



Investor Presentation
October 2023



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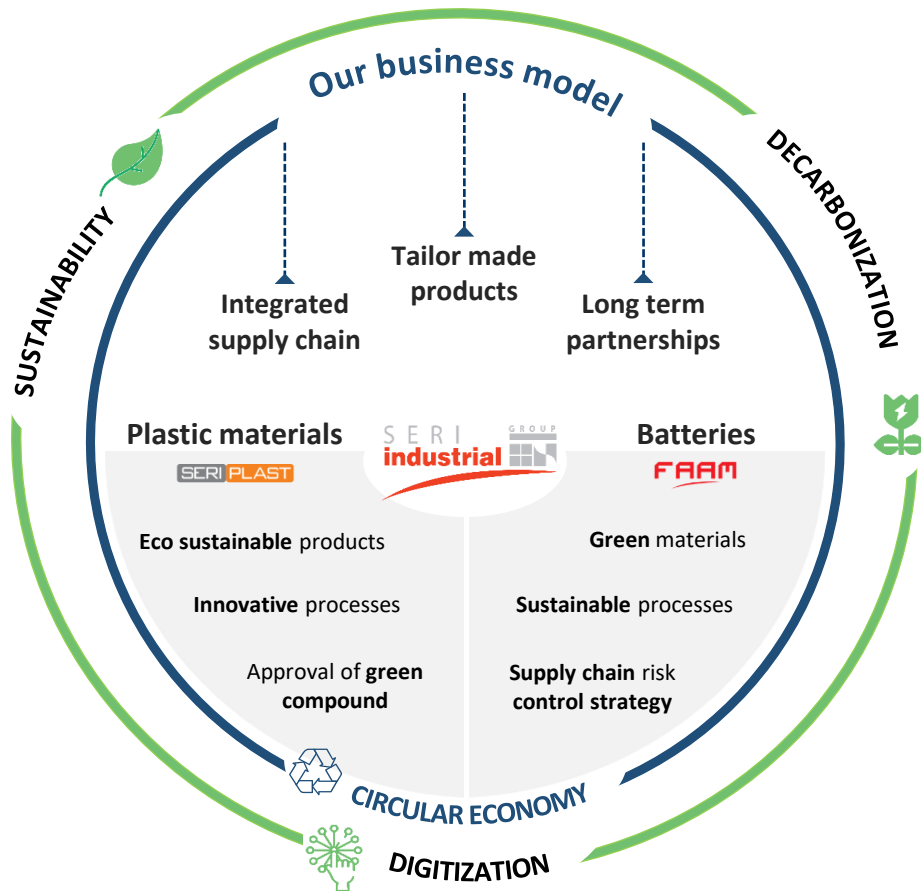
Appendix



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



Market forecast

Li-Ion Battery Market



**9,000 GWh
2030**

The global Li-ion battery market is **estimated to grow to about 9,000 GWh by 2030**. More specifically, the global market for **ESS applications**, a segment of particular importance to the Group, **grows by +29% CAGR 2022-2030** in terms of volume¹.



Lead acid Battery Market



**494 GWh
2030**

The global market is estimated to reach **\$47 billion by 2030**, for volumes of 494 GWh, of which about **\$18 billion** is related to **ESS, UPS, Telecom, Forklift, Other Motive** - the Group's core segments - Power tools, E-Bikes and other applications².

Automotive Plastics Market



**+11%
CAGR₂₀₂₁₋₂₀₂₇**

The **global plastic compounds market** is estimated to reach \$104.09 billion by 2028 ³. The increase will mainly be driven by the growing use of **PP compounds in the automotive industry**. Specifically, the plastics market in this industry is estimated to grow by 11% CAGR 2021-2027 ⁴.



Sustainable Packaging Market



**+7,5%
CAGR₂₀₂₃₋₂₀₃₀**

The **global sustainable packaging market** is a fast-growing segment, with **turnover of \$409.2 billion by 2030**, up from around \$229.5 billion in 2021⁵.

Plastic Pipes Market



+6,5% CAGR₂₀₂₂₋₂₀₂₈

The **global plastic pipes market** is estimated to reach \$83 billion in 2028 ⁶.

¹ Global battery demand to surge by 2030", Rystad Energy Battery

² The Rechargeable Battery Market and Main Trends 2020-2030 – Threats, challenges and opportunities", Avicenne Energy, June 2022

³ Global Plastic Compounding Market Outlook 2022, Valuables Reports, January 2022

⁴ Global Automotive Plastics Market Report 2021-2027, Global Market Insights, February 2022

⁵ Green Packaging Market Size is projected to reach USD 409.2 Billion by 2030, growing at a CAGR of 7.5%", Straits Research, October 2022

⁶ Global Plastic Pipes Market Growth, Share, Size, Trends and Forecast (2022-2028), ReAnIn, June 2022

Market forecast – Batteries

FAAM

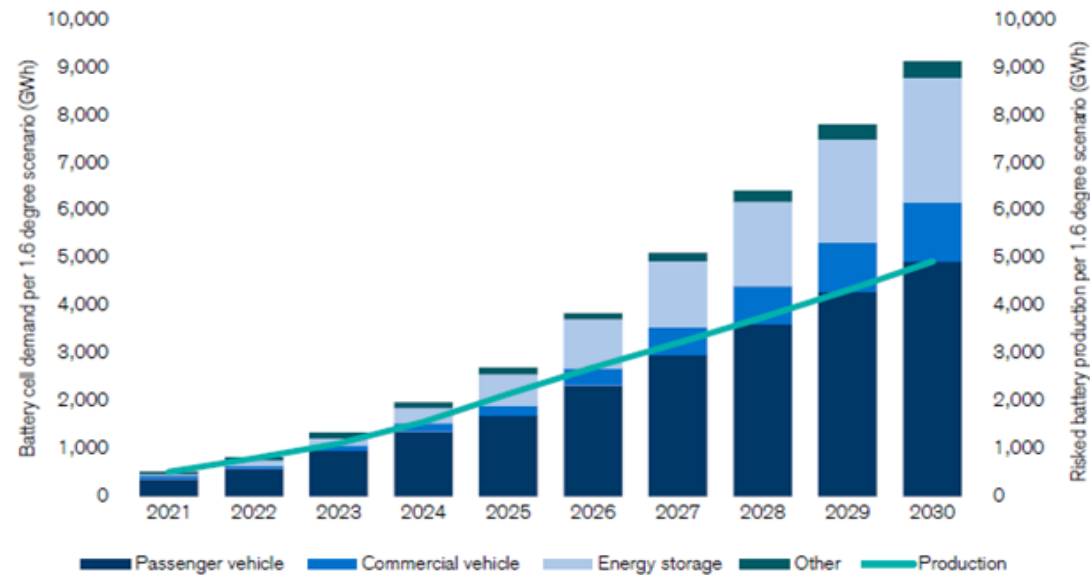
Li-Ion Battery Market

+36% CAGR₂₀₂₁₋₂₀₃₀

The global Li-ion battery market is **estimated to grow to about 9,000 GWh by 2030¹**, compared to around 580 GWh in 2021 (+36% CAGR 2021-2030).

Global Li-ion batteries cell demand GWh, base case

(GWh per year of new batteries)



More specifically, the global passenger vehicle and **energy storage applications market** account for the largest increase in estimated demand.

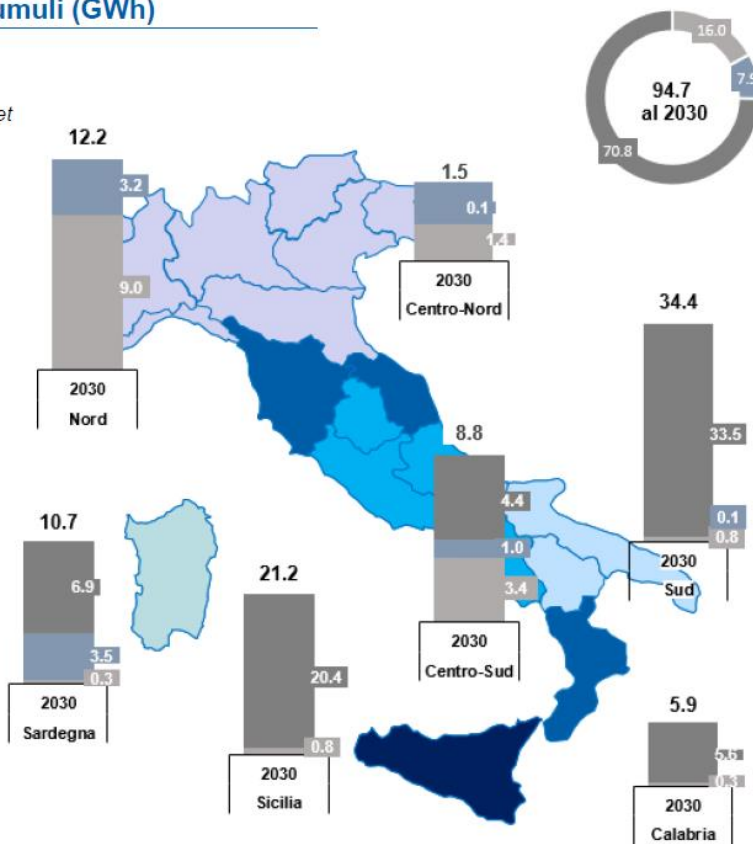
ESS applications, a segment of particular importance for the Group, **are estimated to reach around 2,500 GWh, equal to 29% of the total demand for lithium batteries by 2030**, compared to 139 GWh in 2021.

