



# Full year 2022 Results

March 23, 2022

S E R I **industrial** GROUP



# Disclaimer

This presentation contains certain forward-looking statements that reflect the Company's management's current views with respect to future events and financial and operational performance of the Company and its subsidiaries. These forward-looking statements are based on Seri Industrial S.p.A.'s current expectations and projections about future events. Because these forward-looking statements are subject to risks and uncertainties, actual future results or performance may differ materially from those expressed in or implied by these statements due to any number of different factors, many of which are beyond the ability of Seri Industrial S.p.A. to control or estimate precisely. You are cautioned not to place undue reliance on the forward-looking statements contained herein, which are made only as of the date of this presentation. Seri Industrial S.p.A. does not undertake any obligation to publicly release any updates or revisions to any forward-looking statements to reflect events or circumstances after the date of this presentation. The information contained in this presentation does not purport to be comprehensive and has not been independently verified by any independent third party. Certain numbers in this presentation are rounded, while certain figures may have been restated. This presentation does not constitute any commendation regarding the securities of the Company. This presentation does not contain an offer to sell or a solicitation of any offer to buy any securities issued by Seri Industrial S.p.A..

Pursuant to art.154-bis, paragraph 2, of the Italian Unified Financial Act of February 24,1998, the executive in charge of preparing the corporate accounting documents at Seri Industrial S.p.A., Pasquale Basile, declares that the accounting information related to results at 31 December 2022 contained here in correspond to document results, books and accounting records.

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# Mission & Vision

## Vision

A new way of thinking the economy, with **sustainable processes and products** and supporting the **transition** of the paradigm from a linear model (take, transform and throw) to a full **circular economy model**



## Mission

*Seri Industrial is pursuing strategic goals to accelerate the energy and ecological transition in line with the Paris Agreement and recent European and Italian initiatives*





# FY 2022 Highlights

€ 204,120 <sup>thousands</sup>  
**TOTAL REVENUES**  
€ 177,120 thousands in 2021

€ 17,732 <sup>thousands</sup>  
**EBITDA**  
€ 20,114 thousands in 2021

€ (4,089) <sup>thousands</sup>  
**EBIT**  
€ (881) thousands in 2021

€ (4,442) <sup>thousands</sup>  
**CONSOLIDATED  
NET RESULT**  
€ (1,494) thousands in 2021

€ 247,811 <sup>thousands</sup>  
**NET INVESTED  
CAPITAL**  
€ 218,951 thousands in 2021

€ 143,522 <sup>thousands</sup>  
**CONSOLIDATED  
EQUITY**  
€ 120,934 thousands in 2021

€ 79,018 <sup>thousands</sup>  
**ADJUSTED  
NET DEBT**  
€ 75,047 thousands in 2021

€ 17,839 <sup>thousands</sup>  
**ADJUSTED INVESTMENT  
ACTIVITIES**  
€ 15,814 thousands in 2021



# FY 2022 Highlights

## *Business Update*

### RELEVANT EVENTS

#### **Business conditions in a context of high volatility**

- Raw materials tension
- Energy market shock

#### **Teverola 1**

- Start-up completed in the last 2 months of 2022
- High innovation on processes
- Current monthly capacity

#### **Teverola 2**

- Expenditure started...
- ..waiting for the equipment supply
- News from MISE

#### **P2P**

- Activities for the funding with Invitalia on-going

# 2022 Key Financials

YOY COMPARISON 2022 – 2021

Key Financials - €/Mln	2022	2021	Change	% 22 vs 21
Total Revenues*	204,120	177,120	27,000	15%
EBITDA	17,732	20,114	(2,382)	(12%)
<b>Adjusted EBITDA</b>	<b>17,281</b>	<b>20,502</b>	<b>(3,221)</b>	<b>(16%)</b>
Depreciation and Amortization	21,821	20,995	826	4%
EBIT	(4,089)	(881)	(3,208)	n.a.
<b>Adjusted EBIT</b>	<b>(4,540)</b>	<b>38</b>	<b>(4,578)</b>	<b>n.a.</b>
Consolidated Net Result	(4,442)	(1,494)	(2,948)	n.a.
<b>Consolidated Adjusted Net Result</b>	<b>(3,371)</b>	<b>462</b>	<b>(3,833)</b>	<b>n.a.</b>

