

The logo for Innventure, featuring the word "innventure" in a white, lowercase, sans-serif font. A small green triangle is positioned above the letter 'v'. A thin white horizontal line is located directly beneath the text.

innventure

# Fourth Quarter and Full Year 2024 Earnings

April 11, 2025

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- the Company's and its subsidiaries' ability to execute on strategies and achieve future financial performance, including their respective future business plans, expansion and acquisition plans or objectives, prospective performance and opportunities and competitors, revenues, products and services, pricing, operating expenses, market trends, liquidity, cash flows and uses of cash, capital expenditures, and the Company's and its subsidiaries' ability to invest in growth initiatives;
- the Company's and its subsidiaries' ability to execute on strategies and achieve future financial performance, including their respective future business plans, expansion and acquisition plans or objectives, prospective performance and opportunities and competitors, revenues, products and services, pricing, operating expenses, market trends, liquidity, cash flows and uses of cash, capital expenditures, and the Company's and its subsidiaries' ability to invest in growth initiatives;
- the Company's and its subsidiaries' future capital requirements and sources and uses of cash;

# Disclaimer (cont.)

- the Company's access to funds under the Standby Equity Purchase Agreement with YA II PN, Ltd. ("YA") or the Securities Purchase Agreement and related convertible debentures with YA due to certain conditions, restrictions and limitations set forth therein;
- certain restrictions and limitations set forth in the Company's debt instruments, which may impair the Company's financial and operating flexibility;
- the Company and its subsidiaries' ability to generate liquidity and maintain sufficient capital to operate as anticipated;
- the Company's and its subsidiaries' ability to obtain funding for their operations and future growth and to continue as going concerns;
- the risk that the technology solutions that the Company and its subsidiaries license or acquire from third parties or develop internally may not function as anticipated or provide the benefits anticipated;
- developments and projections relating to the Company's and its subsidiaries' competitors and industry;
- the ability of the Company and its subsidiaries to scale the operations of their businesses;
- the ability of the Company and its subsidiaries to establish substantial commercial sales of their products;
- the ability of the Company and its subsidiaries to compete against companies with greater capital and other resources or superior technology or products; the Company and its subsidiaries' ability to meet, and to continue to meet, applicable regulatory requirements for the use of their respective products and the numerous regulatory requirements generally applicable to their businesses;
- the outcome of any legal proceedings against the Company or its subsidiaries;
- the Company's ability to find future opportunities to license or acquire breakthrough technology solutions from multinational corporations or other third parties ("Technology Solutions Provider") and to satisfy the requirements imposed by or to avoid disagreements with its current and future Technology Solutions Providers;
- the risk that the launch of new companies distracts the Company's management from its other subsidiaries and their operations;
- the risk that the Company may be deemed an investment company under the Investment Company Act, which would impose burdensome compliance requirements and restrictions on its activities;
- the ability of the Company and its subsidiaries to sufficiently protect their intellectual property rights and to avoid or resolve in a timely and cost-effective manner any disputes that may arise relating to its use of the intellectual property of third parties;
- the risk of a cyber-attack or a failure of the Company's or its subsidiaries' information technology and data security infrastructure;
- geopolitical risk and changes in applicable laws or regulations;
- potential adverse effects of other economic, business, and/or competitive factors;

# Disclaimer (cont.)

- operational risks related to the Company and its subsidiaries that have limited or no operating history; and
- limited liquidity and trading of the Company's securities

Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements.

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## **Risk Factors**

The risks discussed and identified in the public filings made or to be made with the SEC by the Company and those outlined above are certain of the general risks related to the business of the Company and its subsidiaries, and such list is not exhaustive. The occurrence of one or more of the events or circumstances identified as risk factors, alone or in combination with other events or circumstances, may have a material adverse effect on the business, cash flow, financial condition and results of operations of the Company and its subsidiaries. The Company may face additional risks and uncertainties that are not currently known, or that are currently deemed immaterial, which may also impair the Company's and its subsidiaries business, prospects, financial condition or operating results. Potential investors are encouraged to perform their own investigation with respect to the business, prospects, financial condition and operating results of the Company and its subsidiaries.

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Certain market, industry and other data used herein have been obtained or derived from third-party sources and publications as well as from research reports prepared for other purposes. Although the information from these third-party sources is believed to be reliable, none of the Company or its management has independently verified the data obtained from these sources, and no assurances can be made regarding the accuracy or completeness of such data. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and the additional uncertainties regarding the other forward-looking statements contained herein.

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# Non-GAAP Financial Measures

We use certain financial measures that are not calculated in accordance with generally accepted accounting principles in the U.S. (GAAP) to supplement our consolidated financial statements. These non-GAAP financial measures provide additional information to investors to facilitate comparisons of past and present operating results, identify trends in our underlying operating performance, and offer greater transparency on how we evaluate our business activities. These measures are integral to our processes for budgeting, managing operations, making strategic decisions, and evaluating our performance.

