

## Seri Industrial S.p.A.:

### Communication pursuant to art. 114, paragraph 5, of D. Lgs. n. 58/1998

**S. Potito Sannitico, 30 June 2021** - 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	
		may-21	apr-21	may-21	apr-21
Cash and cash equivalents	A	2.204	2.279	3.092	3.441
Securities held for trading	B	507	507	507	507
<b>Total Liquidity C = (A + B)</b>	<b>C</b>	<b>2.711</b>	<b>2.786</b>	<b>3.599</b>	<b>3.948</b>
<b>Short-term Financial receivables</b>	<b>D</b>	<b>32.865</b>	<b>33.558</b>	<b>2.175</b>	<b>2.174</b>
<i>Of which with related parties</i>		32.565	33.258	414	412
Short-term bank debts	E	-	-	(29.126)	(29.119)
Short-term portion of long-term debts	F	(261)	(261)	(8.471)	(8.464)
Other Short-term debts	G	(26.654)	(26.958)	(6.964)	(7.099)
<i>Of which with related parties</i>				(3.571)	(3.697)
<b>(Short-term financial debt) H = (E + F + G)</b>	<b>H</b>	<b>(26.915)</b>	<b>(27.219)</b>	<b>(44.561)</b>	<b>(44.682)</b>
<b>(Short-term Net Debt) I = (C + D + H)</b>	<b>I</b>	<b>8.661</b>	<b>9.125</b>	<b>(38.787)</b>	<b>(38.560)</b>
Long-term bank debts	J	(30.000)	(30.000)	(32.250)	(32.250)
Bonds	K	-	-	-	-
Other long-term debts	L	(229)	(237)	(26.185)	(26.493)
<i>Of which with related parties</i>				(10.261)	(10.513)
<b>(Long-term financial debt) M = (J + K + L)</b>	<b>M</b>	<b>(30.229)</b>	<b>(30.237)</b>	<b>(58.435)</b>	<b>(58.743)</b>
<b>Net Financial Position N = (I + M)</b>	<b>N</b>	<b>(21.568)</b>	<b>(21.112)</b>	<b>(97.222)</b>	<b>(97.303)</b>
<b>Adjustment IFRS 16</b>	<b>O</b>	<b>315</b>	<b>251</b>	<b>16.951</b>	<b>17.395</b>
<b>Net Adjusted Financial Position P= (N+O)</b>	<b>P</b>	<b>(21.253)</b>	<b>(20.861)</b>	<b>(80.271)</b>	<b>(79.908)</b>

At 31 May 2021, the net financial position of Seri Industrial S.p.A. was Euro 21.568 thousand at separate level, with an increase of Euro 456 thousand compared to the previous month; the Consolidated Net Financial Position of the Seri Industrial Group amounted at Euro 97.222 thousand, with a reduction of Euro 81 thousand compared to the previous month.

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

### **Net Financial Position SERI INDUSTRIAL SPA**

The Net Financial Position of Seri Industrial S.p.A., at separate level, including non-current financial receivables is equal to positive Euro 8.432 thousand, as shown in the following table:

<i>(Data in thousands of euro)</i>	<i>Seri Industrial S.p.A.</i>	
	<i>may-21</i>	<i>apr-21</i>
<b>Net Financial Position</b>	<b>(21.568)</b>	<b>(21.112)</b>
Long-term financial receivables	30.000	30.000
<b>Net Financial Position including long-term financial receivables</b>	<b>8.432</b>	<b>8.888</b>

Cash and cash equivalents amounted to Euro 2.204 thousand with a reduction of Euro 75 thousand. Securities held for trading for Euro 507 thousand are registered for temporary use of liquidity. Short-term financial receivables amounted to Euro 32.865 thousand, decreased by Euro 693 thousand and include loans to subsidiary FIB S.p.A. ( or "FIB") for Euro 22.867 thousand, financial receivables from Seri Plast S.p.A. (or "Seri Plast") for Euro 5.708 and financial receivables from Repiombo Srl for Euro 3.263 thousand.