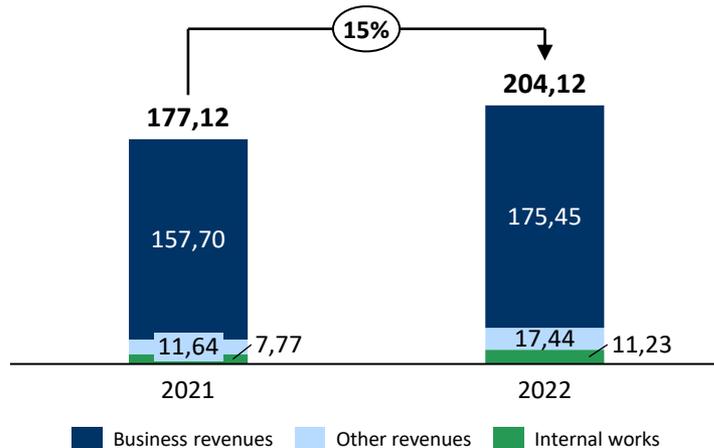
Key indicators - €/Mln	2022	2021	Change	% 22 vs 21
Net Invested Capital	247,811	218,951	28,860	13%
Consolidated Net Equity	143,522	120,934	22,588	19%
Adjusted Investment Activities	17,839	15,814	2,025	13%
Net Financial Debt	104,289	98,018	6,271	6%
<b>Adjusted Net Financial Debt</b>	<b>79,018</b>	<b>75,047</b>	<b>3,971</b>	<b>5%</b>

\* Revenues, other revenues and internal works

# 2022 Key Financials – Total Revenues

## Key Financials 2021 - 2022 (€ Mln)

### Reported Consolidated Revenues



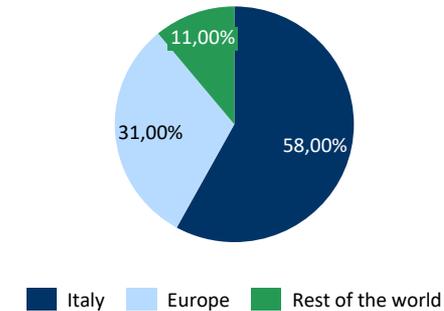
The Group has registered **Total Revenues** for € **204,12 Mln**, with a **+15%** growth compared to the same period in 2021 (€ **177,12 Mln**).

**Plastic Materials** has registered **+16%** growth compared to the same period in 2021

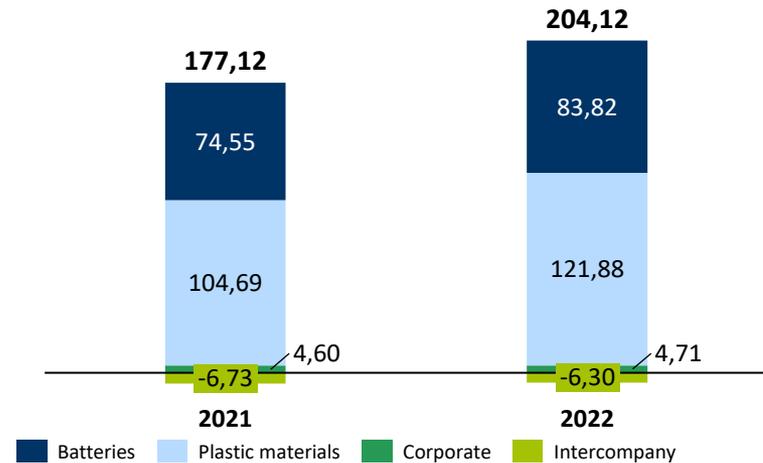
**Batteries** has registered **12%** growth compared to the same period in 2021

