

SERI INDUSTRIAL S.p.A.
Revenues equal to euro 127,262 thousand in the first nine months of 2023

S. Potito Sannitico, 26th October 2023 - The Board of Directors of **Seri Industrial S.p.A.** ("**Seri Industrial**" or the "**Company**"), which met today, has examined the consolidated revenue performance of **Seri Industrial S.p.A.** and its subsidiaries (the "**Group**") for the first nine months of 2023.

The following table shows the trend of Revenues from contract with customers and of Other operating income (hereinafter indicated jointly as '**Revenues**'). All values, unless otherwise indicated, are shown in this press release in thousands of Euro; *year to date* ('ytd') means the cumulative progressive data of the first nine months.

	III Q-2023 ytd	III Q-2022 ytd	Change	Change %
Revenues from contract with customers	119,018	129,861	(10,843)	(8%)
Other operating income	8,244	10,864	(2,620)	(24%)
Revenues	127,262	140,725	(13,463)	(10%)

As of 30th September 2023, the Group has registered revenues equal to euro 127,262 thousand, with a decrease of euro 13,463 thousand compared to the amount of euro 140,725 thousand in the same period of 2022. This decrease is mainly attributable to the reduction in Plastic Materials segment's average sales prices and to the reduction in Revenues from contract with customers related to the smelter and recycling plant design business in the Batteries segment.

As follows, the breakdown of Revenues by segment for the first nine months and the third quarter of 2023 compared to the same period of the previous year.

	III Q-2023 ytd	III Q-2022 ytd	Δ	Δ%	III Q-2023	III Q-2022	Δ	Δ%
<u>Revenues from contract with customers</u>								
Plastic Materials	77,215	83,736	(6,521)	(8%)	21,488	25,180	(3,692)	(15%)
Batteries	41,751	46,061	(4,310)	(9%)	12,642	14,845	(2,203)	(15%)
Corporate	51	64	(12)	(19%)	17	25	(8)	(32%)
Total revenue from contract with customers	119,018	129,861	(10,843)	(8%)	34,146	40,050	(5,904)	(15%)
<u>Other operating income</u>								
Plastic Materials	2,284	3,364	(1,080)	(32%)	374	1,126	(752)	(67%)
Batteries	5,841	7,414	(1,573)	(21%)	1,746	1,958	(212)	(11%)
Corporate	53	71	(18)	(25%)	17	29	(12)	(41%)
Other	66	15	51	>100%	66	0	66	100%
Total other operating income	8,244	10,864	(2,620)	(24%)	2,203	3,113	(910)	(29%)
Revenues	127,262	140,725	(13,463)	(10%)	36,350	43,163	(6,813)	(16%)

Following, the breakdown of Revenues by geographic area for the first nine months of 2023, compared to the first nine months of 2022.

Revenues by geographical area	III Q-2023 ytd		III Q-2022 ytd	
	Revenues	%	Revenues	%
Italy	73,111	57%	81,014	58%
Europe	44,399	35%	43,682	31%
Asia	5,711	4%	9,523	7%
Africa	1,991	2%	2,829	2%
America	1,806	1%	3,411	2%
Oceania	244	0%	265	0%
Total	127,262	100%	140,725	100%

The change in Revenues in Asia compared to the same period of the previous year is attributable to an order realised during 2022 year for a lead battery recycling plant.

Plastic Materials Sector



The following table shows Revenues as of the 30th September 2023 for the Plastic Materials segment (aggregate data not including intercompany eliminations), compared with the same period in 2022:

	III Q-2023 ytd	III Q-2022 ytd	Change	Change %
Revenues from contract with customers	78,198	84,697	(6,498)	(8%)
Other operating income	2,350	3,469	(1,119)	(32%)
Revenues	80,548	88,166	(7,618)	(9%)

In the first nine months of 2023, revenues decreased by 9%, amounting to euro 7,618 thousand. The negative change in revenues from contract with customers, equal to 8%, was mainly due to a decrease in average sales prices (affected by indexing to commodity prices, which are on a downward trend) compared to the previous reporting period, in particular for the PP Compound and Battery Boxes and Lids business segments, for which sales volumes increased around by 5% compared to the previous year.

