HALF-YEAR FINANCIAL REPORT AT JUNE 30, 2023

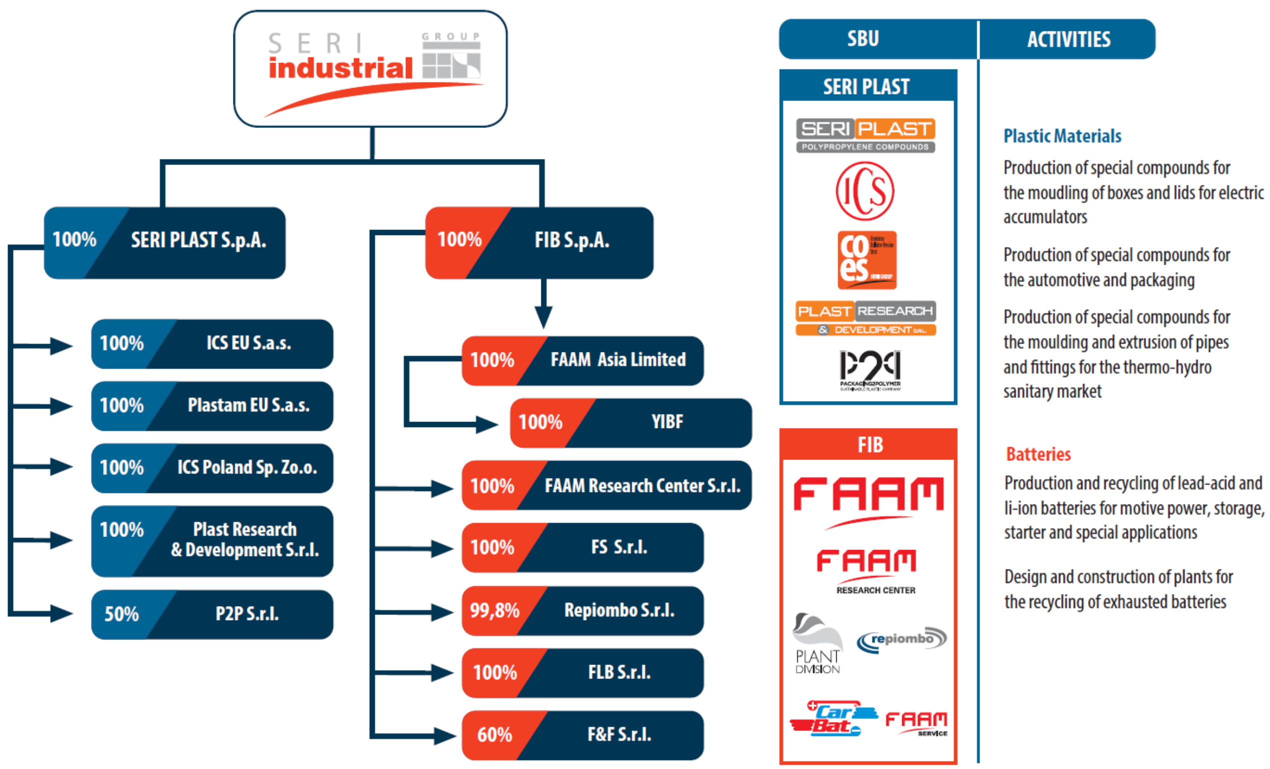
Index

Seri Industrial Group

Profile

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

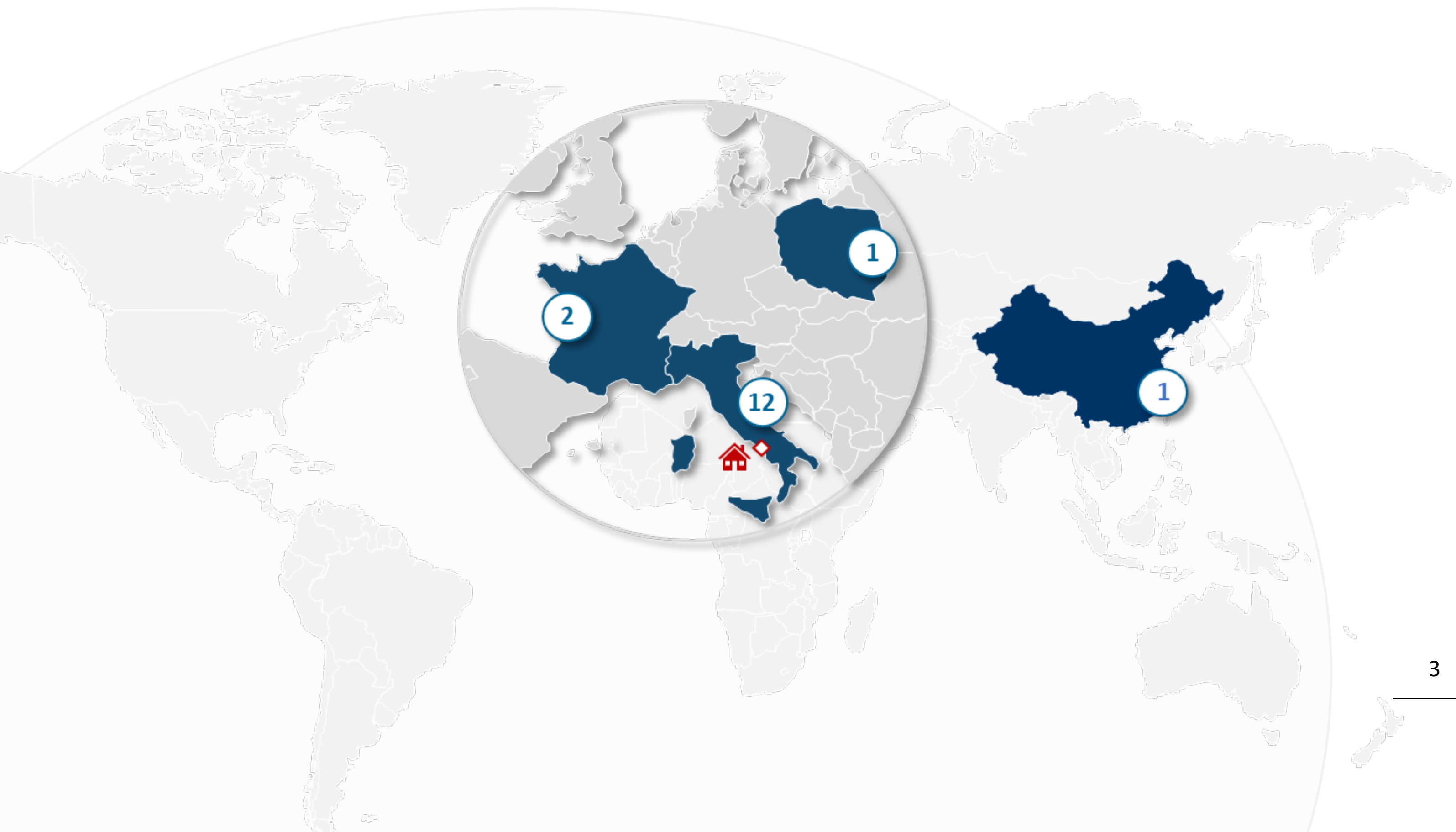
- **Seri Plast SpA** (**'Seri Plast'**) is active in the recycling and production of plastic materials for the (i) battery market (production of special compounds and moulding of battery boxes and lids), (ii) automotive market (production of special compounds) and (iii) hydro-thermo-sanitary, civil and shipbuilding markets (production of special compounds, extrusion and moulding of pipes, fittings and special parts)**;**
  "Plastic Materials" business line
- **FIB SpA** (**'Fib'** or **'FIB'** or **'Faam'**), active, under the Faam brand name, in the production and recycling of lead-acid and lithium batteries for industrial traction, storage and start-up applications and in the construction of plants for the recovery of end-of-life batteries.
  "Batteries" business line



[1] The subsidiary Tolo Energia Srl in liquidation is excluded.

Seri Industrial Group Location

Seri Industrial, with its headquarter in San Potito Sannitico (CE), operates through 16 subsidiaries **spread** worldwide and **711 employees**.



Plastic materials

Italia

Canonica d'Adda (BG)

Pioltello (MI)

Gubbio (PG)

Alife (CE)

Francia

Peronne

Arras

Polonia

Brwinow

Batteries

Italia

Monte Sant'Angelo (FG)

Monterubbiano (FM)

Teverola (CE)

Calitri (AV)

Alife (CE)

Mesero (MI)

Villanova (BO)

Roma (RM)

Dragoni (CE)

Cina

Yixing

Production plants

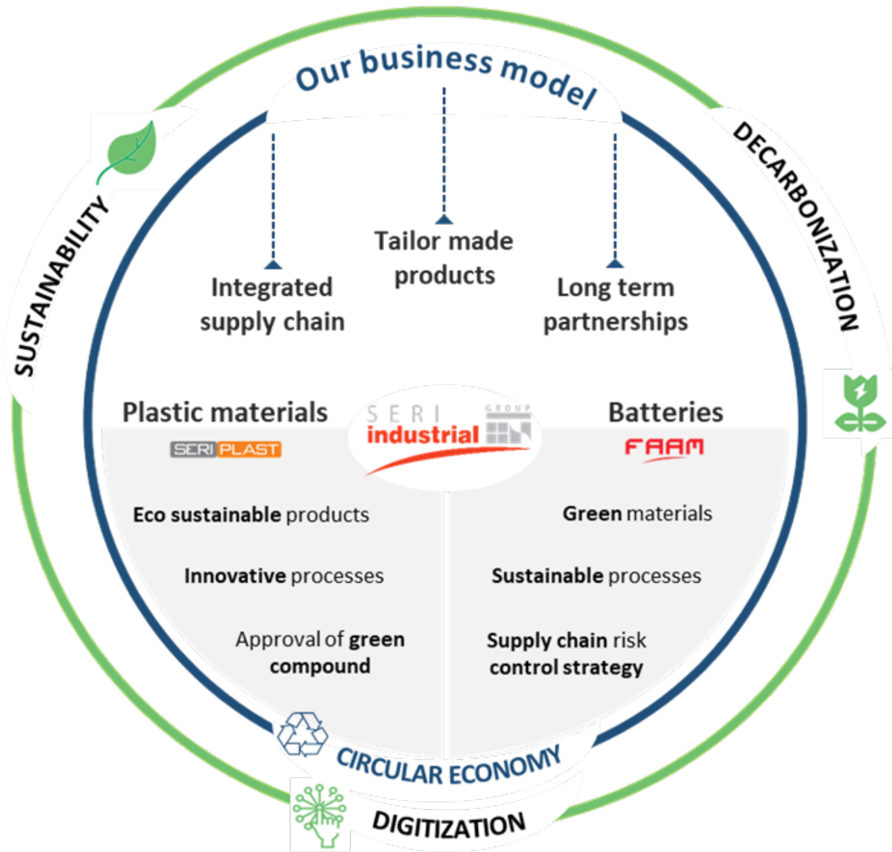
Research & Development centres

FAAM Customer Service

Mission and business model

Our Mission is to accelerate the energy and ecological transition

A new way of thinking about the economy, with **virtuous, innovative and low-impact products and production processes**, supporting the **transition of** the economy **from a linear to a circular model.**



In the wake of the Paris COP 21 climate conference and the recent COP 26, the Seri Industrial Group envisages sustainable development for its future, firmly rooted in the idea that it must actively participate in the energy and ecological revolution that is just around the corner, and fully aware of the need to be ready for the challenges that the energy sector is about to face.

