



GREENTHESIS
GROUP

THINK GREEN, ACT SMART

**HALF-YEAR FINANCIAL REPORT
AS AT 30 JUNE 2022**

GREENTHESIS S.p.A.

Via Cassanese, 45
20054 Segrate (MI)

Share Capital Euro 80,704,000.00 fully paid-up

Tax code 10190370154

VAT number 02248000248

Register of Companies no. 10190370154

R.E.A. CCIAA MI 1415152

<https://greenthesis.greenthesisgroup.com/it>

HALF-YEAR FINANCIAL REPORT AS AT 30 JUNE 2022**CORPORATE BODIES****INTRODUCTION**

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CORPORATE BODIES

Board of Directors	Giovanni Bozzetti (*) ⁽¹⁾ Simona Grossi (*) Damiano Belli (*) ⁽²⁾ Marco Sperandio (*) ⁽²⁾ Gabriella Chiellino ⁽³⁾ Susanna Pedretti ⁽³⁾ Chiara Paolino ⁽³⁾	<i>Chairman</i> <i>CEO</i>
Control and Risk and Sustainability Committee	Susanna Pedretti ⁽³⁾ Gabriella Chiellino ⁽³⁾ Chiara Paolino ⁽³⁾	<i>Chairwoman</i>
Remuneration Committee	Chiara Paolino ⁽³⁾ Susanna Pedretti ⁽³⁾ Gabriella Chiellino ⁽³⁾	<i>Chairwoman</i>
Board of Statutory Auditors	Bernardino Quattrociochi Michaela Marcarini Enrico Calabretta Roberto Toldo Paola Pizzelli	<i>Chairman</i> <i>Standing Auditor</i> <i>Standing Auditor</i> <i>Deputy Auditor</i> <i>Deputy Auditor</i>
Executive in charge of drafting the Company financial statements	Marina Carmeci	
Auditing Company	EY S.p.A.	

Notes:

(*): Executive Director

(1): Responsible for relations with institutional investors and other Shareholders

(2): Appointed by the Board to coordinate the Internal Audit and Risk Management System

(3): Independent Director

(4): Non-executive Director

GROUP HIGHLIGHTS

1H2022

82,335

thousand Euros

Revenues

19,705

thousand Euros

EBITDA

-74,958

thousand Euros

NFP

8,357

thousand Euros

Net profit

18,136

thousand Euros

EBITDA

(Adjusted)

22.5%

KPI Profitability

EBITDA (Adjusted)

Revenues

(Adjusted)



Mission

We aim to be a constant reference point for our own improvement and that of the people working with us, for what concerns the technological innovation capacity and systemic approach to services in the environmental field, in order to pursue the creation of a business model both environmentally sustainable and pragmatic, aimed at improving environmental and life quality.

Aware that the environment is a primary asset for the community and taking into account the social outreach of the activities we carry out, we aim to combine the carrying out of our business and the creation of value with the protection of the environment through the continuous improvement of our activities.

We believe that the current strong commitment in respecting, enhancing and protecting the environment is the best investment for tomorrow.

“The best way to predict the future is to invent it”

(Alan Kay)

We are building
a **GREENER**
FUTURE



Introduction and accounting standards adopted

Greenthesi S.p.A. (formerly Ambienthesi S.p.A.) is a joint-stock company incorporated in Italy and registered with the Register of Companies of Milan. The address of its registered office is Segrate (MI), via Cassanese 45.

The abridged consolidated half-year financial statements of the Greenthesi Group (hereinafter the “Group” or the “GTH Group”) as at 30 June 2022 include the financial statements of Greenthesi S.p.A. (also called the “Company” or the “Parent Company” or “GTH”) and those of Italian and foreign companies over which GTH has the right to exercise direct or indirect control, determining their financial and management choices, as well as the right to obtain the related benefits.

These abridged consolidated half-year financial statements are prepared in accordance with the International Financial Reporting Standards (hereinafter “IFRS” or “international accounting standards”) issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission, according to the procedure referred to in Article 6 of the Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 and in compliance with the provisions of Article 9 of Legislative Decree no. 38/2005. IFRS are understood to mean all international standards, as well as all interpretation documents issued by the International Financial Reporting Interpretations Committee (IFRIC).

The format and content of these abridged consolidated half-year financial statements are compliant with the disclosure requirements of IAS 34 – Interim Financial Reporting, and with Article 154-ter of the Consolidated Finance Act.

The accounting standards and evaluation criteria adopted are the same as those applied in preparing the Consolidated Financial Statements as at 31 December 2021. Moreover, reference is made to the contents of paragraph “New standards, amendments and interpretations of existing standards that are not mandatory yet or have not been adopted by the Group in advance”, in the explanatory notes to the abridged consolidated half-year financial statements.

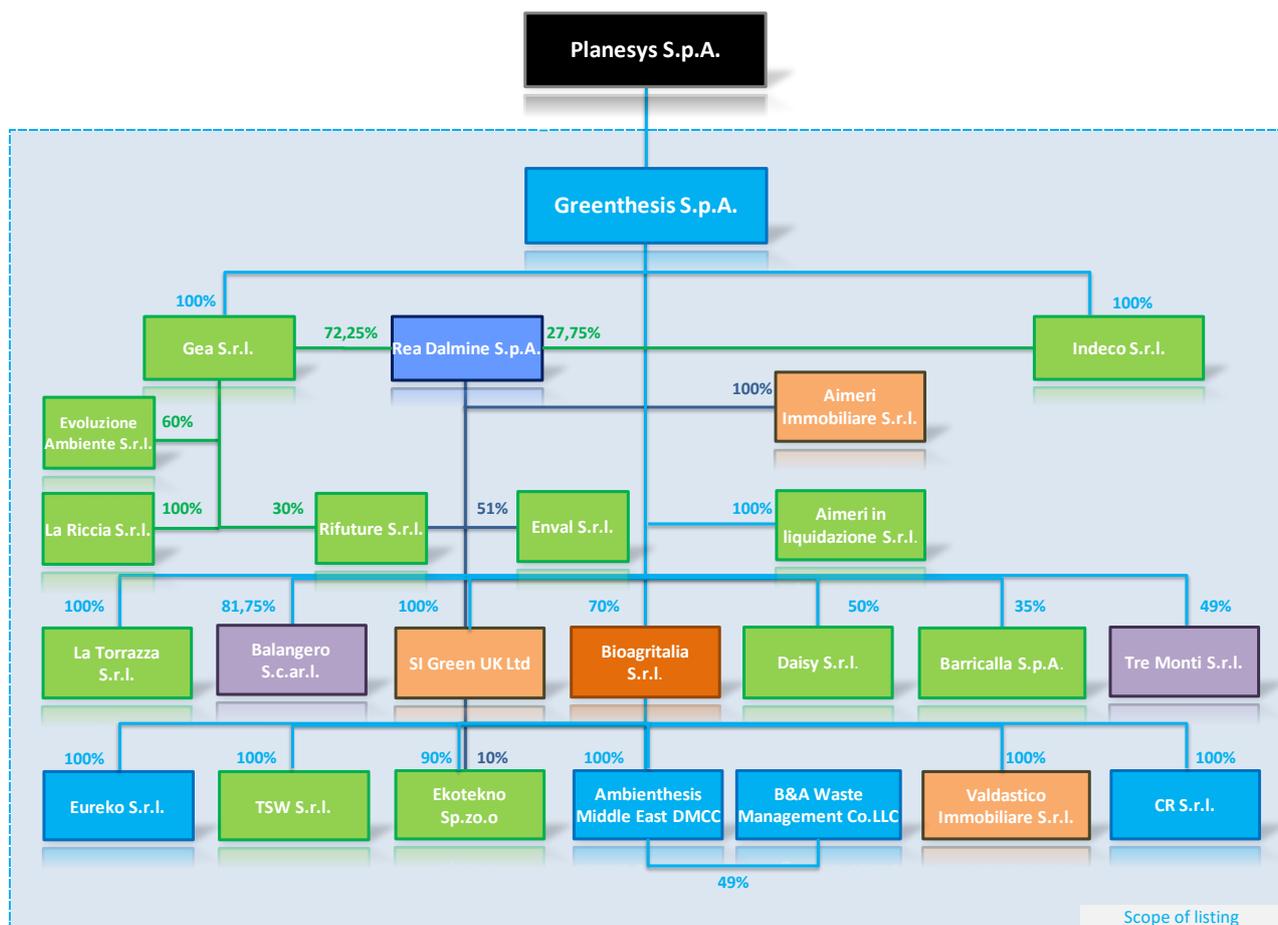
The Auditing Company EY S.p.A. has carried out a limited audit of the abridged consolidated half-year financial statements as at 30 June 2022.

All values below and the items of the financial statements are expressed in thousands of Euros.

