HALF-YEAR FINANCIAL REPORT AT JUNE 30, 2022

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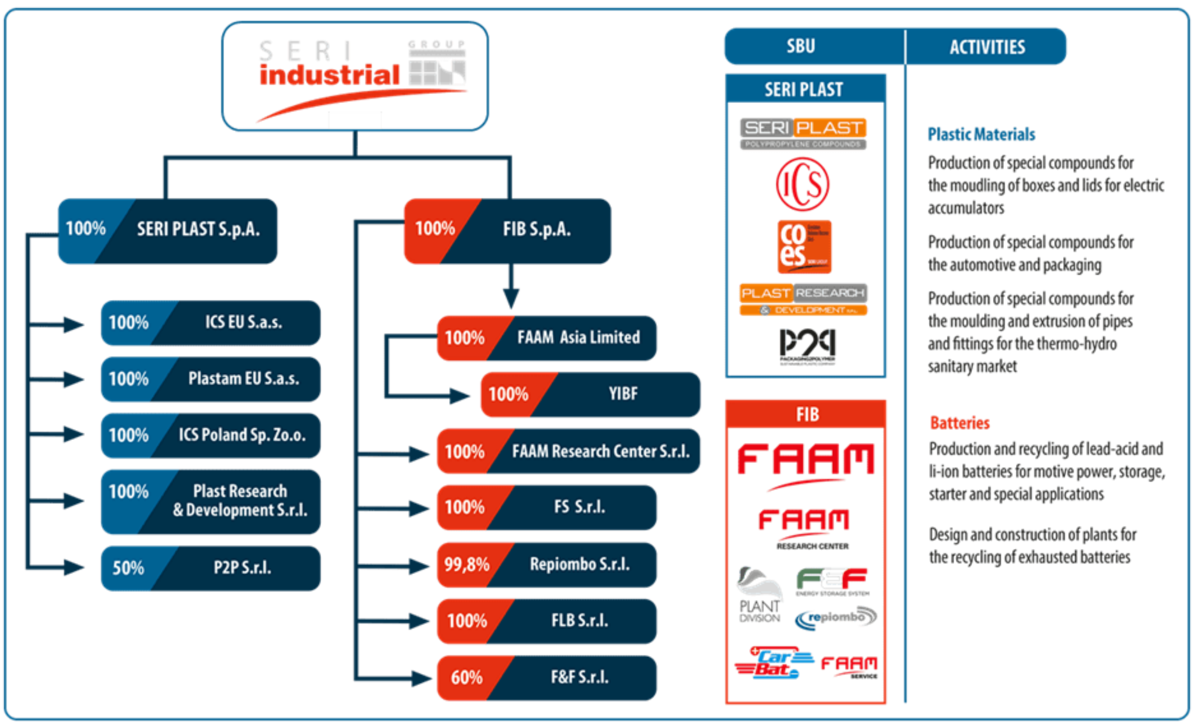
Seri Industrial Group

Profile

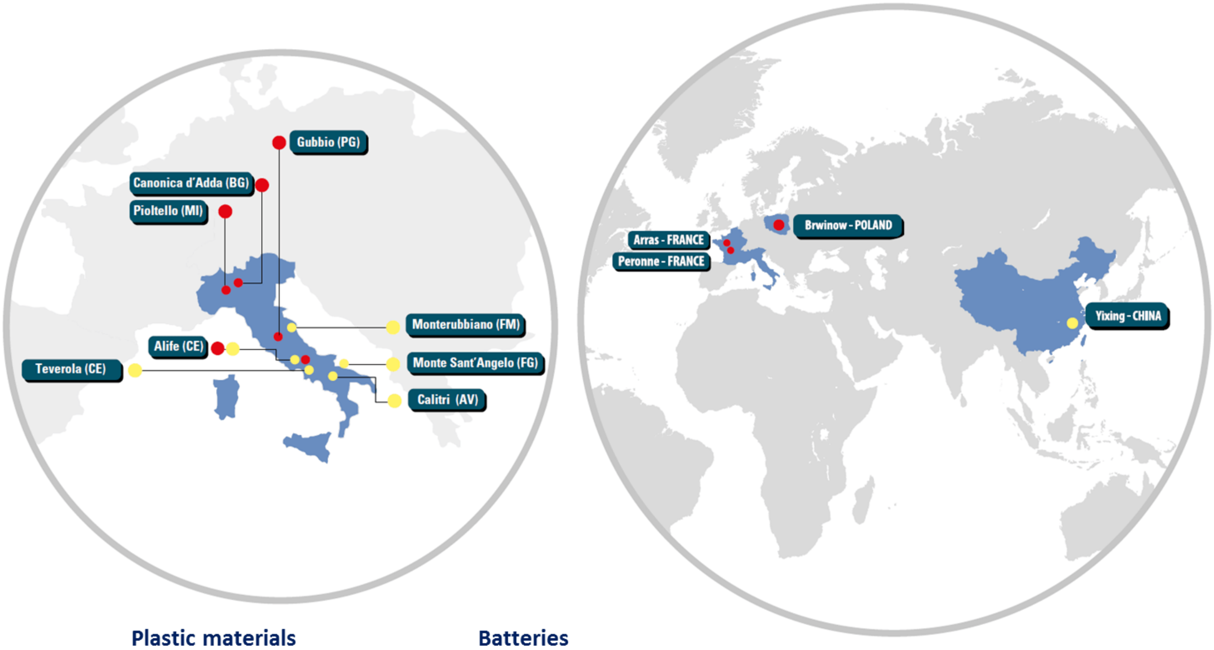
Seri Industrial SpA (**"Seri Industrial"** or the **"Company"** and, together with the subsidiaries, the "**Group**") is a company listed on Milan's Euronext ("EXM") regulated stock exchange managed by Borsa Italiana SpA.
The Company operates through two companies, operating in two business lines (or "**Sectors**")[1]:

- **Seri Plast SpA** (**"Seri Plast"**) is active in the processing and production of plastic materials for the (i) battery market (production of special compounds and moulding of battery boxes and lids), (ii) automotive (production of special compounds) and (iii) sanitary hydrothermal, civil and naval shipbuilding (production of special compounds, extrusion and moulding of pipes, fittings and special parts);
  "Plastic materials" business line
- **FIB SpA** (**"Fib"** or **"FIB"** or **"Faam"**) is active, through the FAAM brand, in the production and recycling of lead and lithium batteries for industrial traction, storage and start-up applications, as well as in the design of plant for the recycling of spent batteries.
  "Batteries" business line



The Group operates in 22 production/management units worldwide, in 16 sites, with about 800 employees and collaborators. The Parent Company, which manages and coordinates the subsidiaries, is based in San Potito Sannitico (CE).

[1]Subsidiaries in liquidation (Lithops Srl and Tolo Energia Srl) are excluded.



Plastic materials

- Canonica d'Adda (BG)
- Pioltello (MI)
- Gubbio (PG)
- Alife (CE)
- Arras (France)
- Peronne (France)
- Brwinow (Poland)

Batteries

- Monte Sant'Angelo (FG)
- Monterubbiano (FM)
- Teverola 1 (CE)
- Yixing (China)
- Calitri (AV)
- Alife (CE)

FAAM CUSTOMER SERVICE

RESEARCH AND DEVELOPMENT CENTERS

Mission and business model

Our mission is to accelerate the energy and ecological transition

A new way of thinking the economy, **with sustainable processes and products and supporting the transition** of the paradigm **from a linear model to a full circular economy model.**

Following the lead of the climate conference in Paris COP 21 and the recent COP 26, the Seri Industrial Group envisages sustainable development for its future, strongly rooted in the idea of overseeing the energy and ecological revolution around the corner and fully aware of the need to be ready for the challenges that the energy sector is preparing to face.

Proud of our Italian origins and our roots in our territory, we promote collaborations with other companies that share our mission, to create long-term value, sharing the knowledge acquired to seize the opportunities of the market, in this historical phase of ecological and energy transition. We are ready to accept the challenges and compete in the international context, without fear and with courage, in the awareness of the strength of our skills.

The Seri Industrial Group pursues strategic objectives for the acceleration of the energy and ecological transition in line with the Paris agreement and with recent European and Italian initiatives:

Sustainability

All the above is to be pursued through (i) the achievement **of full vertical integration of the supply chain**, (ii) the development of products for special applications capable of **innovating current technologies** in niche markets and **new technologies for waste recovery** as well as the integration of the Group's Research and Development centres.

Digitalisation

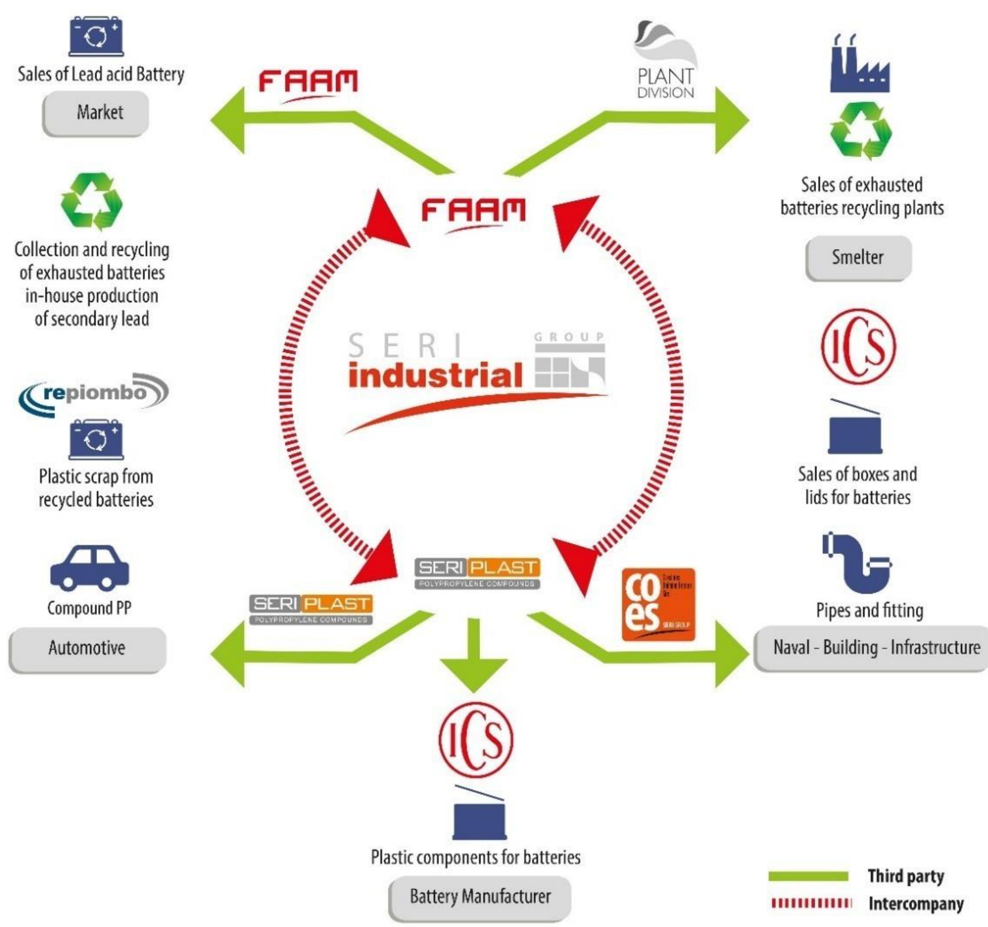
To be implemented through the development of **innovative technologies** applied to storage systems in order to guarantee the **"energy transition"** underway, with the introduction of "blockchain" technology in energy exchanges and the search for hardware and software solutions for Digital Energy products.

Decarbonisation

To be supported **by innovating production technologies** and offering **low-emission products to** the market.

The Group is fully committed to the development of an integrated sustainable business model in plastics and energy storage, based on the principles of the circular economy and innovation, in order to reduce the impacts of the entire production process on the environment and support the energy transition towards a decarbonised economy.

Our current business model



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Highlights

€101,477 thousand

REVENUES, INCOME AND INTERNAL WORKS

€84,433 thousand
at 30 June 2021

€9,071 thousand

ADJUSTED GROSS OPERATING INCOME

€8,193 thousand
at 30 June 2021

€236,816 thousand

NET INVESTED CAPITAL

€218,951 thousand
at 31 December 2021

€97,178 thousand

ADJUSTED NET FINANCIAL POSITION

€75,047 thousand
at 31 December 2021

Economic and financial results

euro/000	30/06/2022	30/06/2021	Change	Change %
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 (Loss) - EBIT	(1,932)	(1,376)	(556)	40%
Adjusted Net Operating Income (Loss) - Adjusted EBIT	(1,716)	(885)	(831)	94%
Profit (Loss)	(5,194)	(4,136)	(1,058)	26%
Adjusted Profit (Loss)	(4,286)	(3,609)	(677)	19%
Cash flow from operating activities	(8,662)	7,947	(16,609)	(209%)
Adjusted investment activities	6,402	7,465	(1,063)	(14%)

Financial data

euro/000	30/06/2022	31/12/2021	Change	Change %
Net invested capital	236,816	218,951	17,865	8%
Equity	116,950	120,934	(3,984)	(3%)
Net Financial Position	119,866	98,018	21,848	22%
Adjusted Net Financial Position	97,178	75,047	22,131	29%

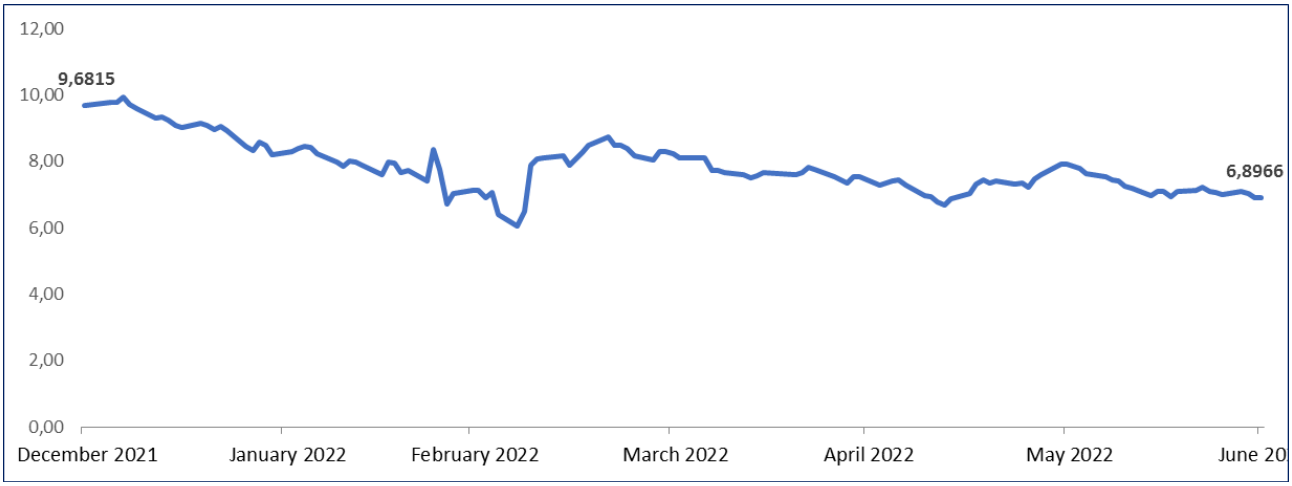
Personnel

Number of employees	30/06/2022	31/12/2021	Change	Change %
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%**

Trend of the Seri Industrial stock price

Since the beginning of the year, global economic activity has shown signs of slowing down due to the spread of the Omicron variant of Covid-19 and, subsequently, the invasion of Ukraine by Russia. The immediate effects of the conflict on global financial market prices were significant, accentuating downside risks due to the global economic cycle and upside risks due to inflation.
The Seri stock price trend reflects this climate of tension, with a price ranging between €9.9 and €6.0 and stood at €6.9 per share at the end of June 30, 2022 (down 29% compared to the stock value at December 31, 2021, equal to €9.69 and down 5% compared to the value at June 30, 2021, then equal to €7.25).
Market capitalisation at June 30, 2022 amounted to approximately €338 million (equal to €467 million at December 31, 2021 and equal to €343 million at June 30, 2021).

Seri stock price from December 31, 2021, to June 30, 2022



The Italian stock market is down 14% in June and about 22% from the beginning of the year and the main index - the FTSE MIB, in the period from January 1, 2022, to June 30, 2022, shows negative performance (down 23.21%).
The Seri stock price is in line with this trend, registering a decrease of 31.61% in the same period.

Seri stock price and FTSE-MIB Index performance from January 1, 2022, to June 30, 2022

Group strategy and risk management

Group strategy

In an uncertain macroeconomic context, resulting from the ongoing geopolitical crisis and the persistence of the Covid-19 pandemic, the acceleration of the transition process towards a zero-emission business model is increasingly an essential strategic driver.

This scenario provides a better understanding of the value of the work carried out to date by the Seri Industrial Group, which has always, since its establishment, placed sustainability and circularity at the centre of its strategy, even when these issues were far from being at the centre of European and global attention. Over the years, the Group has constantly operated with this vision, providing its customers with innovative, safe and *eco-friendly* products, with control over the entire production chain.

Continuing the path of sustainability and technological innovation, started with the Teverola 1 project, the Group has outlined its medium and long-term strategic actions to fully achieve the objectives of sustainability, decarbonisation and digitisation. In particular, the Group plans to strengthen its commitment to the energy transition through circular economy models with the implementation of the "Unilever-Pozzilli" project, in partnership with Unilever, and the "Teverola 2" project, as part of the European IPCEI Batteries 1 project. Both projects pursue the objectives of the "*Net Zero*" transition, towards a zero-emission global economy, and are linked to strategies to reduce the use of virgin raw materials in favour of secondary raw materials from recycling, which will significantly reduce the carbon footprint of products, increasing the Group's resilience to the constraints of virgin material supply chains.

The **strategic actions and investments** underway pursue, in a determined way, the medium and long-term objectives of the **Seri Industrial Group** for the acceleration of the **energy and ecological transition**.

Investment projects and the Business Plan

€**505** million
Capex and Opex

8/8.5 GWh/year
production capacity

Lithium-ion batteries
and development of a
pilot line for recycling

Teverola 2

The Teverola 2 project is part of the IPCEI Batteries 1 Project, which aims to support the creation of a European chain of lithium-ion batteries for a decarbonised economy that favours the energy and ecological transition, encouraging electric mobility and reducing emissions.

With the IPCEI Project, the Group aims to develop a technological cluster through the creation of the first and only Italian gigafactory and in Southern Europe for the production of lithium batteries.

The project provides for investments of about 505.8 million euros to be made through the facilities granted by the European Commission, in the form of a contribution to expenditure.

The investment programme was examined by the Ministry of Economic Development and the European Commission and was considered consistent with the objectives of the project.

The gigafactory will be built in the same area of the Teverola 1 plant, with a total area of 265 thousand square metres, where the Group has already started a highly innovative plant to produce cells and modules for lithium batteries, with initial installed capacity of about 330 MWh/year for ESSs (Energy Storage Systems), Motive Power, Naval and electric mobility applications. The gigafactory will have an estimated annual production capacity of about 8/8.5 GWh, able to meet the growing demand of the market. In order to promote the efficient management of natural resources and the development of circular economy processes, the project envisages the development of a pilot line for the recycling of end of life lithium batteries and the recovery of the active material. The objective is to replicate the business model of the lead batteries segment, based on circularity, also for that of lithium batteries, thanks to the Group's long experience in the sector.

With these objectives in mind, the Group has chosen an active material based on lithium-iron-phosphate that combines safety with high performance and the sustainability of the materials used. In addition to the choice of LFP chemistry, FIB is strongly supporting the development of a production process that uses so-called "water-based" preparations, without the use of organic solvents. This process reduces atmospheric emissions into the environment, both due to the lower energy consumption of the plant deriving from the absence of a chemical solvent recovery system (the aqueous solution is recycled and reintroduced into the production cycle) and a lower temperature in certain processes. In addition, the use of water as a substitute for solvents allows greater safety and flexibility in the future battery recycling process, as the solvent will not have to be treated at the end of its life.

Unilever-Pozzilli

The project, in partnership with Unilever, envisages an industrial reconversion programme of the Pozzilli plant, which will allow the construction of one of the most advanced sites in Europe for the production of recycled plastic and the only one in Southern Italy able to recover mixed plastic material from post-consumer scrap, currently sent to landfills, waste-to-energy plants and cement plants.
The plant will be built with the application of the best technological standards and will reduce the production and use of virgin plastics from hydrocarbons, virtuously adhering to the guidelines of the European Green Deal.
Unilever is committed to buying at least 65 thousand tons/year of recycled plastic raw materials at a price already agreed, indexed to the trend of raw materials, guaranteeing the saturation of 50% of the theoretical maximum production capacity, equal to 130 thousand tons/year.

€ **109** mln **Capex**

+130 k t/year
mechanical recycling capacity

Products
rPP, rHDPE, rLDPE, rLLDPE, rPET,
Food Grade rPET

The Group expects to invest approximately 109.4 million euros in investments for production resources and R&D, financed in part by subsidised loans and grants.

2022-2026 Business Plan

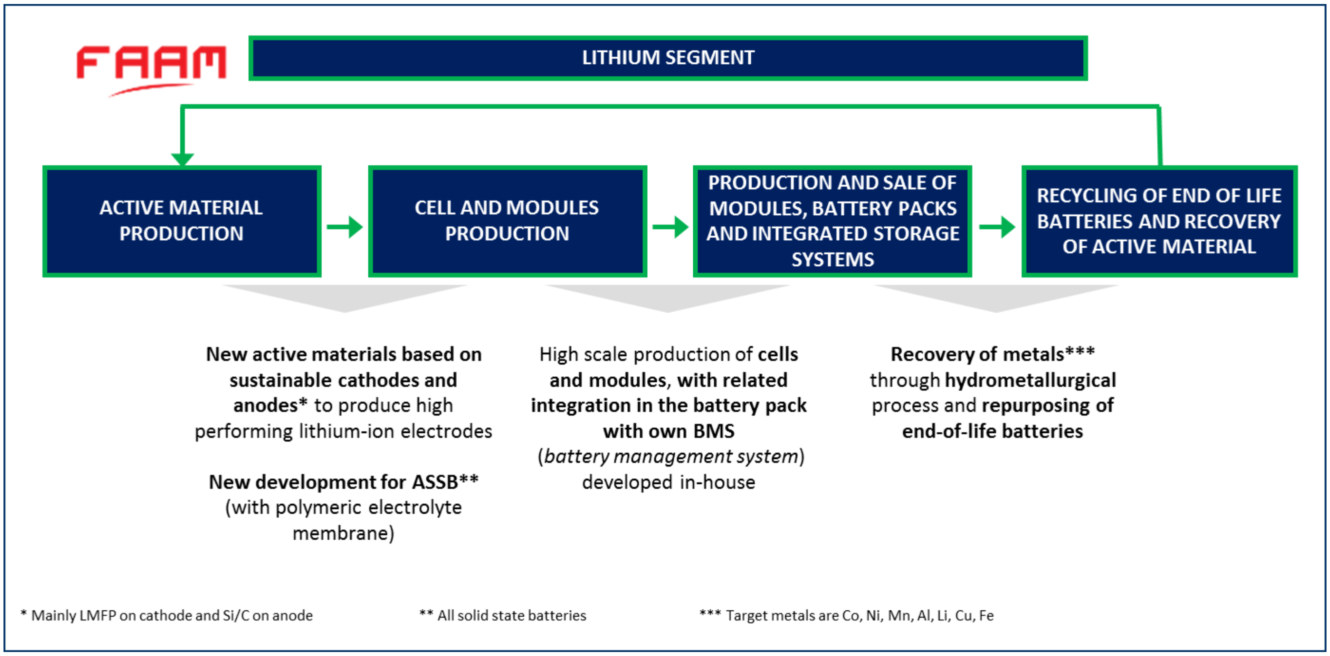
The strategic actions and investments are reflected in the 2022-2026 Business Plan, updated and approved by the Board of Directors on June 22, 2022. The update, as the plan previously approved on July 22, 2021, was prepared in cooperation with a leading advisor, who verified the degree of plausibility and consistency of the underlying working hypotheses as well as the reasonableness of the related 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 scope, for a total amount equal to approximately 2.2 billion euros. The Plan also includes the 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., with respect to which reference is made to the press release issued on October 29, 2021.

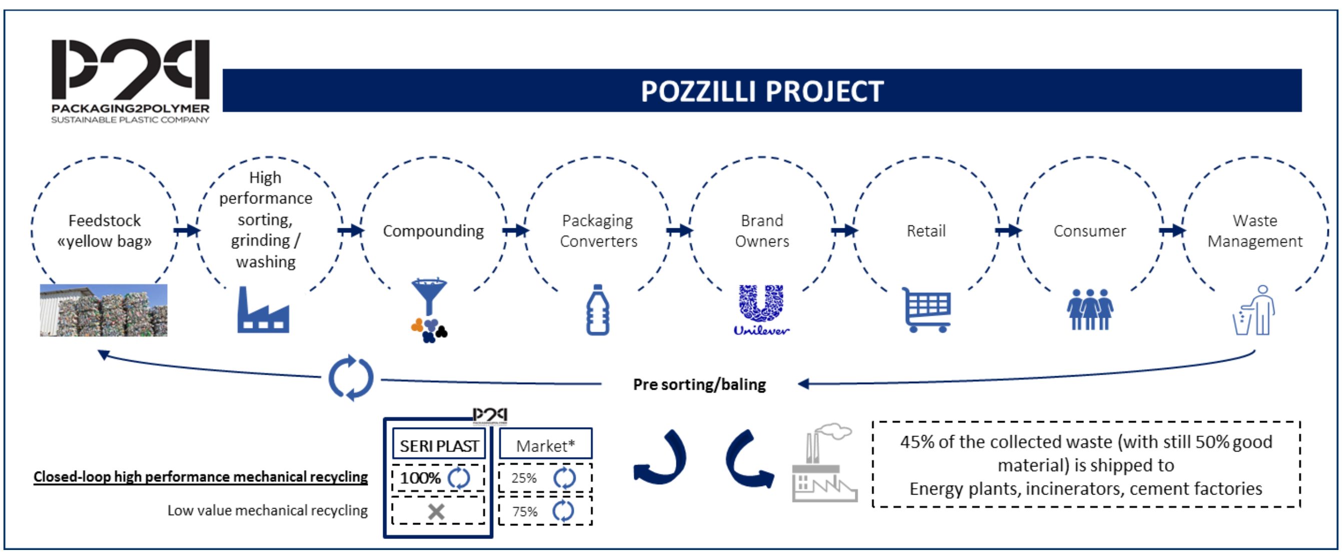
Circular economy

For the Seri Industrial Group, the circular economy represents a strategic driver to respond to the great environmental and social challenges of today.

Teverola: the circular economy in the Lithium segment



Unilever-Pozzilli: sustainable packaging



Reference scenario

Macroeconomic context

Since the beginning of the year, the global economic framework has significantly weakened due to the effects of the worsening of the pandemic situation (due to the Omicron variant of Covid-19) and subsequently due to the consequences of the Russian-Ukrainian conflict that have accentuated global inflationary pressures. Inflation in the United States and the United Kingdom has reached 9.1%, the highest level of the last forty years; in the Eurozone, inflation, increasing since the beginning of 2021, rose in June 2022 to 8.6% on an annual basis. The rise in prices is mainly attributable to the prices of energy raw materials, and in particular to those of natural gas, which in Europe have recorded extraordinarily high increases, especially in connection with the progressive interruptions in supply flows from Russia.

The main risk factors for the future growth of the global economy are the significant increase in inflation and the uncertainty that characterises the markets due to the continuation (i) of the Covid-19 pandemic crisis and (ii) of the Russia-Ukraine conflict. According to forecasts released by the OECD in June, world GDP growth should reach 3% in 2022, with a downward revision of 1.5 percentage points compared to the December 2021 scenario; European GDP estimates are also revised downwards for 2022 and 2023, compared to the scenario of last March. According to Eurosystem experts, GDP should grow by 2.8% in 2022 and by 2.1% in the following two years. GDP revisions are affected by difficulties in the supply of raw materials, bottlenecks in trade logistics, inflationary pressures and the rise in interest rates caused by the tightening of monetary policies. Important repercussions on world growth, especially European growth, could result from new sanctions against Russia and a total interruption of gas supplies by Russia. The new EU restrictions on imports of Russian crude oil and petroleum products, included in the package of new sanctions agreed at the beginning of June, will enter into force between December 2022 and February 2023, affecting about 90% of current European imports from Russia. The impact of these measures on the global oil market remains extremely uncertain.

