

Project Sun

Investment opportunity
in a fast-growing
Li-Ion batteries integrated producer

March 2021



Sole regional manufacturer of lithium-ion batteries seeks to raise EUR 150m to expand its current 200MWh production capacity by 1.5GWh and meet the unfulfilled and growing market demand.

Key investment considerations

Sole regional producer

- ▶ The only Li-ion battery producer in South East Europe and one of the 3 European producers
- ▶ State of the art local production facility commissioned in 2020 with an annual production capacity of 200MWh
- ▶ One of the largest European Li-Ion technology engineering team with 32 expert engineers
- ▶ The largest high performing testing facility in South East Europe

Proven technology & integrated production facility

- ▶ Proven NiMnCo technology on an operating production facility
- ▶ Integrated production of electrodes, cells and batteries packs
- ▶ Cell cycle life up to 9,000 cycles, significantly above industry average (6,000 cycles)
- ▶ In-house developed highly efficient Battery Management System Technology for low-voltage
- ▶ Compliant with international security standards: UN 38.3 (level 3) & UL1642 cell certification

Highly attractive profitability and investment returns

- ▶ Growing demand will drive up turnover and EBITDA at a 60% and 87% 2021-2028 CAGR, up to EUR ~260m and EUR ~65m, respectively
- ▶ Highly profitable business, with 25% EBITDA margin in 2028
- ▶ Fast time to market to capture the growing demand driven by on-hand recent COD and strong relationship with equipment suppliers

Outstanding market dynamics

- ▶ EU Green New Deal commitment to make Europe the first climate neutral continent by 2050
- ▶ 17% 2019-2027 CAGR in Li-ion battery market, given the green technology global shift
- ▶ Double digit projected growth for 2019-2027 across Li-Ion batteries main markets: 17% CAGR for automotive and 15% CAGR for industrial batteries, incl energy storage

Focus on customized products & customer service to address mid-market demand

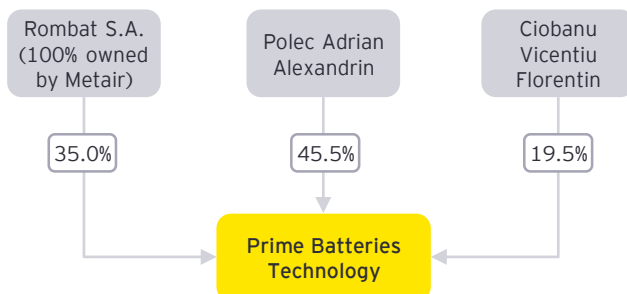
- ▶ 40+ certified products tailored to clients needs
- ▶ Diverse client portfolio, consisting of prominent names operating in a variety of industries: automotive, industrial, energy storage
- ▶ Consistent backlog and LOIs to provide increasing revenues and growing electrical energy storage deliveries



Company overview

- ▶ Incorporated in 2016, the Company is headquartered in Cernica, Ilfov, and is owned by two Romanian entrepreneurs, holding 65% stake, while the remaining 35% being ultimately held by Metair - a leading manufacturer of conventional (lead-based) car batteries supplying to all major OEMs* in Europe
- ▶ The Company provides superior energy storage systems (batteries) for multinational clients
- ▶ Prime Batteries currently operates through a 5,000 sqm up to date production facility. Future growth & expansion plans include increasing the production facility to 22,000 sqm and an additional storage area of 2,160 sqm on the existing 20,000 sqm of land

Prime Batteries Technology Ownership structure



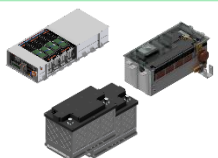
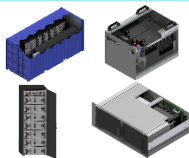
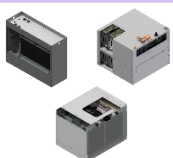
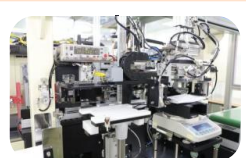
*OEM - Original Equipment Manufacturer
Source: Company information



