

Seri Industrial S.p.A.:
Communication pursuant to art. 114, paragraph 5, of D. Lgs. n. 58/1998

S. Potito Sannitico, 31 december 2020 - Seri Industrial S.p.A. (or the "Company"), pursuant to and for the purposes of art. 114, paragraph 5, D. Lgs. n. 58/1998, in compliance with the request of Consob dated 14.07.2009, prot. 9065375, proc. 20094491/1 in accordance with the procedures laid down in Part III, Title II, Chapter I of Consob Regulation no. 11971 of 14 May 1999 and subsequent amendments

INFORMS

a. The Net Financial Position of the Company and the Group, with a separate detail of short-term items from medium-long-term ones

(Data in thousands of euro)		Seri Industrial S.p.A.		Seri Industrial group	
		nov-20	oct-20	nov-20	oct-20
Cash and cash equivalents	A	6.162	185	12.949	15.391
Securities held for trading	B	487	487	487	487
Total Liquidity C = (A + B)	C	6.649	672	13.436	15.878
Short-term Financial receivables	D	33.481	36.073	2.167	2.167
<i>Of which with related parties</i>		33.481	36.073	283	283
Short-term bank debts	E	(1)	(1)	(28.481)	(29.252)
Short-term portion of long-term debts	F	-	-	(12.397)	(12.407)
Other Short-term debts	G	(29.183)	(27.099)	(7.743)	(8.001)
<i>Of which with related parties</i>		(29.183)	(27.029)	(3.637)	(3.726)
(Short-term financial debt) H = (E + F + G)	H	(29.184)	(27.100)	(48.621)	(49.660)
(Short-term Net Debt) I = (C + D + H)	I	10.946	9.645	(33.018)	(31.615)
Long-term bank debts	J	(30.000)	(30.000)	(32.550)	(32.550)
Bonds	K	-	-	-	-
Other long-term debts	L	(204)	(210)	(25.787)	(26.149)
<i>Of which with related parties</i>				(8.466)	(8.734)
(Long-term financial debt) M = (J + K + L)	M	(30.204)	(30.210)	(58.337)	(58.699)
Net Financial Position N = (I + M)	N	(19.258)	(20.565)	(91.355)	(90.314)

At 30 November 2020, the **Net Financial Position of Seri Industrial S.p.A.** was **Euro 19.258 thousand** at separate level with a reduction of Euro 1.307 thousand compared to the previous month; the Consolidated Net Financial Position of Seri Industrial Group amounted to **Euro 91.355 thousand**, with an increase of Euro 1.041 thousand compared to the previous month.

As follows a comment on the main items of the financial position, both at separate and consolidated level.

SERI INDUSTRIAL SPA Net Financial Position

The **Net Financial Position of Seri Industrial S.p.A.**, at separate level and including non-current financial receivables is equal to positive Euro 10.741 thousand, as shown in the following table:

<i>(Data in thousands of euro)</i>	<i>Seri Industrial S.p.A.</i>	
	<i>nov-20</i>	<i>oct-20</i>
Net Financial Position	(19.259)	(20.565)
Short-term financial receivables	30.000	30.000
Net Financial Position including short-term financial receivables	10.741	9.435

Cash and cash equivalents amounted to Euro 6.162 thousand and increased by Euro 5.977 thousand. Securities held for trading are registered for Euro 487 thousand. Short-term financial receivables amounted to Euro 33.481 thousand, registering a reduction of Euro 2.592 thousand and including a loan to the subsidiary FIB for Euro 22.867 thousand and financial receivables from Seri Plast for Euro 10.086. Other short term debts amounted to Euro 29.183 thousand, increased by Euro 2.084 thousand and mainly include debts to subsidiaries. Long-term financial debt amount to Euro 30.204 thousand: for Euro 204 thousand related to leases; for Euro 30 million related to two loans granted by Cassa Depositi e Prestiti ("CDP") for Euro 10 million and by Unicredit for Euro 20 million, respectively in the month of August and in September, both under the decree "Cura Italia"; these loans provide a repayment plan of 6 years and a grace period of 2 years.