Global demand for batteries is increasing, driven largely by the imperative to **reduce climate change** through electrification of mobility and the broader energy transition

¹ Global battery demand to surge by 2030, Rystad Energy Battery

Market forecast - Storage in Italy splitted by area

Capacità installata accumulati (GWh)



ca. 80 GWh for big systems > 1 MWh

for small systems < 1 MWh



FF55 Scenario

The FF55 scenario predicts that almost 100 GWh of additional storage will be needed by 2030 to meet policy targets and curb overgeneration.

- About 71 GWh utility scale;
- about 8 GWh capacity market;
- 16 GWh small scale (batteries associated with rooftop photovoltaics).

Market forecast – Plastics Consumer demand

Many European initiatives and associations such as the **European Plastics Pact** and the **Circular Plastic Alliance**, bring together several actors from the industry, academics, and public authorities, to **accelerate the transition towards Circular Economy**. This is made possible by considering the whole plastic value chain, and notably by aiming at boosting the recycled plastic EU market.

From linear economy model ...



Resource intake (*Take*)



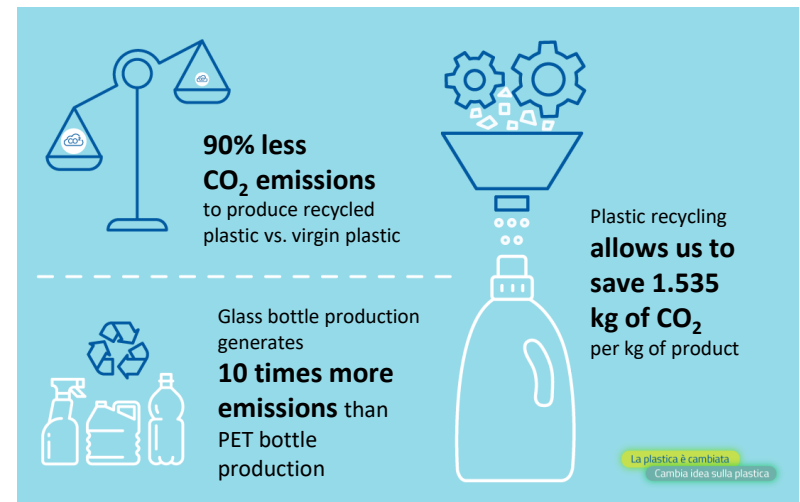
Consumption (*Make*)



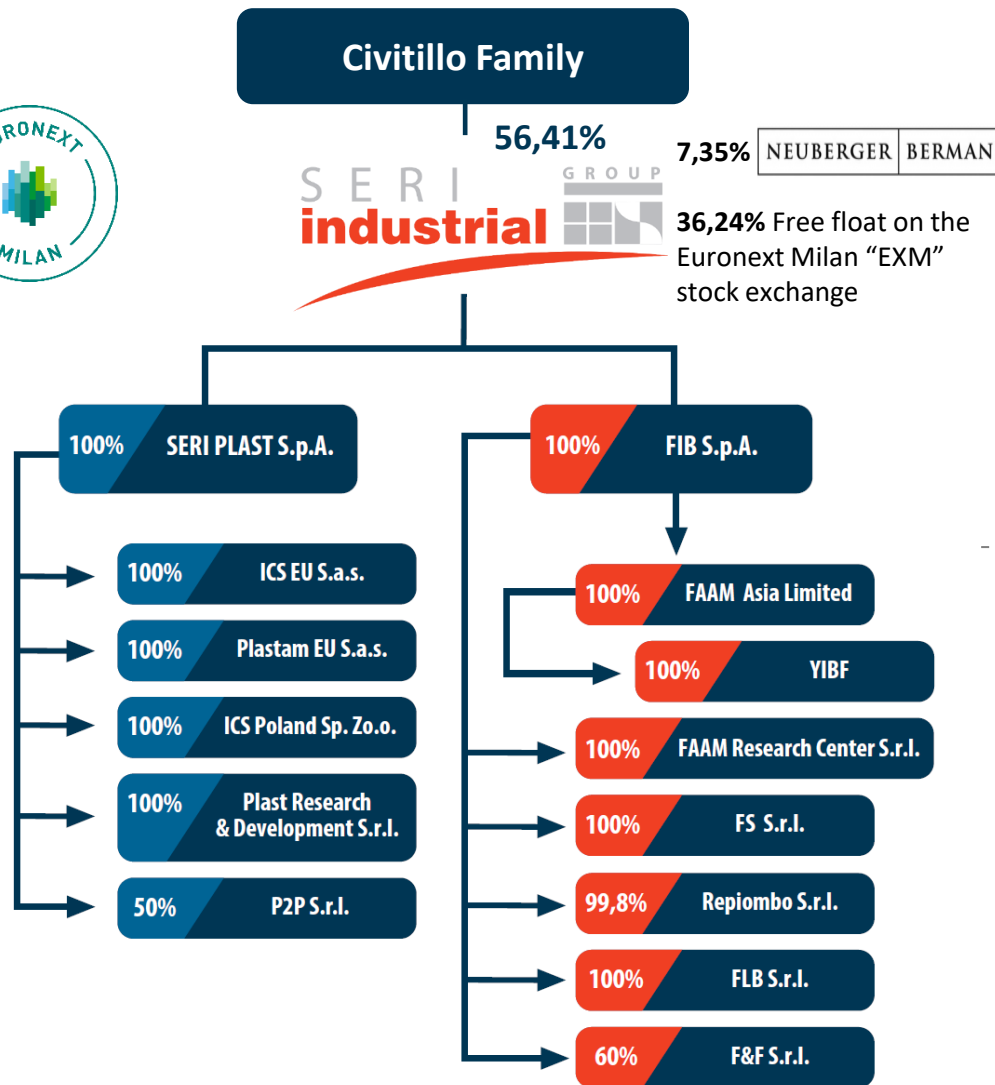
Disposal (*Dispose*)