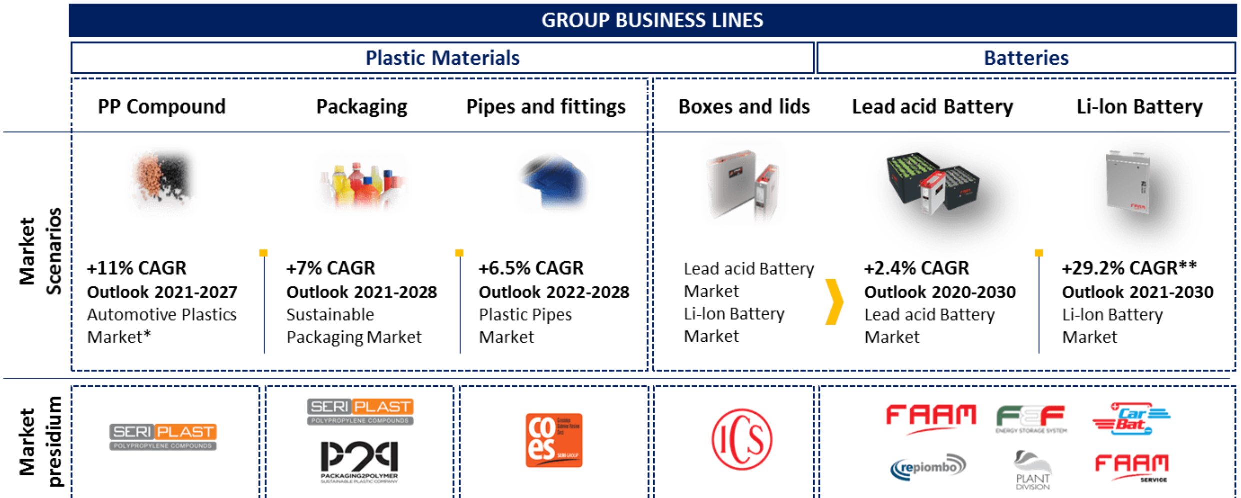
In Italy, the first quarter was characterised by a marginal increase in GDP (up 0.1% compared to the fourth quarter of 2021), supported by the increase in consumption, investment and exports, highlighting an overall hold against the high uncertainty of the macroeconomic context. In the second quarter, based on the estimates made by the Bank of Italy, GDP would have increased by about half a percentage point compared to the previous period. During the second quarter, inflation in Italy stood at 8.5%, the highest level reached since the mid-1980s, mainly driven by the exceptional increases in energy prices. The prices of certain categories of services were also affected by the recovery in demand linked to the relaxation of the restrictive measures adopted to combat the pandemic.

In this scenario, an important incentive factor for Europe's economic recovery is represented by the Next Generation EU (NGEU) plan, in support of "green" and digital investments and reforms of the Member States, in response to the economic and social damage caused by the Covid-19 pandemic. At the national level, considerable support for economic activity derives from fiscal policy and interventions outlined in the National Recovery and Resilience Plan (NRRP) – in full coherence with the pillars of the NGEU. It is estimated, in fact, that the interventions planned in the NRRP, together with the measures to help businesses and families to face the rise in the price of goods and the pandemic emergency, can increase the level of GDP by more than 3.5 percentage points in the three-year period 2022-2024, of which about 2 percentage points can be attributed to the measures outlined in the plan.

(Source: Bollettino economico No. 3/2022 – Bank of Italy, July 15, 2022)

The Group's reference markets

The assessment of the external context and its evolution is a fundamental element on which the definition and development of the Group's long-term strategy is based. The analysis of the evolutionary scenarios of the markets for plastics and batteries is, therefore, a functional factor in defining the Group's position in these contexts. In particular, as follows the reference scenario:



**Main market in PP compound production*

*** CAGR calculated on GWh volume data basis*

Plastic materials

Automotive Plastics Market

+11% CAGR$_{2021-2027}$

- The global market for plastic compounds is estimated to reach $104.09 billion in turnover by 2028 with an annual compound growth rate (CAGR) of 6.5%[2]. The characteristics and properties of plastic compounds (flexibility, resistance, stability, etc.) represent, in fact, the main strategic factor for the growth of the market, almost in every field of application, from the automotive sector to construction, from packaging to medical, from electronics to communications.

It is estimated that the substantial increase in the market will be driven mainly by the increasing use of PP compounds in the automotive industry. Polypropylene represents, in fact, more than half of all the plastic materials used in motor vehicles, thanks to its excellent mechanical and moulding properties that meet the performance requirements of plastic components used in the automotive sector. In particular, the market for plastics in the automotive sector is expected to increase in terms of turnover with a CAGR of over 11% between 2021 and 2027[3].

Despite the impact of the Covid-19 emergency, which weighs on the decline of the automotive market, a recovery in demand is estimated mainly linked to the electrification trends and the related regulations relating to the reduction of CO_2 emissions. The use of innovative plastic materials, increasingly sustainable and light, replacing other materials, such as metal, will, in fact, play an increasingly strategic role for OEMs - *Original Equipment Manufacturers*.

[2] "*Global Plastic Compounding Market Outlook 2022*", Valuates Reports, January 2022

[3] "*Global Automotive Plastics Market Report 2021-2027*", Global Market Insights, February 2022

Sustainable Packaging Market

+7% CAGR$_{2021-2028}$

- As for the recycled plastic market, it is estimated that CAGR will grow by 8.5% by 2030, amounting to approximately $124.3 billion, compared to an estimated turnover of $59.7 billion in 2021[4]. The growth of the sector must be attributed to the strong focus on sustainability and the growing awareness of the serious consequences of climate change, generated by environmental emissions and pollution. Recent regulations and government measures to support the use of "green" products and those derived from recycled materials are increasingly encouraging different stakeholders, producers and customers, to adopt a model of production and consumption of plastic based on the circular economy.

In this context, the global sustainable packaging market represents a strong growth segment, expected to increase by 7.0% in terms of CAGR by 2028, with a turnover of $451.7 billion, compared to about $267.5 billion in 2020[5]. The European market is expected to be the most dominant, with revenue growth of $157.6 billion by 2028, up from $93.9 billion in 2020.

Major multinationals are increasing their commitment to new sustainable packaging solutions. In this context, the global "*Clean Future*" innovation strategy designed by Unilever is positioned, which also includes the conversion project of the Pozzilli plant through the establishment of the joint venture P2P, which represents significant progress in the transition to a circular economy, aimed at reducing the carbon footprint of its products. The objective is to replace 100% of the carbon from fossil fuels in the formulation of the products, following the principle "reduce, reuse and recycle", rather than "extract, produce and dispose".

Plastic Pipes Market

+6,5% CAGR$_{2022-2028}$

- Finally, with regard to the global market for plastic pipes for the plumbing and heating sector, it is estimated that it will reach $83 billion in 2028, with a CAGR of 6.5%[6]. While the growth of the urban population and the consequent increase in demand for infrastructure, mainly in the countries of the Asia-Pacific area and Africa, is the main driving force of the market, environmental concerns related to the use of plastic pipes can hinder its growth.

Batteries

Lead acid Battery Market

+2,4% CAGR$_{2021-2030}$

- The global market for lead acid batteries is estimated to reach $47 billion by 2030, for volumes equal to 494 GWh, compared to about $38 billion in 2021, of which about $18 billion relating to applications such as Energy Storage Systems (ESSs), Uninterruptible Power Supplies (UPSs), Telecom, Forklifts, Other Motive - Group reference segments - e-Power tools, E-Bikes and others[7].

With reference to the Italian context, the market for lead batteries recorded an increase of 17.1% in 2021 compared to 2020, supported by an increase, in terms of volumes, of starter batteries (up 7%), stationary batteries (up 67.7%) and traction batteries (+15%)[8].

It should be noted that the overall performance of the market for lead acid batteries is influenced by the regulations adopted on sustainability and circular economy, which increasingly encourage the main operators in the sector to improve the quality of accumulators to reduce their impact on the environment. To this end, companies are increasingly investing in research for the development and improvement of lithium batteries to replace lead batteries.

[4] *"Recycled Plastic Market Report",* Prescient & Strategic Intelligence, March 2022

[5] *"Green Packaging Market by Type, Application and Regional Analysis: Global Opportunity Analysis and Industry Forecast, 2021-2028",* Research Dive, April 2022

[6] *"Global Plastic Pipes Market Growth, Share, Size, Trends and Forecast (2022-2028)*", ReAnIn, June 2022

[7] "*The Rechargeable Battery Market and Main Trends 2020-2030 – Threats, challenges and opportunities*", Avicenne Energy, June 2022

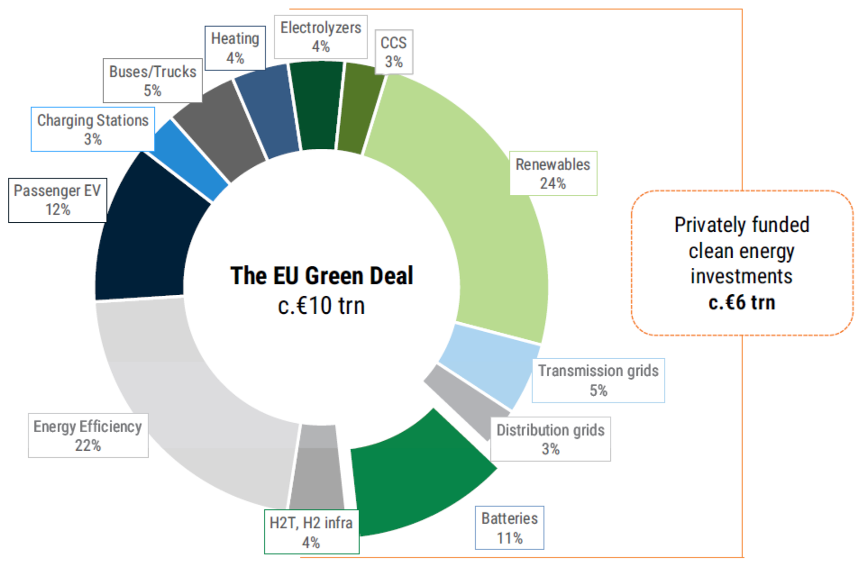
[8] "*Accumulatori Elettrici*", Cerved Market Intelligence, May 2022

Li-Ion Battery Market

+29,2% CAGR$_{2021-2030}$

Recent European climate legislation[9] has confirmed the European Union's binding obligation in the energy transition, confirming the political agreement of the European Green Deal for climate neutrality. In relation to the initiatives, it is estimated that the demand for energy for ESS and EV applications will increase by about 50% by 2030 to comply with the *"Fit for 55" Plan* [10]. By 2030, the Plan foresees that nearly 70% of Europe's energy capacity can be represented by renewable sources and batteries will be a key solution to support the Plan.

EU Green Deal plan estimate spending through 2050



Source: Goldman Sachs Global Investment Research

The Battery IPCEI is the European response to the need for next-generation lithium-ion batteries to support the transition to a decarbonised economy, the core of the European Green Deal.

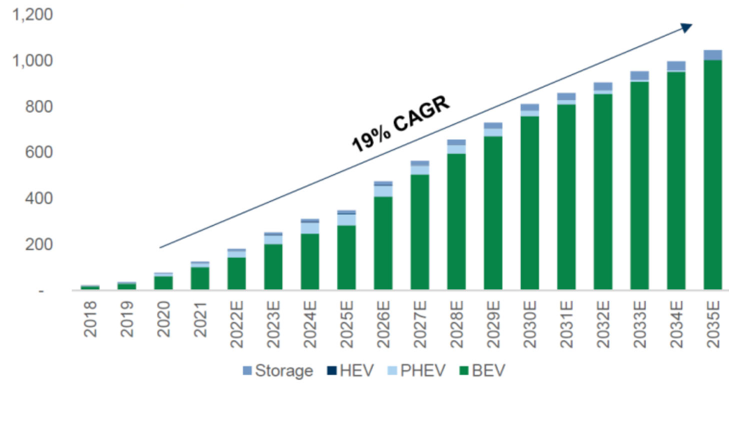
In this context, the European market for lithium batteries for ESS and EV applications is estimated to grow by 19% in terms of CAGR over the period 2020-2035[11].

[9] Regulation (EU) 2021/1119 of the European Parliament and of the Council of June 30, 2021 establishing the framework for achieving climate neutrality and amending Regulation (EC) No 401/2009 and Regulation (EU) 2018/1999 ("European Climate Law").

[10] "*Batteries Made in Europe*", Goldman Sachs, June 2022

[11] "*Batteries Made in Europe*" Goldman Sachs, June 2022

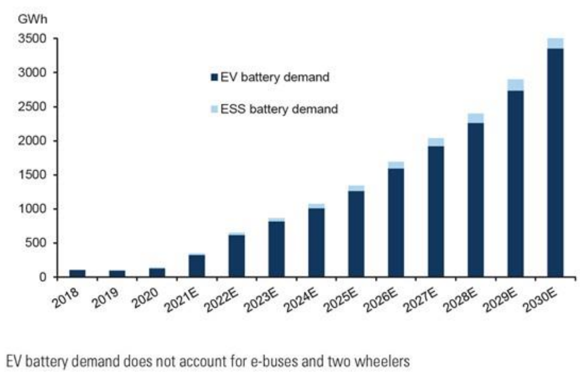
European demand for lithium batteries (GWh)



Source: Bloomberg, Goldman Sachs Global Investment Research

Globally, this market is estimated to increase to around 3,500 GWh by 2030, compared to 348 GWh in 2021[12] (up 29.2% CAGR 2021-2030). More specifically, the global market for ESS applications, a segment of particular importance to the Group, is growing by 25% in CAGR for 2020-2025 in terms of volumes[13].

Global Battery Demand (GWh)



EV battery demand does not account for e-buses and two wheelers

Source: BNEF, Goldman Sachs Global Investment Research

ESS Global Demand (GWh)

Source: Goldman Sachs Global Investment Research

Although estimates on the lithium battery markets show favourable evolutionary scenarios, there is a mismatch between demand and supply, mainly due to factors related to possible delays in the start-up times of production and in obtaining the necessary funding. This *shortage* situation shows a gap between the estimated production capacity in 2030, equal to 2,900 GWh (54% in China, 24% in Europe, 13% in North America, 6% in Asia (excluding China) and 3% in other countries), and the related demand. Factors such as accelerated regulation on sustainability issues, further acceleration in the technical development of lithium batteries, improved power density, charging rates and maintenance costs could lead to an anticipation of the expected growth of lithium technology before 2030[14].

[12] "*Battery Metals Watch: The end of the beginning*" - Goldman Sachs, May 2022
[13] "*Batteries Made in Europe*", Goldman Sachs, June 2022
[14] "*Strategic Research Agenda For Batteries 2020*", Desk research by European Technology and Innovation Platform (European Commission)

Risk management

As follows the priority risks considered by the Company and the Group, which are monitored in order to anticipate potential negative effects and take appropriate mitigation actions.

Strategic risks	
Climate change	*Risk/Opportunity* The energy transition towards a "low carbon" economy and greater environmental sustainability can determine risks and opportunities for the businesses in which the Group operates, induced both by transition scenarios, such as possible accelerations in the severity of climate and environmental policies, technological development trends and consequent market dynamics, and by physical variables, linked to the occurrence of acute and chronic weather conditions.
	Management approach The risks associated with climate change are constantly analysed, evaluated and managed by management considering aspects relevant to the Group's activities, connected both to transition scenarios (reduction of CO_2 emissions, development of renewable capacity) and to physical events (potential impact of acute and chronic phenomena on industrial assets and plant production). The Group pursues an industrial strategy aimed at seizing all the opportunities deriving from the energy transition and oriented towards the continuous efficiency of production processes and the use of raw materials, in order to reduce impacts on the environment. In this context, the Group has chosen to operate on the market through an integrated business model based on the key principles of the circular economy, managing the entire supply chain of the Batteries and Plastic materials sector, from the recovery of raw materials to the production of the finished product. Furthermore, the Group is strongly focused on research and technological development activities aimed at the innovation of processes and products with a reduced environmental impact and against climate change. These objectives are also pursued through international industrial collaborative initiatives aimed at improving energy efficiency and promoting circular economy, such as the IPCEI Batteries project, which provides for the introduction of highly sustainable and safe technologies on the European market, encouraging electric mobility, the development of renewable energies and the reduction of emissions. In order to mitigate the potential negative impacts deriving from physical phenomena, the Group has activated specific insurance coverage for damage to immovable and movable property from natural events.
Competitive environment	*Risk* The Group is exposed to the risk that any potential competitors may enter the same market, as well as that current competitors will improve their positioning, attracting the same customers as the Group and thus depriving the same of market shares. If the Group is unable to counteract the possible strengthening of existing competitors or the entry of new operators by leveraging its competences, this situation could have repercussions on the Group's economic, equity and financial situation.
	Management approach In order to better guide the business strategy, the Group constantly monitors the evolution of the competitive landscape, both in the field of plastic materials business and in that of batteries. The Group pursues a strategy of diversification of the product portfolio, characterised by a high degree of customisation – starting from recycled raw materials through plastic

Strategic risks	
	components and lead and lithium batteries, which together with an increasingly customer satisfaction and product innovation approach, constitute an important factor in mitigating the risks associated with increased competition.
Technological evolution	<u>*Risk*</u> The Group is exposed to the risk of obsolescence of technologies and components used for some of its products, subject to continuous evolution and innovation. The life cycle of the Group's products, as well as the production cycle including any multi-year development phase preparatory to the launch of the product, characterised by a high longevity, increase the risk of obsolescence.
	<u>*Management approach*</u> The Group invests structurally in research and development activities, both product and process, in order to anticipate and respond to possible business evolutions and consolidate technological leadership. Specifically, with regard to the lithium battery market and the recycled plastic materials market, the Group invests considerable resources in the development of new, sustainable and high-performance materials, through basic and applied research activities, both on existing technologies and on those of new application, in full compliance with the key principles of the green economy and the circular economy.
Legislative and regulatory developments	<u>*Risk*</u> The Group operates in highly regulated business sectors and is subject to European and national regulations that affect the way it conducts its business industry. The legislation on batteries is of particular importance; in fact, legislative and regulatory changes that affect, inter alia, the production methods of energy accumulators (for example, by prohibiting the use of a certain component, currently used) could lead to limitations on the Group's operations (for example, by reconsidering some of the production lines currently developed) or an increase in costs.
	<u>*Management approach*</u> The Group operates in the performance of its activities in compliance with current legislation and ensures the constant monitoring of legislative and regulatory developments, through its own structures, in order to allow the regular conduct of commercial and operational activities. In view of the risks that may arise from these developments, the Group promotes dialogue and the development of relationships with international sector bodies, adopting an approach of transparency and collaboration.
Macroeconomic and geopolitical trends	<u>*Risk*</u> The presence of companies in different countries and their operations in international markets exposes the Group to the so-called "country risk", i.e. to risks related to macroeconomic and geo-political, institutional and social conditions, as well as to possible variations in regulatory and tax regimes. In view of this, it cannot be excluded that these risks may have a negative effect on the income flows and on the value of the company assets of the countries in which the Group operates.
	<u>*Management approach*</u> The Group constantly monitors the riskiness of the countries in which it operates, with a specific focus on regulatory aspects that could have potential impacts on the reference businesses. Particular attention shall be paid to the evolution of the risks associated with countries whose political and economic environment may be unstable, also as a result of the possible effects of the Russia-Ukraine conflict.

Strategic risks	
Procurement and raw material price trend	*Risk* The Group is exposed to the risk of economic or financial losses both due to higher volatility in the prices of the raw materials used – including lithium and lead – and their unavailability. These risks, if not effectively managed, may affect the Group's results. In 2021, there was a significant increase in the prices of numerous raw materials due to widespread shortage situations, following the complex global economic crisis generated by the pandemic spread of the Covid-19 virus. This situation worsened at the beginning of 2022 following the Russia-Ukraine conflict, which led to further effects on global financial markets in terms of commodity price volatility, especially energy.
	Management approach To mitigate these risks, the Group shall assess the adoption, albeit limited, of hedging policies for the risk of fluctuation in the price of raw materials, using hedging derivative contracts. As at June 30, 2022, the Group had no commodities-related hedging instruments in place, also in view of the difficulty of identifying and structuring derivative financial products in the current macroeconomic context characterised by uncertainty and strong market volatility. It cannot be excluded, however, that significant fluctuations in the prices of raw materials, used directly by the Group, may generate decreases in revenues and a consequent reduction in the margin in absolute value. With reference to the Russia-Ukraine conflict, the Company has no strategic or other supplies from the countries involved in the conflict.
Strategic partners	*Risk* The Group, with particular reference to the Seri Plast company, has contracts in place for the supply of specific products with a number of strategic customers. The possible termination of such agreements, including the default of one of the parties, and/or the non-renewal of such agreements could affect the Group's activity and its economic and financial situation.
	Management approach In order to mitigate these risks, the Group is committed to maintaining long-term positive relationships with the various strategic customers. In this context, the active presence of top management in the management of relations with strategic customers constitutes a mitigating factor to identify and promptly manage any operational issues.

Operational risks	
Cyber-security	*Risk* The progressive acceleration towards digitization and the consequent increase in the use of technology have increased the exposure of companies to increasingly complex cyber-risks, including the risk of cyber-attacks, capable of compromising company information systems as well as stealing sensitive information, with both economic and reputational impacts.
	Management approach The Group pays extreme attention to the protection of networks from the main threats, working to prevent them and minimize the effects that any attacks may cause. In particular, in order to mitigate exposure to cyber-risk, in 2022 the Group launched an investment plan in the IT area that provides for an assessment, also aimed at evaluating the adoption of a cloud e-mail system for some Group companies that do not adopt this solution, the renewal of existing infrastructures (servers, licensing, networking, firewalls) and the adoption of a cyber-security system.

Operational risks	
Product responsibility and reputation	*Risk* The Group, like all operators in the sector, is exposed to the risk of product liability actions in the countries in which it operates, with consequent possible reputational damage, which could affect the perception of the Group's public image on the market, undermining the relationship of trust with current or potential customers.
	Management approach In order to mitigate any risks deriving from product and professional liability, the Group has taken the precaution of taking out special insurance policies with leading insurance companies.
Environment	*Risk* The Group is exposed to environmental risks such as, but not limited to, air, soil and water pollution, resulting from waste disposal, toxic-harmful emissions and spills of hazardous substances. Any irregularities and/or violations of requirements established by authorisations or environmental legislation could expose the Group to both administrative and criminal sanctions, also pursuant to Legislative Decree no. 231/01, as well as to a consequent reputational risk, with potential negative effects on its image and competitiveness.
	Management approach The Group is committed to the effective prevention and minimisation of environmental impacts and risks throughout the entire life cycle of products and related processes. This objective is also pursued through the adoption of Environmental Management Systems certified in accordance with ISO 14001, which guarantee the adoption of structured policies and procedures aimed at identifying and managing the environmental risks associated with the various company activities, in order to minimise any risks of non-compliance.
Related party transactions	*Risk* There is a risk that the business relations of the Company and the Group with related parties may be regulated at non-market conditions.
	Management approach In order to mitigate these risks, the Company has established the safeguards required by current legislation aimed at preventing operations carried out in conflict of interest from undermining the conditions of efficiency and profitability of the Group's business.
Legal proceedings	*Risk* The Group is involved in civil and administrative proceedings and legal actions, related to the normal performance of activities, which could damage the reputation of the Group and undermine the relationship of trust with shareholders.
	Management approach In the presence of current obligations, resulting from past events, which may be of a legal, contractual nature or derive from declarations or behaviours of the company such as to induce in third parties a valid expectation that the company itself is responsible or assumes responsibility for fulfilling an obligation, the Group periodically makes appropriate provisions. “Note 37. Contingent assets and contingent liabilities" of the consolidated financial statements describes the status of these proceedings and the assessments of foreseeable outcomes, also considering the support of the Company's legal advisors.

Financial risks

For further information on the management of financial risks, please refer to "Note 38. Risk disclosure" of the consolidated financial statements.

Credit and counterparty	*Risk*	The credit risk is the exposure of the undertaking to potential losses arising from the non-performance of the contractual payment obligations assumed by the counterparty. The Group's exposure to credit risk is mainly attributable to commercial transactions carried out in the ordinary course of business. The maximum theoretical exposure to credit risk is represented by the book value of the assets recorded in the financial statements.
	Management approach	The credit risk management policy shall provide for the prior assessment and ongoing monitoring of the creditworthiness of counterparties in order to anticipate situations of potential insolvency risk or late payment. The Group also carries out transactions for the sale of receivables without recourse (non-*recourse*), which give rise to the complete elimination of counterparty risk. With reference to the Russia-Ukraine conflict, at present, there are no particular risks, given (i) the low impact of the business volumes in the areas affected by the conflict, (ii) that there are no overdue receivables and (iii) that in some cases the Company operates with advance payment from customers.
Liquidity	*Risk*	Liquidity risk is the risk that the company will not be able to promptly fulfil its payment commitments due to difficulties in obtaining funds or liquidating assets on the market.
	Management approach	The two main factors that determine the Company's liquidity situation are on one side the funds generated by or used in operating and investing activities and on the other the characteristics of due dates and renewal of payables or the liquidity of the funds employed and market terms and conditions. The Group pursues a strategy of diversification of its funding sources, which it uses to cover planned commitments, characterised by a balanced maturity profile. The Group's management has a series of policies and processes in place to monitor the prospective conditions of liquidity in relation to the business planning process and the procurement of financial resources that make it possible to forecast the needs deriving from investment activities, the management of working capital and the repayment of outstanding debts, taking into account the forecast plans drawn up. In addition, in order to ensure efficient liquidity management, the treasury - managed through a cash pooling system - is centralised at the Parent Company level, for an appropriate management of cash flows and any surpluses. In "Note 38. Risk disclosure" of the consolidated financial statements is shown the timeline of the Group's financial liabilities based on the contractual payment plans.

Financial risks	
Interest rate	*Risk* The Group is exposed to financial risk associated with changes in interest rates that affect the level of financial charges and the market value of financial assets and liabilities.
	Management approach The interest rate risk management policy aims to contain financial charges and their volatility using derivative financial contracts, which fall into the category of "Interest Rate Swaps". In particular, the Group's policy is aimed at verifying whether to convert part of its variable base debts into fixed rate in order to normalise financial disbursements. As expected, derivative instruments are measured at fair value, corresponding to the mark to market value assessed by the reference market and through valuation models and instruments. Derivative contracts are stipulated with primary banking counterparties in order to reduce the risk of contractual default. For those derivative instruments where the variable rate stabilisation strategy has been fixed up to a predetermined level and no hedging is expected on rate levels above these thresholds, the fair value of the derivative not covered by the interest rate risk is charged to the income statement.
Exchange rate	*Risk* The Group operates in international markets concluding transactions in currencies other than the euro, in particular in US Dollars, and is therefore exposed to the risk of fluctuations in exchange rates between the different currencies that could cause more difficult economic conditions. In particular, the exposure to risk derives from the geographical distribution of the Group's industrial activities with respect to the geographical distribution of markets and, more specifically, from the fact that the purchase and sale of goods and services are carried out in currencies other than the euro, the Group's functional currency (so-called economic exchange rate risk), as well as trade payables and receivables in foreign currency can be impacted by the conversion rates used with effects on the economic result (so-called transactional exchange rate risk).
	Management approach The exchange rate risk management policy is oriented towards systematic hedging of the exposures to which the Group companies are subject, except for conversion risk. In particular, the Group may contain the risk related to fluctuations in exchange rates associated with the purchase and sale of goods and services by setting, only where possible, in euro the purchase price of some components from suppliers, where the finished product is destined for Europe and, limitedly, through derivative financial instruments to hedge the exchange risk such as forward contracts or foreign exchange options.

Governance

Seri Industrial has structured a Corporate Governance Model through which to respond effectively to the interests of all stakeholders, based on the recommendations of the Corporate Governance Code of Borsa Italiana. Over the years, the Group has paid particular attention to the continuous adaptation of its corporate model, the updating of its internal regulations and the improvement of risk management processes, also in terms of corporate compliance, based on reference best practices. In order to promote a corporate governance model that expresses constant attention to all stakeholders and, in particular, to institutional investors and the financial market, the Group has constantly monitored the principles and governance models by adapting its structural and organisational reality in a logic of continuous improvement. Seri Industrial S.p.A. has adopted a traditional Italian corporate governance model, which assigns the management of the Company to the Board of Directors, supervisory functions to the Board of Statutory Auditors and statutory auditing to the Audit Firm, appointed by the Shareholders' Meeting. The corporate bodies as of June 30, 2022, are shown below:

Board of Directors

The Shareholders' Meeting of May 6, 2022, in the ordinary part, renewed the administrative body composed of ten members, who will remain in office for three financial years (2022-2024), until the meeting that will approve the financial statements as at December 31, 2024. On the same date, the Board of Directors, at the time of its establishment, assigned offices and powers to its members.