The two loans have been allocated to the subsidiary FIB for Euro 25 million and to Seri Plast for Euro 5 million; These loans are due within the next 12 months and are therefore indicated separately for the purposes of the net financial position of Seri Industrial Spa.

The above-mentioned financing contracts are in support of investments and requirements related to the expected increase in working capital (as already planned) due to the start of the Teverola plant (or "the Project Lithium") and the consequent increase in revenues, as well as to ensure an adequate reserve of cash availability to face the start of the Project Lithium even in a negative scenario of recrudescence of the Emergency from Covid-19.

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SERI INDUSTRIAL GROUP Net Financial Position

At 30 November 2020, the **Consolidated Net Financial Position** was **Euro 91.355 thousand**, with an increase of **Euro 1.041** compared to the previous month. Consolidated **Short-term Net Debt** amounted to **Euro 33.018 thousand** compared to Euro 31.615 thousand in the previous month. **Cash equivalents** at the end of the current month amounted to **Euro 12.949 thousand** with a **reduction of Euro 2.442 thousand**. Securities held for trading are registered for Euro 487 thousand. Short term financial receivables are equal to Euro 2.167 thousand, of which Euro 283 thousand due to related parties.

Short term bank debts amount to Euro 28.481 thousand and are mainly related to the use of credit lines to support the ordinary activity of the group companies. The short-term portion of long-term debt is Euro 12.397 thousand, related to the installments due within the next 12 months of medium-long-term loans granted to some subsidiaries. Among these loans is included the line granted by a Pool of Banks to FIB for an outstanding amount of Euro 10.053 thousand, at maturity on 8 February 2021, for which FIB has committed some breaches of contract which may result in potential cross-accleration clauses; FIB has requested a contractual waiver and is awaiting feedback from banks, which have not expressed any intention to terminate the contract with regard to its natural expiry. **The other short term debts, amount to Euro 7.743 thousand** and are mainly related to short-term portions of financial debt relating to leasing contracts for Euro 283 thousand, the use of leased assets for Euro 3.636 thousand, other lenders for Euro 3.356 and debts to the parent company Industrial for Euro 468 thousand.

Long-term financial debt amounted to Euro 58.337 thousand compared to Euro 58.699 thousand in the previous month. **Long-term bank debts amount to Euro 32.550 thousand**, mainly related to the aforementioned bank loans received by the Group as well as additional Euro 2.550 thousand relating to the long-term portion of the financing of Euro 3 million signed between FIB and Deutsche Bank. **Other long-term debts amount to Euro 25.787 thousand**, including subsidized loans received from other lenders for Euro 14.686 thousand, long-term installments of leases of Euro 472 thousand and debts related to leases of real estate under IFRS 16 accounting standard for Euro 10.629 thousand, of which Euro 8.466 thousand due to related parties.

The Consolidated Net Financial Position is presented below, with separate indication of the effects deriving from the application of IFRS 16 (debt for leasing contract and for the use of leased assets), totalling Euro 15.020 thousand.

(Data in thousands of euro)		Seri Industrial group		
		nov-20 ante IFRS-16	IFRS 16	nov-20 post IFRS-16
Cash and other cash equivalents	A	12.949		12.949
Securities held for trading	B	487		487
Total Liquidity C = (A + B)	C	13.436	-	13.436
Short-term financial receivables	D	2.167		2.167
<i>Of which with related parties</i>		283		283
Short-term bank debts	E	-		-
Short-term portion of long-term debts	E	(28.481)		(28.481)
Other Short-term debts	F	(12.397)		(12.397)
<i>Of which with related parties</i>				-
<i>Of which with related parties</i>	G	(3.824)	(3.919)	(7.743)
Short-term bank debts		(468)	(3.169)	(3.637)
(Short-term financial debt) H = (E + F + G)	H	(44.702)	(3.919)	(48.621)
(Short-term Net Debt) I = (C + D + H)	I	(29.099)	(3.919)	(33.018)
Long-term bank debts	J	(32.550)		(32.550)
Bonds	K	-		-
Other long-term debts	L	(14.686)	(11.101)	(25.787)
<i>Of which with related parties</i>		0	(8.466)	(8.466)
(Long-term financial debt) M = (J + K + L)	M	(47.236)	(11.101)	(58.337)
Net Financial Position N = (I + M)	N	(76.335)	(15.020)	(91.355)

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

Below are the updated datas compared with those of the previous month.

