

Viviez, October 19, 2022

“SNAM Groupe” announces that it will refocus on its historic business: battery recycling in order to accelerate its development. It will, with regret, discontinue the PHENIX BATTERIES activity in the field of second life module production and battery repair.

SNAM Groupe is a French group specializing in the treatment, recycling and remanufacturing of batteries, as well as in the recovery of products from recycling. It employs 175 people including 17 for Phenix Batteries and operates on 3 different sites: Saint Quentin-Fallavier (Isère), Viviez and Decazeville (Aveyron). Its strategic metal recovery processes make it a major player in the circular economy and its expertise in recycling built since 1990's are key strengths for its development perspectives in the booming battery recycling market. Shareholders remain confident and enthusiastic about the perspectives and have confirmed the investment plan of 12M€ for the next 2 years.

The decision in respect to Phenix's activity closing was made by the Board of Directors, with regret, since this Pilot had mobilized a number of skills and resources internally and externally and has raised a lot of hopes in the region. As underlined by Cornelius Fink: “The different stakeholders having worked on the project can actually be proud of their achievement, especially demonstrating the technical feasibility of second life ESS. The expertise gained in the field of Battery Diagnostics, EV Battery design and handling, is and remains a key asset for the Group”.

The motive for this decision is based on the conclusions of the market and business analyses carried out in the last few months. These have very clearly demonstrated that the key success factors are to get very high volumes (usable for a second life) of limited battery types. At this stage there is no insurance to get such volumes from the market in the next few years, nor after.

In addition, Phenix is facing severe supply shortages on electronic components that is currently disrupting Phenix modules' production.

Finally, the drop in prices for new battery modules is putting a lot of pressure on the retrofitted modules, which makes it even more difficult.

Given this recurring and long-lasting supplies sourcing issue, the Board of Directors and the Company's management have decided to discontinue this project, thus improving economic risks mitigation for SNAM Groupe.

The Group plans to phase out the activity by the end of 2022 and intends to maintain employment to the extent possible. The Group will do its utmost to support the people impacted by this decision.

Development of SNAM's activity:

This decision will provide the Group with additional resources and capabilities to develop SNAM's historic battery recycling business, where ambitions are high.

As a reminder, SNAM, created in 1981, has established itself as a major player in battery recycling since the 1990s. It relies on recognized experience and expertise which make it one of the few companies in the world to master the recycling techniques for batteries.

The company will invest around €12 million over the next 2 years to more than quadruple its Li-Ion recycling capacity compared to today.

This strategic focus will also serve to develop the activities of both sites, Viviez (12) and Saint Quentin-Fallavier (38) to capture the growing volumes of Li-ion waste batteries in the coming years. Besides this, SNAM will maintain its leading position in Europe in the processing of NiCd batteries by relying on its expertise, its production resources and the continuous improvement of its processes and know-how.

The start of the new investments is scheduled for January 2023 at the latest and should be operational in 2024, provided that the permits are received in a timely manner. Cornelius Fink adds "I am very proud to lead this Company having such a great potential, composed of talented, experienced and very engaged individuals. I am looking forward to the realization of our ambitious project, with a positive impact on the operational areas, as we will be building up our workforce in these areas over the next few years!"

Cornelius Fink - CEO

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