Project GREEN

Teaser
November 2024

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SCAN ME!

Wegatech at a Glance

High-quality provider of ESG-driven solutions to B2B and B2C customers with differentiated full-service capabilities, resting on a scalable digitised business model

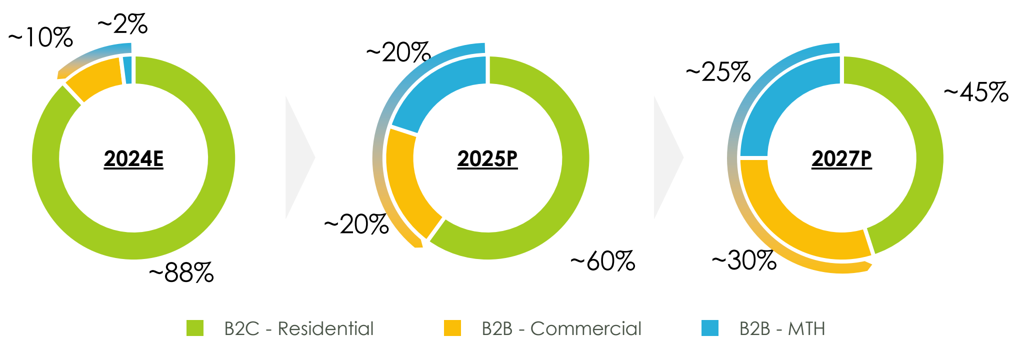
Business Overview

- Leading German platform of scale providing renewable energy solutions, serving a broad range of commercial and private customers
- Comprehensive one-stop-shop solutions offering, covering seamlessly interconnected heat pumps, photovoltaics, battery storage, wall boxes and home energy management systems
- Compelling value proposition for hardware and service partners as well as for customers, acting as a critical link in the value chain with leading customer satisfaction
- Unique customer-centric full-service model provides a highly differentiated experience along the whole customer journey (i.e., from planning to implementation)
- Covers ~70% of the national area in Germany via a unique network of best-in-class installation partners
- Highly adaptive and flexible business model with proven ability to shift mix towards attractive business segments (i.e., B2B, Multi-tenant Homes (MTH) and B2C)
- Digitised business model and sales funnel provide significant scalability
- Highly fragmented market with attractive potential for buy & build and value creation
- Ambitious management team with proven track-record, leading a highly skilled and adaptable organisation

Select KPIs

~40% Revenue CAGR 19A – 23A	**~29%** [(1)] GM B2B YTD-Aug24	**~22%** [(1)] GM B2C YTD-Aug24	**+4000** Customers Served [(2)]	**14** Years of Experience
+120 Installation Partners	**~90** Fulltime Employees	**~70%** National Area Covered	**+70** Net Promoter Score	**+90%** Projects Without On-site Check [(3)]

Revenue By Segment



***Mix shift** to highly attractive **B2B and MTH segments** already underway*

Sources: Management.
(1) Incl. "Handwerkerleistungen".
(2) Since 2010.
(3) In 2023A.

A Highly Differentiated Investment Opportunity

In the market for renewable energy solutions Wegatech is a unique investment opportunity to be ceased

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Stabilised and Refocused

- To react to the current hog cycle in the B2C market, management has already successfully implemented numerous improvement and restructuring measures (see p.6) already showing significant impact (e.g., cost reduction by 45%)
- Having strong traction in B2B and successfully pioneered Multi-tenant-houses, allowed Wegatech to shift its business focus toward these promising segments, gaining more traction, while limiting the B2C business to attractive projects via organic leads only, until the segment bounces back
- Restructuring measures stabilised the business during industry consolidation and set the stage for future growth

Significant Option Value

- Wegatech's business model and capabilities are highly adaptive to various buyer preferences:

A. Highly actionable opportunity to transform the business to focus more / exclusively on B2B, MTH, heat-pump, etc.

B. Or follow the current management plan, which lays out a realistic business case with potential break-even by 2026, various tangible upsides and additional growth avenues. This option maintains core B2C capabilities anticipating major market bounce back in 1-2 years, while significantly increasing the share of the highly attractive and stable B2B and MTH market segments see (further details on p.10)

Highly Attractive Assets

- Strongly growing B2B business with attractive margins, strong key accounts and full lead pipeline
- Up to €2m of positive cashflow in pipeline
- High organic lead generation via website and strong cooperations
- In-house engineering team with a highly complementary mix of capabilities (e.g., complex B2B projects, MTH, heat pump planning and execution, PV B2C at scale)
- Fully inhouse developed end-to-end CRM and project execution software
- Well-known brand with very high customer satisfaction and reviews
- Dedicated management team
- HEMS and Smart Meter capabilities (via partners)

Strong Backing

- Various current shareholders have signaled willingness to co-invest alongside new investor(s) in order to build an even stronger player
- Important platform partners (e.g., HEMS, smart metering, dynamic tariffs) are committed to advance alongside Wegatech on the road ahead

Wegatech is THE most differentiated renewable energy solutions platform in the market and has significant growth potential ready to be harvested

The German Renewable Energy Solutions Market

Wegatech is ideally positioned to benefit from long-term mega trends and increasing market consolidation in a highly fragmented market

Significant Market Opportunity

German Residential Market (B2C)	German Commercial Market (B2B)	German Multi-tenant Segment (B2B)
~€40k ∅ Project size	**~€180** ∅ Price per sqm	**~€125k** ∅ Price per system
×	×	×
~686k New projects p.a.	**~357m sqm** Suitable roof space	**~2m** Suitable MTHs
=	=	=
+€27bn Market potential p.a.	**+€64bn** Market potential	**+€275bn** Market potential

Stable Long-term Mega Trends

Regulatory Requirements, Subsidies & ESG

Digitalisation & Technological Innovation

Consumer Awareness & Self-sufficiency

Energy Savings & Cost Efficiencies

Sources: Third-party research and Management.

Temporary Cool-down in B2C

- Grid energy & fossil fuel prices have rebounded from historical highs, impacting customers' "pressure" to act
- Government's subsidy policy – timing & availability – resulted in temporary hold back as customers wait for the next "flash in the pan"
- Falling hardware prices added to the belief that buying tomorrow will be cheaper, translating into postponed greentech investments
- Hog cycle: current mismatch between supply and demand results in industry consolidation

Outlook

- It is a matter of time when the entire market will bounce back (especially the B2C)
- The market will stay highly fragmented allowing large players with more capabilities and customer value to outgrow small players at better margins
- Cost competitiveness, independence from energy supplies and the energy transition implemented by the German authorities facilitate a bounce back and long-term market growth
- Increasing regulatory requirements will further nurture a swift market return

A positive market outlook paired with Wegatech's leading capabilities provide an ideal opportunity to benefit from industry consolidation and build a leading industry player

The Opportunity

Investment Highlights

- Platform of Scale in a Highly Attractive, Fragmented Market with Superior Value Proposition
- Successfully Implemented Operational Improvement and Restructuring Measures (Ongoing)
- Inhouse Tech-enabled Business Model Fosters Digitisation and Scalability
- Highly Actionable Project Pipeline with Substantial Organic Lead Share
- Leading Capabilities to Serving B2B, Multi-tenant Home (MTH) and B2C Segments
- High Option Value: Refocus or Follow Organic Management Plan
- Realistic Organic Growth Plan in Place with Significant Upside Potential
- Dedicated and Ambitious Team with an Exceptional Track-record

Platform of Scale in a Highly Attractive Market with Superior Value Proposition

Wegatech is a leader in its market due to its differentiated, scalable and customer-centric business model