Nature of the debt (Data in thousands of Euro)	Seri Industrial S.p.A.		Seri Industrial Group	
	nov-20	oct-20	nov-20	oct-20
Trade payables	618	715	8.497	10.305
Tax liabilities	0	0	247	254
Other debts	0	0	635	996

The payment orders amount to Euro 445 thousand.

c. Related-party reports of the Company and the Seri Industrial Group

The relationships between the different companies that were part of the Group during the period considered are described below. Information shall also be provided in relation to related party relationships, including reports required by IAS 24.

Relations with subsidiaries

The relationships between companies included in the scope of consolidation are mainly related to: (i) provision of administrative, technical and legal services and management of common services, (ii) provision of finance and issuance of guarantees, (iii) relationships with subsidiaries within the scope of the tax consolidation for IRES purposes, (iv) product and semi-finished supply relationships between companies included in the scope of consolidation and recognition of royalties.

The relationships with the subsidiaries, regulated under market conditions (with the exception of non-interest-bearing cash-flow ratios), are analysed when preparing the Annual Consolidated Report, Half Year Consolidated Report and other consolidated interim reports.

Relations with the parent and/or other companies in the group to which it belongs and/or related to the majority shareholders and shareholders who hold significant investments in the capital of the Company

Eng. Vittorio Civitillo, CEO of Seri Industrial S.p.A., indirectly owns through Industrial S.p.A. shares totalling 62.60% of the Company's share capital. Eng. Vittorio Civitillo is the reference shareholder of Industrial S.p.A. ("Industrial"), which is 100% owned by SE.R.I. S.p.A. ("SERI"), the latter controlled by Eng. Vittorio Civitillo, who owns 50.41% and his brother Andrea who owns 49.21%. Andrea Civitillo is Managing Director of Seri Industrial S.p.A. Members of the Civitillo family (Andrea Civitillo and Marco Civitillo) are members of the board of directors in certain companies of the Seri Industrial Group. The Eng. Vittorio Civitillo, Andrea Civitillo, Industrial and SERI have issued commitments and guarantees to banks and leasing companies in relation to commitments granted, inter alia, to subsidiaries of Seri Industrial. Through Industrial and SERI, factoring companies and banking institutions have granted the Italian subsidiaries of Seri Industrial Group with the possibility of using bank advances on receivables and short-term credit lines.

SERI and Industrial have entered into warranty and indemnification commitments in the context of factoring relationships concerning commercial credits sold to factoring companies, by subsidiaries Seri Plast S.r.l. and FIB S.r.l.. Under these commitments, SERI and Industrial guarantee and indemnify these companies from any claim and/or request made by the factoring companies arising from the non-payment of the sold receivable.

Following the signing of a financing contract with the banking system granted in favour of the related party Pmimmobiliare S.r.l. and with destination constraints in favour of FIB S.r.l., on 12 February 2018 Industrial and Sei Industrial S.p.A have entered into a separate agreement with which Industrial has granted Sei Industrial a revolving credit line, which provides the possibility of receiving facilities for a maximum total amount of Euro 14 million; at the end of the period under consideration the facilities received are fully reimbursed. On 18 December 2019, the Company's Board of Directors, with the favourable opinion of the OPC Committee, resolved to take over the financing agreement originally signed by Industrial, the Company's parent company, as financing entity and Sei Industrial S.p.A. in liquidation (subsequently sold to third parties), as beneficiary entity. For further details, please refer to the press release published on 18 December 2019 and to the information document on a major transaction with related parties, available from 23 December 2019 on the company's website (www.seri-industrial.it) and the storage system of Computeshare S.p.A. (www.1info.it).

The companies have in place leases of buildings for office and industrial use with Pmimmobiliare S.r.l. and Azienda Agricola Quercete a r.l., both indirectly controlled by Vittorio Civitillo and Andrea Civitillo. The receivables due from Pmimmobiliare S.r.l. - shown in the table below - are mainly related to securities paid against rental contracts.

