

SERI INDUSTRIAL S.p.A.
BOARD OF DIRECTORS APPROVES RESULTS AS OF DECEMBER 31, 2022
REVENUES EQUAL TO EURO 204,120 THOUSAND WITH AN INCREASE OF 15% COMPARED TO
DECEMBER 31, 2021

S. Potito Sannitico, 22 March 2023 - The Board of Directors of **SERI Industrial S.p.A.** (the "**Company**") and, together with its subsidiaries, the "**Group**") has examined and approved (i) the annual and consolidated financial statements, (ii) the consolidated non-financial statements (Sustainability Report), (iii) the report on remuneration policy and compensation paid and (iv) the report on corporate governance system and ownership structure.

In addition, the Board of Directors has voted to propose to the Shareholders' Meeting scheduled for May 4, 2023 to examine the above documents and approve (i) the annual financial statements as of December 31, 2022 allocating the Profit of the year of euro 5,323,251, for euro 266,163 to the legal reserve and euro 5,078,088 to retained earnings, and (ii) the report on the remuneration policy and compensation paid.

As follows the main highlights of the Group's consolidated financial statements as of December 31, 2022:

Consolidated Financial Statements Highlights

Economic and financial results

<i>Euro / 000</i>	31/12/2022	31/12/2021	Change	Change %
Revenues, income and internal works	204,120	177,120	27,000	15%
Gross Operating Income - EBITDA	17,732	20,114	(2,382)	(12%)
Adjusted Gross Operating Income - Adjusted EBITDA	17,281	20,502	(3,221)	(16%)
Depreciation and amortisation	21,821	20,995	826	4%
Net Operating Income (Loss) - EBIT	(4,089)	(881)	(3,208)	n.a.
Adjusted Net Operating Income (Loss) - Adjusted EBIT	(4,540)	38	(4,578)	n.a.
Profit (Loss)	(4,442)	(1,494)	(2,948)	n.a.
Adjusted Profit (Loss)	(3,371)	462	(3,833)	n.a.

Balance Sheet Data

<i>Euro / 000</i>	31/12/2022	31/12/2021	Change	Change %
Net invested capital	247,811	218,951	28,860	13%
Equity	143,522	120,934	22,588	19%
Net Financial Position	104,289	98,018	6,271	6%
Adjusted Net Financial Position	79,018	75,047	3,971	5%
Adjusted Investment Activity	17,839	15,814	2,025	13%

Innovation, health, safety and environment

<i>Innovation, health, safety and environment</i>	31/12/2022	31/12/2021	Change	Change %
Waste recovery in tonnes	16,046	14,772	1,274	9%
Waste recovery (%)	80%	89%		
Total registered injuries	11	21	(10)	(48%)
Direct GHG emissions (Scope 1)	3,422	3,961	(539)	(14%)
Electricity consumption (GigaJoule)	202,843	221,622	(18,779)	(8%)

During 2022, it is highlighted a 15% growth in Revenues, income and internal works compared to 2021, due to both increased sales volumes in some business segments, and higher average prices.

Adjusted EBITDA decreased by 16%, following the severe and sudden shock to commodity markets caused by the war in Ukraine, with significant and unexpected increases, among others, in energy costs,.

In relation to raw materials (plastic and lead), contracts are indexed to their cost and the prices are adjusted with an average time lag of about 60 days. This mechanism has allowed to contain the effects on the profitability of the Batteries sector, while in the Plastic Material sector there is a reduction in the profitability, even if limited, for pipes and fittings product segment. During the last quarter of 2022 and the first months of 2023, a significant increase in the profitability of these products can be noted, also compared to the 2021 financial year.

The energy market shock, on the other hand, caught the reference market operators unprepared and the adjustment of prices required lengthy negotiations with the Group's customers, in a negative competitive context, considering the higher increase in the energy cost in Italy compared to other countries. Finally, during the year, a commercial agreement was defined for major customers to continue to apply, also in the future, an energy surcharge, based on the energy cost and indexed to the single national electricity price.

The incidence of the energy cost purchase on revenues from customers and other operating income (net of grants) is varied from 5,0% in 2021 to 7,0% in 2022 (+2%), for an overall value of euro 3,6 million.

At consolidated level, the Group has registered an Adjusted Loss of Euro 3,371 thousand after depreciation and amortisation of Euro 21,661 thousand, of which 11,254 thousand related to the investment made and on-going for the Teverola 1 and 2 projects.

Adjusted total financial indebtedness is equal to euro 79,018 thousand, slightly up from 2021 (+ Euro 3,971 thousand) with Cash and cash equivalents equal to euro 24,817 thousand as of 31 December 2022, increased by euro 5,317 thousand compared to 2021. On one hand, the result is mainly impacted by Warrant 2017-2022 exercise, and on the other hand by the increase of inventories (equal to 75,753 thousand in 2022) for euro 12,146 thousand.

Ongoing projects

During the last two months of 2022, the Group completed the start-up of the Teverola 1 lithium cell and battery production plant, which was delayed compared to management's forecasts due to the upgrading and improvement of production processes required for product innovation (battery with LFP active material in aqueous solution, fully recyclable and with production without the use of solvents and pollutant emissions). The plant is currently operating at a monthly capacity of approximately 30% of the theoretical production capacity (approximately 28 MWh/month) and is expected to gradually increase to the maximum installed capacity within the third quarter of the current year.

Management, as result of a strong market demand, will update the 2023-2026 business plan in the next months, taking into account the reduction of the expected capacity for 2023 and the higher average selling prices for lithium batteries, as of today +37,5% higher compared to prices expected in the current business plan (2022-2026).

With reference to the Gigafactory of Teverola 2, initial investments have been started up. The activities related to the choice of the new plant technology, identification of the supplier and technological partners, as well as the related supply agreements are in an advanced phase. The Ministry of Economic Development has communicated an additional integration of the grant for research and development investments up to 100% of the overall expenditure for the investment program approved by the European Commission. Supply contracts are under definition.

For the project with Unilever (P2P), Invitalia has formally started the preliminary assessment for the granting of subsidies and the plant design has been completed, and the demolition and dismantling of the site disused by Unilever is on going.