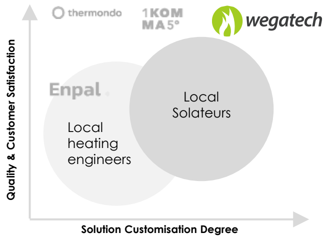
Differentiated One-stop-shop Offering

Production | *Storage* | *Usage* | *Smartification*

Complemented by an extensive range of value-added services, such as subsidy application support, financing / loan, insurances and maintenance

Wegatech provides **end-to-end renewable energy solutions** to private and commercial customers **via a full-service approach,** resting upon a **digitised business model**

Superior Value Proposition



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- ✓ Holistic one-stop-shop energy solutions offering
- ✓ Tailor-made to suit customers needs
- ✓ Leading quality (due to best-in-class components and fulfilment teams)

TÜV SEHR GUT Kundenzufriedenheit

Trustpilot 4,3

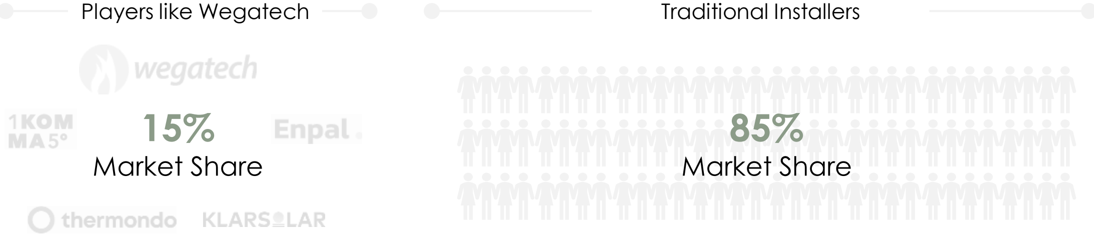
Google 4,3

Wegatech's unique **customer-centric value proposition** results in **unmatched customer satisfaction and differentiation** against competitors

Critical Link in the Renewable Energy Solutions Market

Wegatech is a **critical link**, **connecting** hardware and service **partners** with a **fragmented customer base,** by **managing complexity** and providing **tailored solutions** with high reliability

Fragmented Market Landscape (1)



Wegatech operates in a **highly fragmented market**, dominated by **small local players** (i.e., heating installers, roofers and electricians)

Sources: Third-party research and Management.
(1) Based on the B2C market.

Successfully Implemented Operational Improvement and Restructuring Measures

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Clear and structured implementation roadmap ensures fruitful and timely implementation

Successful Implementation of Ongoing Improvement and Restructuring Measures

Countered Temporary Market Cooldown

To counter the temporary demand shifts and impacts of over-supply, management proactively focused on:

- Cost-savings (e.g., NWC Optimisation)
- Furlough / Short-time Working
- Downsizing / Redundancies
- Growth Alternatives (B2B and MTH)

Improved Unit Economics

To counter the price pressure resulting from oversupply and increased cost per lead due to market slowdown and growing competition management focused on:

Price Negotiations and Low-cost Marketing

- **+100%**[(1)] Customer Conversion Rate Uplift
- **+60%**[(1)] Growth in Contracts from Non-Google Leads

Enhanced Operational Efficiency

While management was previously focused on growth, the aforementioned external shocks resulted in a need to shift towards efficiency:

Process Optimsation, Automation and Six Sigma

- Reduction of lead-to-sale from **41 to 29 days** [(1)]
- Reduction of order-to-installation from **24 to 17 weeks** [(1)]

Roadmap: Already Being Executed

Continue to **focus** on the attractively **growing B2B and MTH segments**

Leverage unique **inhouse tech capabilities** to benefit from **increased process automation** (e.g., GenAi)

Significant cost-saving potential

Build upon the successful **TelliBot** testing phase (AI call bot) and **roll out in customer and operations** support functions

- Enhanced Productivity
- Reduction of Human Error

(1) Median. Based on Nov-23A vs. Aug-24 performance.