## Revenues breakdown

### Consolidated revenues by geography



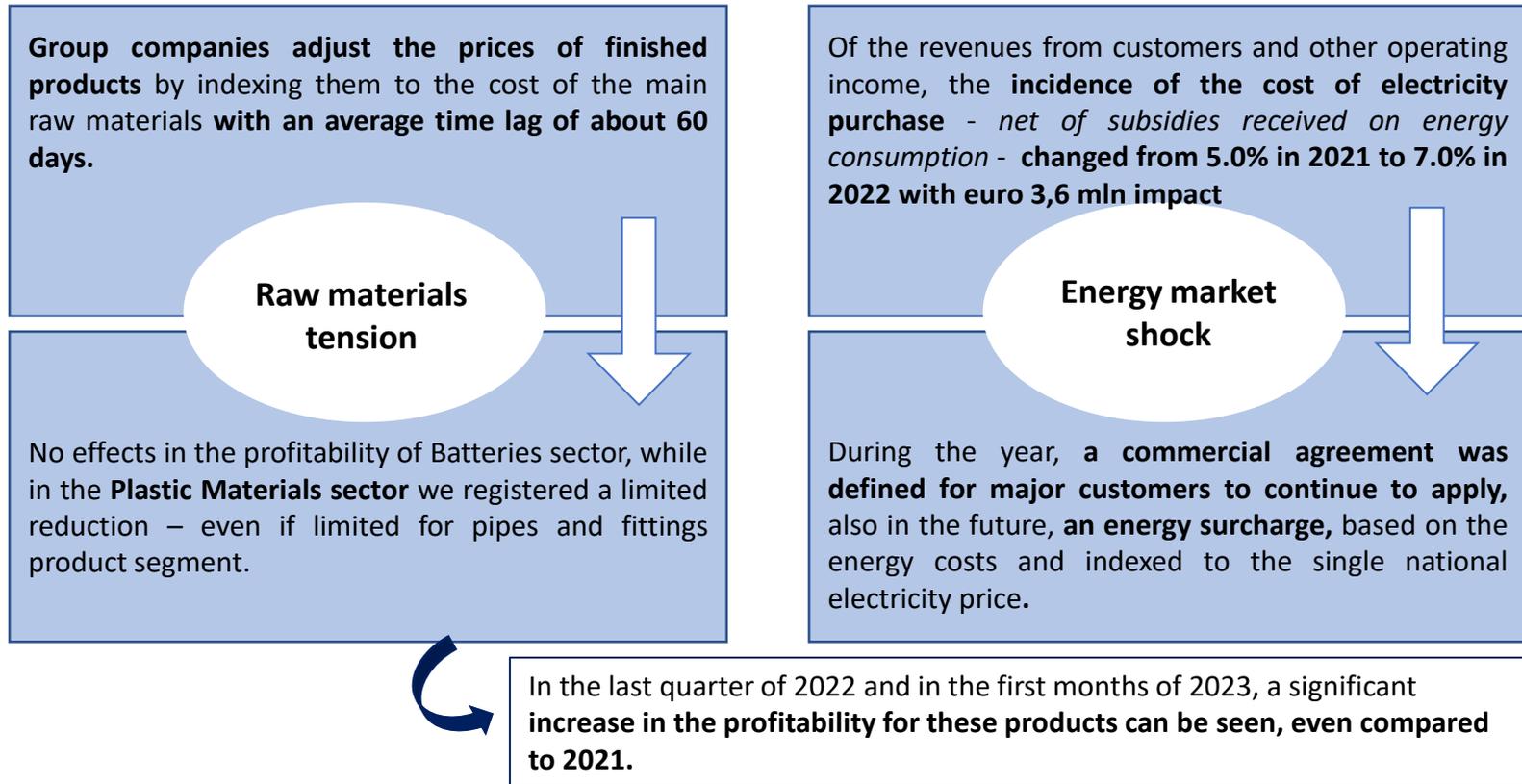
### Revenues breakdown



# Business update

*Financials- Business impact in a context of high volatility*

**Following the** severe and sudden **shock to commodity** markets caused by the war in Ukraine, with significant **and** unexpected **increases** in **energy costs**, **Adjusted Consolidated EBITDA decreased by 16%**

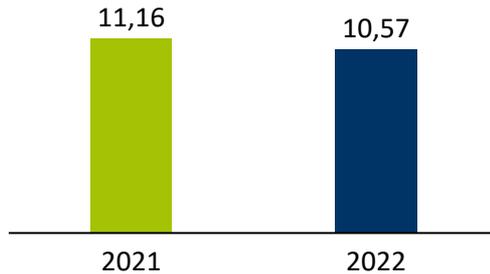


# 2022 Key Financials – Ebitda

## Ebitda – Plastic materials

€/Mln

SERI PLAST

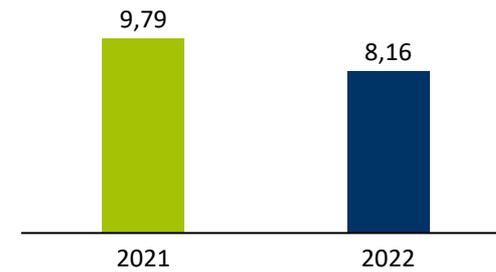


In 2022 Ebitda is equal to € 10,57 Mln, with a percentage margin\* equal to 9%.