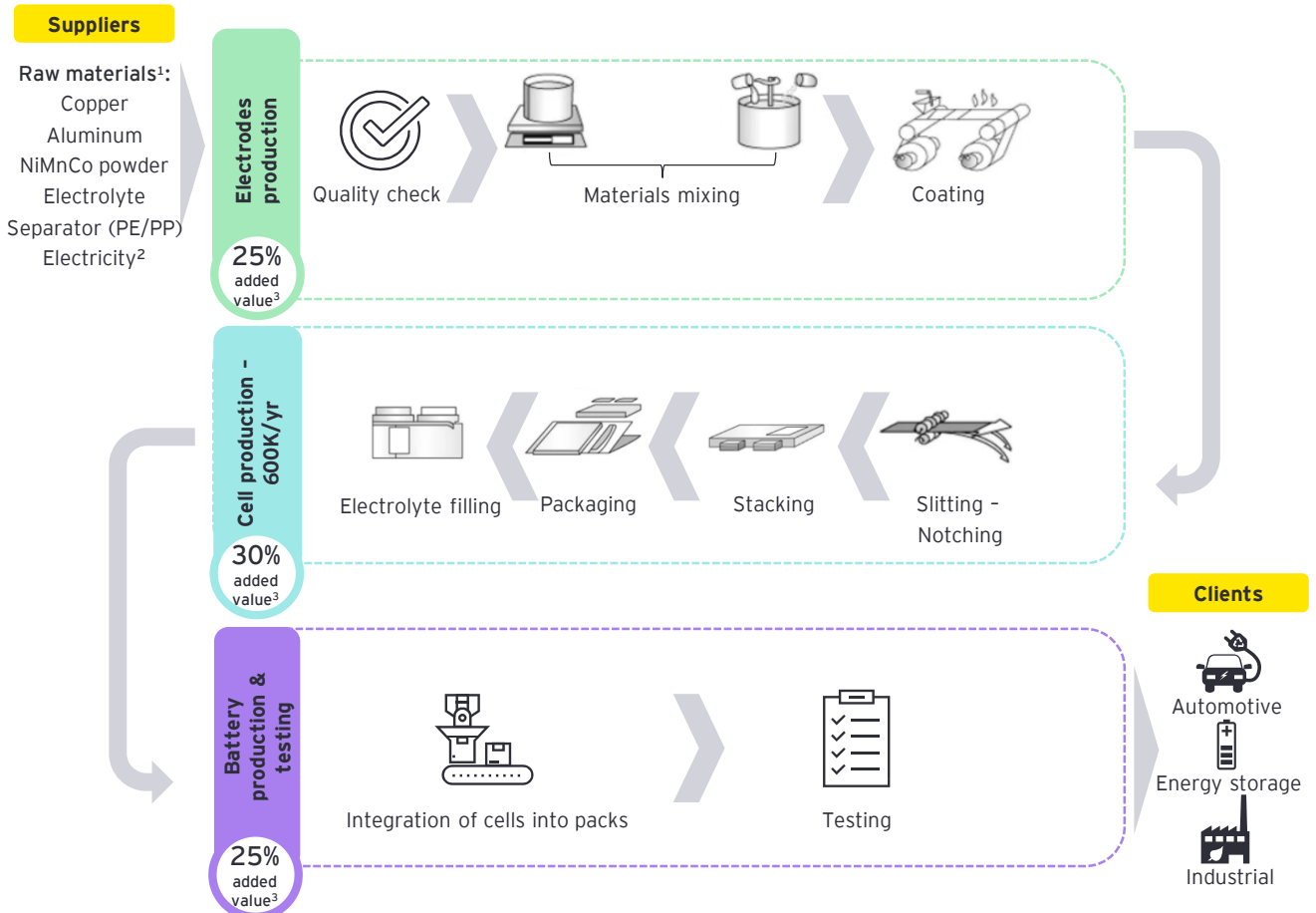
Portfolio and production facilities

Portfolio products

Focused on mid-market with medium volume customized products and dedicated customer service

Automotive	Storage Systems	Industrial	Development
 <p>Battery Packs for Electric Vehicles</p> <p>FY2024 Sales split⁴</p> <div style="display: flex; justify-content: center; align-items: center;"> <div style="width: 15%; text-align: center;">14%</div> <div style="width: 30%; text-align: center;">30%</div> <div style="width: 15%; text-align: center;">56%</div> </div>	 <p>Stationary Energy Storage Solutions</p> <p>FY2024 Sales split⁴</p> <div style="display: flex; justify-content: center; align-items: center;"> <div style="width: 15%; text-align: center;">14%</div> <div style="width: 30%; text-align: center;">30%</div> <div style="width: 15%; text-align: center;">56%</div> </div>	 <p>Backup power & Energy optimizations Batteries for robots</p> <p>FY2024 Sales split⁴</p> <div style="display: flex; justify-content: center; align-items: center;"> <div style="width: 15%; text-align: center;">14%</div> <div style="width: 30%; text-align: center;">30%</div> <div style="width: 15%; text-align: center;">56%</div> </div>	 <p>Highly customized solutions for clients</p>
Higher margins for low-medium quantities	High margins & large volumes	High margins & large volumes	<ul style="list-style-type: none"> ▶ Opportunistic demand ▶ Highest margins