Economic and financial results review

Consolidated economic trend

As follows the Group's Income Statement as of December 31, 2022 compared to the results registered in the previous year:

<i>Euro / 000</i>	31/12/2022	31/12/2021	Change	Change %
Revenues from contract with customers	175,452	157,704	17,748	11%
Other operating income	17,435	11,643	5,792	50%
Internal works	11,233	7,773	3,460	45%
Total revenues, income and internal works	204,120	177,120	27,000	15%
Operating costs	186,388	157,006	29,382	19%
Gross operating income – EBITDA	17,732	20,114	(2,382)	(12%)
Depreciation and amortisation	21,661	20,184	1,477	7%
Write-downs/write-backs	160	811	(651)	(80%)
Net Operating Income (loss) – EBIT	(4,089)	(881)	(3,208)	364%
Finance income (expense)	(5,853)	(3,823)	(2,030)	53%
Profit (Loss) before tax	(9,942)	(4,704)	(5,238)	111%
Income taxes	(5,500)	(3,210)	(2,290)	71%
Profit (Loss)	(4,442)	(1,494)	(2,948)	197%

Net operating income amounted to negative euro 4,089 thousand, after depreciation and amortization of euro 21,821 thousand. It should be noted that the amortization of the Batteries segment are related for euro 11,254 thousand to the investment made and on-going related to the Teverola 1 and 2 projects, of which euro 8,857 thousand for amortization of investments realized (Teverola 1 and 2) and euro 2,397 thousand for rights of use related to the lease of the Teverola 1 (euro 1,030 thousand) and Teverola 2 (euro 1,367 thousand) properties.

In relation to the increase in electricity costs recorded in 2022, in addition to what has been described above, there is a greater impact on operating costs estimated at approximately euro 8,819 thousand. The higher charges incurred due to the increase in the cost of energy have been partially offset by grants received during the year, amounting to euro 3,681 thousand, under the facilitation introduced by the Sostegni-ter Decree for energy-intensive companies.

The assessment of the Group's economic performance also takes into account certain Alternative Performance Measures (hereinafter also referred to as 'APMs') as required by the European Securities and Markets Authority (ESMA). The management believes that the MAPs allow a better analysis of the business performance, ensuring a clearer comparability of the results over time, isolating non-recurring events, to also make the reporting consistent with the forecast trends. These indicators should not be considered as a substitute for the conventional ones envisaged by IFRS. APMs are not required by IFRS and, although derived from the consolidated financial statements, are not subject to audit. Therefore, the reading of the APMs must be carried out together with the financial information of the Group as reported in the Consolidated Financial Statements.

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

¹ Income components are classified among the special items when: (i) they are related to events or non-repetitive operations, or from operations that are not repeated frequently in the Group's recurring management; (ii) they derive from operations that are not representative of the normal characteristic activity of the Group, such as in the case of extraordinary restructuring charges, environmental charges, charges related to the disposal and valuation of an asset, charges related to extraordinary operations, even if they have occurred in previous years or are likely to occur in subsequent years, charges related to the start-up of new plants, etc.; (iii) any capital gains or losses, write-downs or revaluations of equity investments and/or assets, value adjustments/reversals and amortisations related to extraordinary operations.

As follows a description of the main alternative performance measures:

-EBITDA (or Gross Operating Income): represents an indicator of operating performance and is calculated by adding to the Operating Result to the Amortisation, Depreciation and Write-downs/Write-backs;

-Adjusted EBITDA (or Adjusted Gross Operating Income): represents an indicator of recurring operating performance and is calculated by adding up EBITDA and special items, i.e. non-recurring or non-repetitive operating revenues and costs;

-Adjusted Net Operating Result (or Adjusted EBIT): it is calculated by adding up the Operating Result and the special items, i.e. revenues, operating costs, Amortisation, Depreciation and non-recurring or non-repetitive Write-downs/write-backs;

-Adjusted Profit (Loss): it is calculated by adding the special items to Profit (Loss);

-Total financial indebtedness or Net Financial Position: represents an indicator of the financial structure and is calculated in accordance with the provisions of guideline no. 39 issued on 4 March 2021, applicable from 5 May 2021 and in line with the attention call no. 5/21 issued by Consob on 29 April 2021;

-Adjusted total financial indebtedness or Adjusted Net Financial Position: it is calculated by deducting from the Total financial indebtedness (or Net Financial Position) the financial debt relating to the application of the IFRS 16 accounting standard;

-Cash flow from operating activities: it is calculated by adding to EBITDA changes in inventories, trade receivables, trade payables and other current assets/liabilities.

- Adjusted investment activities: it is calculated by deducting from the investment activity the increases relating to the rights of use recognised in accordance with IFRS 16.

As follows the reported and adjusted economic situation of the Group as of December 31, 2022:

<i>Profit and loss</i>	31/12/2022	Special items	31/12/2022 Adjusted	31/12/2021	Special items	31/12/2021 Adjusted
Revenues from contract with customers	175.452		175.452	157.704		157.704
Other operating income	17.435	(1.610)	15.825	11.643	(2.105)	9.538
Internal works	11.233		11.233	7.773		7.773
Total Revenues	204.120	(1.610)	202.510	177.120	(2.105)	175.015
Purchase of materials	121.652	(22)	121.630	102.575	(118)	102.457
Change in inventories	(14.692)		(14.692)	(11.059)		(11.059)
Services expense	47.202	(284)	46.918	33.353	(1.056)	32.297
Other operating costs	2.975	(854)	2.121	3.232	(1.009)	2.223
Personnel costs	29.251		29.251	28.905	(310)	28.595
Operating costs	186.388	(1.159)	185.229	157.006	(2.493)	154.513
Gross operating Income – EBITDA	17.732	(451)	17.281	20.114	388	20.502
Depreciation and amortisation	21.661		21.661	20.184	0	20.184
Write-downs/write-backs	160		160	811	(531)	280
Net Operating Income (Loss) – EBIT	(4.089)	(451)	(4.540)	(881)	919	38
Finance income	425		425	753	0	753
Finance expense	6.277		6.277	4.580	0	4.580
Profit (Loss) from equity-accounted investments	(1)		(1)	4	0	4
Profit (Loss) before tax	(9.942)	(451)	(10.393)	(4.704)	919	(3.785)
Income taxes	(5.500)	(1.391)	(6.891)	(3.210)	(1.277)	(4.487)
Theoretical tax effect	0	(131)	(131)	0	240	240
Profit (Loss)	(4.442)	1.071	(3.371)	(1.494)	1.956	462

The impact of the special items on Profit (Loss) before taxes is equal to euro 451 thousand, due to non-recurring income of euro 1,610 thousand and non-recurring operating costs euro 1,159 thousand.