The current portion of the non-current debt, recorded for Euro 261 thousand, relates to the mark to market of the hedging derivative (IRS) on Unicredit financing. Other Short-term financial debts amounted to Euro 26.654 thousand, reduced by Euro 304 thousand and include debts to subsidiaries of Euro 26.639 thousand (of which debts for real estate leases for Euro 71 thousand) and debts to leasing companies of Euro 15 thousand. Long-term debts amount to Euro 30.229 thousand: for Euro 168 thousand they are related to debts for leases of real estate, for Euro 61 thousand are related to debts for leases of movable assets; for Euro 30 million they are related to 2 loans granted, under the decree "Cura Italia", by Cassa Depositi e Prestiti ("CDP"), in the month of August 2020 for a total of Euro 10 million, and from Unicredit, in September 2020, for a total of Euro 20 million; such financings previews a reimbursement plan to 6 years and a period of expiration of 2 years.

The two loans, totalling Euro 30 million, have been allocated to the subsidiary FIB for Euro 25 million and to Seri Plast for Euro 5 million; these loans are 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, already planned, as a result of 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 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 31 May 2021, the Consolidated Net Financial Position was Euro 97.222 thousand, with a decrease of Euro 81 thousand compared to the previous month.

Consolidated Short-term Net debt amounted to Euro 38.787 thousand compared to Euro 38.560 thousand the previous month.

Cash at the end of the month in question amounted to Euro 3.092 thousand and recorded a reduction of Euro 349 thousand. Securities for the temporary use of liquidity are registered for Euro 507 thousand. Current financial receivables are booked for Euro 2.175 thousand, of which Euro 414 thousand to related parties.

**Short-term bank debts of Euro 29.126 thousand** are mainly related to the use of credit lines to support the ordinary management of the group companies. The Short-term portion of long-term debt amounted to Euro 8.471 thousand; the same is attributable to Euro 8.166 thousand in instalments due within the next 12 months of medium-term loans long term and for Euro 305 thousand to the mark to market of hedging derivatives (IRS) outstanding. Among these loans is included the line granted by a pool of Banks to FIB for an outstanding amount of the remaining amount of Euro 6.071 thousand reimbursed in February for Euro 1.445 thousand (additional compared to Euro 2.537 thousand reimbursed in December 2020), with the original deadline of 8 February 2021 and extended until 31 December 2021 as part of the favourable acceptance of the contractual Waiver requested by FIB to the Institutes. The other short-term financial debts, amount to Euro 6.964 thousand, and are mainly related to short-term portions of financial debts relating to leasing contracts for Euro 226 thousand, the use of leased assets for Euro 3.709 thousand, other lenders for Euro 2.663 and from debts to the parent company Industrial for Euro 366 thousand.

Non-current consolidated financial debt amounted to Euro 58.435 thousand compared to Euro 58.743 thousand the previous month.

**Long-term bank debts amount to Euro 32.250 thousand** mainly related to the aforementioned bank loans received by the Group as well as additional Euro 2.250 thousand relating to the long-term portion of the financing of Euro 3 million signed between FIB and Deutsche Bank. Other long-term debts, totalling Euro 26.185 thousand, including subsidized loans received from other lenders for Euro 13.169 thousand, the long-term instalments of leases for Euro 514 thousand and debts related to leases of real estate under IFRS 16 accounting standard for Euro 12.502 thousand, of which Euro 10.261 thousand due to related parties.

#### **SERI INDUSTRIAL GROUP Adjusted Net Financial Position**

As follows the Consolidated Net Financial Position, with separate indication of the effects deriving from the application of IFRS 16 (indebtedness for leases and finance leases), totalling Euro 16.951 thousand (at 30 April 2021 equal to Euro 17.395 thousand).