Integrated production facility



¹50% of new materials recycled from produced batteries by 2030
²Prime uses certificates of origin attesting that the energy is 100% from renewable sources
³Value added in each sub-process on top of the cost of raw materials, as a % of the finished product cost
⁴2024 is the first year with production at full capacity after the commissioning of the new production line

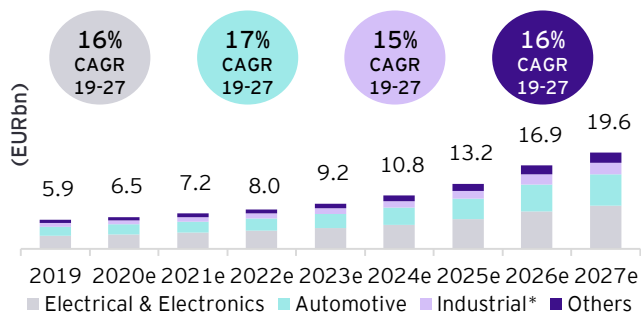
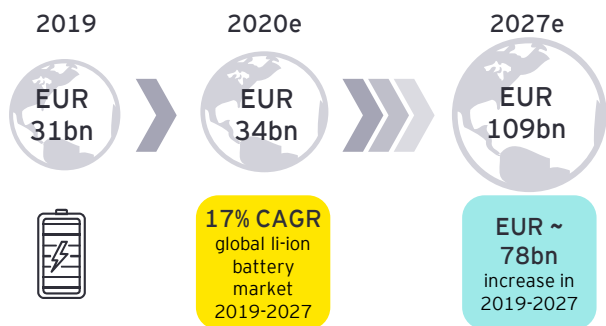