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

Seri Industrial Group is pursuing strategic goals to accelerate the energy and ecological transition in line with the Paris Agreement and recent European and Italian initiatives:

Sustainability

To be achieved through (i) a **fully vertical integrated supply chain model**, (ii) the development of products for special applications capable of **innovating current technologies** in niche markets and of **new technologies for waste recovery** as well as the integration of the Group's R&D centers.

Digitisation

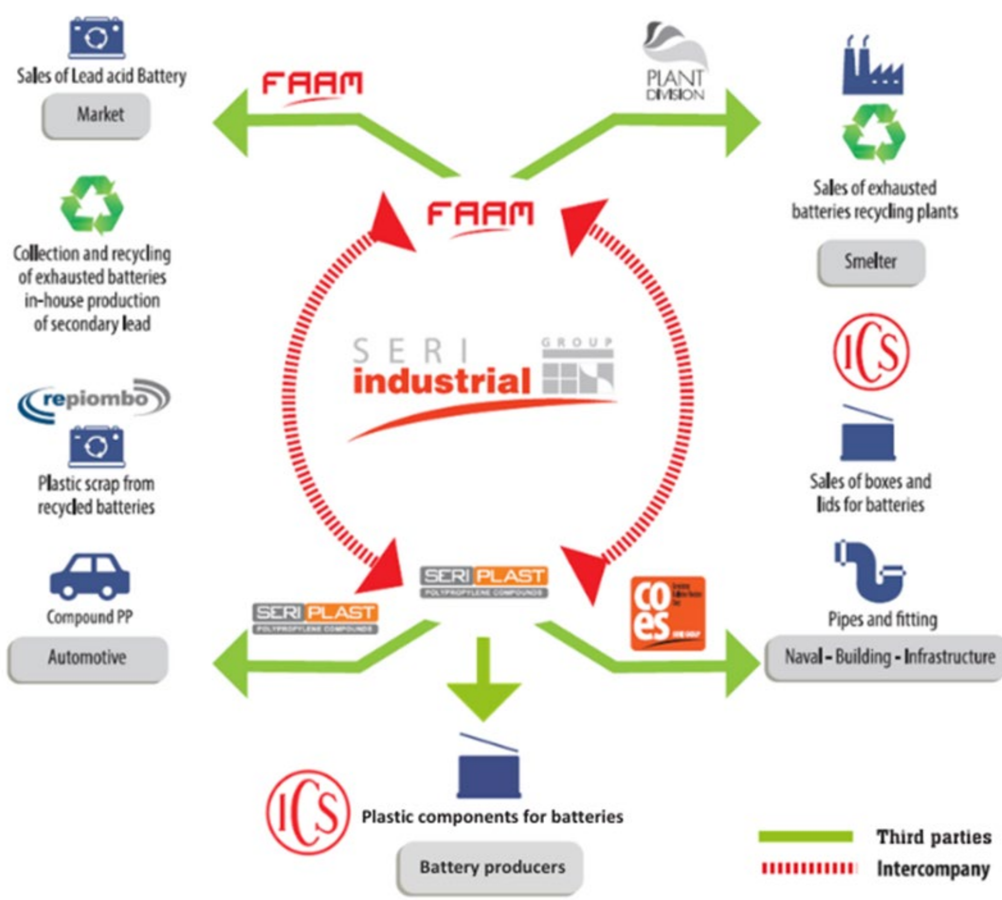
To be implemented through the development of **innovative technologies** applied to storage systems in order to ensure the ongoing **"energy transition"**, with the introduction of 'blockchain' technology in energy exchanges and a continuous research of hardware and software solutions for products dedicated to Digital Energy.

Decarbonisation

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

The Group is fully committed to developing an integrated sustainable business model in plastics and energy storage, based on the principles of 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.

Current business model



The Group's social commitment

Promotion and development of the territory

Seri Industrial Group, in the wake of the Italian entrepreneurial tradition, is closely linked to the territory in which it carries out its activities, and its development has always taken place considering precise **logics to support the economic, social and employment growth of territories** and being responsible towards the local communities of reference. Indeed, it is not enough just reporting economic and financial growth figures, nor can it be exhaustive to focus on the technological evolution that accompanies the development of innovative products with a lower environmental impact. It is also essential to focus on the territory in which company's activity takes place.

Over the years, the Group has established strong ties with its hosting territories, paying attention to their needs and outlining a **path of joint development and growth**. Looking at the residence of people working in all Group companies, it appears that an **average of 78% of employees** live close to their workplace.

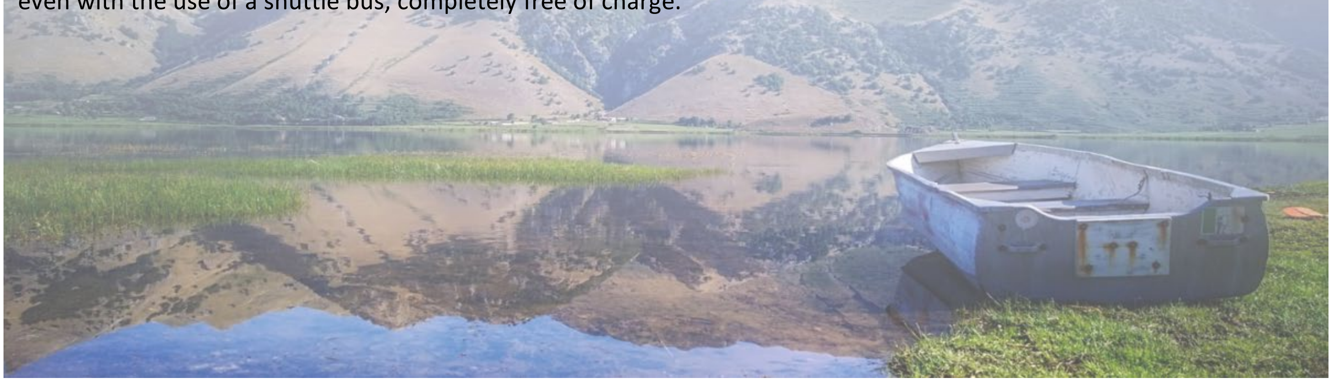
Diversity and social inclusion

With regard to the people who work in the various companies, the Group is committed to building an **inclusive working environment on** a daily basis, **capable of enhancing diversity and uniqueness**, promoting individual development, also through an ever-increasing and diversified training offer. The main goal is to invest in the training of its employees, to improve their competences, to create an increasing sense of belonging within companies, to enhance their skills and increase the *retention rate* for the most capable and valuable employees. **Women in the Group account for 20 % of the total**, thanks to a special focus on gender diversity but also, on cultural diversity, which aims to enhance human resources.

Sport and culture diffusion

Social commitment leads the Group to concretely support numerous projects and initiatives in favour of local communities in those areas of major social need. One relevant example is the important support to **Polisportiva Matese ASSD a r.l.**, an amateur sports club accredited by CONI. The club adheres to the **'Sport di tutti' (Everyone's Sport) Project**, for free access to sport with the aim of both breaking down the economic barriers faced by some families and ensuring the right to sport for all, providing a service to the community.

The Polisportiva Matese is accredited to the CAS (sports start-up centre), which allows all families in precarious economic conditions and/or with disabled adolescents in the family, to have their children participate in afternoon sports activities, even with the use of a shuttle bus, completely free of charge.



Highlights

€ 95.869 thousand

REVENUES, INCOME AND INTERNAL WORKS

€ 101.477 thousand
as of June 30, 2022

€ 7.154thousand

ADJUSTED GROOS OPERATING INCOME

€ 9.071 thousand
as of June 30, 2022

€ 265.855 thousand

NET INVESTED CAPITAL

€ 247.811 thousand
as of December 31, 2022

€ 97.484 thousand

ADJUSTED NET FINANCIAL POSITION

€ 79.018 thousand
as of December 31, 2022

Economic and financial results

Euros / 000	30/06/2023	30/06/2022	Change	Change %
Revenues, income and internal works	95,869	101,477	(5,608)	(6%)
Gross Operating Income - EBITDA	6,855	8,855	(2,000)	(23%)
Adjusted Gross Operating Income - Adjusted EBITDA	7,154	9,071	(1,917)	(21%)
Depreciation and amortisation	*12,287*	*10,826*	*1,461*	*13%*
Write-downs/write-backs	*1,253*	*(39)*	*1,292*	*>100%*
Net Operating Income (Loss) - EBIT	(6,685)	(1,932)	(4,753)	>100%
Adjusted Net Operating Income (Loss) - Adjusted EBIT	(6,126)	(1,716)	(4,410)	>100%
Consolidated Profit (Loss)	(7,042)	(5,194)	(1,848)	43%
Consolidated Adjusted Profit (Loss)	(6,335)	(4,286)	(2,049)	48%

Balance Sheet data

Euros / 000	30/06/2023	31/12/2022	Change	Change %
Investment activities	7,052	6,402	650	10%
Net invested capital	265,855	247,811	18,044	7%
Equity	135,740	143,522	(7,782)	(5%)
Net Financial Position	130,115	104,289	25,826	25%
Adjusted Net Financial Position	97,484	79,018	18,466	23%

Staff

Number of employees	30/06/2023	31/12/2022	Change	Change %
FIB Division - Batteries	367	355	12	3%
Seri Plast Division – Plastic materials	287	302	(15)	(5%)
Corporate and other activities	57	55	2	4%
Group	**711**	**712**	**(1)**	**(0%)**

In the first half of 2023, the Group has recorded Revenues, income and internal works amounting to euros 95,869 thousand compared to euros 101,477 thousand of the first half of the previous year. Sales volumes has tended to be in line with the first half of the previous reporting period, therefore, the negative change in revenues has to be mainly associated to the decrease in average sales prices.

In terms of profitability, EBITDA amounted to euros 6,855 thousand as of June 30, 2023, with a percentage margin (EBITDA/Revenues, income and internal works) of 7.2% compared to 8.7% of the previous reporting period. Margins have been mainly affected by the higher electricity costs incurred by French subsidiaries, operating in the Plastics sector, in the first half of 2023, estimated for euros 1,574 thousand compared to the previous reporting period. Excluding the impact of the electricity costs described above, the percentage margin would be in line with the previous reporting period.

Furthermore, margins result negatively impacted by the lower sales profitability related to production pertaining to- the previous reporting period, that have been impacted by the decreasing trends in raw material prices.

The Group has registered an Adjusted Consolidated Loss of euros 6,335 thousand after incurring (i) depreciation and amortisation of euros 12,287 thousand, of which euros 6,342 thousand related to the investment made and still on-going for the Teverola 1 and 2 projects and (ii) higher financial expenses of euros 1,749 thousand compared to the previous reporting period.