Inhouse Tech-enabled Business Model Fosters Digitisation and Scalability

End-to-end software solution enables data-driven decision making and provides a seamless customer journey

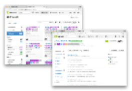
Wegatech's Digital Workflow

Automated				Remote		Digitally-enabled		
1. Lead Generation	2. Online Info & Consulting	3. Online Configurator	4. Automated Indicative Offer	5. Videocall by Salesperson	6. Digital Engineering	7. Inhouse & External Assembly	8. Grid Connection & Handover	9. Optimisation & Aftersales
+20% Organic Leads	**Best-in-class** Proprietary Website	**15min** Info Intake	**Same Day** 92% Projects Without On-site Check	**In 3 Days** (66%) vs. 22A	**50 Days** From Order (43%) vs. 22A	**150 Days** From Order (17%%) vs. 22A	**3 Days** w/o Grid Provider	**Recurring** Digital & On-site Services

AI Telli-Bot

Order Placed

…Enabled Via Proprietary End-to-end Software Solutions Along the Whole Process



WEGATEAM
1. to 9.

WEGAFORM
2. to 4.

WEGAPLAN
3. to 6.

WEGAPORTAL
6. to 8.

WEGAHOME-APP
9.

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Key Benefits

- Fast / on-demand
- Tailored / user-driven
- Scalable / economical
- Secure / cloud-based
- Proprietary know-how
- End-to-end process in one software environment

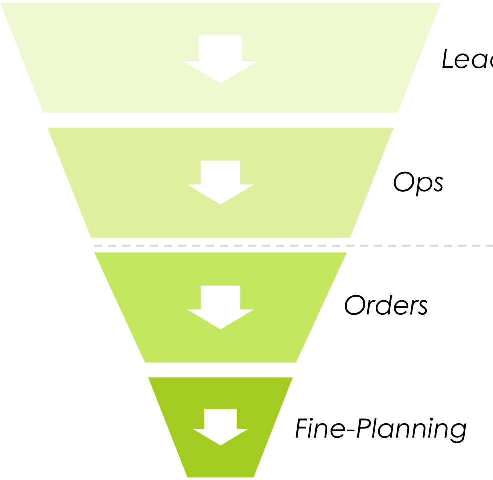
Deep and Highly Actionable Project Pipeline with Substantial Organic Lead Share

Leading generation and conversion capabilities drive highly actionable pipeline

Unmatched Lead Generation and Conversion Capabilities...

- Wegatech focuses on a multi-channel strategy to drive a well-balanced mix of organic and inorganic leads (via lead-portals such as Bing, Selfmade Energy and CPO collaborations)
- Due to its long standing, industry leading customer satisfaction, broad cooperations network and unique webpage, the company generates 30-40 contracts per month with €0.8m to €1m in value (i.e., non-google leads)
- To further optimise its lead generation, Wegatech is expanding cooperations with key-accounts like Vaillant, Gothaer, Volksbank, energy-consultants and GPE
- Wegatech's highly effective sales-conversion rate of 5-6% is a result of continuous trainings and coachings, sales performance management and incentivation, a professionalised salesforce, a comprehensive CRM-system and a continuously evolving set of USPs (e.g., recently added smart meter, HEMS, etc.)
- High degree of automation (such as the AI TelliBot) along the customer acquisition process further amplifies the conversion rate and benefits the overall customer experience

...Drive Actionable Project Pipeline



***Highly organic** with **~50%** of sales via organic leads*

€1.5m – €2.0m
of positive cashflow in project pipeline

+700 Leads in pipeline	**~30%** Leads-to-opportunity	**+160** Opportunities in pipeline	**~15%** Opportunity-to-sales	**~10** Sales FTEs	**~€24k B2C / ~€65k B2B** Average Order Size

Leading Capabilities to Serving B2B, Multi-tenant Home (MTH) and B2C Segments

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Highly flexible segment mix, based on a skilled complementary employee base as well as an adaptable and scalable IT backbone