Market

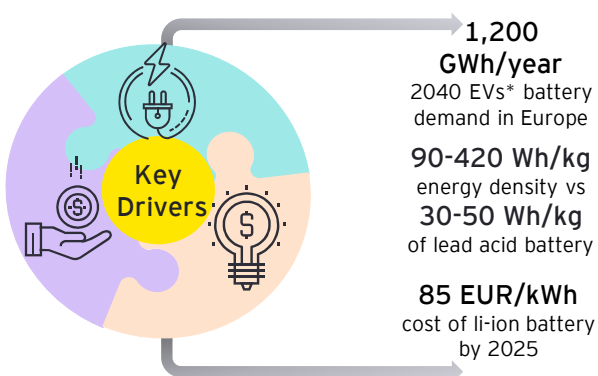
Global li-ion battery market

European li-ion battery market by end-use industry



Source: Allied Market Research, EY analysis

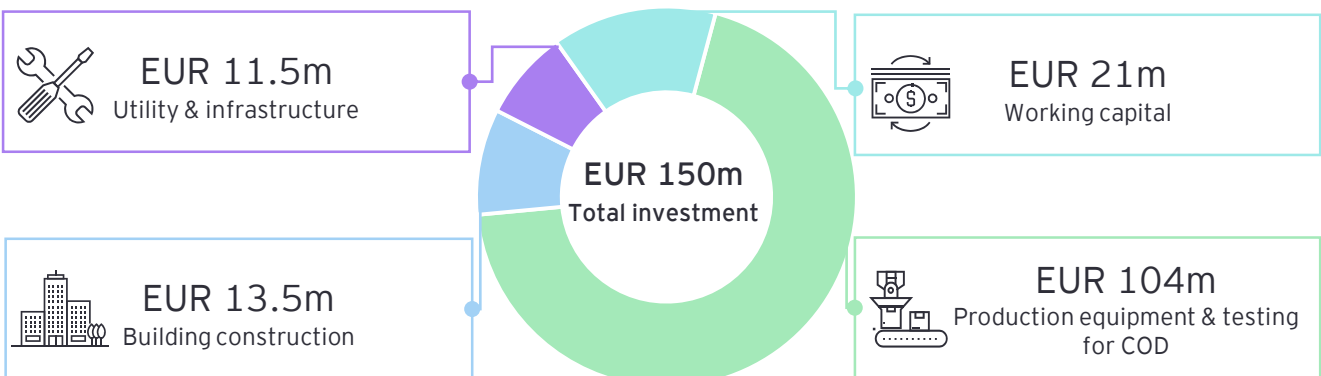
*includes energy storage products



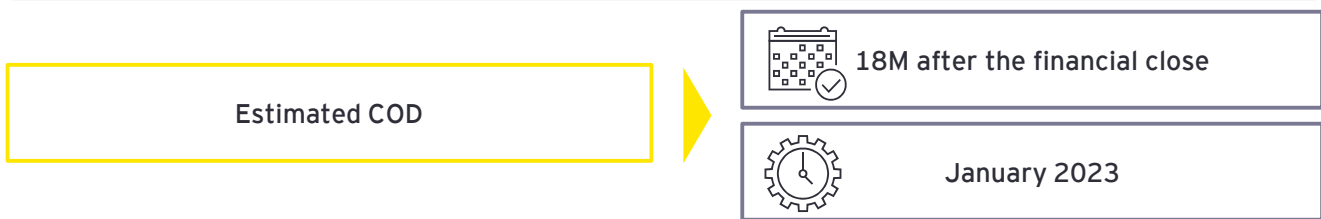
- Surge in demand from automotive industry, as it is estimated that 70% of new vehicles sold in Europe will be electric by 2040
- Enhanced energy density, lightweight and eco-friendly compared to lead acid batteries
- Declining prices due to increase in production volume, advancing the industry adoption process

*EV - electric vehicle
 Source: McKinsey, Mordor Intelligence, EY market research

Investment & financials



Production facility milestones



Source: Company information

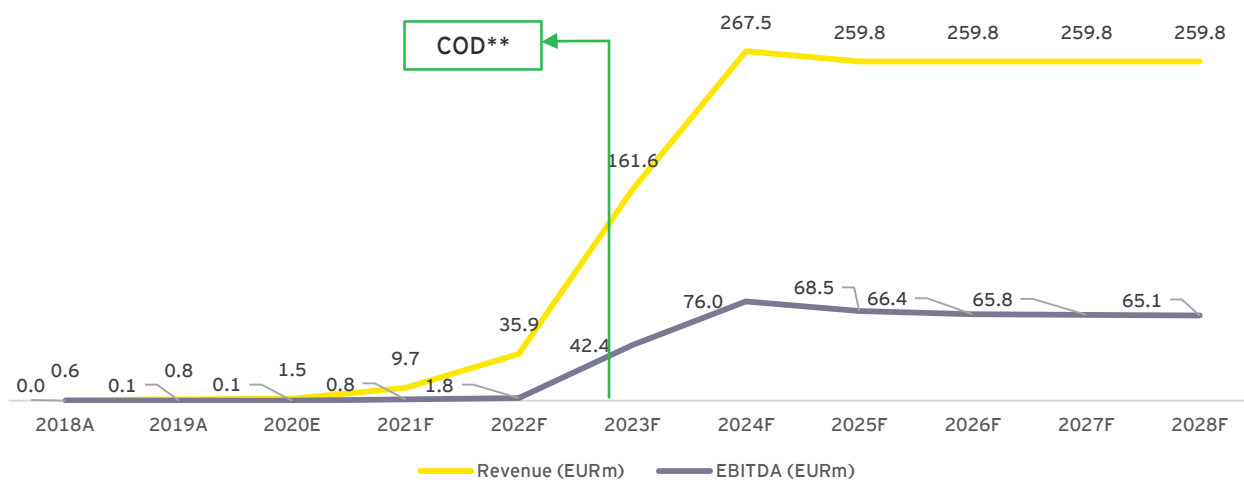




Investment & financials (cont'd)

	2018A	2019A	2020E	2021F	2022F	2023F	2024F	2025F	2026F	2027F	2028F
Gross Production Capacity* (MWh)	2.0	30.0	75.0	200.0	200.0	1,700.0	1,700.0	1,700.0	1,700.0	1,700.0	1,700.0
Sales volume(MWh)	0.8	1.2	4.8	37.8	170.0	845.0	1,550.0	1,550.0	1,550.0	1,550.0	1,550.0
Revenue (EURm)	0.6	0.8	1.5	9.7	35.9	161.6	267.5	259.8	259.8	259.8	259.8
Production costs (EURm)	(0.6)	(0.8)	(1.4)	(8.9)	(34.1)	(119.2)	(191.6)	(191.3)	(193.4)	(194.0)	(194.7)
EBITDA (EURm)	0.0	0.1	0.1	0.8	1.8	42.4	76.0	68.5	66.4	65.8	65.1
EBITDA margin (%)	4%	8%	9%	8%	5%	26%	28%	26%	26%	25%	25%

Revenue & EBITDA evolution



*Yield production loss between 8%-15%, subject to batch volumes

**Commercial operation date

Source: Company information

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