... to circular economy



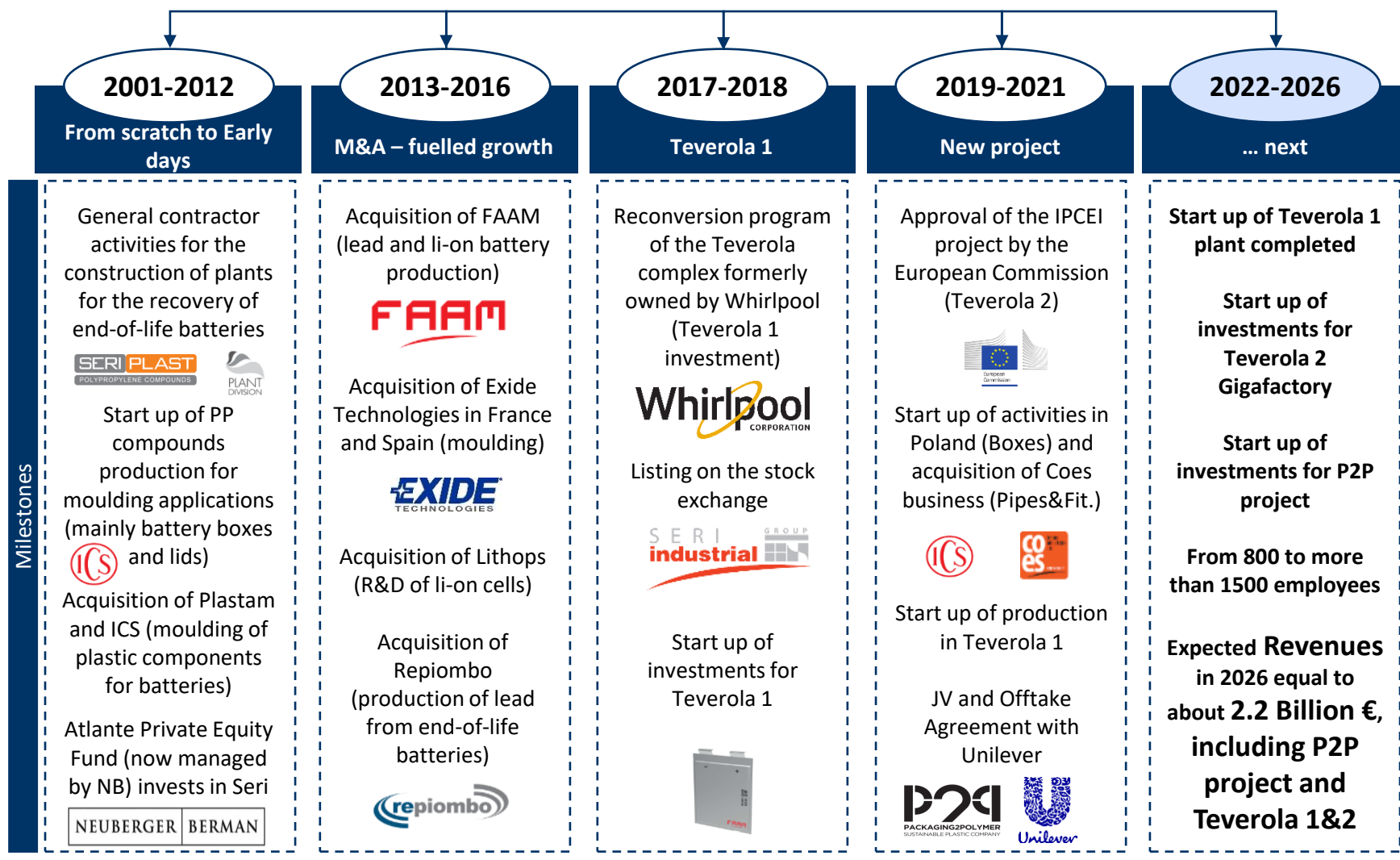
Group Structure



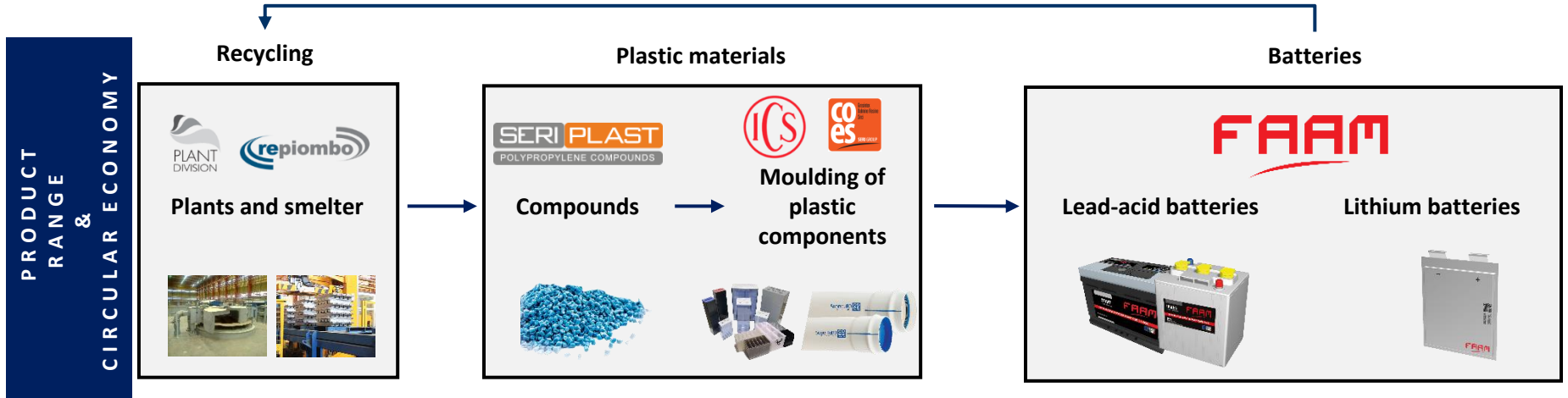
SBU	ACTIVITY
SERI PLAST 	Plastic Materials <ul style="list-style-type: none"> Production of special compounds for the moulding of boxes and lids for batteries Production of special compounds for the automotive and packaging Production of special compounds for the moulding and extrusion of pipes and fittings for the thermo-hydro sanitary market
FIB 	Batteries <ul style="list-style-type: none"> Production and recycling of lead-acid and li-ion batteries for motive power, storage, starter and special applications Design and construction of plants for the recycling of exhausted batteries

Milestones

1999: Seri creation as engineering company



Footprint



16 Production sites*

800 People**

Plastic Materials



●	Canonica d'Adda (BG)	66 FTE
	Pioltello (MI)	101 FTE
	Gubbio (PG)	46 FTE
	Alife (CE)	18 FTE
	Arras (France)	17 FTE
	Peronne (France)	39 FTE
	Brwinow (Poland)	23 FTE

Batteries

●	Monte Sant'Angelo (FG)	75 FTE
	Monterubbiano (FM)	60 FTE
	Teverola 1 (CE)	140 FTE
	Yixing (China)	52 FTE
	Calitri (AV)	9 FTE
	Alife (CE)	10 FTE