(Data in thousands of euro)		Seri Industrial Group		
		may-21 ante IFRS-16	IFRS 16	may-21 post IFRS-16
Cash and cash equivalents	A	3.092		3.092
Securities held for trading	B	507		507
<b>Total Liquidity C = (A + B)</b>	<b>C</b>	<b>3.599</b>	<b>-</b>	<b>3.599</b>
<b>Short-term Financial receivables</b>	<b>D</b>	<b>2.175</b>		<b>2.175</b>
<i>Of which with related parties</i>		414		414
Short-term bank debts	E	(29.126)		(29.126)
Short-term portion of long-term debts	F	(8.471)		(8.471)
<i>Of which with related parties</i>				-
Other Short-term debts	G	(3.029)	(3.935)	(6.964)
<i>Of which with related parties</i>		(365)	(3.206)	(3.571)
<b>(Short-term financial debt) H = (E + F + G)</b>	<b>H</b>	<b>(40.626)</b>	<b>(3.935)</b>	<b>(44.561)</b>
<b>(Short-term Net Debt) I = (C + D + H)</b>	<b>I</b>	<b>(34.852)</b>	<b>(3.935)</b>	<b>(38.787)</b>
Long-term bank debts	J	(32.250)		(32.250)
Bonds	K	-		-
Other long-term debts	L	(13.169)	(13.016)	(26.185)
<i>Of which with related parties</i>		0	(10.261)	(10.261)
<b>(Long-term financial debt) M = (J + K + L)</b>	<b>M</b>	<b>(45.419)</b>	<b>(13.016)</b>	<b>(58.435)</b>
<b>Net Financial Position N = (I + M)</b>	<b>N</b>	<b>(80.271)</b>	<b>(16.951)</b>	<b>(97.222)</b>

**b. Expired debt positions of the 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.)**

As follows the updated data compared with those of the previous month.

Nature of debt (Data in thousands of euro)	Seri Industrial S.p.A.		Seri Industrial Group	
	may-21	apr-21	may-21	apr-21
Trade payables	988	923	11.114	10.528
Tax liabilities	38	48	300	309
Other debts	7	4	558	587

The orders for payment amount to Euro 553 thousand.

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

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

### Relations with subsidiaries

Relationships between companies included in the scope of consolidation relate mainly 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 financial statements, consolidated half-yearly condensed financial statements and other consolidated interim financial statements.

### 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 62.59% 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 participated 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 administrative bodies 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, for the benefit and in the interest of the same.

Through SERI and Industrial, respectively, factoring companies and banking institutions have granted the Italian companies of Seri Industrial Group 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](http://www.seri-industrial.it)) and the storage system of Computeshare S.p.a. ([www.1info.it](http://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., the latter companies, 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 a technical and industrial, consulting and professional nature, regulated under 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 the Group with technical and operational services;
- Elektra S.r.l. and Cotton Sport S.r.l. provide the Group with ordinary and extraordinary maintenance materials and services to the plants;

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 31 March 2021; "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
ECOPIOMBO SRL	561	3
ELEKTRA SRL	41	20
INDUSTRIAL SPA	3.387	382
PMIMMOBILIARE SRL	1.348	1.704
SE.R.I. SPA	1.934	1.201
SERI DEVELOPMENT & REAL ESTATE SRL	9	246
OTHERS	81	166
<b>TOTAL</b>	<b>7.362</b>	<b>3.720</b>

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

IFRS 16 Application for rights of use (Euro/000)	Receivables	Payables
AZIENDA AGRICOLA QUERCETE A RL	0	239
PMIMMOBILIARE SRL	0	13.227

*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 62.59% of the Company's share capital through Industrial S.p.A. Eng. Vittorio Civitillo is the reference partner of Industrial, which is 100% owned by SE.R.I. S.p.a. ("SE.R.I."), the latter participated 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.

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**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.

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, active, through the FAAM brand, in the production and recycling of lead and lithium batteries for traction, industrial, storage and military applications, as well as in the design of plants for the recycling of batteries.

**For further information:**

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