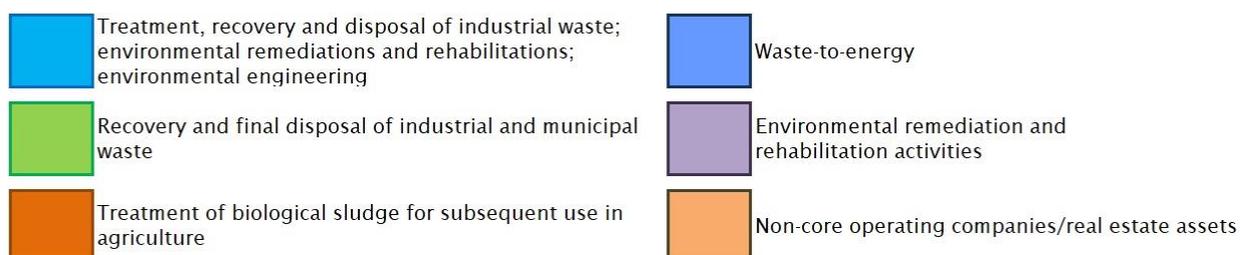
It is worth recalling that, on 15 November 2021, Greenthesi S.p.A. and Planesys S.p.A. (“Planesys”) – the Issuer’s controlling shareholder – signed an agreement aimed at concentrating all operations of Planesys in the environmental sector in the hands of the Issuer (the “Investment Agreement”). Pursuant to the Investment Agreement, on 20 December 2021, the Extraordinary Shareholders’ Meeting of Greenthesi approved a capital increase of Euro 75 million in aggregate, whereby no. 62,500,000 new ordinary shares were issued in favour of Planesys, against contribution to the Issuer of a business unit formed by all of Planesys’ operations in the environmental sector, in addition to those already carried out by the Greenthesi Group before that capital increase (the “Transfer of the Business Unit” or “Transfer of the Business”). Following completion of the Transfer of the Business and of some other preliminary transactions, Planesys now holds a stake of approximately 85.758% in the Company.

Scope of consolidation

The structure of the Greenthesys Group as at 30 June 2022 is represented in the chart below:



BUSINESS UNITS



The above layout is the result, as already mentioned, of the capital increase carried out on 20 December 2021, by virtue of which Greenthesys S.p.A. has contributed the following operations in the environmental sector:

- ownership and management of the waste-to-energy plant in Dalmine (BG) – Rea Dalmine S.p.A.;
- integrated management and multi-material recycling along the entire cycle of municipal waste collected in the Valle d’Aosta Region until 2036 – Enval S.r.l.;
- ownership and management of the strategic regional landfill of the Veneto Region and of its ancillary plants for biogas upgrading and liquid waste treatment – Gea S.r.l.;
- ownership of the areas and development of landfill basins in the post-closure phase in Latina (Borgo Montello), which feature a system to produce electricity from biogas, and where a biomethane production plant and annexed photovoltaic park are currently being built – Ind.eco S.r.l.;
- authorisation to build and operate a plant for the treatment of the organic fraction of waste and green residues (80,000 tons per year in total), with a view to producing advanced biomethane and high-quality compost.

The integration of the above-said facilities has allowed to create the largest independent pure play listed company in Italy that specialises in the integrated management of environmental services, able to contribute to the ongoing ecological transition process and to offer innovative and sustainable environmental solutions and obtain competitive advantages and added value for the Greenthesi Group and its shareholders.

As at 30 June 2022, the scope of consolidation included, as well as Greenthesi S.p.A., the following companies:

Company name			Share capital		Consolidated percentage of the Group	Investing companies	Ownership % in the capital
Controlling company							
- Parent company							
Greenthesi S.p.A.	Segrate (MI)	Italy	80,704	EUR			
Subsidiary companies consolidated using the full consolidation method							
Aimeri Immobiliare S.r.l.	Segrate (MI)	Italy	119	EUR	100%		
Aimeri S.r.l. in liquidation	Inzago (MI)	Italy	197	EUR	100%		
ATH Middle East DMCC	Dubai	UAE	13	AED	100%		
Balangero	Quincinetto (TO)	Italy	10	EUR	82%		
Bioagritalia S.r.l.	Segrate (MI)	Italy	99	EUR	70%		
C.R. S.r.l.	Paderno Dugnano (MI)	Italy	10	EUR	100%		
Enval S.r.l.	Aosta	Italy	1,500	EUR	51%		
Eureko S.r.l.	Milan	Italy	100	EUR	100%		
Ekotekno Sp. z.o.o.	Blaszki	Poland	152	PLN	90%		
Evoluzione Ambiente S.r.l.	Sant'Urbano (PD)	Italy	40	EUR	100%		
Gea S.r.l.	Sant'Urbano (PD)	Italy	2,100	EUR	100%		
Indeco S.r.l.	Latina	Italy	500	EUR	100%		
La Riccia S.r.l.	Taranto	Italy	10	EUR	100%		
La Torrazza S.r.l.	Segrate (MI)	Italy	90	EUR	100%		
Rea Dalmine S.p.A.	Dalmine (BG)	Italy	2,500	EUR	100%		
Rifuture S.r.l.	Latina	Italy	100	EUR	60%		
Si Green UK Ltd	Swansea	United Kingdom	625	GBP	100%		
TSW S.r.l.	Nebbiuno (NO)	Italy	10	EUR	100%		
Valdastico Immobiliare S.r.l.	Segrate (MI)	Italy	100	EUR	100%		
Companies consolidated using the equity method							
Barricalla S.p.A.	Turin	Italy	2,066	EUR	35%	Greenthesi S.p.A.	35%
Daisy S.r.l.	Barletta (BT)	Italy	5,120	EUR	50%	Greenthesi S.p.A.	50%
B&A Waste Management	Dubai	UAE	16	AED	49%	ATH Middle East DMCC	49%
Tre Monti S.r.l.	Milan	Italy	100	EUR	49%	Greenthesi S.p.A.	49%

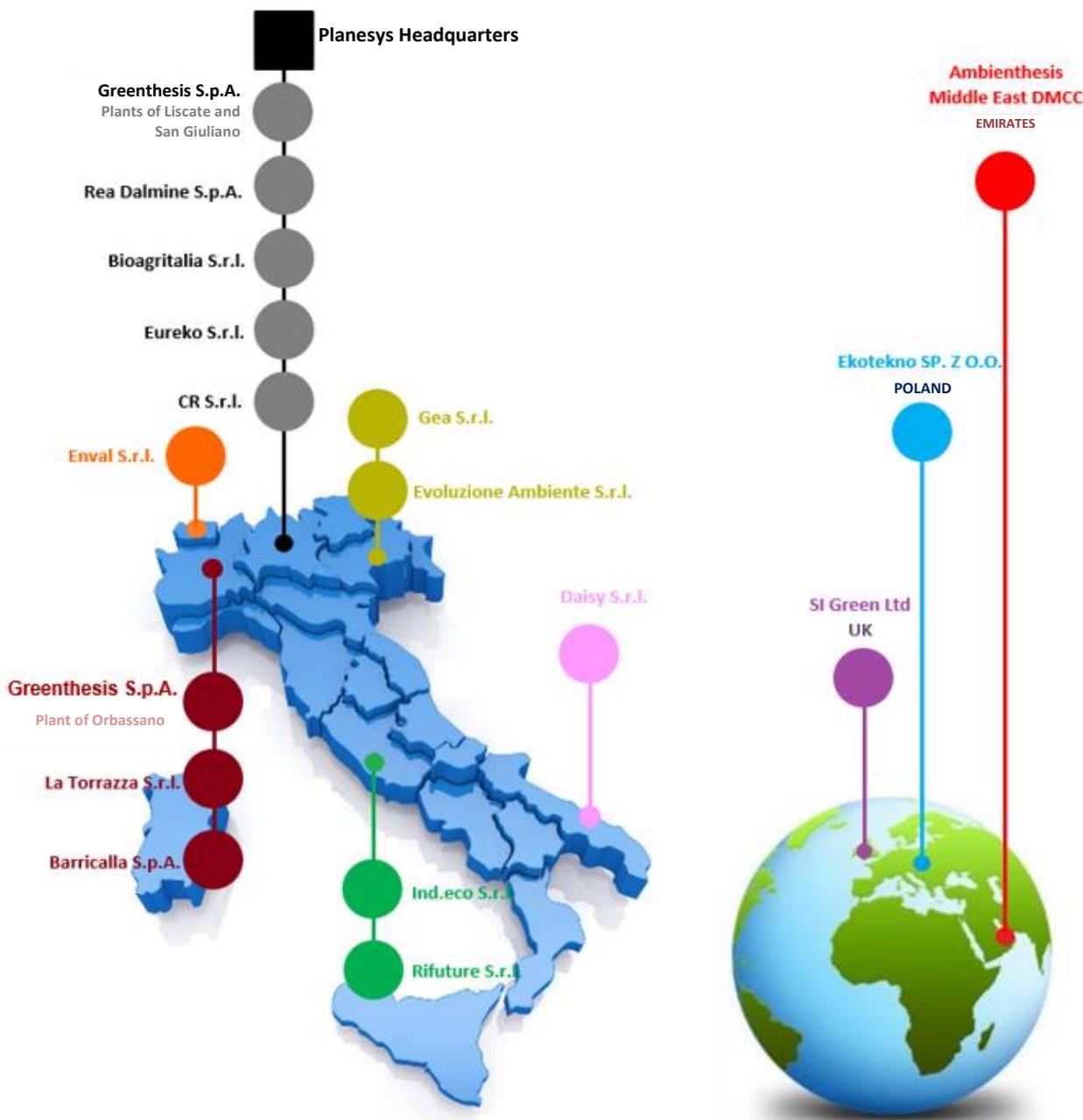
Greenthesi S.p.A. owns and operates, in Orbassano (TO), the largest platform in Italy for the treatment of hazardous and non-hazardous special waste (authorised capacity over 500,000 t/year).

Furthermore, the Company operates two other proprietary plants: the first, located in Liscate (MI), provides a specific disposal service for various types of liquid waste of both civil and industrial origin; the second, located in San Giuliano Milanese (MI), is intended for the storage of many waste types (batteries, paints, containers contaminated with hazardous substances, drugs, acids, bases and reagents), and is specialised in the disposal of hazardous waste containing asbestos.