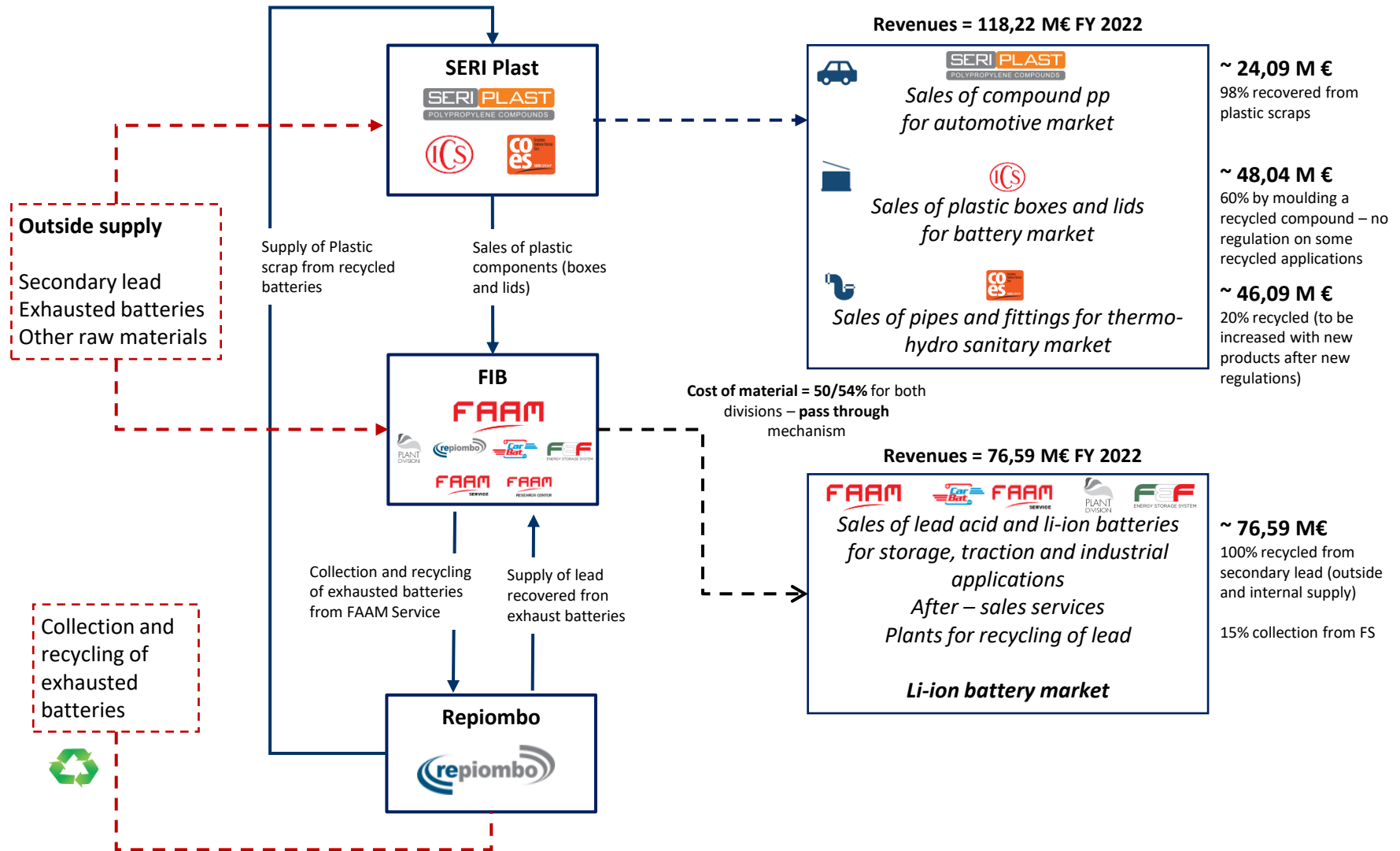


* including 4 after-sales branches

**including FTEs in the HQ (San Potito Sannitico office), Board members of the Group's companies, and external staff

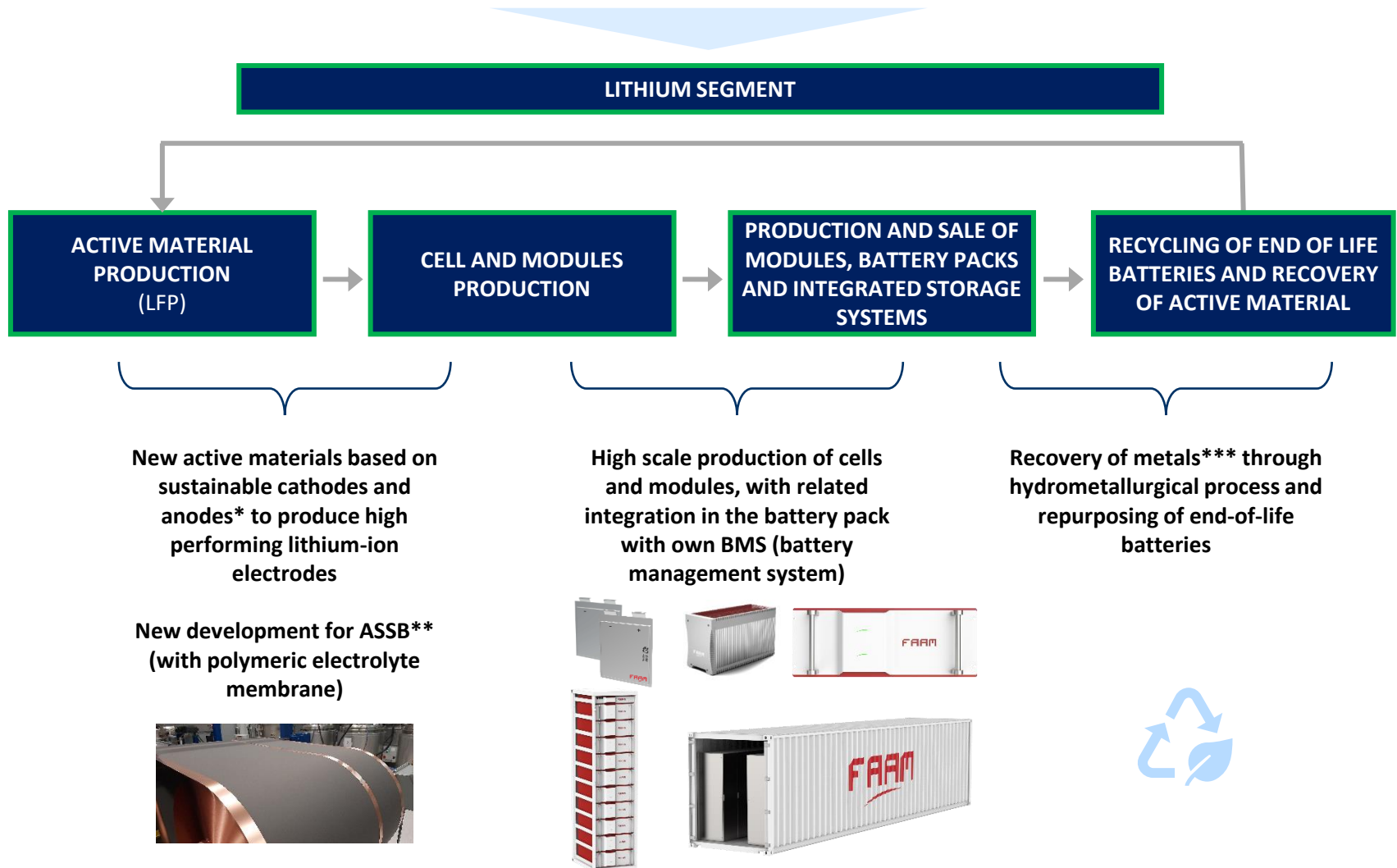
Our effort for the energetic transition

Circular Economy



Vertical integration in the Lithium

The goal is to replicate the successful vertical integration achieved in the lead-acid/plastic



* Mainly LMFP on cathode and Si/C on anode

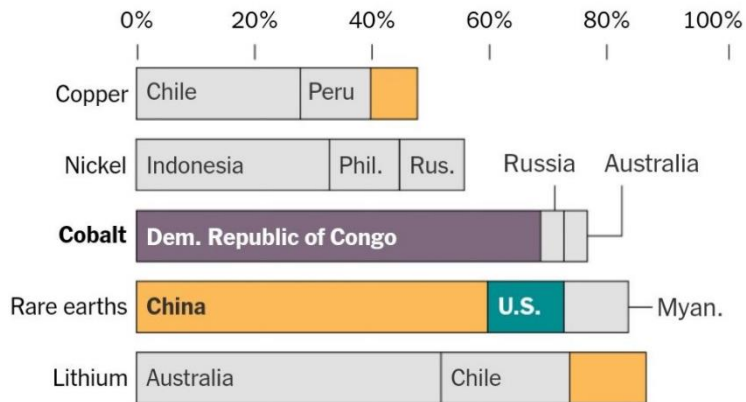
** All solid state batteries

*** Target metals are Co, Ni, Mn, Al, Li, Cu, Fe

Why Cobalt agnostic?

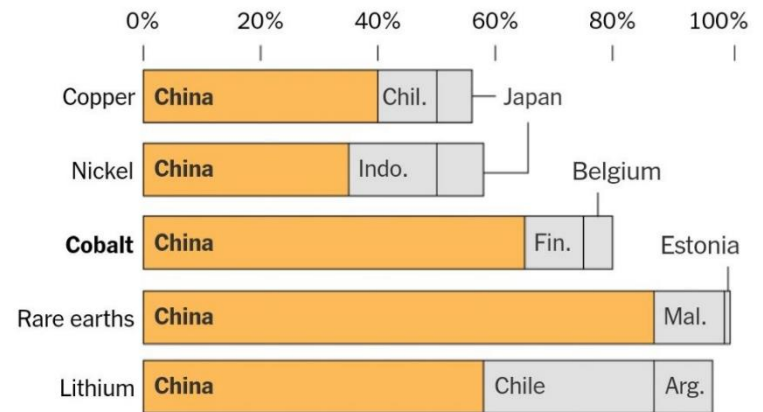
Where Clean Energy Metals are produced*

The production of key mineral resources is highly concentrated today. Chart show top three producers.

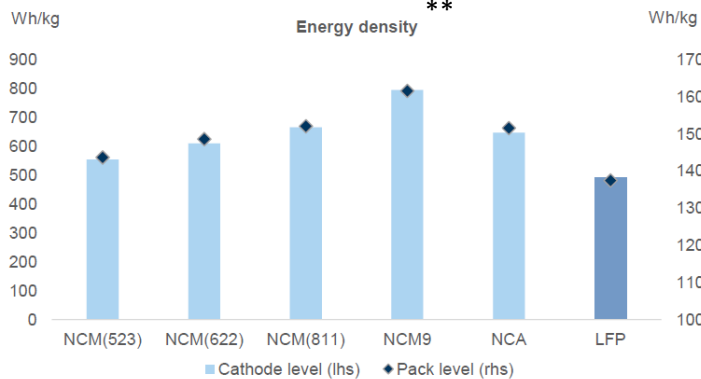


And where they are processed*

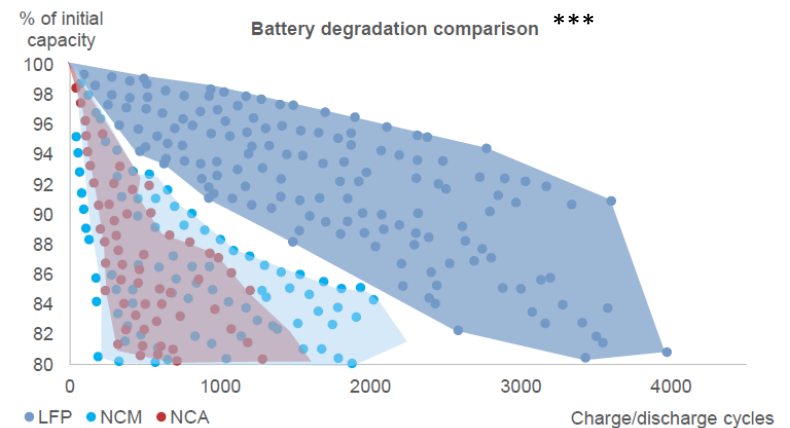
China dominates the refining and processing of key metals.



2022



LFP has a lower energy density than NMC...



...but degrades at a much lower speed

*Source: International Agency – By The New York Times

**Source: Company data, Wood Mackenzie, SNE Research, Goldman Sachs Global Investment Research

***Source: Pregel et al. (2020)

Why Water-based?