Our primary non-GAAP financial measures are EBITDA and Adjusted EBITDA. We define EBITDA as net income before interest, income taxes, and depreciation and amortization. Adjusted EBITDA is defined as EBITDA further adjusted to exclude certain non-cash items, non-recurring expenses, and other items that are not indicative of our core operating activities. These may include stock-based compensation, acquisition costs, and other financial items. We believe Adjusted EBITDA is valuable for investors and analysts as it provides additional insight into our operational performance, excluding the impacts of certain financing, investing, and other non-operational activities. This measure helps in comparing our current operating results with prior periods and with those of other companies in our industry. It is also used internally for allocating resources efficiently, assessing the economic outcomes of acquisitions and strategic decisions, and evaluating the performance of our management team.

There are limitations to Adjusted EBITDA, including its exclusion of cash expenditures, future requirements for capital expenditures and contractual commitments, and changes in or cash requirements for working capital needs. Adjusted EBITDA also omits significant interest expenses and related cash requirements for interest and payments. While depreciation and amortization are non-cash charges, the associated assets will often need to be replaced in the future, and Adjusted EBITDA does not reflect the cash required for such replacements. Additionally, Adjusted EBITDA does not account for income or other taxes or necessary cash tax payments.

Investors should use caution when comparing our non-GAAP measure to similar metrics used by other companies, as definitions can vary. Adjusted EBITDA should not be considered in isolation or as a substitute for GAAP financial measures.

In presenting Adjusted EBITDA, we aim to provide investors with an additional tool for assessing the operational performance of our business. It serves as a useful complement to our GAAP results, offering a more comprehensive understanding of our financial health and operational efficiencies.

# 2024 Key Accomplishments



# 2024 Key Accomplishments

- AeroFlexx and Accelsius started delivering commercial product to the marketplace
  - Strong momentum for both operating companies to begin 2025
- On October 2, 2024, Innventure closed its business combination with Learn CW, and started trading on the NASDAQ as a public company
- On December 18, 2024, announced collaboration with The Dow Chemical Company and the launch of our fourth operating company, Refinity
  - Dow is our third active MNC collaboration partner
  - We plan to explore various collaborative opportunities with Dow within the waste-to-value ecosystem

# OPERATING COMPANY UPDATE



# Accelsius Update

- **4Q partnership announcement with iM data centers**
  - Early 2025 announcements with Telehouse and Nordik data centers
- **Innovative product line expansion and impressive test results**
  - Launch of a 250Kw multi-rack cooling system
  - Product testing demonstrates ability to cool 4500Ws per socket, doubling previous Accelsius record test results
- **Expect 2025 to be a year of revenue growth inflection**
  - Signed a 3-year master purchasing agreement to white label its products for a leading global thermal management company
  - Exciting momentum with others across the data center ecosystem

# AeroFlexx Update

- Reported using the equity-method of accounting
  - Innventure owns ~38%
- Achieved key creditionals exemplifying commitment to excellence
  - Highest standard and rating under the Brand Reputation through Compliance Global Standard, or BRCGS, and is certified as AA grade
  - Two important International Organization for Standardization, or ISO, certifications
- Expect 2025 to be a year of revenue growth inflection
  - Launched previously announced Chemipak partnership, which positions company to address the growing demand for sustainable liquid packaging formats in the broader European region
  - Announced partnership with Spectrum Brands FURminator® deShedding Ultra Premium pet shampoo product

# Refinity Update

- Launched December 18, 2024
- Working in collaboration with The Dow Chemical Company
- Hitting the ground running
  - Hired Dr. Ignasi Palou-Rivera as Chief Technology Officer
  - Kicked off technical collaborations with VTT and Dow
- Strategic priorities for 2025
  - Sign engineering, procurement and construction partner for first plant design and delivery
  - Demonstrate viability of fluid bed conversion of mixed plastic waste to liquid product at pilot scale
  - Finalize initial site selection and feedstock sourcing for first plant

# Pipeline of Multinational Corporation Relationships<sup>(1)</sup>

## 3

Ongoing MNC Partners

*Procter & Gamble*



*Nokia*



*Dow*



- Open dialogue with a diverse set of MNCs that **continually share technology opportunities**
- Corporations within large industries such as **Energy, Industrials, Telecom and Aerospace & Defense**

Innventure expects to only need a handful of high-quality, high-conviction partners to deliver value to shareholders

# FINANCIAL OVERVIEW



# Financial Update

- **2024 Revenue of \$1.2 million; Adjusted EBITDA loss of \$27.9 million**
  - Revenue represents first commercial sales at Accelsius
  - Costs driven by:
    - COGS and R&D at Accelsius
    - Non-recurring professional services, legal fees and consulting fees related to the Business Combination
    - G&A at Accelsius and Innventure resulting from the transition from a private to a public company
- **We expect 2025 to be an inflection point for revenue growth, with most of the growth occurring in the second half of the year**
- **We don't expect tariffs to have a material impact on our ability to grow revenue and scale**
  - Continue to assess potential impacts across our family of operating companies

