

# COMPANY UPDATE

## ELECTRIFYING LIGHTWEIGHT VEHICLES IN ASIA

SAIETTA GROUP PLC

October 2023



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**Tony Gott**  
Executive Chairman



**David Woolley**  
CEO

# 1. FINANCIAL RESULTS

2. COMMERCIAL UPDATE

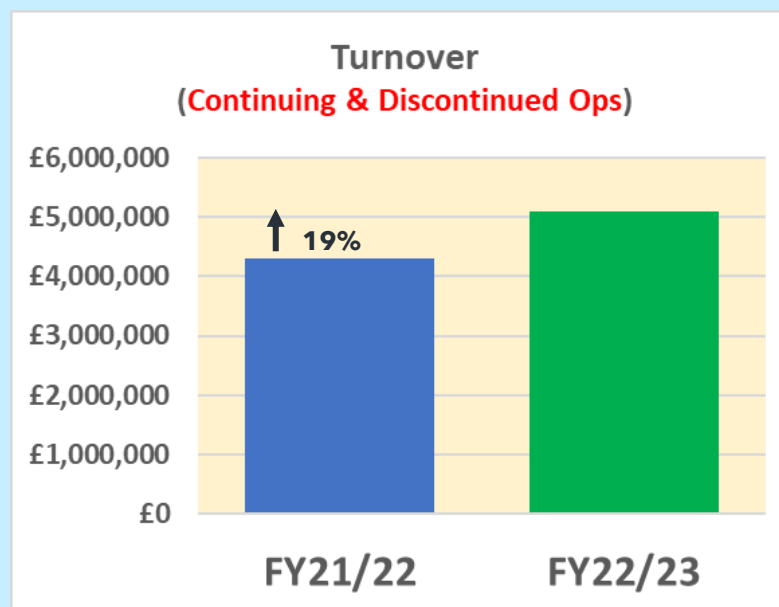
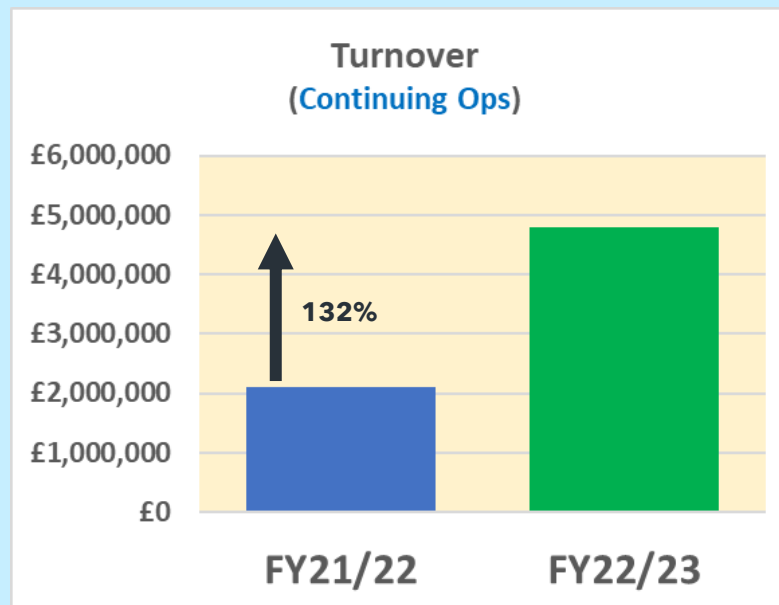
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# FINANCIAL RESULTS UPDATE

## CONTINUED REVENUE GROWTH

- Turnover (Sales & Grant Income) from continuing operations increased 132% to £4.8m (2022: £2.1m).
- Turnover (Sales & Grant Income) from continuing and discontinued operations increased 19% to £5.1m (2022: £4.3m).
- Gross profit of £0.7m (2022: £0.8m).
- Adjusted EBITDA loss of £14.0m (2022: loss of £4.4m) which excludes exceptional losses from the discontinued activities of £7.9m.
- Both Revenue and EBITDA reduced from unaudited values by £1.2m and £4.1m respectively for ConMet EDS payments on the IWG and IWM projects and capitalisation of development costs following auditor recommendation.
- Statutory loss before tax of £28.3 million (2022: £11.1m) accounting for all write downs and discontinued activities.
- Losses reflect a key year of investment in staff, commercialisation of products and production readiness.
- Cash as at 31 March 2023 period end of £7.2m (2022: £18.4m)
- Reduction in cash is approximately equal to increase in non-current assets in the year, up £10.0m to £25.5m. Increase reflects investment in manufacturing facilities and equipment as well as intangibles.
- Following year end Group restructuring, ongoing overhead has reduced by £350k pcm having reduced by £300k pcm from restructuring in the final quarter of FY23.