Already in **Teverola 1** we have adapted the electrode production to **water-based formulations** – using only water as a main solvent both for the cathode and anode, eliminating the necessity for solvent treatment

Main advantages



No NMP emissions



Reduction of energy required and consequent CO₂ footprint reduction



Increasing of the safety



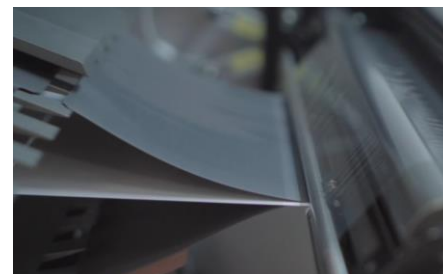
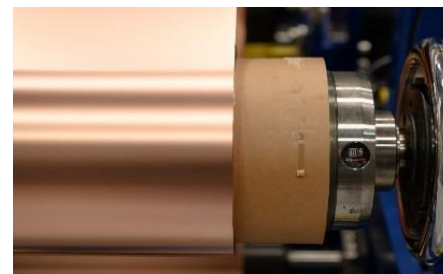
Differentiation of the product



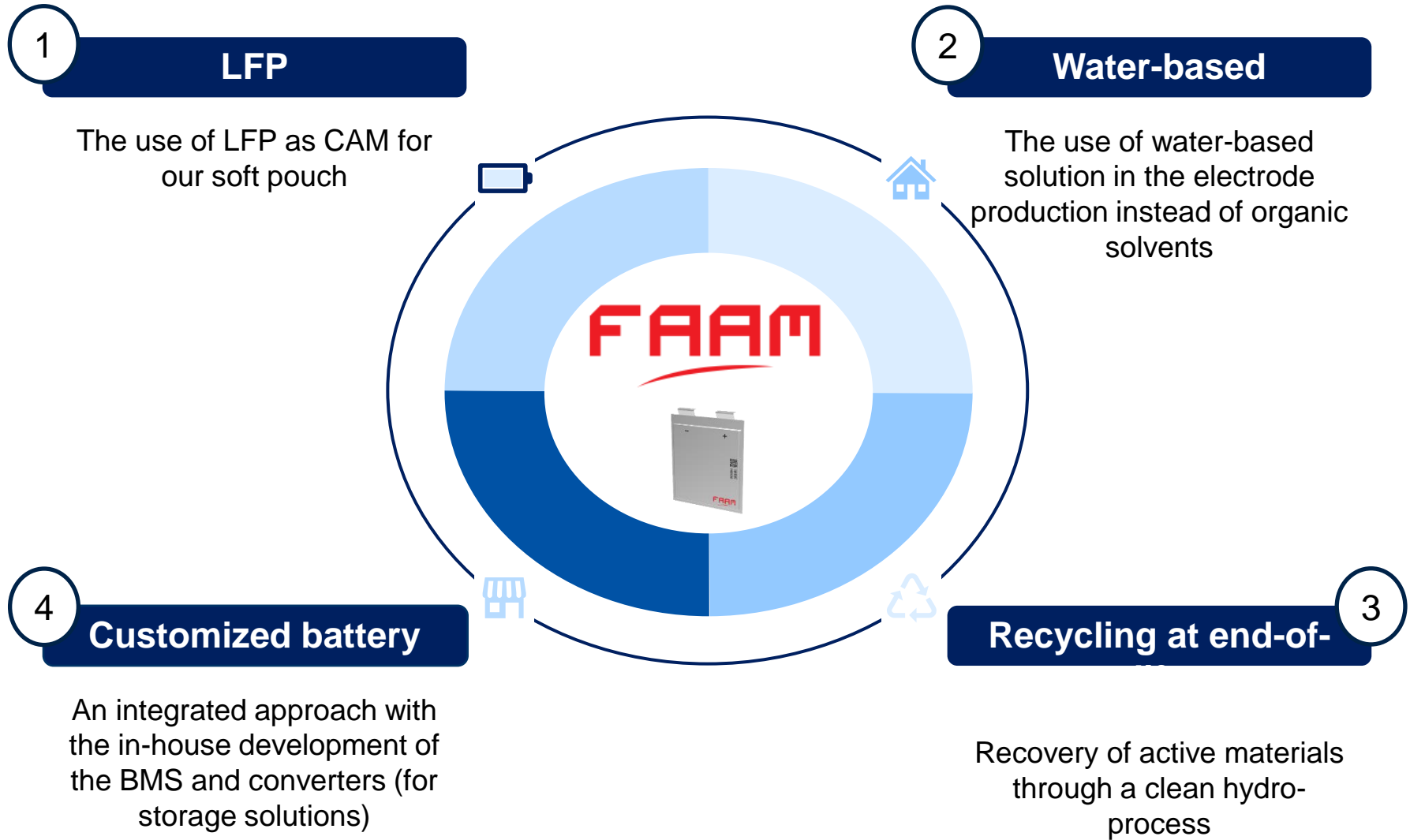
Easier recycling



Regulatory anticipation (what will happen when all the Gigafactories in EU will start mass production with NMP-based li-on cells?)



Our 4 pillars vision on lithium batteries



Lithium cluster and new projects

Teverola Project

TEVEROLA 1

330 MWh installed capacity



TEVEROLA 2

8,5 GWh capacity



Teverola is set to become the first gigafactory in Italy and South Europe



**Teverola
1**

Present

Capacity: **330 MWh**

Technology: LFP soft pouch (**50Ah**), high energy density applications with integrated BMS

70 M€ of realized Capex

Applications: Motive Power, ESS, Public transport, Naval and Defense

**Teverola
2**

Future

Project timesheet: 2021 – 2027

Industrial Deployment: 2021 -2024

R&D: 2021 - 2027

Capacity: **8/8,5 GWh**

Technology: **Gen 3b and 4 (solid state)**

505 M€ of investments (Capex for 358.55 M€ and Opex for 147.29 M€, funded by grants)

50 ton/day of battery treatment in the **recycling pilot line**

Applications: Motive Power, Storage, Automotive, Public Transport, Naval and Defense

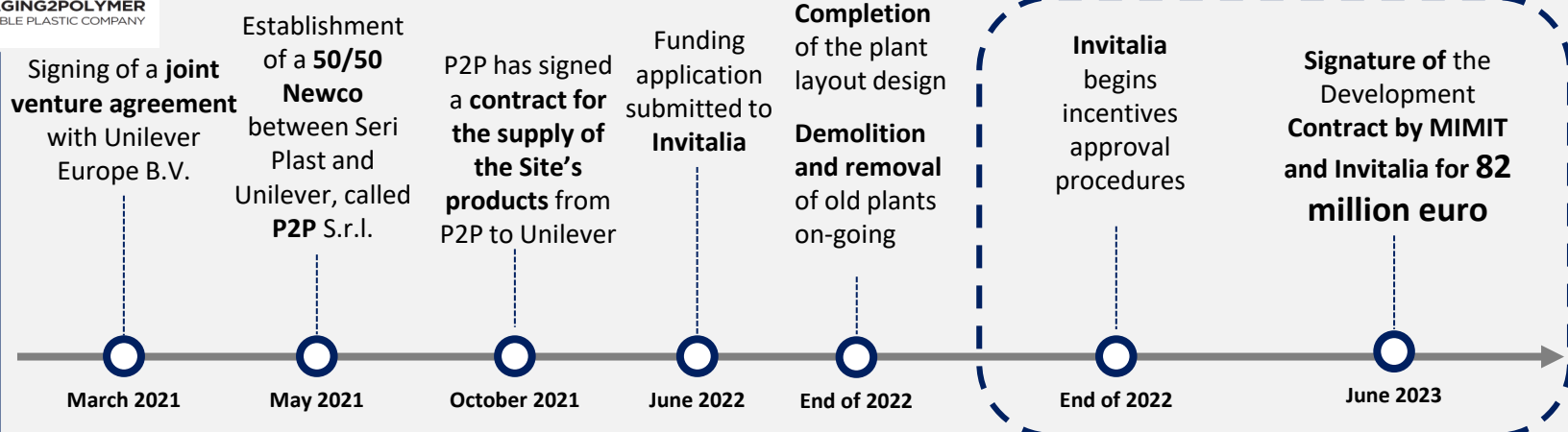
JV and Off-take agreement with Unilever (1/2)

P2P



New update

Timeline P2P



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 52 million and non repayable grants for euro 30 million

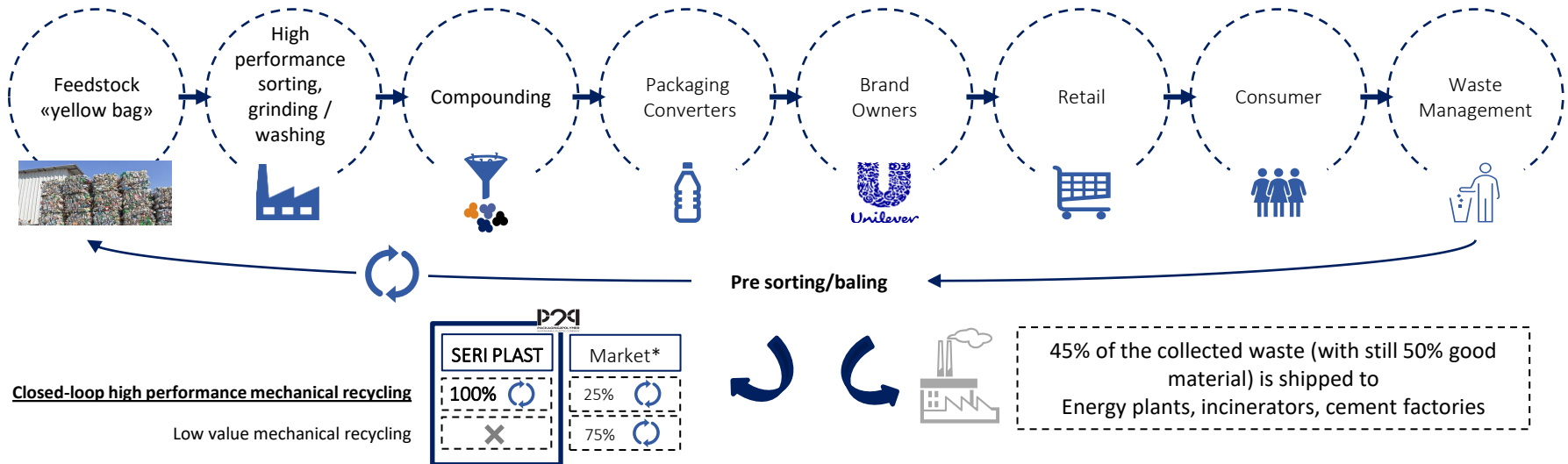
* The time period may be extended by a further 6 months.