Adjusted Net Financial Position is equal to euros 97,484 thousand compared to euros 79,018 thousand as of 31st December 2022. The increase has to be associated to higher investments in working capital, equal toeuros 8,341 thousand, and in tangible and intangible assets, in the amount of euros 7,052 thousand. In particular, over the first half of the year, there has been an increase in the value of inventories, amounting to euros 9,907 thousand, mainly due to the increase in inventories at the Teverola 1 site, equal to euros 6,901 thousand.

Ongoing projects

The Teverola plant was started up at the end of 2022 and production capacity has been gradually increased during 2023. In June 2023, Mr Dominique Ligeois, one of the world's leading experts on lithium cells, has been appointed as Technical Director (CTO).

During the verification of process parameters, with increased production capacitiy, a significant increase in production scrap and downtime has been observed, also due to persistent problems on the power line (voltage dips and spikes on the grid) causing faults in the electronic equipment of the plants as well as continuous production stops and restarts with negative impacts on production efficiency.

During the last quarter, the subsidiary FIB thus took the decision to proceed with the installation of protection systems for certain plants. On the basis of the new production standards defined by the CTO, modifications were also made to the production process in order to reduce scrap and ensure that the production parameters of the cells are stably and continuously met.

The company will carry out further checks on process parameters as production capacity is progressively increasing tothe theoretical maximum possible, taking into account the modifications and adjustments already made and those to be made, in line with the indications received from the new technical manager and the high-profile technical team hired over the last few months. All interventions are aimed at increasing current production capacity and efficiency and significantly reducing scrap.

In this context, the company has therefore decided to delay sales on the market of finished products, including the current stock of finished products, taking a very conservative but necessary attitude in order to guarantee continuity and timeliness in supplies to customers, once production processes have been stabilised and maximum production capacity has been achieved.

The extraordinary investment realised, which is among the most innovative in Eurospe thanks to the characteristics of the cells (LFP on an water basis, without the use of solvents), certainly required a longer lead time than initially expected, but in line with the start-up times of the other plants being built by the main European competitors.

Currently, the forecasts of the business plan approved on 27 July 2023 and the expected turnover forecast in 2026 for the Teverola 1 and Teverola 2 plants remain firm. The company will notify the market of updates regarding the ramp-up of the plant, following the outcome of the checks currently underway on the work already completed and on that already planned.

The technical team and the CTO are also defining all the process parameters of the Teverola 2 plant (giga factory), whose investment programme has been significantly accelerated over the last few months, also following the cash in of the advance payment of approximately EUR 84 million of the IPCEI subsidy granted by the Ministry of Enterprise and Made-in-Italy ("MIMIT"), as an advance on the overall subsidy. In addition, preliminary activities are underway with a pool of banks for the activation of a revolving credit line in order to anticipate the timing of the disbursement of the grant.

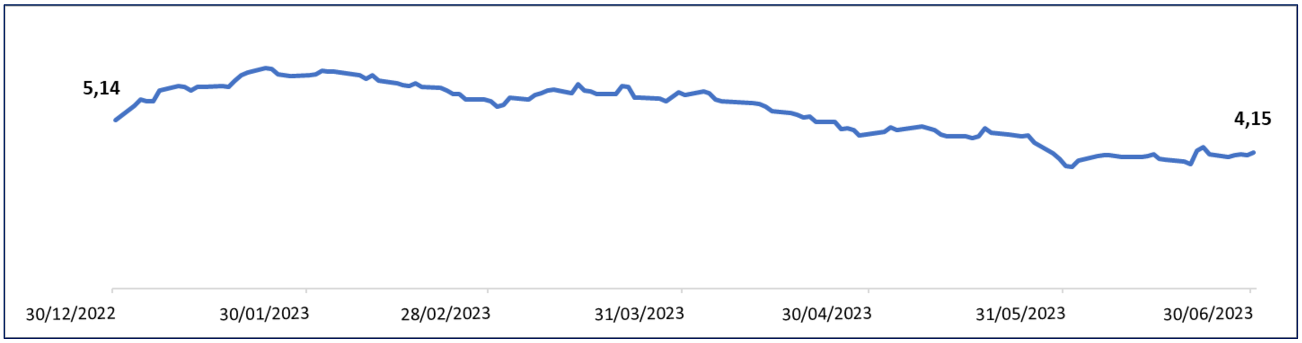
Finally, with reference to the Unilever-P2P project, on 30 June 2023, the Development Agreement was signed by MIMIT and Invitalia S.p.A. for €82 million, of which €30 million as a non-repayable contribution and €52 million as a soft loan. As at 30 June 2023, the site preparation and demolition activities of the old plants were completed.

Seri Industrial stock performance

The current macroeconomic environment continues to be affected by the conflict between Russia and Ukraine and by an high level of inflation that is still far from the central banks' targets. On the monetary policy front, the European Central Bank is maintaining a restrictive attitude,declaring that it will continue to raise interest rates in order to bring inflation back to the target level. Although the global scenario remains extremely complex, the latest global GDP growth forecasts for 2023 are slightly up comparedto the forecasts for 2022.

In June, the performance of the Seri share price has fluctuated between euros 3.8 and euros 4.4, settling at euros 4.1 per share at the end of theJune 30, 2023 trading session (-40% compared to the share price as ofJune 30, 2022, equal to euros 6.9, and -43% compared to the share price as of June 30, 2021, equal to euros 7.25).

Seri stock price from December 30, 2022 to June 30, 2023



The Italian stock market has risen 7.7% in June and about 18% since the beginning of the year. The best performance was observed in the Mid Cap segment, with the FTSE Italia Mid Cap index up 8.5% YTD compared to -2.5% for the FTSE Italia Small Cap.

The following graph shows the performance of Seri shares in relation to the FTSE MIB index, over the period from 30th December 2022 to 30th June 2023.

Performance of Seri shares and the FTSE-MIB Index from 30 December 2022 to 30 June 2023

Market capitalisation as ofJune 30, 2023 was approximately Euros 224 million (equal to Euros 254 million as of December 31, 2022 and equal to Euros 467 million as ofDecember 31, 2021).

Group Strategy and Risk Management

Group strategy

In an uncertain macroeconomic context, characterised by the ongoining conflict between Russia and Ukraine and by inflationary pressures, also triggered by the impacts of the pandemic crisis, the speeding-up of the transition process towards a zero-emission business model is increasingly representing 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 heart of its strategy, even when these issues were far from being at the centre of European and world attention. Over the years, the Group has consistently operated through this vision, providing its customers with innovative, safe and *eco-friendly* products, with control over the entire production chain.
Continuing on the path of sustainability and technological innovation, initiated with the Teverola 1 project, the Group has outlined its medium and long-term strategic actions to fully realise its sustainability, decarbonisation and digitalisation goals. In particular, the Group plans to strengthen its commitment to the energy transition through circular economy models with the implementation of the 'Unilever-P2P' project, in partnership with Unilever, and the 'Teverola 2' project, within the framework of the European IPCEI Batterie 1 programme. Both projects pursue the scope 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 manner, the medium- and long-term objectives of the **Seri Industrial Group** to accelerate the **energy and ecological transition**.

Investment Projects and Business Plan

€ **505** mln
Capex and **Opex**
8,5 GWh/yr
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, whose objective is to support the creation of a European lithium-ion battery supply chain for a decarbonised economy that favours the energy and ecological transition, encouraging electric mobility and reducing emissions.
With the IPCEI Project, the Group aims at developing a technology cluster through the construction of the first and only gigafactory in Italy and Southern Eurospe to produce lithium-ion batteries.
The project envisages investments of about euross 505,8 million to be realised through the subsidy granted by the European Commission, in the form of a contribution to expenditure.

The gigafactory will be built in the same area of the Teverola 1 plant, with a total area of 265,000 square metres, where the Group has already started up a highly innovative plant for the production of cells and modules for lithium batteries, with an initial installed capacity of about 330 MWh/year for ESS (Energy Storage System), Motive Power, Naval and electric mobility applications. The gigafactory will have an estimated annual production capacity of about 8.5 GWh, able to meet the growing market demand. In order to promote the efficient management of natural resources and the development of circular economy processes, the project includes the development of a pilot line for the recycling of spent lithium accumulators and the recovery of active material. The aim is to replicate the business model of the lead-acid battery segment, based on circularity, also for the lithium battery segment, thanks to the Group's long experience in the sector.

With these goals in mind, the Group has chosen a lithium-iron-phosphate-based active material that combines safety with high performance and sustainability of the materials used. In addition to the choice of LFP chemistry, the Group is strongly supporting the development of a production process that uses so-called '*water-based*' preparations, without the use of organic solvents. This process makes it possible to reduce atmospheric emissions into the environment both due to the lower energy consumption of the plant resulting from the absence of a chemical solvent recovery system (the water-based solution is recycled and reintroduced into the production cycle) and due to the lower temperature present in some processes. In addition, the use of water instead of solvents allows greater security and flexibility in the future battery recycling process, as there will be no need to treat the solvent at the end of its life.

In June 2023, the Group appointed a new Chief Technology Officer, responsible for the project's development, construction and process engineering activities. This designation is a part of the Group's broader people development strategy, aimed at building a solid international and highly qualified team for the Teverola cluster, which will employ over 600 new people in the area when fully operational. In particular, the project will require highly qualified engineers, researchers and technicians, in line with the objectives of the IPCEI programme.

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 Eurospe for the production of recycled plastic and the only one in Southern Italy capable of recovering mixed plastic material from post-consumer waste, currently sent to landfills, waste-to-energy plants and cement factories.

The plant will be built with the application of the best technological standards and will make it possible to reduce the production and use of virgin plastic from hydrocarbons, virtuously adhering to the guidelines of the European Green Deal.

Unilever is committed to purchasing at least 65 thousand tons/year of recycled plastic raw materials at an already agreed price, indexed to raw material trends, guaranteeing the saturation of 50% of the theoretical maximum production capacity of 130 thousand tons/year.

€ 109 mln **Capex**

+130 K t/yr

mechanical recycling capacity

Prodotti

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

In addition, a new technology for waste recognition and separation will be developed using optical readers, together with *deep* learning machines that will perform waste detection through automatic learning of end-of-life plastics recognition.

Unilever is committed to purchasing at least 65,000 tonnes/year of recycled plastic raw materials at an agreed price, indexed to raw material trends, guaranteeing the saturation of 50% of the theoretical maximum production capacity of 130,000 tonnes/year.

The Group plans to invest around Euros 109 million between production investments and R&D investments, of which Euros 82 million will be covered through the resources made available by MIMIT.