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# COMMERCIAL UPDATE

## STORY SO FAR

- › SED set out with an industry reforming goal of axial flux technology (AFT) delivering class-leading efficiency on urban duty cycles.
- › SED had an innovative, high efficiency axial flux motor with the potential to be sold at price parity with low efficiency alternatives.
- › At IPO SED was largely a motor development company, with annual revenues of less than £1m and a path to commercialisation.
- › Since IPO the Company has developed and commercialised an AFT eDrive System, grown from 28 employees to over 100, built production capacity in the UK & India and is now starting to see real commercial traction.

Delivery of first commercial units	→	<b>Complete</b>
Developed power electronics, inverters & VCUs	→	<b>Complete</b>
Evolution from motors to full eDrive Systems	→	<b>Complete</b>
Development of complementary RFT	→	<b>Complete</b>
Secured initial cornerstone OEMs	→	<b>Complete</b>
Built out significant commercial pipeline	→	<b>Complete</b>



# JOURNEY FROM R&D TO PRODUCTION & SALES

FROM INITIAL AXIAL FLUX MOTOR DESIGN TO:

- + Power Electronics
- + Axles & Transmissions
- + Upgrade - Full eDrive system
- + Sunderland Manufacturing Facility
- + Global Supply Chain
- + Vehicle integration, testing & certification
- + Quality Control & Product Warranties
- + Silverstone Technical Innovation Centre
- + Delhi Manufacturing Facility
- + Radial Flux eDrive Product Family
- + Global volume production and supply



Commenced ramp-up to mass production in 2023



# COMMERCIAL UPDATE

## TECHNOLOGY DEVELOPMENT STAGE

### AXIAL FLUX TECHNOLOGY

- › Suited to medium-duty 3 & 4 wheel vehicles
- › Unique yokeless stator & distributed winding
- › Delivers AFT performance in a simple and low-cost package
- › Designed to unlock technical and economic impediments to mass market electrification
- › Near-term commercial focus

### RADIAL FLUX TECHNOLOGY

- › Suited to light-duty 2 & 3 wheel vehicles
- › More widely produced across the market
- › Saietta applying engineering expertise and modular design to create commercial offering

AFT solution developed and validated

Price parity with lower efficiency solutions

Operational product lines in UK and India

Manufacturing JV in India

Real commercial traction

Developed RFT solution

Products tested

First customer paid design services of £0.9m

Production line configuration underway



# COMMERCIAL UPDATE

## RE-STRUCTURED & RE-FOCUSED

### RESTRUCTURED ARRANGEMENT WITH CONMET AUG '23

- › Upfront payment to SED of €3.3 million and potential future license payments of up to €20 million
- › Reduction in SED annual operating costs of approx €2 million
- › SED Heavy-Duty eDrive division moved to Silverstone
- › SED largely free to develop eDrive products for HGVs

### SOLD RETROFIT BUSINESS

- › “RetroMotion” retrofit operations in Netherlands sold to a Saietta customer in Jan '23
- › Deal transferred 7 employees and associated premises

### “PROPEL” OPERATIONS IN SALE PROCESS

- › After successful proof of concept, the Board ceased further investment in Feb '23 - pursuing a sale with retained royalty