Roberto Maviglia [15-16]	Chairman and Independent Director
Luciano Orsini	Vice-Chairman and Executive Director
Vittorio Civitillo	Chief Executive Officer and Executive Director
Andrea Civitillo	Executive Director
Marco Civitillo	Executive Director
Fabio Borsoi [15]	Non-executive Director
Annalisa Cuccaro [15-16]	Independent Director
Manuela Morgante [15]	Independent Director
Rosaria Martucci	Non-executive Director
Alessandra Ottaviani	Non-executive Director

Pursuant to Article 25 of the articles of association, the representation of the company before third parties and also in court, with the power to issue mandates, is the responsibility of: (i) the chairman of the administrative body; (ii) the vice-chairman in the event of absence or impediment by the chairman; (iii) the directors with proxy, within the scope of the powers conferred on them; (iv) one or more directors even without special assignments, after resolution of the board of directors.

Board of Statutory Auditors

The Ordinary Shareholders' Meeting of May 14, 2021, appointed the Board of Statutory Auditors, consisting of three statutory auditors and two alternates, who will remain in office for three financial years (2021 – 2023), until the meeting that will approve the financial statements as at December 31, 2023. The Board of Statutory Auditors consists of the following individuals:

Matteo Caratozzolo	Chairman
Daniele Cauzillo	Statutory Auditor
Susanna Russo	Statutory Auditor

The powers, duties and duration of the appointment of auditors are those established by law and regulations in force from time to time.

Audit Firm

EY Spa. The assignment to the auditing company was assigned for nine years (2019-2027) by the Shareholders' Meeting of December 3, 2019.

[15] Independent Director pursuant to the Law on Financial Intermediation

[16] Independent Director pursuant to the Corporate Governance Code

Financial review and other information

Consolidated economic performance

As follows the Group's Income Statement as of June 30, 2022:

	30/06/2022	30/06/2021	Change	Change %
Revenues from contract with customers	89,811	75,876	13,935	18%
Other operating income	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%**
Depreciation and amortisation	10,826	9,614	1,212	13%
Write-downs/write-backs	(39)	153	(192)	(125%)
Net Operating Income (loss) – EBIT	**(1,932)**	**(1,376)**	**(556)**	**40%**
Finance income (expense)	(2,401)	(1,760)	(641)	36%
Profit (Loss) before tax	**(4,333)**	**(3,136)**	**(1,197)**	**38%**
Income taxes	861	1,000	(139)	(14%)
Profit (Loss)	**(5,194)**	**(4,136)**	**(1,058)**	**26%**

During the first half of 2022, there was an increase in total revenues, income and internal works of 20% compared to the first half of 2021. Despite the current macroeconomic scenario, characterised by a significant increase in the cost of energy, in the first half of 2022 the Group recorded a percentage margin (Gross Operating Income/Total revenues, income and internal works) equal to 8.73%, a slight decrease compared to 9.94% achieved in the first half of 2021.

Net Operating income amounted to negative 1,932 thousand euros, after amortisation, depreciation and write-downs of €10,787 thousand. It should be noted that depreciation amounts to €5,410 thousand for investments, partly realised and partly on-going, relating to the Teverola 1 and 2 projects, of which €4,212 thousand for amortisation of the investments realized (Teverola 1) and €1,198 thousand for rights of use relating to the lease of the Teverola 1 (€515 thousand) and Teverola 2 (€683 thousand) properties.

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 €4,554 thousand. The higher costs incurred due to the increase in the cost of energy were partially offset by contributions obtained in the first half of the year, amounting to €1,499 thousand euros, as part of the benefits introduced by the 'Sostegni-ter' Decree in favour of energy-intensive companies.

In order to allow a better assessment of the performance of economic management, the Group uses, in addition to the financial indicators provided for by IFRS, some Alternative Performance Indicators (Alternative Performance Measures, hereinafter also "MAP" in the Italian acronym), as required by the European Securities and Markets Authority (ESMA) following the issuance of Consob Communication no. 92543/15 of 3 December 2015, which makes applicable the guidelines published on 5 October 2015 by ESMA regarding their presentation in the regulated information disseminated or in the prospectuses published from July 3, 2016.

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 since their method of determination is not regulated by the principles themselves. Therefore, the reading of the MAPs must be carried out together with the financial information of the Group, explained 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 items[17].

[17] 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

As follows the economic situation of the Group as of June 30, 2022:

Profit and loss	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 income	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**
Purchase of materials	70,880	(22)	70,858	45,404		45,404
Change in inventories	(18,759)		(18,759)	(960)		(960)
Services expense	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**
Depreciation and amortisation	10,826		10,826	9,614	(574)	9,040
Write-downs/write-backs	(39)		(39)	153	(115)	38
Net Operating Income (Loss) – EBIT	**(1,932)**	**216**	**(1,716)**	**(1,376)**	**491**	**(885)**
Finance income	594		594	305		305
Finance expense	2,988		2,988	2,069	(8)	2,061
Profit (Loss) from equity-accounted investments	(7)		(7)	4		4
Profit (Loss) before tax	**(4,333)**	**216**	**(4,117)**	**(3,136)**	**499**	**(2,637)**
Income taxes	861	(754)	107	1,000		1,000
Theoretical tax effect	0	63	63	0	(28)	(28)
Profit (Loss)	**(5,194)**	**908**	**(4,286)**	**(4,136)**	**527**	**(3,609)**

The impact of the special items on Profit (Loss) before taxes is equal to €216 thousand, due to non-recurring income of €216 thousand and non-recurring operating costs of €432 thousand. Non-recurring income relates to insurance reimbursements; non-recurring operating costs are mainly attributable to (i) compensation for damages to customers for €273 thousand and (ii) defaults and penalties for €135 thousand. Income taxes were also adjusted for a total of €694 thousand, mainly attributable to the *reversal* of deferred tax assets recorded on the revaluation balances of the subsidiaries FIB, Seri Plast and Repiombo.

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;
- Percentage Margin: it is calculated as the ratio between the Gross Operating Income and the Total revenues, income and internal works.

Consolidated balance sheet and financial position

As follows the table that shows the composition of Net Invested Capital at June 30, 2022 compared with that at the end of the previous year:

	30/06/2022	31/12/2021	Change	Change %
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%
Equity-accounted investments	665	554	111	20%
Other non-current assets and 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 current assets and liabilities	11,924	9,280	2,644	28%
Net working capital	**79,488**	**61,971**	**17,517**	**28%**
Gross invested capital	**223,982**	**206,131**	**17,851**	**9%**
Other provisions:				
Provisions for 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 provisions	**12,834**	**12,820**	**14**	**0%**
Net Invested Capital	**236,816**	**218,951**	**17,865**	**8%**
Equity	(116,950)	(120,934)	3,984	(3%)
Net Financial Position	(119,866)	(98,017)	(21,849)	22%
Coverage	**(236,816)**	**(218,951)**	**(17,865)**	**8%**

The Net Invested Capital at June 30, 2022, is equal to €236,816 thousand and it is covered by equity of €116,950 thousand and Net Financial Position of €119,866 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	78,558	33,449	0	473	0	112,481
Goodwill	705	0	0	0	54,337	55,042
Equity-accounted investments	383	0	0	89,812	(89,530)	665
Other non-current assets and 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 current assets and 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**
Provisions:						
Provisions for 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 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 at June 30, 2022, compared with the end of the previous year:

euro/000	30/06/2022	31/12/2021	Change	Change %
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%
Equity	116,950	120,934	(3,984)	(3%)
LIABILITIES AND EQUITY	**341,783**	**346,050**	**(4,267)**	**(1%)**

Current assets amounted to €152 million at June 30, 2022, compared to €154 million at December 31, 2021, down by €2 million. Non-current assets amounted to €190 million at June 30, 2022, compared to €192 million at December 31, 2021, down by €2 million.

Current liabilities amounted to €127 million at June 30, 2022, compared to €154 million at December 31, 2021, down by €27 million. This reduction is mainly attributable to the exposure in the non-current liabilities of the non-current debt portions of the financing contracts assisted 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 €98 million at June 30, 2022, compared to €71 million at December 31, 2021, an increase of €27 million.
Equity amounted to €117 million at June 30, 2022 and decreased by euro 4 million compared to euro 121 million at December 31, 2021.

euro/000	30/06/2022	31/12/2021	Change	Change %
Equity	**116,950**	**120,934**	**(3,984)**	**(3%)**
of which: Equity attributable to owners of the Parent	*116,600*	*120,520*	*(3,920)*	*(3%)*
of which: Equity attributable to non-controlling interests	*350*	*414*	*(64)*	*(15%)*

Current assets amounted to €152,066 thousand against current liabilities of €127,134 thousand. The availability margin amounted to €24,932 thousand with a current ratio of 1.20, evidence of the Group's ability to generate liquidity and meet short-term commitments.

As follows the statement of the Group's Adjusted total financial indebtedness (or NFP - Net Financial Position) at June 30, 2022, with evidence of the short-term components separately listed for the medium-long term, compared with the same information last published in the consolidated annual financial report at December 31, 2021:

	NFP - NET FINANCIAL POSITION	30/06/2022	31/12/2021	Change	Change %
A)	Cash	4,262	19,500	(15,238)	(78%)
B)	Cash equivalents	904	1,702	(798)	(47%)
C)	Other current financial assets	1,149	509	640	126%
D)	**Liquidity C = (A + B + C)**	**6,315**	**21,711**	**(15,396)**	**(71%)**
E)	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	42,032	40,252	1,780	4%
F)	Current portion of non-current financial debt	16,374	40,777	(24,403)	(60%)
G)	**Current financial indebtedness G = (E + F)**	**58,406**	**81,029**	**(22,623)**	**(28%)**
H)	**Net current financial indebtedness H = (G - D)**	**52,091**	**59,318**	**(7,227)**	**(12%)**
I)	Non-current financial debt (excluding current portion and debt instruments)	37,800	8,700	29,100	334%
K)	Non-current trade and other payables	29,975	30,000	(25)	(0%)
L)	**Non-current financial indebtedness L = (I + J + K)**	**67,775**	**38,700**	**29,075**	**75%**
M)	**Total financial indebtedness (H+L)**	**119,866**	**98,018**	**21,848**	**22%**
N)	IFRS 16 adjustment	22,688	22,971	(283)	(1%)
O)	**Adjusted total financial indebtedness**	**97,178**	**75,047**	**22,131**	**29%**

Cash amounted to €4.2 million at June 30, 2022, compared to €19.5 million at December 31, 2021, down by €15.3 million.

The Net adjusted Financial Position of the Group, equal to €97,178 thousand (Net Financial Position equal to €119,866 thousand), is related to the significant investment activity in the Batteries segment for the implementation of the Teverola 1 project. The increase recorded in the period is mainly related to the increase in net working capital of €17,517 thousand, due in particular to the increase in inventories, as well as to the adjusted investment activity of €6,402 thousand.

The Net financial position at the end of the period includes payables for leases and rights of use deriving from the application of IFRS 16, for a total of €22,688 thousand.

With reference to indirect indebtedness, the total amount of provisions for risks recorded in the financial statements is equal to €934 thousand.

During 2022, 171,295 Seri Industrial ordinary shares (ISIN code IT0005283640) were issued at a price of €5.03 per share, of which €3.03 as a share premium, for a total value of €862 thousand following the conclusion of the eighteenth exercise period of the 'Uno SERI 2017 – 2022' Warrants (ISIN code IT0005273336), closed at the end of June 2022.

Currently, 81,439,887 'Uno SERI 2017 – 2022' Warrants are in circulation, incorporating the right to subscribe for total maximum 8,143,989 compendium shares, for a total value of €40,964,263, of which €16,287,977 as share capital and the remaining part as share premium.

As follows the statement of adjusted Net financial position by sector:

	NFP – Segment	**Batteries**	**Plastic Materials**	**Other**	**Corporate**	**Conso. effects**	**Consolidated**
A)	Cash	951	383	0	2,928	0	4,262
B)	Cash equivalents	26,094	6,412	117	30,553	(62,272)	904
C)	Other current financial assets	46	0	0	1,103	0	1,149
D)	**Liquidity C = (A + B + C)**	**27,091**	**6,795**	**117**	**34,584**	**(62,272)**	**6,315**
E)	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	78,038	37,720	0	18,546	(92,272)	42,032
F)	Current portion of non-current financial debt	10,574	0	0	5,800	0	16,374
G)	**Current financial indebtedness G = (E + F)**	**88,612**	**37,720**	**0**	**24,346**	**(92,272)**	**58,406**
H)	**Net current financial indebtedness H = (G - D)**	**61,521**	**30,925**	**(117)**	**(10,238)**	**(30,000)**	**52,091**
I)	Non-current financial debt (excluding current portion and debt instruments)	4,600	0	0	33,200	0	37,800
K)	Non-current trade and other payables	25,500	7,458	0	2,017	(5,000)	29,975
L)	**Non-current financial indebtedness L = (I + J + K)**	**30,100**	**7,458**	**0**	**35,217**	**(5,000)**	**67,775**
M)	**Total financial indebtedness (H+L)**	**91,621**	**38,383**	**(117)**	**24,979**	**(35,000)**	**119,866**
N)	IFRS 16 adjustment	13,417	9,049	0	222	0	22,688
O)	**Adjusted total financial indebtedness**	**78,204**	**29,334**	**(117)**	**24,757**	**(35,000)**	**97,178**

Regarding the consolidation effects, it should be noted that the aggregate financial debt is reduced by €35 million, as the non-current financial debts of the subsidiaries and the financial assets of the Parent Company are not included in the NFP as non-current.

As follows the statement of the Group's adjusted financial debt with evidence of the technical format of the financial instruments:

	NFP - Technical format	30/06/2022	31/12/2021	Change	Change %
A)	**Cash:**	**4,262**	**19,500**	**(15,238)**	**(78%)**
	Bank deposits - current accounts	*4,219*	*19,471*	*(15,252)*	*(78%)*
	Cheques	*14*	*0*	*14*	*100%*
	Cash on hand	*29*	*29*	*0*	*0%*
B)	**Cash equivalents:**	**904**	**1,702**	**(798)**	**(47%)**
	Other bank deposits	*315*	*278*	*37*	*13%*
	Financial receivables from Invitalia SpA	*485*	*1,413*	*(928)*	*(66%)*
	Financial receivables with related parties	*104*	*11*	*93*	*845%*
C)	**Other current financial assets**	**1,149**	**509**	**640**	**126%**
	Securities	*1,149*	*509*	*640*	*126%*
D)	**Liquidity C = (A + B + C)**	**6,315**	**21,711**	**(15,396)**	**(71%)**
E)	**Current financial debt**	**36,845**	**35,063**	**1,782**	**5%**
	Current bank debt - advance accounts	*29,401*	*28,218*	*1,183*	*4%*
	Current bank debt - current accounts	*2,683*	*2,716*	*(33)*	*(1%)*
	Other current debt - Invitalia/Mise subsidised loan	*2,612*	*2,409*	*203*	*8%*
	Advances for contributions	*1,221*	*978*	*243*	*25%*
	Financial debt with related parties	*928*	*742*	*186*	*25%*
F)	**Current portion of non-current financial debt:**	**16,374**	**40,778**	**(24,404)**	**(60%)**
	Current bank debt - loans	*16,374*	*40,738*	*(24,364)*	*(60%)*
	Derivatives	*0*	*40*	*(40)*	*(100%)*
G)	**Current financial indebtedness G = (E + F)**	**53,219**	**75,841**	**(22,622)**	**(30%)**
H)	**Net current financial indebtedness H = (G - D)**	**46,904**	**54,130**	**(7,226)**	**(13%)**
I)	**Non-current financial debt:**	**37,800**	**8,700**	**29,100**	**334%**
	Non-current bank debt - loans	*37,800*	*8,700*	*29,100*	*334%*
K)	**Non-current trade and other payables:**	**12,474**	**12,217**	**257**	**2%**
	Other non-current payables - Invitalia/Mise subsidised loan	*10,590*	*10,729*	*(139)*	*(1%)*
	Financial payables with related parties	*1,884*	*1,488*	*396*	*27%*
L)	**Non-current financial indebtedness L = (I + J + K)**	**50,274**	**20,917**	**29,357**	**140%**
M)	**Adjusted total financial indebtedness (H+L)**	**97,178**	**75,047**	**22,131**	**29%**
E)	**Current financial debt**	**5,187**	**5,189**	**(2)**	**(0%)**
	Current financial debt - IFRS 16	*5,187*	*5,189*	*(2)*	*(0%)*
K)	**Non-current trade and other payables:**	**17,501**	**17,782**	**(281)**	**(2%)**
	Non-current financial payables - IFRS 16	*17,501*	*17,782*	*(281)*	*(2%)*
O)	**Total financial indebtedness**	**119,866**	**98,018**	**21,848**	**22%**

As follows a detail of the cash flows:

Financial cash flows	30/06/2022	30/06/2021
Net financial position at the beginning of the period	**(98,018)**	**(95,967)**
IAS 20 effect	0	1,636
Net financial position at the beginning of the adjusted period	**(98,018)**	**(94,331)**
Net Operating Income (Loss)	**(1,932)**	**(1,376)**
Amortisation, depreciation and write-downs/write-backs	10,787	9,767
Gross operating income	**8,855**	**8,391**
Change in inventories	(17,995)	(1,701)
Change in trade receivables	1,131	(2,691)
Change in trade payables	1,991	1,446
Change in other current assets and liabilities	(2,644)	2,502
Changes in working capital	*(17,517)*	*(444)*
Cash flow from operations	**(8,662)**	**7,947**
Proceeds from sale of property, plant and equipment	17	107
Investments in rights of use	(2,519)	(7,462)
Investments in tangible assets	(3,281)	(2,500)
Investments in intangible assets	(3,121)	(4,965)
(Increase)/Decrease in other investment activities	(112)	(103)
Cash flow from investment activities	**(9,016)**	**(14,923)**
Changes in provisions and other non-current assets/liabilities	(2,177)	0
Cash flow from operations after payment of investments	**(19,855)**	**(6,976)**
Other finance income (expense)	(2,359)	(1,967)
Net cash flow	**(22,214)**	**(8,943)**
Other changes	(846)	(1,093)
Other flows from financing sources	1,212	162
Net financial position at the end of the period	**(119,866)**	**(104,205)**
Debt pursuant to IFRS 16 at the beginning of the period	*22,971*	*19,004*
Increases	*2,519*	*7,462*
Payments	*(2,802)*	*(2,669)*
Debt pursuant to IFRS 16 at the end of the period	**22,688**	**23,797**
Adjusted net financial position at the end of the period	**(97,178)**	**(80,408)**

Cash flow from operations is impacted by the cash absorption of working capital, mainly attributable to the change in the value of inventory equal to €17,995 thousand deriving both from the higher unit cost of raw materials and processing costs, and from the increase in stock at the Teverola 1 site.
The cash flow from investments of €9,016 thousand mainly includes investments in tangible and intangible assets for €3,281 thousand and €3,121 thousand respectively, substantially in line with the previous reference period.

Economic information by segments

As follows the summary tables of economic results by sector as at June 30, 2022:

Economic information by segments	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 income	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**
Purchase of materials	30,309	41,377	0	5	(811)	70,880
Change in inventories	(11,763)	(6,996)	0	0	0	(18,759)
Services expense	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	**4,855**	**4,382**	**10**	**(395)**	**3**	**8,855**
Depreciation and amortisation	6,987	3,746	0	93	0	10,826
Write-downs/write-backs	110	(148)	0	(11)	10	(39)
Net operating income (loss)	**(2,241)**	**785**	**10**	**(478)**	**(7)**	**(1,932)**
Finance income	511	83	0	375	(374)	594
Finance expense	1,659	1,092	0	613	(376)	2,988
Profit (Loss) from equity-accounted investments	0	0	0	(7)	0	(7)
Profit (loss) before tax	**(3,390)**	**(224)**	**10**	**(724)**	**(5)**	**(4,333)**
Income taxes	372	474	0	11	5	861
Profit (Loss)	**(3,761)**	**(698)**	**10**	**(735)**	**(9)**	**(5,194)**
Profit (Loss) attributable to minority interests	*(51)*	*(4)*	*0*	*0*	*0*	(55)
Profit (Loss) attributable to the group	*(3,710)*	*(694)*	*10*	*(735)*	*(9)*	(5,139)

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As follows the table that shows the contribution of the sectors to total revenues from customers, other operating income and increases in fixed assets for internal works at June 30, 2022:

euro/000	Batteries	Plastic materials	Other	Corporate	Consolidated
Revenues from contract with customers	31,217	58,556	0	39	89,811
Other operating income	5,455	2,238	15	42	7,751
Internal works	2,600	1,315	0	0	3,915
Total revenues, income and internal works	**39,272**	**62,109**	**15**	**81**	**101,477**

With reference to the impacts deriving from the Russia-Ukraine conflict, it should be noted that the Group has no significant sales or strategic supplies from the countries involved in the conflict.

Plastic materials

As follows the table shows the economic performance of the Plastics materials sector at June 30, 2022 (consolidated sector data that does not include the cancellations with the Batteries, Corporate and Other sectors):

Plastic materials	30/06/2022	30/06/2021	Change	Change %
Revenues from contract with customers	59,250	49,769	9,481	19%
Other operating income	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%**
Purchase of materials	41,377	26,369	15,008	57%
Change in inventories	(6,996)	1,102	(8,098)	(735%)
Services expense	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	**4,382**	**5,840**	**(1,458)**	**(25%)**
Depreciation and amortisation	3,746	3,285	461	14%
Write-downs/write-backs	(148)	14	(162)	(1,159%)
Net operating income (loss)	**785**	**2,541**	**(1,756)**	**(69%)**
Finance income	83	15	68	461%
Finance expense	1,092	953	139	15%
Profit (loss) before tax	**(224)**	**1,603**	**(1,827)**	**(114%)**
Income taxes	474	545	(71)	(13%)
Profit (Loss)	**(698)**	**1,058**	**(1,756)**	**(166%)**

The first half of 2022 saw an increase in total revenues, income and increases for internal works of 19%, compared to the same period of the previous year, equally divided between all business sectors: (i) compound, (ii) pipes and fittings, (iii) boxes and lids.

In terms of profitability, the Gross Operating Income is equal to €4,382 thousand, with a percentage margin (Gross Operating Income/Total revenues, income and internal works), equal to 7%. The Net operating income amounted to positive €785 thousand, after amortisation, depreciation and write-downs of €3,597 thousand.

The results achieved are in line with the management's forecasts, both in terms of revenues and margins, taking into account the tensions on the supply chain of raw materials and in particular the increase in electricity costs.

The higher charges incurred in the first half of 2022 due to the increase in the cost of energy were estimated at approximately €3,296 thousand, partially offset by contributions obtained in the same period, for €1,058 thousand, as part of the benefits introduced by the 'Sostegni-ter' Decree in favour of energy-intensive companies.

Batteries

As follows the table shows the economic performance of the Batteries sector at June 30, 2022 (consolidated sector data that does not include the cancellations with the Plastic materials, Corporate and Other sectors):

Batteries	30/06/2022	30/06/2021	Change	Change %
Revenues from contract with customers	31,444	26,729	4,715	18%
Other operating income	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%**
Purchase of materials	30,309	19,717	10,592	54%
Change in inventories	(11,763)	(2,063)	(9,700)	470%
Services expense	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	**4,855**	**2,877**	**1,978**	**69%**
Depreciation and amortisation	6,987	6,240	747	12%
Write-downs/write-backs	110	139	(29)	(21%)
Net operating income (loss)	**(2,241)**	**(3,502)**	**1,261**	**(36%)**
Finance income	511	278	233	84%
Finance expense	1,659	1,149	510	44%
Profit (loss) before tax	**(3,390)**	**(4,373)**	**983**	**(22%)**
Income taxes	372	452	(80)	(18%)
Profit (Loss)	**(3,761)**	**(4,825)**	**1,064**	**(22%)**

The first half of 2022 saw an increase in total revenues, income and internal works of 21%, compared to the same period of the previous year.

In terms of profitability, the Gross Operating Income is equal to €4,855 thousand with a percentage margin (Gross Operating Income/Total revenues, income and internal works) equal to 12.3%. The Net operating income amounted to a negative €2,241 thousand, after amortisation, depreciation and write-downs of €7,097 thousand. It should be noted that depreciation amounts to €5,410 thousand for investments, partly realised and partly ongoing, relating to the Teverola 1 and 2 projects, of which €4,212 thousand for amortisation of the investments made (Teverola 1) and €1,198 thousand for rights of use relating to the lease of the Teverola 1 (€515 thousand) and Teverola 2 (€683 thousand) properties.

The results achieved are in line with the management's forecasts, both in terms of revenues and margins, considering the tensions on the supply chain of raw materials and in particular the increase in electricity costs.

The higher charges incurred in the first half of 2022 due to the increase in the cost of energy were estimated at approximately €1,241 thousand, partially offset by contributions obtained in the same period, for €441 thousand, as part of the benefits introduced by the 'Sostegni-ter' Decree in favour of energy-intensive companies.

Holding

The Holding manages all the Group's management and coordination activities. It coordinates the administration, finance and control area, human resources, communication, treasury, legal and corporate affairs, quality, environment and safety, audit activities and, more generally, supervises the production and commercial activities delegated to the various production units and defines the strategic guidelines.

As follows the summary Income Statement of the Parent Company:

euro/000	30/06/2022	30/06/2021	Change	Change %
Revenues from contract with customers	2,266	2,164	102	5%
Other operating income	112	35	77	220%
Total revenues and other income	**2,378**	**2,199**	**179**	**8%**
Operating costs	2,773	2,526	247	10%
Gross operating income	**(395)**	**(327)**	**(68)**	**21%**
Net operating income (loss)	**(478)**	**(417)**	**(61)**	**15%**
Finance income (expense)	(246)	51	(297)	(582%)
Profit (loss) before tax	**(724)**	**(366)**	**(358)**	**98%**
Income taxes	11	3	8	267%
Profit (Loss)	**(735)**	**(369)**	**(366)**	**99%**

As follows the structure from a capital assets perspective:

euro/000	30/06/2022	31/12/2021	Change	Change %
Current assets	35,905	42,420	(6.515)	(15%)
Non-current assets	139,015	135,317	3,698	3%
ASSETS	**174,920**	**177,737**	**(2.817)**	**(2%)**
Current liabilities	27,682	60,838	(33,156)	(54%)
Non-current liabilities	36,046	6,098	29,948	491%
Equity	111,192	110,801	391	0%
LIABILITIES AND EQUITY	**174,920**	**177,737**	**(2.817)**	**(2%)**

As follows the Net Financial Position of the Parent Company, compared with that of the previous year:

	NFP - NET FINANCIAL POSITION	30/06/2022	31/12/2021	Change	Change %
A)	Cash	2,928	17,530	(14,602)	(83%)
B)	Cash equivalents	30,553	22,954	7,599	33%
C)	Other current financial assets	1,103	509	594	117%
D)	**Liquidity C = (A + B + C)**	**34,584**	**40,993**	**(6,409)**	**(16%)**
E)	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	18,546	26,743	(8,197)	(31%)
F)	Current portion of non-current financial debt	5,800	30,421	(24,621)	(81%)
G)	**Current financial indebtedness G = (E + F)**	**24,346**	**57,164**	**(32,818)**	**(57%)**
H)	**Net current financial indebtedness H = (G - D)**	**(10,238)**	**16,171**	**(26,409)**	**(163%)**
I)	Non-current financial debt (excluding current portion and debt instruments)	33,200	3,600	29,600	822%
K)	Non-current trade and other payables	2,017	1,665	352	21%
L)	**Non-current financial indebtedness L = (I + J + K)**	**35,217**	**5,265**	**29,952**	**569%**
M)	**Total financial indebtedness (H+L)**	**24,979**	**21,436**	**3,543**	**17%**
N)	IFRS 16 adjustment	222	266	(44)	(17%)
O)	**Adjusted total financial indebtedness**	**24,757**	**21,170**	**3,587**	**17%**

Significant events in the period

Russia-Ukraine conflict

On February 24, 2022, the Russian President announced a "special military operation" in Ukrainian territory, in Donbass, that led to the outbreak of conflict between the two countries. The Russian military intervention in Ukraine, which took place after months of growing tensions on the country's eastern border, triggered prompt reactions from the European Union and other countries (e.g. United States, United Kingdom, Japan, etc.) towards Russia through the adoption of severe sanctions with the aim of affecting the country's strategic and financial sectors.

The 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 and, since the first days of the crisis, has chosen to block all sales and purchases in Russia.

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.

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.

In this context, the Group has also adopted a warehouse management policy that provides, where possible, for the accumulation of strategic stocks in order to mitigate the effects of any *shortage* situations in the short and medium term.

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 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.

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 disbursement of facilities.

Uno Seri 2017-2022 Warrant Exercise

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

Stock Option Plan

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. For further details, please refer to the press release issued on March 25, 2022.

- 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 Association.