Consolidated balance sheet and financial position

<i>Euro / 000</i>	31/12/2022	31/12/2021	Change	Change %
Net fixed assets:				
Property, plant and equipment, intangible assets and rights of use	118,687	114,421	4,266	4%
Goodwill	55,042	55,042	0	0%
Equity-accounted investments	538	554	(16)	(3%)
Other non-current assets and liabilities	(22,797)	(25,857)	3,060	(12%)
Total net fixed assets	151,470	144,160	7,310	5%
Net working capital				
Trade receivables	32,270	37,015	(4,745)	(13%)
Inventories	75,753	63,606	12,147	19%
Trade payables	(46,520)	(47,930)	1,410	(3%)
Other current assets and liabilities	15,387	9,280	6,107	66%
Net working capital	76,890	61,971	14,919	24%
Gross invested capital	228,360	206,131	22,229	11%
Other provisions:				
Provisions for employee benefits	(4,235)	(4,676)	441	(9%)
Provisions for risks and charges	(823)	(1,261)	438	(35%)
Provisions for net deferred taxes	24,509	18,757	5,752	31%
Total provisions	19,451	12,820	6,631	52%
Net Invested Capital	247,811	218,951	28,860	13%
Equity	(143,522)	(120,934)	(22,588)	19%
Net Financial Position	(104,289)	(98,017)	(6,272)	6%
Coverage	(247,811)	(218,951)	(28,860)	13%

The Net Invested Capital at December 31, 2022 is equal to euro 247,811 thousand and it is covered by equity of euro 143,522 thousand and Net Financial Position of euro 104,289 thousand.

As follows a breakdown of the Net Invested Capital's statement by business unit:

	Batteries	Plastic materials	Other	Corporate	Conso. effects	Consolidated
Net fixed assets:						
Property, plant and equipment, intangible assets and rights of use	79,008	39,277	0	429	(27)	118,687
Goodwill	705	0	0	0	54,337	55,042
Equity-accounted investments	537	0	0	141,387	(141,386)	538
Other non-current assets and liabilities	(20,611)	(2,146)	0	3,085	(3,125)	(22,797)
Total net fixed assets	59,638	37,131	0	144,902	(90,201)	151,470
Net working capital						
Trade receivables	17,634	15,414	0	712	(1,489)	32,270
Inventories	37,006	38,747	0	0	0	75,753
Trade payables	(20,667)	(25,991)	(3)	(1,346)	1,489	(46,520)
Other current assets and liabilities	16,524	(540)	161	(758)	0	15,387
Total Net working capital	50,496	27,630	157	(1,393)	0	76,890
Gross invested capital	110,134	64,761	157	143,509	(90,201)	228,360
Provisions:						
Provisions for employee benefits	(1,388)	(2,071)	0	(776)	0	(4,235)
Provisions for risks and charges	(531)	(127)	0	(165)	0	(823)
Provisions for net deferred taxes	2,446	1,818	0	20,245	0	24,509
Total provisions	527	(380)	0	19,304	0	19,451
Net Invested Capital	110,661	64,381	157	162,813	(90,201)	247,811
Equity	(63,474)	(24,276)	(268)	(142,580)	87,076	(143,522)
Net Financial Position	(47,187)	(40,105)	111	(20,233)	3,125	(104,289)
Coverage	(110,661)	(64,381)	(157)	(162,813)	90,201	(247,811)

As follows the Group's balance sheet at December 31, 2022, compared to the balance sheet at the end of the previous year:

<i>Euro / 000</i>	31/12/2022	31/12/2021	Change	Change %
Current assets	166,893	153,734	13,159	9%
Non-current assets	201,993	192,316	9,677	5%
ASSETS	368,886	346,050	22,836	7%
Current liabilities	128,155	153,733	(25,578)	(17%)
Non-current liabilities	97,209	71,383	25,826	36%
Equity	143,522	120,934	22,588	19%
LIABILITIES AND EQUITY	368,886	346,050	22,836	7%

Current assets amount to euro 167 million at December 31, 2022 compared to euro 154 million at December 31, 2021, with an increase of euro 13 million. Non-current assets amounted to euro 202 million at December 31, 2022 compared to euro 192 million at December 31, 2021, with an increase of euro 10 million.

Current liabilities amounted to euro 128 million at December 31, 2022 compared to euro 154 million at December 31, 2021, down by euro 26 million. This reduction is mainly due to the exposure in the non-current liabilities of the non-current debt portions of loan agreements backed by financial covenants that, in accordance with IAS 1, as at December 31, 2021 had been classified as current liabilities. Non-current liabilities amounted to euro 97 million at December 31, 2022 compared to euro 71 million at December 31, 2021, an increase of euro 26 million.

Equity amounted to euro 144 million at December 31, 2022 and increased by euro 23 million compared to euro 121 million at December 31, 2021. The increase in equity is mainly attributable to capital increases related to the exercise of warrants in the amount of about euro 25,5 million.

Current assets amounted to euro 167 million against current liabilities of euro 128 million. The availability margin amounted to euro 39 million with a current ratio of 1.30 evidence of the Group's ability to generate liquidity and meet short-term commitments.

As follows the Group's Net Financial Position.