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

JV and Off-take agreement with Unilever (2/2)



POZZILLI PROJECT



Mechanical recycling 130k ton/y capacity

- Advanced presorting process.
- Grinding/washing/decontamination (food grade targeting on PET/HDPE/PP) – 4 lines
- Compounding/labouring – 5 lines
- Odour removal – 2 lines

Products

- rPP, rHDPE, rLDPE, rLLDPE, rPET
- Food Grade rPET

Technologies ready to produce also HDPE and PP food grades - when EU regulations will be ready to accept polymers from mechanical recycling into food packaging.

*Bain & Company, 2019

Seri Plast & P2P Procurement strategy

Source of plastic waste



180k ton

of plastic waste to be treated

Feedstock
(input)

**Mixed rigid
plastic providers**

Mixed rigid plastics from MSW
(Municipal Solid Waste)
Here there is the main
innovation

«Own» collection infrastructure

Consortiums

Pre-sorted plastic packaging
waste
Italian and European collectors



As a next step, in line with the
business model in the battery
business, it could be an
opportunity exploiting Unilever
channels

*And other consortiums

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FY H1 2023 Highlights

Business Update

RELEVANT EVENTS

Business as is

- Volumes increasing compared to last year – effect on average selling prices (lower cost)
- Extraordinary energy costs in the two plants in France

Teverola 1

- A new CTO* has been appointed (for both T1/T2)
- New productions standards currently under control – ramp-up progressing

Teverola 2

- Cash in of the advance payment of the IPCEI subsidy (83,4 Mln EURO)
- Definition of process parameters of the new factory on-going (accelerated during last months)

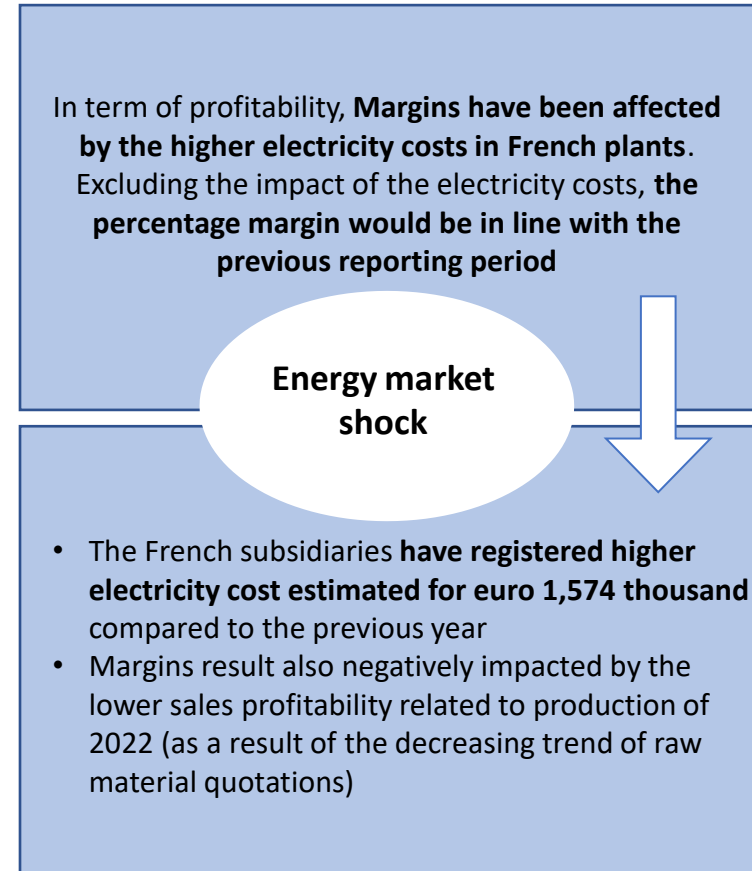
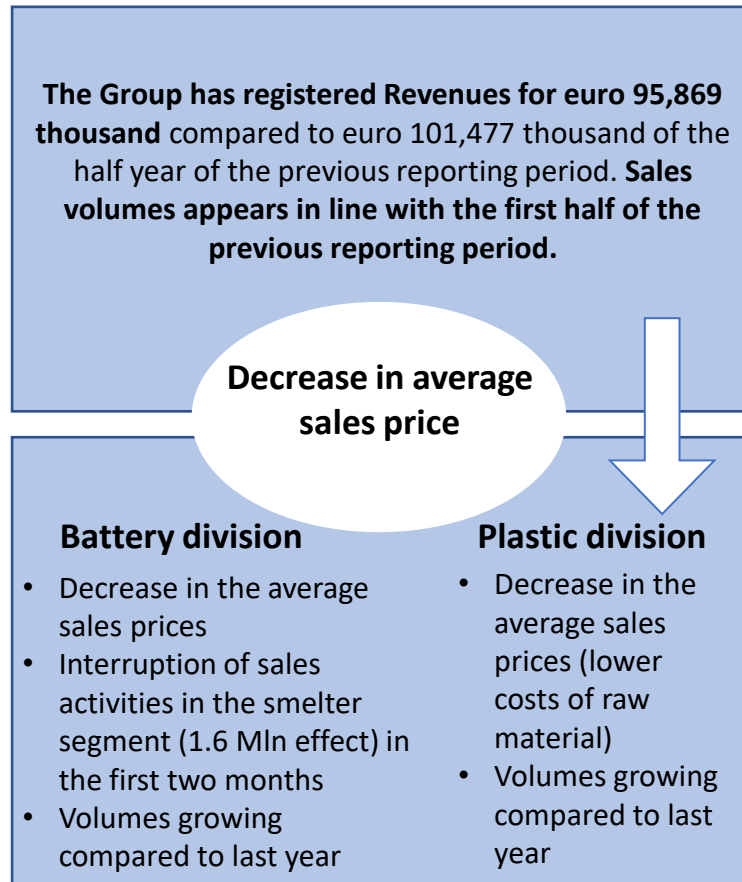
P2P

- Signed the Development Agreement by MIMIT and Invitalia S.p.A. for €82 million
- Completed site preparation and demolition activities of the old plants

Business update

Financials- Business impact in a context of high volatility

Following, the relevant events that have affected Revenues and Margins:



Business update

Teverola 1

Teverola 2

Relevant events – Teverola 1 and Teverola 2



Teverola 1

- During the first half of 2023, the **production capacity** of the Teverola 1 plant has been **gradually increased**.
- In June 2023, Mr. Dominique Ligeois, one of the world's leading expert on lithium cells, has been appointed as **CTO**. His contribute, together with an international team whose constitution is still on going , will be fundamental to aim at increasing current production capacity and efficiency and significantly reducing scrap
- During the verification of the process – scrap and downtime machine increased – also due to persistent problems on the power line. In order to fix these issues, the CTO has considered it appropriate to bring some modifications to the production process.
- In this context, FAAM decided to delay sales, necessary to guarantee customers continuity and timeliness in supplies.
- **Lead time required** (actually slightly longer than forecasted) is **in line with** the start-up times of the other plants being built by the **main European competitors**

Teverola 2

- **Teverola 2** investment program has undergone a **significant acceleration**
- The Company **received an advance payment of EUR 84 million** out of the total IPCEI subsidy granted by the Ministry of Enterprise and Made in Italy
- FIB is continuing the assessment with a pool of banks for the activation of a revolving credit line in order to anticipate the timing of the disbursement of the grants

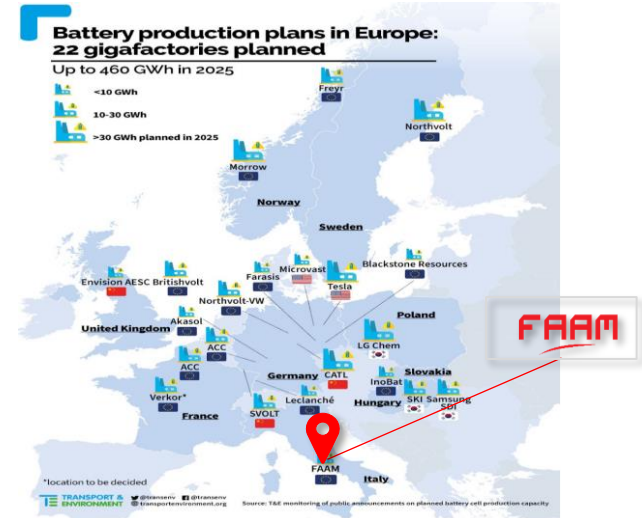
2023-2026 Business Plan

On July 27, 2023, the Board of Directors has approved the **Consolidated 2023-2026 Business plan**. Despite the delays related to Teverola 1 plant, the Plan **forecasts revenues** equal to about euro **2,2 billion** in 2026, **in line with the economic projections** approved on 22 July 2021-2025. As of today – the Plan is confirmed