On June 28, 2022, the Board of Directors approved an amendment to the remuneration policy for the financial year 2022 and the 2022 Stock Option Plan, approved by the Shareholders' Meeting on May 6, 2022, postponing the date of the first cycle of the 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 Unilever-Pozzilli project. Therefore, the vesting period of 5 (five) years related to the first allocation cycle will start from the first day of the month following that of the allocation date 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 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).

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 project.

The investment consists in optimizing existing processes as well as in the testing and applying new technologies for the production of raw material from post-consumer plastic with the aim of increasing the 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 €109.41 million, compared to a use in productive investments of €56.57 million and industrial research and experimental development of €52.84 million. The contract proposal submitted to Invitalia provides for obtaining public benefits, partly through non-repayable grants (€38.37 million) and partly through subsidised loans (€43.69 million).

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 €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. The loan agreements signed by the Company with CDP (fully reimbursed at the date of this report – the First CDP Loan) and Unicredit S.p.A. provided for compliance with financial covenants as of December 31, 2021, set on the basis of the expected results of the 2021-2025 business plan, on the assumption that there was no resurgence of the Covid-19 pandemic. Following the non-compliance with the NFP/Ebitda covenant at December 31, 2021, Unicredit S.p.A. and CDP in 2022 resolved to grant a contractual waiver with the disapplication of financial parameter verification. It should also be noted that there is a further loan from Deutsche Bank S.p.A., recorded for €2,100 thousand at June 30, 2022, which is also in breach of the covenant, for which no waiver has been requested; at the date of this report (i) two instalments of €300 thousand have been duly paid in accordance with the amortisation schedule and (ii) no requests for early repayment have been received.

2022-2026 Business Plan

On June 22, 2022, the Board of Directors approved the 2022-2026 Business Plan of the Seri Industrial Group. The plan is an update of the previous one, approved on July 22, 2021, and 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 related 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 scope, for a total amount about 2.2 billion euros.

The Plan also includes, with respect to the previous 2021-2025 plan, the economic and financial forecasts inherent to the new post-consumer packaging recovery project to be carried out in Pozzilli, as described in the previous paragraph "Unilever-Pozzilli: Industrial Development Contract - Invitalia".

Subsequent events after the end of period and business outlook

Subsequent events

Warrants Uno SERI 2017-2022

On July 1, 2022, 58,704 Seri Industrial ordinary shares (ISIN code IT0005283640) were issued at a price of €5.03 per share, of which €3.03 as a share premium, for a total value of €295 thousand following the conclusion of the eighteenth operating period of '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 Board of Directors of the subsidiary FIB 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 (the "Bond Loan"), represented by 40 bonds with a nominal unit value of €100 thousand each, reserved for the subscription of Cassa Depositi e Prestiti S.p.A. The bond issue will have a term of 6 years and the bonds issued will have maturity from the date of issue and will be interest-bearing. At the date of approval of this report, the investigation is still ongoing, and FIB is waiting for the verification from the bank that the conditions precedent for the issuance have been met.

Business outlook

For the main business and economic-financial developments, please refer to paragraphs (i) "Group strategy and risk management (ii) "Significant events of the period" (section "2022-2026 Business Plan").

Teverola 1

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

Other information

Related party transactions

The explanatory notes to the financial statements contain summary balance sheet/financial and economic information relating to the relationships between the various companies that are part of the Group during the period under review. Information is also provided in relation to relationships with related parties as required by International Accounting Standard IAS 24.

Relations with subsidiaries

The relationships with the subsidiaries are eliminated when preparing the consolidated annual and half-year financial statements. The transactions with subsidiaries mainly concern:

- the disbursement of loans, the management of cash pooling and the issuance of guarantees, such as the co-obligation for VAT refunds, the issuance of comfort letters under leasing contracts, the issuance of guarantees under share transfer agreements;
- the provision of centralised services for the management of administrative, corporate, legal and contractual, tax and personnel management activities;
- relations with subsidiaries as part of the tax consolidation for IRES purposes.

The relationships between companies included in the scope of consolidation also include, by way of example: (i) supply relationships of products and semi-finished products (between Seri Plast and Fib and between Fib and FS/Repiombo); (ii) employment relationships between Seri Plast and the subsidiaries Plastam Europe Sas, ICS EU Sas and ICS Poland; (iii) recognition of royalties to FIB by the subsidiaries Yixing Faam Industrial Batteries (YIBF) and FS for the use of the "Faam" trademark and the "Carbat" trademark respectively.
These transactions are excluded from the application of the procedural rules provided for transactions with related parties, being transactions with or between companies controlled, also jointly, by Seri Industrial.

Related party transactions[18]

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.

The main Related Parties

The following subjects are the most relevant related parties of the Company and the Seri Industrial Group:

- the Civitillo Executives;
- companies that are also indirectly invested by Civitillo Executives.

The engineer Vittorio Civitillo, Chief Executive Officer, and Andrea Civitillo, as of June 30, 2022 are indirectly holders, through SE.R.I. S.p.A., of shares of the Company corresponding to a total of 60.4% of the share capital of the Company. SE.R.I. is owned by Vittorio Civitillo, who owns 50.60%, while Andrea Civitillo owns 49.40%.
Finally, it should be noted that on July 23, 2021 the Shareholders' Meeting of the Company resolved on the merger by incorporation of Industrial S.p.A. into the totalitarian parent company SE.R.I. S.p.A. The merger took effect from a statutory point of view from May 1, 2022, that is, from the first day of the month following the last of the registrations in the competent Register of Companies of the merger deed signed on March 17, 2022.

[18] Information also provided at the request of Consob (see "Other information"), following the provision no. 0838644/21 of 28 July 2021.

<u>The main transactions that the Seri Industrial Group has carried out with Related Parties</u>

The Group's main transactions with related parties’ concern:

- 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;
- Other relationships.

For all qualitative and quantitative information on relations with related parties, please refer to the commentary to the consolidated financial statements "Note 36. Related party transactions".

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. It should be noted that the fulfilment of the supplementary information to be reported, with reference to the first and third quarter of each year, may be fulfilled through a specific press release, or in the quarterly report, if published on a voluntary basis.

In view of the above, the following information is provided regarding:

(i) the net financial position or the Total financial indebtedness of the Company and the Group at June 30, 2022, highlighting the current components separately from the medium-long term components compared with the same information published in the consolidated annual financial report at December 31, 2021; the information on the Group's net financial position is illustrated in the paragraph "Comments on results and other information – Consolidated balance sheet and financial position"; the information on the net financial position of the Company is illustrated in the paragraph "Comments on results and other information – Economic information by segments – Holding";

(ii) 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	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
Trade payables	826	697	16,564	15,338
Tax payables	63	58	253	232
Other payables	27	8	532	451

At June 30, 2022, payment orders amounted to 555 thousand euros and presented an increase of 2 thousand euros compared to December 31, 2021.

(iii) 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; during the period there were no significant changes in the nature of the relations with related parties of the Company and the Group. The information on relations with related parties is shown in "Note 36. Relations with related parties" accompanying the consolidated financial statements;

(iv) any failure to comply with the covenants, *negative pledges* and any other indebtedness clause of the Group involving limits on the use of financial resources with an indication at the updated date of the degree of compliance with said clauses; there are no limitations on the use of resources, for more details, please refer to the section "Comments on results and other information – Significant events of the period – Cura Italia loan agreements".

(v) the status of implementation of any industrial and financial plans, with the highlighting of the deviations of the final figures compared to those expected; please refer to what is illustrated in the section "Comments on results and other information" paragraphs "Economic information by segments" and "Significant events in the period – 2022-2026 Business Plan".

Share capital

At June 30, 2022, the share capital amounted to €96,523,374.03 divided into 49,012,348 ordinary shares following the conclusion of the Exercise Period of the seventeenth 'Uno SERI 2017 – 2022' Warrants.
At the date of this report, the share capital is equal to €96,640,782.03 divided into 49,071,052 ordinary shares following the conclusion, at the end of June 2022, of the eighteenth Exercise Period of the 'Uno SERI 2017 – 2022' Warrants. Currently 81,439,887 'Uno SERI 2017 – 2022' Warrants are in circulation give the right to subscribe, by December 31, 2022, total maximum 8,143,989 compendium shares, for a total value of €40,964,263, of which €16,287,977 as capital and the remaining part as share premium.

Significant non-recurring transactions

During the period, there were no events or transactions whose occurrence is non-recurring, or transactions or events that do not recur frequently in the usual course of business, which had an impact on the balance sheet and financial position, on the economic result, as well as on the cash flows of the Company and/or the Group with the exception of what is reported in the paragraph "Financial review and other information".

Atypical or unusual transactions

No positions or transitions resulting from atypical and/or unusual operations occurred during the period under review.

Regulatory and statutory frameworks

As follows a brief description of some regulatory and regulatory provisions deemed significant by the Issuer for the performance of its business and the activities of its subsidiaries. The Group considers that it operates in the performance of its activity in compliance with the current legislation illustrated below as far as it is applicable, without prejudice to and having to bear in mind that the application of primary and regulatory rules is subject to constant jurisprudential evolution and evolution both in the application and in the interpretation also by the competent Authorities.
In addition to the legislation applicable to all legal persons, the Group is subject, among others, to the following laws and regulations.

The Holding

- " Law on Financial Intermediation" (Testo Unico della Finanza - TUF in the Italian acronym) as amended, issued under Legislative Decree no. 58 of 24 February 1998. The TUF systematically regulates the interactions between subjects that operate on the financial market, regulating the main aspects of financial intermediation and constitutes the main regulatory source of the law of financial markets in the Italian legal system.
- Consob Regulation no. 11971/1999 (Issuers) of 14 May 1999 and subsequent amendments implementing Legislative Decree no. 58 of 24 February 1998 on the regulation of issuers.
- Consob Regulation no. 17221 of 12 March 2010 and subsequent amendments containing provisions on transactions with related parties. The Regulation lays down the principles to which Italian companies with shares listed on regulated markets in Italy or other European Union countries and with shares widely distributed among the public to a significant extent comply in order to ensure the transparency and substantive and procedural correctness of transactions with related parties carried out directly or through subsidiaries.
- Regulation of Markets and the related Instructions issued by Borsa Italiana and subsequent amendments and additions that regulate the organisation and management of regulated markets, establishing the conditions, methods of organisation and operation.

In addition to the above, the Group has voluntarily adhered to the "Corporate Governance Code" drawn up by the Corporate Governance Committee promoted by Borsa Italiana and composed of the business Associations (ABI, Ania, Assonime, Confindustria), Borsa Italiana S.p.A. and the Association of Professional Investors (Assogestioni). The Code of Conduct contains recommendations that constitute a model of "*best practice*" for the organization and operation of Italian listed companies.

Industrial Activities

- Legislative Decree no. 81/08 as amended – Consolidated text on safety at work – The Consolidated text on the protection of health and safety in the workplace (also known by the Italian acronym TUSL) is a set of rules established by Italian legislation governing occupational health and safety.
- Legislative Decree no. 152/2006 as amended and regulations – Environmental regulations – The main objective of the legislative decree in question is the promotion of the quality levels of human life, to be achieved through the protection and improvement of environmental conditions and the use of natural resources.
- Regulation (EU) No 517/2014 and subsequent amendments – Regulation of the European Parliament and of the Council on fluorinated greenhouse gases, repealing Regulation (EC) No 842/2006 (Text with EEA relevance - European Economic Area), aimed at protecting the environment by reducing emissions of fluorinated greenhouse gases. In particular, the Regulation in question:
  - (i) establishes provisions on the containment, use, recovery and destruction of fluorinated greenhouse gases and related ancillary measures;
  - (ii) lays down conditions for the placing on the market of specific products and equipment containing or relying on fluorinated greenhouse gases (Article 11 and Annex III); specific provisions for equipment preloaded with HFCs (Article 14); as well as the reduction of the amount of HFCs placed on the market (HFC allocation mechanism);
  - (iii) imposes conditions for particular uses of fluorinated greenhouse gases;
  - (iv) lays down quantitative limits for the placing on the market of hydrofluorocarbons.

- Directive of the European Parliament and of the Council 2006/42/EC and subsequent amendments relating to machinery, amending Directive 95/16/EC (recast). The Directive has been transposed and implemented in Italy by Legislative Decree no. 17 of January 27, 2010 and replaces Directive 98/37/EC of the European Parliament. The Directive defines the essential safety and public health requirements to be met by machinery when it is designed, manufactured and operated before it is placed on the market.
- Directive 2014/35/EU and subsequent amendments Low Voltage Directive or LVD Directive (Low Voltage Directive) concerning the approximation of the laws of the Member States relating to electrical equipment designed for use within certain voltage limits. The Low Voltage Directive does not define any specific technical standards, but explicitly refers to the IEC/ISO EN technical standards to which manufacturers of electrical products must comply.
- Directive 2014/30/EU on the harmonisation of the laws of the Member States relating to electromagnetic compatibility (recast), which governs the electromagnetic compatibility of equipment. It aims to ensure the functioning of the internal market by requiring equipment to comply with an adequate level of electromagnetic compatibility.
- Directive 2014/68/EC on the harmonisation of the laws of the Member States relating to the making available on the market of pressure equipment (Text with EEA relevance – European Economic Area). This Directive applies to the design, manufacture and conformity assessment of pressure equipment and assemblies with a maximum allowable pressure PS greater than 0.5 bar.
- Decree of the Ministry of Health no. 174 of 6 April 2004, as amended – "Regulation concerning the materials and objects that can be used in fixed systems for the collection, treatment, supply and distribution of water intended for human consumption". The provisions of the regulation define the conditions under which the materials and objects used in fixed systems for the collection, treatment, supply and distribution of water intended for human consumption, referred to in Legislative Decree no. 31 of 2 February 2001, must comply. These provisions apply to new plant materials and to those used for replacements in repairs, starting from twelve months from the date of publication of this Regulation, in the Official Journal of the Italian Republic, unless otherwise indicated in the text.
- Decree of the Ministry of the Interior of 24 November 1984 and subsequent amendments – Fire safety regulations for the transport, distribution, accumulation and use of natural gas with a density not exceeding 0.8. The purpose of the decree is to regulate, for safety purposes, natural gas transportation and distribution systems, by means of pipelines, from production fields to utilities. They also apply to internal installations of industrial users and derivative systems of users with an operating pressure greater than 0.04 bar.

Industrial property rights

- Civil Code, Book V, Title IX and Legislative Decree no. 30/2005 as amended – "Industrial Property Code pursuant to Article 15 of Law no. 273 of 12 December 2002", as subsequently amended, which has comprehensively reformed the previous legislation by introducing into the legal system an autonomous and organic regulation on the protection of intellectual property rights. To this Code is added the relative implementing legislation, including the regulation referred to in the Ministerial Decree of 13 January 2010, no. 33 and the Ministerial Decree of 11 May 2011.

For the Board of Directors
The Chairman
(Roberto Maviglia)

Half-year consolidated financial statements at June 30, 2022

SERI INDUSTRIAL S.p.A. - Sede Legale **Centro Aziendale Quercete** - 81016 - S. Potito Sannitico (Ce) - ITALY - Tel: +39 0823 786235 - Fax: +39 0823 543828

Consolidated Balance Sheet (*)

	Notes	30/06/2022	31/12/2021
Cash and cash equivalents	2	4,262	19,500
Financial assets	3	904	1,702
Financial assets at fair value through profit or loss	4	464	509
Current derivative financial assets	5	685	0
Trade receivables	6	35,884	37,015
Other current assets	7	28,266	31,402
Inventories	8	81,601	63,606
Current assets		**152,066**	**153,734**
Intangible assets	9	68,828	67,312
Rights-of-use assets	10	22,835	23,191
Property, plant and equipment	11	75,860	78,960
Equity-accounted investments	12	665	554
Other non-current assets	13	1.193	1,208
Deferred tax assets	14	20,336	21,091
Non-current assets		**189,717**	**192,316**
ASSETS		**341,783**	**346,050**
Liabilities and Equity			
Trade payables	15	49,921	47,930
Other current liabilities	16	16,342	22,122
Current borrowings	17	53,219	75,801
Current lease liabilities	18	5,187	5,188
Current derivative financial liabilities		0	40
Current tax liabilities	19	1,651	1,498
Short term provisions	20	814	1,154
Current liabilities		**127,134**	**153,733**
Non-current borrowings	21	50,274	20,917
Non-current lease liabilities	22	17,501	17,782
Provisions for employee benefits	23	4,334	4,676
Deferred tax liabilities	24	583	836
Other non-current liabilities	25	24,887	27,065
Long-term provisions	26	120	107
Non-current liabilities		**97,699**	**71,383**
Share capital		96,523	95,066
Statutory reserve		730	533
Share premium		7,513	5,305
Other reserves		16,973	21,150
Profit (Loss)		(5,139)	(1,534)
Equity attributable to owners of the Parent	**27**	**116,600**	**120,520**
Share capital and reserve		405	374
Profit (Loss)		(55)	40
Non-controlling interest	**28**	**350**	**414**
Total equity	**27**	**116,950**	**120,934**
LIABILITIES AND EQUITY		**341,783**	**346,050**

(*) Pursuant to CONSOB Resolution no. 15519 of 27 July 2006, the effects of relations with related parties and significant non-recurring events and transactions on the Balance Sheet are highlighted in the appropriate Balance Sheet layout shown in Annex 4a.

Consolidated Income Statement (*)

	Notes	30/06/2022	30/06/2021
Revenues from contract with customers		89,811	75,876
Other operating income		7,751	5,039
Internal works		3,915	3,518
Total revenues, income and internal works	**31**	**101,477**	**84,433**
Purchase of materials		70,880	45,404
Changes in inventories		(18,759)	(960)
Services expense		23,746	15,387
Other operating costs		1,405	1,563
Personnel costs		15,350	14,648
Operating costs	**32**	**92,622**	**76,042**
Gross operating income		**8,855**	**8,391**
Depreciation and amortisation	33	10,826	9,614
Write-downs/write-backs	33	(39)	153
Net operating income (loss)		**(1,932)**	**(1,376)**
Finance income	34	594	305
Finance expense	34	2,988	2,069
Profit (Loss) from equity-accounted investments	34	(7)	4
Profit (Loss) before taxes		**(4,333)**	**(3,136)**
Income taxes	35	861	1,000
Profit (Loss)		**(5,194)**	**(4,136)**
Attributable to non-controlling interests		(55)	245
Attributable to owners of the Parent		**(5,139)**	**(4,381)**

	30/06/2022	30/06/2021
Profit (Loss) attributable to owners of the Parent (A)	**(5,139)**	**(4,381)**
- basic (B)	48,132,189	47,299,638
- diluted (C)	57,215,040	57,215,040
- basic (A/B)	(0.1068)	(0.0926)
- diluted (A/C)	(0.0898)	(0.0766)

(*) Pursuant to CONSOB Resolution no. 15519 of 27 July 2006, the effects of relationships with related parties and significant non-recurring events and transactions on the Income Statement are shown in the appropriate Income Statement format shown in Annex 4b.

Consolidated Comprehensive Income Statement

	Notes	30/06/2022	30/06/2021
Profit (Loss)	**27**	**(5,194)**	**(4,136)**
Other comprehensive income/(expense) that may be subsequently reclassified to profit or loss (net of taxes)			
Change in the fair value of cash flow hedging derivatives	27	533	96
Change in translation reserve	27	7	61
Other components of comprehensive income/(expense) that may not be subsequently reclassified to profit or loss (net of taxes)			
Remeasurement of defined benefit plans	27	308	18
Total other comprehensive income/(expense) for the year		**848**	**175**
Consolidated comprehensive income/(expense) for the year		**(4,346)**	**(3,961)**
Attributable to non-controlling interests		(55)	245
Attributable to owners of the Parent		(4,291)	(4,206)

Consolidated Cash Flow Statement

	Notes	30/06/2022	30/06/2021
Profit (Loss)	**27**	**(5,194)**	**(4,136)**
Adjustments to reconcile profit (loss) to net cash			
Depreciation and net impairment losses (reversals) of property, plant and equipment and rights-of-use	33	9,125	8,291
Amortization and net impairment losses (reversals) of intangible assets	33	1,701	1,321
Gain/(Loss) on disposal of property, plant and equipment		(1)	(4)
Finance income	34	(314)	(27)
Finance expense	34	2,692	1,994
Other non-cash changes		7	13
Net change in deferred tax assets (liabilities)	14-19-24	655	238
Net change in the provisions and employee benefits	20-23-26	(669)	(94)
Changes in working capital:			
Change in trade receivables	6	1,130	(2,693)
Change in other assets	7	3,178	2,508
Change in inventories	8	(17,995)	(1,701)
Change in trade payables	15	1,991	(100)
Change in other liabilities	16	(7,961)	1,245
Interest received	34	314	27
Interest paid	34	(2,673)	(1,994)
Net cash flows from (used in) operating activities		**(14,015)**	**4,888**
Investing activities			
Purchase of tangible assets	11	(3,281)	(9,962)
Purchase of intangible assets	9	(3,121)	(4,965)
Investments in tangible assets, rights of use and intangible assets		*(6,402)*	*(14,927)*
Proceeds from sales of property, plant and equipment		17	107
Change in financial receivables and other financial assets	3-4-12	700	(169)
Net cash flows from (used in) investing activities		**(5,685)**	**(14,988)**
Financing activities			
Proceeds from lease liabilities		0	7,462
Payments of lease liabilities	18-22	(2,801)	(2,669)
Increase/(Decrease) in borrowings	17-21	6,050	(137)
Other flows from financing activities	27-28	1,212	162
Net cash flows from (used in) financing activities		**4,461**	**4,818**
Increase/(Decrease) in cash and cash equivalents	**2**	**(15,238)**	**(5,283)**
Cash and cash equivalents at January 1st, 2022	2	19,500	7,830
Cash and cash equivalents at June 30, 2022	**2**	**4,262**	**2,547**

Changes in Consolidated Equity (Note 27-28)

	Share capital	Statutory reserve	Share premium	Other reserves	Profit (Loss)	Equity attributable to owners of the Parent	Share capital and reserve	Profit (Loss)	Equity attributable to non-controlling interests	Total equity
December 31, 2020	**93,091**	**421**	**2,313**	**21,849**	**(4,079)**	**113,596**	**591**	**(224)**	**367**	**113,962**
Retained earnings	0	112	0	(4,191)	4,079	0	(224)	224	0	0
Capital increase	14	0	21	0	0	35	5	0	5	40
Other changes in equity	0	0	0	(52)	0	(52)	0	0	0	(52)
Other comprehensive income	0	0	0	175	0	175	0	0	0	175
Profit (Loss)	0	0	0	0	(4,381)	(4,381)	0	245	245	(4,136)
June 30, 2021	**93,105**	**533**	**2,334**	**17,781**	**(4,381)**	**109,372**	**372**	**245**	**617**	**109,989**
December 31, 2021	**95,066**	**533**	**5,305**	**21,150**	**(1,534)**	**120,520**	**374**	**40**	**414**	**120,934**
Retained earnings	0	197	0	(1,731)	1,534	0	40	(40)	0	0
Capital increase	1,458	0	2,208	(3,100)	0	562	0	0	0	562
Other changes in equity	0	0	0	(196)	0	(196)	(9)	0	(9)	(204)
Other comprehensive income	0	0	0	848	0	848	0	0	0	848
Profit (Loss)	0	0	0	0	(5,139)	(5,139)	0	(55)	(55)	(5,194)
June 30, 2022	**96,523**	**730**	**7,513**	**16,973**	**(5,139)**	**116,600**	**405**	**(55)**	**350**	**116,950**

Explanatory notes

Form and Content

The half-year consolidated financial report at June 30, 2022 was prepared in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with the interpretations of the IFRS Interpretations Committee (IFRIC) and the Standing Interpretations Committee (sic), recognised in the European Union pursuant to Regulation (EC) No 1606/2002 and in force at the end of the period. All of the above-mentioned benchmarks and interpretations are hereinafter referred to as "IFRS-EU".

These consolidated half-year financial statements, included in the Half-Year Financial Report, have also been prepared pursuant to Article 154 ter of Legislative Decree no. 58 of 24 February 1998, as amended by Legislative Decree no. 195 of November 6, 2007, as well as Article 81 of the Issuers' Regulation and subsequent amendments and have been authorised for publication by the Board of Directors held on September 15, 2022.

In particular, the consolidated financial statements have been prepared in accordance with the applicable international accounting standard for the preparation of interim financial statements ("IAS 34 - Interim financial statements") and consist of the Consolidated Balance Sheet, the Consolidated Income Statement, the Consolidated Comprehensive Income Statement, the Consolidated Cash Flow Statement, the Changes in Consolidated Equity, as well as the related explanatory notes.

In the Consolidated Balance Sheet, the classification of assets and liabilities is carried out according to the "current/non-current" criterion with a specific separation of assets classified as held for sale and liabilities included in a disposal group classified as held for sale. Current assets, which include cash and cash equivalents, are those that are intended to be realised, sold or consumed in the normal operating cycle of the Group or in the 12 months following the end of the financial year; current liabilities are those that are expected to be settled in the normal operating cycle of the Group or in the 12 months following the end of the financial year and the Group does not have an unconditional right to defer settlement of the liability for at least 12 months from the end of the financial year.

The consolidated income statement is classified according to the nature of the costs, with separate evidence of the net result of the continuing operations and that of the discontinued operations attributable to the shareholders of the parent company and to third parties. The Income Statement also presents subtotals - such as operating costs (given by the sum of: costs for purchases of materials, changes in inventories, costs for services, other operating costs and personnel costs) – and partial results – such as Gross Operating Income (equal to the algebraic sum of the Net Operating Income (Loss), Amortisation, Depreciation and Write-downs/Write-backs) – as they are considered significant for the purposes of understanding the Group's economic and financial situation. Both subtotals and partial results therefore consist of items consisting of amounts recognised and valued in accordance with IFRS.

The consolidated cash flow statement is presented using the indirect method, with separate evidence of the net cash flow from operating activities, investing activities and financing activities. In particular, although in the classification of the items the Group does not deviate from the provisions of IAS 7, the following is specified:

- in the net cash flows from operating activities, in addition to the cash flows deriving from the characteristic management, interest on loans granted and obtained is also reported;
- investment/divestment assets include investments in property, plant and equipment and intangible assets and related disposals. They also include the effects of *business combinations* in which the Group acquires or loses control of companies or business units and changes in financial receivables and other financial assets;
- net cash flows from financing activities include cash flows from liability management and leasing operations, dividends paid to third parties by the parent company or consolidated companies.

For comments on the cash flows of the Consolidated Cash Flow Statement, please refer to the section "Financial review and other information" contained in the Management Report.

The tables attached to these consolidated financial statements are as follows:

- Statement of changes in intangible assets;
- Statement of changes in rights-of-use assets;
- Statement of changes in property, plant and equipment;
- Information on relations with related parties, in implementation of Consob resolution 15519 of 27 July 2006.

The profit and loss statements and the balance sheet show, in the statements attached (Annex 4) to these explanatory notes to the consolidated financial statements, the transactions with related parties.

The currency used by the Group for the presentation of the consolidated financial statements is the euro, the functional currency of Seri Industrial S.p.A.

These consolidated financial statements are expressed in thousands of euros, except when otherwise indicated and provide comparative information with the previous year with reference to the balance sheet data and with the previous period with reference to the economic data.

The consolidated financial statements are prepared with a view to business continuity, based on the assessments made by management which also considered the significant events that occurred after the end of the period, commented on in the Management Report in the paragraph "Subsequent events after the end of period and business outlook".

The directors paid particular attention to verifying the Group's ability to continue to operate as a going concern.

The "going concern" assumption was verified in the preparation of the half-yearly consolidated financial statements, through an analysis of the Group's historical results and an estimate of prospective results and consequent expected cash flows in the more general context of uncertainty related to the Russia-Ukraine conflict, rising energy costs and the continuing Covid-19 health emergency.

The factors considered by management regarding the maintenance of the business continuity assumption in the context of their assessments are: (i) the forecasts of the 2022-2026 Consolidated Business Plan, approved in June 2022, (ii) the continuation of a situation of substantial economic-financial balance in the short and medium term, (iii) the obtaining of contractual waivers by credit institutions in relation to loans for which certain financial covenants had not been respected as of December 31, 2021, (iv) access to new sources of financing and in particular the imminent issuance of the bond by FIB for a total of €4 million and (v) the presence of warrants in circulation for a total value of €40.9 million.

Factors that may affect results

Russia-Ukraine conflict

The information regarding the impacts of the conflict between Russia and Ukraine is reported in the Management Report, paragraph "Significant events in the period" to which reference is made.

Impacts of climate change

The Group is committed to pursuing the objectives defined by the Paris Climate Conference (COP21), as last revised at the November Conference (COP26), as well as the United Nations *Sustainable Development Goals*.