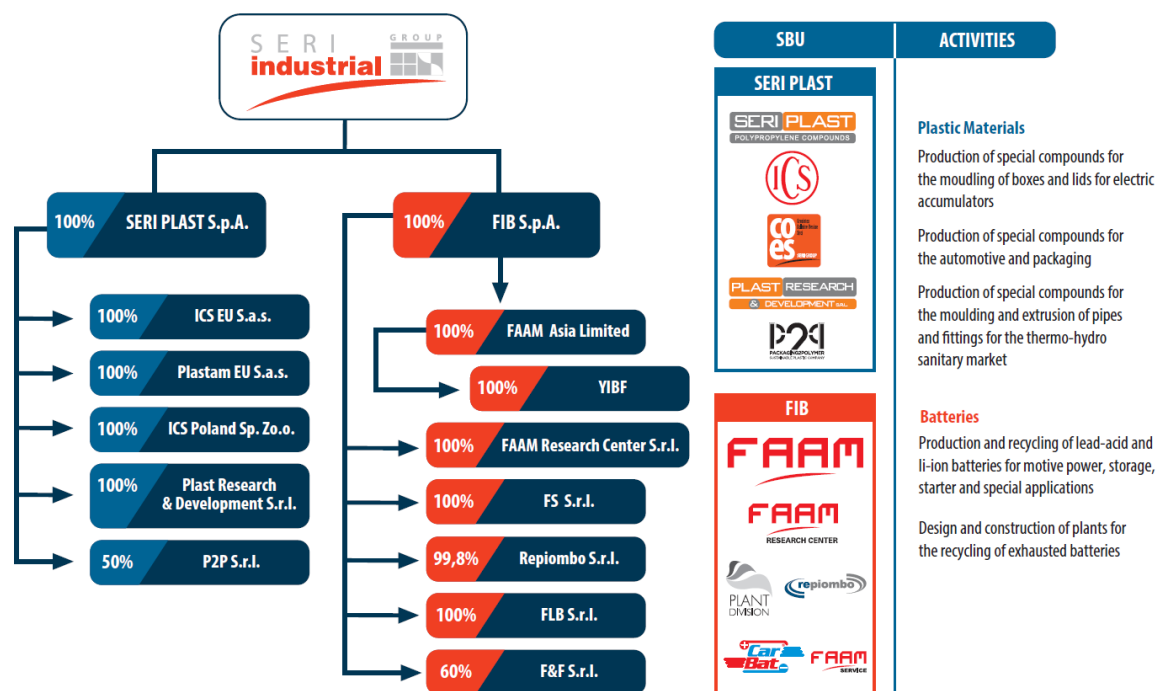
NFP - NET FINANCIAL POSITION		31/12/2022	31/12/2021	Change	Change %
A)	Cash	24,818	19,500	5,318	27%
B)	Cash equivalents	1,133	1,702	(569)	(33%)
C)	Other current financial assets	1,588	509	1,079	212%
D)	Liquidity C = (A + B + C)	27,539	21,711	5,828	27%
E)	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	47,552	40,252	7,300	18%
F)	Current portion of non-current financial debt	16,006	40,777	(24,771)	(61%)
G)	Current financial indebtedness G = (E + F)	63,558	81,029	(17,471)	(22%)
H)	Net current financial indebtedness H = (G - D)	36,019	59,318	(23,299)	(39%)
I)	Non-current financial debt (excluding current portion and debt instruments)	34,400	8,700	25,700	295%
J)	Debt instruments	4,000	0	4,000	100%
K)	Non-current trade and other payables	29,870	30,000	(130)	(0%)
L)	Non-current financial indebtedness L = (I + J + K)	68,270	38,700	29,570	76%
M)	Total financial indebtedness (H+L)	104,289	98,018	6,271	6%
N)	IFRS 16 adjustment	25,271	22,971	2,300	10%
O)	Adjusted total financial indebtedness	79,018	75,047	3,971	5%

Cash amounted to euro 24,8 million at December 31, 2022 compared to euro 19,5 million at December 31, 2021 with an increase of euro 5,3 million. Group's adjusted total financial indebtedness, equal to euro 79 million (Total financial indebtedness equal to euro 104 million), increased by euro 4 million.

Total financial indebtedness at the end of the period includes lease and right-of-use payables resulting from the application of IFRS 16, totaling Euro 25 million.

Business Units trend

As follows the Company's organizational chart, indicating the relevant activities for each business unit:



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

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

"Plastic Materials" business line

- (ii) **FIB S.p.A. ("Fib" or "FIB" or "Faam")**, is active, under the FAAM brand, 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 plant for the recycling of batteries.

"Batteries" business line

As follows the tables that recap the economic results by sector as of 31 December 2022:

Economic information by business line	Batteries	Plastic Materials	Other	Corporate	Conso effects	Consolidate d
Revenues from contract with customers	66,008	111,089	0	4,539	(6,184)	175,452
Other operating income	10,584	6,942	15	170	(277)	17,435
Internal works	7,232	3,852	0	0	149	11,233
Total revenues, income and internal works	83,824	121,883	15	4,709	(6,312)	204,120
Purchase of materials	53,208	69,984	0	12	(1,553)	121,652
Change in inventories	(9,376)	(5,317)	0	0	1	(14,692)
Services expense	17,641	31,921	10	2,305	(4,675)	47,202
Other operating costs	1,554	1,162	0	305	(46)	2,975
Personnel costs	12,642	13,567	0	3,039	3	29,251
Operating costs	75,668	111,318	11	5,661	(6,270)	186,388
Gross operating income	8,156	10,566	5	(952)	(42)	17,732
Depreciation and amortisation	14,177	7,295	0	197	(8)	21,661
Write-downs/write-backs	190	(127)	0	93	5	160
Net operating income (loss)	(6,211)	3,398	5	(1,241)	(39)	(4,089)
Finance income	224	126	0	990	(915)	425
Finance expense	3,498	2,375	0	1,320	(916)	6,277
Profit (Loss) from equity-accounted investments	0	0	0	(1)	0	(1)
Profit (Loss) before tax	(9,485)	1,149	5	(1,573)	(37)	(9,942)
Income taxes	681	714	0	(6,896)	1	(5,500)
Profit (Loss)	(10,167)	434	5	5,323	(38)	(4,442)

Plastic materials

As follows the economic performance of the Plastics materials sector as of December 31, 2022 compared with the same period in the previous year:

Plastic materials	31/12/2022	31/12/2021	Change	Change %
Revenues from contract with customers	111,089	99,133	11,956	12%
Other operating income	6,942	2,876	4,066	141%
Internal works	3,852	2,683	1,169	44%
Total revenues, income and internal works	121,883	104,692	17,191	16%
Purchase of materials	69,984	59,293	10,691	18%
Change in inventories	(5,317)	(5,190)	(127)	2%
Services expense	31,921	24,034	7,887	33%
Other operating costs	1,162	1,202	(40)	(3%)
Personnel costs	13,567	14,193	(626)	(4%)
Operating costs	111,318	93,532	17,786	19%
Gross operating income	10,566	11,160	(594)	(5%)
Depreciation and amortisation	7,295	6,786	509	8%
Write-downs/write-backs	(127)	317	(444)	(140%)
Net operating income (loss)	3,398	4,056	(658)	(16%)
Finance income	126	33	93	283%
Finance expense	2,375	1,798	577	32%
Profit (Loss) before tax	1,149	2,291	(1,142)	(50%)
Income taxes	714	1,340	(626)	(47%)
Profit (Loss)	434	951	(517)	(54%)

In 2022 Revenues, income and internal works grew by 16%, compared to the same period of the previous year.