## Ebitda – Batteries

€/Mln

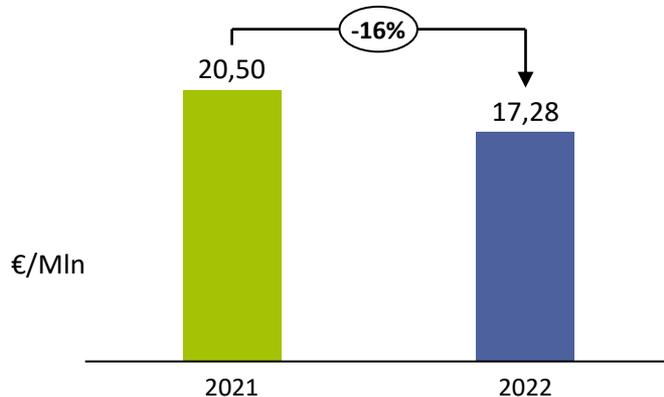
FAAM



In 2022 Ebitda is equal to € 8,16 Mln, with a percentage margin\* equal to 10%

## Adj Ebitda – Consolidated

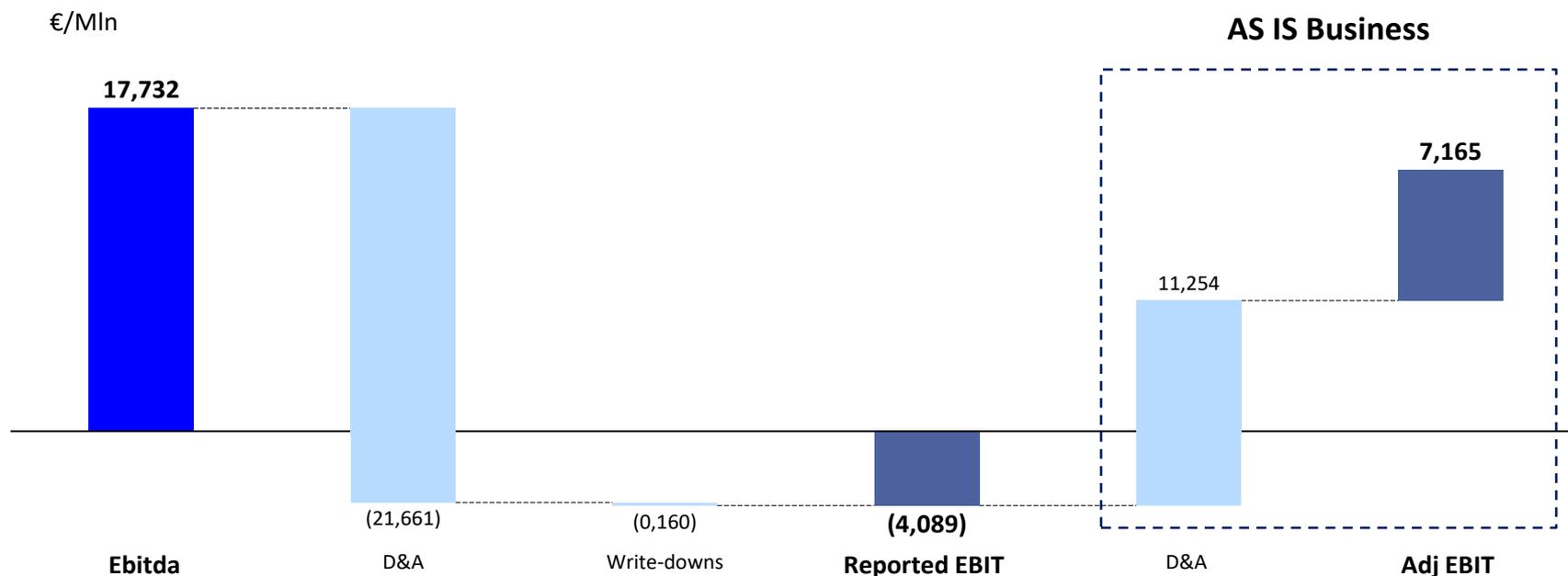
Euro 3,6 mln impact from energy not pass-through + no pass-through for raw material cost in the pipes



- The Group has registered an **adjusted EBITDA of € 17,28 Mln** compared to € 20,50 Mln in 2021.
- The result registered in 2022 is **strongly influenced by the greater impact on operating costs**, due to the increase in electricity costs, **estimated at approximately euro 8,819 thousand** (€ 6,50 Mln for the Plastic Materials and € 2,82 Mln for the Batteries).
- **The higher charges** incurred due to the increase in the cost of energy have been **partially offset by grants** received during the year, **amounting to euro 3,681 thousand**, under the facilities introduced by the Sostegni-ter Decree in favour of energy-intensive companies.

\*EBITDA/Total Revenues

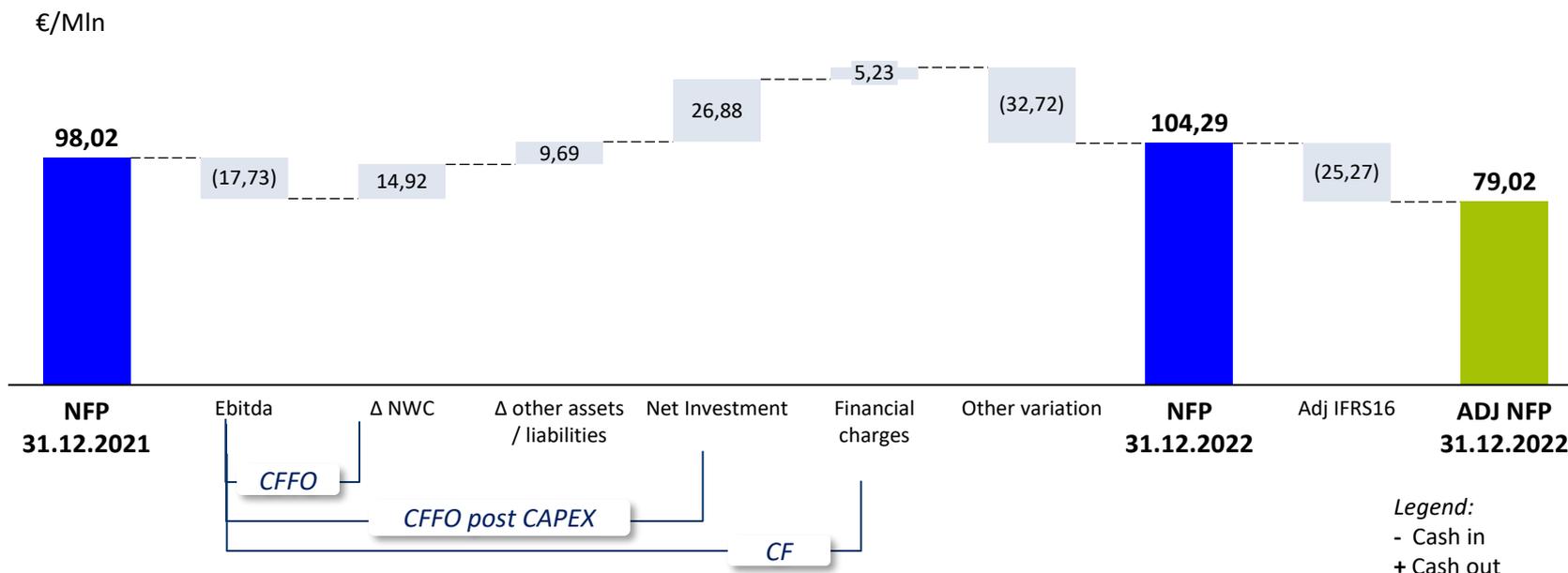
# 2022 Key Financials – From EBITDA to Adj EBIT