In this perspective, the Group is fully committed to the development of an integrated sustainable business model in plastics and energy storage, based on the principles of the circular economy and innovation, in order to reduce the impacts of the entire production process on the environment and support the energy transition towards a decarbonised economy. In particular, it manages in an integrated manner the entire production supply chain of the lead electric accumulator, both upstream through the production of secondary lead recovered from the recycling of spent batteries and downstream with the realisation of the finished product and the after-sales service activities. In the Plastic materials business, the Group produces PP compounds from industrial waste materials, spent batteries and raw materials, selling mainly to Tier-1 in the moulding of plastic components, in addition to directly supplying the key raw material (plastic box) to the lead accumulator business, making this finished product entirely made in-house.

The main objective on which the Group is focusing is the development of a circular economic model, already achieved along the lead and plastic accumulator chain, also in the lithium battery segment, through the creation of technological solutions in line with the era of energy digitisation.

In preparing the half-year consolidated financial statements as of June 30, 2022, management has considered the impacts deriving from climate change; in particular, the accounting assumptions used in the estimation process underlying the valuation of assets and liabilities have been determined in a manner consistent with the risks deriving from climate change, as specified in the paragraph "Risk management" of the Management Report, to which reference is made for more details.

The analysis of the possible financial implications related to *climate change* issues by management considered the following main aspects:

- the Group continues to invest in new technologies with the aim of improving existing production processes and its products in terms of sustainability; the main objective is to implement a "green footprint" of production processes, eliminating toxic solvents and reducing the atmospheric emission of CO_2 during the production of plastic materials and batteries (such as the lithium-ion cell made with a "water-based" process);
- the Group promotes investments in energy infrastructures and technologies used for the construction of renewable energy (such as the photovoltaic systems of the production sites of Gubbio and Monte Sant'Angelo), as well as for the recycling of raw materials used in the reference businesses with the aim of reducing total energy consumption and CO_2 emissions.

Covid-19 emergency

More than two years after the outbreak of the pandemic crisis, the macroeconomic context continues to be characterised by a slowdown in the economy due to the new waves of Covid-19 infections, which emerged at the beginning of the year, triggered by the spread of new variants on a global scale. Specifically, starting from the second half of 2021, the economic situation was negatively impacted by imbalances between supply and demand that caused strong distortions in supply chains and severe inflationary pressures, further exacerbated by the outbreak of the conflict between Russia and Ukraine that significantly aggravated the complex economic crisis in the first half of 2022.
In line with the recommendations of ESMA, the Group continues to constantly monitor the developments of the Covid-19 pandemic in order to assess the relevance of its impacts on business activities, promptly adopting all prevention measures to contain the pandemic, making the work environments safe and maintaining all operating plants in total safety.

Business seasonality

In consideration of the business sectors in which the Group operates, it should be noted that cash flows are not characterised by seasonal effects. Therefore, the additional financial information required by IAS 34.21 relating to the performance of the 12 months ended June 30, 2022 is not provided.

Accounting policies and valuation criteria

The accounting standards adopted, the recognition and measurement criteria as well as the consolidation criteria and methods used in the half-year consolidated financial report as of June 30, 2022 comply with those adopted in the preparation of the consolidated financial statements as of December 31, 2021, to which reference is made, with the exception of the new accounting standards, interpretations and amendments in force since January 1, 2022.

New accounting standards, interpretations and amendments

As follows the new accounting standards, interpretations and amendments that entered into force on January 1, 2022. The Group has not adopted in advance any new principles, interpretations or amendments issued but not yet in force.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB published the amendments to IFRS 3 *Business Combinations - Reference to the Conceptual Framework*. The amendments aim to replace references to the *Framework for the Preparation and Presentation of Financial Statements*, published in 1989, with references to the *Conceptual Framework for Financial Reporting* published in March 2018 without a significant change in the requirements of the standard.
The Board also added an exception to the valuation principles of IFRS 3 to avoid the risk of potential “day-after” losses or gains arising from contingent liabilities and contingent liabilities that would fall within the scope of IAS 37 or IFRIC 21 Levies, if contracted separately.
At the same time, the Board decided to clarify that the existing guidance on IFRS 3 for potential activities will not be impacted by updating references to the *Framework for the Preparation and Presentation of Financial Statements*. The change must be applied retrospectively.
There are no cases of application of IFRS 3 in the period.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB published amendments to the IAS 16 principle *Property, Plant and Equipment — Proceeds before Intended Use*, which prohibits entities from deducting from the cost of an item of property, plant and equipment any proceeds from the sale of products sold in the period in which such activity is brought to the place or conditions necessary for it to be able to operate in the manner in which it was designed by management. Instead, an entity recognizes revenues from the sale of those products, and the costs of producing those products, in the income statement.
The amendment shall be applied retrospectively to items of property, plant and equipment that were available for use at the beginning or later date of the period before the period in which the entity first applies the amendment.
These amendments do not affect the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB published amendments to IAS 37 to specify which costs should be considered by an entity when assessing whether a contract is fruitful or at a loss.
The amendment provides for the application of an approach called "*directly related cost approach*". Costs that relate directly to a contract for the supply of goods or services include both incremental costs and costs directly attributed to contractual activities. General and administrative expenses are not directly related to a contract and are excluded unless they are explicitly chargeable to the other party based on the contract itself.
These amendments do not affect the Group.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of the 2018-2020 annual improvement process of IFRS, the IASB published an amendment to IFRS 1 *First-time Adoption of International Financial Reporting Standards*. This amendment allows a subsidiary that chooses to apply paragraph D16(a) of IFRS 1 to account for cumulative translation differences based on the amounts accounted for by the parent, considering the date of transition to IFRS by the parent. This amendment also applies to associates or joint ventures that choose to apply paragraph D16(a) of IFRS 1.
This does not apply to the Group.

IFRS 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities

As part of the 2018-2020 annual improvement process of IFRS, the IASB published an amendment to IFRS 9. The amendment clarifies the *fees* that an entity includes in determining whether the conditions of a new or modified financial liability are substantially different from the conditions of the original financial liability. These *fees* include only those paid or received between the debtor and the lender, including *fees* paid or received by the debtor or the lender on behalf of others. An entity applies that change to financial liabilities that are modified or exchanged after the date of the first period in which the entity first applies the change.

There are no impacts for the Group with reference to this change.

IAS 41 Agriculture – Taxation in fair value measurements
As part of the 2018-2020 annual improvement process of IFRS, the IASB published an amendment to IAS 41 *Agriculture*. The amendment removes the provision in paragraph 22 of IAS 41 relating to the exclusion of cash flows due to taxation in the fair value measurement of an asset within the scope of IAS 41.
An entity shall apply that change prospectively to the measurement of fair value for periods beginning on or after January 1, 2022.
This does not apply to the Group.

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At the reference date of these consolidated financial statements, the following new standards/ interpretations have been issued by the IASB and have not yet entered into force:

Mandatory application from January 1, 2023
New Principles and Interpretations transposed from the EU
Amendments to IAS 1 Presentation of Financial Statements: Disclosure of Accounting Policies Amendments to IAS 8 Accounting Standards, Changes in Accounting Estimates and Errors: Defining Accounting Estimates IFRS 17: insurance contracts
Amendments to IAS 12 Income Taxes: Deferred Taxes on Assets and Liabilities from a Single Transaction
New Principles and Interpretations not yet transposed from the EU
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current

Any impact on the consolidated financial statements of the Group deriving from the new Principles/Interpretations is still being evaluated; no material impacts are expected.

Scope of consolidation

The following are the Group companies with evidence of their inclusion or exclusion from the scope of consolidation as of June 30, 2022 as well as the relative percentages of ownership of the Group:

Company	Registerd office	Group's share of ownership	Shareholders	Consolidation or valuation method (*)	Currency	Share capital	Value of the share held
PARENT COMPANY							
SERI INDUSTRIAL S.P.A.	San Potito Sannitico (CE)						
SUBSIDIARIES							
SERI PLAST SPA	San Potito Sannitico (CE)	100,00%	SERI INDUSTRIAL S.P.A.	F.C.	EUR	1.000.000	1.000.000
ICS EU SAS	Peronne – France	100,00%	SERI PLAST SPA	F.C.	EUR	10.000	10.000
PLASTAM EUROPE SAS	Arras – France	100,00%	SERI PLAST SPA	F.C.	EUR	2.376.000	2.376.000
PLAST RESEARCH & DEVELOPMENT SRL	San Potito Sannitico (CE)	100,00%	SERI PLAST SPA	F.C.	EUR	10.000	10.000
ICS POLAND SP. Z O.O.	Brwinów - Poland	100,00%	SERI PLAST SPA	F.C.	PLN	5.000	5.000
PACKAGING 2 POLYMER S.R.L.	San Potito Sannitico (CE)	50,00%	SERI PLAST SPA	F.C.	EUR	10.000	5.000
FIB SPA	San Potito Sannitico (CE)	100,00%	SERI INDUSTRIAL S.P.A.	F.C.	EUR	8.000.000	8.000.000
FS SRL	San Potito Sannitico (CE)	100,00%	FIB SPA	F.C.	EUR	10.000	10.000
LITHOPS SRL in liquidazione	San Potito Sannitico (CE)	60,00%	FIB SPA	F.C.	EUR	10.000	6.000
FAAM ASIA LIMITED	Hong Kong - Cina	100,00%	FIB SPA	F.C.	HKD	49.010.000	49.010.000
YIXING FAAM INDUSTRIAL BATTERIES LTD (YIBF)	Yixing – China	100,00%	FAAM ASIA LIMITED	F.C.	CNY	51.506.955	51.506.955
REPIOMBO SRL	San Potito Sannitico (CE)	99,82%	FIB SPA	F.C.	EUR	2.260.000	2.256.000
FAAM RESEARCH CENTER SRL	San Potito Sannitico (CE)	100,00%	FIB SPA	F.C.	EUR	10.000	10.000
FAAM BATERIAS SL	Barcelona - Spain	51,00%	FIB SPA	CO.**	EUR	3.000	1.530
FLB SRL	San Potito Sannitico (CE)	100,00%	FIB SPA	F.C.	EUR	10.000	10.000
F&F SRL	San Potito Sannitico (CE)	60,00%	FIB SPA	F.C.	EUR	10.000	6.000
TOLO ENERGIA SRL in liquidation	San Potito Sannitico (CE)	100,00%	SERI INDUSTRIAL S.P.A.	F.C.	EUR	207.119	207.119
JOINTLY CONTROLLED AND ASSOCIATED COMPANIES							
JUJUY LITIO SA	San Salvador de Jujuy - Arg.	40,00%	FIB SPA	CO.**	ARS	1.000.000	400.000
BLUECAP RL	Newport - UK	20,00%	FIB SPA	CO.**	USD	28.121	5.624
OTHER HOLDINGS							
MATICA TECHNOLOGIES GROUP SA	Lugano - Switzerland	3,00%	SERI INDUSTRIAL S.P.A.	Eq.	CH	10.910.000	326.743
TURKUAZ GOLD MADENCILIK	Ankara - Turkey	2,00%	BLUECAP RL				

(*) F.C. = full consolidation, Eq. = equity accounted, CO. = valuated at cost.
(**) When there is no significant effect on the Group's financial position, results of operations and financial position, joint ventures, affiliated companies and non-significant subsidiaries excluded from the scope of consolidation, are valued at cost adjusted for impairment.

With respect to December 31, 2021, there are no changes in the consolidation scope.

Note 1. Segment information

The Seri Industrial Group is organised into two business segments, in addition to corporate functions and a residual non-core business. These business lines form the basis on which the Group reports sector information according to the primary scheme. As follows the economic performance of the activities by sector:

Economic information by segment	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 income	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**
Purchase of materials	30,309	41,377	0	5	(811)	70,880
Changes in inventories	(11,763)	(6,996)	0	0	0	(18,759)
Services expense	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	**4,855**	**4,382**	**10**	**(395)**	**3**	**8,855**
Depreciation and amortisation	6,987	3,746	0	93	0	10,826
Write-downs/write-backs	110	(148)	0	(11)	10	(39)
Net Operating Income (Loss)	**(2,241)**	**785**	**10**	**(478)**	**(7)**	**(1,932)**
Finance income	511	83	0	375	(374)	594
Finance expense	1,659	1,092	0	613	(376)	2,988
Profit (Loss) from equity-accounted investments	0	0	0	(7)	0	(7)
Profit (Loss) before tax	**(3,390)**	**(224)**	**10**	**(724)**	**(5)**	**(4,333)**
Income taxes	372	474	0	11	5	861
Profit (Loss)	**(3,761)**	**(698)**	**10**	**(735)**	**(9)**	**(5,194)**
Attributable to non-controlling interests	*(51)*	*(4)*	*0*	*0*	*0*	(55)
Attributable to owners of the Parent	*(3,710)*	*(694)*	*10*	*(735)*	*(9)*	(5,139)

Consolidation effects mainly include the cancellations of intersectoral economic relationships.
As follows the revenues, income and internal works, as well as the operating costs by business line, shown to highlight the weight of the different sectors on the market. These values are expressed net of intersectoral relationships, considering that the Group is strongly integrated across the entire supply chain.

Total revenues, income and internal works and costs by segment	30/06/2022				30/06/2021			
	Revenues	%	Costs	%	Revenues	%	Costs	%
Batteries	39,269	39%	32,773	35%	32,391	38%	28,028	37%
Plastic materials	62,109	61%	57,082	62%	51,992	62%	45,495	60%
Other	15	0%	0	0%	0	0%	3	0%
Corporate	81	0%	2,769	3%	47	0%	2,515	3%
Total	**101,477**	**100%**	**92,623**	**100%**	**84,433**	**100%**	**76,042**	**100%**

As follows the balance sheet by segment as of June 30, 2022:

Balance sheet by segment	**Batteries**	**Plastic materials**	**Other**	**Corporate**	**Conso. effects**	**Consolidated**
Cash and cash equivalents	950	383	1	2,928	0	4,262
Financial assets	18,501	142	118	30,553	(48,410)	904
Financial assets at fair value through profit or loss	0	0	0	464	0	464
Current derivative financial assets	46	0	0	639	0	685
Trade receivables	14,963	21,198	0	682	(959)	35,884
Other current assets	23,379	4,117	181	639	(50)	28,266
Inventories	41,175	40,427	0	0	(1)	81,601
Current assets	**99,014**	**66,267**	**300**	**35,905**	**(49,419)**	**152,067**
Intangible assets	7,257	7,110	0	122	54,339	68,828
Rights-of-use assets	13,001	9,606	0	228	(0)	22,835
Property, plant and equipment	59,009	16,726	0	125	0	75,860
Equity-accounted investments	382	0	0	89,812	(89,529)	665
Other non-current assets	883	310	0	35,000	(35,000)	1.193
Deferred tax assets	3,275	3,333	0	13,728	0	20,336
Non-current assets	**83,807**	**37,085**	**(0)**	**139,015**	**(70,191)**	**189,716**
ASSETS	**182,821**	**103,352**	**300**	**174,920**	**(119,610)**	**341,783**
Liabilities and Equity						
Trade payables	20,112	29,518	4	1,242	(955)	49,921
Other current liabilities	8,954	5,805	19	1,617	(53)	16,342
Current borrowings	51,917	25,456	(0)	24,257	(48,411)	53,219
Current lease liabilities	2,854	2,244	(0)	89	0	5,187
Current tax liabilities	565	774	0	312	(0)	1,651
Short term provisions	607	41	1	165	0	814
Current liabilities	**85,009**	**63,838**	**24**	**27,682**	**(49,419)**	**127,134**
Non-current borrowings	45,788	4,402	0	35,084	(35,000)	50,274
Non-current lease liabilities	10,563	6,805	0	133	0	17,501
Provisions for employee benefits	1,318	2,186	0	830	0	4,334
Deferred tax liabilities	88	495	0	0	0	583
Other non-current liabilities	22,177	2,710	0	0	(0)	24,887
Long-term provisions	64	56	0	0	0	120
Non-current liabilities	**80,000**	**16,654**	**0**	**36,046**	**(35,000)**	**97,699**
Share capital	0	0	0	96,523	0	96,523
Statutory reserve	0	0	0	730	0	730
Share premium	0	0	0	7,513	0	7,513
Other reserves	21,171	23,558	264	7,161	(35,181)	16,973
Profit (Loss)	(3,710)	(694)	10	(735)	(10)	(5,139)
Equity attributable to owners of the Parent	**17,461**	**22,864**	**274**	**111,192**	**(35,191)**	**116,600**
Share capital and reserve	402	3	0	0	0	405
Profit (Loss)	(51)	(4)	0	0	0	(55)
Non-controlling interests	**351**	**(1)**	**0**	**0**	**(0)**	**350**
Total equity	**17,812**	**22,863**	**274**	**111,192**	**(35,191)**	**116,950**
LIABILITIES AND EQUITY	**182,821**	**103,352**	**300**	**174,920**	**(119,610)**	**341,783**

As follows the balance sheet by segment as of December 31, 2021:

Balance sheet by segment	Batteries	Plastic materials	Other	Corporate	Conso. effects	Consolidated
Cash and cash equivalents	1,810	160	1	17,529	0	19,500
Financial assets	26,899	891	120	22,954	(49,162)	1,702
Financial assets at fair value through profit or loss	0	0	0	509	0	509
Trade receivables	20,777	16,246	2	341	(351)	37,015
Other current assets	23,225	6,964	177	1,087	(51)	31,402
Inventories	30,176	33,431	(0)	0	(1)	63,606
Current assets	**102,887**	**57,692**	**299**	**42,420**	**(49,564)**	**153,734**
Intangible assets	6,004	6,816	(2)	155	54,339	67,312
Rights-of-use assets	13,582	9,340	0	269	0	23,191
Property, plant and equipment	61,442	17,418	0	100	(0)	78,960
Equity-accounted investments	263	0	(0)	89,810	(89,519)	554
Other non-current assets	901	307	0	31,250	(31,250)	1,208
Deferred tax assets	3,531	3,827	0	13,733	0	21,091
Non-current assets	**85,725**	**37,708**	**(3)**	**135,317**	**(66,431)**	**192,316**
ASSETS	**188,612**	**95,400**	**296**	**177,737**	**(115,995)**	**346,050**
Liabilities and Equity						
Trade payables	21,284	25,938	14	1,045	(351)	47,930
Other current liabilities	10,262	9,664	19	2,228	(51)	22,122
Current borrowings	51,660	16,249	0	57,055	(49,163)	75,801
Current lease liabilities	2,932	2,168	(0)	88	0	5,188
Current derivative financial liabilities	19	0	0	21	0	40
Current tax liabilities	447	861	0	190	(0)	1,498
Short term provisions	900	41	1	212	0	1,154
Current liabilities	**87,505**	**54,922**	**31**	**60,839**	**(49,564)**	**153,733**
Non-current borrowings	42,704	4,375	0	5,088	(31,250)	20,917
Non-current lease liabilities	10,985	6,619	0	178	0	17,782
Provisions for employee benefits	1,293	2,551	0	832	0	4,676
Deferred tax liabilities	180	656	0	0	(0)	836
Other non-current liabilities	24,265	2,799	1	0	0	27,065
Long-term provisions	61	46	0	0	0	107
Non-current liabilities	**79,488**	**17,046**	**1**	**6,098**	**(31,250)**	**71,383**
Share capital	0	0	0	95,066	(0)	95,066
Statutory reserve	0	0	0	533	0	533
Share premium	0	0	0	5,305	0	5,305
Other reserves	27,626	22,477	274	5,964	(35,191)	21,150
Profit (Loss)	(6,417)	951	(10)	3,932	10	(1,534)
Equity attributable to owners of the Parent	**21,209**	**23,428**	**264**	**110,800**	**(35,181)**	**120,520**
Share capital and reserve	370	4	0	0	0	374
Profit (Loss)	40	0	(0)	0	0	40
Non-controlling interests	**410**	**4**	**0**	**0**	**(0)**	**414**
Total equity	**21,619**	**23,432**	**264**	**110,800**	**(35,181)**	**120,934**
LIABILITIES AND EQUITY	**188,612**	**95,400**	**296**	**177,737**	**(115,995)**	**346,050**

Comment on the Consolidated Balance Sheet items

Current assets

	30/06/2022	31/12/2021	Change	Change %
Cash and cash equivalents	4,262	19,500	(15,238)	(78%)
Financial assets	904	1,702	(798)	(47%)
Financial assets at FV through profit or loss	464	509	(45)	(9%)
Current derivative financial assets	685	0	685	100%
Trade receivables	35,884	37,015	(1,131)	(3%)
Other current assets	28,266	31,402	(3,136)	(10%)
Inventories	81,601	63,606	17,995	28%
Current Assets	**152,066**	**153,734**	**(1,668)**	**(1%)**

Note 2 Cash and cash equivalents

Cash and cash equivalents, amounting to €4,262 thousand, mainly relate to bank deposits and show a decrease of €15,238 thousand. The item includes €2,928 thousand in cash and cash equivalents held by the Parent Company as a pooler of the treasury financial management. There are no restricted cash.

Note 3 Financial assets

Current **financial assets** are recorded for €904 thousand; the item mainly includes receivables due from Invitalia for €485 thousand, from the parent SE.R.I. for €103 thousand and other residual assets for €316 thousand. For valuation purposes, all financial assets are classified as "Financial assets at amortised cost" (IFRS9.5.2.1).

Note 4 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are recorded for €464 thousand and include readily available securities called *"Cash collect protection 100%"* issued by Unicredit and held by the Parent Company.

Note 5 Current derivative financial assets

Current derivative financial assets are recorded for €685 thousand. The balance includes the valuation of two hedging derivatives subscribed by Seri Industrial and the subsidiary FIB: (i) €639 thousand refer to Seri Industrial, which subscribed to a swap derivative financial instrument to hedge against the risk of fluctuation of the interest rate in relation to a medium/long-term, variable rate unsecured loan agreement, signed on September 25, 2020, with Unicredit S.p.a., accounted for in accordance with IFRS 9; (ii) €46 thousand refer to the subsidiary FIB, which subscribed to a swap derivative financial instrument to hedge against the risk of fluctuation of the interest rate in relation to an unsecured, variable-rate loan agreement, signed on September 29, 2020, with Deutsche Bank, accounted for in accordance with IFRS 9. Given that the underlying elements of the financial instrument underwritten, and the underlying loan are closely related, in accordance with paragraph B6.4.4 of International Accounting Standard IFRS 9, it is therefore assumed that there is an economic relationship between the value of the hedging instrument and the hedged element such as to determine a similar reaction to the risk that is hedged. Pursuant to paragraph B6.4.14 of International Accounting Standard IFRS 9, the underlying elements of the hedging instrument and the hedged element are substantially aligned, so that only a "qualitative" check is carried out with reference to the effectiveness of the hedge.

Note 6 Trade receivables

Trade receivables are recorded for €35,884 thousand and show a decrease of €1,131 thousand compared to the previous year. The item comprised trade receivables for: €14,868 thousand related to the Batteries sector, €20,710 thousand related to the Plastic materials sector and €307 thousand from the Corporate sector; trade receivables in the Batteries sector decreased (€20,708 thousand at 31 December 2021), while those in the Plastic materials sector increased (€16,008 thousand at 31 December 2021). There are no significant financial components and return rights.

The Group has in place contracts for the sale of receivables with recourse in favour of factoring companies; as of June 30, 2022, receivables for a total nominal amount of €16,229 thousand (€14,161 thousand in 2021) are in existence, against which financial advances have been received from factoring companies for €8,462 thousand (€10,597 thousand in 2021). These financial advances have been removed from the financial statements as the conditions set out in IFRS 9 for the cancellation of the related financial liabilities are met.

Receivables recorded for a nominal amount of €40,079 thousand are adjusted by an allowance for doubtful accounts of €4,195 thousand, the changes in which during the period are as follows:

	31/12/2021	Increases	Decreases	30/06/2022
Allowance for doubtful accounts	4,287	110	(202)	4,195

The Group's exposure to credit risk consists of potential losses that could arise from the failure to fulfil the obligations undertaken by the counterparties. In order to measure this risk over time, as part of the impairment of its assets (including trade receivables from customers), the introduction of IFRS 9 required the transition from the incurred loss model in accordance with IAS 39 to the expected credit loss model. The Group uses a matrix to calculate Expected Credit Losses (ECL) for trade receivables and contractual activities. The matrix is based on the Group's observed historical insolvency rates. The amount of ECL is sensitive to changes in circumstances and expected economic conditions.

Note 7 Other current assets

Other current assets are recorded for €28,266 thousand and show a reduction of €3,136 thousand compared to the previous year. Current tax assets amounted to a total of €19,245 thousand and recorded a net reduction of €294 thousand; they mainly include tax credits for investments in the South and other investments for €15,917 thousand and tax credits for research, development and technological innovation for €1,398 thousand. Receivables from the parent company SE.R.I. SpA for transfers made under the Group VAT scheme amount to €246 thousand; against these receivables are recorded payables of the same nature for a total of €749 thousand.
As follows a breakdown of the item and comparison with the previous reference period:

Other current assets	30/06/2022	31/12/2021	Change	Change %
Other current receivables	8,292	6,021	2,271	38%
Current tax assets	19,245	19,539	(294)	(2%)
Accruals and prepayments	473	759	(286)	(38%)
Other assets with related parties	10	10	0	0%
Group VAT receivables	246	5,073	(4,827)	(95%)
Total other current assets	**28,266**	**31,402**	**(3,136)**	**(10%)**

As follows a detailed statement of the item with evidence of the reference segment:

Other current assets	Batteries	Plastic materials	Other	Corporate	Total
Other current receivables	5,729	2,284	0	273	8,292
Current tax assets	17,265	1,778	178	24	19,245
Accruals and prepayments	139	54	0	281	473
Other assets with related parties	0	0	0	10	10
Group VAT receivables	246	0	0	0	246
Total other current assets	**23,379**	**4,116**	**178**	**588**	**28,266**

The item "other current receivables" is recorded for a nominal amount of €8,858 thousand, adjusted by an allowance for doubtful accounts of €566 thousand. In the Batteries sector, the item mainly includes (i) receivables for €2,399 thousand relating to MISE contributions for the Teverola 2 project, (ii) receivables for €743 thousand from social security institutions and (iii) receivables for €776 thousand from Repiombo minorities. In the Plastic materials sector, the item mainly includes (i) receivables from Invitalia for €460 thousand for contributions related to the investment in the Alife site and (ii) receivables for insurance reimbursements for approximately €520 thousand.
As follows a detailed table of the item as of December 31, 2021 with evidence of the reference segment:

Other current assets	Batteries	Plastic materials	Other	Corporate	Total
Other current receivables	3,762	2,037	0	221	6,021
Current tax assets	17,182	1,890	175	293	19,539
Accruals and prepayments	282	150	0	327	759
Other assets with related parties	0	0	0	10	10
Group VAT receivables	2,000	2,887	0	186	5,073
Total Other current assets	**23,226**	**6,964**	**175**	**1,037**	**31,402**

Note 8 Inventories

Inventories are recorded for €81,601 thousand and show an increase of €17,995 thousand deriving both from the higher unit cost of raw materials and processing costs, and from the increase in stock at the Teverola 1 site.
As follows the breakdown of inventories by segment of activity:

Inventories	Batteries	Plastic materials	Total
Raw materials	14,389	10,937	25,326
Work in progress	10,747	1,114	11,860
Finished products and goods	12,046	28,376	40,422
Down payments	3,993	0	3,993
Total inventories	**41,175**	**40,427**	**81,601**

As follows the comparative figure on December 31, 2021, of inventories:

Inventories	Batteries	Plastic materials	Total
Raw materials	9,265	10,280	19,545
Work in progress	9,187	1,408	10,595
Finished products and goods	6,942	21,743	28,684
Down payments	4,782	0	4,782
Total inventories	**30,176**	**33,431**	**63,606**

Inventories as of June 30, 2022, are stated net of write-down provisions (equal to €1,741 thousand) recorded in previous years in order to adjust the value of the same with respect to the best estimate made about the damage suffered in the fire at the Avellino site. As follows the table shows the value of inventories with evidence of the related posting of provisions for write-downs:

Inventories	Batteries	Plastic materials	Total
Raw materials (gross value)	14,389	11,405	25,794
Inventory write-down provision	0	(468)	(468)
Raw materials	**14,389**	**10,937**	**25,326**
Work in progress	10,920	1,150	12,069
Inventory write-down provision	(173)	(40)	(213)
Work in progress	**10,747**	**1,110**	**11,857**
Finished goods products (gross value)	12,046	29,436	41,482
Inventory write-down provision	0	(1,060)	(1,060)
Finished goods	**12,046**	**28,376**	**40,422**
Down payments	**3,993**	**0**	**3,993**
Total inventories	**41,175**	**40,427**	**81,601**

Non-current assets

	30/06/2022	31/12/2021	Change	Change %
Intangible assets	68,828	67,312	1,516	2%
Rights-of-use assets	22,835	23,191	(356)	(2%)
Property, plant and equipment	75,860	78,960	(3,100)	(4%)
Equity-accounted investments	665	554	111	20%
Other non-current assets	1.193	1,208	(15)	(1%)
Deferred tax assets	20,336	21,091	(755)	(4%)
Non-current Assets	**189,717**	**192,316**	**(2,599)**	**(1%)**

Note 9 Intangible assets

Intangible assets are recorded for €68,828 thousand and have an increase of €1,516 thousand. As follows the breakdown intangible assets by type:

Intangible assets	30/06/2022	31/12/2021	Change	Change %
Goodwill	55,042	55,042	0	0%
Development costs	7,064	3,953	3,111	79%
Patents and concessions	1,062	723	339	47%
Other intangible assets	1,523	1,766	(243)	(14%)
Intangible assets in progress	4,136	5,827	(1,691)	(29%)
Total intangible assets	**68,828**	**67,312**	**1,516**	**2%**

Information relating to changes in the period is provided in detail in Annex 1.
The increase in development costs is attributable to reclassifications from intangible assets in progress.
Acquisitions in intangible assets for the period amounted to €3,121 thousand.