Through its subsidiaries Rea Dalmine S.p.A., Gea S.r.l., Ind.eco S.r.l., Enval S.r.l., La Torrazza S.r.l., CR S.r.l., Eureko S.r.l and Bioagritalia S.r.l. (all 100% owned, directly or indirectly, except for Enval and Bioagritalia, which are 51% and 70% owned, respectively), the Company controls eight other plants: the first one, located in Dalmine (BG), is regarded as a waste-to-energy plant of reference across the country and Europe; the second one, located in Sant'Urbano (PD), serves as the strategic regional landfill of the Veneto Region; the third one, located in Borgo Montello (LT), covers the ownership of the areas and development of landfill basins in the post-closure phase in

Latina, which feature a system to produce electricity from biogas, and where a liquefied biomethane production plant and annexed photovoltaic park are currently being built; the fourth one, located in Brissogne (AO), is the plant for the management and multi-material recycling of municipal waste in the Valle d’Aosta Region; the fifth one, located in Torrazza Piemonte (TO), is a landfill for hazardous and non-hazardous special waste; the sixth one, located in Sannazzaro de’ Burgondi (PV), operates in the treatment of hazardous and non-hazardous special waste; the seventh one, located in Peschiera Borromeo (MI), operates in the treatment of waste to reuse it in the production of inert materials; lastly, the eighth one, located in Corte de’ Frati (CR), is a plant for the treatment and recovery of biological sludge for subsequent reuse in agriculture.

Finally, Greenthesi S.p.A. holds a 50% stake in Daisy S.r.l., which operates a landfill in San Procopio (BT) that incorporates a plant for rendering non-hazardous special waste inert, and a 35% stake in Barricalla S.p.A., which owns and operates Italy’s largest landfill for hazardous and non-hazardous special waste in Collegno (TO).



Company data

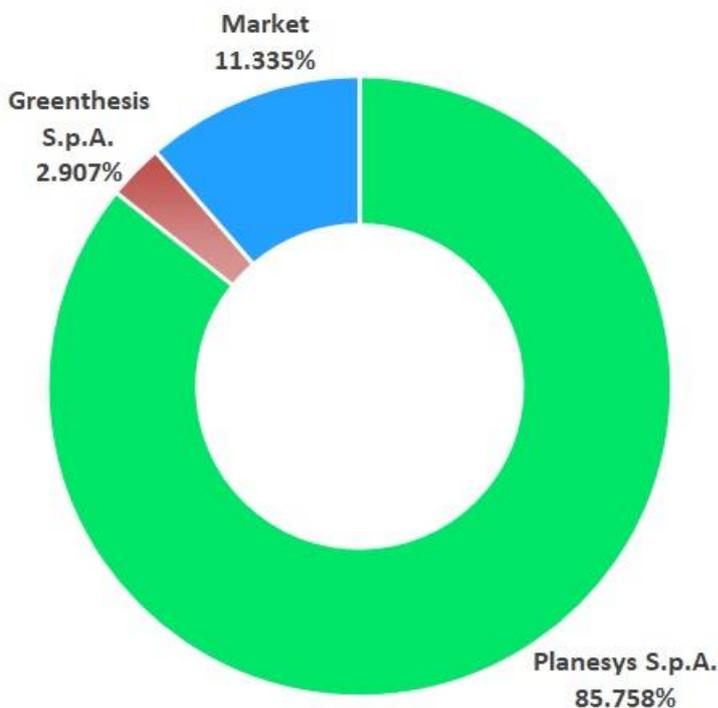
As at 30 June 2022, according to the shareholders' register, supplemented by the notices received under Article 120 of the Consolidated provisions on financial intermediation under Legislative Decree no. 58/1998, as well as according to other information available to the Company, the following shareholders held the following shares in the share capital of Greenthesis S.p.A. – either directly or indirectly, with rights exceeding 2% of the share capital – formed by no. 155,200,000 shares, of which 92,700,000 outstanding and 62,500,000 not traded yet:

- **Planesys S.p.A.**, holder of no. 133,096,101 ordinary shares, equal to approximately **85.758%** of the share capital;
- **Greenthesis S.p.A.**, holder of no. 4,511,773 treasury shares, equal to **2.907%** of the share capital.

As at today, Greenthesis S.p.A. holds a total of no. 4,511,773 treasury shares, equal to approximately **2.907%** of the share capital, with an average carrying value of approximately Euro 0.55.

In this respect, it is recalled that, in accordance with the shareholders' resolutions of 24 April 2008 and 29 April 2009, from 24 to 27 February 2015, Greenthesis S.p.A. proceeded to sell on the Italian Electronic Stock Exchange (Mercato Telematico Azionario – MTA) no. 123,400 treasury shares, equal to (approximately) 0.133% of the share capital.

The current shareholding structure, with a percentage of **11.335%** placed on the market, is therefore represented in the chart below:



The company Planesys S.p.A. is indirectly controlled by RAPS Sas di Marina Rina Cremonesi & C.

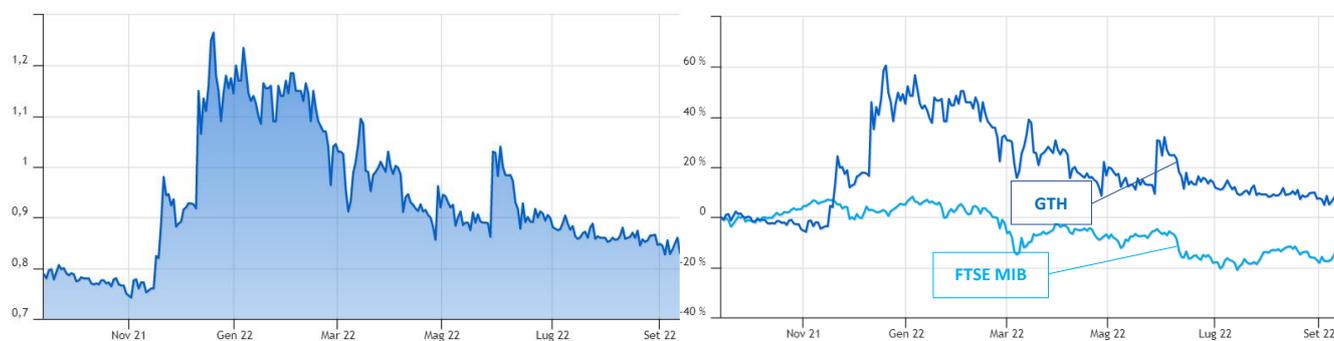
As at 30 June 2022, the reference share price of ATH was Euro 0.90 (approximately +16.9% compared to the same period of 2021, when it stood at Euro 0.77).

On the other hand, as at 14 September 2022, the GTH share price was Euro 0.85, with the following performances:

Performance 1 month:	-1.05%
Performance 6 months:	-18.56%
Performance 1 year:	+9.10%

Chart of GTH share performance over the last 12 months

Chart of GTH share performance (blue) compared to FTSE MIB index over the same period (light blue)



Source: Teleborsa

The Parent Company does not hold, or has held during the reporting period, shares of the controlling companies.

The Greenthesi Group and its business model

The Greenthesi Group represents the largest independent pure play listed company in Italy that specialises in the integrated management of environmental services. It operates in the following areas:

Research and Development

The ability to innovate is bound to become increasingly important



Waste

Waste provides a great opportunity for sustainable growth in terms of reduced consumption of natural resources



Renewable Energy

Improving sustainability of energy supply by reducing greenhouse gas emissions



Air

Restoring air quality in urban and industrial areas is a primary objective to fight climate change



Water

A vital resource



Remediations

An activity with great potential in terms of land improvement and development



Recent EU Directives require very high standards for waste management, and for the corresponding technology.

These requirements, with high environmental impact, can only be met by following the principles of **Circular Economy** throughout the whole chain:

This is the cross-cutting driver on which the Group's policies are based and evolve



The Greenthesi s Group's operating areas can be summarised as follows:

Management of environmental services:

- Treatment, recovery and disposal of municipal and industrial waste
- Treatment, recovery and disposal of sludge, both civil and agricultural/industrial
- Environmental brokerage
- Energy recovery and production from renewable sources, advanced biomethane production
- Organisation and management of public utility services

Design, construction and management of ecological plants:

- Landfills for municipal and industrial waste
- Inertization and treatment plants for solid waste
- Water treatment plants
- Energy recovery and multi-material recycling plants