Any update following the outcome of the checks currently underway on activity related to process parameters will be communicated

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 ICPEI Fund in support of the IPCEI Batteries 1
↓	
October 2021	Submission of the application for the grant
↓	
March 2022	Concession decree in favour of FIB amounting € 417,046,521.84 (communicated to be increased)
↓	
August 2023	Received the first disbursement of approximately EUR 84 million of the IPCEI subsidy (20% of the total amounts)



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

FAAM
265.000 sqm total
(82.000 sqm indoor)

Next steps

Disbursement of grants to be made within the first semester of each year

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

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FY H1 2023 Highlights

€/Mln

€ 95,869^{thousands}

TOTAL REVENUES

€ 101,477 thousands in H1 2022

€ 6,855^{thousands}

EBITDA

€ 8,855 thousands in H1 2022

€ (6,685)^{thousands}

EBIT

€ (1,932) thousands in H1 2022

€ (7,042)^{thousands}

**CONSOLIDATED
NET RESULT**

€ (5,194) thousands in H1 2022

€ 265,855^{thousands}

**NET INVESTED
CAPITAL**

€ 247,811 thousands in H1 2022

€ 135,740^{thousands}

**CONSOLIDATED
EQUITY**

€ 143,522 thousands in H1 2022

€ 97,484^{thousands}

**ADJUSTED
NET DEBT**

€ 79,018 thousands in H1 2022

€ 7,052^{thousands}

INVESTMENT ACTIVITIES

€ 6,402 thousands in H1 2022

H1 2023 Key Financials

YOY COMPARISON H1 2023 – H1 2022

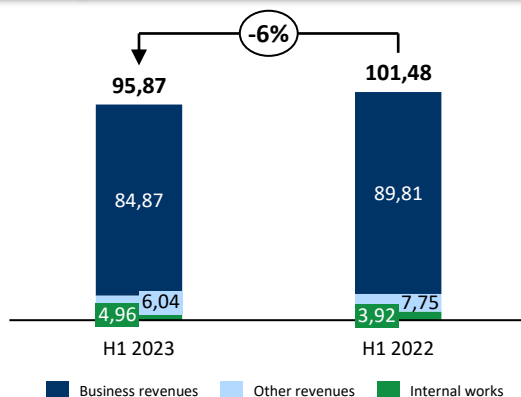
Key Financials - €/Mln	H1 2023	H1 2022	Change	% 23 vs 22
Total Revenues*	95,869	101,477	(5,61)	-6%
EBITDA	6,855	8,855	(2,00)	-23%
Adjusted EBITDA	7,154	9,071	(1,92)	-21%
Depreciation and Amortization	13,540	10,787	2,75	
EBIT	(6,685)	(1,932)	(4,75)	
Adjusted EBIT	(6,126)	(1,716)	(4,41)	
Consolidated Net Result	(7,042)	(5,194)	(1,85)	43%
Consolidated Adjusted Net Result	(6,335)	(4,286)	(2,05)	48%

Key indicators - €/Mln	H1 2023	H1 2022	Change	% 23 vs 22
Net Invested Capital	265,855	247,811	18,04	7%
Consolidated Net Equity	135,740	143,522	(7,78)	-5%
Investment Activities	7,052	6,402	650	10%
Net Financial Debt	130,115	104,289	25,83	25%
Adjusted Net Financial Debt	97,484	79,018	18,47	23%

* Revenues, other revenues and internal works

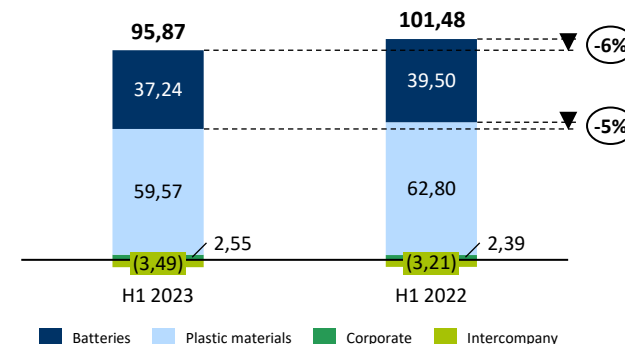
H1 2023 Key Financials

Reported Consolidated Revenues



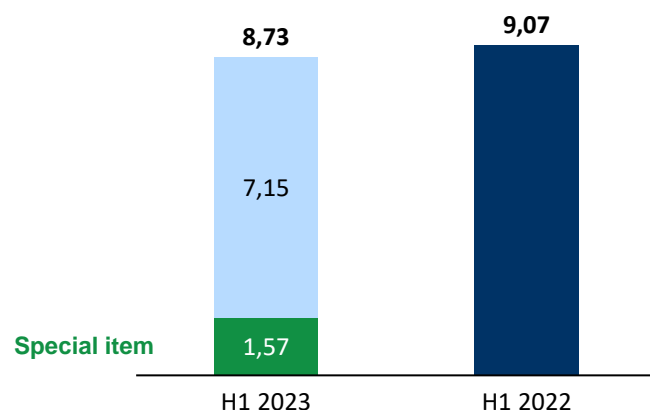
The Group has registered **Revenues** for € **95,87 Mln**, with a decrease of **(6%)** vs H1 2022 (€ **101,48 Mln**). **Revenues results negatively impacted** by the decrease in average sales price

Revenues Breakdown



Plastic Materials and Batteries Division have registered respectively **-5%** and **-6%** decrease in Revenues vs H1 2022

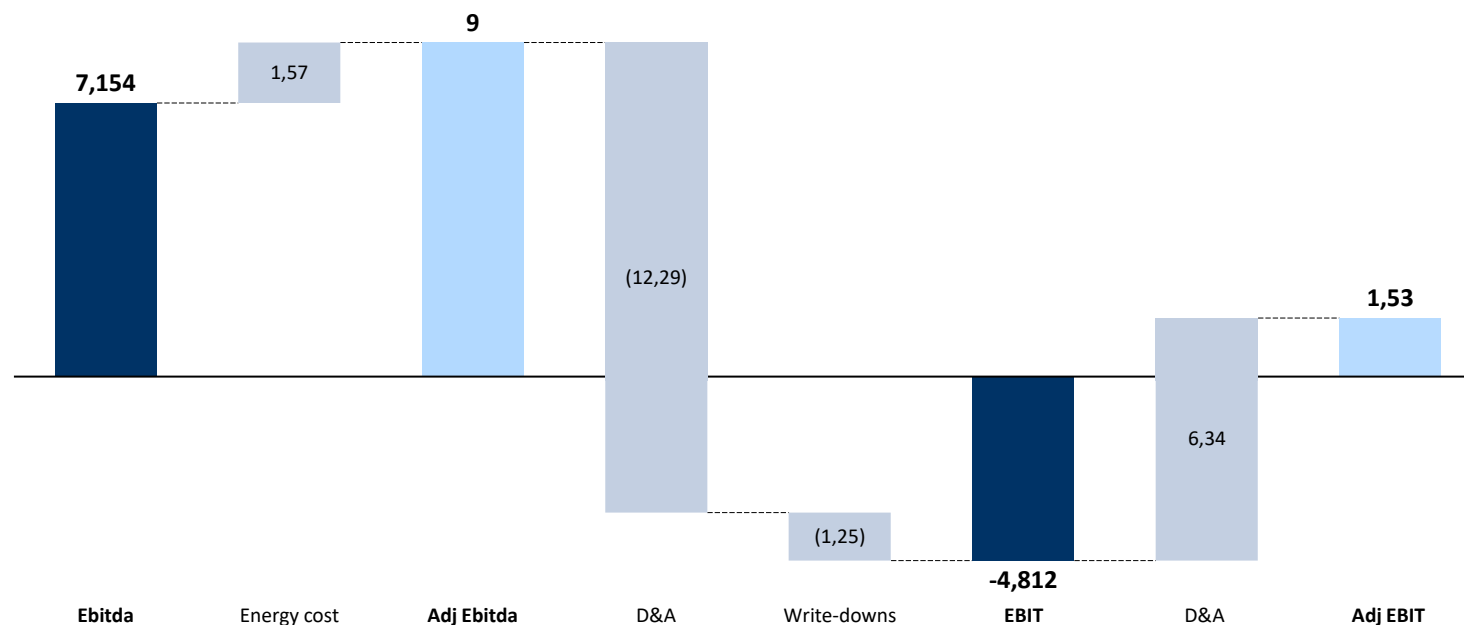
Adj Ebitda – Consolidated



- The result registered in H1 2023 equal to **€7,15 Mln**, is **strongly influenced by the greater impact on operating costs**, due to the increase in electricity costs that French subsidiaries have afforded, **estimated at € 1,574 Mln**. Excluding the impact of the electricity costs, **Adj. EBITDA would be €8,724**.
- Moreover, margins result negatively impacted by the lower sales profitability related to production of the previous reporting period, as a result of the decreasing trend of raw material quotations.
- Likewise, the **percentage margin** is equal to **7.2%** vs 8.7% of H1 2022. Excluding the impact of the electricity costs described above, the **percentage margin would be in line with the previous reporting period**

