 2025.



Strategic Objectives of the Project:

- Strengthening RES position in the innovation of the integrated waste recovery and energy production system through the production of an innovative fuel in line with the directions of the European energy transition.
- Developing skills in hydrogen production, which represents the first step of a long-term project that aims to produce sustainable green energy through waste recovery.
- Renewing the waste collection vehicles with hydrogen vehicles within 5 years.
- Completing the technological hub of the HQ with a renewable hydrogen production plant powered by photovoltaic energy. The renewable hydrogen production plant using the energy produced by a photovoltaic system installed on the roofs of the HQ would thus close the plan for the conversion of the industrial site into a hub for the innovative recovery of secondary raw materials according to the principles of the circular economy

Planned Investment	The expected investment is around €7m, almost 90% of which can be financed with contributions from the PNRR and the rest with the cash flow from current business. IThe project has been approved by the Molise Region and is eligible to receive PNRR funds (€5m).
Total Production	The sale of green hydrogen is conservatively estimated at €7.5/kg, double the current price of traditional hydrogen. Thanks to its zero environmental impact, green hydrogen has much higher market potential, with projections indicating a sales price triple the initial estimate. The expected annual production is approximately 150 tons.
Environmental Impact	Expected benefits and impacts include a significant reduction in CO2 emissions through the use of green hydrogen, the creation of jobs in manufacturing and maintenance of the plant, and the development of advanced technologies for hydrogen production and energy integration renewable.

RES RECUPERO ETICO SOSTENIBILE

Photovoltaic plant, energy community

The project called “Energia in Comune” promoted by RES aims at transforming a former industrial site into a renewable energy hub, creating environmental and social benefits for the community of Pozzilli.

Renewable Energy Production

- The construction of several photovoltaic plants for a total of 1 MW is planned, installed on the roof of the former Fonderghisa industrial site in the area of Pozzilli (IS).
- The photovoltaic system will produce over 1,300 MWh/year of renewable energy.

- 50% will be made available to our waste recycling plant located less than 1 km away from the photovoltaic plant.
- The remaining 50% will serve residential users and public administrations