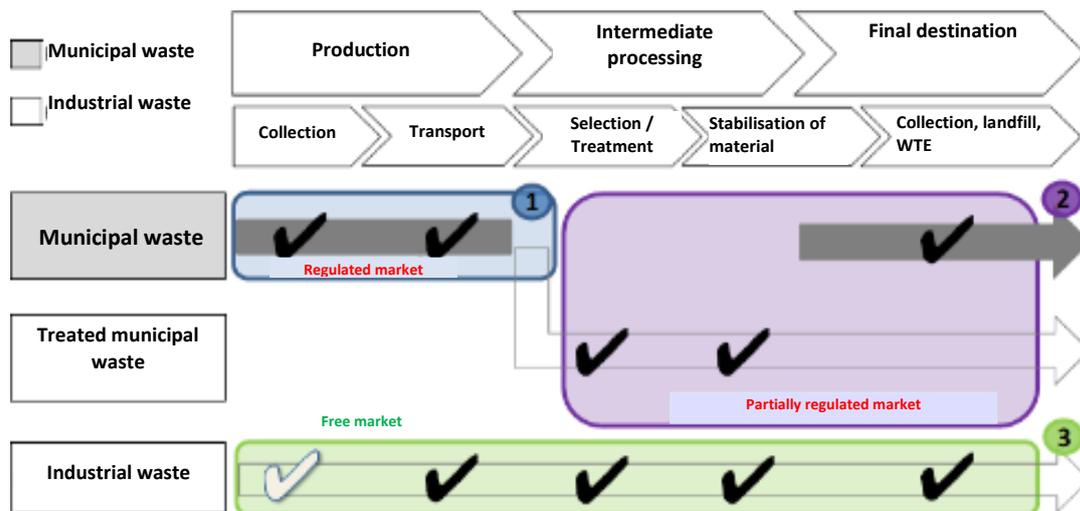
Local services:

- Environmental remediation, building rehabilitation and land redevelopment projects
- Environmental monitoring
- Auditing

The Greenthesi s Group, as is known, covers the entire value chain of the integrated management of the municipal and industrial waste cycle, with the exception of the collection service. The Group companies, in addition to having implemented major diversification in the field of cogeneration and generation of electricity from renewable sources, are primarily concerned with logistics, brokerage, treatment, recovery and disposal of waste, environmental remediation, design and construction of dedicated plants.

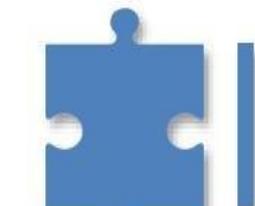


The value chain in the waste business



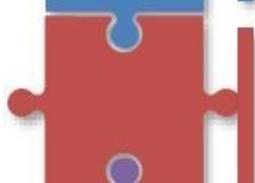
The **value chain** in the waste business consists of three micro phases for two types of waste (municipal waste and industrial waste):

(1) Collection



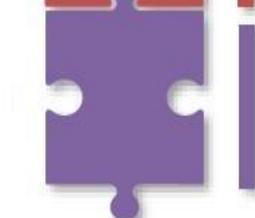
The waste business features a high degree of product processing where margins are recovered mainly by optimising operations. The first step of the process is collection, of either municipal or special waste.

(2) Intermediate treatment



“Intermediate treatment” is comprised of those processes that allow waste to be recovered and/or disposed of: these activities require high plant investments and are very much technological innovation oriented.

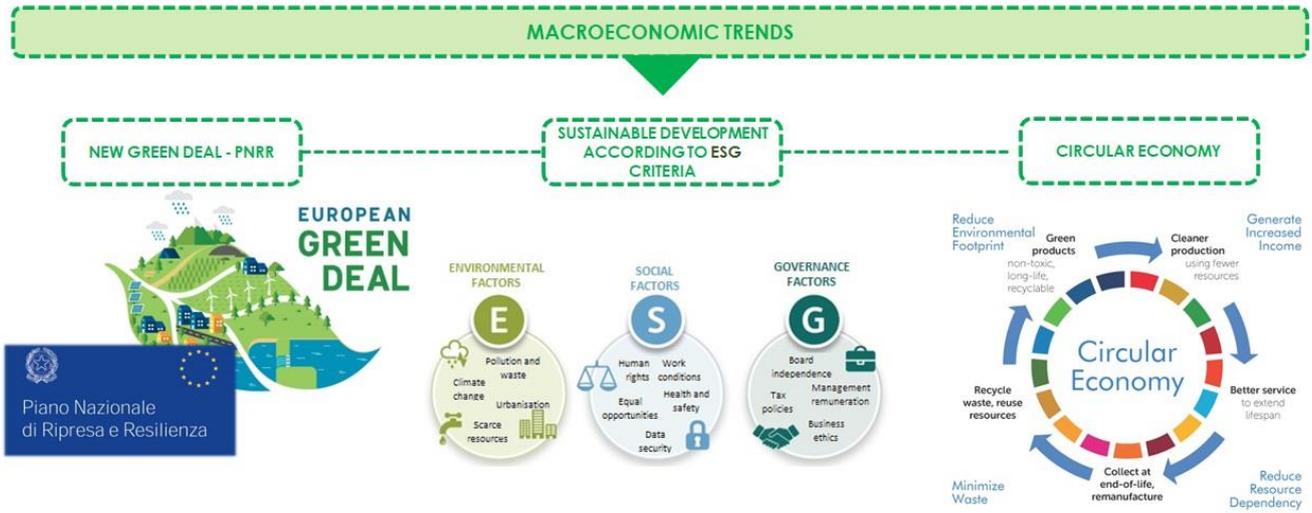
(3) Final destination



“Final destination” is the last step of the chain. The municipal solid waste cycle is fully or partially regulated, while the industrial waste cycle is based on the free market principles and is characterised by greater integration of the collection, intermediate treatment and final disposal steps.

Reference market and context in which the Group operates

The Group operates in a context where the wellbeing of the planet and of the living beings that inhabit it lie at the core of management dynamics, as is self-evident from a number of sources:



The macro “GreenDrivers” for modern economic development lie at the heart of the Group’s business model and are summarised as follows:

01 UN 45% reduction in greenhouse gas emissions by 2030. Carbon neutrality by 2050.

02 CHINA Stopping waste imports from the rest of the world and attention to green energy sources.

03 ITALY “Made Green in Italy” new philosophy.

04 EU Reuse&recycling: by 2035, 65% of waste must be recycled. Reduce the use of landfills in favour of cutting-edge facilities.

05 USA Companies such as JP Morgan, GM, Amazon and many others have signed a document that calls for the business world to “protect the environment”.

As at the date of this report, the 2022 editions of the “Special Waste Report” and of the “Municipal Waste Report”, both prepared by the Italian National Institute for Environmental Protection and Research (ISPRA), are available. The available data are therefore those of the Special Waste Report published in June 2022 and those of the Municipal Waste Report published in December 2021.

With regard to the production of special waste, we have taken into consideration the data referring to the year 2020 as derived from the disclosures submitted in the year 2021 under the Decree of the President of the Council of Ministers of 23 December 2020. In particular, it is noted that in the above-mentioned ISPRA Report, the domestic production of special waste has been quantified from the information contained in the Environmental Disclosure Form (MUD) databases relating to annual disclosures made under sectoral legislation. Domestic production of special waste amounted to 147 million tons in 2020, down by 4.5%, i.e. approximately 7 million tons, compared to 2019.

The overall figure takes into account both the quantities resulting from the processing of MUD databases and the estimates. It also includes the quantities of special waste from the treatment of municipal waste, amounting to 10.2 million tons, down by -11.6% compared to the previous year. In particular, the production of non-hazardous special waste, derived from the MUD elaborations, amounted to over 68.8 million tons. In addition, there are almost 3.1 million tons relative to the estimates made for the manufacturing sector and the healthcare sector, 500,000 tons relating to end-of-life tires and 64.8 million tons of waste from construction and demolition operations related to Chapter 17 of Decision 2000/532/EC, entirely estimated, i.e. a total non-hazardous special waste production equalling about 137.1 million tons. The figure includes 1,200 tons of waste with unspecified ISTAT (Italian National Institute of Statistics) activity. The quantity of hazardous special waste generated in 2020 went down to 9.8 million tons (almost 1.5 million tons of which were end-of-life vehicles, i.e. 14.9% of the aggregate figure). The quantity of waste with unspecified ISTAT activity was approximately 2,000 tons.

The analysis of data shows that the estimated quantity amounts to 49.8% of the total quantity generated (46.5% of the aggregate quantity of special waste), especially due to the significant quantity of waste from construction and demolition activities.

In detail, between 2018 and 2020, there was a rise in the total production of special waste equal to 2.4%, corresponding to approximately 3.5 million tons. (Table 1.1)

Table 1.1 – Domestic special waste production, years 2018-2020

Type	Annual quantity (t)		
	2018	2019	2020
Non-hazardous special waste, except estimated waste (MUD data)	69,040,255	71,161,966	68,795,685
Non-hazardous special waste, except estimated waste from construction and demolition (estimated data)	4,573,771	4,317,844	3,545,434
Non-hazardous special waste from construction and demolition: C&D (Chapter EER 17 estimated data)	59,812,827	68,334,771	64,793,200
Non-hazardous special waste with unspecified ISTAT activity (MUD data)	7,694	5,096	1,201
Total non-hazardous waste (NH SW)	133,434,547	143,819,677	137,135,520
Hazardous special waste (MUD and estimated data)	8,617,647	8,613,249	8,381,249
End-of-life vehicles	1,423,089	1,538,046	1,466,693
Hazardous special waste with unspecified ISTAT activity (MUD data)	1,892	642	274
Total hazardous waste (H SW)	10,045,155	10,154,647	9,848,216
Total special waste	143,479,702^a	153,974,324^a	156,983,736^a

(a) Including special waste from treatment of municipal waste.