As follow, the Revenues for the third quarter of 2023 compared to the same period in 2022:

	III Q-2023	III Q-2022	Change	Change %
Revenues from contract with customers	21,712	25,447	(3,735)	(15%)
Other operating income	383	1,141	(758)	(65%)
Revenues	22,095	26,588	(4,493)	(17%)

With regard to Other operating income, it should be noted that for the third quarter 2023 there are not subsidies for energy-intensive companies while the latter amounted to euro 731 thousand in the previous quarter.

Batteries Segment



The following table shows Revenues for the Batteries segment as of 30th September 2023 (aggregate data not including intercompany eliminations) compared to the same period in 2022:

	III Q-2023 ytd	III Q-2022 ytd	Change	Change %
Revenues from contract with customers	42,022	46,409	(4,387)	(9%)
Other operating income	5,841	7,418	(1,577)	(21%)
Revenues	47,863	53,827	(5,964)	(11%)

Revenues in the first nine months of 2023 have decreased by euro 5,964 thousand (-11%).

The change in Revenues from contract with customers is caused by the net effect of the increase in revenue from customers in the lead acid battery segment for traction, stationary and start-up applications on one hand and the decrease in revenue from sales in the smelter and recycling plant design segments on the other.

The lead-acid battery segment for traction, stationary and starter applications has recorded a 4% growth in Revenues from contract with customers (of about EUR 1.3 million), due to higher sales volumes and a slight increase in average sales prices, compared to the same period of the previous year.

The negative change in Revenues from contract with customers compared to the previous period is attributable to (i) the reduction in sales related to the smelter segment (recycled lead), which has been engaged in set-up activities for the new refining and smelting plant (ii) the reduction in revenues of about €2.2 million in the battery recycling plant design segment due to the order realised for an Asian customer in 2022.

Following, the Revenues for the third quarter of 2023 compared to the same period in 2022:

	III Q-2023	III Q-2022	Change	Change %
Revenues from contract with customers	12,720	14,965	(2,245)	(15%)
Other operating income	1,746	1,959	(213)	(11%)
Revenues	14,466	16,924	(2,458)	(15%)

Revenues from contract with customers decreased by euro 2,2 million (-15%) in the third quarter of 2023. In this period, as already observed in the nine-month period, the lead-acid battery segment for traction, stationary, and starter applications has recorded an average sales growth of 6% (of about euro 0.7 million), thanks to an increase in sales volumes and a slight rise in average sales prices.

This growth mitigates the impact of the reduction in revenues for the segment as a whole, of about Euro 2.2 million in the battery recycling plant design segment and of Euro 0.7 million in the smelter segment.

With regard to other operating income, it should be noted that for the third quarter 2023 there are no subsidies to energy-intensive businesses while the latter amounted to Euro 295 thousand in the previous quarter.

Other information

Information pursuant to Art. 114, paragraph 5 of Legislative Decree No. 58/1998

As follows, the information to be published with reference to the annual, semi-annual financial reports and interim management reports pursuant to Consob request on 28 July 2021.

a) the net financial position of the Company and the Group as of 30th September 2023, showing the current components separately from the medium-long term components compared with the same information published in the consolidated half-year financial report as of 30th June 2023

STATEMENT OF NET FINANCIAL POSITION	Seri Industrial S.p.A.		Seri Industrial Group	
	30/09/2023	30/06/2023	30/09/2023	30/06/2023
A) Cash	2,921	2,377	3,512	2,996
B) Cash equivalents	87,099	8,791	71,080	1,121
C) Other current financial assets	466	461	525	533
D) Liquidity (A + B + C)	90,486	11,629	75,117	4,650
E) Current financial debt	84,241	2,619	50,544	48,601
F) Current portion of non-current financial debt	7,675	6,738	16,512	15,698
G) Current financial indebtedness (E + F)	91,916	9,357	67,056	64,299
H) Net current financial indebtedness (G - D)	1,430	(2,272)	(8,061)	59,649
I) Non-current financial debt	24,075	26,463	27,350	29,988
J) Debt instruments	0	0	4,000	4,000
K) Non-current trade and other payables	253	280	37,199	36,478
L) Non-current financial indebtedness (I + J + K)	24,328	26,743	68,549	70,466
M) Total financial indebtedness (H + L)	25,758	24,471	60,489	130,115
N) IFRS 16 adjustment	358	383	33,722	32,631
O) Adjusted Total financial indebtedness	25,400	24,088	26,767	97,484

The reduction in the financial indebtedness of the Group is mainly attributable to the cash-in of a grant for Euro 83.4 million, received on 11th August 2023 from the subsidiary FIB in the context of the Teverola 2 *gigafactory*.

b) the past due debt of the Company and its Group, broken down by nature (financial, commercial, tax, social security and towards employees) and any related creditor reaction initiatives (reminders, injunctions, suspension of supply, etc.)