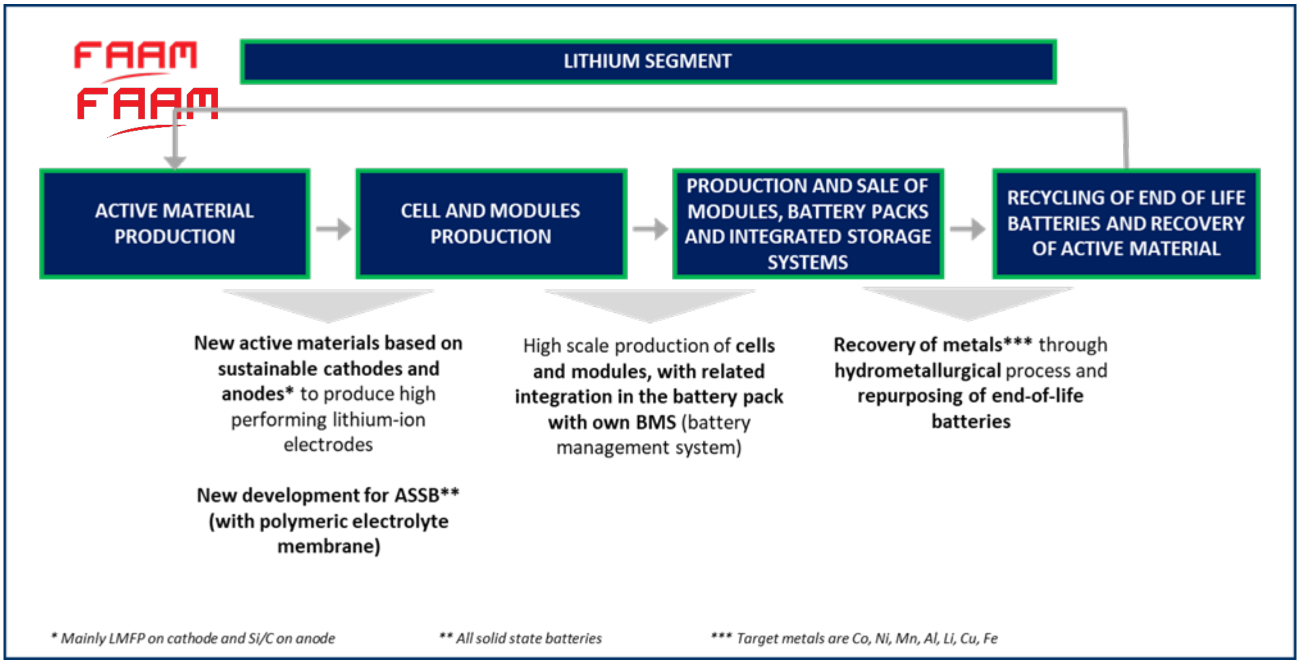
Business Plan 2023-2026

The strategic actions and investments are reflected in the 2023-2026 Business Plan, approved by the Board of Directors on July 27, 2023. The Plan forecasts revenues of approximately Euros 2,2 billion in 2026, through the development of the Group's strategy and the realisation of the investment projects indicated above, in line with the economic forecasts indicated in the plan previously approved.

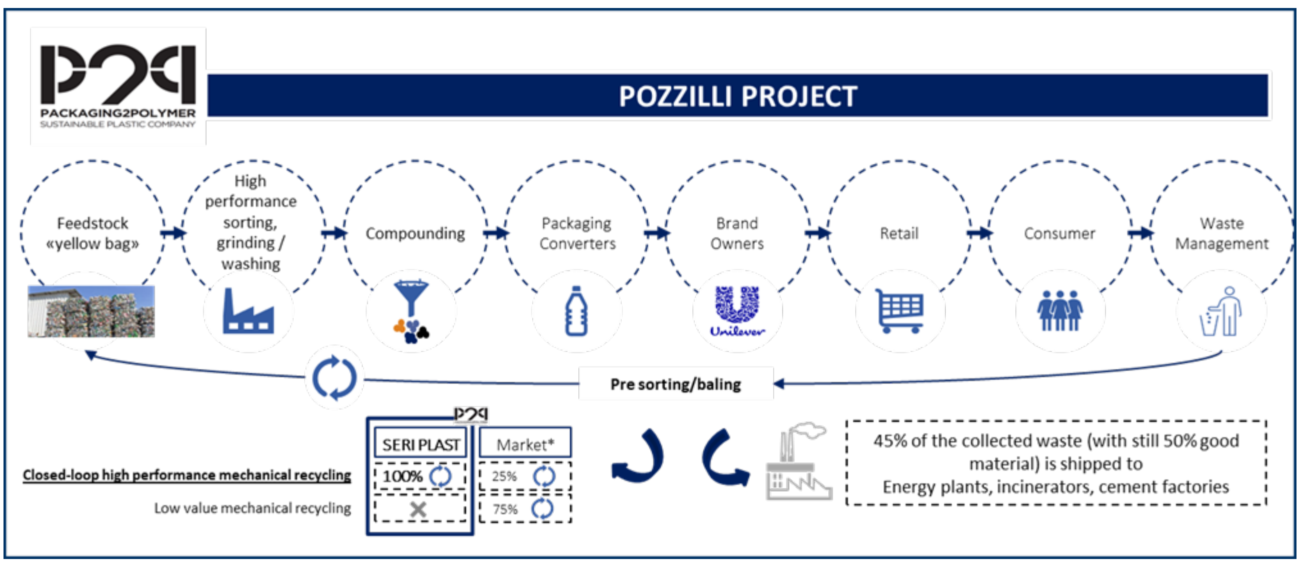
The Circular economy

The circular economy is a strategic driver for Seri Industrial Group in order to respond to today's major environmental and social challenges.

Teverola: the circular economy in the Lithium segment



Unilever-P2P: sustainable packaging



Reference scenario

Macro-economic Context

The global macroeconomic environment in the first half of 2023 has been more resilient than expected, despite the ongoing military conflict between Russia and Ukraine and the inflationary pressures. Global GDP growth forecasts, published in June 2023 by the OECD, would ease, averaging just below 3% in 2023-24. The outlook continues to be adversely affected by the uncertainty related to the military conflict, which is still causing serious social and economic consequences for the countries both directly and indirectly involved, as well as the persistence of inflation and the consequent restrictive attitude of monetary policies in the major advanced economies. The global cyclical weakness contributed to a significant drop in energy commodity prices as well as in industrial metal and agricultural commodity prices, which returned to values prior to the outbreak of the conflict in Ukraine. The main risks to energy commodity prices relate to uncertainty connected to the recovery in European and Asian demand and possible *disruptions* in gas supply, which could affect current balances by pushing upward price volatility.

With regard to the eurozone, output growth has slightly contracted, by 0.1 %, in the first three months of 2023, reflecting the weakness of domestic demand. The most recent economic indicators suggest that growth was almost null in the second quarter: industrial production has fallen by 1.4% compared to the average of the first three months of the year, while there has been strong dynamism in the services sector, which has driven domestic demand. According to Euros system experts' projections[2] , output will slow to 0.9 % in 2023 (from 3.5 % last year), accelerating to 1.5 % in 2024 and to 1.6 % in 2025. GDP growth estimates were revised downwards mainly due to the intensification of financial conditions for households and businesses, resulting from the round of monetary restrictions adopted by the European Central Bank to face inflationary pressures. In June, Eurozone consumer inflation has risen to 5.5 % on a yearly basis, indicating a reduction in inflationary pressures following the fall in energy prices, reflecting the normalisation of wholesale prices. However, the indirect effects of the energy price increases of the past months on services and other goods prices, in particular food, persist. According to the Euros system's expert projections published in September, price dynamics in the euros area will average 5.6% this year, 3.2% in 2024 and 2.1% in 2025, revised upwards for 2023 and 2024 and downwards for 2025. In response to these inflationary pressures, the European Central Bank is continuing to tighten monetary conditions. After the further growth of interest rate in May and June, the Governing Council decided during its recent meeting on 14 September 2023 to raise the ECB's three key interest rates by 25 basis points. Thus, the interest rates on the main refinancing operations, the marginal lending facility and deposits with the central bank will be raised to 4.5%, 4.75% and 4%, respectively, with effect from 20 September 2023.

For what concerns the situation in Italy, after the rebound in the first quarter, GDP has remained almost unchanged, mainly due to the contraction of manufacturing activity, which is negatively affected by the weakening of the industrial cycle at global level. Output growth would be 1.3% this year, 0.9% in 2024 and 1.0% in 2025. Inflation would average 6.0% this year and drop to 2.3% in 2024 and to 2.0% in 2025, reflecting the direct and indirect effects of falling energy commodity prices.

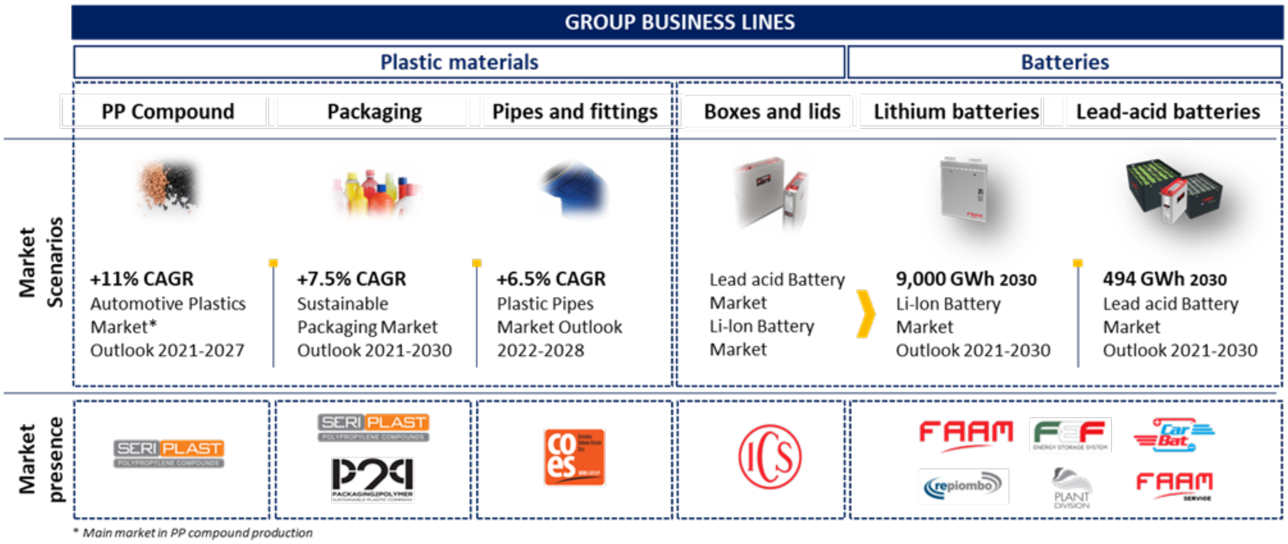
The growth outlook remains subdued, however, due to the development of the conflict in Ukraine, which continues to be a major factor of instability for the macroeconomic framework, and due to the possibility of a tighter financing conditions than expected[3] .

[2] ECB: Eurossystem staff macroeconomic projections for the euros area, June 2023.