In terms of profitability, the Gross Operating Income is equal to 10,566 thousand, with a percentage margin (Gross Operating Income/Revenues, income and internal works), equal to 9%. The Net operating income amounted to positive euro 3,398 thousand, after amortisation, depreciation and write-downs of euro 7,168 thousand.

The higher charges incurred in 2022 due to the increase in the cost of energy were estimated at approximately euro 6,501 thousand, partially offset by contributions obtained for euro 2,581 thousand as part of the benefits introduced by the 'Sostegni-ter' Decree in favour of energy-intensive companies.

Batteries

As follows the economic performance of the Batteries sector as of December 31, 2022 compared with the previous year:

Batteries	31/12/2022	31/12/2021	Change	Change %
Revenues from contract with customers	66,008	61,113	4,895	8%
Other operating income	10,584	8,745	1,839	21%
Internal works	7,232	4,695	2,537	54%
Total revenues, income and internal works	83,824	74,553	9,271	12%
Purchase of materials	53,208	45,417	7,791	17%
Change in inventories	(9,376)	(5,870)	(3,506)	60%
Services expense	17,641	11,551	6,090	53%
Other operating costs	1,554	1,767	(213)	(12%)
Personnel costs	12,642	11,902	740	6%
Operating costs	75,668	64,767	10,901	17%
Gross operating income	8,156	9,785	(1,629)	(17%)
Depreciation and amortisation	14,177	13,221	956	7%
Write-downs/write-backs	190	492	(302)	(61%)
Net operating income (loss)	(6,211)	(3,928)	(2,283)	58%
Finance income	224	682	(458)	(67%)
Finance expense	3,498	2,641	857	32%
Profit (loss) before tax	(9,485)	(5,886)	(3,599)	61%
Income taxes	681	491	190	39%
Profit (Loss)	(10,167)	(6,377)	(3,790)	59%

In 2022 there was an increase in Total revenues, income and internal works of 12%, compared to the same period of the previous year.

In terms of profitability, the Gross Operating Income is equal to euro 8,156 thousand with a percentage margin (Gross Operating Income/Total revenues, income and internal works) equal to 10%. The Net operating income amounted to a negative euro 6,211 thousand, after amortisation, depreciation and write-downs of euro 14,367 thousand. It should be noted that depreciation in the Batteries segment includes euro 11,254 thousand for the investment realised and ongoing, relating to the Teverola 1 and 2 projects, of which euro 8,857 thousand for depreciation of the investments made (Teverola 1 and 2) and euro 2,397 thousand for rights of use relating to the lease of the Teverola 1 (euro 1,030 thousand) and Teverola 2 (euro 1,367 thousand) properties.

The impact on the Gross Operating Income is related to the increase in the cost of energy in 2022, estimated at approximately euro 2,282 thousand, partially offset by contributions obtained in the same period, for euro 1,100 thousand, as part of the benefits introduced by the 'Sostegni-ter' Decree in favour of energy-intensive companies.

Russia-Ukraine conflict

The Russia-Ukraine conflict has significantly exacerbated the global macroeconomic environment, leading to a tightening of energy commodity prices and new difficulties in supply chains, in addition to pre-existing supply bottlenecks.

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

Regarding direct impacts, the Group has neither significant customers nor suppliers in the area affected by the conflict. In relation to the indirect effects of the war, the Group analysed the impacts with particular regard to shortages of raw materials from the areas affected by the conflict and the generalized increase in commodity prices which consequently led to a general increase in the prices of other goods, industrial products and services.

All Group companies adjust the prices of finished products by indexing them to the cost of the main raw materials (plastic and lead) with an average time lag of about 60 days.

On the other hand, the energy market shock caught the operators in the Group's reference market off guard, and the adjustment of prices required lengthy negotiations with customers, also taking into account the fact that some competitors with production units in other countries did not suffer energy cost increases comparable to those in Italy. In the course of the year, a commercial agreement was finally reached with the main customers to continue to apply an energy surcharge based on energy costs and indexed to the single national electricity price.

In particular, Russia's significant role in mining certain rare metals has led 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 a shortage of such materials as well as a significant increase in the price level, which, combined with the toxicity and poor sustainability of chemistry, 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 1

During the last two months of 2022, the Group completed the commissioning of the Teverola 1 lithium cell and battery production plant, which was delayed compared to the initial forecasts due to the upgrading and improvement of production processes required for product innovation (battery with LFP active material in aqueous solution, fully recyclable and with production without the use of solvents and pollutant emissions).

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 Batteries 1 fund, in favour of the FIB, in the amount of €417,046,521.84 up to the total eligible amounts defined on the basis of the nominal funding deficit, equal to €505,843,200. The Ministry of Economic Development has announced a further increase in the grant for investment in research and development, up to 100% of total expenditure.

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 within the maximum of 20% of the total facility.

During the year, initial investments have been started, and contracts for the supply of plant and machinery are on-going. The overall expenditure as of 31 December 2022 is equal to euro 3,8 million.

Warrant Uno Seri 2017-2022 Exercise

During the period 2022 no. 5,079,245 Seri Industrial ordinary shares (ISIN code IT0005283640) were issued at a price of euro 5.03 per share, of which euro 3.03 as a share premium, for a total value of euro 25,549 thousand. It is noted that the Warrants for which a subscription request has not been submitted, equal to residual no. 32,360,387 are to be considered forfeited from all rights, becoming definitively invalid for all purposes, as provided by the Regulation.