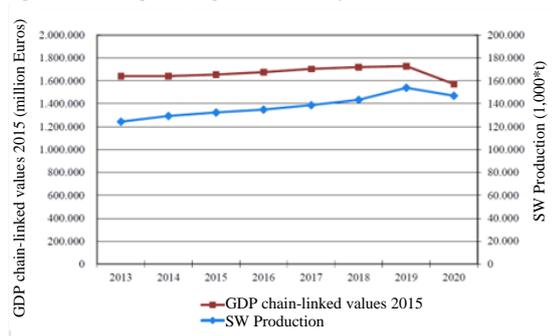
Source: ISPRA

In particular, compared to 2018, the increase refers in its entirety to non-hazardous waste in quantitative terms, and namely waste from C&D construction and demolition activities, up by 8.3%, i.e. almost 5 million tons in quantitative terms. The decrease in the production of other non-hazardous waste types was significant, according to the MUD database (-85%, i.e. approximately -6,500 tons). The production of hazardous special waste remained essentially unchanged, increasing slightly by 2.4%, i.e. 3.5 million tons.

Figure 1.2 shows the trend of waste production and gross domestic product (chain-linked values with reference year 2015, ISTAT data current as at April 2022).

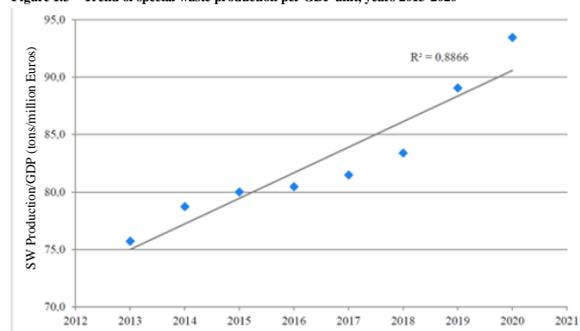
The trend of waste production per GDP unit suggests a moderate linear regression (R2 equal to 0.8866, Figure 1.3).

Figure 1.2 – Trend of special waste production and GDP, years 2013-2020



Sources: ISPRA, ISPRA elaboration on ISTAT data

Figure 1.3 – Trend of special waste production per GDP unit, years 2013-2020



Sources: ISPRA, ISPRA elaboration on ISTAT data

On the other hand, as far as municipal waste (MW) is concerned, the domestic production in 2020 stood at almost 28.9 million tons, showing a slight decrease by 3.6% compared to 2019 (-1,078,000 tons); these figures are strongly influenced by the COVID-19 emergency that has had an impact on the social and economic context of the country. Hence, after returning in line with the 2016 figure in 2018 by exceeding 30.1 million tons, production has started to decrease again, albeit moderately (Table 2.5). If we take into consideration the trend over a longer period, it can be seen that between 2007 and 2010 production remained constantly above 32 million tons. Subsequently, it constantly stood at values below 30 million tons up until 2015, following the sharp drop in the two-year period 2011-2012 (concomitant with the contraction in the values of gross domestic product and household consumption). Later, with the exception of 2017, the value of production grew again above 30.1 million tons, and then started to decrease – to a limited extent in 2019 and more significantly in 2020, due to the pandemic.

Table 2.5 – Overall municipal waste production by region, years 2016-2020

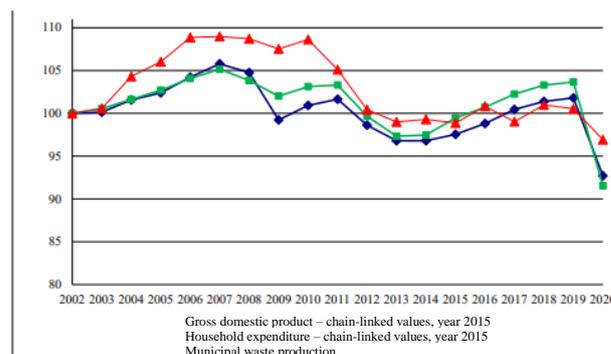
Region	2016	2017	2018	2019	2020
	(t)				
Piemonte	2.065.818	2.063.581	2.162.096	2.143.652	2.087.128
Valle d'Aosta	72.685	73.721	75.056	75.825	75.887
Lombardia	4.781.845	4.685.489	4.810.952	4.843.570	4.680.196
Trentino Alto Adige	510.477	519.034	543.626	546.636	512.341
Veneto	2.389.216	2.334.794	2.363.232	2.403.335	2.320.680
Friuli Venezia Giulia	582.052	589.018	595.729	603.107	597.621
Liguria	845.407	830.036	832.333	821.949	791.481
Emilia Romagna	2.904.852	2.859.763	2.945.291	2.960.609	2.844.728
Nord	14.152.352	13.955.436	14.328.313	14.398.682	13.910.062
Toscana	2.306.696	2.243.820	2.284.143	2.277.254	2.153.388
Umbria	470.603	450.830	460.610	454.254	438.903
Marche	810.805	816.984	810.118	796.289	753.387
Lazio	3.025.528	2.961.867	3.026.441	2.982.549	2.815.268
Centro	6.613.633	6.473.502	6.581.313	6.510.346	6.160.946
Abruzzo	601.991	596.745	603.838	600.278	585.046
Molise	120.445	116.658	116.491	111.241	109.137
Campania	2.627.865	2.560.999	2.602.769	2.595.166	2.560.489
Puglia	1.909.340	1.876.335	1.898.348	1.871.828	1.851.161
Basilicata	201.946	196.315	199.425	197.214	188.717
Calabria	793.893	772.518	785.414	767.270	715.976
Sicilia	2.357.112	2.300.196	2.292.421	2.233.279	2.151.927
Sardegna	733.503	723.472	749.947	737.730	711.634
Sud	9.346.094	9.143.237	9.248.654	9.114.005	8.874.087
Italia	30.112.079	29.572.175	30.158.280	30.023.033	28.945.094

Source: ISPRA

Compared to 2019, a misalignment of waste production and socio-economic indicators (GDP and final consumption expenditure on the economic territory of resident and non-resident households) was recorded. Indeed, in 2019, gross domestic product and household expenditure recorded an increase of 8.9% and 11.7%, respectively, while waste production somewhat decreased (-3.6%, Figure 2.2).

If we analyse the figure that refers to a longer period, and namely if we compare the various years' values with 2013 values (year when the GDP and consumption downward trend stopped, Figure 2.3), we note that the increase in waste production as a whole is more limited than that of the two socio-economic indicators (2020 being the exception, in which the decrease in waste production was less significant than that in the two socio-economic indicators, -2.1%, against a percentage decrease of 4.2% for GDP and of 6% for household consumption).

Figure 2.2 – Trend of municipal waste production and socio-economic indicators, years 2002-2020



Notes: The values of municipal waste production, GDP and household expenditure for year 2002 have been assumed as equal to 100.

Source: ISPRA; data of socio-economic indicators: ISTAT

A more detailed analysis of the trend in the production of municipal waste compared to household consumption shows, in the ratio of annual values for both indicators, that their performance was similar between 2013 and 2014 (essentially constant ratio), while the trend was discordant between 2014 and 2015 (decrease in production and increase in consumption, i.e. decrease in the ratio). In 2016, both indicators grew, with municipal waste production increasing slightly more; in 2017, consumption grew while MW production decreased (reduction in the ratio); and in 2018, both indicators grew again – also in this case, waste grew more significantly (increase in the ratio). Finally, in 2019, municipal waste production decreased slightly against an increase in consumption, thus reducing the ratio. Conversely, in 2020, given the decrease in both indicators, the ratio increased significantly.

Per capita production, expressed in kilograms per inhabitant, declined by 3% between 2019 and 2020. In 2020, the quantity per capita remained around 500 kilograms per inhabitant – the domestic figure has always remained similar since 2013, except for 2018 and 2019. However, quantities were much higher in the period 2007-2011, between 530 and 550 kilograms.

As far as environmental remediation is concerned, it is worth recalling that, according to the Italian regulation on contaminated sites (Legislative Decree no. 152/06 and following amendments and integrations), the term “contaminated” site refers to an area where contaminant concentrations in the various environmental matrices (soil, subsoil, fill, groundwater) are such to pose an unacceptable risk to the health and the environment, in the light of its intended use.

These sites require remediation, that is, actions aimed at removing sources of pollutions from the environmental matrices at issue, and/or reducing their concentrations under contamination threshold values (Concentrazioni Soglia di Contaminazione – CSC) as defined in the regulations depending on the intended use for the site, or under site-specific risk threshold values (Concentrazioni Soglia di Rischio – CSR), which are calculated based on Risk Analysis procedures.

The first measures to implement at the site are emergency safety measures (Messa in Sicurezza di Emergenza – MISE) aimed at containing contamination and preventing it from spreading. Until “remediated”, a site is subject to restrictions of use in order to ensure the safety of users depending on its specific intended use.

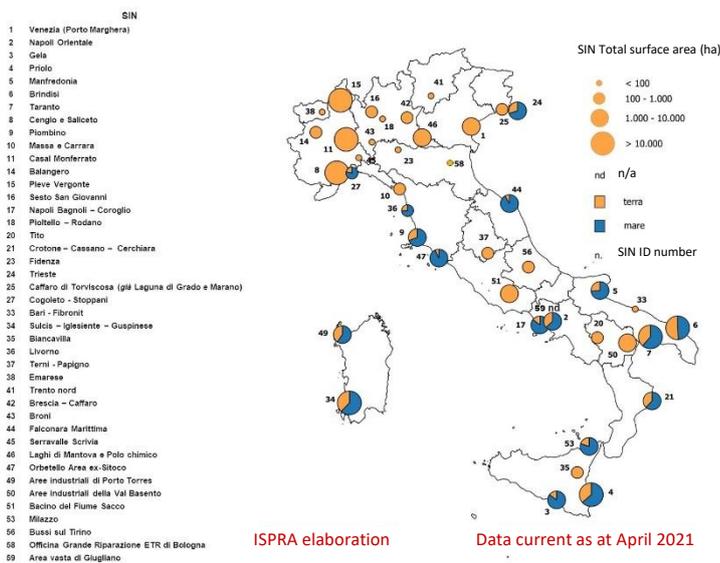
Sites of National Interest (Siti di Interesse Nazionale – SINS) are selected based on the features of the site, quality and hazardousness of pollutants, impact on the surrounding environment in terms of health and environmental risk, as well as damages to cultural heritage and environmental assets; the Ministry for Environment, Land and Sea Protection (MATTM) is in charge of the corresponding remediation procedures.