# Capital Position Update

- **Preferred Stock Purchase Agreements**

- March 24, 2025, Innventure entered into preferred stock purchase agreements with certain purchasers for up to \$2.75 million of Series C Preferred Stock

- **Related Party Debt Termination**

- March 24, 2025, Executive Chairman Mike Otworth, Chief Strategy Officer John Scott and other related parties terminated approximately \$18 million of Innventure and AeroFlexx debt in exchange for an aggregate of approximately 2.3 million shares of Series C Preferred Stock, resulting in annual interest expense savings of approximately \$3 million

- **Securities Purchase Agreement**

- March 25, 2025, Innventure entered into a securities purchase agreement with YA II PN, Ltd. (“Yorkville”) for convertible debentures issuable in an aggregate principal amount of up to \$30 million, with closing subject to satisfaction of certain closing conditions

# Innventure's Capital Allocation Strategy

Future Compounding cash flows intended to expand Innventure's value creation options



## Excess Free Cash Flow

- Share repurchase
- Accretive M&A



## Self Fund NewCo

- As Innventure grows, NewCos will receive funding directly from Innventure's balance sheet



## Disciplined Scale

- Paced investment inline with revenue visibility
- Expense management to minimize early-stage operating losses

Q&A



# Appendix



# Reconciliation of Net Loss to EBITDA and Adjusted EBITDA

The following table provides a reconciliation from Net Loss to EBITDA and Adjusted EBITDA for the specified periods:

|  | Successor  | Predecessor  | S/P Combined<br>(Non-GAAP)      | Predecessor                     |
|--|--|--|---------------------------------|---------------------------------|
|  | Period from October 2, 2024<br>through December 31, 2024 | Period from January 1, 2024<br>through October 1, 2024 | Year ended December 31,<br>2024 | Year ended December 31,<br>2023 |
| Net Loss   | (70,633)   | (28,198)   | (98,831)                        | (30,984)                        |
| Interest expense, net <sup>(1)</sup>                         | 11,173   | 1,300  | 12,473                          | 1,224                           |
| Depreciation and amortization expense                        | 5,455  | 146  | 5,601                           | 8                               |
| Provision for income taxes                                   | 2,742  | (432)  | 2,310                           | —                               |
| <b>EBITDA</b>  | <b>(51,263)</b>  | <b>(27,184)</b>  | <b>(78,447)</b>                 | <b>(29,752)</b>                 |
| Transaction and other related costs <sup>(2)</sup>           | 2,309  | 9,414  | 11,723                          | 3,452                           |
| Change in fair value of financial liabilities <sup>(3)</sup> | 20,946   | 478  | 21,424                          | (766)                           |
| Stock based compensation <sup>(4)</sup>                      | 16,338   | 1,056  | 17,394                          | 910                             |
| <b>Adjusted EBITDA</b>                                       | <b>(11,670)</b>  | <b>(16,236)</b>  | <b>(27,906)</b>                 | <b>(26,156)</b>                 |

(1) Interest expense, net – For the combined twelve months ended December 31, 2024, interest expense, net includes interest incurred on our various borrowing facilities and the amortization of debt issuance costs. Additional debt issuance cost associated with a loan commitment fee asset in the amount of \$10,041 was written off in combined twelve months ended December 31, 2024 and has also been included in this adjustment. This amount is representative of the asset associated with the second and third tranches of the WTI facility. When it became known that we would not be able to draw on these subsequent tranches based on certain metrics contained within the WTI Facility agreement, we immediately wrote this asset off. For the Predecessor year ended December 31, 2023, this balance is comprised entirely of interest incurred on our various borrowing facilities.

(2) Transaction and other related costs – For the combined twelve months ended December 31, 2024 and for the Predecessor year ended December 31, 2023 this is comprised entirely of consulting, legal, and other professional fees related to the business combination with Learn CW Investment Corporation (the “Business Combination”).

(3) Change in fair value of financial liabilities – For the combined twelve months ended December 31, 2024 the change in fair value of financial liabilities primarily consists of the change in fair value of the warrant liability, change in fair value of the earnout liability, and the change in the fair value of the embedded derivative associated with convertible notes prior to extinguishment. For the Predecessor year ended December 31, 2023, this is comprised entirely of the change in fair value of the embedded derivative associated with the convertible notes.

(4) Stock based compensation – For the combined twelve months ended December 31, 2024 stock based compensation primarily consisted of awards in the 2024 Equity and Incentive Plan entered into on October 2, 2024 subsequent to the Business Combination. These awards consisted of Stock Options, Restricted Stock Units, and Stock Appreciation Rights. Further, a portion of this expense was related to share based payment employee incentive plans in existence at Innventure LLC and other subsidiaries. For the Predecessor year ended December 31, 2023, stock based compensation was comprised wholly of share based payment employee incentive plans in existence at Innventure LLC and other subsidiaries.

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