It is noted that, the major shareholder Seri S.p.A., a holding company owned by the Civitillo Family, has exercised no. 8,420,480 Warrant Uno Seri 2017-2022, subscribing no. 842,048 newly issued shares of the Company for a countervalue of euro 4,235,501.

Stock Option Plan and allocation

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

- Stock Option Plan

The Shareholders' Meeting approved the proposal to introduce a stock option plan involving ordinary shares of Seri Industrial S.p.A. called "2022 Stock Option Plan" for executive directors, managers and employees of the Company and its subsidiaries.

- Proposed share capital increase to service the 2022 Stock Option Plan

The Shareholders' Meeting approved the proposal for a capital increase for consideration, instalments, excluding option right pursuant to Article 2441, paragraphs 4, sections 6 and 8 of the Civil Code, for a total amount of a maximum of €1,956,000 (plus premium), by issuing, also in several instalments, 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 Bylaws.

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 some 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 the environmental impact (for the lithium battery sector).

On December 16, 2022 the Board of Directors of Seri Industrial S.p.A. has approved, on the proposal of the Nomination and Remuneration Committee which met on December 15, 2022 and pursuant to the Issuers Regulation, the assignment of no. 342,500 options, giving the right to receive no. 342,500 Seri Industrial's ordinary shares, based on the first cycle of the "2022 Stock Option Plan" allocation, approved by the Shareholders' Meeting of May 6, 2022.

The Exercise Price is € 5.78, equal to the arithmetic average of the official prices of the Company's Shares on Euronext during the thirty trading days previous to the Allocation Date of the options to the beneficiaries.

For further information, please refer to the press releases of March 25, 2022, June 27, 2022 and December 16, 2022.

Unilever-Pozzilli: Industrial Development Contract – Invitalia

On 1 June 2022, P2P, a company co-owned by Unilever B.V. and its subsidiary Seri Plast S.p.A., submitted to Invitalia S.p.A. the Industrial Development Contract Proposal envisaged by Article 9 of the Decree of the Minister of Economic Development of December 9, 2014, as amended, for the implementation of the investment programme for the conversion of the Unilever site in Pozzilli and the construction of a plant for the production of plastic compounds from used packaging.

On December 15, 2022, Invitalia announced the start of the preliminary activities for the subsidies. Plant layout design has been completed and the dismantling activities of the facilities owned by Unilever are on going.

2022-2026 Business Plan

On June 22, 2022 the Board of Directors has approved the 2022-2026 Business Plan of the Seri Industrial's Group. The plan is an update of the previous one, which was approved on July 22, 2021 and it has been prepared with the support of a primary advisor, that has verified the likelihood and consistency of the main assumptions, as well as the reasonability.

The Plan forecasts revenues equal to about euro 2,2 billion in 2025 and 2026, in line with the economic projections approved on 22 July 2021.

The Plan, compared to the previous 2021-2025 plan, is including the economic and financial projections related to the new project in the recovery of postconsumer packaging to be realized in Pozzilli, as described in the previous section "Unilever-Pozzilli: Industrial Development Contract – Invitalia".

Financing contracts so called 'Cura Italia' and other financing

On June 20, 2022, Seri Industrial has signed a new loan agreement with Cassa Depositi e Prestiti S.p.A. ("CDP") for € 15 million (the "New CDP Loan"). This loan for € 10 million was for the repayment of the previous loan with CDP signed on July 29, 2020 (the "First CDP Loan"); the contribution of new loan is therefore equal to €5 million. The New CDP Loan envisages a pre-amortisation 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 provisions of the 'Cura Italia' and Liquidity Decree to support investments and net working capital.

On 14 October 2022, the subsidiary FIB approved a subordinated non-convertible bond for a total nominal amount of euro 4 million (the "Bond Loan"), represented by 40 bonds with a nominal value of euro 100 thousand each, reserved for subscription by Cassa Depositi e Prestiti S.p.A. The Bond Loan has a maturity of 6 years and from the date of issue the bonds issued will be interest-bearing.

Subsequent events after the end of period and foreseeable business developments

Subsequent events

No events occurred after the end of the financial year.

Foreseeable business developments

Teverola 1

The plant is currently producing with a monthly capacity of about 30% of its theoretical capacity (about 28 MWh/month) and is expected to gradually increase to its maximum installed capacity within the third quarter of the current year.

2023-2026 Business Plan

The Management will update the 2023-2026 business plan in the next months, taking into account the registered delays in the production of the Teverola 1 plant, and verifying the start up at full operation of the Teverola 2 plant.

Related party transactions

The Group had and continues to have significant financial and economic relations with related parties, the latter mainly related to the companies attributable to Vittorio Civitillo. Certain corporate representatives of Seri Industrial – specifically Vittorio Civitillo, Andrea Civitillo and Marco Civitillo, and their father Giacomo Civitillo (the "Civitillo Executives") – are holders of 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 positions 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 relating to the regulation of transactions with related parties, incorporating the changes introduced by Consob resolution no. 21624 of December 10, 2020 to the Regulation adopted with resolution no. 17211 of March 12, 2010

Major related party transactions in 2022

Two major transactions have been authorized during the year.

4 October 2022

The Company, as part of the reindustrialization program of the Pozzilli site to be carried out through the company P2P S.r.l. ("P2P") – 50% owned by Seri Plast and 50% by Unilever Ventures Holdings B.V., the subsidiary Seri Plast has requested to the related party Pmimmobiliare S.r.l. ("PM") the availability to acquire the property in Pozzilli.

The authorization on the purchase waiver transaction has been considered as a "related party transaction" of "major significance" pursuant to the provisions of the Procedure for Related Party Transactions, acquiring a positive opinion by the committee composed by two independent directors and one statutory board component.

In parallel, the committee has released a positive opinion about the leasing contract to be subscribed by PM and P2P, that is a "related party transaction" of "minor significance", for euro 450 thousand.

20 December 2022

The Board of Directors of the Company has authorized the sale of a building for industrial use by the French subsidiary Plastam Europe SaS ("Plastam") to the related party PM for a value of euro 500 thousand, conditionally to the leasing of the building to Plastam for 9 years and with an annual rent of euro 90 thousand.

At the same time, the Board of Directors has resolved to sign a framework agreement between the Company and PM that provides the recognition of benefits to the subsidiaries Seri Plast S.p.A. and FIB S.p.A., which have a lease relationship with PM itself.