[3] Source: Economic Bulletin no. 3/2023 - Bank of Italy, July 2023

Group Reference Markets

The evolutionary scenarios analysis for the plastics and batteries markets is a fundamental factor in defining the Group's positioning in these contexts. In particular, the reference scenario can be summarised as follows:



Plastic Materials

Automotive Plastics Market
+11% CAGR 2021-2027

The global plastic compounds market is estimated to reach $104.09 billion in terms of sales by 2028 with a compound annual growth rate (CAGR) of 6.5%[4]. The characteristics and properties of plastic compounds (flexibility, strength, stability, etc.) are, in fact, the main strategic factor for the growth of the market, in almost every field of application, from automotive to construction, from packaging to medical, from electronics to communications.

The substantial increase in the market is estimated to be driven mainly by the growing use of PP compounds in the automotive industry. In fact, polypropylene accounts for more than half of all plastics used in automotive, due to its excellent mechanical and moulding properties that enable it to meet the performance requirements of automotive plastic components. In particular, the automotive plastics market is expected to grow in terms of sales with a CAGR of more than 11% between 2021 and 2027[5].

Despite the impact of the Covid-19 emergency, which has led to a downturn in the automotive market, a recovery in demand is estimated to be linked mainly to electrification trends and the related CO_2 emission reduction regulations. The use of innovative, increasingly sustainable and lightweight plastics to replace other materials such as metal will, indeed, play an increasingly strategic role for OEMs - *Original Equipment Manufacturers*.

[4] "*Global Plastic Compounding Market Outlook 2022*", Valuates Reports, January 2022
[5] "*Global Automotive Plastics Market Report 2021-2027*", Global Market Insights, February 2022

Sustainable Packaging Market

+7,5% CAGR$_{2021-2030}$

The global recycled plastics market is estimated to reach $53.5 billion by 2028, up from around $39.9 billion in 2022, showing a growth rate of 4.9% over the period 2023-2028. Actually, the growing concerns about overconsumption of resources and environmental degradation are increasingly encouraging the use of 'green' products to minimise waste and carbon emissions. In this regard, governments in many countries are introducing strict regulations for the reuse and recycling of plastics, encouraging the sustainable waste treatment. [6]

In this context, the global sustainable packaging market is a fast-growing segment, expected to increase by 7.5% CAGR by 2030, with sales of $409.2 billion, up from around $229.5 billion in 2021.

Leading multinationals are increasing their commitment to new sustainable packaging solutions. In this framework is positioned the global innovation strategy "*Clean Future*", designed by Unilever, that includes also the reconversion project of the Pozzilli plant. The project will be realised through the establishment of the P2P joint venture which, represents an important step forward for the transition to a circular economy, aimed at reducing the carbon footprint of its products. The goal is to replace 100 per cent of carbon from fossil fuels in the product formulation, following the principle "reduce, reuse and recycle", rather than "extract, produce and throw away".

Plastic Pipes Market

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

Lastly, tthe global plastic plumbing pipe market is estimated to reach $83 billion by 2028, with a CAGR of 6.5%[7] . While urban population growth and the resulting increase in demand for infrastructure, mainly in Asia Pacific and African countries, is the main driving force behind the market, environmental concerns related to the use of plastic pipes may hinder its growth.

Batteries

Lead acid Battery Market

494 GWh $_{2030}$

The global lead-acid battery market is estimated to reach $47 billion by 2030, for volumes of 494 GWh, up from around $38 billion in 2021, of which around $18 billion will be related to Energy Storage System (ESS), Uninterruptible Power Supply (UPS), Telecom, Forklift (forklifts), Other Motive - the Group's core segments - and Power tools, E-Bikes and other applications[8] .

With reference to the Italian context, the domestic lead-acid battery market has recorded a 32.5% increase in 2022 compared to the previous year, being supported by the significant growth in stationary batteries (+85.4%), which has become the leading market segment thanks to significant investments in renewable energy, starter batteries (+6.6%), and traction batteries (+17.4%). For 2023, production is expected to grow by 11.8% compared to 2022, although the ongoing conflict between Russia and Ukraine and the tightening of the global geopolitical situation could negatively impact this positive trend.

It should be pointed out that the overall market trend for lead-acid batteries is being influenced by the regulations adopted in the sustainability and circular economy fields, which increasingly encourages the major players in the industry to improve the quality of the batteries produced in order to reduce their environmental impact. To this end, companies are increasingly investing in research for the development and improvement of lithium batteries to replace lead-acid batteries.

[6] *"Green Packaging Market Size is projected to reach USD 409.2 Billion by 2030, growing at a CAGR of 7.5%", Straits Research, October 2022*

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

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

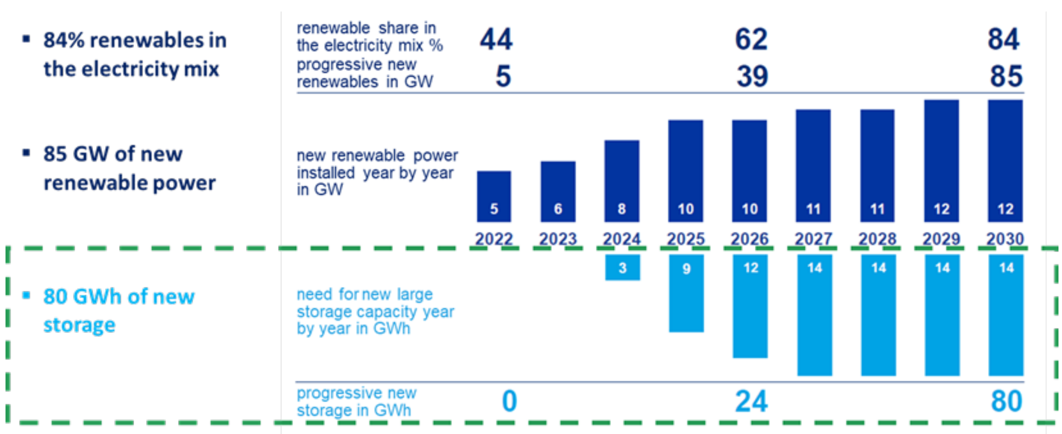
Li-Ion Battery Market

9.000 GWh $_{2030}$

On 18 May 2022, the European Commission proposed the REPower package in response to the difficulties and disruptions in the global energy market caused by the Russian invasion of Ukraine, with the aim of making Europe independent of Russian fossil fuels and giving further impetus to decarbonisation. As a consequence of the initiatives mentioned above, it is estimated that energy demand will increase from the current target of 40% to 45%, registering a total capacity of 1,236 GWh by 2030 compared to the 1,067 GWh forecasted by the previous European "Fit for 55" plan[9] (hereafter FF55). With respect to Italy, it is estimated that approximately 80 GWh of additional storage is needed to meet the REPowerEU targets, from the 60 GWh set by the FF55.

2030, in Italy:	Fit for 55	REPowerEU
New GW renewable power	+70	+85
Additional storage GWh	+60	+80
Share of renewable electricity in the electricity mix %	72	84
CO_{2eq} emission reduction of the electricity sector % *(base 1990)*	-58	-75

To reach the target, 85 GW of new renewable energy and 80 GWh of new storage systems need to be installed in Italy. Below is a graphic representation of the REPower 2030 Electricity Development Plan for Italy[10] .



Among the scenarios described, the FF55 scenario with a 2030 horizon plays a special role, not only because it targets policy objectives by 2030, but especially because it assumes an efficient mix of investments in grid infrastructures, renewable sources, storage and new digital technologies that are compatible with the major technical, economic and administrative constraints that might otherwise prevent their feasibility in such a tight timeframe. Namely, the FF55 scenario assumes that maximising the use of renewable electricity requires adequate storage capacity, estimated to be around 100 GWh, of which about 80 GWh - as described above - for utility scale applications (electrochemical batteries with a rather high energy/power ratio of 8 hours) and capacity market (electrochemical batteries with an energy/power ratio of 2 or 4 hours) and about 16 GWh for small

[9] *'Repower EU: secure, sustainable and affordable energy for Europe', https://commission.eurospa.eu/strategy-and-policy*

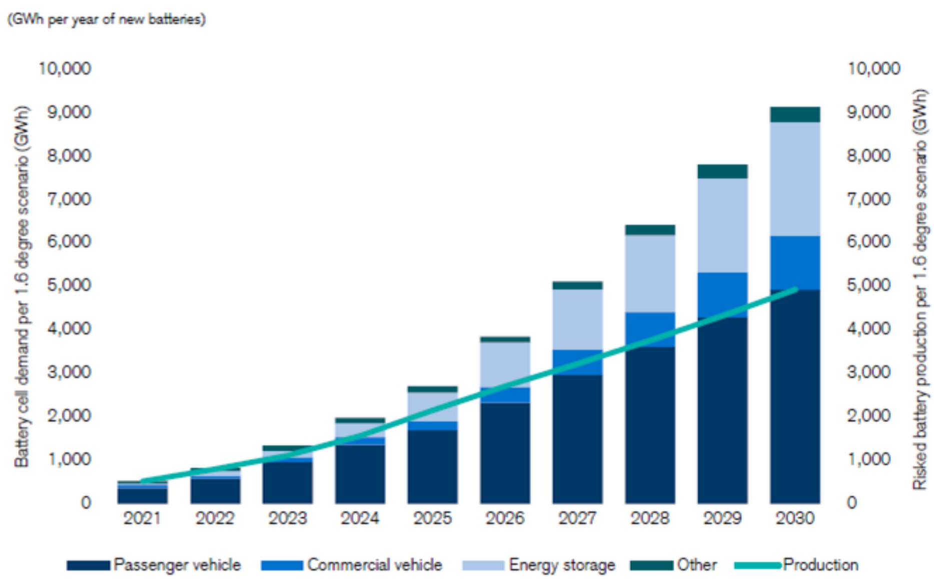
[10] *"Accenture study "REPowerEU for Italy:Scenario 2030 for the electricity system".*

scale applications (electrochemical batteries with an energy/power ratio of 4 hours designed to complement the development of small-scale solar PV).

It is estimated that the increase in the overall evolution of storage is quite high in Southern Italy, mainly driven by utility-type plants that account for an average of 90% of the newly installed storage capacity.

In this context, the growth of the lithium-ion battery market, whose aim is to promote the use of renewable energy sources as an alternative to fossil fuels, plays a major role. In particular, the IPCEI on batteries is Europe's response to the need for next-generation lithium-ion batteries to support the transition to a decarbonised economy.

The global lithium-ion battery market is estimated to grow to approx. 9,000 GWh by 2030, up from about 580 GWh in 2021[11] (+36% CAGR 2021-2030). More specifically, the global market for *Passenger Vehicle* and *Energy storage* applications accounts for the largest increase in estimated demand. ESS applications, a segment of particular importance to the Group, are estimated to reach about 2,500 GWh, or 29% of total lithium battery demand by 2030, compared to 139 GWh in 2021.



Although lithium battery market estimates show favourable development scenarios, there is a mismatch between supply and demand. This *shortage* situation highlights a gap between the estimated production capacity in 2030 of 5,000 GWh and the expected demand, meeting by about 56%. The delay in starting production and obtaining the necessary financing for investments are the main reasons for this scenario.