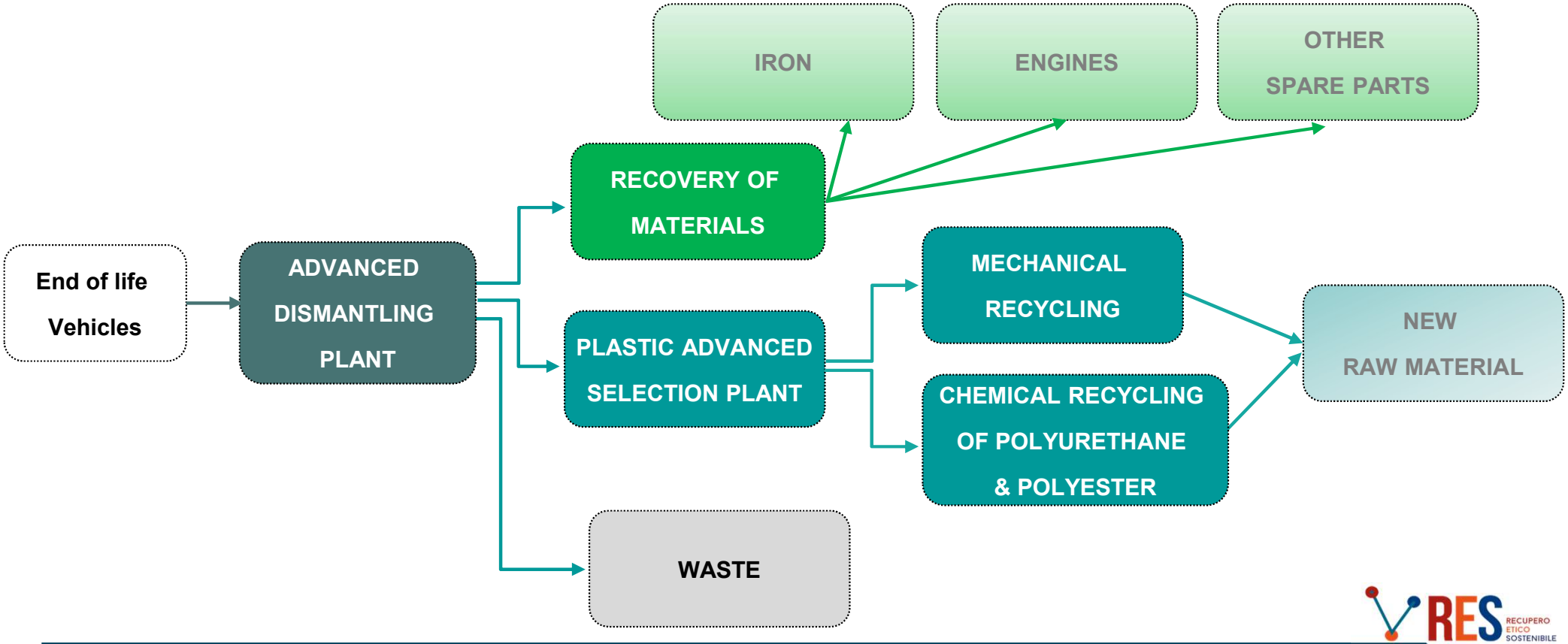
Recovery of car components

Recovery of car components plant

RES is developing an advanced and fully automated car component demolition and recovery plant on the same former Fonderghisa site, with the aim of further promoting environmental sustainability through the efficient recycling of materials, reducing the environmental impact of end-of-life vehicles and creating a circular economy model that enhances the recovery and reuse of resources

The plant will be in production by end of 2026 and will be managing up to 6,000 vehicles per year.

The Plant, fully automated, has the aim of meeting the objectives imposed by the 2030 EU regulation which establishes that vehicles have 30% recycled material, of which 5% coming from car components recycling.



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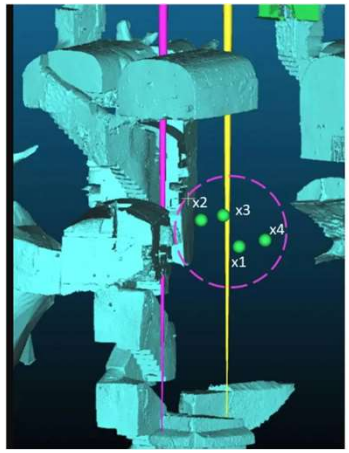
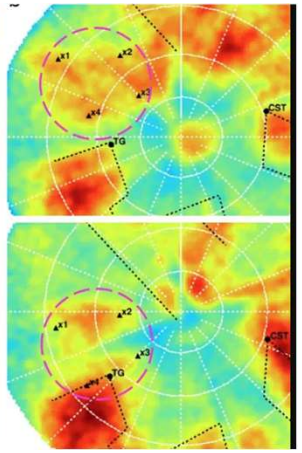
NEW PROJECTS – Landfill Mining & innovative non-invasive Landfill inspection

- The research contract between the **Department of Physics of the University of Naples, Federico II, the National Institute of Nuclear Physics (INFN)** and **RES** (duration of 12 months starting from January 2024) aims at conducting a feasibility study on muon radiography of waste landfills (use of atmospheric muons for imaging large material structures, which allows the study of large objects).
- The main activities include the simulation of the muons flow through the RES property landfill in Tufo Colonoco, the identification of the most favorable investigation points, the construction and installation of a muon detector with the nuclear emulsion technique, the extraction and treatment of the detector, the data acquisition with automatic microscopes and data analysis to draw investigation conclusions.
- The ultimate goal is:
  - to study the feasibility of Landfill Mining (LFM) interventions on the landfill, with the aim of recovering and valorizing the noble part of the deposited materials (primarily plastic, glass, iron) and at the same time recovering volumes.
  - to design and build an experimental line for the production of nuclear emulsions capable of optimizing performance for this particular application. In addition, this initiative might lead a dedicated spin-off business unit within RES.
- The application of this inspection technique to the waste sector appears to be of national interest given the need, for the 117 landfills in operation in Italy, and for the numerous decommissioned landfills, to activate in the short/medium term plans for the extraction of the materials in order to recover filling volume and generate an important flow of secondary raw materials destined for the recycling and recovery industry.





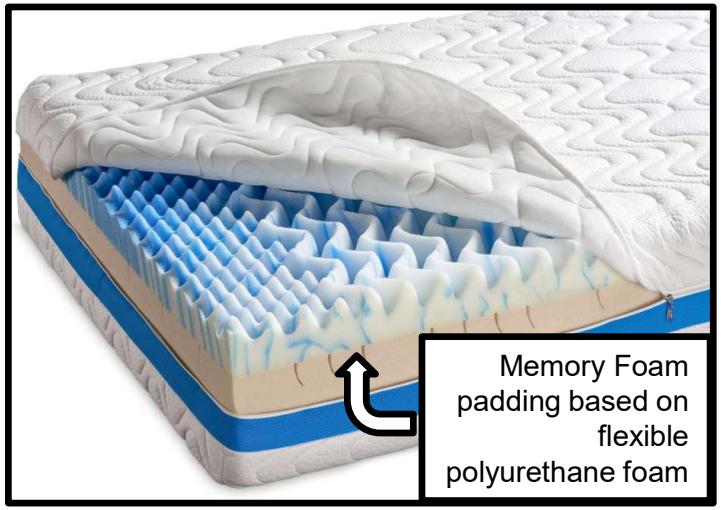
NEW PROJECTS – Chemical recycling of polyurethane

- RES is actively scouting R&D opportunities in chemical recycling of polyurethane.
- Polyurethane is in mattresses, sofa upholstery, shoes, car interiors and other industrial waste.
- In Europe, 30 million mattresses are replaced every year, each of which contains an average of 15kg to 20kg of foam
- So far polyurethane has never had a second life and its natural destination is either landfill or SSF.