SERI has relations with the Seri Industrial Group in relation to VAT management. There are also links with other companies belonging to the Civitillo family in relation to supplies and services of technical and industrial, consulting and professional nature, regulated under market conditions similar to those generally applied in the sector in which individual companies operate. Such relationships are mainly in existence with the following companies:

-SD&RE provides technical and operational services to the Group;

-Elektra S.r.l. and Cotton Sport S.r.l. provide ordinary and extraordinary maintenance materials and services to the plants of the Group;

Seri Industrial Group has debts with Industrial S.p.A. related to the purchase of the COES business unit (and stocks) by Seri Plast S.r.l.

In relation to related party profiles:

Azienda Agricola Quercete a r.l. is 100% owned by Pmimmobiliare S.r.l., which in turn is 100% owned by Seri Development & Real Estate S.r.l.. The latter is 50% owned by Vittorio Civitillo and 50% by Andrea Civitillo. Elektra S.r.l. is 51% owned by Seri Innovazione Development S.r.l., which in turn is owned by Seri Development & Real Estate S.r.l., 50% by Vittorio Civitillo and 50% by Andrea Civitillo; Seri Lab S.r.l. is 60% owned by Charity S.r.l., which is 50% owned by Vittorio Civitillo and 50% by Andrea Civitillo; Cotton Sport S.r.l. is 100% owned by Cotton Village and 100% owned by Charity S.r.l.. Ecopiombo S.r.l. is a minority shareholder in the subsidiary Repiombo S.r.l..

The following table sets out related party transactions existing on 30 November 2020; "Other" includes relationships of a low amount, taking into account the definition in Article 7.1 of the Procedure for Related Party Transactions ("OPC") approved by the Board of Directors of Seri Industrial S.p.A. on 5 November 2019:

Transactions with related parties (Euro/000)	Receivables	Payables
COTTON SPORT SRL	4	187
ECOPIOMBO SRL	561	3
INDUSTRIAL SPA	3.250	963
PMIMMOBILIARE SRL	1.018	339
SE.R.I. SPA	4.862	2.205
SERI DEVELOPMENT & REAL ESTATE SRL	0	344
ALTRI	98	294
TOTAL	9.973	4.335

In accordance with IFRS 16, the following debt positions are recorded for existing leases, mainly for production sites:

IFRS 16 Application for rights of use (Euro/000)	Receivables	Payables
AZIENDA AGRICOLA QUERCETE A RL	0	274
PMIMMOBILIARE SRL	0	11.362

Relations with administrative and supervisory bodies and with managers with strategic responsibilities

At the date of this announcement, based on the information received, there are the following shareholdings in the share capital of Seri Industrial, held directly or indirectly by the members of the Board of Directors, of the Board of Statutory Auditors and of the main directors of Seri Industrial itself, as well as by spouses not legally separated and by the minor children of the aforementioned subjects: Vittorio Civitillo, CEO of Seri Industrial, indirectly holds shares corresponding to 62.60% of the Company's share capital through Industrial S.p.A. Eng. Vittorio Civitillo is the reference shareholder of Industrial, which is 100% owned by SE.R.I. S.p.a. ("SE.R.I."), the latter controlled by Eng. Vittorio Civitillo, who owns 50.41% and Andrea Civitillo who owns 49.21%; Andrea Civitillo is managing director of Seri Industrial S.p.A.

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

Seri Industrial S.p.A. is a company listed on the MTA market of Borsa Italiana. Seri Industrial's mission is to accelerate the energy transition to sustainability and decarbonisation, controlling the entire supply chain of electric accumulators and plastic materials. The Group operates through two companies: (i) Seri Plast, active in the processing of plastic materials for the battery market, automotive and thermo-sanitary sector; (ii) FIB, ctive, through the FAAM brand, in the production of lead and lithium batteries for traction, industrial, storage and military applications, as well as in the recovery of lead from spent batteries and in the design of systems for recycling batteries.

The activities set up a complete cycle of use and recovery of raw materials, representing a unique example of Circular Economy.

For further information:

Investor Relator

Marco Civitillo

E-mail: investor.relator@serihg.com

Tel. 0823 786235