The sale transaction and the framework agreement have been considered as "related part transaction¹" of "major significance". The opinion on the interest, convenience and fairness of the relevant terms was issued by a committee composed of two independent directors and a member of the statutory board. The committee has also issued an opinion on the lease transaction to be signed between PM and Plastam which constitutes a "transaction between related parties" of "minor significance".

For more information, please refer to the Information Document, drafted pursuant to the attachment 4 of the Consob Regulation 17221/2010, published on 27 December 2022 on the Company's website.

Relationships with the controlling company and other related parties

Real estate leases

The Company and the Group companies have rental contracts for office and industrial properties with Pmimmobiliare Srl and Azienda Agricola Quercete a r.l., companies indirectly owned by Vittorio Civitillo and Andrea Civitillo.

Guarantees and indemnities

Through SERI, respectively, factoring companies and banking institutions have granted the Italian companies of the Seri Industrial Group the possibility of using advances on receivables and short-term loans.

SE.R.I. SpA (the "Guarantor") has assumed a commitment of guarantee and indemnity, with cumulative delegation of debt and payment and assumption of debt, in the context of factoring relationships of trade receivables by the Group.

Other relationships

Group VAT

SE.R.I. SpA has signed a contract with the Seri Industrial Group companies for the management of Group VAT relating to periodic and annual VAT settlements; as of December 31, 2022, the Group has a total credit position of €344 thousand and a debt position of euro 1.875 thousand.

Other residual ratios

There are also certain relationships with other companies attributable to the Civitillo family in relation to supplies and services of a technical and industrial, consultancy and professional nature, regulated under conditions like those generally applied in the sector in which the individual companies operate; the following tables show quantitative information on the economic and financial relations as of December 31, 2022 held by Seri Industrial Group with Related Parties, i.e., with the parent company, with the other companies of the Group to which it belongs, and with the shareholders who hold significant stakes in the Company's capital.

As follows the table of balance sheet transactions with Related Parties compared with the previous year:

Balance sheet transactions by related party	31/12/2022		31/12/2021	
	Receivables	Payables	Receivables	Payables
Pmimmobiliare Srl	1,747	22,047	1,536	22,646
SE.R.I. SpA	346	2,897	5,103	4,936
Industrial	0	0	3	2,247
WWS Group Srl	0	654	0	632
Elektra Srl	47	315	76	360
Azienda Agricola Quercete arl	25	136	16	238
Others	80	281	129	658
Total	2,244	26,330	6,863	31,717

In application of International Accounting Standard IFRS 16, leases are recognised by recording the "Right of use" and financial payables. In this regard, payables to Pmimmobiliare are attributable to the application of IFRS 16 accounting standard for euro 21,981 thousand.

As follows the table of economic relations with related parties compared with the previous period:

Costs and Revenues by related parties	31/12/2022		31/12/2021	
	COSTS	REVENUES	COSTS	REVENUES
Cotton S. Srl	428	2	98	2
Elektra Srl	223	37	439	38
Manita Creative Srl	372	0	393	
PMImmobiliare Srl	1,507	1,257	1,022	49
Polisportiva Matese	442	7	58	2
Seri Development & Real Estate Srl	0	0	469	15
SE.R.I. SpA	409	21	10	8
Directors' fees	1,703	0	1,556	
Others	323	20	503	49
Total	5,407	1,344	4,548	163

Other information

Information pursuant to and for the purposes of Article 114, paragraph 5, Legislative Decree no. 58/1998

On July 28, 2021, following Decision No 0838644/21, CONSOB communicated to the company the exemption to information obligations on a monthly basis pursuant to art.114, paragraph 5, of Legislative Decree no. 58/98. The obligation to provide supplementary information, in accordance with the standard, with reference to the annual and semi-annual financial reports and interim management reports remains. In view of the above, this communication on the approval of the annual financial report is supplemented with information on the following, in lieu of the additional reporting requirements on a monthly basis:

- a) the net financial position or the Total financial indebtedness of the Company and the Group, highlighting the current components separately from the medium-long term components, for which please refer to the previous section "Comments on the financial/economic results";
- b) the past due debts of the Company and its Group, broken down by nature (financial, commercial, tax, social security and employee) and any related creditors' reaction initiatives (reminders, injunctions, suspension of supply, etc.):

Nature of the debt	Seri Industrial S.p.A.		Seri Industrial Group	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Trade payables	917	697	19,698	15,338
Tax payables	15	58	169	232
Other payables	27	8	550	451

At December 31, 2022 payment orders amounted to euro 505 thousand.

- c) the main changes in the relations with related parties of the Company and the Group belonging to it compared to the last financial report approved pursuant to Article 154-ter of the TUF; please refer to the "Related Party Transactions" section of this press release for further information;

d) the status of implementation of any industrial and financial plans, with the highlighting of the deviations of the final figures compared to those expected; In relation to the state of implementation of the investment projects, please refer to the description in the paragraph "On going projects". With reference to the traditional business (As Is), revenues are in line with plan forecasts; there was a reduction in the margins related to the increase in energy costs, as mentioned above. The so-called project Teverola 1 experienced delays in getting production up and running (please refer to the above).

e) any failure to comply with the covenants, negative pledges and any other indebtedness clause of the Group involving limits on the use of financial there are no limitations on the use of financial resources. With reference to the verification of the covenants on the loan agreements in place as at 31 December 2022, the following should be noted: (i) Cassa Depositi e Prestiti S.p.A. and Unicredit S.p.A., respectively on 23 December 2022 and 28 November 2022, accepted the waiver requests received from the Company. In the first case, the disapplication of the verification of the financial parameters was agreed, while Unicredit agreed to a modification of the parameters, which are respected; (ii) in relation to the FIB-Deutsche Bank loan - recorded for a residual amount of Euro 1.8 million under current liabilities and regularly repaid on the respective due dates - no requests for early repayment were received due to non-compliance with the financial parameters; (iii) with reference to the FIB-Pool bank loan, recorded for Euro 6 million under current liabilities, on 24 February 2023 the lending banks granted an extension of the expiry to 30 June 2023; failure to comply with the financial parameters entails the forfeiture of the benefit of the term, without prejudice to the possibility of implementing the remedies provided for in the loan agreement.