## RESULT



Reduced cost base

Management focused on commercial opportunities

Engineering capabilities focused on near-term

Company wide focus on lightweight EVs

Brand clarity on lightweight EV expertise

# COMMERCIAL UPDATE

## COMMERCIAL TRACTION

### INDIA

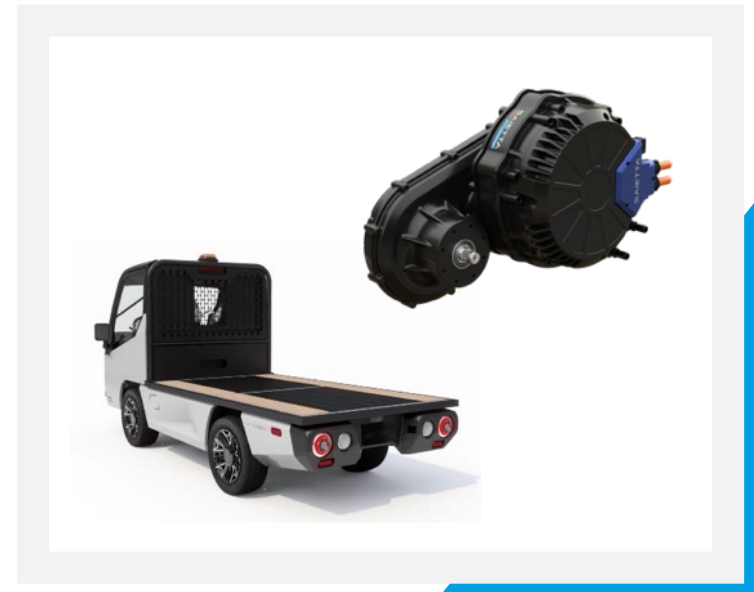
- › Following a £3.2m development contract, Saietta VNA appointed by a global OEM to supply integrated AFT eDrives for new product line
- › Initial order for £420,000 over 3 months - indication of first year revenue for Saietta VNA of £11.2 million
- › Advanced discussions with same OEM on second AFT vehicle (launch in 2024) with similar revenue potential
- › Manufacturing from Saietta VNA's new 33,000 sq-ft facility in Delhi
- › Deliveries scheduled to commence by the end of the calendar year

### USA

- › Supplying an award-winning Low Speed Electric Vehicle
- › Order placed in 2023 for 3,000 eDrives
- › Vehicle launched and in service

### EUROPE

- › Contracted with EU based manufacturer for last mile delivery vehicle
- › eDrive supply has commenced in 2022
- › 2023 target vehicle launch



# COMMERCIAL UPDATE

## NEAR-TERM PIPELINE



Inflection from product development to high volume production and sales of transformational technology in a large and fast growing market:

Customer	Body Type	SED eDrive	Target Vehicle Production Date	OEM forecast 5 year volumes
OEM 1	3 wheeler	AFT	2024	40,000
OEM 1	3 wheeler	RFT	2024	60,000
OEM 1	4 wheeler	AFT	2024	40,000
OEM 1	2 wheeler	RFT	2025	50,000
OEM 2	2 wheeler	RFT	2025	800,000

Saietta is also progressing towards successful completion of an aftermarket contract manufacturing project to be undertaken at the Sunderland manufacturing facility.

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# LOOKING TO THE FUTURE

WHY SAIETTA ?

## SOLVING THE EFFICIENCY PARADOX

High efficiency motors are expensive and lower efficiency motors require more batteries which increase vehicle expense and weight



