

SERI INDUSTRIAL S.p.A.
BOARD OF DIRECTORS APPROVES RESULTS AT 30 JUNE 2022
REVENUES EQUAL TO EURO 101,477 THOUSAND, WITH AN INCREASE OF 20% COMPARED TO 30 JUNE 2021

- Consolidated Revenues at 30 June 2022: euro 101,477 thousand with an increase of 20% compared to 30 June 2021
- Ebitda adjusted at 30 June 2022: euro 9,071 thousand with an increase of 11% compared to 30 June 2021
- Adjusted Net Debt: euro 97,178 thousand, with an increase of euro 22,131 thousand compared to 31 December 2021

As follows the key highlights as of 30 June 2022:

Highlights

Economic and financial result

<i>Euro / 000</i>	30/06/2022	30/06/2021	Variation	Variation %
Revenues, income and internal works	101.477	84.433	17.044	20%
Gross Operating Income - Ebitda	8.855	8.391	464	6%
Adjusted Gross Operating Income - Adjusted Ebitda	9.071	8.193	878	11%
Net Operating Income - EBIT	(1.932)	(1.376)	(556)	40%
Adjusted Net Operating Income - EBIT	(1.716)	(885)	(831)	94%
Net Result	(5.194)	(4.136)	(1.058)	26%
Adjusted Net Result	(4.286)	(3.609)	(677)	19%
Cash flow from operating activities	(8.662)	7.947	(16.609)	(209%)
Adjusted Investments activities	6.402	7.465	(1.063)	(14%)

Balance sheet results

<i>Euro / 000</i>	30/06/2022	31/12/2021	Variation	Variation %
Net Invested Capital	236.816	218.951	17.865	8%
Consolidated Net equity	116.950	120.934	(3.984)	(3%)
Net financial debt	119.866	98.018	21.848	22%
Adjusted Net financial debt	97.178	75.047	22.131	29%

Personnel

<i>Number of employees</i>	30/06/2022	30/06/2021	Variation	Variation %
FIB Division - Batteries	361	351	10	3%
Seri Plast Division - Plastic materials	307	309	(2)	(1%)
Corporate and other activities	52	50	2	4%
Group	720	710	10	1%

S. Potito Sannitico, 15 September 2022 - The Board of Directors of **SERI Industrial S.p.A.** (the “**Company**” and, together with its subsidiaries, the “**Group**”) has examined and approved the consolidated half-yearly report as of June 30, 2022.

During the first half of 2022, there was an increase in revenues of 20% compared to the first half of 2021, due to both the increase in sales volumes and the increase in average selling prices.

Despite the current macroeconomic scenario characterized by a significant increase in the cost of energy, the Group has recorded a profitability (Adjusted Gross Operating Income/Revenues) of 9% in the first half of 2022, slightly down from the 9.7% achieved in the first half of 2021.

Economic and financial results

Consolidated economic trend

As follows the Group's Income Statement as of 30 June 2022 compared to the same period of the previous year:

<i>Euro / 000</i>	30/06/2022	30/06/2021	Variation	Variation %
Revenues from contract with customers	89.811	75.876	13.935	18%
Other operating revenues	7.751	5.039	2.712	54%
Internal works	3.915	3.518	397	11%
Total revenues, income and internal works	101.477	84.433	17.044	20%
Operating costs	92.622	76.042	16.580	22%
Gross Operating Income - EBITDA	8.855	8.391	464	6%
Amortization and Depreciation	10.826	9.614	1.212	13%
Write-downs/write-backs	(39)	153	(192)	(125%)
Net Operating Income - EBIT	(1.932)	(1.376)	(556)	40%
Financial management	(2.401)	(1.760)	(641)	36%
Net result before tax	(4.333)	(3.136)	(1.197)	38%
Taxes	861	1.000	(139)	(14%)
Consolidated Net Result	(5.194)	(4.136)	(1.058)	26%

The Net Operating income (EBIT) is equal to negative euro 1,932 thousand, after depreciation and amortization of euro 10,787 thousand. It should be noted that depreciation and amortization are related for euro 5,410 thousand to the completed and on-going investment in Teverola 1 and 2, of which euro 4,212 thousand is related to the amortization on realized investments and euro 1,198 thousand related to the rights of use concerning the lease of the Teverola 1 (euro 515 thousand) and Teverola 2 (euro 683 thousand) building.

In relation to the increase in electricity costs recorded in the first half of 2022, there is a greater impact on operating costs estimated at approximately euro 4,554 thousand. To compensate for the charges incurred due to the increase in the cost of energy, the Group has obtained grants, following the facilitation introduced by the Decree Sostegni-Ter for energy-intensive companies, amounting to euro 1,499 thousand.

The performance of the Group is also assessed by considering certain alternative performance indicators (Alternative Performance Measures, hereinafter also referred to as “**APM**”), as provided by the European Securities and Markets Authority (ESMA).

The management considers that APMs allow a better analysis of business performance, ensuring a clearer comparability of results over time, isolating non-recurring events, in order to make reporting consistent with forecasting trends.

These indicators should not be considered as substitutes for the conventional ones provided by IFRS. In fact, APMs are not required by IFRS and, although they are derived from the Group's financial statements, they are not subject to audit. Therefore, APMs should be read in combination with the Group's financial information derived from the consolidated financial statements.

In particular, the alternative performance indicators refer to the adjustment of the main balance sheet indicators net of non-recurring and/or non-repeating items, the so-called “**special item**”¹.