[11] *"Global battery demand to surge by 2030",Rystad Energy Battery*

Risk Management

In a macroeconomic context characterised by great volatility and uncertainty at a global level, an adequate risk management process, within the framework of business management, represents a key factor to acheive the Group's objectives. In particular, the Group is provided with a system of internal control and risk management (SCIGR) aimed at identifying, analysing, quantifying, and responding to risks associated with business activities and operative processes, in order to contribute to the creation of sustainable value, consistent with the Group's strategy.

Following, are illustrated the risks that the Company and the Group consider to be a priority, and therefore are monitored in order to anticipate the related potential negative effects and undertake appropriate mitigation actions.

Strategic risks	
Macroeconomic and geo-political trends	*Risk* The macroeconomic environment in 2023 remains fragile due to the ongoing Russian-Ukrainian war along withthe sharp tightening of monetary policies aimed at containing inflationary pressures. These conditions could trigger a slowdown in the macroeconomic cycle, negatively affecting the Group's reference markets and potentially reducing demand. Indeed, since the Group is present in various countries and therefore operates in international markets, it isexposed it to the so-called "country risk", i.e. risks connected to macroeconomic, financial, institutional and social conditions, the occurrence of which could have negative effects on the Group's economic and financial results.
	Management mode In order to monitor the risk associated with macroeconomic developments and update the related production and sales forecasts, the Group constantly monitors the trend of the reference markets in the various countries in which it operates and the related macroeconomic indicators, as well as its order portfolio.
Climate change	*Risk/Opportunity* The energy transition towards a low-carbon and more environmentally sustainable economy may bring about 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, related to the occurrence of acute and chronic weather conditions.
	Management mode Risks related to climate change are constantly analysed, assessed and managed by management considering aspects relevant to the Group's activities, connected to both transition scenarios (reduction of CO_2 emissions, development of renewable capacity) and 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 opportunities arising from the energy transition and oriented towards the continuous streamlining 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 cardinal 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. The Group is also strongly focused on research and technological development activities aimed at innovating processes and products with a reduced environmental impact and functional to combating climate change. These objectives are also pursued through international industrial collaboration initiatives aimed at improving energy efficiency and promoting the circular economy, such as the IPCEI Batteries project, which envisages the introduction of highly sustainable and safe technologies on the European market, by encouraging electric mobility, the development of

Strategic risks	
	renewable energies and the reduction of emissions. In order to mitigate the potential negative impact of physical phenomena, the Group has activated specific insurance coverage for damage to property and furniture from natural events.
Raw material price trends and supply chain	<u>*Risk*</u> During 2022, there was a significant increase in commodity prices, particularly energy prices, as a result of the Russian-Ukrainian conflict, which increased the volatility of the markets, further stressing the supply chain, which had already been put under strain during the Covid-19 period. In the first months of 2023, a significant drop in industrial metal and agricultural commodity prices was observed, which returned to values prior to the start of the conflict in Ukraine. With regard to energy commodities, there are uncertainties related to the recovery of European and Asian demand, which could affect the current balances by rekindling price volatility. These conditions could adversely affect the Group's economic and financial results, due to increased volatility in the prices of raw materials used - including lithium and lead.
	<u>*Management mode*</u> To mitigate these risks, the Group evaluates whether to adopt, albeit to a limited extent, hedging policies for the risk of commodity prices fluctuations, through the use of hedging derivative contracts, in order to mitigate the impact on margins of unexpected changes in market prices. As of June 30, 2023, the Group had no commodity hedging instruments in place, also considering the difficulty of identifying and structuring derivative financial products in the current macroeconomic context characterised by uncertainty and strong market volatility. The Group constantly monitors supply chain activities to cope with potential risks arising from market *shortages*, logistical criticalities and business interruptions. The supplier monitoring process focuses, from a preventive perspective, on both aspects of financial strength and availability of production capacity. In particular, with reference to the Russian-Ukrainian conflict, the Group has no strategic or other supplies from countries involved in the conflict. During the period, analysis activities were also launched on the sustainability of the Group's supply chain, in order to monitor and incentivise suppliers to undertake paths of improvement in terms of the environmental and social impact of their activities, sharing the Group's objectives and values in a circular economy perspective.
Competitive environment	<u>*Risk*</u> The Group is exposed to the risk that potential competitors might enter the same market, as well as that existing competitors might improve their positioning, attracting the same customers as the Group and thereby depriving the Group of market share. Should the Group be unable to counteract, by leveraging its competencies, the possible strengthening of current competitors or the entry of new operators, this situation could have repercussions on the Group's economic, equity and financial situation.
	<u>*Management mode*</u> To mitigate risks related to market trends and better orientate business strategy, the Group constantly monitors the industrial and financial performance of the competitive landscape, both within the Plastic Materials and Batteries businesses. The Group pursues a strategy of geographic diversification of sales and of its product portfolio, which is characterised by a high degree of *customisation,* starting with recycled raw materials, moving on to plastic components and lead and lithium batteries. These aspects, together with an approach increasingly oriented towards *customer satisfaction* and product innovation, constitute an important factor in mitigating the risks associated with increased competition.

Strategic risks	
Technological evolution	*Risk* The Group is exposed to the risk of obsolescence of technologies and components used for some of its products, which are 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 prior to product launch, characterised by high longevity, increase the risk of obsolescence.
	Management mode In order to maintain its competitive advantage, the Group structurally invests in research and development, both product and process, to anticipate and respond to possible business evolutions and consolidate its technological leadership. Specifically, with regard to the lithium battery market and the recycled plastics market, the Group invests significant resources in the development of new, sustainable and high-performance materials, through basic and applied research activities on both existing and new technologies, in full compliance with the cardinal principles of the *green* economy and circular economy. For further details please refer to the section 'Investment Projects and Business Plan'.
Legislative and regulatory developments	*Risk* The Group operates in highly regulated business sectors and is subject to European and national regulations that affect the way it carries out its industrial activities. Of particular importance is the regulation of batteries. In fact, legislative and regulatory changes that affect, inter alia, the way batteries are produced (e.g., by prohibiting the use of a certain component, which is currently used) could entail limitations on the Group's operations (e.g., by reconsidering some of the production lines currently developed) or an increase in costs.
	Management mode In view of the risks that may arise from such developments, the Group constantly monitors legislative and regulatory requirements and obligations, through its structures, in order to allow for the smooth running of operations and business activities. In this sense, the Group also promotes dialogue and the development of relations with international organisations in the sector, adopting an approach of transparency and collaboration.
Strategic Partners	*Risk* The Group, with particular reference to the company Seri Plast, has agreements in place for the supply of specific products with some 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 business and its economic and financial situation.
	Management mode In order to mitigate these risks, the Group is committed to maintaining positive long-term relationships with its 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 manage any critical operational issues in a timely manner.

Operational Risks	
Cyber security	*Risk* The progressive acceleration towards digitisation and the consequent increase in the use of technology have increased companies' exposure to increasingly complex cyber risks, including the risk of *cyber* attacks, which can compromise corporate information systems as well as steal sensitive information, with both economic and reputational impacts.

Operational Risks	
	Management mode The Group pays extreme attention to protecting its IT networks from the main threats, working to prevent them and minimise the effects that any attacks may cause. In particular, in order to mitigate exposure to cyber risk, the Group has launched an investment plan in the IT area starting from 2022, which includes: i) an assessment, also aimed at evaluating the adoption of a cloud-based e-mail system for some Group companies that do not adopt this solution, ii) the renewal of existing infrastructures (servers, licensing, networking, firewalls), and iii) the adoption of a cybersecurity system. The Group is also leveraging the human factor, constantly promoting greater cybersecurity awareness among the Group's people.
Product liability 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 mode In order to mitigate any risks arising from product and professional liability, the Group has cautiously taken out insurance policies with leading insurance companies.
Environment, Safety and Health	*Risk* The Group is exposed to risks connected to: i) occupational health and safety issues, which can be traced back to the performance of operational activities by personnel at plants and company sites; ii) environmental pollution phenomena connected, for example, to uncontrolled emissions, inadequate waste disposal or spills of hazardous substances. The occurrence of such events could expose the Group to both administrative and criminal sanctions, also pursuant to Legislative Decree no. 231/01, as well as a consequent reputational risk, with potential negative effects on its image and competitiveness.
	Management mode The Group is committed to effective risk prevention and impact minimisation through the adoption of Management Systems certified to ISO 14001 and ISO 45001, which ensure that structured policies and procedures are in place to identify and manage HSE risks associated with the various business activities.
Related party transactions	*Risk* There is a risk that the Company's and the Group's business relations with related parties are conducted on non-market terms.
	Management mode In order to mitigate these risks, the Company has put in place the safeguards provided for by the regulations in force aimed at preventing transactions carried out in conflict of interest from undermining the conditions of efficiency and profitability of the Group's corporate business.
Involvement in legal proceedings	*Risk* The Group is a party to civil and administrative proceedings and legal actions, related to the normal course of business, that could damage the Group's reputation and impair the relationship of trust with shareholders.

<table>
<tr><th colspan="2">Operational Risks</th></tr>
<tr><td></td><td><u>Management mode</u>
In the presence of current obligations, resulting from past events, which may be of a legal or contractual nature or derive from declarations or conduct 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 in special reserves for risks and charges present among the liabilities of the balance sheet.
Note 44. Contingent Liabilities and Assets in the half-yearly consolidated financial statements is a description of the status of these proceedings and assessments of their foreseeable outcomes, also with the support of its legal advisors.</td></tr>
<tr><th colspan="2">Financial Risks</th></tr>
<tr><td colspan="2">For more detailed information on financial risk management, please refer to 'Note 45. Risk Disclosure' in the half-year consolidated financial statements.</td></tr>
<tr><td rowspan="2">Credit and counterparty</td><td><u>Risk</u>
Credit risk is the company's exposure to potential losses arising from the non-performance of contractual payment obligations undertaken 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 on the balance sheet.</td></tr>
<tr><td><u>Management mode</u>
The credit risk management policy provides for the preliminary assessment and constant monitoring of the creditworthiness of counterparties in order to anticipate situations of potential risk of insolvency or delay in payment.
In addition, the Group enters into transactions for the assignment of receivables without recourse, which results in the complete elimination of counterparty risk.</td></tr>
<tr><td rowspan="2">Liquidity</td><td><u>Ris</u>k
Liquidity risk is the risk that the company is unable to meet its financial commitments in a timely manner due to difficulties in raising funds or liquidating assets on the market.</td></tr>
<tr><td><u>Management mode</u>
The two main factors that determine the Group's liquidity situation are, on the one hand, the resources generated or absorbed by operating and investing activities, and, on the other hand, the maturity and renewal characteristics of debt or the liquidity of financial investments and market conditions.
The Group pursues a strategy of diversifying its financing sources, which it uses to cover scheduled 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 allow for the forecasting of needs arising from investment activities, working capital management and the repayment of outstanding debts, taking into account the forecast plans drawn up.
Furthermore, in order to ensure efficient liquidity management, treasury activities - managed through a cash pooling system - are centralised at the Parent Company level, for appropriate management of cash flows and any surpluses. In "Note 45. Risk Disclosure" of the half-year consolidated financial statements, the time profile of the Group's financial liabilities is illustrated on the basis of contractual payment schedules.</td></tr>
</table>