Highly Differentiated Capabilities

	B2C	MTH	B2B
Select Core Capabilities	Online Lead Generation (highly organic); Fast Engineering (remote & on-site); Digital (tech-enabled); Tele-Counselling & Selling (AI-driven)	Purchasing & SCM (materials & logistics); Assembly & installer mngmt. (incl. grid connection / provider mngmt.); Customer centricity (customisation at scale)	Smartification (with HEMS & iMSys partners); After Sales & Value-added Services (maintenance, subsidies, financing, dynamic tariffs, etc.)
Select Distinguished Capabilities		Complex engineering (regulation & grid requirements); Network marketing (referral management); Tenant electricity (via metering partner); Communal electricity	Key Account Management (commercial & public KAs); Project enablement partnerships (statics, tax savings, EEE-audit, etc.)
Select Credentials	>4k Projects; 4.3 (Trustpilot); Best Value (eFahrer)	Successful pilot phase (2022-2023); Rollout & scaling (ongoing)	~2 mWp (installed since 2022); ~1 mWp (in pipeline)
Adaptable Segment Mix			

Unique Set of Adaptability Enablers

Highly Qualified and Ambitious Employee Base + Scalable IT Backbone + Deep Industry Experience and Access to Network Partners + Industry Leading Customer Satisfaction

High Option Value: Refocus or Follow Organic Management Plan

Three options to continue Wegatech operations

Maintain the 2024 Restructuring Path

Key Elements

- ~90 FTEs (as of Jan-25) incl. 25 engineering FTEs
- Harvest 300 sold projects and organic lead intake
- Grow highly attractive B2B and MTH businesses
- Maintain full B2C capabilities in PV / heat pump in expectation of market return

Financials

~€24m	+€70m(1)	€4-5m
Revenue 25P	Revenue 27P	Est. Cash Required

Rationale

Retain full set of current capabilities to capture market demand as soon as hug cycle ends (assuming soon end)

Management Plan: Focus on B2B and MTH While Retaining Core B2C Capabilities

Key Elements

- ~45 FTEs (as of Jan-25)
- Harvest most attractive projects (sell rest)
- Focus on highly attractive B2B and MTH businesses
- Maintain B2C capabilities, yet limited to low a number / the most attractive projects until the market returns
- Trade-off burn-rate vs. capacity maintained adjustable

Financials

~€9m	~€27m	€2m
Revenue 25P	Revenue 27P	Est. Cash Required

Rationale

Balance cash burn via B2B and MTH segments and only retain core capabilities in B2C to capture market bounce back in 1-2 years

Detailed on next page

Buyer-specific: Refocus engineering capabilities

Key Elements

- Maintain any number / select functions of the 90 FTEs (as of Jan-25)
- Individual transformation of highly adaptive engineering capabilities (e.g., focus B2B, MTH or heat-pump)
- Flexibility on SG&A – harvest synergies

Financials

TBD
Plan to be build with new owner

Rationale

Buyer specific

(1) Based on original plan – to be re-evaluated post insolvency.

Realistic Organic Growth Plan in Place with Significant Upside Potential

Current restructuring exercise sets the stage for attractive organic future growth potential