¹ Income figures are classified as special items when: (i) they relate to non-recurring events or transactions, i.e. transactions that are not repeated frequently in the Group's recurring operations; (ii) they derive from transactions that are not representative of the Group's normal operations, such as extraordinary restructuring costs, environmental costs, costs associated with the disposal and evaluation of an asset, costs associated with extraordinary transactions, even if they occurred in previous years or are likely to occur in subsequent years, costs associated with the start-up of new plants, etc; (iii) any capital gains or losses, write-downs or revaluations of shareholdings and/or assets, value adjustments/reversals and depreciation related to extraordinary transactions. As follows a description of the main alternative performance measures:

As follows the adjusted income statement of the Group as of June 30, 2022:

<i>Profit and loss</i>	30/06/2022	Special items	30/06/2022 Adjusted	30/06/2021	Special items	30/06/2021 Adjusted
Revenues from contract with customers	89.811		89.811	75.876		75.876
Other operating revenues	7.751	(216)	7.535	5.039	(1.096)	3.943
Internal works	3.915		3.915	3.518		3.518
Total revenues, income and internal works	101.477	(216)	101.261	84.433	(1.096)	83.337
Raw Materials	70.880	(22)	70.858	45.404		45.404
Change in inventories	(18.759)		(18.759)	(960)		(960)
Costs for services	23.746	(3)	23.744	15.387	(271)	15.116
Other operating costs	1.405	(408)	997	1.563	(361)	1.202
Personnel costs	15.350		15.350	14.648	(266)	14.382
Operating costs	92.622	(432)	92.190	76.042	(898)	75.144
Gross Operating Income - EBITDA	8.855	216	9.071	8.391	(198)	8.193
Amortization and Depreciation	10.826	0	10.826	9.614	(574)	9.040
Write-downs/write-backs	(39)	0	(39)	153	(115)	38
Net Operating Income - EBIT	(1.932)	216	(1.716)	(1.376)	491	(885)
Interest income	594		594	305	0	305
Interest expense	2.988	0	2.988	2.069	(8)	2.061
Income (expenses) from associated companies	(7)		(7)	4	0	4
Net result before tax	(4.333)	216	(4.117)	(3.136)	499	(2.637)
Taxes	861	(754)	107	1.000	0	1.000
Theoretical tax effect	0	63	63	0	(28)	(28)
Consolidated Net Result	(5.194)	908	(4.286)	(4.136)	527	(3.609)

The impact of special items on Net Result before tax is equal to euro 216 thousand, due to a non recurring income for euro 216 thousand and non recurring operating costs for euro 432 thousand.

- EBITDA (or Gross Operating Income): it is an indicator of operating performance and is calculated by adding Depreciation, Amortization and Value Adjustments to Net Operating Income;
- EBITDA adjusted (or Adjusted Gross Operating Income): it is an indicator of recurring operating performance and is calculated by adding EBITDA and special items, i.e. operating costs, with a positive sign, that are non-recurring or non-repetitive;
- EBIT adjusted (Adjusted Net Operating Income): it is measured as the sum of the Net Operating Result and special items, i.e. operating costs and depreciation and amortization, and non-recurring or non-repeating adjustments/reversals, with a positive sign;
- Adjusted Consolidated Net Result: it is calculated adding the special items to the Net Result;
- Net financial debt or Net Financial Position: it is an indicator of the financial structure and it is calculated in accordance with the provisions of Guideline No. 39 issued on 4 March 2021, applicable as of 5 May 2021 and in line with the attention notice No. 5/21 issued by Consob on 29 April 2021;
- Adjusted Net Debt: it is measured by deducting the financial debt related to the application of IFRS 16 from net financial debt;
- Cash flow from operating activities: it is measured by adding changes in inventories, trade receivables, trade payables, funds and other assets/liabilities to EBITDA.
- Adjusted Investment Activities: it is measured eliminating the increases from Right of Use related to IFRS 16 from the investment activities.

Consolidated Balance Sheet

As follows the composition of Net invested capital as of June 30, 2022 compared with that at the end of the previous year:

<i>Euro / 000</i>	30/06/2022	31/12/2021	Variation	Variation %
Net fixed assets:				
Property, plant and equipment, intangible assets and rights of use	112.481	114.421	(1.940)	(2%)
Goodwill	55.042	55.042	0	0%
Net financial assets valued using the equity method	665	554	111	20%
Other assets and non-current liabilities	(23.694)	(25.857)	2.163	(8%)
Total net fixed assets	144.494	144.160	334	0%
Net working capital				
Trade receivables	35.884	37.015	(1.131)	(3%)
Inventories	81.601	63.606	17.995	28%
Trade payables	(49.921)	(47.930)	(1.991)	4%
Other assets and current liabilities	11.924	9.280	2.644	28%
Total net working capital	79.488	61.971	17.517	28%
Gross invested capital	223.982	206.131	17.851	9%
Other provisions:				
Employee benefits	(4.334)	(4.676)	342	(7%)
Provisions for risks and charges	(934)	(1.261)	327	(26%)
Provisions for net deferred taxes	18.102	18.757	(655)	(3%)
Total other provisions	12.834	12.820	14	0%
Net Invested Capital	<u>236.816</u>	<u>218.951</u>	<u>17.865</u>	<u>8%</u>
Equity	(116.950)	(120.934)	3.984	(3%)
Net financial position	(119.866)	(98.017)	(21.849)	22%
Coverage	<u>(236.816)</u>	<u>(218.951)</u>	<u>(17.865)</u>	<u>8%</u>

The Net invested capital as of June 30, 2022 is equal to euro 236,816 thousand and it is covered by consolidated shareholders' equity for euro 116,950 thousand and Net financial debt for euro 119,866 thousand.