Operational Risks	
Interest rate	*Risk* The first half of 2023 was still characterised by a significant upward trend in interest rates by various central banks. The Group's debt is partly governed by variable interest rates and is therefore exposed to the risk of fluctuations affecting the level of financial expenses and the market value of financial assets and liabilities.
	Management mode The interest rate risk management policy aims to contain financial expenses and their volatility also using derivative financial contracts, which fall into the category of *'Interest Rate Swaps'*. In particular, the Group constantly monitors interest rate trends in order to assess whether it is necessary to change the structure of its financial debt, or whether to convert part of its floating-rate debt into fixed-rate debt and normalise financial outlays. 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 tools. Derivative contracts are entered into with leading banking counterparties in order to reduce the risk of contractual default. For those derivative instruments where the variable rate stabilisation strategy has been set up to a pre-determined level and no hedging is envisaged on rate levels above these thresholds, the fair value of the derivative not hedged against interest rate risk is recognised in the income statement.
Exchange rate	*Risk* The Group operates on international markets by concluding transactions in currencies other than the Euro, particularly in US dollars, and is therefore exposed to the risk of exchange rate fluctuations between the different currencies that could cause more onerous economic conditions.
	Management mode The exchange rate risk management policy is geared towards systematically hedging the exposures to which Group companies are subject, except for translation risk. In particular, the Group can contain the risk related to exchange rate fluctuations associated with the purchase and sale of goods and services by fixing, only where possible, the purchase price of certain components from suppliers in euross, when the finished product is destined for Eurospe and, to a limited extent, by means of derivative financial instruments to hedge the exchange rate risk such as forward contracts or currency 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 reference 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 constantly monitors its governance principles and models, adapting its structural and organisational reality in a logic of continuous improvement.

Seri Industrial S.p.A. has adopted a traditional type of corporate governance model. Accordingly, company management is assigned to the Board of Directors, supervisory functions to the Board of Statutory Auditors, and the statutory audit, as well as accounting control, to the Independent Auditors appointed by the Shareholders' Meeting.

Below are the corporate bodies as of June 30, 2023:

Board of Directors

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

Roberto Maviglia [12-13]	Chairman and Non-executive 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 [12]	Non-executive Director
Annalisa Cuccaro [12-13]	Non-executive Director
Manuela Morgante [12]	Non-executive 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 vested in: (i) the chairman of the administrative body; (ii) the vice-chairman in the event of the chairman's absence or impediment; (iii) the directors with delegated powers, within the scope of the powers conferred upon them; (iv) one or more directors, including those not holding particular offices, subject to a resolution of the board of directors.

Board of Statutory Auditors

The Ordinary Shareholders' Meeting held on May 14, 2021 appointed the Board of Statutory Auditors, consisting of three standing auditors and two alternate auditors, which will remain in office for three financial years (2021 - 2023), until the Shareholders' Meeting to approve the financial statements as of December 31, 2023. The Board of Statutory Auditors consists of the following standing auditors:

Matteo Caratozzolo	President
Daniele Cauzillo	Acting auditor
Susanna Russo	Acting auditor

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

Audit Firm

The engagement of the auditing firm EY SpA was granted for nine fiscal years (2019-2027) by the Shareholders' Meeting on December 3, 2019.

[12] Independent Director ex TUF

[13] Independent Director ex Corporate Governance Code

Financial review and other information

Consolidated economic performance

The Group's economic situation as of June 30, 2023, is shown below in comparison with the situation as of June 30 of the previous year:

Euros / 000	**30/06/2023**	**30/06/2022**	**Change**	**Change %**
Revenues from contract with customers	84,870	89,811	(4,941)	(6%)
Other operating income	6,041	7,751	(1,710)	(22%)
Internal works	4,958	3,915	1,043	27%
Total revenue, income and internal works	**95,869**	**101,477**	**(5,608)**	**(6%)**
Operating Costs	**89,014**	**92,622**	**(3,608)**	**(4%)**
Gross operating income	**6,855**	**8,855**	**(2,000)**	**(23%)**
Depreciation and amortisation	12,287	10,826	1,461	13%
Write-downs/write-backs	1,253	(39)	1,292	>100%
Net operating income (loss)	**(6,685)**	**(1,932)**	**(4,753)**	**>100%**
Financial income (expense)	(3,017)	(2,401)	(616)	26%
Profit (Loss) before tax	**(9,702)**	**(4,333)**	**(5,369)**	**>100%**
Income taxes	(2,660)	861	(3,521)	(>100%)
Profit (Loss)	**(7,042)**	**(5,194)**	**(1,848)**	**36%**

Net operating result is negative for euros 6,685 thousand, after amortisation, depreciation and write-downs of euros 13,540 thousand. It should be noted that amortisation and depreciation in the Batteries segment refers for euros 6,342 thousand to the investment made and underway in relation to the Teverola 1 and 2 projects, of which euros 5,097 thousand for depreciation of investments made (Teverola 1 and 2) and euros 1,245 thousand for rights of use related to the leasing of the Teverola 1 (euros 541 thousand) and Teverola 2 (euros 704 thousand) buildings.

The assessment of the Group's economic performance is also carried out by considering certain alternative performance indicators (Alternative Performance Measures, hereinafter also "MAPs"), as provided for by the European Securities and Markets Authority (ESMA) following the issuance of Consob Communication No. 92543/15 of December 3, 2015, which makes applicable the guidelines published on October 5, 2015 by ESMA regarding their presentation in the regulated information disseminated or in prospectuses published as of July 3, 2016.

Management believes that MAPs allow a better analysis of business performance, ensuring a clearer comparability of results over time, isolating non-recurring events, and also making reporting consistent with forecast trends. These indicators should not be considered as substitutes for conventional IFRS indicators. In fact, MAPs are not required by IFRS and, although they are derived from the Group's financial statements, they are not subject to audit. Therefore, MAPs must be read in conjunction with the Group's financial information processed in the consolidated financial statements.

Alternative performance indicators refer to the adjustment of the main balance sheet indicators by non-recurring and/or non-repetitive items, the so-called special items[14] .

[14] Income components are classified as special items when: (i) they are related to events or transactions that are not repetitive, i.e., from transactions that are not frequently repeated in the Group's recurring operations; (ii) they derive from transactions that are not representative of the Group's normal operations, such as in the case of extraordinary restructuring charges, environmental charges, charges related to the disposal and valuation of an asset, charges related to extraordinary transactions, even if they 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 investments and/or assets, value adjustments/reversals and depreciation related to extraordinary transactions.
Below is a description of the main alternative performance measures:
- EBITDA (or Gross Operating Margin): this is an indicator of operating performance and is calculated by adding Depreciation and Amortisation and Impairment/Earnings to Operating Profit;
- Adjusted EBITDA (or Adjusted Gross Operating Margin): represents an indicator of recurring operating performance and is calculated by summing EBITDA and special items, i.e. non-recurring or non-repetitive operating revenues and costs;
- Adjusted Operating Profit (or adjusted EBIT): is calculated by summing the Operating Profit and special items, i.e. revenues, operating costs, depreciation and amortisation, and non-recurring or non-repeating impairments/reversals;

The Group's reported and adjusted financial position as of June 30, 2023 is shown below:

Profit and Loss Account	30/06/2023	Special items	30/06/2023 Adjusted	30/06/2022	Special items	30/06/2022 Adjusted
Revenues from customers	84,870		84,870	89,811		89,811
Other operating income	6,041		6,041	7,751	(216)	7,535
Internal works	4,958		4,958	3,915		3,915
Total revenue, income and internal works	**95,869**		**95,869**	**101,477**	**(216)**	**101,261**
Purchase of materials	58,009		58,009	70,880	(22)	70,858
Change in inventories	(9,716)		(9,716)	(18,759)		(18,759)
Services expense	23,336		23,336	23,746	(3)	23,744
Other operating costs	1,111	(61)	1,050	1,405	(408)	997
Personnel costs	16,274	(238)	16,036	15,350		15,350
Operating costs	**89,014**	**(299)**	**88,715**	**92,622**	**(432)**	**92,190**
Gross operating income – EBITDA	**6,855**	**299**	**7,154**	**8,855**	**216**	**9,071**
Depreciation and amortisation	12,287		12,287	10,826		10,826
Write-downs/write-backs	1,253	(260)	993	(39)		(39)
Net operating income (loss) - EBIT	**(6,685)**	**559**	**(6,126)**	**(1,932)**	**216**	**(1,716)**
Financial income	1,720	(376)	1,344	594		594
Financial expense	4,737		4,737	2,988		2,988
Profit (Loss) from equity-accounted investments	0		0	(7)		(7)
Profit (Loss) before tax	**(9,702)**	**183**	**(9,519)**	**(4,333)**	**216**	**(4,117)**
Income taxes	(2,660)	(583)	(3,243)	861	(754)	107
Theoretical tax effect	0	59	59	0	63	63
Profit (Loss)	**(7,042)**	**707**	**(6,335)**	**(5,194)**	**908**	**(4,286)**

The impact of special items on profit (loss) before tax is positive for euros 183 thousand, due to non-recurring financial income of euros 376 thousand and non-recurring operating costs and write-downs of euros 559 thousand. Non-recurring income relates to financial income on arrears for euros 376 thousand; non-recurring operating costs and write-downs relate to *claims & litigation* in the full amount. Taxes were also adjusted for a total of euros 583 thousand, of which euros 635 thousand, mainly attributable to the *reversal of* deferred tax assets recognised on the revaluation balances of the subsidiaries FIB, Seri Plast, and Repiombo, net of euros 52 thousand relating to taxes from previous years.

- Adjusted Consolidated Profit (Loss): is calculated by adding the special items to Consolidated Profit (Loss);
- Net Financial Debt or Net Financial Position: represents an indicator of the financial structure and is calculated in accordance with Guideline No. 39 issued on March 4, 2021, applicable as of May 5, 2021 and in line with the Attention Notice No. 5/21 issued by Consob on April 29, 2021;
- Adjusted Net Financial Debt or Adjusted Net Financial Position: is calculated by deducting from Net Financial Debt (or Net Financial Position) the financial debt related to the application of IFRS 16;
- Cash flow from operations: is calculated by adding changes in inventories, trade receivables, trade payables and other current assets/liabilities to EBITDA;
- Percentage Marginality: is calculated as the ratio of Gross Operating Margin to Total Revenues, Income and Additions for Internal Work.