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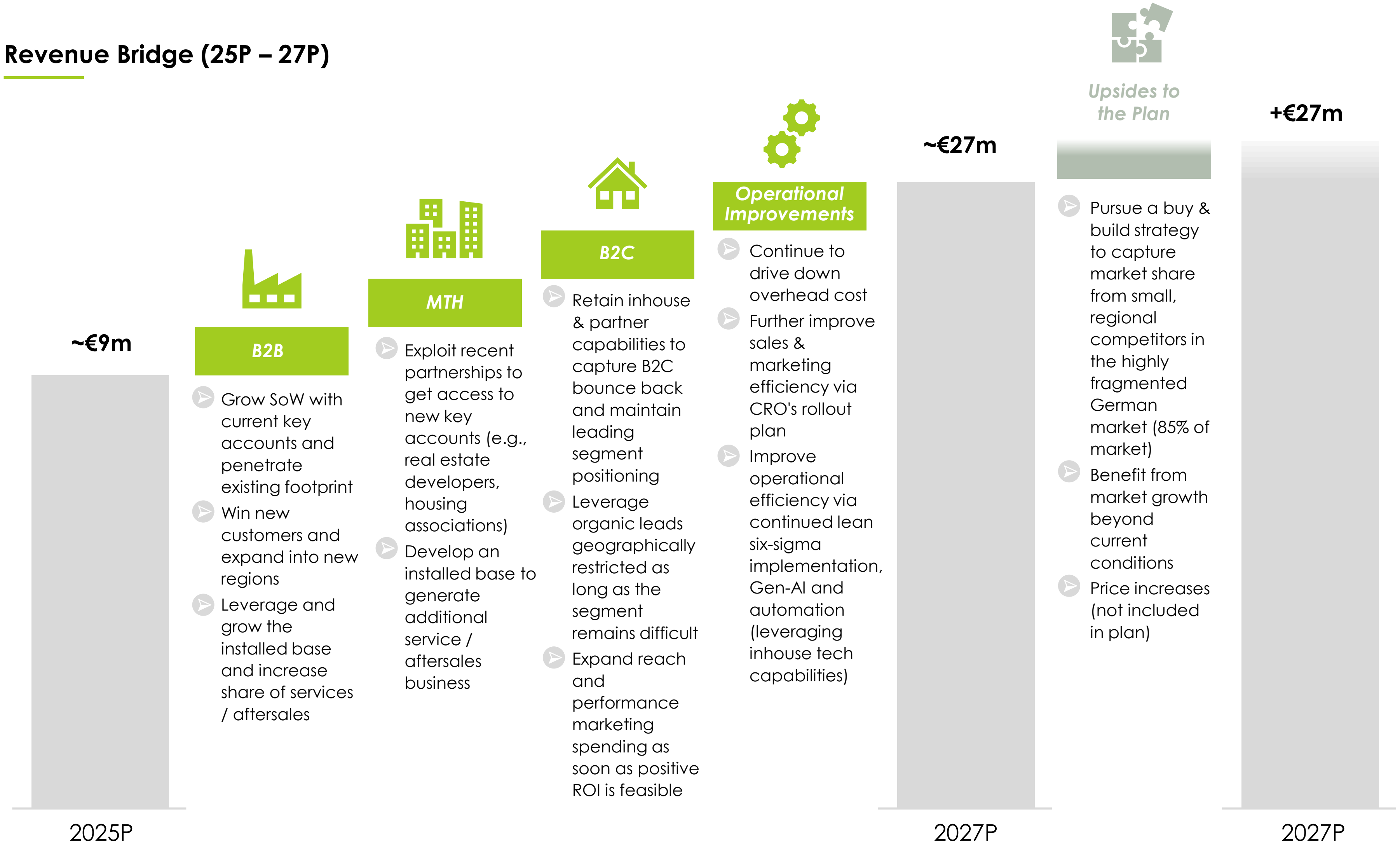
Revenue Bridge (25P – 27P)



Commentary

- Management has prepared a realistic business plan with a potential break-even by 2026 under current market conditions
- While the plan includes the implementation of further restructuring measures, retaining capabilities in B2C to capture future growth as soon as the consumer market swings back (in 1-2 years expected) is considered highly relevant
- Growth will primarily be driven by scaling the B2B and MTH segments over the next 1-2 years, complemented by B2C in the mid-term
- To achieve the business plan, management would require a limited investment of ~€2m
- While the plan does not include M&A, management would welcome the opportunity to pursue a buy & build strategy alongside a new investor to benefit from the current market consolidation

Dedicated and Ambitious Team with an Exceptional Track-record

Highly relevant experience, a track-record of implementing change and passion for the business

Andreas Durth
CEO, since 2023

- Former Co-CEO at Studienkreis
- Doubled revenue and tripled EBITDA at Studienkreis
- Proven turnaround experience
- Two successful PE exits
- Prior McKinsey