* * * * *

The person responsible for the preparation of the Company's financial statements, Dr Pasquale Basile, pursuant to Article 154-bis, paragraph 2, of Legislative Decree No. 58/1998, declares that the balance sheet, income statement and financial data contained in this press release correspond to the documentary results, books and accounting records.

* * * * *

The financial report as at 31 December 2022 will be made available to the public at the Company's registered office, on the website www.seri-industrial.it in the section Investors/Financial statements and reports, as well as on the 1Info storage mechanism (www.1Info.it) in accordance with 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.

Per ulteriori informazioni: Investor Relator

Marco Civitillo

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Annex 1 – Balance Sheet sintetico – Bilancio Consolidato

<i>Euro / 000</i>	31/12/2022	31/12/2021	Change	Change %
Current assets	166,893	153,734	13,159	9%
Non-current assets	201,993	192,316	9,677	5%
ASSETS	368,886	346,050	22,836	7%
Current liabilities	128,155	153,733	(25,578)	(17%)
Non-current liabilities	97,209	71,383	25,826	36%
Equity	143,522	120,934	22,588	19%
LIABILITIES AND EQUITY	368,886	346,050	22,836	7%

Allegato 2 - Profit and Loss sintetico – Bilancio Consolidato

<i>Euro / 000</i>	31/12/2022	31/12/2021	Change	Change %
Revenues from contract with customers	175,452	157,704	17,748	11%
Other operating income	17,435	11,643	5,792	50%
Internal works	11,233	7,773	3,460	45%
Total revenues, income and internal works	204,120	177,120	27,000	15%
Operating costs	186,388	157,006	29,382	19%
Gross operating income – EBITDA	17,732	20,114	(2,382)	(12%)
Depreciation and amortisation	21,661	20,184	1,477	7%
Write-downs/write-backs	160	811	(651)	(80%)
Net Operating Income (loss) – EBIT	(4,089)	(881)	(3,208)	364%
Finance income (expense)	(5,853)	(3,823)	(2,030)	53%
Profit (Loss) before tax	(9,942)	(4,704)	(5,238)	111%
Income taxes	(5,500)	(3,210)	(2,290)	71%
Profit (Loss)	(4,442)	(1,494)	(2,948)	197%

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

Allegato 3 - Seri Industrial Group Net Financial Position

<i>NFP - NET FINANCIAL POSITION</i>	31/12/2022	31/12/2021	Change	Change %
A) Cash	24,818	19,500	5,318	27%
B) Cash equivalents	1,133	1,702	(569)	(33%)
C) Other current financial assets	1,588	509	1,079	212%
D) Liquidity C = (A + B + C)	27,539	21,711	5,828	27%
E) Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	47,552	40,252	7,300	18%
F) Current portion of non-current financial debt	16,006	40,777	(24,771)	(61%)
G) Current financial indebtedness G = (E + F)	63,558	81,029	(17,471)	(22%)
H) Net current financial indebtedness H = (G - D)	36,019	59,318	(23,299)	(39%)
I) Non-current financial debt (excluding current portion and debt instruments)	34,400	8,700	25,700	295%
J) Debt instruments	4,000		4,000	0%
K) Non-current trade and other payables	29,870	30,000	(130)	(0%)
L) Non-current financial indebtedness L = (I + J + K)	68,270	38,700	29,570	76%
M) Total financial indebtedness (H+L)	104,289	98,018	6,271	6%
N) IFRS 16 adjustment	25,271	22,971	2,300	10%
O) Adjusted total financial indebtedness	79,018	75,047	3,971	5%

Allegato 4 – Balance Sheet sintetico – Bilancio di Esercizio

<i>Euro / 000</i>	31/12/2022	31/12/2021	Change	Change %
Revenues from contract with customers	4,539	4,380	159	4%
Other operating income	171	217	(46)	(21%)
Total revenues and other operating income	4,710	4,597	113	2%
Operating costs	5,663	5,414	249	5%
Gross operating income	(953)	(817)	(136)	17%
Net Operating Income (loss)	(1,241)	(1,008)	(233)	23%
Finance income (expense)	(332)	(100)	(232)	232%
Profit (Loss) before tax	(1,573)	(1,108)	(465)	42%
Income taxes	(6,896)	(5,040)	(1,856)	37%
Profit (Loss)	5,323	3,932	1,391	35%

Allegato 5 - Profit and Loss sintetico – Bilancio di Esercizio

<i>Euro / 000</i>	31/12/2022	31/12/2021	Change	Change %
Current assets	28,159	42,422	(14,263)	(34%)
Non-current assets	165,549	135,315	30,234	22%
ASSETS	193,708	177,737	15,971	9%
Current liabilities	19,660	60,838	(41,178)	(68%)
Non-current liabilities	31,467	6,098	25,369	416%
Equity	142,581	110,801	31,780	29%
LIABILITIES AND EQUITY	193,708	177,737	15,971	9%

Allegato 6 - Seri Industrial S.p.A. Net Financial Position

<i>NFP - NET FINANCIAL POSITION</i>	31/12/2022	31/12/2021	Change	Change %
A) Cash	23,512	17,530	5,982	34%
B) Cash equivalents	1,889	22,954	(21,065)	(92%)
C) Other current financial assets	1,502	509	993	195%
D) Liquidity C = (A + B + C)	26,903	40,993	(14,090)	(34%)
E) Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	10,934	26,743	(15,809)	(59%)
F) Current portion of non-current financial debt	5,800	30,421	(24,621)	(81%)
G) Current financial indebtedness G = (E + F)	16,734	57,164	(40,430)	(71%)
H) Net current financial indebtedness H = (G - D)	(10,169)	16,171	(26,340)	(163%)
I) Non-current financial debt (excluding current portion and debt instruments)	30,300	3,600	26,700	742%
K) Non-current trade and other payables	101	1,665	(1,564)	(94%)
L) Non-current financial indebtedness L = (I + J + K)	30,401	5,265	25,136	477%
M) Total financial indebtedness (H+L)	20,232	21,436	(1,204)	(6%)
N) IFRS 16 adjustment	198	266	(68)	(26%)
O) Adjusted total financial indebtedness	20,034	21,170	(1,136)	(5%)