EBIT is equal to negative euro 4,089 thousand, after depreciation and amortization of euro 21,821 thousand

**The D&A are related to euro 11,254 thousand** for the investment made and on-going in Teverola 1 and 2, **of which euro 8,857 thousand related to amortizations on realized investments and euro 2,397 thousand related to the rights of use** concerning the lease of the Teverola 1 (euro 1,030 thousand) and Teverola 2 (euro 1,367 thousand) properties

# 2022 Key Financials – Bridge NFP



The **Adj Net Financial Position** is equal to **euro 79,02 Mln in 2022** with a slight increase compared to 2021

The **increase recorded** in the period is mainly related to the increase in **Net Working Capital**, due in particular to the increase in inventories for euro 12,147 thousand, as well as the **adjusted investment activity for euro 17,84 thousand** and the exercise of Warrant Uno 2017-2022 (for about euro 25 Mln)

The **Net Financial Position** at the end of the period is equal to **euro 104,32 Mln** and it is including € 25,27 Mln of IFRS 16 effects related to the Right of Use for lease contracts

**Cash and cash equivalents are equal to 24,817 Mln as of 31 December 2022**

# 2022 Key ESG data

## FY ESG 2022 HIGHLIGHTS



### 2022 Turnover

Taxonomy activity eligible

**73%**



### 2022 CapEx

Taxonomy activity eligible

**74%**



### 2022 OpEx

Taxonomy activity eligible

**48%**

## 2022 vs 2021



### ENVIRONMENTAL

- **-8%** Energy consumption;
- **-539 t(CO<sub>2</sub>)e** Scope 1 emissions
- **-16%** Emissions intensity



### SOCIAL

- **800** people
- **29%** of new hires younger than 30
- **47%** women in Headquarter
- **-48%** total injuries recorded



### GOVERNANCE

- **40%** women in the Board of Directors
- **New Policies adoption\***
- Establishment of the **Control, Risk and Sustainability Committee**

\* on Anti-corruption, Human Rights, Procurement, HSE, Suppliers' Code of Ethics

# Business update

## Relevant events – Teverola 1 and Teverola 2

### Teverola 1

- During the last two months of 2022, the Group **completed the start-up of the Teverola 1 lithium cell and battery production plant**, which was delayed compared to management's forecasts due to the upgrading and improvement of production processes required for product innovation (battery with LFP CAM in water-based formulation)
- The plant is **currently operating at a monthly capacity of approximately 30% of the theoretical capacity** (about 28 MWh/month) **and is expected to gradually increase** to the maximum installed capacity within the third quarter of the current year
- The **market demand for lithium batteries is confirmed huge** and, we see average **selling prices that are up to 37.5% compared to the previous BP assumption (2022-2026)**

### Teverola 2

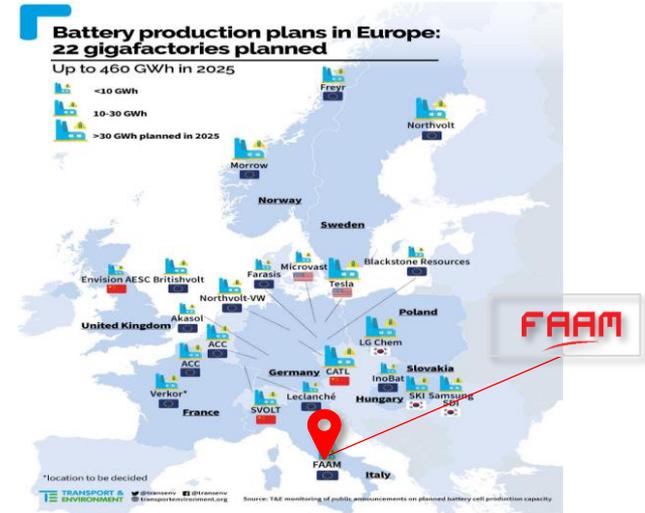
- **Initial investments of euro 3,8 Mln have been made and contracts for the supply of plant and machinery are on-going** (we defined the new plant technology, the identification of the supplier and tech partners)
- The Ministry of Economic Development has announced a further **increase in the grant for investment** in research and development up to 100% of the total expenditure envisaged in the investment programme approved by the European Commission.