Please note that many Sites of National Interest are the largest industrial areas of the country, both disused and still in operation.

To access the remediation market one needs to register with the National Register of Environmental Managers kept by the MITE; as at 07 July 2022, there are 1,511 operators in the remediation field (category 9), 20% of which in Lombardy, while other regions such as Campania, Puglia, Sicily and Veneto account for 7.5-9.2% of the total each.

(Source: <https://www.albonazionalegestoriambientali.it/Public/ElenchiIscritti>)

The aggregate surface area of SINs on land is 171,211 hectares, i.e. 0.57% of the surface area of Italy. The aggregate surface area of SINs in the sea is 77,733 hectares.



ISPRA elaboration

Data current as at April 2021

As far as SINs (Sites of National Interest) are concerned, there are 5 of them in Lombardy:

- Sesto San Giovanni (former Falck area);
- Pioltello Rodano Chemical Complex;
- Broni (former Fibronit area);
- Brescia Caffaro;
- Mantua Chemical Complex and Mantua lakes.

The following map shows the SINs by geographical area and jurisdiction:



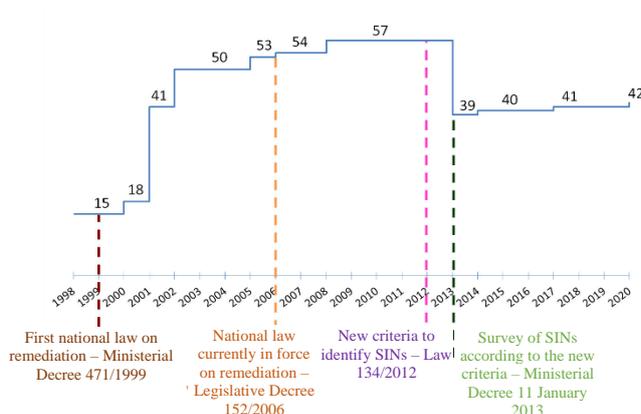
Ministero dell'Ambiente e della Tutela del Territorio e del Mare
Direzione Generale per il Risanamento Ambientale

Jurisdiction over remediation activities at sites of national interest



Furthermore, according to the Report on the State of the Environment drafted by the Regional Environmental Protection Agency of Lombardy (Agenzia Regionale per la Protezione dell’Ambiente - ARPA), as at June 2017, there are approximately 800 sites regarded as “contaminated” under the current regulation (Legislative Decree 152/06 and following amendments and integrations, Part IV, Title V). In most cases, their contamination is linked to industrial areas still in operation or brownfields and to the presence of fuel storage/loading facilities. Contaminated sites are concentrated in the Province of Milan (approximately 45%) and, to a lesser extent, in the Provinces of Brescia, Bergamo and Varese (approximately 11%, 9% and 8%, respectively) – i.e. areas that have traditionally hosted industrial settlements and many craft enterprises.

Although remediation activities are not specifically regulated on a shared basis nationwide, law-makers are increasingly interested in the matter. The chart to the side shows the evolution in the number of SINS as the applicable law on the matter changes.



Structure of the reference market

Below are the aspects that characterise and define the waste market analysed above, focussing the attention on the processes involving the various players along the entire chain. In the waste management sector, competition is medium to high and based on:

- Range of ancillary services offered in addition to disposal;
- Efficient management;
- Modern facilities compliant with the laws in force, given the environmental impact of the type of products treated.

In the remediation sector, competition is high and based on:

- Price;
- Level of specialisation and technological expertise of the business, which are crucial also to ensure appropriate margins for each job.

Barriers to entry are medium to high in the waste treatment, waste recovery and waste disposal phase. Treatment and recovery do not require large investments, while investments are necessary to build incinerators and landfills, which require authorisations. Barriers to entry are medium to high in the remediation sector, depending on the technological know-how, regulatory complexity and staff expertise.

There are no such things as substitute goods in waste management; rather, the technology is constantly evolving. This is magnified in the remediation sector, in which the specific intended use for the activity virtually removes all threats of substitute goods.

In the waste treatment sector, suppliers have great bargaining power. Suppliers are plant manufacturers or those with critical know-how in waste disposal matters. Size is key in the remediation sector: larger operators typically have very high bargaining power towards suppliers of components and materials used by plant manufacturers.

As to special waste, demand is mostly from private users, given the peculiarity of this type of waste, with medium bargaining power: the size of the business is therefore an important aspect. The bargaining power of customers in the remediation sector is high. On the other hand, when the customer is a public entity, parameters are established in the tendering procedure and usually do not match the usual company/client relationship.

SUMMARY OF ECONOMIC AND FINANCIAL PERFORMANCE OF THE GREENTHESIS GROUP AS AT 30.06.2022

(Comparative figures as at 30.06.2021 have been restated based on the criteria disclosed in the financial statements under note “Reorganisation”)

ECONOMIC DATA Values in thousands of Euros	30/06/2022	30/06/2021	Variation %
Revenues	82,335	82,308	0.03%
Operating costs	-62,630	-66,120	-5.3%
Gross operating margin (Ebitda)	19,705	16,188	21.7%
Amortisation, depreciation and write-downs	-5,649	-5,876	-3.9%
Net operating margin (Ebit)	14,056	10,312	36.3%
Profit/(loss) before tax	12,026	9,875	21.8%
Final net result – Profit/(loss)	8,357	7,089	17.9%

ECONOMIC DATA Values in thousands of Euros	30/06/2022 adjusted*	30/06/2021 adjusted*	Variation
Revenues	80,656	82,308	-2.0%
Operating costs	-62,520	-64,320	-2.8%
Gross operating margin (Ebitda)	18,136	17,988	0.8%
Amortisation, depreciation and write-downs	-5,649	-5,606	0.8%
Net operating margin (Ebit)	12,487	12,382	0.8%
Profit/(loss) before tax	10,457	11,945	-12.5%
Final net result – Profit/(loss)	7,267	8,575	-15.3%

*Adjusted data express economic values, net of non-recurring items

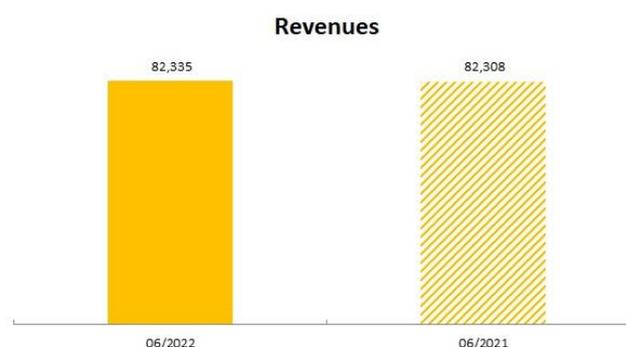
EQUITY DATA Values in thousands of Euros	30/06/2022	31/12/2021	Variation %
Net working capital	13,030	18,827	-30.8%
Total assets	313,716	316,959	-1.0%
Equity	16,429	9,205	78.5%

NFD Values in thousands of Euros	30/06/2022	31/12/2021	Variation %
Net financial debt	-74,958	-69,305	8.2%

Operating performance

Consolidated net revenues generated by the Greenthesi s Group in the first half of 2022 amounted to Euro 82,335 thousand, essentially in line (+0.03%) with the previous year, when they amounted to Euro 82,308 thousand.

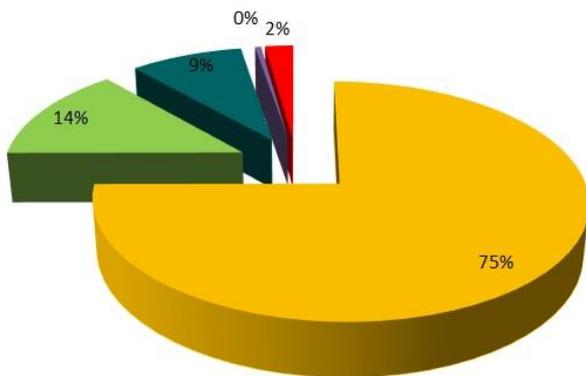
Namely, our main business areas – “Waste disposal, treatment and recovery”, “Environmental remediations” and “Energy production” – went up by 3.5%, down by -14.3% and up by 74.3%, respectively, compared to the same period in the previous year.