Philipp Wüllner
CTO, joined in 2015

- Co-Founder, tech expert and software engineer
- Built the tech team and software behind Wegatech´s 100% value chain
- Highly experienced entrepreneur

Dirk Leppert
CSO, joined in 2023

- Improved on-time-delivery to 95% for 120 suppliers at Carl Zeiss
- Reduced inventories by 90% at Pfisterer
- Significant leadership and processes optimisation experience

Darius Rafalski
CRO, joined in 2024

- Ex-MD Europe at Groupon with extensive experience in scaling businesses
- Increased number of contracts concluded by +30% at Groupon within one year

Klara Thomas
Head of Ops., joined in 2018

- Helped grow Wegatech from 20 to 170+ Employees
- Led more than 45 FTEs at Wegatech
- Operational excellence expert (six sigma black belt)

Steffen Sachs
Head of BD, joined in 2021

- Methods & market expert
- Significant consulting, start-up and transaction experience (>20 DDs & PE value creation)
- Piloted B2B and MTH segments

Key Achievements

Operational Improvements

(9%)
Reduction of sales cycle (median lead-to-sales time)

(47%)
Reduction of operational cycle (median sales-to-closure time)

Digitalisation

Same day lead-to-opportunity handling (via "Telli" AI-bot)

Same hour offer (specs draft, price quote, CO_2 - & €-savings)

Sales

~50%
Sales from organic leads

+100%
Customer conversion rate uplift

Quality

4.3
Score on Trustpilot (best-in-class customer review)

92%
Projects without on-site check (best-in-class planning accuracy)

Growth

+110%
YoY growth in B2B and MTH business vs prior year

+88%
YoY growth in B2C business in 2023

Insolvency Proceedings

Insolvency Proceedings of Wegatech – A Once in a Lifetime Opportunity

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Background

- Initiation of the preliminary insolvency proceedings on 17. October 2024
- Main reasons that led to insolvency:
  - **Market Downturn:** B2C segment (especially PV) more difficult then expected, with ongoing price war and customers hesitating; financial performance (revenue and margins) was impacted accordingly starting in Q3 2024
  - **Debitors & Creditors:** Delayed customer payments and due material & fulfillment partner bills additionally reduced liquidity
  - **Fundraising Environment:** Ongoing fundraising round was jeopardised by the growing number of insolvencies in the industry as well as by Zolar's shift away from B2C, ultimately resulting in a shortfall of capital raise
  - **Shareholder Disagreement:** Sufficient interim funds to bridge the liquidity squeeze could not be provided by current shareholders due to a disagreement of required terms
  - **Lag of Restructuring Levers:** Measures like short-hour work, layoffs, budget cuts and alike materialised progressively / not quick enough to counter the fast downturn in demand and liquidity

Status Quo

- Short-time work has been stopped as part of the insolvency proceedings, allowing Wegatech to leverage its team's full capacity on running the day-to-day business
- Stakeholders have been notified about Wegatech positive insolvency outlook and the strong committed to keep the business running
- New customers can order without upfront payments - mitigating the risk to place orders / continue with Wegatech
- Wegatech is in the process of signing trust agreements with suppliers, fulfillment partners and other important parties that are vital to keep the daily business running
- External platform partners (e.g., HEMS-provider, iMSys-provider, tariff-provider, insurance-provider) have been contacted and expressed willingness to continue alongside Wegatech
- Further implementation of restructuring measures is aligned with the insolvency administrator

The Process

- The Local Court of Cologne has appointed Dr. Jörg Gollnick as provisional insolvency administrator of Wegatech greenergy GmbH
- The business operations continue for the time being to preserve the long-standing business relationships and workforce
- Employees' wages and salaries are secured by the insolvency substitute benefits
- Dr. Gollnick, together with Management, has appointed ADWIN to conduct a sales process as part of the insolvency proceedings concerning the assets of Wegatech
- We cordially invite interested investors to become part of this success story and help shape the future of the German sustainable energy market

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