As follows a breakdown of net invested capital's statement by business unit:

<i>Euro / 000</i>	Batteries	Plastic Materials	Other	Corporate	Conso. effects	Consolidated
Net fixed assets:						
Property, plant and equipment, intangible assets and rights of use	78.558	33.449	0	473	0	112.481
Goodwill	705	0	0	0	54.337	55.042
Net financial assets valued using the equity method	383	0	0	89.812	(89.530)	665
Other assets and non-current liabilities	(21.296)	(2.401)	0	35.000	(34.997)	(23.694)
Total net fixed assets	58.350	31.048	0	125.286	(70.189)	144.494
Net working capital						
Trade receivables	14.964	21.198	0	682	(959)	35.884
Inventories	41.176	40.427	0	0	0	81.601
Trade payables	(20.113)	(29.518)	(3)	(1.242)	955	(49.921)
Other assets and current liabilities	14.428	(1.688)	160	(975)	0	11.924
Total net working capital	50.454	30.419	156	(1.535)	(6)	79.488
Gross invested capital	108.804	61.466	156	123.750	(70.195)	223.982
Other provisions:						
Employee benefits	(1.319)	(2.186)	0	(830)	0	(4.334)
Provisions for risks and charges	(672)	(97)	0	(165)	0	(934)
Provisions for net deferred taxes	2.623	2.063	0	13.416	0	18.102
Total other provisions	633	(220)	0	12.421	0	12.834
Net Invested Capital	109.436	61.247	156	136.171	(70.195)	236.816
Equity	(17.815)	(22.864)	(273)	(111.193)	35.195	(116.950)
Net financial position	(91.621)	(38.383)	117	(24.979)	35.000	(119.866)
Coverage	(109.436)	(61.247)	(156)	(136.171)	70.195	(236.816)

As follows the Group's balance sheet as of June 30, 2022, compared to the balance sheet at the end of the previous year:

<i>Euro / 000</i>	30/06/2022	31/12/2021	Variation	Variation %
Current assets	152.066	153.734	(1.668)	(1%)
Non-current assets	189.717	192.316	(2.599)	(1%)
ASSETS	341.783	346.050	(4.267)	(1%)
Current liabilities	127.134	153.733	(26.599)	(17%)
Non-Current liabilities	97.699	71.383	26.316	37%
Consolidated Net equity	116.950	120.934	(3.984)	(3%)
LIABILITIES AND SHAREHOLDERS' EQUITY	341.783	346.050	(4.267)	(1%)

Current assets amount to euro 152 million as of June 30, 2022 against current liabilities of euro 127 million, with a *current ratio* of 1.20, demonstrating the Group's ability to generate liquidity and meet short-term obligations.

The Current liabilities are decreased of euro 26 million compared to 31 December 2021, mainly due to the exposure in non current liabilities of the non current portions of loan agreements backed by financial covenants, which, in accordance with IAS 1, as of 31 December 2021, had been classified as current liabilities.

Non-current assets amount to euro 190 million as of 30 June 2022, compared to non current liabilities of euro 98 million and consolidated shareholders' equity of euro 117 million.

As follows the Group's Net Financial Position.

NFP - NET FINANCIAL POSITION		30/06/2022	31/12/2021	Variation	Variation %
A)	Cash	4.262	19.500	(15.238)	(78%)
B)	Cash and cash equivalents	904	1.702	(798)	(47%)
C)	Other short-term financial assets	1.149	509	640	126%
D)	Total Liquidity C = (A + B + C)	6.315	21.711	(15.396)	(71%)
E)	Short-term bank debts (including debt instruments, but excluding the short-term portion of long-term financial debt)	42.032	40.252	1.780	4%
F)	Short-term portion of long-term financial debt	16.374	40.777	(24.403)	(60%)
G)	Short-term financial Debt G = (E + F)	58.406	81.029	(22.623)	(28%)
H)	Short-term Net Debt H = (G - D)	52.091	59.318	(7.227)	(12%)
I)	Long-term bank debt (excluding short-term part and debt instruments)	37.800	8.700	29.100	334%
K)	Payables and other long-term debts	29.975	30.000	(25)	(0%)
L)	Long-term financial debt L = (I + K)	67.775	38.700	29.075	75%
M)	Total Net Financial Position (H+L)	119.866	98.018	21.848	22%
N)	IFRS 16 adjustment	22.688	22.971	(283)	(1%)
O)	Net Adjusted Financial Position	97.178	75.047	22.131	29%

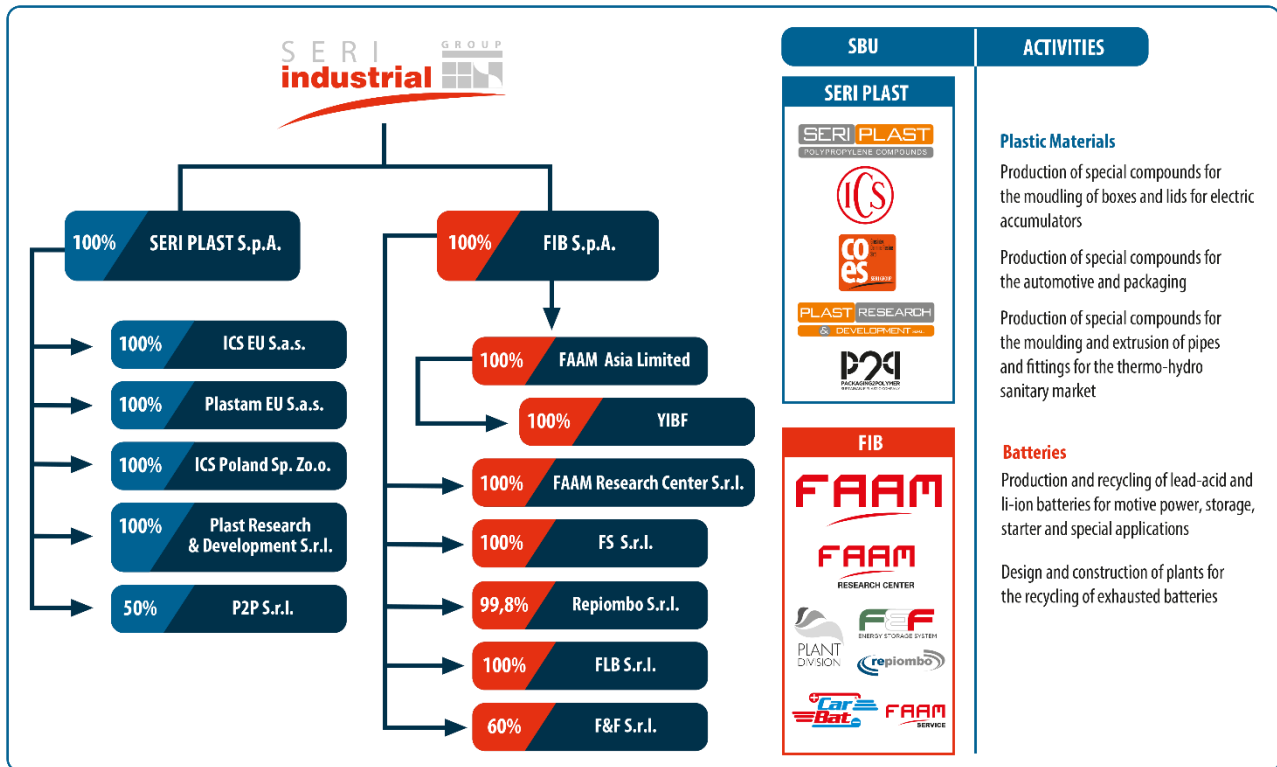
The Group's adjusted Net Financial Debt is equal to euro 97,178 thousand (Net Financial Debt of euro 119,866 thousand) is related to the significant investment activity had in the Batteries division for the realization of the Teverola 1 project. The increase recorded in the period is mainly related to the increase in Net Working Capital of euro 17,517 thousand, due in particular to the increase in inventories, as well as the adjusted investment activity for euro 6,402 thousand. The Net Financial Position at the end of the year is including debt from the leasing and from the right of use related to the application of the IFRS 16, for comprehensive euro 22,688 thousand.