The **RecyPUR Project** is an R&D project for the chemical recycling of flexible polyurethane foams from post-consumer mattresses with the aim of depolymerizing polyurethane and obtaining polyols that can be used again for the synthesis of PU.

RecyPUR Project can be divided into the following steps:

- Phase 1. Collection, selection and characterization of the input material of the chemical recycling plant (RES).
- Phase 2. R&D in the laboratory of chemical depolymerization technologies of foam to obtain Polyols with separation of by-products such as amines (RES / Cannon Legos).
- Phase 3. Design and Production of Pilot Plant for Chemical Recycling (Legos Cannon) and scale-up of chemical recycling technology from laboratory scale to pilot plant (RES/Cannon Legos).



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Consolidated Profit & Loss

(€'000)	30.06.2024	30.06.2023	Var %
Service Revenue	**13.838**	**9.413**	**47,0%**
Other Revenue	1.259	545	131%
Turnover	**15.097**	**9.958**	**51,6%**
Prod Costs & Opex	(9.956)	(7.909)	25.9%
EBITDA	**5.141**	**2.049**	**150,9%**
EBITDA %	***34,1%***	***20,6%***	***13,5%***
Depr & Amort	(808)	(584)	38,4%
EBIT	**4.334**	**1.465**	**195,8%**
Financial costs	(290)	(92)	215,1%
EBT	**4.044**	**1.373**	**194,5%**
Taxes	(1.241)	(474)	161,7%
NET RESULT	**2.802**	**899**	**211,8%**

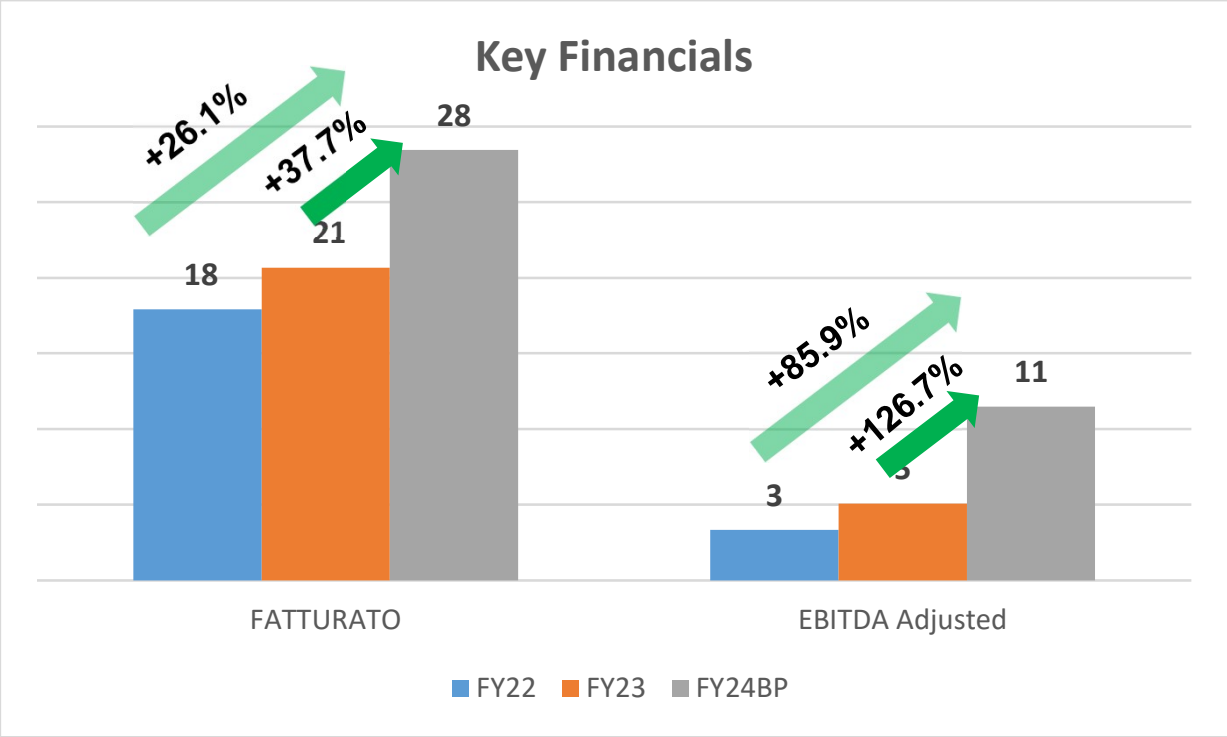
EBITDA Adjusted (*)	**5.468**	**2.369**	**130,8%**
EBITDA %	***36,2%***	***23,8%***	***12.4%***