Goodwill includes the value that emerged in previous years, during Purchase Price Allocation, when the Group was established in its current configuration and the goodwill that emerged from the acquisition of the WWS Srl business unit by the subsidiary F&F for €705 thousand.

CGU	30/06/2022	31/12/2021
Batteries	15,330	15,330
Plastic materials	39,712	39,712
Total	**55,042**	**55,042**

Verification of the presence of indicators of impairment of tangible and intangible assets

In preparing the annual report, the management had to apply accounting principles and methodologies that in some circumstances are based on difficult subjective evaluations and estimates based on historical experience and assumptions that from time to time are considered reasonable and realistic in the circumstances. The use of such estimates and assumptions influences the amounts reported in the annual statements (for instance in the balance sheet, the income statement and the statement of financial position) and the disclosures provided.

In this context, analyses were carried out in accordance with IAS 36, paragraph 9-12, verifying the existence of indicators of impairment of assets, with reference to those with indefinite useful lives.
The analyses carried out by management as at June 30, 2022 took into account (i) the 2022-2026 Business Plan approved by the Board of Directors on June 22, 2022, (ii) the economic data for the period with respect to the forecasts, (iii) the performance of the projects in progress, (iv) the possible impacts deriving from the Russia-Ukraine conflict and (v) the tensions on the supply chain of raw materials and in particular the increase in electricity costs.

As a result of the analysis, no impairment indicators were identified.

Note 10 Rights-of-use assets

Rights-of-use assets are recorded for €22,835 thousand and show a reduction of €356 thousand. The breakdown of rights-of-use assets by type was as follows:

	30/06/2022	31/12/2021	Change	Change %
Rights-of-use assets	22,835	23,191	(356)	(2%)
of which: Rights of use - rental	*20,136*	*20,840*	*(704)*	*(3%)*
of which: Rights of use - leasing	*2,699*	*2,351*	*348*	*15%*
Total	**22,835**	**23,191**	**(356)**	**(2%)**

Information relating to changes in the period is provided in detail in Annex 2.
The rights-of-use assets mainly refer to rental contracts for industrial plants concluded with the related party Pmimmobiliare Srl.

Regarding rentals, the evaluation period is between 3 and 7 years, considering the expiry of contracts and any renewal periods. It should be noted that the fees are discounted at the marginal financing rate of the Company, identified at 3.5% on an annual basis.
The rights-of-use are recorded (net of the related depreciation and amortisation) for €13,001 thousand in the Batteries sector, for €9,606 thousand in the Plastic materials sector and for €228 thousand in the Corporate sector.

The subscriptions of new leasing contracts for the first half of 2022, amounting to a total of €617 thousand, relate to the Plastic materials sector for €482 thousand and the Batteries sector for €135 thousand.

Note 11 Property, plant and equipment

Property, plant and equipment are recorded for €75,860 thousand and show a reduction of €3,100 thousand. As follows the breakdown of property, plant and equipment by type:

Property, plant and equipment	30/06/2022	31/12/2021	Change	Change %
Land and buildings	1,941	2,042	(101)	(5%)
Plant and machinery	68,990	72,465	(3,475)	(5%)
Commercial and industrial equipment	3,287	3,274	13	0%
Other tangible assets	763	647	116	18%
Tangible assets in progress	879	532	347	65%
Total property, plant and equipment	**75,860**	**78,960**	**(3,100)**	**(4%)**

Information relating to changes in the period is provided in detail in Annex 3.
Acquisitions in property, plant and equipment amounted to €3,281 thousand and refer to investments made mainly in the Batteries sector at the Teverola site. Property, plant and equipment are recorded (net of the related depreciation and amortisation) for €59,009 thousand in the Batteries sector, for €16,726 thousand in the Plastic materials sector and for €125 thousand in the Corporate sector.

Note 12 Equity-accounted investments

Equity-accounted investments are recorded for €665 thousand and show an increase of €111 thousand. 63
As follows the composition of the item, by reference sector:

	Batteries	Plastic materials	Other	Corporate	Total
Equity-accounted investments	382	0	0	283	665
Total	**382**	**0**	**0**	**283**	**665**

As follows the comparative figure on December 31, 2021, of inventories:

	Batteries	Plastic materials	Other	Corporate	Total
Equity-accounted investments	263	0	0	290	554
Total	**263**	**0**	**0**	**290**	**554**

The item mainly includes: (i) the value of the investment in Matica Technologies Group SA for €283 thousand, relating to the Corporate sector (ii) the value of the investment in Bluecap RL for €358 thousand (up by €119 thousand during the period due to the subscription of tranches of capital increases), relating to the Batteries sector.

Note 13 Other non-current assets

Other non-current assets are recorded for €1,193 thousand and include security deposits recorded against rental agreements, of which €1,151 thousand to the related company Pmimmobiliare Srl.

Note 14 Deferred tax assets

Deferred tax assets are recorded for €20,336 thousand and show a reduction of €755 thousand. As of June 30, 2022, the item mainly consists of assets recorded (i) for €5,703 thousand (euro 6,338 as of December 31, 2021) against the revaluation balances recorded by the subsidiaries FIB, Seri Plast and Repiombo and (ii) for €13,706 thousand for tax losses of the Parent Company within the scope of the tax consolidation as per the following table:

	30/06/2022	31/12/2021
On losses before 2018	5,418	5,418
On 2020 losses	3,297	3,297
On 2021 losses	4,991	4,995
Total	**13,706**	**13,710**

Deferred tax assets relating to revaluation balances, the first recognition of which took place on December 31, 2020, were reversed during the period for €635 thousand.
The recoverability of these deferred taxes is subject to the obtaining of future taxable profits sufficient to absorb the above-mentioned tax losses and to use the benefits of other deferred tax assets.

Current liabilities

	30/06/2022	31/12/2021	Change	Change %
Trade payables	49,921	47,930	1,991	4%
Other current liabilities	16,342	22,122	(5,780)	(26%)
Current borrowings	53,219	75,801	(22,582)	(30%)
Current lease liabilities	5,187	5,188	(1)	(0%)
Current derivative financial liabilities	0	40	(40)	(100%)
Current tax liabilities	1,651	1,498	153	10%
Short term provisions	814	1,154	(340)	(29%)
Current Liabilities	**127,134**	**153,733**	**(26,599)**	**(17%)**

Note 15 Trade payables

Trade payables are recorded for €49,921 thousand and show an increase of €1,991 thousand compared to 31 December 2021 mainly attributable to the Batteries and Plastic materials sectors. In particular, €19,567 thousand relating to the Batteries sector, down compared to December 31, 2021, equal to €21,024 thousand, and €29,112 thousand relating to the Plastic materials sector, up compared to December 31, 2021, equal to €25,860 thousand.

Trade payables	Batteries	Plastic materials	Other	Corporate	Total
Trade payables with third parties	19,456	28,708	4	1,186	49,354
Trade payables with related parties	111	404	0	52	567
Total trade payables	**19,567**	**29,112**	**4**	**1,238**	**49,921**

As follows a table containing the comparison data for the previous year:

Trade payables	Batteries	Plastic materials	Other	Corporate	Total
Trade payables with third parties	20,880	24,619	4	945	46,447
Trade payables with related parties	144	1,241	0	96	1,483
Total trade payables	**21,024**	**25,860**	**4**	**1,041**	**47,930**

Trade payables due on June 30, 2022 amounted to €16,564 thousand (€15,338 thousand on December 31, 2021).

Note 16. Other current liabilities

Other current liabilities are recorded for €16,342 thousand and show a reduction of €5,780 thousand compared to December 31, 2021.
This item includes liabilities to employees and payables to social security and welfare institutions relating to current monthly payments, accrued and unused leave and additional monthly payments.

As follows a breakdown of the item and comparison with the previous reference period:

Other current liabilities	30/06/2022	31/12/2021	Change	Change %
Other liabilities to employees	5,721	4,510	1,211	27%
Other social security and welfare liabilities	2,660	3,147	(487)	(15%)
Other liabilities to third parties	2,179	4,920	2,741	(56%)
Other liabilities with related parties	119	111	8	7%
Fees and payables to institutions	60	111	(51)	(46%)
Accruals and prepayments	4,854	4,391	463	11%
Group VAT payables	749	4,932	(4,183)	(85%)
Total other current liabilities	**16,342**	**22,122**	**(5,780)**	**(26%)**

As follows a summary table of the composition of the item by reference sector:

Other current liabilities	Batteries	Plastic materials	Other	Corporate	Total
Other liabilities to employees	2,220	2,790	0	711	5,721
Other social security and welfare liabilities	928	1,525	0	206	2,660
Other liabilities to with third parties	1,352	507	18	301	2,179
Other liabilities with related parties	0	2	0	117	119
Fees and payables to institutions	0	60	0	0	60
Accruals and deferrals	4,350	501	0	2	4,854
Group VAT payables	67	403	0	279	749
Total other current liabilities	**8,917**	**5,788**	**18**	**1,616**	**16,342**

The item other liabilities to third parties mainly includes down payments from customers, for €1,004 thousand, of which €91 thousand relating to the Plastic materials sector and €913 thousand relating to the Batteries sector.

The item accruals and deferrals recorded an increase of €463 thousand compared to December 31, 2021; the balance is mainly composed of deferred income recorded following the recognition of tax credits as well as deferred income recorded against the grants accrued to Invitalia under the Lithium project and the investment of the subsidiary Seri Plast in the Alife site. The Invitalia grants, as well as the tax credits, are in fact charged to the income statement among the capital contributions in correlation with the depreciation of the assets for which the contribution is received. The contributions are then deferred for the part not accrued. These deferrals do not include the portions beyond twelve months that are shown in the section on non-current liabilities.
The Group's VAT payables item includes tax payables for VAT due to SE.R.I. SpA for €749 thousand, of which €403 thousand relating to the Plastic materials sector, €67 relating to the Batteries sector and €279 relating to the Corporate sector.

Note 17. Current borrowings

Current borrowings are recorded for €53,219 thousand and show a reduction of €22,582 thousand compared to December 31, 2021. This reduction is attributable to the exposure in the non-current borrowings of the non-current debt portions of the loan agreements assisted by financial covenants that, following concession of the waiver and in accordance with IAS 1, as of December 31, 2021 had been classified under current liabilities.

As follows a summary table of the type of indebtedness, with evidence of the technical form of indebtedness compared to the previous year:

Current borrowings	30/06/2022	31/12/2021	Change	Change %
Bank advances	29,401	28,218	1,183	4%
Bank loans	16,374	39,347	(22,973)	(58%)
Subsidised loans	2,612	2,409	203	8%
Bank accounts	2,683	2,717	(34)	(1%)
Other financial debts	2,148	3,110	(962)	(31%)
Total	**53,219**	**75,801**	**(22,582)**	**(30%)**

As follows a summary table of the type of debt by reference sector:

Current borrowings	Batteries	Plastic materials	Other	Corporate	Total
Bank advances	12,064	17,337	0	0	29,401
Bank loans	10,574	0	0	5,800	16,374
Subsidised loans	2,475	137	0	0	2,612
Bank accounts	2,539	112	0	33	2,683
Other financial debts	1,224	634	0	290	2,148
Total	**28,876**	**18,220**	**0**	**6.123**	**53,219**

As of June 30, 2022, there are no obligations relating to the verification of covenants with reference to compliance with certain financial parameters. The Group monitors the financial risks to which it is exposed, to assess in advance the potential negative effects and take the appropriate actions to mitigate them. Please refer to "Note 38. Risk Disclosure" for more details.

Note 18 Current lease liabilities

Current lease liabilities are recorded for €5,187 thousand and show a reduction of €1 thousand compared to December 31, 2021. As follows a summary table of the type of debt by reference sector:

Current lease liabilities	Batteries	Plastic materials	Other	Corporate	Total
Lease liabilities	2,854	2,244	0	89	5,187
of which: rental	*2,795*	*1,933*	*0*	*73*	*4,802*
of which: leasing	*59*	*311*	*0*	*16*	*385*

As follows a summary table of the type of debt relating to the previous year, with evidence of the reference sector:

Current lease liabilities	Batteries	Plastic materials	Other	Corporate	Total
Lease liabilities	2,933	2,169	0	88	5,188
of which: rental	*2,901*	*1,935*	*0*	*72*	*4,907*
of which: leasing	*32*	*234*	*0*	*16*	*281*

Note 19. Current tax liabilities

Current tax liabilities are recorded for €1,651 thousand and compared to the previous year show an increase of €153 thousand.

Note 20 Short term provisions

Short term provisions are recorded for €814 thousand and show a reduction of €340 thousand compared to December 31, 2021 attributable to the uses by the subsidiary FIB.

The item includes provisions for €608 thousand related to the Batteries sector (€900 thousand on December 31, 2021), €41 to the Plastic materials sector (€42 thousand at December 31, 2021) and €165 to the Corporate sector (€212 thousand at December 31, 2021).

Non-current liabilities

	30/06/2022	31/12/2021	Change	Change %
Non-current borrowings	50,274	20,917	29,357	140%
Non-current lease liabilities	17,501	17,782	(281)	(2%)
Provisions for employee benefits	4,334	4,676	(342)	(7%)
Deferred tax liabilities	583	836	(253)	(30%)
Other non-current liabilities	24,887	27,065	(2,178)	(8%)
Long-term provisions	120	107	13	12%
Non-current liabilities	**97,699**	**71,383**	**26,316**	**37%**

Note 21 Non-current borrowings

Non-current borrowings are recorded for €50,274 thousand and show an increase of €29,357 thousand compared to the previous year. As follows a summary table of the type of debt by reference sector:

	30/06/2022	31/12/2021	Change	Change %
Subsidised loans	10,590	10,729	(139)	(1%)
Bank loans	37,800	8,700	29,100	334%
Other financial debts	1,884	1,488	396	100%
Total	**50,274**	**20,917**	**29,357**	**140%**

The significant increase is attributable to the exposure in the non-current borrowings of the non-current debt portions of the loan agreements assisted by financial covenants that, in accordance with IAS 1 as of December 31, 2021, were classified as current liabilities as well as the renegotiation and extension of the loan agreement with Cassa Depositi e Prestiti Spa. Please refer to "Note 38. Risk Disclosure" for more details. As follows a summary table of the type of debt by reference sector:

Non-current borrowings	**Batteries**	**Plastic materials**	**Other**	**Corporate**	**Total**
Subsidised loans	9,938	652	0	0	10,590
Bank loans	4,600	0	0	33,200	37,800
Other financial debts	0	0	0	1,884	1,884
Total	**14,538**	**652**	**0**	**35,084**	**50,274**

Note 22 Non-current lease liabilities

Non-current lease liabilities are recorded for €17,501 thousand and show a reduction of €281 thousand compared to December 31, 2021. As follows a summary table of the type of debt by reference sector:

Non-current lease liabilities	**Batteries**	**Plastic materials**	**Other**	**Corporate**	**Total**
Lease liabilities	10,564	6,806	0	133	17,501
of which: rental	*10,375*	*5,976*	*0*	*89*	*16,438*
of which: leasing	*189*	*830*	*0*	*44*	*1,063*

As follows a summary table of the type of debt relating to the previous year, with evidence of the reference sector:

Non-current lease liabilities	**Batteries**	**Plastic materials**	**Other**	**Corporate**	**Total**
Lease liabilities	10,985	6,619	0	178	17,782
of which: rental	*10,869*	*5,960*	*0*	*126*	*16,956*
of which: leasing	*116*	*659*	*0*	*52*	*826*

Note 23. Provision for employee benefits

The item **Provision for employee benefits** includes the value of the debt to employees for the treatment due at the end of the employment relationship. On June 30, 2022, it was recorded for €4,334 thousand, a reduction of €342 thousand compared to December 31, 2021.

Personnel

As follows the Group's workforce as of June 30, 2022:

Category	Initial value	Hirings	Terminations	Final Value
Senior managers	1	0	0	1
Junior manager	41	0	(1)	40
Employees and apprentices	213	27	(25)	215
Workers	455	29	(20)	464
Total employees	**710**	**56**	**(46)**	**720**

The number of employees as of June 30, 2022 is 720, while the average number is 662.

Note 24 Deferred tax liabilities

Deferred tax liabilities are recorded for €583 thousand and show a decrease of €253 thousand compared to December 31, 2021. The change derives mainly from the accounting of leasing contracts in application of the accounting standard IFRS 16 and IAS 19.

Note 25 Other non-current liabilities

Other non-current liabilities are recorded for €24,887 thousand and show a decrease of €2,178 thousand compared to the previous year. As follows a breakdown of the item and comparison with the previous reference period:

Other non-current liabilities	30/06/2022	31/12/2021	Change	Change %
Deferred income for tax credits	15,067	16,457	(1,390)	(8%)
Other non-current deferrals	7,150	7,810	(660)	(8%)
Other non-current payables	2,670	2,798	(128)	(5%)
Total other non-current liabilities	**24,887**	**27,065**	**(2,178)**	**(8%)**

Other non-current liabilities are recorded for €22,178 thousand in the Batteries sector and for €2,710 thousand in the Plastic materials sector. Deferred income for tax credits is recorded for €13,087 thousand in the Batteries sector and for €1,980 thousand in the Plastic materials sector and is attributable to the non-current portion of deferred income recorded against the recognition of tax credits for tax benefits. The item also includes other deferred income relating to the non-current portion of Invitalia contributions, of which €6,542 thousand relating to the investment in the Lithium project and €608 thousand relating to the investment of the subsidiary Seri Plast in the Alife site.

As required by IAS 20, Invitalia benefits, like other tax benefits, are similar to grants for plant and equipment and are therefore charged to the income statement in relation to the depreciation of the assets for which the contribution is received. The benefits are therefore recognised for the part not pertaining to the year. These deferrals contain the non-current portions for the income referring to the expected amortisation beyond 12 months compared to June 30, 2022.

Note 26. Long-term provisions

Long-term provisions are recorded for €120 thousand and increase by €13 thousand. The item includes provisions in the Batteries sector, for €64 thousand, and in the Plastic materials sector, for €56 thousand.

Note 27. Equity

As follows the consistency of the items of equity as of June 30, 2022 and the comparison with the previous year:

Equity	30/06/2022	31/12/2021	Change	Change %
Share capital	96,523	95,066	1,457	2%
Statutory reserve	730	533	197	37%
Share premium	7,513	5,305	2,208	42%
Other reserves	16,973	21,150	(4,177)	(20%)
Profit (Loss)	(5,139)	(1,534)	(3,605)	235%
Equity attributable to owners of the Parent	**116,600**	**120,520**	**(3,920)**	**(3%)**
Share capital and reserve	405	374	31	8%
Profit (Loss)	(55)	40	(95)	(238%)
Non-controlling interests	**350**	**414**	**(64)**	**(15%)**
Total equity	**116,950**	**120,934**	**(3,984)**	**(3%)**

Share capital

On June 30, 2022, the share capital amounted to €96,523,374.03 divided into 49,012,348 ordinary shares following the conclusion of the Exercise Period of the seventeenth 'Uno SERI 2017 – 2022' Warrants.

At the date of this report, the share capital is equal to €96,640,782.03 divided into 49,071,052 ordinary shares following the conclusion of the eighteenth Exercise Period of the 'Uno SERI 2017 – 2022' Warrants.

The Warrants Uno SERI 2017-2022 give their holder the right to subscribe for compendium shares in the ratio of 1 (one) compendium share, every 10 (ten) 'Uno SERI 2017 – 2022' Warrants held, at the exercise price of €5.03 per share, by the end of December 31, 2022 or, if earlier, the last open day of the year 2022 (included). The 'Uno SERI 2017 – 2022' Warrants exercise periods are the last 10 (ten) trading days of each month of March, June, September and December of each year of validity of the warrant.

Currently, 81,439,887 'Uno SERI 2017 – 2022' Warrants are in circulation, incorporating the right to subscribe for total maximum 8,143,989 compendium shares, for a total value of €40,964,263, of which €16,287,977 as capital and the remaining part as share premium.

During 2022, in the periods of exercise of the 'SERI Warrants 2017 – 2022', the following warrants were exercised in addition to those exercised in previous years, starting from the date of signing:

Description	Periods	Number of Warrants	Shares issued	Equivalent	Share Capital Increase
'Uno SERI 2017 – 2022' Warrants issued		99,312,807			
Total for the 2018 financial year	1-4	37,930	3,793	19,078.79	7,586
Residual 'Uno SERI 2017 – 2022' Warrants at year-end 2018		99,274,877			
Total for the 2019 financial year	5-8	83,550	8,355	42,025.65	16,710
Residual 'Uno SERI 2017 – 2022' Warrants at year-end 2019		99,191,327			
Total for the 2020 financial year	9-12	4,460	446	2,243.38	892
Residual 'Uno SERI 2017 – 2022' Warrants at year-end 2020		99,186,867			
Total for the 2021 financial year	13-16	83,152,837	1,603,403	8,065,117.09	3,206,806
March 2022	17	1,125,910	112,591	566,332.73	225,182
June 2022*	18	587,040	58,704	295,281.12	117,408
Residual 'Uno SERI 2017 – 2022' Warrants		81,439,887			

(*) The change in the share capital took place in July 2022.

The following table shows the residual Warrants still to be exercised and the related subscribable compendium shares.

'Uno SERI 2017 – 2022' Warrants	ISIN IT0005273336
Number of residual warrants in circulation	81,439,887
Maximum number of subscribable shares	8,143,989
Strike Price	5
Maximum subscribable value in Euro	40,964,263

Profit (Loss) per share

Base profit (loss) per share is calculated by dividing the profit (loss) for the period attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings (loss) per share is calculated by dividing the earnings (loss) attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year and those potentially deriving from the conversion of the warrants discussed above. For the calculation, please refer to the consolidated income statement.

Statutory reserve

The item contains the statutory reserve of the Parent Company for €730 thousand.

Share premium

The share premium reserve amounts to €7,513 thousand.

Other reserves

The item contains the Parent Company's other reserves in addition to retained earnings. Other OCI reserves are also included, equal to a negative €144 thousand as of June 30, 2022 (negative by €992 thousand as of December 31, 2021). As follows the breakdown of the items of the other OCI reserves and the comparison with the previous year:

Other OCI reserves	30/06/2022	31/12/2021	Change	Change %
Currency exchange differences reserve	(491)	(498)	7	(1%)
Derivative financial instruments cash flow hedge reserve	520	(13)	533	(4,100%)
Employee defined benefit plan reserve	(173)	(481)	308	(64%)
Total	**(144)**	**(992)**	**848**	**(85%)**

Profit (Loss)

The result for the period amounted to negative €5,194 thousand.

Note 28. Non-controlling interest

The item composed of the share capital, reserves and the loss for the period of third parties includes the values relating to the share of equity belonging to the minorities of the companies Lithops Srl in liquidation (40%), F&F Srl (40%), P2P Srl (50%) and Repiombo Srl (0.18%). The equity attributable to non-controlling interest is substantially in line with the previous year.

Note 29. Net financial position

As follows the statement of the Group's financial indebtedness (or NFP - Net Financial Position[19]) as at June 30, 2022, drawn up as provided for by CONSOB's "Notice 5/21 of 29 April 2021" and in accordance with ESMA Recommendation 32-382-1138 of 4 March 2021, with evidence of the short-term components separately exposed from the medium-long term components, compared with the same information last published in the consolidated annual financial report as at December 31, 2021, as well as the relative reconciliation with the adjusted net financial position commented on in relation to operations in the paragraph "Consolidated balance sheet and financial position":

	NFP - NET FINANCIAL POSITION	30/06/2022	31/12/2021	Change	Change %
A)	Cash	4,262	19,500	(15,238)	(78%)
B)	Cash equivalents	904	1,702	(798)	(47%)
C)	Other current financial assets	1,149	509	640	126%
D)	**Liquidity D = (A + B + C)**	**6,315**	**21,711**	**(15,396)**	**(71%)**
E)	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	42,032	40,252	1,780	4%
F)	Current portion of non-current financial debt	16,374	40,777	(24,403)	(60%)
G)	**Current financial indebtedness G = (E + F)**	**58,406**	**81,029**	**(22,623)**	**(28%)**
H)	**Net current financial indebtedness H = (G - D)**	**52,091**	**59,318**	**(7,227)**	**(12%)**
I)	Non-current financial debt (excluding current portion and debt instruments)	37,800	8,700	29,100	334%
K)	Non-current trade and other payables	29,975	30,000	(25)	(0%)
L)	**Non-current financial indebtedness L = (I + J + K)**	**67,775**	**38,700**	**29,075**	**75%**
M)	**Total financial indebtedness (H+L)**	**119,866**	**98,018**	**21,848**	**22%**
N)	IFRS 16 adjustment	22,688	22,971	(283)	(1%)
O)	**Adjusted total financial indebtedness**	**97,178**	**75,047**	**22,131**	**29%**

The Group's net financial position, equal to €119,866 thousand (€98,018 thousand as of December 31, 2021), is mostly related to the significant investment activity in the Batteries sector for the implementation of the Teverola 1 project. With reference to indirect indebtedness, the total amount of provisions for risks recorded in the financial statements is equal to €934 thousand.

Note 30. Commitments and guarantees

As follows are the main commitments made and the guarantees given and received.

Guarantees issued

During the last financial year 2021, the companies Repiombo, FIB, Lithops and Faam Research Center, issued surety guarantees issued by the insurance company Allianz SpA in favour of the Revenue Agency about VAT carried as compensation in the context of the Group's VAT management relating to the 2020 fiscal year. The insurance company requested that SE.R.I. SpA be established as a joint obligor for a total of €664 thousand.

In 2020, the subsidiaries Fib and Seri Plast provided (as part of the Group's 2019 VAT management) the same insurance guarantee, with SE.R.I. SpA's obligation for a total of €7.98 million, of which Fib for €3.98 million and Seri Plast for €4.0 million. In relation to the framework agreement signed during 2015 between Seri Industrial and Eva Energia Valsabbia SpA relating to the sale of 100% of the capital of the subsidiary Co.se.r. Srl, Seri Industrial guarantees the buyer counterparty, as principal, the payment of any amounts due from the company subject to sale referred to in the framework agreement. In relation to the framework agreements relating to the sale of the shares of Idroelectrica Tosco Emiliana Srl and Murge Green Power Srl, signed during the 2018 financial year between Tolo Energia and the buyers, Seri Industrial has issued a letter of patronage to guarantee the regular fulfilment of the obligations assumed by Tolo Energia in relation to the operations.

[19] Information also provided at the request of Consob (see "Other information"), following the provision no. 0838644/21 of 28 July 2021.

Guarantees received

Due from related party

Mr Vittorio Civitillo, engineer, Mr Andrea Civitillo and SE.R.I. have issued commitments and guarantees in favour of credit institutions and leasing companies in relation to loans granted, among other things, to companies of the Seri Industrial Group for the benefit and in the interest of Seri Industrial and the companies themselves.