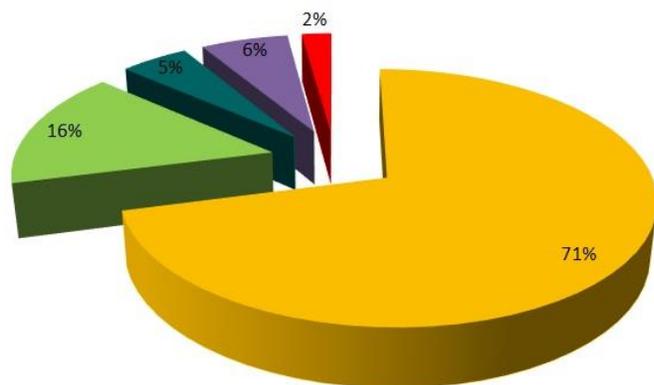
The breakdown of “Revenue from contracts with customers” for the first half of 2022 and the first half of 2021 is shown in the table and charts below:

REVENUE FROM CONTRACTS WITH CUSTOMERS Values in thousands of Euros	30/06/2022	30/06/2021	Variation %
Waste disposal, treatment and recovery	60,227	58,202	3.5%
Remediations	10,902	12,714	-14.3%
Energy production	7,097	4,073	74.2%
Plant construction	384	5,292	-92.7%
Other services	1,756	1,765	-0.5%
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS	80,366	82,046	-2.0%

FY 2022 REVENUES



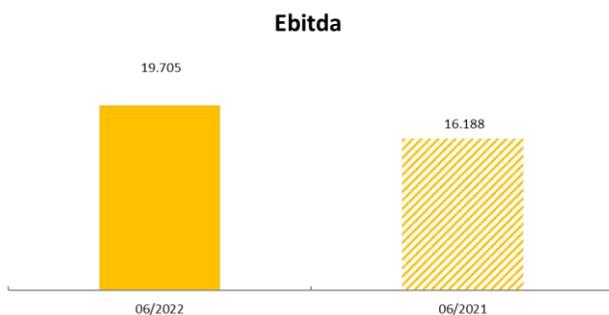
FY 2021 REVENUES



■ Waste disposal, treatment and recovery ■ Remediations ■ Energy production ■ Plant construction ■ Other services

Consolidated operating costs in the first half of 2022 amounted to **Euro 62,630 thousand**, down by **-5.3%** compared to the previous year, when they amounted to Euro 66,120 thousand.

In detail, “Purchases of raw materials, semi-finished and other products” grew by 5.1%, while “Services” decreased by -5.3%; “Personnel costs” increased by 9.5%, “Other operating costs” by 5.7%, and “Costs for leases” by 25.3%; finally, “Provisions” went down by -112%.



The **consolidated gross operating margin** was positive for **Euro 19,705 thousand**, thus showing an increase by 21.73% compared to the same figure for the first half of 2021, of Euro 16,188 thousand (**Euro 3,517 thousand**).

The **final consolidated net result** was positive in the amount of **Euro 8,357 thousand** (against a profit of Euro 7,089 thousand in the first half of 2021), after expensing amortisation, depreciation and write-downs for Euro -5,649 thousand (against Euro -5,876 thousand in the first half of 2021).

The margins of economic significance have been adjusted for those non-recurring and extraordinary cost items that emerged in the first half of 2022 and in the first half of 2021. In this regard, such non-recurring income and expense items are listed below, details of which are also provided in the explanatory notes:

Values in thousands of Euros	30/06/2022	30/06/2021
Adjustment to Provision for risks in Aimeri in liquidation		-800
Amount set aside to Provision for risks from labour lawsuit		-1,000
Greenthesi's supplier settlement	1,679	
Release of Provision for risks in Aimeri in liquidation	775	
Consulting for share listing	-317	
Amount set aside to Provision for risks from Ekotekno sale	-568	
Change on Ebitda	1,569	-1,800
Write-down of La Torrazza's assets under construction		-270
Change on Profit/(loss) before tax	1,569	-2,070

The **gross operating margin**, net of non-recurring items (**adjusted**), amounted to **Euro 18,136 thousand** against a positive margin of Euro 17,988 thousand in the previous year (Euro 148 thousand), thus recording an increase by 0.8% compared to the first half of 2021.

ECONOMIC DATA Values in thousands of Euros				Adjusted data*		
	30/06/2022	30/06/2021	Variation %	30/06/2022	30/06/2021	Variation %
Revenues	82,335	82,308	0.0%	80,656	82,308	-2.0%
Operating costs	-62,630	-66,120	-5.3%	-62,520	-64,320	-2.8%
Gross operating margin (Ebitda)	19,705	16,188	21.7%	18,136	17,988	0.8%
Amortisation, depreciation and write-downs	-5,649	-5,876	-3.9%	-5,649	-5,606	0.8%
Net operating margin (Ebit)	14,056	10,312	36.3%	12,487	12,382	0.8%
Profit/(loss) before tax	12,026	9,875	21.8%	10,457	11,945	-12.5%
Final net result – Profit/(loss)	8,357	7,089	17.9%	7,267	8,575	-15.3%

*Adjusted data express economic values, net of non-recurring items

EBITDA/Revenues ratio	23.9%	19.7%	22.5%	21.9%
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The adjusted operating margin translates into a highly satisfactory level of performance (22.5% against 21.9% in the previous year).

The **final consolidated net result**, also net of non-recurring items (**adjusted**), was positive for **Euro 7,267 thousand** (compared to Euro 8,575 thousand as at 30 June 2021).

The total net financial debt (**NFD**) as at 30 June 2022, as per the ESMA document “Guidelines ESMA32-382-1138”, stood at **Euro -74,958 thousand**, against Euro -69,305 thousand as at 31 December 2021. The leverage ratio – understood as the ratio between net financial debt and EBITDA (adjusted) – was 2.1.

NET FINANCIAL DEBT		
Values in thousands of Euros	30/06/2022	31/12/2021
A. Cash	63	60
B. Cash equivalents	26,944	27,476
C. Other current financial assets	4,988	4,916
- of which from related parties	1,707	1,716
D. Cash and cash equivalents (A)+(B)+(C)	31,995	32,451
E. Current financial payables	-7,381	-12,899
- of which from related parties	-1,018	0
F. Current portion of non-current debt	-15,565	-14,415
G. Current financial debt (E)+(F)	-22,945	-27,315
H. Net current financial debt (G)-(D)	9,049	5,137
I. Non-current financial payables	-67,531	-62,970
J. Issued bonds	-5,918	0
K. Trade payables and other non-current payables	-15,976	-16,684
- of which from related parties	-75	-87
L. Non-current financial debt (I)+(J)+(K)	-89,425	-79,654
M. ESMA Net financial debt (H)-(L)	-80,376	-74,518
N. Long-term financial assets	5,418	5,213
- of which from related parties	3,892	3,912
O. Total net financial debt (M)-(N)	-74,958	-69,305



We are building
a **NEW EARTH**

Significant events occurred during the first half of the year 2022

▪ Acquisition of new job orders

During FY 2022, the acquisition of new job orders amounted to a total of Euro 4.7 million.

The main job orders obtained in the year include the following:

- a contract awarded in March 2022 by the client Enel Italia S.p.A. to carry out remediation works at “Lot 1 – Remediation of HFO tanks”. The contract, which was executed within a Temporary Business Association, is worth approximately Euro 4.9 million in aggregate, around Euro 2.4 million of which ascribable to Greenthesi.
- the award, on 26 April 2022, of works for collection, transport and disposal of the waste accumulated at “Former Sap Area” in the Municipality of Alessandria, for an aggregate value of approximately Euro 2.3 million.

The **order book** as at 30 June 2022, exclusively for “contract” activities, amounted to approximately **Euro 67.3 million**, of which Euro 65.5 million in the environmental remediation sector and Euro 1.8 million in the plant construction sector.

▪ Change of Company’s name

On 27 April 2022, effective as of 19 May, the Extraordinary Shareholders Meeting of the Parent Company resolved to change the Company’s name from Ambienthesis S.p.A. into Greenthesi S.p.A.

This last measure brings the Company’s rebranding to completion, conducive to the growth and development process launched with the extraordinary transaction closed last December, as a result of which the Company has become the largest independent pure play listed company in Italy that specialises in the integrated management of the waste cycle based on the logics of circular economy and environmental sustainability.

▪ Rea Dalmine S.p.A. obtains a Euro 35 million loan in the framework of Sustainable and Responsible Investments

On 23 February 2022, Rea Dalmine S.p.A. entered into a loan agreement for an aggregate amount of Euro 35 million, intended to finance initiatives in the framework of Sustainable and Responsible Investments.

The transaction is characterised by a pricing mechanism linked to a specific ESG (Environmental, Social and Governance) target. Namely, this is an environment target based on the so-called recovery performance index, which is a key parameter in the industry to measure the ability of a waste-to-energy plant to recover energy from the thermal destruction of waste.

The loan provides for two credit lines that can be used in a single instalment and are amortised over six months with expiry on 31 December 2031. It is aimed at supporting new industrial initiatives in the environmental engineering sector and in the production of electricity and advanced biofuels in accordance with the principles of circular economy, as well as at requalifying the financial sources of the company.

- **Confirmation of public rating to B1.2 (Investment Grade)**

On 08 April 2022, Cerved Rating Agency S.p.A. – Italian rating agency specialising in the assessment of non-financial businesses’ creditworthiness – confirmed the public rating of Greenthesi S.p.A. as B1.2. For further information, reference is made to the paragraph “Significant events occurred during the year 2021”.

- **Amendments to the Rules governing the Debenture Loan (ISIN IT0005406043) affecting the Gearing Ratio**

Having regard to the Debenture Loan issued by the Company and called “Ambienthesis S.p.A. - Euro 8,000,000 with 3.3% fixed rate - 2027” (ISIN code IT0005406043), an amendment to the Rules governing the Debenture Loan was requested already during 2021, in relation to the values of the Gearing Ratio under clause 11.1 (a) (iii) (B) of the Subscription Agreement and the Rules, for financial years after that as at 31 December 2022 and until expiry of the Debenture Loan. The amendment was granted by Intesa Sanpaolo S.p.A. on 09 March 2022.