Nature of the debt	Seri Industrial S.p.A.		Seri Industrial Group	
	30/09/2023	30/06/2023	30/09/2023	30/06/2023
Trade payables	912	559	14.392	15.986
Tax payables	15	15	185	180
Other payables	26	27	713	735

As of 30th September 2023, payment orders amounted to euro 674 thousand with an increase of euro 2 thousand compared to euro 672 thousand as of 30th June 2023.

c) the main changes in the relation with related parties of the Company and its Group with respect to the last financial report approved pursuant to Article 154-ter of the TUF

During the last quarter, there has been no significant changes in the nature of the relations with related parties of the Company and the Group. For further information, please refer to the Half-Year Financial Report as of 30th June 2023, available on the Company's website (<https://www.seri-industrial.it/>).

The following table shows the balance sheet transactions with related parties as of 30th September 2023, compared with the balances as of 30th June 2023:

Balance sheet ratios by counterparty	30/09/2023		30/06/2023	
	Receivables and other assets	Payables and other liabilities	Receivables and other assets	Payables and other liabilities
Pmimmobiliare Srl	1,568	30,858	1,716	29,578
SE.R.I. SpA	822	125	932	511
WWS Group Srl	0	570	0	558
Elektra Srl	79	53	65	140
Azienda Agricola Quercete arl	30	308	28	324
Cotton S. Srl	15	180	14	167
Repol Sas	0	0	256	0
Others	86	181	79	238
Total	2,600	32,275	3,090	31,516

In accordance with IFRS 16, leases are recognised by recording utilisation rights and financial liabilities. Financial liabilities for leasing as of 30th September 2023 to Pmimmobiliare and Azienda Agricola Quercete amounted respectively to euro 30,728 thousand and to euro 302 thousand.

d) any failure to comply with 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 such clauses

No restrictions observed on the use of financial resources. Covenants' verification, consistent with the relevant loan agreements, takes place on the basis of data as of 31st December of each year. In addition, the following should be noted (i) with reference to the FIB-Deutsche Bank loan - entered for a residual €1.35 million in current liabilities and regularly repaid at the respective due dates, most recently the instalments of 31 March, 30 June and 30 September 2023- no early repayment requests has been received as a result of failure to meet the financial covenants at 31st December 2022 (ii) with reference to the FIB-Pool bank loan, entered for €5 million under current liabilities, it has been extended the maturity date to 31st July 2024 and the covenants disapplication with respect to the 31st December 2022 check.

e) the status of implementation of any industrial and financial plans, highlighting any deviations of the final figures from the expected ones

Management confirms the Plan's objectives. The current delays registered mainly in the start-up of the Teverola 1 project have led to lower economic and financial results than expected; these deviations are considered, at this stage, not decisive for the Plan realization. Regarding Teverola 1, in line with the communication made on September 21st 2023, it is confirmed that interventions aimed at increasing production and efficiency capacity are currently underway, and that the orders are being processed.

On 18th October 2012, pursuant to Article 3 of Consob Resolution No. 18079 of 20 January 2012, the Company made the choice provided for by Articles 70, paragraph 8, and 71, paragraph 1-bis, of Consob Regulation No. 11971/99, with a derogation from the obligation to make available to the public an information document in the event of significant mergers, spin-offs, capital increases by contribution of assets in kind, acquisitions and disposals.

Pursuant to Article 154-bis, paragraph 2, of Legislative Decree No. 58/1998, the Officer responsible for the preparation of the financial reports, Pasquale Basile, declares that the information contained in this press release corresponds to the books and accounting records.

Seri Industrial S.p.A. is a company listed on the EXM market of the Italian Stock Exchange. Seri Industrial's *mission* is to accelerate the energy transition towards sustainability and decarbonisation. The Group operates through two companies: (i) Seri Plast, active in the production and recycling of plastic materials for the battery, automotive, packaging and hydro-thermo-sanitary markets; (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 battery recycling plants.

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