Beneficiary	Guarantee Amount	Guaranteed Party	Guarantor	Subject of the Guarantee
Ifitalia SPA	14,000	Fib - Seri Plast	PMI - A. and V. Civitillo - Seri Industrial	Factoring
Invitalia SpA	19,921	Fib	SME (mortgage)	Invitalia Loan
Intesa San Paolo SPA	3,000	Fib	A. and V. Civitillo - Seri Industrial	Credits/Cash Credits
Intesa San Paolo SPA	5,893	Seri Plast	A. and V. Civitillo - Seri Industrial	Factoring
Intesa San Paolo SPA	3,000	Seri Plast	A. and V. Civitillo - Seri Industrial	Credits/Cash Credits
Banco BPM SPA	3,050	Fib	SE.R.I.	Credits/Cash Credits
Banco BPM SPA	350	FS	SE.R.I.	Credits/Cash Credits
Alba Leasing SPA	82	Seri Plast	SE.R.I.	Leasing
BPER Banca SPA	500	Seri Plast	SE.R.I.	Credits/Cash Credits
Credit Agricole SPA	7,930	Seri Industrial	A. and V. Civitillo	Credits/Cash Credits

From third parties

The guarantees received from third parties relate to loans received under the Liquidity Decree. As follows the detail of the guarantees received as of June 30, 2022 that benefit from the SACE guarantee:

Beneficiary	Guarantee Amount	Guaranteed Party	Guarantor	Subject of the Guarantee	Original Loan Amount	Loan Amount residual
Deutsche Bank S.p.A.	3,000	FIB	SACE	Loan to FIB	3,000	2,100
Unicredit S.p.A.	15,000	Seri Industrial	FIB	Loan to Seri Industrial	15,000	15,000
Unicredit S.p.A.	13,500	Seri Industrial	SACE	Loan to Seri Industrial		
Unicredit S.p.A.	5,000	Seri Industrial	SERI PLAST	Loan to Seri Industrial	5,000	5,000
Unicredit S.p.A.	4,500	Seri Industrial	SACE	Loan to Seri Industrial		
Cassa Depositi e Prestisti S.p.A.	22,500	Seri Industrial	FIB	Loan to Seri Industrial	15,000	15,000
Cassa Depositi e Prestisti S.p.A.	13,500	Seri Industrial	SACE	Loan to Seri Industrial		
Banca Progetto SpA	3,600	Seri Industrial	SACE	Loan to Seri Industrial	4,000	4,000
Banca Progetto SpA	4,500	FIB	SACE	Loan to FIB	5,000	5,000

Intra-group guarantees

Beneficiary	Guarantee Amount	Guaranteed Party	Guarantor	Subject of the Guarantee
BPER Banca SPA	2,700	Fib	Seri Industrial	Credits/Cash Credits
Credit Agricole SPA	1,853	Fib	Seri Industrial	Credits/Cash Credits
Unicredit SpA	7,500	Fib	Seri Industrial	Pooled financing
Medio Credito Centrale SPA	6,500	Fib	Seri Industrial	Pooled financing
Banco BPM SPA	7,500	Fib	Seri Industrial	Pooled financing
Credit Agricole SPA	3,747	Seri Plast	Seri Industrial	Credits/Cash Credits
Deutsche Bank SPA	2,600	Fib	Seri Industrial	Credits/Cash Credits
Deutsche Bank SPA	390	Seri Plast	Seri Industrial	Credits/Cash Credits
Unicredit Leasing SPA	1,345	Seri Plast	Seri Industrial	Leasing
Unicredit Factoring SPA	16,500	Seri Plast	Seri Industrial	Factoring
Unicredit Factoring SPA	14,000	Fib	Seri Industrial	Factoring
Unicredit SpA	10,270	Fib	Seri Industrial	Credits/Cash Credits
Unicredit SpA	16,510	Seri Plast	Seri Industrial	Credits/Cash Credits

Commitments

Seri Industrial granted a shareholder loan to the subsidiary FIB of €22,8 million under the Lithium Project and the Invitalia loan for which the subsidiary FIB obtained a revolving loan – RCF Line, granted by three lending banks expiring on December 31, 2022, with the possibility of annual renewal. The shareholder loan was initially postponed to the credit reasons of the bank pool and the FIB-Project Bank loan. With reference to the subordinated bond loan, approved in July 2022 by FIB, at the time of issue there will be an agreement postponing the shareholder loan granted by Seri Industrial to FIB under which FIB will be obliged not to transfer any amount or other assets by way of repayment of the shareholder loan until July 2028.

Comment on consolidated income statement items

The Group recorded a significant increase in revenues from contract with customers and other operating income during the first half of 2022 compared to the previous reference period. The following values are expressed in thousands of euro.

Note 31. Revenues from contract with customers, income and internal works

Revenues	30/06/2022	30/06/2021	Change	Change %
Revenues from contract with customers	89,811	75,876	13,935	18%
Other operating income	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%**

As follows the table relating to revenues and other operating income by geographical area as of June 30, 2022 with the corresponding comparison period:

Total revenues from contract with customers and other operating income by geographical area	30/06/2022		30/06/2021	
	Revenues	%	Revenues	%
Italy	58,306	60%	43,542	54%
Europe	29,696	30%	31,059	38%
Asia	4,902	5%	4,064	5%
Africa	1,505	2%	1,245	2%
America	3,020	3%	900	1%
Oceania	133	0%	105	0%
Total	**97,562**	**100%**	**80,915**	**100%**

Revenues from contract with customers

As follows the breakdown of revenues from contract with customers between revenues from the sale of goods and services, by sector of activity, in relation to the current period:

Revenues from contract with customers	Batteries	Plastic materials	Other	Corporate	Total
Revenue from sale of goods	30,526	58,556	0	0	89,083
Revenue from services	689	0	0	39	728
Total	**31,215**	**58,556**	**0**	**39**	**89,811**

Revenues from sales relating to contracts with customers derive both from the sale of goods and the provision of services. The Group uses standard contractual conditions depending on the type of goods sold and/or services offered. Revenues from customers are almost entirely "point in time".

In the Batteries sector, revenues derive from the production and recycling of lead and lithium batteries for various applications such as (i) traction batteries (forklifts and earthmoving), both, mainly, for the aftermarket, with the assistance and maintenance services widespread on the market, and for OEMs (Original Equipment Manufacturer), (ii) storage/stationary batteries for storage plants (mainly telecommunications, UPS and electrical energy systems) both for OEMs and for the aftermarket, (iii) starter batteries (cars, motorcycles, trucks and special applications), mainly for the aftermarket sector. In addition, a recovery activity of spent batteries is carried out through a *smelter*, consisting of a section of crushing and recovery of spent batteries, fully operational, and a section of melting and subsequent refining, for the realization of complex alloys, of the metal part. Finally, in this sector, revenues are also derived from the construction of plants for the recovery of spent batteries.

In the Plastic materials sector, revenues derive from the production of plastic materials for the (i) battery market (production of special compounds and moulding of battery boxes and lids), (ii) automotive (production of special compounds) and (iii) sanitary hydrothermal, civil and naval shipbuilding (production of special compounds, extrusion and moulding of pipes, fittings and special parts).

Revenues are also derived from the sale of thermoplastic compounds both from primary polymers and from post-consumer recycled polymers (mainly spent batteries). The compounds produced are offered to the market of the manufacturers of boxes, lids and accessories for batteries (Serilene product) and for the automotive market (Serifill).

Other operating income

As follows the breakdown of other operating income, by sector of activity, for the current period:

Other operating income	Batteries	Plastic materials	Other	Corporate	Total
Contributions to research and development	216	153	0	0	368
Contributions for tax credits	1,297	163	0	0	1,460
Contributions for energy-intensive enterprises	441	1,058	0	0	1,499
Grants for operating expenses	2,577	58	0	0	2,636
Invitalia grants	604	51	0	0	655
Revenues from certificates and contributions	0	51	0	0	51
Extraordinary income	167	10	0	0	178
Capital gains on fixed assets	0	17	0	0	17
Other income	152	677	15	42	887
Total	**5,454**	**2,238**	**15**	**42**	**7,751**

Compared to the previous year, there was an increase in other operating income of €2,712 thousand.

Internal works

The item relating to internal works, equal to €3,915 thousand, is recorded for €2,600 thousand in the Batteries sector and for €1,315 thousand in the Plastic materials sector.

Note 32. Operating costs

Operating costs	30/06/2022	30/06/2021	Change	Change %
Purchase of materials	70,880	45,404	25,476	56%
Changes in inventories	(18,759)	(960)	(17,799)	1,854%
Services expense	23,746	15,387	8,359	54%
Other operating costs	1,405	1,563	(158)	(10%)
Personnel costs	15,350	14,648	702	5%
Total operating costs	**92,622**	**76,042**	**16,580**	**22%**

As follows the individual items of operating costs, providing the relevant details. The significant increase in operating costs compared to the previous period is mainly due to the significant increase in the cost of raw materials and electricity.
The item “Purchase of materials” equal to €70,880 thousand, mainly refer to raw materials for €59,301 million, of which €22,561 million relating to the Batteries sector and €36,740 million relating to the Plastic materials sector.
The item change in inventories reflects the use of raw materials, finished products and work in progress.

As follows the detail of the change in inventories:

Changes in inventories	30/06/2022	30/06/2021	Change	Change %
Changes in finished products	(12,722)	(10)	(12,712)	127,120%
Changes in goods	(275)	(5)	(270)	5,400%
Changes in raw materials	(5,762)	(945)	(4,817)	510%
Changes in inventories	**(18,759)**	**(960)**	**(17,799)**	**1,854%**

As follows the item services expense, amounting to €23,746 thousand:

Services expense	30/06/2022	30/06/2021	Change	Change %
Professional advices	1,299	1,044	255	24%
Transportation and duties	5,575	4,330	1,245	29%
Electricity	8,253	3,185	5,068	159%
Bonuses and commissions	1,472	2,462	(990)	(40%)
Outsourced work	2,980	2,451	529	22%
Fees to statutory auditors	113	112	1	1%
Auditing service fees	144	98	46	47%
Other services	3,910	1,705	2,205	129%
Total services expense	**23,746**	**15,387**	**8,359**	**54%**

The increase in services expense is mainly attributable to the higher incidence of utility costs and in particular electricity as well as transport.

Other operating costs are recorded for €1,405 thousand as follows the breakdown of the item:

Other operating costs	30/06/2022	30/06/2021	Change	Change %
Lease expense	749	774	(25)	(3%)
Provisions	7	9	(2)	(22%)
Other expenses	649	780	(131)	(17%)
Other operating costs	**1,405**	**1,563**	**(158)**	**(10%)**

The Group has leasing contracts in place for industrial buildings, plant and machinery, vehicles and other assets that are used in operating activities. Leases relating to industrial buildings, plants and machinery generally last between 3 and 15 years, while leases for vehicles and other goods generally last between 3 and 5 years. The liabilities of the Group relating to these leasing contracts are guaranteed by the title of the lessor on the leased assets. Generally, the Group cannot in turn lease the leased assets to third parties and certain contracts require compliance with certain liquidity indices. In addition, for certain machinery leases with a duration of 12 months or less and office equipment with a low value, the Group has chosen for these contracts to apply the exemptions provided for in IFRS16 in respect of short-term or low-value leases.

Personnel costs are recorded for €15,350 thousand as follows the breakdown of the item.

Personnel costs	30/06/2022	30/06/2021	Change	Change %
Wages and salaries of employees	10,471	10,099	372	4%
Wages and salaries of Directors	737	703	34	5%
Social security contributions of employees	2,887	2,784	103	4%
Social security contributions of Directors	91	85	6	7%
Cost related to employee benefit plans	664	784	(120)	(15%)
Other personnel costs	500	193	307	159%
Personnel costs	**15,350**	**14,648**	**702**	**5%**

Personnel costs include, in addition to current costs related to employees and similar personnel, also the portions pertaining to the period referring to accrued and unused holidays, accruals for additional monthly payments and legal provisions. The items wages and salaries and social security contribution refer, in addition to the costs of employees, equal to a total of €13,358 thousand, also to the remuneration of Directors and related contributions, for a total of €828 thousand. The cost related to employee benefit plans contains the accrued portion of the period relating to future benefits that will accrue upon termination of the employment relationship. Other personnel costs mainly relate to canteen service and the purchase of meal vouchers for employees and other ancillary costs.

Note 33. Depreciation, amortisation and write-downs/write-backs

As follows the summary table relating to depreciation and amortisation, equal to €10,826 thousand, and write-downs/write-backs of €39 thousand:

Depreciation, amortisation and write-downs/write-backs	30/06/2022	30/06/2021	Change	Change %
Depreciation and amortisation	10,826	9,614	1,212	13%
Write-downs/write-backs	(39)	153	(192)	(125%)
Total	**10,787**	**9,767**	**1,020**	**10%**

As follows the summary table with evidence of the reference sector:

Depreciation, amortisation and Write-downs/Write-backs	Batteries	Plastic materials	Other	Corporate	Total
Depreciation and amortisation	6,986	3,747	0	93	10,826
Write-downs/write-backs	110	(149)	0	0	(39)
Total	**7,096**	**3,598**	**0**	**93**	**10,787**

Depreciation and amortisation of the Batteries sector refer to €5,410 thousand to the investment made and in progress relating to the Teverola 1 and 2 projects, of which €4,212 thousand for amortisation and depreciation of the investments made (Teverola 1) and €1,198 thousand for rights of use relating to the lease of the Teverola 1 (€515 thousand) and Teverola 2 (€683 thousand) properties.

Note 34. Finance income (expense)/ Profit (Loss) from equity-accounted investments

As follows the summary table as of June 30, 2022 with evidence of the reference sector:

Financial management	Batteries	Plastic materials	Other	Corporate	Total
Finance income	511	82	0	1	594
Finance expense	1,336	1,040	0	609	2,988
Profit (Loss) from equity-accounted inv.	0	0	0	(7)	(7)
Total	**(825)**	**(958)**	**0**	**(615)**	**(2,401)**

Financial management reports finance income of €594 thousand. Finance expense is recorded for €2,988 thousand and is mainly attributable to interest on the financing sources used to meet the investments made and the management of working capital. As follows a summary table of the previous reference period:

Financial management	Batteries	Plastic materials	Other	Corporate	Total
Finance income	278	15	0	12	305
Finance expense	831	900	0	337	2,069
Profit (Loss) from equity-accounted inv.	0	0	0	4	4
Total	**(553)**	**(885)**	**0**	**(321)**	**(1,760)**

Note 35. Income taxes

As follows the summary table as of June 30, 2022 with evidence of the reference sector:

Income taxes	Batteries	Plastic materials	Other	Corporate	Total
Current taxes	195	27	0	0	222
Deferred taxes expense/(income)	176	447	0	15	639
Total	**371**	**474**	**0**	**15**	**861**

The item mainly refers to the reversal of deferred tax assets, amounting to €635 thousand, recorded on the revaluation balances recorded in the financial statements drawn up in accordance with the national OIC accounting standards of the subsidiaries FIB, Seri Plast and Repiombo. For more details, please refer to "Note 14. Deferred tax assets".

As follows a summary table of the previous reference period:

Income taxes	Batteries	Plastic materials	Other	Corporate	Total
Current taxes	236	69	0	0	305
Deferred taxes expense/(income)	216	476	0	3	695
Total	**452**	**545**	**0**	**3**	**1,000**

Note 36. Related party transactions

In implementation of the provisions of Article 2391 bis of the Civil Code as well as the Regulations adopted on the matter by CONSOB resolution N. 17221 of 12 March 2010, and subsequent amendments and additions, during the month of June 2021, the Board of Directors of Seri Industrial SpA updated the procedure governing the approval and execution of transactions with related parties carried out by Seri Industrial, directly or through subsidiaries. This procedure (available on the Company's website at https://www.seri-industrial.it/index.php/procedura-per-le-operazioni-con-le-parti-correlate) identifies the *set* of rules aimed at ensuring the transparency and correctness, both substantive and procedural, of transactions with related parties.

Pursuant to Consob Resolution no. 15519 of 27 July 2006, the effects of relations with related parties on assets and liabilities and on economic items are highlighted in a specific annex (Annex 4), in order not to compromise the overall readability of the same. Relationships with related parties are identified according to the extended definition provided by IAS 24, that is, including relationships with administrative and control bodies as well as with executives with strategic responsibilities.

Relationships between companies included in the scope of consolidation

The relationships with the subsidiaries are eliminated when preparing the consolidated annual and half-year financial statements. The aforementioned transactions with subsidiaries mainly concern:

- the disbursement of loans, the management of cash pooling and the issuance of guarantees, such as the co-obligation for VAT refunds, the issuance of comfort letters under leasing contracts, the issuance of guarantees under share transfer agreements;
- the provision of centralised services for the management of administrative, corporate, legal and contractual, tax and personnel management activities;
- relations with subsidiaries as part of the tax consolidation for IRES purposes.

The relationships between companies included in the scope of consolidation also include, by way of example: (i) supply relationships of products and semi-finished products (between Seri Plast and Fib and between Fib and FS/Repiombo); (ii) employment relationships between Seri Plast and the subsidiaries Plastam Europe Sas, ICS EU Sas and ICS Poland; (iii) recognition of royalties to FIB by the subsidiaries Yixing Faam Industrial Batteries (YIBF) and FS for the use of the "Faam" and "Carbat" trademarks respectively. These transactions are excluded from the application of the procedural rules provided for transactions with related parties ("OPC Procedure") being transactions with or between companies controlled, also jointly, by Seri Industrial.

Relations with the parent company and the other companies of the Group to which it belongs and the shareholders, as well as companies attributable to them, which hold significant investments in the capital of the Company

The main Related Parties[20]

The following subjects are the most relevant related parties of the Company and the Seri Industrial Group:

- the Civitillo Executives;
- companies that are also indirectly invested by Civitillo Executives.

Mr Vittorio Civitillo, engineer, Chief Executive Officer, and Mr Andrea Civitillo, as of June 30, 2022 are indirectly holders, through SE.R.I. S.p.A., of shares of the Company corresponding to a total of 60.4% of the share capital of the Company.
As follows the main transactions that the Seri Industrial Group has carried out with the Related Parties.

[20] Information also provided at the request of Consob (see "Other information"), following the provision no. 0838644/21 of 28 July 2021.

Property leases

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 controlled by Vittorio Civitillo and Andrea Civitillo;

Lessee	Location	Lessor	Expiry date (mm/yyyy)	Use	Annual rental fee (1)	Security deposits
FS Srl	Dragoni (CE)	Pmimmobiliare Srl (2)	11/2028(5)	Wharehouse	18,000	1,500
Fib Spa	Monte Sant'Angelo (FG)	Pmimmobiliare Srl (2)	10/2024(6)	Industrial	125,040	45,000
Fib Spa	Monterubbiano (FM)	Pmimmobiliare Srl (2)	02/2024(6)	Industrial	121.000	25,000
Fib Spa	Teverola (CE)	Pmimmobiliare Srl (2)	02/2027(3)	Industrial	1,200,000	400,000
Fib Spa	Teverola (CE)	Pmimmobiliare Srl (2)	10/2026(5)	Industrial	1,500,000	375,000
Seri Plast Spa	Avellino (AV)	Pmimmobiliare Srl (2)	12/2023(6)	Industrial	144.600	10,000
Seri Plast Spa	Canonica D'Adda (BG)	Pmimmobiliare Srl (2)	12/2023(6)	Industrial	578,400	40,000
Seri Plast Spa	Pioltello (MI)	Pmimmobiliare Srl (2)	03/2023(10)	Industrial	686,040	150,000
Seri Industrial SpA	San Potito Sannitico (CE)	Az. Agr. Quercete (9)	08/2024(7)	Offices	78,000	N/A
Fib Spa	Alife (CE)	Pmimmobiliare Srl (2)	04/2023(10)	Industrial	130,000	N/A
Seri Plast Spa	Alife (CE)	Pmimmobiliare Srl (2)	04/2023(10)	Industrial	239,000	N/A
ICS EU Sas	Peronne (France)	Pmimmobiliare Srl (2)	05/2032(8)	Industrial	180,000	100,000
Seri Industrial SpA	San Potito Sannitico (CE)	Pmimmobiliare Srl (2)	07/2022(11)	Guest Quarters	6,000	N/A
Seri Plast Spa	Alife (CE)	Pmimmobiliare Srl (2)	04/2023(10)	Land	10,000	1,667
Repiombo Srl	Calitri (AV)	Pmimmobiliare Srl (2)	12/2025(5)	Industrial	20,000	3,333

(1) Rent determined on the date of signing the contract, plus VAT, subject to ISTAT revaluation.
(2) Pmimmobiliare Srl is a related party of the Issuer because it is indirectly controlled, through SE.R.I. by A. and V. Civitillo.
(3) Duration 9 years with automatic renewal for a further 6 years, unless terminated by the lessor 12 months before (on the 2nd renewal 6 months).
(4) Duration 6 years with automatic renewal for a further 6 years, unless terminated by the lessor 12 months before (on the 2nd renewal 6 months).
(5) Duration 6 years with automatic renewal for a further 6 years, unless terminated by one of the parties 12 months before.
(6) Duration 9 years with automatic renewal for a further 9 years unless terminated by one of the parties 12 months before.
(7) Duration 6 years with automatic renewal for a further 6 years unless terminated by one of the parties 12 months before (on the 2nd renewal 6 months).
(8) Duration 9 years with automatic renewal for a further 9 years unless terminated by one of the parties 18 months before and right of withdrawal to the lessor with notice of 6 months.
(9) Azienda Agricola Quercete Società Agricola a.r.l. is a related party of the Issuer because it is 100% owned by the related party Pmimmobiliare Srl (see note 2 above).
(10) Duration 1 year with express renewal by the Lessee for a further 1 year, to be notified at least 2 months in advance.
(11) Duration 4 years without renewal.

Guarantees and indemnities

Through SE.R.I., 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 guarantee and indemnity commitment, with cumulative delegation of debt and payment and debt support, in the context of factoring of trade receivables by the Group.

In particular, with private deeds dated 26 April 2018, the Guarantor signed agreements with the Group companies that sold their receivables pro solving to the factoring companies. With these agreements, the Group companies were relieved of any claim and/or request made by the factoring companies, deriving from the non-payment by the debtors (sold) of receivables claimed and sold by them. If one of the factoring companies should demand, by virtue of assignments "with recourse" of receivables, the retrocession of the assigned receivables and/or the repayment of the amount advanced due to non-payment of the assigned receivables, the Guarantor undertook to indemnify and hold them harmless from any claims made by the factoring companies, proceeding to direct payment through the signed delegation of payment or debt.

For the guarantee and indemnity commitment, each of the Group companies recognises, in favour of the Guarantor, a lump sum amounting to 0.2% of its assigned receivables. The Group companies are expected to transfer the receivables from the factoring to the Guarantor to allow the retrocession of the receivables due from the assigned debtors in the event of non-payment.

The transaction constitutes a "transaction between related parties" of "greater relevance" due to the position of Mr Vittorio Civitillo, pursuant to the provisions of the Consob Related Parties Regulation and the OPC Procedure. For further details, please refer to the information document published on May 3, 2018 and available on the Company's website pursuant to Article 5 of the Consob Related Parties Regulation.

In conclusion, Mr Vittorio Civitillo, engineer, Mr Andrea Civitillo and SE.R.I. have issued commitments and guarantees in favour of credit institutions and leasing companies in relation to loans granted to companies of the Seri Industrial Group for the benefit and in the interest of Seri Industrial and the companies themselves.

During the period, the Group concluded two transactions concerning two obligations that the parent company SE.R.I. SpA, as guarantor, has assumed with regard to the renewal of guarantees issued in the interest of its subsidiaries, FIB and Seri Plast, in favour of Unicredit SpA (hereinafter the "Bank"), for the fulfilment of the obligations assumed in the

context of banking transactions carried out by the main debtors with the bank itself. Said sureties are issued as part of the renewal and modification of operations that the two subsidiaries, Fib and Seri Plast, have in place with the bank itself for €7,020 thousand and €10,660 thousand respectively.
If these transactions – considered cumulatively - were to be transactions between related parties pursuant to Article 13 of the Consob Regulation containing provisions on transactions with related parties, the transactions would be ordinary major transactions concluded under conditions equivalent to market or standard conditions and therefore excluded from the procedural scope provided for by the OPC Procedure adopted by the Company.

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 June 30, 2022, the Group has a total credit position of €246 thousand and a debt position of €749 thousand.

Other relations with the shareholder SE.R.I.

The Seri Industrial Group has further financial relations with SE.R.I. S.p.A., resulting in a debtor of €2,300 thousand.

Other residual ratios

Finally, 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, for the details of which reference is made to the following tables, which contain economic and equity information on the relationships in place with Related Parties.

The following tables show the quantitative information on the balance sheet and economic relationships existing at June 30, 2022, with Related Parties held by the Seri Industrial Group with the parent company and the other companies of the Group to which it belongs, the shareholders who hold significant investments in the capital of the Company and/or of the subsidiaries (minorities).

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

(euro/000)	30/06/2022		31/12/2021	
	Receivables and other assets	Payables and other liabilities	Receivables and other assets	Payables and other liabilities
Other related parties				
WWS Group Srl	0	642	0	632
FRIEM spa	0	14	0	14
Marzano Nuova Distribuzione Srl	0	0	19	1
Luvim Srl	0	0	7	0
Rental Srl in liquidation	0	0	15	132
Subtotal	**0**	**656**	**41**	**779**
Companies attributable to Civitillo executives				
Cotton Movie & Food Srl	0	1	0	3
Cotton S. Srl	10	458	8	99
Cotton Tech Srl	0	2	0	2
Elektra Srl	12	172	76	360
Hm Srl Hotel Miralago	0	0	2	0
Manita Creative Srl	0	73	0	146
Seri Lab Srl	14	34	14	29
Società Agricola Quercete Srl	0	13	0	14
Trade e Plant Srl	0	47	0	21
Subtotal	**37**	**800**	**100**	**674**
Companies belonging to the SERI SPA GROUP				
Arco Felice Srl	18	0	15	0
Azienda Agricola Quercete arl	20	196	16	238
Cam Srl	2	0	1	0
Deagle Srl	4	0	3	0
Dema Srl	2	0	1	0
Italo Srl	2	0	1	0
Kronos Srl	2	0	2	0
Makespresso Srl	1	0	1	0
Marvit Srl	2	0	2	0
Pmimmobiliare Srl	1,428	19,502	1,536	22,646
Polisportiva Matese	11	6	5	58
Seri Development & Real Estate Srl	39	80	33	139
Subtotal	**1,529**	**19,784**	**1,616**	**23,081**
Parent Companies				
Industrial SpA	0	0	3	2,247
SE.R.I. SpA	384	3,595	5,103	4,936
Subtotal	**384**	**3,595**	**5,106**	**7,183**
Total	**1,951**	**24,835**	**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 €19,180 thousand. Amounts due to Azienda Agricola Quercete are attributable to the application of accounting standard IFRS 16 for €163 thousand.

With reference to the balance sheet transactions as of June 30, 2022, the following table shows the balances with details of the counterparty and by nature of the relationship:

30/06/2022	Trade receivables	Financial assets	Other assets	Trade payables	Financial liabilities	Other liabilities
Other related parties						
WWS Group Srl					642	
FRIEM spa				14		
Subtotal	**0**	**0**	**0**	**14**	**642**	**0**
Companies attributable to Civitillo executives						
Cotton Movie & Food Srl				1		
Cotton S. Srl	10			458		
Cotton Tech Srl				2		
Elektra Srl	12			172		
Hm Srl Hotel Miralago				0		
Manita Creative Srl				73		
Seri Lab Srl	14			34		
Società Agricola Quercete Srl	0			13		
Trade e Plant Srl				47		
Subtotal	**37**	**0**	**0**	**800**	**0**	**0**
Companies belonging to the SERI SPA GROUP						
Arco Felice Srl	18					
Azienda Agricola Quercete arl	20			33	163	
Cam Srl	2					
Deagle Srl	4					
Dema Srl	2					
Italo Srl	2					
Kronos Srl	2					
Makespresso Srl	1					
Marvit Srl	2					
Polisportiva Matese	11			6		
Pmimmobiliare Srl	256	1	1,170	320	19,180	2
Seri Development & Real Estate Srl	29		10	80	0	
Subtotal	**348**	**1**	**1,180**	**439**	**19,343**	**2**
Parent Companies						
SE.R.I. SpA	35	103	246	35	2,811	749
Subtotal	**35**	**103**	**246**	**35**	**2,811**	**749**
Total	**420**	**104**	**1,426**	**1,288**	**22,797**	**751**

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

	30/06/2022		30/06/2021	
(euro/000)	Costs	Revenues	Costs	Revenues
Other companies				
Ecopiombo Srl			7	
Industrial Spa			37	5
WWS Group Srl	11	12		
Marzano Nuova Distribuzione Srl			3	6
Rental Srl in liquidation			80	3
	11	**12**	**127**	**14**
Companies attributable to Civitillo executives				
Cotton film & food Srl	4	0	1	
Cotton S. Srl	379	0	23	1
Elektra Srl	107	12	97	8
Manita Creative Srl	194	0	189	
Seri Lab Srl	4	1	6	1
Agricultural company Quercete Srl	8	0	9	
Trade e Plant Srl	21	0	21	
Other related parties	**717**	**13**	**346**	**10**
Companies belonging to the SERI Group				
Arco Felice Srl	0	3		3
Azienda Agricola Quercete arl	8	4	4	3
Deagle Srl	0	1		0
Dema Srl	0	0		0
Italo Srl	0	0		0
Kronos Srl	0	0		1
Makespresso Srl	0	0		0
Marvit Srl	0	0		1
PMImmobiliare Srl	546	8	459	5
Polisportiva Matese	48	6		1
Seri Development & Real Estate Srl	235	3	208	4
Other related parties	**837**	**26**	**671**	**18**
PARENT COMPANIES				
SE.R.I. SpA	43	9	9	4
Subtotal	**43**	**9**	**9**	**4**
Directors' fees				
Directors' fees	828		788	
Remuneration to committees	26		30	
Other	54		54	
Subtotal	**908**	**0**	**872**	**0**
Total	**2,515**	**60**	**2,025**	**46**

In application of IFRS 16, leases are recognised by recording the "Right of use", consequently the income statement is impacted by finance expense and not also by the cost of lease payments. At Group level, the lease cost recognised to related parties during the first half of 2022 amounted to €2,791 thousand, while the finance expense related to rights of use, recorded in application of IFRS 16, amounted to €391 thousand. There are also certain relationships with other companies attributable to the Civitillo family in relation to supplies and services of a technical and industrial, consulting and professional nature, regulated under conditions similar to those generally applied in the sector in which the individual companies operate.