- **Real estate development of SI Green UK’s area in Swansea**

After obtaining the planning permission to develop the property owned by the subsidiary company from the competent authorities on 11 January 2018, and following the preliminary closure of the existing landfill, real estate development activities started off. The sale of the first residential units was launched in 2021, and continued as expected during the first half of 2022, when other 30 residential units were sold.

- **Update on the Polish subsidiary Ekotekno Sp. Z o.o.**

As already mentioned in past reports, and completely unexpectedly, at the hearing held on 04 March 2020, the Polish Council of State dismissed the appeal of the subsidiary Ekotekno against the ruling of the Regional Administrative Court in Lodz dated 06 August 2019, which effectively excluded Ekotekno’s project from the regional development planning.

Given the difficulties experienced in launching the project, the asset is no longer regarded as conducive to implementing the Business Plan strategies. A preliminary agreement was therefore signed in August with a leading Polish operator to sell the entire stake, subject to certain conditions precedent.

- **Distribution of 2021 dividends**

The Shareholders’ Meeting held on 27 April 2022 resolved to distribute a gross dividend of Euro 0.0097 per outstanding ordinary share entitled to profits, i.e. an aggregate amount of Euro 1,462 thousand (Euro 705 thousand in the previous year). The dividend was paid starting from 29 June 2022 (payment date).

- **Update on the preliminary sales agreement for Casei Gerola (PV) property complex**

On 17 July 2019, following extensive negotiations, Greenthesi entered into a preliminary agreement with a leading operator in the field of real estate development in the framework of industrial logistics, subject to a number of conditions precedent being satisfied and concerning the sale of the aforesaid property complex.

The Prospective Buyer successfully carried out the Due Diligence process by the deadline agreed in the eighth addendum, dated 31 March 2021. The Parties have agreed to postpone the final deadline for them to finally proceed to execute the notarial deed to transfer the property complex itself, first to 30 April 2022 and then to 31 March 2023, subject to certain conditions precedent being satisfied.

- **Application for the creation of a new landfill cell**

On 16 July 2021, the Metropolitan City of Turin confirmed its adverse opinion, given on 04 June 2020, on the environmental compatibility of the application submitted in 2017 by the company La Torrazza to build and use a new landfill cell (Cell 9), for a total volume of 512,000 m³.

The company, which stands firm in its belief that the project will further enhance the site, challenged that decision before the Piedmont Regional Administrative Court (TAR) on 01 September 2021. However, the Administrative Court issued its adverse opinion in judgement no. 49/2022, filed on 18 January 2022. On 09/09/2022, the Company lodged an appeal before the Council of State.

- **Management of risks linked to the war in Ukraine**

Having regard to the recent developments in the geopolitical scenario and the abrupt deterioration of the conflict in Ukraine, the company and the Group, given the geographical location of their business units, believe that they will not suffer any material economic or financial impacts. However, threat and emergency control and monitoring mechanisms have been implemented to deal with the possible consequences, should the conflict worsen.

Events occurred after the end of the first half of the year 2022

- **Publication of the prospectus relating to the trading of shares pertaining to the capital increase and listing on the Euronext Milan stock exchange**

On 27 July, Greenthesi S.p.A. was granted the authorisation from Consob (the Italian Companies and Exchange Commission) to publish the registration document, securities note and summary note, which together constitute the prospectus for admission to trading of the no. 62,500,000 ordinary shares of Greenthesi without indication of the par value and pertaining to the capital increase for an aggregate amount of Euro 75,000,000.00 (inclusive of any share premium), reserved to Planesys S.p.A. and paid up by contribution in kind of the business unit formed by assets and active and passive legal relations of Planesys S.p.A. (formerly Greenthesi S.p.A.). The Prospectus was then filed with Consob and published in the forms and by the deadlines provided for by the law, after which the 62,500,000 ordinary shares were admitted to listing on the Euronext Milan stock exchange.

- **Issue of an Euro 10 million debenture loan in the framework of “Programma Elite – Intesa Sanpaolo Basket Bond”**

On 28 July 2022, Greenthesi S.p.A., as Issuer, placed a new, non-convertible, non-subordinated and unsecured debenture loan having a principal amount of Euro 10,000,000.00, represented by no. 100 Securities having par value of Euro 100,000.00 each, ISIN IT0005504037, fully subscribed by Intesa Sanpaolo, which also acted as Arranger of the Transaction through Corporate Finance Mid-Cap of IMI Corporate & Investment Banking Division. Namely, the Loan was subscribed in the framework of the broader Basket Bond transaction intended for institutional investors and launched by Intesa Sanpaolo in partnership with ELITE, Euronext Group’s private market that connects businesses with capital sources to accelerate their growth. The innovative Basket Bond mechanism meets the medium-long term financing needs of companies, to ensure the implementation of their development and investment plans.

The Loan repayment plan will be based on an amortisation schedule over 7 years, inclusive of a pre-amortisation period of 2 years. Interest on bonds, i.e. 4.60% per year, will be paid every six months on a deferred basis.

- **Acquisition of a 45% stake in the share capital of the start-up Carborem S.r.l. and subsequent share capital increase**

The agreement whereby Greenthesi S.p.A. managed to acquire a 45% stake in the share capital of the innovative start-up Carborem S.r.l., based in Rovereto (TN) and specialising in the field of the design and construction of plants for organic waste reduction and recycling and wastewater treatment at public and private businesses, was executed on 29 July 2022.

The aforesaid transaction provides for the acquisition by Greenthesi S.p.A., over a period of three years and by means of subsequent share capital increases, of a stake up to 70% against an aggregate countervalue of approximately Euro 1.3 million. To date, a first share capital increase has already been finalised, by virtue of which Greenthesi has increased its stake to 60%.

The goal is to develop the reference market by building innovative industrial plants to treat purification sludge, digestate and organic waste, such to significantly reduce the resulting residues, while at the same time providing for the possibility to grow in the bioenergy market. All the above, consistently with the strategy that lies at the heart of the latest Business Plan, which in turn hinges upon development lines that aims at integrating circular-based activities into the Group’s core business.

As a matter of fact, the Start-up’s technology allows not only to sensibly improve the efficiency of the existing treatment processes, but also to convert waste into a liquid that increases the production of biogas from existing wet anaerobic digesters by over 50%, on the one hand, and to recover important elements such as nitrogen, phosphorus, magnesium, copper and aluminium from the sludge, on the other.

In 2022 only, Carborem S.r.l. has been awarded several prizes for its proprietary technology, such as the first prize at Venice Sustainability Innovation Accelerator – VeniSIA, and the first prize at Open Innovation Challenge Amadori, sponsored by Lazio Innova. Furthermore, the Start-up has already partnered with leading water utilities in Italy and in the Middle East.

Development strategies

The **paradigms** around which our development strategies revolve are **Profit, Planet and People** (the “**3P Approach**”).

On the other hand, the **guidelines** that have shaped our business plan include **Growth in size, Technological innovation and Convergence of different businesses**, while the **fundamentals** on which such guidelines rest are **growth and development, efficiency improvement, introduction of process and digital technology, training and business culture, sustainability and reputation**.



All the above with a view to better facing the “internal” and “external” challenges raised by the ecological, energy and digital transition.



More specifically, the Greenthesi Group’s development strategies are based on the following key assumptions:

- **Value creation** based on a selected, high-quality order book, a strong commercial drive and support to liquidity and capital strengthening.
- **Strong acceleration of the process to maximise commercial action and development of new business initiatives (in Italy and abroad)**, to reach higher turnover levels and an operational phase for internationalisation, especially in Eastern Europe and in the Eastern and Middle Eastern market (GCC Countries);
- **Achievement of specific objectives in terms of innovation and efficiency** in response to the increasingly competitive market scenario through, on the one hand, the focus on the core business (environmental remediation and treatment, recovery and disposal of industrial waste) combined with the disposal of non-core or non-strategic assets; on the other hand, the implementation of policies and business decisions aimed at achieving cost saving targets in the areas of operating costs and overheads;
- Attention for **sustainability** with an integrated approach to social responsibility, innovation, circular economy and human capital enhancement;

Intra-group relations and related parties

With regard to transactions with related parties, it should be noted that the same fall within the normal course of business of the Group companies and are regulated at market conditions, taking into account characteristics of the goods or services involved. Please note that the above transactions do not qualify as either atypical or unusual.

For details regarding relations with related parties, please refer to the explanatory notes to the consolidated financial statements.

Operating outlook

In the first six months of FY 2022, in spite of the recent rise in costs and prices due to the Russo-Ukrainian War and in spite of the impacts of the war on the prices of fuel and electricity, no significant trends have emerged in the performance of the sectors in which the Group operates, such to – favourably or adversely – affect operations and/or generate important changes in the financial results expected by the Group. However, the evolution of the geopolitical context could put additional pressure on the raw material procurement market and on the performance of interest rates. Investment, also from a circular perspective, continues in accordance with the strategic plans and always based on a balanced and solid structure governing sources and uses of funds.

Without prejudice to the above, in light of the geographical location of the Group's operations and on its business performance, the second half of the current financial year is expected to be satisfactory and able to meet the projections of the plan, which, on an annual basis, aims at a consolidated gross margin of no less than Euro 38 million in absolute terms.

Segrate, 15 September 2022

On behalf of the Board of Directors
The Chairman
Giovanni Bozzetti