# Business update

Teverola 2

## IMPORTANT PROJECTS OF COMMON EUROPEAN INTEREST

December 2019	Authorization Decision from the European Commission
April 2021	Inter-ministerial Decree defining the general criteria for the operation of the IPCEI Fund
July 2021	Activation Decree enabling the IPCEI Fund in support of the IPCEI Batteries 1
October 2021	Submission of the application for the grant <b>Concession decree in favour of FIB amounting</b>
March 2022	<b>€ 417,046,521.84 (communicated to be increased)</b>



### A Mediterranean Gigafactory

Teverola will become the **first technological cluster** to produce lithium batteries in Italy and among the first in Europe, with an **estimated production of about 8/8,5 Gwh/year**

**Building ready – no issue in the construction**



### Next steps

Disbursement of grants to be made within the first semester of each year – first request may be arranged as a 20% advancement of the total amounts

Activation of a specific revolving credit facility to be opened by a pool of banks – to advance the amounts of the grant

Signing of the contract with the suppliers of equipment & machinery – talks are currently underway

# Business update

P2P



## New update



## Off-take Agreement

Term of the Agreement 5 years, renewable for a further 5 years, making a total of **10 years**

Unilever's commitment to purchase at least **65 k tons/year** of recycled plastic raw materials

Unilever expected revenues **€ 110 mln/year\*\***, € 1,1 billion in 10 years



**About € 109 million expected CAPEX** between production investment and R&D investment to be funded by subsidized loan of euro 43,7 million and non repayable grants for euro 38,4 million

\* The time period may be extended by a further 6 months.

\*\*Based on actual prices of raw materials and on the pricing formula.

# Other events

## 2022 Stock Option Plan

The Shareholders' Meeting approved the proposal to introduce a **Stock Option Plan** involving ordinary shares of Seri Industrial S.p.A. for **executive directors, managers and employees** of the Company and its subsidiaries. The plan is linked to TSR and ESG targets

As of 16<sup>th</sup> December, **n. 342.500 options** have been attributed to beneficiaries (**strike price euro 5,78**)

## Warrant

On 31 December 2022, the twentieth and **last financial Period of Warrant Uno Seri 2017-2022 is ended**. Exercise equal to euro 25,549 Mln

**The share capital is equal to EUR 106.5 M** ( vs EUR 97.3 M before the last period of conversion).

**Ordinary Shares 53.9 M** (vs 49.4 M before the last period of conversion)

## Financing contracts

Seri Industrial has signed a **new loan agreement** with Cassa Depositi e Prestiti S.p.A. for the repayment of the previous loan for euro 15 Mln

In addition, the subsidiary FIB has issued a subordinated and **non-convertible bond** for euro 4 Mln entirely subscribed by CDP

# What's next?

## 2022-2026 Business Plan

- On June 22, 2022, the Board of Directors has approved the **Consolidated 2022-2026 Business plan**.
- The Plan **forecasts revenues** equal to about euro **2,2 billion** in 2025 and 2026, **in line with the economic projections** approved on 22 July 2021-2025.
- The Plan is including the economic and financial projections related to **the new project in the recovery of postconsumer packaging** to be realized in Pozzilli.