It should be noted that following the conclusion of the eighteenth period of exercise of the Warrant Uno SERI 2017 – 2022 (ISIN code IT0005273336), which ended at the end of December 2021, and the subscription of the underlying compendium shares, 171,295 Seri Industrial ordinary shares (ISIN code IT0005283640) were issued at a price of euro 5.03 per share during the year, of which euro 3.03 as a share premium, for a total countervalue of euro 862 thousand.

81,439,887 warrants are currently outstanding, if converted, will give the right to subscribe 8,143,989 shares, that could make available additional liquidity of euro 40,964,263, of which euro 16,287,977 are capital and the remainder are premium shares.

Business Units trend

As follows the company's organizational chart at the date of this press release, indicating the relevant activities for each business unit:



The Company operates as a controlling holding company of two operating companies, active in two business lines (or "sectors"):

- (i) **Seri Plast S.p.A. ("Seri Plast")**, active in the recycling and production of plastic materials for the market of
 - (i) electric accumulators (production of special compounds and molding of boxes and lids for batteries),
 - (ii) automotive (production of special compounds) and
 - (iii) thermo-sanitary, civil and naval construction (production of special compounds, extrusion and moulding of pipes, fittings and special parts);

"Plastic material" business line
- (ii) **FIB S.p.A. ("Fib" or "FIB" or "Faam")**, active, through the brand FAAM, in the production and recycling of lead-acid and lithium batteries for traction, industrial, storage and military applications, as well as in the design of plants for the recycling of end of life batteries.

"Batteries" business line

As follows the tables that recap the economic results by business line:

<i>Economic information by business lines</i>	Batteries	Plastic materials	Other	Corporate	Conso. effects	Consolidated
Revenues from contract with customers	31.444	59.250	0	2.265	(3.148)	89.811
Other operating revenues	5.459	2.328	15	113	(164)	7.751
Internal works	2.600	1.222	0	0	93	3.915
Total revenues, income and internal works	39.503	62.800	15	2.378	(3.219)	101.477
Raw Materials	30.309	41.377	0	5	(811)	70.880
Change in inventories	(11.763)	(6.996)	0	0	0	(18.759)
Costs for services	8.857	16.163	5	1.081	(2.361)	23.746
Other operating costs	634	671	0	150	(49)	1.405
Personnel costs	6.611	7.202	0	1.537	(0)	15.350
Operating costs	34.648	58.417	6	2.773	(3.222)	92.622
Gross Operating Income - EBITDA	4.855	4.382	10	(395)	3	8.855
Amortization and Depreciation	6.987	3.746	0	93	0	10.826
Write-downs/write-backs	110	(148)	0	(11)	10	(39)
Net Operating Income - EBIT	(2.241)	785	10	(478)	(7)	(1.932)
Interest income	511	83	0	375	(374)	594
Interest expense	1.659	1.092	0	613	(376)	2.988
Income (expenses) from associated companies	0	0	0	(7)	0	(7)
Net result before tax	(3.390)	(224)	10	(724)	(5)	(4.333)
Taxes	372	474	0	11	5	861
Net Result of the year	(3.761)	(698)	10	(735)	(9)	(5.194)
<i>Net Result of third parties</i>	<i>(51)</i>	<i>(4)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(55)</i>
<i>Group Net Result</i>	<i>(3.710)</i>	<i>(694)</i>	<i>10</i>	<i>(735)</i>	<i>(9)</i>	<i>(5.139)</i>

Plastic Materials

As follows the economic trend as of June 30, 2022 compared with the same period in the previous year:

<i>Plastic Materials</i>	30/06/2022	30/06/2021	Variation	Variation %
Revenues from contract with customers	59.250	49.769	9.481	19%
Other operating revenues	2.328	1.392	936	67%
Internal works	1.222	1.430	(208)	(15%)
Total revenues, income and internal works	62.800	52.591	10.209	19%
Raw Materials	41.377	26.369	15.008	57%
Change in inventories	(6.996)	1.102	(8.098)	(735%)
Costs for services	16.163	11.713	4.450	38%
Other operating costs	671	533	138	26%
Personnel costs	7.202	7.034	168	2%
Operating costs	58.417	46.751	11.666	25%
Gross Operating Income - EBITDA	4.382	5.840	(1.458)	(25%)
Amortization and Depreciation	3.746	3.285	461	14%
Write-downs/write-backs	(148)	14	(162)	(1.159%)
Net Operating Income - EBIT	785	2.541	(1.756)	(69%)
Interest income	83	15	68	461%
Interest expense	1.092	953	139	15%
Net result before tax	(224)	1.603	(1.827)	(114%)
Taxes	474	545	(71)	(13%)
Net Result of the year	(698)	1.058	(1.756)	(166%)

In the first half of 2022, the division has registered 19% growth in revenues, income and internal works, compared to the same period in the previous year. The positive performance was recorded equally in all business lines: (i) compounds, (ii) pipes and fittings, (iii) boxes and lids.

Growth is related to an increase in sales volumes and, in part, to an increase in average sales prices.

In terms of profitability, Gross Operating Margin is equal to euro 4,382 thousand, with a percentage margin (Gross Operating Margin/Total Revenues), equal to 7%. The Net Operating Income (EBIT) is positive for euro 785 thousand, after depreciation and amortization of euro 3,597 thousand.

Compared to the forecasts made by management, the result, in terms of revenues and profitability, is substantially in line with the budget, despite the tensions on the supply chain of raw materials and in particular to the increase in electricity costs recorded in the first half of 2022, with an impact on operating costs for electricity estimated in euro 3,296 thousand.

To compensate for charges incurred due to the increase in the cost of energy, the Group obtained contributions, as a result of the facilitation introduced by the Support-Ter Decree for energy-intensive companies, amounting to euro 1,058 thousand.

Batteries

As follows the economic trend as of June 30, 2022 compared with the same period in the previous year:

Batteries	30/06/2022	30/06/2021	Variation	Variation %
Revenues from contract with customers	31.444	26.729	4.715	18%
Other operating revenues	5.459	3.715	1.744	47%
Internal works	2.600	2.088	512	25%
Total revenues, income and internal works	39.503	32.532	6.971	21%
Raw Materials	30.309	19.717	10.592	54%
Change in inventories	(11.763)	(2.063)	(9.700)	470%
Costs for services	8.857	4.940	3.917	79%
Other operating costs	634	883	(249)	(28%)
Personnel costs	6.611	6.178	433	7%
Operating costs	34.648	29.655	4.993	17%
Gross Operating Income - EBITDA	4.855	2.877	1.978	69%
Amortization and Depreciation	6.987	6.240	747	12%
Write-downs/write-backs	110	139	(29)	(21%)
Net Operating Income - EBIT	(2.241)	(3.502)	1.261	(36%)
Interest income	511	278	233	84%
Interest expense	1.659	1.149	510	44%
Net result before tax	(3.390)	(4.373)	983	(22%)
Taxes	372	452	(80)	(18%)
Net Result of the year	(3.761)	(4.825)	1.064	(22%)

In the first half of 2022, the division has registered a 21% growth in revenues, income and internal works, compared to the same period in the previous year.

Growth arises from an increase in sales volumes and, in part, from an increase in average sales prices.

In terms of profitability, Gross Operating Margin is equal to a positive euro 4,855 thousand, with a percentage margin (Gross Operating Margin/Total Revenues) of 12.3%. The Net Operating Income (EBIT) is negative for euro 2,241 thousand, after depreciation and amortization of euro 7,097 thousand. It should be noted that depreciation and amortization relate for euro 5,410 thousand to the investment made and ongoing in Teverola 1 and 2, of which euro 4,212 thousand for depreciation of investments made and euro 1,198 thousand for rights of use related to the lease of the buildings in Teverola 1 (euro 515 thousand) and Teverola 2 (euro 683 thousand).

Compared to the forecasts made by management, the result, in terms of revenues and margins, is substantially in line with the budget, also in relation to the tensions on the supply chain of raw materials and in particular to the increase in electricity costs recorded in the first half of 2022, with an impact on operating costs for electricity estimated in euro 1,241 thousand.

To compensate for the charges incurred due to the increase in the cost of energy, the Group obtained contributions, as a result of the facilitation introduced by the Support-Ter Decree for energy-intensive companies, amounting to euro 441 thousand.

Russia-Ukraine Conflict

The Russia-Ukraine conflict has significantly aggravated the global macroeconomic environment, leading to escalating energy commodity prices and new difficulties in supply chains, in addition to pre-existing supply constrictions.

Considering the reference scenario, which is characterized by high uncertainty, and the various recommendations of national and supranational supervisory bodies, Seri Industrial has activated a system of constant monitoring of conflict developments in order to assess the possible effects of the international crisis on its business activities and define the actions necessary to mitigate direct and indirect risks on the Group.

In terms of direct impacts, the Group has no major customers or suppliers in the area affected by the conflict and, from the first days of the crisis, chose to stop all sales and purchases in Russia.

In relation to the indirect effects of the war, the Group analyzed the impacts with particular reference to the reduced availability of supply of raw materials from the areas involved in the conflict and the increase in the prices of energy commodities, which consequently led to a generalized increase in the prices of other goods, industrial products and services.

In particular, Russia's significant role in mining certain rare metals has led to a direct impact on the market for lithium batteries with NMC (nickel-manganese-cobalt) chemistry in terms of disruption of supply chains for materials such as nickel and even cobalt. This has led to a scarcity of such materials as well as a significant increase in the price level, which, combined with the toxicity and poor sustainability of the chemical, has led several global players to change strategy. This situation had limited repercussions for the Group due to the strategy, pursued from the beginning of the project, to focus on LFP (Lithium Iron Phosphate) chemistry, with green materials and less prone to shortage situations due to geopolitical and supply chain tensions.