Consolidated Balance Sheet

(€'000)	30.06.2024	31.12.2023	Var.
Fixed Assets	**35.302**	**30.346**	**5.056**
Current Assets	15.789	12.444	3.345
Current Liabilities	11.458	11.403	56
Net Current Capital	**4.331**	**1.041**	**3.290**
Long term Liabilities	15.088	15.165	(76)
Net Invested Capital	**24.544**	**16.123**	**8.422**
Shareholders Equity	(16.570)	(14.542)	(2.028)
Net Financial Position	**(7.974)**	**(1.581)**	**(6.394)**
Equity & Net Financial Position	**(24.544)**	**(16.123)**	**(8.422)**

(*) Adjusted for landfill post mortem mgmt costs & machinery leasing costs

IPO GUIDANCE CONFIRMED: EBITDA ADJUSTED FY2024 AT €11M



TARGET 2026

- **TURNOVER €37m – €40m**
- **EBITDA Margin Adjusted 36% - 38%**

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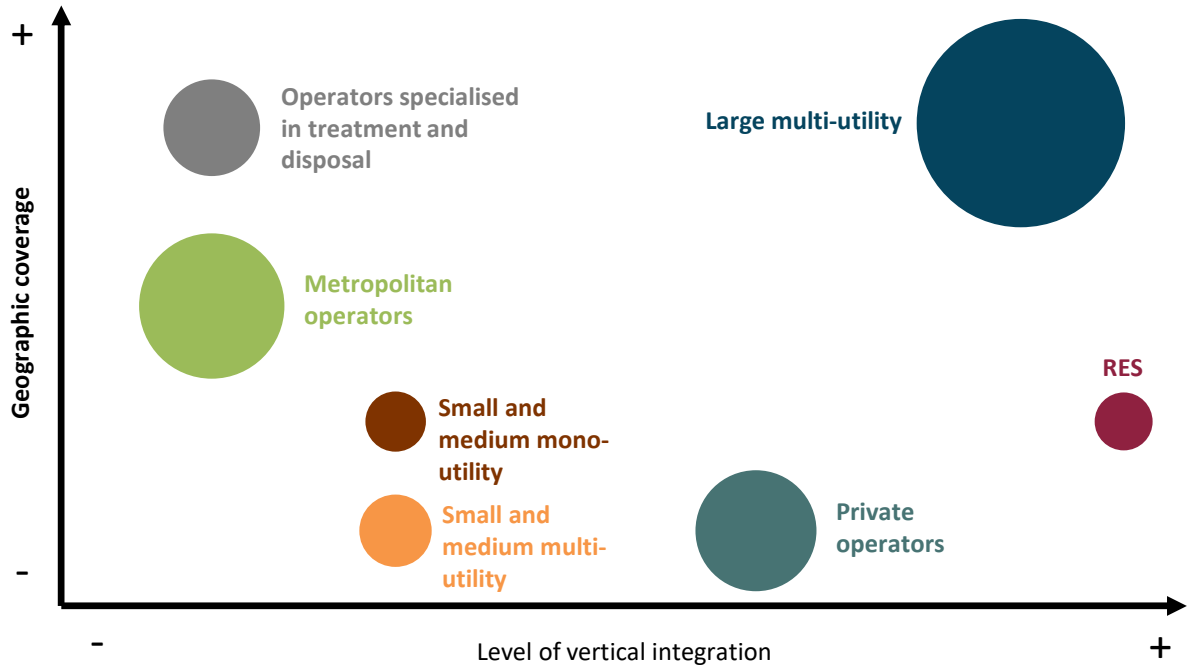
Competitive Landscape

The waste management sector in Italy is made up of companies with very different characteristics in terms of size, business, presence along the supply chain, ownership structures and territory served, mainly attributable to the following categories:

- Large multi-utilities: public service companies, with a wide commercial offering, active on both urban and special waste.
- Metropolitan operators: mainly offer environmental protection services for the municipalities/bodies by which they are controlled; they generally have a very limited offer relating only to urban waste.
- Small and medium mono-utility / multi-utility: companies with an average offer typically relating only to urban waste.
- Private operators: private and independent companies, which are not part of any multi-utility, public or international group.
- Private companies that deal exclusively with waste treatment/disposal.



Note: the size of the bubbles is related to the average turnover of the companies present in the clusters
Source: management review

RES, which operates at a local level, is among the few Italian private operators to have internalised the entire value chain and is able to oversee every phase of waste lifecycle, from collection (through a related party) to treatment, up to disposal and energy production