H1 2023 Key Financials – From EBITDA to Adj EBIT

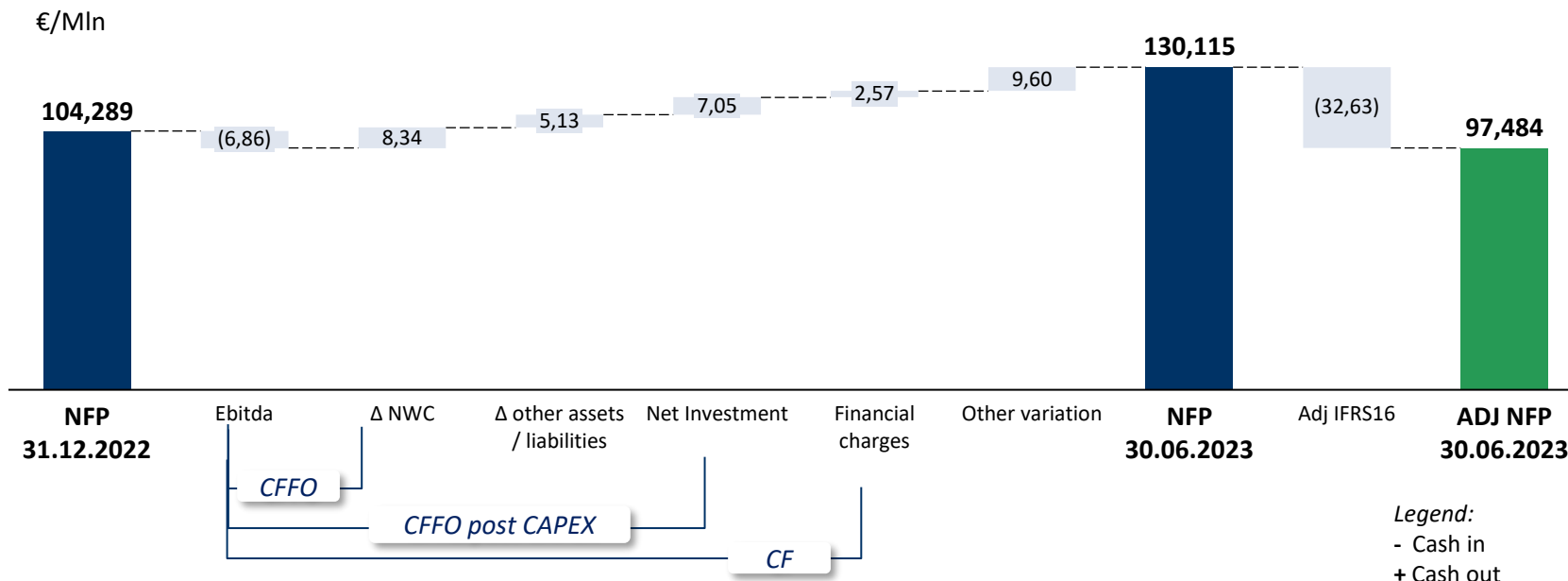
€/Mln



EBIT is equal to negative euro 4,812 thousand, after depreciation and amortization of euro 12,287 thousand, of which euro 6,342 thousand related to the investment made and on-going in Teverola 1 and 2.

Excluding the impact of the D&A, the business *as is* has registered an Adj. EBIT for € 1,53mn.

H1 2023 Key Financials – Bridge NFP



The **Adj Net Financial Position** is equal to **euro 97 Mln** in H1 2023.

The **increase recorded** in the period is mainly related to the increase in **Net Working Capital** of euro 8 million and the **investment activity for euro 7 million**. In particular, there has been an increase in the value of inventories, accounting for **€9,907 thousand**, mainly due to the **increase in inventories at the Teverola 1 site, equal to €6,901 thousand**.

The **Net Financial Position** at the end of the period is equal to **euro 130 Mln** and it is including **€ 32,631 Mln** of IFRS 16 effects related to the Right of Use for lease contracts

Appendix

Consolidated Profit & Loss

As follows the Group's Income Statement as of June 30, 2023, compared to the results registered in the same period of previous year:

CONSOLIDATED P&L - Euro / 000	30-Jun-2023	30-June-2022
Revenues from contract with customers	84,870	89,811
Other operating revenues	6,041	7,751
Internal works	4,958	3,915
Total revenues, income and internal works	95,869	101,477
Operating costs	89,014	92,622
Gross Operating Income - EBITDA	6,855	8,855
Depreciation and amortisation	12,287	10,826
Write-downs/write-backs	1,253	(39)
Net Operating Income (loss) – EBIT	(6,685)	(1,932)
Finance income (expense)	(3,017)	(2,401)
Profit (Loss) before tax	(9,702)	(4,333)
Income taxes	(2,660)	861
Profit (Loss)	(7,042)	(5,194)

Consolidated Balance Sheet

As follows the Group's Balance Sheet as of June 30, 2023, compared to the balance sheet in the same period of previous year:

CONSOLIDATED BS - Euro / 000	30-June-2023	30-June-2022
Current assets	153,127	166,893
Non-current assets	209,803	201,993
ASSETS	362,930	368,886
Current liabilities	129,360	128,155
Non-Current liabilities	97,830	97,209
Equity	135,740	143,522
LIABILITIES AND EQUITY	362,930	368,886

Plastic Materials – P&L

As follows the economic trend as of June 30, 2023, compared with the same period in the previous year:

P&L - Euro / 000	30/06/2023	30/06/2022	Change	Change %
Revenues from contract with customers	56,487	59,250	(2,763)	(5%)
Other operating revenues	1,967	2,328	(361)	(16%)
Internal works	1,113	1,222	(109)	(9%)
Total revenues, income and internal works	59,566	62,800	(3,234)	(5%)
Operating costs	55,708	58,417	(2,709)	(5%)
Gross Operating Income - EBITDA	3,858	4,382	(524)	(12%)
Depreciation and amortisation	4,066	3,746	320	9%
Write-downs/write-backs	755	(148)	903	(610%)
Net Operating Income (loss) – EBIT	(963)	785	(1,748)	(223%)
Finance income	450	83	367	442%
Finance expense	1,766	1,092	674	62%
Profit (Loss) before tax	(2,278)	(224)	(2,054)	917%
Income taxes	568	474	94	20%
Profit (Loss)	(2,846)	(698)	(2,148)	308%

Batteries – P&L

As follows the economic trend as of June 30, 2023, compared with the same period in the previous year:

P&L - Euro / 000	30/06/2023	30/06/2022	Change	Change %
Revenues from contract with customers	29,302	31,444	(2,142)	(7%)
Other operating revenues	4,095	5,459	(1,364)	(25%)
Internal works	3,841	2,600	1,241	48%
Total revenues, income and internal works	37,238	39,503	(2,265)	(6%)
Operating costs	33,824	34,648	(824)	(2%)
Gross Operating Income - EBITDA	3,415	4,855	(1,440)	(30%)
Depreciation and amortisation	8,112	6,987	1,125	16%
Write-downs/write-backs	488	110	378	344%
Net Operating Income (loss) – EBIT	(5,185)	(2,241)	(2,944)	131%
Finance income	210	511	(301)	(59%)
Finance expense	2,092	1,659	433	26%
Profit (Loss) before tax	(7,067)	(3,390)	(3,677)	108%
Income taxes	256	372	(116)	(31%)
Profit (Loss)	(7,323)	(3,761)	(3,562)	95%

Consolidated Net financial position

As follows the Group's Net Financial Position:

NFP - Euro / 000	30/06/2023	30/06/2022	Change	Change %
Cash	2,996	24,818	(21,822)	(88%)
Cash equivalents	1,121	1,133	(12)	(1%)
Other current financial assets	533	1,588	(1,055)	(66%)
Total Liquidity C = (A + B + C)	4,650	27,539	(22,889)	(83%)
Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	48,601	47,552	1,049	2%
Current portion of long-term financial debt	15,698	16,006	(308)	(2%)
Current financial Indebtedness G = (E + F)	64,299	63,558	741	1%
Net Current Financial indebtedness H = (G - D)	59,649	36,019	23,630	66%
Current financial debt (excluding current portion and debt instruments)	29,988	34,400	(4,412)	(13%)
Debt instruments	4,000	4,000	0	100%
Non-current trade and other payables	36,478	29,870	6,608	22%
Non-current financial indebtedness L = (I + J + K)	70,466	68,270	2,196	3%
Total Financial indebtedness (H+L)	130,115	104,289	25,826	25%
IFRS 16 adjustment	32,631	25,271	7,360	29%
Adjusted total financial indebtedness	97,484	79,018	18,466	23%