Teverola 2

On March 8, 2022, the Ministry of Economic Development - Directorate General for Incentives to Enterprises - issued the decree granting the facilitation, in the form of a contribution to expenditure, from the IPCEI Batterie 1 fund, in favor of FIB, in the amount of euro 417. 046,521.84 up to the total eligible amounts defined on a funding gap basis, for the construction of a Gigafactory in Teverola (CE) with a production capacity of 8/8.5GWh/year of lithium cells, modules and batteries.

The disbursement of the facility granted will be made in accordance with the terms and conditions set out in the activation decree published in the Official Gazette in August 2021, i.e., within the first half of each year, subject to the first request for disbursement, which may be arranged as an advance payment up to a maximum of 20% of the total facility.

Interlocutions are currently underway with (i) primary suppliers to define contracts for the supply of plant and machinery and (ii) preliminary inquiries with a pool of banks to activate a revolving credit line to service the investment program in order to anticipate the timing of the disbursement of facilities.

The IPCEI Project is part of policies to promote energy and ecological transition by encouraging electric mobility and emission reduction as a highly strategic goal for Europe. Specifically, IPCEI Batteries 1 involves research, development, and innovation activities aimed at introducing highly innovative and sustainable technologies along the entire lithium-ion battery value chain, with the intent of improving the durability characteristics, charging times, safety, and environmental compatibility of new products, while adhering to the leading principles of the Green Economy and Circular Economy.

Uno Seri 2017-2022 Warrant Exercise

On March 28, 2022, the seventeenth exercise period for Warrant Uno SERI 2017 - 2022 (ISIN code IT0005273336) ended. During the period, 112,591 Seri Industrial ordinary shares (ISIN code IT0005283640) were issued at a price of euro 5.03 per share, including euro 3.03 as a share premium, for a total of euro 566 thousand.

Stock Option Plan

On May 6, 2022, the Shareholders' Meeting ("the Meeting"), convened in ordinary and extraordinary session in a single call, was constituted and resolved favorably about the introduction of a stock option plan and the related increase in share capital.

➤ Stock Option Plan

The Shareholders' Meeting resolved favorably on the proposal to introduce a stock option plan involving ordinary shares of Seri Industrial S.p.A. called the "2022 Stock Option Plan" for executive directors, managers and employees of the Company and its subsidiaries. For further details, please refer to the press release issued on March 25, 2022.

➤ **Proposed capital increase to service the 2022 Stock Option Plan**

The Shareholders' Meeting approved the proposal to increase the share capital for cash, in one or more issues, with the exclusion of option rights pursuant to Article 2441, paragraphs 4, second sentence, 6 and 8 of the Civil Code, for a total amount of a maximum of euro 1,956,000 (plus premium), by issuing, also in several installments, a maximum of 978,000 ordinary shares without nominal value, reserved for the beneficiaries of the "2022 Stock Option Plan," and consequent amendment of Article 5 of the Articles of Association.

On June 28, 2022, the Board of Directors approved an amendment to the remuneration policy for fiscal year 2022 and the 2022 Stock Option Plan, which was approved by the Shareholders' Meeting on May 6, 2022, postponing the date of the first cycle of option grants and, consequently, the first vesting period and the related exercise period. The Board of Directors resolved to postpone the grant date of the options related to the first cycle, scheduled by the deadline of June 30, 2022 to that of December 31, 2022, in order to ensure the maximum participation of the personnel, currently being selected, who are intended to be included in the staff that will have to manage the Teverola 2 and Pozzilli/Unilever project. Therefore, the vesting period of 5 (five) years related to the first cycle of allocation will start from the first day of the month following the date of allocation and will end on the last day of the month of the 5th year.

Options become exercisable upon the achievement of specific performance targets, divided between TSR targets, determined on the basis of the Total Shareholder Return of the stock relative to certain panels of stocks, and ESG targets, determined on the basis of the use in the production cycle of a certain percentage of recycled material (for traditional business lines, excluding the lithium battery sector) and on the basis of the development of technologies that promote the recycling of lithium batteries at the end of their life and the containment of environmental impact (for the lithium battery sector).

Unilever Agreement – reconversion of Pozzilli plant

On June 1, 2022, P2P, a company co-owned by Unilever and its subsidiary Seri Plast S.p.A., submitted to Invitalia S.p.A. an application for financing to implement the project for the reconversion of the Pozzilli site, where P2P will build a plant for the production of recycled plastic raw materials, with an annual production capacity of 130 thousand tons.

The investment consists of optimizing existing processes as well as testing and incorporating new technologies for producing the raw material from post-consumer plastics with the goal of increasing current reuse by diverting it from landfilling, use in cement plants or incineration. The submitted program includes a financial requirement of approximately a total of euro 109.41 million (divided between productive investment of approximately euro 56.57 million and industrial research and experimental development of approximately euro 52.84 million). In the contract proposal submitted to Invitalia, it is envisaged that the investment will be covered partly by non-repayable grants (equal to euro 38.37 million) and partly through subsidized loans (equal to euro 43.69 million).

For more details regarding the project, please refer to the releases issued on March 21, 2021 and October 28, 2021.

Financing contracts so called Cura Italia

On June 20, 2022, Seri Industrial has signed a new loan agreement with Cassa Depositi e Prestiti S.p.A. ("CDP") for euro 15 million (the "New CDP Loan"). This euro 10 million loan was for the repayment of the previous loan with CDP signed on July 29, 2020 (the "First CDP Loan"); the contribution of new finance is therefore equal to euro 5 million. The New CDP Loan envisages a pre-amortization period of 2 years and an overall duration of 6 years; it also provides for a SACE guarantee, equal to 90% of the amount financed, within the framework of the provisions of the Cura Italia and Liquidity Decree to support investments and net working capital.