### CLASS-LEADING TECHNOLOGY

High efficiency

High torque

Integrated power electronics

Low maintenance

Flexible and modular

### COMPETITIVE PRICING

Price competitive with low efficiency solutions

### OPPORTUNITY

Established relationships in largest EV market

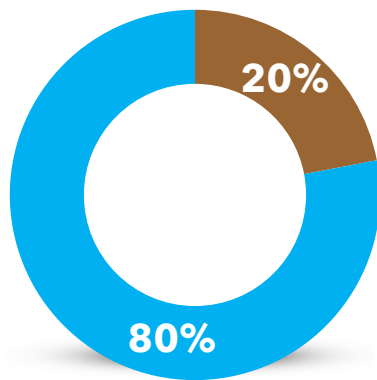
Significant manufacturing capacity

# INDIAN EV OPPORTUNITY

## MARKET OPPORTUNITY

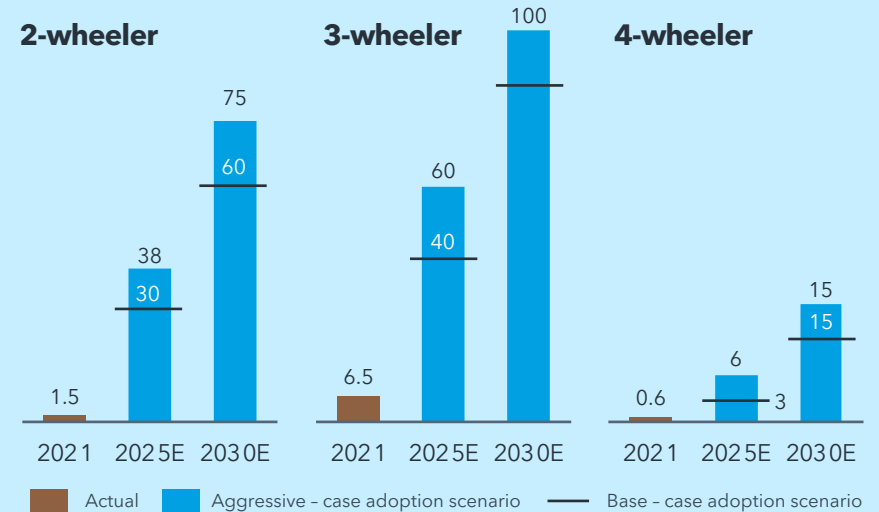
- › 18.5 million (80%) of India's annual 23.1 million automotive sales in FY23 were in 2W & 3W vehicles.
- › Indian EV sales >1 million units for the first time in CY 2022, up over 200% on CY21, accounting for 4.7% of total automotive sales.
- › McKinsey report (Oct 2022) stated sales of electric 2W and electric 3W vehicles could grow to 60% and 85% respectively by 2030.
- › Value of the Indian EV market is expected to grow at a CAGR of 19.81% from US\$ 5.15 billion in 2022 to US\$ 14.91 billion in 2028.

## INDIAN AUTOMOTIVE MARKET

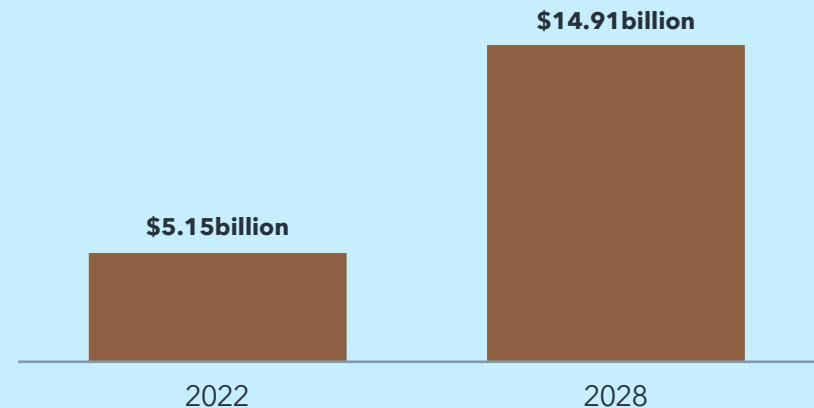


■ Other Vehicles ■ Lightweight Mobility

## SHARE OF BATTERY ELECTRIC VEHICLES (BEV) AMONG NEW-VEHICLE SALES IN INDIA (%)



## INDIAN EV MARKET VALUE



# LOOKING TO THE FUTURE

## CEO NEAR-TERM FOCUS

- › **Bring the next 4 orders through to execution** within the next 6 months
- › **Ruthless focus on cost & cash** to take Saietta to EBITDA+ and cash-flow breakeven
- › **Continued software development** to achieve best-in-class system offering
- › **Drive cost-efficiencies at our Joint Venture** in India, to maximize margin potential



# LOOKING TO THE FUTURE

## CONCLUSION

- › 12 months to March '23 was **a year of growth and investment in the future**
- › Company **through product development stage** and is focused on scaling commercial opportunities
- › Velocity and scale of light duty transport transition is real and current
- › **First order secured with major Indian OEM signals an inflection point** - expecting material follow-on orders
- › **Multiple additional product lines in development**
- › **New CEO in place** to drive vision, strategy and execution
- › Originally planned to stabilise SED with AFT revenues before adding additional product lines. However, demands for a greater range of eDrives have manifested within an accelerated period and **securing these income streams requires additional capital for production initiation**
- › Consequently, SED will seek to secure additional funding in Q4 2023 to become a **pre-eminent global supplier** of high performance, high efficiency lightweight eDrives

# MAKING A SIGNIFICANT IMPACT

## CLEANING UP THE AIR IN MAJOR CITIES

Every 10,000 auto rickshaws powered by Saietta eDrives instead of diesel engines ...

Avoids generating CO2 emissions equivalent to **4 Return Boeing 747 flights between London Heathrow & Frankfurt Airport every day.**

Avoids burning enough diesel over 1 year to fill **5.5 Olympic sized swimming pools.**



# THANK YOU