These relationships are mainly in place with the following companies:

- Seri Development & Real Estate Srl has provided the Group with technical and operational services (from 1 July these services will be provided by Pmimmobiliare Srl);
- Elektra Srl and Cotton S.r.l. provide the Group with ordinary and extraordinary maintenance materials and services for the plants;
- Manità Creative Srl provides marketing services and takes care of the printing of advertising material.

In relation to the correlation profiles:

Azienda Agricola Quercete a rl is 100% owned by Pmimmobiliare Srl, which in turn is 100% controlled by SE.R.I. S.p.A.

Elektra Srl is 51% owned by Charity Srl, while Cotton Sport Srl and Manita Creative Srl are 100% owned by Charity Srl, which in turn is 50% owned by Andrea Civitillo.

Relations with administrative and control bodies, as well as with executives with strategic responsibilities

As of June 30, 2022, Vittorio Civitillo, Chief Executive Officer, and Andrea Civitillo are indirectly holders, through SE.R.I. Spa, of Seri Industrial shares corresponding to a total of 60.41% of the Company's share capital.
SE.R.I. Spa is controlled by Vittorio Civitillo, who owns 50.6%, while Andrea Civitillo owns 49.4%.
The fees accrued by the members of the Board of Directors of the Company represent a relationship with related parties.

Note 37. Contingent assets and contingent liabilities

The Group is a party to proceedings of various kinds. If the risk has been assessed as probable, a specific risk provision has been set aside, also based on the assessments of the lawyers who assist the various Group companies.

Contingent liabilities

In addition to the fund allocated in the financial statements, it cannot be excluded that in the future the Group may incur other liabilities in consideration of: i) the uncertainty regarding the final outcome of the proceedings in progress for which the loss was assessed as unlikely; ii) the occurrence of further developments that may lead to a review of the judgment on the probability of loss; iii) inaccuracy of the estimates of provisions due to the complex determination process.
For the description of the contingent liabilities, please refer to what is reported in the Annual Financial Report as of December 2021. As follows the updates that occurred during the first half of 2022.

Labour disputes

Fib Litigation/Former Employees

Labour litigation that remains with 3 employees who have filed an appeal before the Foggia Labour Court challenging their exclusion from the transfer to FIB SpA - in the context of an extraordinary business lease operation and subsequent purchase of IBF SpA by FIB SpA. On June 30, 2022, the Company, supported by the opinion of its lawyers, valued the liability at €118 thousand.

Tax assessments

FIB Spa for the incorporated Seri Plant Division Srl: Verification Report on the annuals from 2012 to 2015 delivered on 20 June 2017 by the Caserta Tax Police Unit - Revenue Protection Section

Fib has challenged notices of assessment before the Provincial Tax Commission of Caserta for the cancellation after suspension of the notices of assessment issued by the Inland Revenue of Caserta that contest the incorrect temporal imputation of negative income components with reference to the tax periods 2013, 2014 and 2015.
The judgments are defined with a rejection judgment, except for IRES 2015. The total contingent liability is €1,193 thousand, of which €95 thousand for IRAP and €1,098 for IRES; Fib appealed to each judgment. With the support of its consultants, FIB has decided not to set aside any provision for tax risks.
It should be noted that the economic impact deriving from the assessment notices issued with reference to the tax periods 2013, 2014 and 2015, being exclusively the incorrect temporal imputation of negative income components but also of greater and related positive income components, would be limited to the applicable sanctions, assessed by the lawyer who assists the company in the reduced amount of €250 for each judgment for evident absence of tax damage. The provisions are therefore recorded in the amount reduced by the penalties.

Contingent assets

For the description of the potential activities, please refer to what is reported in the Annual Financial Report as of December 2021. There were no updates during the first half of 2022.

Note 38. Risk disclosure

Credit risk

The maximum theoretical exposure to credit risk for the Group is represented by the book value of the assets represented in the financial statements. Positions for which there is an objective condition of partial or total uncollectibility are subject to individual write-down. The amount of write-downs takes into account an estimate of recoverable flows and the related date of collection, future recovery charges and expenses.

				Ageing of overdue amounts			
	30/06/2022	Current	Overdue	30 days	60 days	90 days	> 90 days
Financial assets	904	801	103	0	0	0	103
Financial assets at fair value through profit or loss	464	464	0	0	0	0	0
Trade receivables	40,079	26,568	13,511	5,213	262	218	7,819
- Allowance for doubtful accounts	(4,195)	0	(4,195)	0	0	0	(4,195)
Other current assets	28,833	27,262	1,571	0	0	0	1,570
- Allowance for doubtful accounts	(566)	0	(566)	0	0	0	(566)
Current assets	**65,518**	**55,094**	**10,424**	**5,213**	**262**	**218**	**4,732**
Other non-current assets	1.193	1.193	0	0	0	0	0
Non-current assets	**1.193**	**1.193**	**0**	**0**	**0**	**0**	**0**
Total	**66,711**	**56,286**	**10,424**	**5,213**	**262**	**218**	**4,732**

Trade receivables accrued by companies are allocated to many customers except for certain sectors, such as the production of battery boxes where customers are concentrated on a very limited number of customers, having a high creditworthiness class.

Overdue trade receivables are constantly monitored and have been expressed at the presumed realisable value.

Liquidity risk[21]

Liquidity risk is the risk that the company will not be able to meet its financial commitments in a timely manner due to difficulties in raising funds or liquidating assets on the market. The two main factors that determine the Company's liquidity situation are on one side the funds generated by or used in operating and investing activities and on the other the characteristics of due dates and renewal of payables or the liquidity of the funds employed and market terms and conditions. The Group applies a financial policy aimed at minimising risk through the diversification of its short-term and long-term funding sources and counterparties and strives to have access to funding sources that can meet planned needs.

The Group's liquidity is managed centrally by the Parent Company to monitor and optimise the overall availability of financial resources, carrying out management and coordination activities for the other Group companies.

With reference to the Group's ability to meet short-term and medium-term financial commitments, it should be noted that:

- as of June 30, 2022, cash and cash equivalents amounted to €4.26 million;
- at the date of this report, the potential exercise of all outstanding warrants would result in the issuance of 8,143,989 residual shares for a total value of €40.9 million;
- loans granted and not used for a total of €12.5 million are available;
- on July 5, 2022, the Board of Directors of the subsidiary FIB approved the issue of a non-convertible subordinated bond for a total nominal amount of €4 million.

The following table summarises the [22]Group's past due debts broken down by category (trade, tax, etc.):

[21] Information also provided at the request of Consob (see "Other information"), following the provision no. 0838644/21 of 28 July 2021.

[22] Information also provided at the request of Consob (see "Other information"), following the provision no. 0838644/21 of 28 July 2021.

Nature of the debt	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 payables	63	58	253	232
Other payables	27	8	532	451

As follows the table shows the contractually due payments relating to financial payables and liabilities for leased assets and financial leases:

	30/06/2022	1 year	2 years	3 years	4 years	5 years	over 5 years
Bank loans	*54,172*	*16,373**	*7,812*	*10,700*	*10,700*	*5,700*	*2,888*
Subsidised loans	*13,203*	*2,612***	*1,717*	*1,670*	*1,614*	*1,559*	*4,030*
Other financial debts	*36,118*	*34,233*	*290*	*290*	*290*	*290*	*725*
Financial debts	103,492	53,219	9,818	12,660	12,604	7,549	7,642
Lease liabilities	22,688	5,187	4,847	4,563	4,704	2,128	1,259
Total	**126,181**	**58,406**	**14,665**	**17,223**	**17,308**	**9,677**	**8,901**

* The balance includes the portion of non-current debt, equal to €1,500 thousand, relating to the Deutsche Bank S.p.A. loan, supported by financial covenants that, in accordance with IAS 1, as of 31 December 2021 had been classified under current liabilities. As of June 30, 2022, no waiver was requested and capital valued at €300 thousand was reimbursed. As of the date of this report, no requests for early repayment have been received from the bank.

** The balance includes the instalment due on June 30, 2022 of the FIB-Invitalia loan.

As follows a breakdown of the payments contractually due in relation to the Deutsche Bank loan:

	30/06/2022	1 year	2 years	3 years	4 years	5 years	over 5 years
Deutsche Bank loan	*2,100*	*600*	*600*	*600*	*300*	*0*	*0*

As follows a summary of the reports in place as of June 30, 2022, by class.

Bank loans

Bank loans amounted to €54,174 thousand as follows the existing relationships:

Company	Seri Industrial S.p.A.	Seri Industrial S.p.A.	Seri Industrial S.p.A.
Counterparty	CDP S.p.A.	UniCredit S.p.A.	Banca Progetto S.p.A.
Original amount	15,000	20,000	4,000
Outstanding balance	15,000	20,000	4,000
of which current portion	0	5,000	800
of which non-current portion	15,000	15,000	3,200
Starting date	20/06/2022	25/09/2020	22/07/2021
Duration	6 years	6 years	6 years
Rate Type (Fixed or Variable)	Variable	Variable	Variable
Spread (%) + benchmark	1.140% + EUR3M	2.25% + EUR3M	3.80% + EURLRS
Financial covenants	Yes	Yes	No

Company	Fib S.p.A.	Fib S.p.A.	Fib S.p.A.	Fib S.p.A.
Counterparty	Deutsche Bank S.p.A.	Banca Progetto S.p.A.	BPM – Banking Pool	Sace – Simest
Original amount	3,000	5,000	15,000	600
Outstanding balance	2,100	5,000	6,047	600
of which current portion	2,100	1,000	6,047	0
of which non-current portion	0	4,000	0	600
Starting date	29/09/2020	22/07/2021	08/02/2018	15/10/2021
Duration	5 years	6 years	3 years	6 years
Rate Type (Fixed or Variable)	Variable	Variable	Variable	Fixed
Spread (%) + benchmark	1.10% + EUR3M	3.80% + EURLRS	2.50% p.a. EUR3M	0.55%
Financial covenants	Yes	No	Yes	No

There is also a revolving loan from the Chinese subsidiary YIBF to the Bank of China for a residual amount of €1,427 thousand, among current liabilities.

The loan of Deutsche Bank S.p.A., recorded for a residual amount of €2,100 thousand, for which the relative covenant was not complied as of December 31, 2021 and no waiver was requested, is shown entirely among the current liabilities.

Subsidised loans

Subsidised loans amounted to €13,203 thousand as follows the relationships in place:

Company	Fib S.p.A.	Fib S.p.A.	Seri Plast S.p.A.
Counterparty	Invitalia	MISE	Invitalia
Original amount	17,372	576	924
Remaining nominal amount	14,476	288	924
Residual amount IAS 20	12,160	245	788
of which current portion (nominal)	2,542	58	136
of which non-current portion (nominal)	11,934	230	788
Starting date	27/07/2018	26/07/2017	18/02/2022
Duration	10 years	10 years	9 years
Rate Type (Fixed or Variable)	Fixed	Fixed	Fixed
Financial covenants	No	No	No

In the case of subsidised loans with an interest rate lower than the market rate: (i) loans are recognised and valued in accordance with IFRS 9 – Financial instruments using a marginal lending rate identified by the Company of 3.5% on an annual basis; (ii) in accordance with International Accounting Standard IAS 20, the government grants component was also recognised. The benefit of the below-market rate of interest shall be measured as the difference between the initial carrying value of the loan determined in accordance with IAS 9 and the proceeds received.

Lease liabilities - IFRS 16

Lease liabilities for property rentals amounted to €21,241 thousand, of which €4,802 thousand relating to the current portion and €16,439 thousand to the non-current portion; as follows the outstanding relationships and the corresponding residual debt:

Lessee	Location	Lessor	Debt (IFRS 16)	Current debt	Non-current debt
FS Srl	Dragoni (CE)	Pmimmobiliare Srl	103	15	89
Fib Spa	Monte Sant'Angelo (FG)	Pmimmobiliare Srl	529	108	421
Fib Spa	Monterubbiano (FM)	Pmimmobiliare Srl	512	105	407
Fib Spa	Teverola (CE)	Pmimmobiliare Srl	4,904	1,045	3,859
Fib Spa	Teverola (CE)	Pmimmobiliare Srl	6,023	1,310	4,713
FS Srl	Castenaso (BO)	Third parties	157	32	125
FS Srl	Mesero (MI)	Third parties	106	22	84
FS Srl	Rome (RM)	Third parties	200	38	161
Seri Plast Spa	Avellino (AV)	Pmimmobiliare Srl	211	139	72
Seri Plast Spa	Canonica D'Adda (BG)	Pmimmobiliare Srl	844	558	286
Seri Industrial SpA	San Potito Sannitico (CE)	Az. Agr. Quercete	163	73	89
Fib Spa	Alife (CE)	Pmimmobiliare Srl	550	103	447
Seri Plast Spa	Alife (CE)	Pmimmobiliare Srl	1,011	207	804
ICS EU Sas	Peronne (France)	Pmimmobiliare Srl	1,506	129	1,377
Seri Plast Spa	Pioltello MI	Pmimmobiliare Srl	2,901	594	2,307
Seri Plast Spa	Gubbio (PG)	Third parties	471	96	374
Repiombo Srl	Calitri (AV)	Pmimmobiliare Srl	86	17	69
ICS Poland	Brwinow (Polonia)	Third parties	965	210	755
Total			**21,241**	**4,802**	**16,439**

In application of IFRS 16, the debt ratios shown in the previous table are recorded against existing leases, mainly relating to the Group's production sites. For €19,342 thousand, these are lease agreements with Pmimmobiliare Srl and Azienda Agricola Quercete.

Liabilities for financial leases amounted to €1,447 thousand and are mainly attributable to the subsidiary Seri Plast Spa. The current portion is equal to €385 thousand, while the non-current portion is equal to €1,062 thousand.

Note 39. Valuation of financial instruments

As follows the information required within the categories provided for by IFRS 9. In particular, the requirements of IFRS 13 are indicated, which governs the measurement of fair value and the related disclosure.

Fair value is the price that would be received for the sale of an asset or that would be paid for the transfer of a liability in a regular transaction between market participants (i.e., not in a forced liquidation or in a sale below cost) on the valuation date.

Fair value hierarchy

The Group must assess the *fair value* of an asset or liability by adopting the assumptions that market participants would use in determining the price of the asset or liability, if market participants act to best satisfy their economic interest (level 1). In the absence of listing on an active market or in the absence of a regular functioning of the market, that is, when the market does not have a sufficient and continuous number of transactions, money-letter spreads and volatility not sufficiently contained, the determination of the *fair value* of the financial instruments is mainly carried out thanks to the use of valuation techniques aimed at establishing the price of a hypothetical independent transaction, motivated by normal market considerations, at the valuation date. These techniques include: the reference to market values indirectly connected to the instrument to be evaluated and derived from similar products for risk characteristics (level 2) and the evaluations carried out using – even only in part – inputs not derived from market observable parameters, for which estimates, and assumptions made by the evaluator are used (level 3).

The choice between the methodologies is not optional, since they must be applied in a hierarchical order:

- ➢ (Level 1) absolute priority is given to the official prices available on active markets for the assets and liabilities to be valued;

- (Level 2) or for assets and liabilities measured on the basis of valuation techniques that take as a reference parameters observable on the market other than the prices of the financial instrument;
- (Level 3) lower priority to assets and liabilities whose *fair value* is calculated on the basis of valuation techniques that take as a reference parameter not observable on the market and, therefore, more discretionary.

The valuation method defined for a financial instrument is adopted continuously over time and is modified only following significant changes in the market or subjective conditions of the Company.

IFRS 13 requires that information be provided with reference to the measurement of the risk of default (*non-performance risk*) if the *fair value* of over the counter (OTC) derivatives is being determined, that is, the set of transactions that do not appear in the stock exchange lists, whose functionality is organised by some actors, and whose contractual characteristics are not standardised. This default risk includes both changes in the creditworthiness of the counterparty and changes in the creditworthiness of the Company itself (*own credit risk*). To comply with the provisions of the standard, a calculation model is used, called *Bilateral Credit Value Adjustment* (BVA), which values, in addition to the effects of changes in the creditworthiness of the counterparty (the first object of the valuation adjustment methodology called "*credit risk adjustment*"), also the changes in its creditworthiness (*Debt Value Adjustment* – DVA). The BVA consists of two addenda, calculated considering the possibility of bankruptcy of both counterparties, called *Credit Value Adjustment* (CVA) and *Debt Value Adjustment* (DVA).

In the table below, the financial assets and liabilities measured at *fair value* are divided between the different levels of the *fair value* hierarchy described above.

Criteria applied in the valuation of assets and liabilities in the financial statements										
	Financial assets and liabilities measured at fair value							**Assets and liabilities valued at amortized cost**	**Unlisted equity investments valued at cost**	**Book value**
	with change in fair value recorded at:			**total fair value (A)**	**Fair value hierarchy (Notes a, b, c)**					
	income statement	**Equity**			**1**	**2**	**3**	**(B)**	**(C)**	**(A + B + C)**
	a	**b**	**c**					**d**	**and**	
Current financial assets				0				904		904
Financial assets at fair value through profit and loss	685			685	685					685
Derivative financial instruments		464		464	464					464
Trade receivables				0				35,884		35,884
Other current assets				0				28,266		28,266
Equity-accounted investments	290			290			290		375	665
Other non-current assets				0				1.193		1.193
Trade payables				0				49,921		49,921
Other current liabilities				0				16,342		16,342
Current borrowings				0				53,219		53,219
Current lease liabilities				0				5,187		5,187
Non-current borrowings				0				50,274		50,274
Non-current lease liabilities				0				17,501		17,501

a. Financial assets and liabilities valued at fair value, with recognition of changes in fair value in the income statement.
b. Hedge derivatives (Cash Flow Hedge).
c. Financial assets available for sale valued at fair value with gains/losses recorded in equity.
d. Financial assets and liabilities valued at amortised cost.
e. Financial assets, consisting of unlisted investments for which the fair value is not reliably measurable, are valued at any reduced cost for impairment losses.

Note 40. Atypical and/or unusual operations

During the period there were no events or transactions whose occurrence is non-recurring or transactions or events that do not recur frequently in the usual course of business, which had an impact on the balance sheet and financial position, on the economic result as well as on the cash flows of the Company.

Note 41. Non-recurring transactions

During the period, there were no events or transactions whose occurrence is non-recurring, or transactions or events that do not recur frequently in the usual course of business, which had an impact on the balance sheet and financial position, on the economic result, as well as on the cash flows of the Company and/or the Group with the exception of what is reported in the paragraph "Financial review and other information" of the Management Report.

Note 42. Subsequent events

Please refer to what is reported in the Management Report "Subsequent events after the end of period and business outlook".

For the Board of Directors

The Chairman

(Roberto Maviglia)

Annexes

1. Statement of changes of intangible assets
2. Statement of changes of rights-of-use assets
3. Statement of changes of property, plant and equipment
4. Information on transactions with related parties, pursuant to the Consob resolution 15519 of 27 July 2006

Annex 1. Statement of changes of intangible assets

(€/000)	Development costs	Patents and concessions	Goodwill	Intangible assets in progress	Other intangible assets	Total
Value at the beginning of the year						
Gross carrying amount	14,014	1,782	55,042	5,827	8,366	85,032
Accumulated amortisation	(10,062)	(1,058)	0	0	(6,601)	(17,720)
Net carrying amount - beginning of the year	3,952	723	55,042	5,827	1,766	67,312
Changes						
Additions	6	34	0	2,884	197	3,121
Transfers	4,180	479	0	(4,569)	13	102
Disposals	0	0	0	(6)	0	(6)
Amortisation	(1,074)	(174)	0	0	(453)	(1,701)
Changes in the period	3,112	339	0	(1,691)	(242)	1,517
Value at the end of the year						
Gross carrying amount	18,200	2,294	55,042	4,136	8,589	88,261
Accumulated amortisation	(11,136)	(1,132)	0	0	(7,066)	(19,433)
Net carrying amount – end of the year	7,064	1,062	55,042	4,136	1,523	68,828

Annex 2. Statement of changes of rights-of-use assets

(€/000)	Rights-of-use
Value at the beginning of the year	
Gross carrying amount	39,124
Accumulated depreciation	(15,933)
Net carrying amount - beginning of the year	23,191
Changes	
Acquisitions	2,519
Disposals	(124)
Depreciation	(2,752)
Changes in the period	(356)
Value at the end of the year	
Gross carrying amount	41,477
Accumulated depreciation	(18,642)
Net carrying amount – end of the year	22,835

Annex 3. Statement of changes of property, plant and equipment

(€/000)	Land and buildings	Plant and machinery	Commercial and Industrial equipment	Other tangible assets	Tangible assets in progress	Total
Value at the beginning of the year						
Gross carrying amount	5,899	99,414	13,342	1,635	532	120,822
Accumulated depreciation	(3,857)	(26,949)	(10,068)	(989)	0	(41,862)
Net carrying amount - beginning of the year	2,043	72,465	3,274	646	532	78,960
Changes						
Additions	11	1,845	562	187	676	3,281
Transfers	33	327	5	7	(382)	42
Disposals	0	(50)	0	0	0	(50)
Depreciation	(146)	(5,596)	(554)	(77)	0	(6,373)
Changes in the period	(102)	(3,494)	12	117	347	(3,100)
Value at the end of the year						
Gross carrying amount	5,997	101,580	13,929	1,827	879	124,212
Accumulated depreciation	(4,056)	(32,590)	(10,642)	(1,064)	0	(48,353)
Net carrying amount – end of the year	1,941	68,990	3,287	763	879	75,860

Annex 4a. Information on transactions with related parties, pursuant to the Consob resolution 15519 of 27 July 2006.

Consolidated Balance Sheet

	30/06/2022	Related parties	% on item	31/12/2021	Related parties	% on item
Cash and cash equivalents	4,262			19,500		
Financial assets	904	104	12%	1,702	11	1%
Financial assets at fair value through profit or loss	464			509		
Current derivative financial assets	685			0		
Trade receivables	35,884	420	1%	37,015	618	2%
Other current assets	28,266	274	1%	31,402	5,083	16%
Inventories	81,601			63,606		
Current assets	**152,066**	**799**	**1%**	**153,734**	**5,712**	**4%**
Intangible assets	68,828			67,312		
Rights-of-use assets	22,835			23,191		
Property, plant and equipment	75,860			78,960		
Equity-accounted investments	665			554		
Other non-current assets	1.193	1,151	97%	1,208	1,151	95%
Deferred tax assets	20,336			21,091		
Non-current assets	**189,717**	**1,151**	**1%**	**192,316**	**1,151**	**1%**
ASSETS	**341,783**			**346,050**		
Liabilities and Equity						
Trade payables	49,921	1,287	3%	47,930	4,177	9%
Other current liabilities	16,342	751	5%	22,122	5,564	25%
Current borrowings	53,219	928	2%	75,801	742	1%
Current lease liabilities	5,187	4,404	85%	5,188	4,388	85%
Current derivative financial liabilities	0			40		
Current Tax liabilities	1,651			1,498		
Short term provisions	814			1,154		
Current liabilities	**127,134**	**7,370**	**6%**	**153,733**	**14,871**	**10%**
Non-current borrowings	50,274	2,527	5%	20,917	1,488	7%
Non-current lease liabilities	17,501	14,938	85%	17,782	15,358	86%
Provisions for employee benefits	4,334			4,676		
Deferred tax liabilities	583			836		
Other non-current liabilities	24,887			27,065		
Long-term provisions	120			107		
Non-current liabilities	**97,699**	**17,465**	**18%**	**71,383**	**16,846**	**24%**
Share capital	96,523			95,066		
Statutory reserve	730			533		
Share premium	7,513			5,305		
Other reserves	16,973			21,150		
Profit (Loss)	(5,139)			(1,534)		
Equity attributable to owners of the Parent	116,600			**120,520**		
Share Capital and reserve	405			374		
Profit (Loss)	(55)			40		
Non-controlling interest	**350**			**414**		
Total equity	**116,950**			**120,934**		
LIABILITIES AND EQUITY	**341,783**			**346,050**		

Annex 4b. Information on transactions with related parties, pursuant to the Consob resolution 15519 of 27 July 2006.

Consolidated Income Statement

euros/000	30/06/2022	Related parties	% on item	30/06/2021	Related parties	% on item
Revenues from contract with customers	89,811	37	0%	75,876	44	0%
Other operating income	7,751	11	0%	5,039	2	0%
Internal works	3,915			3,518		
Total revenues, income and internal works	**101,477**	**49**	**0%**	**84,433**	**46**	**0%**
Purchase of materials	70,880	602	1%	45,404		
Changes in inventories	(18,759)			(960)		
Services expense	23,746	574	2%	15,387	689	4%
Other operating costs	1,405	121	9%	1,563	296	19%
Personnel costs	15,350	828	5%	14,648	788	5%
Operating costs	**92,622**	**2,126**	**2%**	**76,042**	**1,773**	**2%**
Gross operating income	**8,855**			**8,391**		
Depreciation and amortisation	10,826			9,614		
Write-downs/write-backs	(39)			153		
Net operating income (loss)	**(1,932)**			**(1,376)**		
Finance income	594	11	2%	305		
Finance expense	2,988	389	13%	2,069	252	12%
Profit (Loss) from equity-accounted investments	(7)			4		
Profit (Loss) before taxes	**(4,333)**			**(3,136)**		
Income taxes	861			1,000		
Profit (Loss)	**(5,194)**			**(4,136)**		
Attributable to non-controlling interests	(55)			245		
Attributable to owners of the Parent	**(5,139)**			**(4,381)**		

Certification of the consolidated half-year financial statements pursuant to Article 81-ter of Consob Regulation no. 11971 of 14 May 1999 as amended

1. The undersigned Vittorio Civitillo, as "Chief Executive Officer " and Pasquale Basile, as "Officer responsible for the preparation of the financial reports " of Seri Industrial S.p.A., hereby certify, also taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998:

a) the adequacy in relation to the company's characteristics and

b) the effective application of the administrative and accounting procedures for the preparation of the consolidated half-year financial statements during the period from January 1 to June 30, 2022.

2. It is also certified that:

2.1. the consolidated half-year financial statements as at June 30, 2022:

a) are prepared in accordance with the applicable international accounting standards recognised in the European Community pursuant to Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 (International Financial Reporting Standards – IFRS), as well as with the laws and regulations in force in Italy, also with particular reference to the provisions issued in implementation of Article 9 of Legislative Decree 28 February 2005, no. 38;

b) correspond to the books and accounting records;

c) are suitable to give a true and fair view of the equity, economic and financial position of the issuer and all the companies included in the consolidation.

2.2. The directors' report on operations includes a reliable analysis of the references to significant events that occurred in the first six months of the financial year 2022 and their impact on the consolidated half-year financial statements as at June 30, 2022, together with a description of the main risks and uncertainties for the remaining six months of the financial year 2022. The directors' report on operations also includes a reliable analysis of information on relevant transactions with related parties.

San Potito Sannitico, September 15, 2022

The Chief Executive Officer

(Vittorio Civitillo)

The Financial Officer
responsible for the preparation of the financial reports of
Seri Industrial S.p.A.

(Pasquale Basile)

Seri Industrial S.p.A.

Review report on the half-year consolidated financial statements

(Translation from the original Italian text)

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Review report on the half-year consolidated financial statements (Translation from the original Italian text)

To the Shareholders of
Seri Industrial S.p.A.

Introduction

We have reviewed the half-year consolidated financial statements, comprising the balance sheet, the income statement, the comprehensive income statement, the cash flow statement and the changes in equity and the related explanatory notes of Seri Industrial S.p.A. and its subsidiaries (the "Seri Industrial Group") as of 30 June 2022. The Directors of Seri Industrial S.p.A. are responsible for the preparation of the half-year consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these half-year consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of 31 July 1997. A review of half-yer consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the half-year consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the half-year consolidated financial statements of Seri Industrial Group as of June 30, 2022 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Emphasis of matter

We draw your attention to note 36. "*Related party transactions*" of the explanatory notes which discloses the nature and extent of the transactions executed by the Group with related parties.
Our conclusion is not qualified in this respect.

Rome, 29 September, 2022

EY S.p.A.
Signed by: Alessandro Fischetti, Auditor

This report has been translated into the English language solely for the convenience of international readers