2022-2026 Business Plan

On June 22, 2022, the Board of Directors approved an update of the consolidated business plan for the period 2022-2026. The update, as the plan previously approved on July 22, 2021, was prepared in cooperation with a leading advisor, who verified the degree of plausibility and consistency of the underlying working hypotheses as well as the reasonableness of the relevant assumptions. The Plan forecasts revenues, in the year 2025 and in the year 2026, in line with the economic forecasts approved on July 22, 2021, considering the same business perimeter, for a total amount of about 2.2 billion euros. The Plan also includes economic and financial forecasts related to the new post-consumer packaging recovery project to be implemented in Pozzilli, in partnership with Unilever B.V., through the subsidiary P2P S.r.l., as described above.

Uno SERI 2017-2022 Warrant Exercise

On July 1, 2022, 58,704 Seri Industrial ordinary shares (ISIN code IT0005283640) were issued at a price of euro 5.03 per share, including euro 3.03 as a share premium, for a total value of euro 295 thousand following the conclusion of the eighteenth exercise period of the Uno SERI 2017 - 2022 Warrants (ISIN code IT0005273336), ended at the end of June 2022.

Resolution to issue a bond

On July 5, 2022, the subsidiary FIB's Board of Directors approved, pursuant to Articles 2410 et seq. of the Civil Code, the issuance of a non-convertible subordinated bond issue for a total nominal amount of 4 million euros (the "Bond Loan"), represented by 40 bonds with a nominal value of 100 thousand euros each, reserved for subscription of the earmarked assets "Patrimonio Rilancio," established on May 26, 2021 by a resolution of the shareholders' meeting of Cassa Depositi E Prestiti S.p.A. The bond issue will have a term of six years and the bonds issued will have maturity from the date of issue and bear interest. The preliminary investigation is still ongoing and FIB is waiting for verification from the bank that the conditions precedent for issuance have been met.

Teverola 1

About Teverola 1 production plant, with a production capacity of 330MWh/year of cells, modules, and battery packs for the storage (ESS), Motive Power, Naval, and specialties markets, in consideration of the status of cell performance testing and certification activities, the ramp-up of commercial activity is confirmed during the last quarter of 2022.

Related party transactions

The Group had and continues to have relevant financial and economic transactions with related parties, the latter mainly relating to companies outside the Group, which refer to Vittorio Civitillo and Andrea Civitillo. Certain corporate executives of Seri Industrial - specifically Vittorio Civitillo, Andrea Civitillo and Marco Civitillo, and their father Giacomo Civitillo (the “**Civitillo Executives**”) - have significant interests pursuant to Article 2391 of the Civil Code on behalf of parties related to the Company and the Group (the above individuals hold directorships or functions as directors in companies that are part of the Company's chain of control and/or in other parties related to the Company).

On June 28, 2021, the Board of Directors of Seri Industrial S.p.A. updated the Procedure that governs the approval and execution of related party transactions by incorporating the amendments introduced by Consob Resolution No. 21624 of December 10, 2020 to the Regulations adopted by Resolution No. 17211 of March 12, 2010.

Relations with the parent company and the other companies of the Group and belonging to the shareholders, as well as companies related to them, that hold significant stakes in the Company's capital

As follows the main transactions that Seri Industrial Group has carried out with Related Parties.

Property lease contracts

The Company and the Group companies have property lease contracts for office and industrial use with Pmimmobiliare Srl and Azienda Agricola Quercete a r.l., companies indirectly controlled by Vittorio Civitillo and Andrea Civitillo.

Guarantees and indemnities

Through SE.R.I. SpA and Industrial SpA, respectively, factoring companies and banks, they have granted the Italian companies of the Seri Industrial Group for using advances on receivables and short-term credit facilities.

SE.R.I. SpA and Industrial SpA (the “Guarantors”) have assumed a guarantee and indemnity commitment, with cumulative delegation of debt and payment and assumption of debt, in the context of the factoring of trade receivables by the Group.

Other relationships

Group VAT

SE.R.I. SpA has signed a contract with companies of the Seri Industrial Group for the management of Group VAT in relation to periodic and annual VAT settlements; as of June 30, 2022, the Group has a total credit position for euro 246 thousand and a debit position for euro 749 thousand.

Other residual relationships

Furthermore, certain transactions are also in place with other companies related to the Civitillo family in relation to supplies and services of a technical and industrial, consulting and professional nature, regulated at conditions similar to those generally applied in the market in which each company operate; For the details of these transactions, please refer to the tables below, which include economic and financial information as of June 30, 2022, on existing transactions with Related Parties made by the Seri Industrial Group with the parent company and the other companies of the group and the shareholders who hold significant stakes in the Company's capital.

As follows the table of related party financial transactions compared with the previous year:

(in Euro /000)	30/06/2022		31/12/2021	
	Credits	Debts	Credits	Debts
Other related parties				
Azienda Agricola Quercete ar	20	196	16	238
Cotton Sport Srl	10	458	8	99
Elektra Srl	12	172	76	360
Industrial SpA	0	0	3	2.247
Pmimmobiliare Srl	1.428	19.502	1.536	22.646
SE.R.I. SpA	384	3.595	5.103	4.936
WWS Group Srl	0	642	0	632
Others	97	270	121	559
Total	1.951	24.835	6.863	31.717

It should be noted that in application of IFRS 16, leases are recognized through the recognition of "Right of use" and financial payables. In this regard, it should be noted that payables to the Company Pmimmobiliare Srl recognized in application of IFRS 16 amount to euro 19,180 thousand.