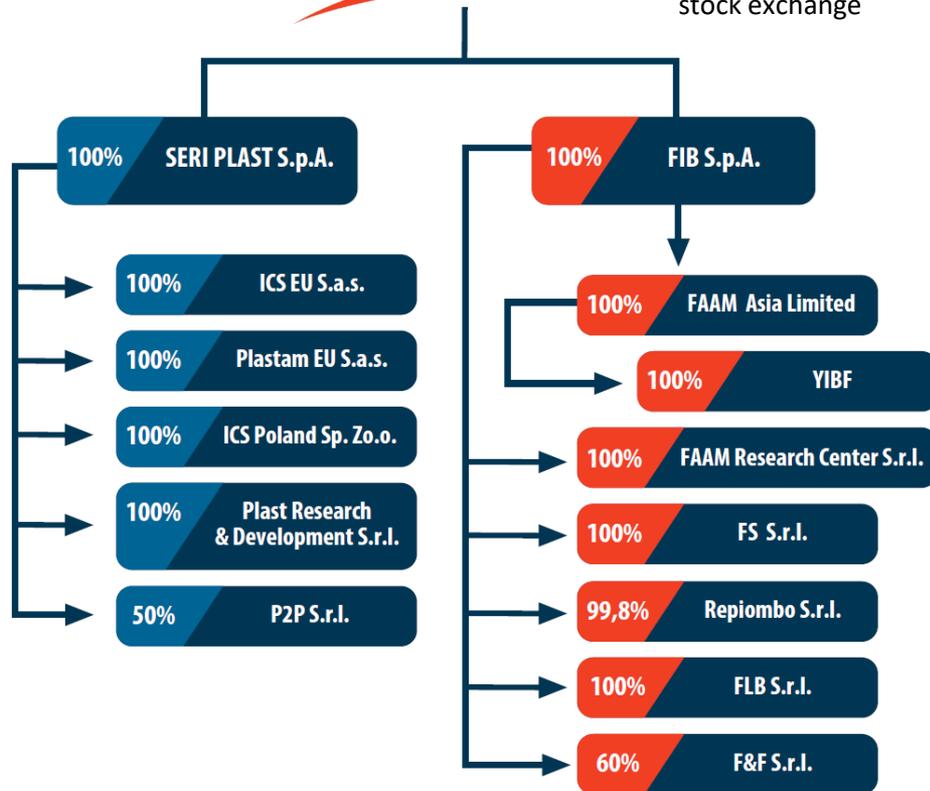
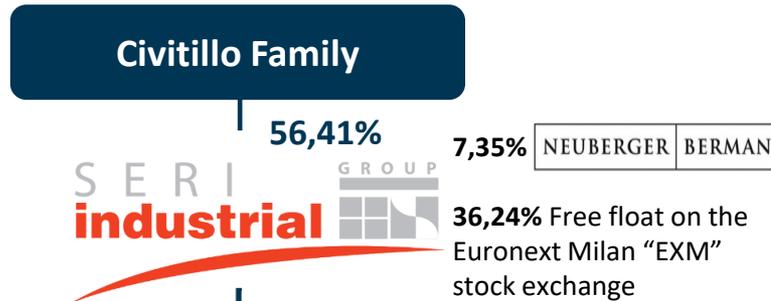


## Update 2023-2026 Business Plan

- The Management will **update the 2023-2026 business plan in the next months** taking into account
  - i) the registered delays in the production of Teverola 1 plant
  - ii) Verifying the start up at fully operations of the Teverola 2 plant

# Appendix – Business units

# Group Structure



SBU	ACTIVITY
<p><b>SERI PLAST</b></p> <p>ICS</p> <p>SERI PLAST POLYPROPYLENE COMPOUNDS</p> <p>P2P PACKAGING2POLYMER SUSTAINABLE PLASTIC COMPANY</p> <p>COES</p> <p>PLAST RESEARCH &amp; DEVELOPMENT S.r.l.</p>	<p><b>Plastic Materials</b></p> <ul style="list-style-type: none"> <li>Production of special compounds for the moulding of boxes and lids for batteries</li> <li>Production of special compounds for the automotive and packaging</li> <li>Production of special compounds for the moulding and extrusion of pipes and fittings for the thermo-hydro sanitary market</li> </ul>
<p><b>FIB</b></p> <p>FAAM</p> <p>PLANT DIVISION</p> <p>repiombo</p> <p>Fer Bat</p> <p>FAAM SERVICE</p> <p>FAAM RESEARCH CENTER</p>	<p><b>Batteries</b></p> <ul style="list-style-type: none"> <li>Production and recycling of lead-acid and li-ion batteries for motive power, storage, starter and special applications</li> <li>Design and construction of plants for the recycling of exhausted batteries</li> </ul>

# Consolidated Profit & Loss

As follows the Group's Income Statement as of December 31, 2022, compared to the results registered in the same period of previous year:

CONSOLIDATED P&L - Euro / 000	31-Dec-2022	31-Dec-2021
Revenues from contract with customers	175,452	157,704
Other operating revenues	17,435	11,643
Internal works	11,233	7,773
<b>Total revenues, income and internal works</b>	<b>204,120</b>	<b>177,120</b>
<b>Operating costs</b>	<b>186,388</b>	<b>157,006</b>
<b>Gross Operating Income - EBITDA</b>	<b>17,732</b>	<b>20,114</b>
Depreciation and amortisation	21,661	20,184
Write-downs/write-backs	160	811
<b>Net Operating Income (loss) – EBIT</b>	<b>(4,089)</b>	<b>(881)</b>
Finance income	425	753
Finance expense	6,277	4,580
Income (expense) from associated companies	(1)	4
<b>Profit (Loss) before tax</b>	<b>(9,942)</b>	<b>(4,704)</b>
Income taxes	(5,500)	(3,210)
<b>Profit (Loss)</b>	<b>(4,442)</b>	<b>(1,494)</b>

# Consolidated Balance Sheet

As follows the Group's Balance Sheet as of December 31, 2022, compared to the balance sheet in the same period of previous year:

CONSOLIDATED BS - Euro / 000	31-Dec-2022	31-Dec-2021
Current assets	166,893	153,734
Non-current assets	201,993	192,316
<b>ASSETS</b>	<b>368,886</b>	<b>346,050</b>
Current liabilities	128,155	153,733
Non-Current liabilities	97,209	71,383
Equity	143,522	120,934
<b>LIABILITIES AND EQUITY</b>	<b>368,886</b>	<b>346,050</b>

# Plastic Materials – P&L

As follows the economic trend as of December 31, 2022, compared with the same period in the previous year:

P&L - Euro / 000	31/12/2022	31/12/2021	Change	Change %
Revenues from contract with customers	111,089	99,133	11,956	12%
Other operating revenues	6,942	2,876	4,066	141%
Internal works	3,852	2,683	1,169	44%
<b>Total revenues, income and internal works</b>	<b>121,883</b>	<b>104,692</b>	<b>17,191</b>	<b>16%</b>
<b>Operating costs</b>	<b>111,318</b>	<b>93,532</b>	<b>17,786</b>	<b>19%</b>
<b>Gross Operating Income - EBITDA</b>	<b>10,566</b>	<b>11,160</b>	<b>(594)</b>	<b>(5%)</b>
Depreciation and amortisation	7,295	6,786	509	8%
Write-downs/write-backs	(127)	317	(444)	(140%)
<b>Net Operating Income (loss) – EBIT</b>	<b>3,398</b>	<b>4,056</b>	<b>(658)</b>	<b>(16%)</b>
Finance income	126	33	93	283%
Finance expense	2,375	1,798	577	32%
<b>Profit (Loss) before tax</b>	<b>1,149</b>	<b>2,291</b>	<b>(1,142)</b>	<b>(50%)</b>
Income taxes	714	1,340	(626)	(47%)
<b>Profit (Loss)</b>	<b>434</b>	<b>951</b>	<b>(517)</b>	<b>(54%)</b>

# Batteries – P&L

As follows the economic trend as of December 31, 2022, compared with the same period in the previous year:

P&L - Euro / 000	31/12/2022	31/12/2021	Change	Change %
Revenues from contract with customers	66,008	61,113	4,895	8%
Other operating revenues	10,584	8,745	1,839	21%
Internal works	7,232	4,695	2,537	54%
<b>Total revenues, income and internal works</b>	<b>83,824</b>	<b>74,553</b>	<b>9,271</b>	<b>12%</b>
<b>Operating costs</b>	<b>75,668</b>	<b>64,767</b>	<b>10,901</b>	<b>17%</b>
<b>Gross Operating Income - EBITDA</b>	<b>8,156</b>	<b>9,785</b>	<b>(1,629)</b>	<b>(17%)</b>
Depreciation and amortisation	14,177	13,221	956	7%
Write-downs/write-backs	190	492	(302)	(61%)
<b>Net Operating Income (loss) – EBIT</b>	<b>(6,211)</b>	<b>(3,928)</b>	<b>(2,283)</b>	<b>58%</b>
Finance income	224	682	(458)	(67%)
Finance expense	3,498	2,641	857	32%
<b>Profit (Loss) before tax</b>	<b>(9,485)</b>	<b>(5,886)</b>	<b>(3,599)</b>	<b>61%</b>
Income taxes	681	491	190	39%
<b>Profit (Loss)</b>	<b>(10,167)</b>	<b>(6,377)</b>	<b>(3,790)</b>	<b>59%</b>

# Consolidated Net financial position

As follows the Group's Net Financial Position:

NFP - Euro / 000	31/12/2022	31/12/2021	Change	Change %
Cash	24,818	19,500	5,318	27%
Cash equivalents	1,133	1,702	(569)	(33%)
Other current financial assets	1,588	509	1,079	212%
<b>Total Liquidity C = (A + B + C)</b>	<b>27,539</b>	<b>21,711</b>	<b>5,828</b>	<b>27%</b>
Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	47,552	40,252	7,300	18%
Current portion of long-term financial debt	16,006	40,777	(24,771)	(61%)
<b>Current financial Indebtedness G = (E + F)</b>	<b>63,558</b>	<b>81,029</b>	<b>(17,471)</b>	<b>(22%)</b>
<b>Net Current Financial indebtedness H = (G - D)</b>	<b>36,019</b>	<b>59,318</b>	<b>(23,299)</b>	<b>(39%)</b>
Current financial debt (excluding current portion and debt instruments)	34,400	8,700	25,700	295%
Debt instruments	4,000	0	4,000	100%
Non-current trade and other payables	29,870	30,000	(130)	(0%)
<b>Non-current financial indebtedness L = (I + J + K)</b>	<b>68,270</b>	<b>38,700</b>	<b>29,570</b>	<b>76%</b>
<b>Total Financial indebtedness (H+L)</b>	<b>104,289</b>	<b>98,018</b>	<b>6,271</b>	<b>6%</b>
IFRS 16 adjustment	25,271	22,971	2,300	10%
<b>Adjusted total financial indebtedness</b>	<b>79,018</b>	<b>75,047</b>	<b>3,971</b>	<b>5%</b>