As follows the table of economic transactions with Related Parties compared with the previous reporting period:

(in Euro /000)	30/06/2022		30/06/2021	
	COSTS	REVENUES	COSTS	REVENUES
Cotton sport Srl	379	0	23	1
Manita Creative Srl	194	0	189	0
PMImmobiliare Srl	546	8	459	5
Seri Development & Real Estate Srl	235	3	208	4
Remuneration to directors	828	0	788	0
Others	333	49	358	36
Total	2.515	60	2.025	46

Other Information

Information pursuant to Art. 114, paragraph 5°, D.lgs. no.° 58/1998

On 28 July 2021, Consob has communicated the elimination of the disclosure obligations on monthly basis pursuant to Art. 114, paragraph 4, D.Lgs no.58/98. As usual course the Company will keep the obligation for the disclosure of additional information from the Half-year, Annual and interim reports.

The current press release related to the approval of the Annual Report is integrated with the following information:

a) The net financial position of the Company and the Group with the separate highlight of short-term and medium-long term items; information is provided in Attachment 3 "Consolidated and Separate Net Financial Position" of this press release, to which reference should be made;

b) the expired debt positions of the Group and of the Company split by nature (financial, commercial, tax and social security) and the related actions of the Group's creditors (reminders, injunctions, suspension of supply, etc.):

Nature of debt (data in thousands of Euro)	Seri Industrial S.p.A.		Seri Industrial Group	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Trade payables	826	697	16.564	15.338
Tax liabilities	63	58	253	232
Other debts	27	8	532	451

As of June 30, 2022, the orders of payment amount to euro 959 thousand and increased by euro 366 thousand compared to December 31, 2021.

c) The main relationships between the different companies that were part of the Group during the considered period and compared to the last Annual or Half-year report pursuant to art. 154-ter of TUF; information is provided in the "Related Party Transactions" section of this press release, to which reference should be made;

d) the state of the art of the business and financial plan with the highlight of any variation between the actual and the forecast; information is provided in the "Relevant events - 2022-2026 Business Plan " and "Business Units trend" sections of this press release, to which reference should be made ;

e) concerning the potential breach of covenant, of negative pledge and any other clause related to the Group's debt, there is nothing to be highlighted.

* * * * *

The manager responsible for the preparation of the company's accounting documents, Pasquale Basile, declares pursuant to article 154-bis, paragraph 2, of Legislative Decree no. 154. n. 58/1998, that the information on financial, economic and financial data contained in this press release corresponds to the documentary results, books and accounting records.

* * * * *

The Half Year 2022 Report will be made available to the public in the Company headquarter, on the web site www.seri-industrial.it in the Investor/Results and reports section, and also in the storage database 1info (www.1info.it) as provided by the law.

Seri Industrial S.p.A. is a company listed on the EXM market of Borsa Italiana. Seri Industrial's mission is to accelerate the energy transition to sustainability and decarbonisation.

The Group operates through two companies: (i) Seri Plast, active in the processing of plastic materials for the battery market, automotive, packaging and thermo-sanitary sector; (ii) FIB, active, through the FAAM brand, in the production and recycling of lead and lithium batteries for traction, industrial, storage and military applications, as well as in the design of plants for the recycling of batteries.

For further information:

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Attachment 1

Consolidated Balance Sheet

<i>Euro / 000</i>	30/06/2022	31/12/2021	Variation	Variation %
Current assets	152.066	153.734	(1.668)	(1%)
Non-current assets	189.717	192.316	(2.599)	(1%)
ASSETS	341.783	346.050	(4.267)	(1%)
Current liabilities	127.134	153.733	(26.599)	(17%)
Non-Current liabilities	97.699	71.383	26.316	37%
Consolidated Net equity	116.950	120.934	(3.984)	(3%)
LIABILITIES AND SHAREHOLDERS' EQUITY	341.783	346.050	(4.267)	(1%)

Attachment 2

Consolidated Profit & loss

<i>Euro / 000</i>	30/06/2022	30/06/2021	Variation	Variation %
Revenues from contract with customers	89.811	75.876	13.935	18%
Other operating revenues	7.751	5.039	2.712	54%
Internal works	3.915	3.518	397	11%
Total revenues, income and internal works	101.477	84.433	17.044	20%
Operating costs	92.622	76.042	16.580	22%
Gross Operating Income - EBITDA	8.855	8.391	464	6%
Amortization and Depreciation	10.826	9.614	1.212	13%
Write-downs/write-backs	(39)	153	(192)	(125%)
Net Operating Income - EBIT	(1.932)	(1.376)	(556)	40%
Financial management	(2.401)	(1.760)	(641)	36%
Net result before tax	(4.333)	(3.136)	(1.197)	38%
Taxes	861	1.000	(139)	(14%)
Net Result of the year	(5.194)	(4.136)	(1.058)	26%

(*) Gross Operating Income is the difference between total revenues and total operating costs.

Attachment 3

Consolidated and Separate Net Financial Position

NFP – NET FINANCIAL POSITION <i>(Data in thousands)</i>	Seri Industrial S.p.A.		Seri Industrial Group	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
A) Cash	2.928	17.530	4.262	19.500
B) Cash and cash equivalents	30.553	22.954	904	1.702
C) Other short-term financial assets	1.103	509	1.149	509
D) Total Liquidity C = (A + B + C)	34.584	40.993	6.315	21.711
E) Short-term bank debts (including debt instruments, but excluding the short-term portion of long-term financial debt)	18.546	26.743	42.032	40.252
F) Short-term portion of long-term financial debt	5.800	30.421	16.374	40.777
G) Short-term financial Debt G = (E + F)	24.346	57.164	58.406	81.029
H) Short-term Net Debt H = (G - D)	(10.238)	16.171	52.091	59.318
I) Long-term bank debt (excluding short-term part and debt instruments)	33.200	3.600	37.800	8.700
K) Payables and other long-term debts	2.017	1.665	29.975	30.000
L) Long-term financial debt L = (I + K)	35.217	5.265	67.775	38.700
M) Total Net Financial Position (H+L)	24.979	21.436	119.866	98.018
N) IFRS 16 adjustment	222	266	22.688	22.971
O) Net Adjusted Financial Position	24.757	21.170	97.178	75.047