Consolidated balance sheet and financial position

The following table shows the composition of net invested capital as of June 30, 2023, compared to the previous year-end:

Euros / 000	30/06/2023	31/12/2022	Change	Change %
Net fixed assets:				
Property, plant and equipment, intangible assets and rights of use	123,266	118,687	4,579	4%
Goodwill	55,042	55,042	0	0%
Equity-accounted investments	538	538	0	0%
Other non-current assets/(liabilities)	(21,157)	(22,797)	1,640	(7%)
Total net fixed assets	**157,689**	**151,470**	**6,219**	**4%**
Net working capital				
Trade receivables	31,791	32,270	(479)	(1%)
Inventories	85,660	75,753	9,907	13%
Trade payables	(47,088)	(46,520)	(568)	1%
Other current assets/(liabilities)	14,868	15,387	(519)	(3%)
Net working capital	**85,231**	**76,890**	**8,341**	**11%**
Gross invested capital	**242,920**	**228,360**	**14,560**	**6%**
Other provisions:				
Provisions for employee benefits	(4,137)	(4,235)	98	(2%)
Provisions for risks and charges	(973)	(823)	(150)	18%
Provisions for net deferred	28,045	24,509	3,536	14%
Total provisions	**22,935**	**19,451**	**3,484**	**18%**
Net invested capital	**265,855**	**247,811**	**18,044**	**7%**
Equity	(135,740)	(143,522)	7,782	(5%)
Net Financial Position	(130,115)	(104,289)	(25,826)	25%
Coverage	**(265,855)**	**(247,811)**	**(18,044)**	**7%**

Net invested capital as of June 30, 2023, is Euros 265,855 thousand and is covered by consolidated shareholders' equity of Euros 135,740 thousand and net financial debt of Euros 130,115 thousand.

The following is a breakdown of the statement of net invested capital by sector:

Euros / 000	Batteries	Plastic Materials	Other	Corporate	Conso. Effects	Consolidated
Net fixed assets:						
Property, plant and equipment, intangible assets and rights of use	88,644	34,089	0	563	(29)	123,266
Goodwill	705	0	0	0	54,337	55,042
Equity-accounted investments	538	0	0	141,395	(141,395)	538
Other non-current assets/(liabilities)	(19,469)	(1,656)	0	2,467	(2,500)	(21,157)
Total net fixed assets	**70,418**	**32,433**	**0**	**144,425**	**(89,587)**	**157,689**
Net working capital	**0**	**0**	**0**	**0**		
Trade receivables	16,842	17,129	0	3,703	(5,884)	31,791
Inventories	48,348	37,311	0	0	0	85,660
Trade payables	(24,810)	(26,879)	(6)	(1,273)	5,879	(47,088)
Other current assets/(liabilities)	17,044	(1,312)	157	(1,025)	5	14,868
Net working capital	**57,425**	**26,249**	**151**	**1,405**	**1**	**85,231**
Gross invested capital	**127,842**	**58,682**	**151**	**145,830**	**(89,586)**	**242,920**
Other provisions:	**0**	**0**	**0**	**0**		
Provisions for employee benefits	(1,377)	(1,938)	0	(823)	1	(4,137)
Provisions for risks and charges	(621)	(116)	(16)	(219)	0	(973)
Provisions for net deferred tax	2,482	1,518	0	24,045	1	28,045
Total provisions	483	(536)	(16)	23,002	1	22,935
Net invested capital	**128,326**	**58,146**	**135**	**168,833**	**(89,585)**	**265,855**
Equity	(56,246)	(21,344)	(246)	(144,989)	87,084	(135,740)
Net Financial Position	(72,080)	(36,802)	111	(23,844)	2,500	(130,115)
Sources	**(128,326)**	**(58,146)**	**(135)**	**(168,833)**	**89,585**	**(265,855)**

Below is the Group's balance sheet as of June 30, 2023, compared with the balance sheet at the end of the previous year:

Euros / 000	30/06/2023	31/12/2022	Change	Change %
Current Assets	153,127	166,893	(13,766)	(8%)
Non-current Assets	209,803	201,993	7,810	4%
ASSETS	**362,930**	**368,886**	**(5,956)**	**(2%)**
Current liabilities	129,360	128,155	1,205	1%
Non-current liabilities	97,830	97,209	621	1%
Equity	135,740	143,522	(7,782)	(5%)
LIABILITIES AND EQUITY	**362,930**	**368,886**	**(5,956)**	**(2%)**

Current assets amounted to euros 153 million as of June 30, 2023, compared to euros 167 million as of December 31, 2022, a decrease of euros 14 million. Non-current assets amounted to euros 210 million as of June 30, 2023, compared to euros 202 million as of December 31, 2022, an increase of euros 8 million.
Current liabilities amounted to euros 129 million as of June 30, 2023, an increase compared to December 31, 2022. Non-current liabilities amounted to euros 98 million as of June 30, 2023, compared to euros 97 million as of December 31, 2022, an increase of euros 1 million.
Consolidated shareholders' equity amounted to euros 136 million as of June 30, 2023, and decreased by euros 7 million compared to euros 143 million as of December31, 2022.

Euros / 000	30/06/2023	31/12/2022	Change	Change %
Equity	**135,740**	**143,522**	**(7,782)**	**(5%)**
of which: Equity attributable to owners of the Parent	*135,713*	*143,493*	*(7,780)*	*(5%)*
of which: Equity attributable to non-controlling interests	*27*	*29*	*(2)*	*(7%)*

The decrease in consolidated shareholders' equity is mainly attributable to the negative result for the period.
Current assets amounted to euros 153 million against current liabilities of euros 129 million. The liquidity margin[15] is euros 24 million, with a *current ratio*[16] of 1.18, demonstrating the Group's ability to generate liquidity and meet short-term commitments.

The following table shows the Group's adjusted net financial debt (or NFP - Net Financial Position) as of June 30, 2023, with short-term components shown separately from medium/long-term components, compared with the same information last published in the consolidated annual financial report as of December 31, 2022:

	PFN - NET FINANCIAL POSITION	30/06/2023	31/12/2022	Change	Change %
A)	Cash	2,996	24,818	(21,822)	(88%)
B)	Cash equivalents	1,121	1,133	(12)	(1%)
C)	Other current financial assets	533	1,588	(1,055)	(66%)
D)	**Liquidity D = (A + B + C)**	**4,650**	**27,539**	**(22,889)**	**(83%)**
E)	Current financial debt	48,601	47,552	1,049	2%
F)	Current portion of non-current financial debt	15,698	16,006	(308)	(2%)
G)	**Current financial indebtedness G = (E + F)**	**64,299**	**63,558**	**741**	**1%**
H)	**Net current financial indebtedness H = (G - D)**	**59,649**	**36,019**	**23,630**	**66%**
I)	Non-current financial debt	29,988	34,400	(4,412)	(13%)
J)	Debt securities	4,000	4,000	0	100%
K)	Non-current trade and other payables	36,478	29,870	6,608	22%
L)	**Non-current financial indebtedness L = (I + J + K)**	**70,466**	**68,270**	**2,196**	**3%**
M)	**Total financial indebtedness (H+L)**	**130,115**	**104,289**	**25,826**	**25%**
N)	IFRS 16 debt adjustment	32,631	25,271	7,360	29%
O)	**Adjusted total financial indebtedness**	**97,484**	**79,018**	**18,466**	**23%**

The Group's adjusted total financial indebtedness as of June 30, 2023, which amounted to euros 97 million, increased by euros 18 million (euros 79 million as of December 31, 2022), mainly due to increases in working capital of euros 8 million and in tangible and intangible assets of euros 7 million.

Financial indebtedness as of June 30, 2023, amounting to euros 130 million, increased by euros 26 million (euros 104 million as of December 31, 2022). The increase in financial indebtedness compared to the previous year is attributable, in addition to the increase in working capital, to the recognition of new lease agreements in accordance with IFRS 16.
With reference to indirect indebtedness, the total amount of provisions for risks recorded in the balance sheet is euros 973 thousand.

[15] Calculated as the difference between current assets and current liabilities.

[16] Calculated as the ratio between the liquidity margin and current liabilities.

The following table shows the adjusted net financial indebtedness as of June 30, 2023, broken down by segment:

	NFP – Segments	Batteries	Plastic Materials	Corporate	Other	Conso. effects	Consolidated
A)	Cash	327	291	2,377	-	0	2,996
B)	Cash equivalents	10,755	12,049	8,791	111	(30,585)	1,121
C)	Other current financial assets	72	-	461	-	0	533
D)	**Liquidity D = (A + B + C)**	**11,154**	**12,340**	**11,629**	**111**	**(30,584)**	**4,650**
E)	Current financial debt	38,433	37,507	2,619	0	(29,958)	48,601
F)	Current portion of non-current financial debt	8,960	-	6,738	-	(15,698)	15,698
G)	**Current financial indebtedness G = (E + F)**	**47,393**	**37,507**	**9,357**	**0**	**(29,958)**	**64,299**
H)	**Net current financial indebtedness H = (G - D)**	**36,239**	**25,166**	**(2,273)**	**(111)**	**628**	**59,649**
I)	Non-current financial debt	3,525	-	26,463		0	29,988
J)	Debt securities	4,000	-	-		0	4,000
K)	Non-current trade and other payables	28,316	11,010	280		(3,127)	36,478
L)	**Non-current financial indebtedness L = (I + J + K)**	**35,841**	**11,010**	**26,743**	-	**(3,128)**	**70,466**
M)	**Total financial indebtedness (H+L)**	**72,080**	**36,176**	**24,470**	**(111)**	**(2,499)**	**130,115**
N)	IFRS 16 debt adjustment	22,945	9,303	383	-	0	32,631
O)	**Adjusted total financial indebtedness**	**49,134**	**26,873**	**24,087**	**(111)**	**(2,500)**	**97,484**

With regard to consolidation effects, it should be noted that aggregate financial debt decreased by euros 2,5 million, as non-current financial debts of subsidiaries are eliminated against non-current financial assets of the Parent Company not included in NFP.

The following table shows the Group's adjusted financial indebtedness with evidence of the technical form of the financial instruments:

	NFP - Technical form	30/06/2023	31/12/2022	Change	Change %
A)	**Cash:**	**2,996**	**24,818**	**(21,822)**	**(88%)**
	Bank deposits - current accounts	*2,961*	*24,781*	*(21,820)*	*(88%)*
	Cheques	*8*	*10*	*(2)*	*(20%)*
	Cash on hand	*27*	*27*	*0*	*0%*
B)	**Cash equivalents:**	**1,121**	**1,133**	**(12)**	**(1%)**
	Other bank deposits	*224*	*268*	*(44)*	*(16%)*
	Financial receivables from others	*575*	*864*	*(289)*	*(33%)*
	Financial receivables from related parties	*322*	*1*	*321*	*>100%*
C)	**Other current financial assets**	**533**	**1,588**	**(1,055)**	**(66%)**
	Securities / Derivative financial assets	*533*	*1,588*	*(1,055)*	*(66%)*
D)	**Liquidity D = (A + B + C)**	**4,650**	**27,539**	**(22,889)**	**(83%)**
E)	**Current financial debt**	**43,045**	**42,395**	**650**	**2%**
	Current bank debts - advance accounts	*36,437*	*35,041*	*1,396*	*4%*
	Current bank debts - current accounts	*2,671*	*2,596*	*75*	*3%*
	Other current debts - subsidised loans Invitalia / Mise	*2,675*	*2,532*	*143*	*6%*
	Advances for contributions	*1,221*	*1,221*	*0*	*0%*
	Financial debts with related parties	*41*	*1,005*	*(964)*	*(96%)*
F)	**Current portion of non-current financial debt:**	**15,698**	**16,006**	**(308)**	**(2%)**
	Current bank debts - loans	*15,698*	*16,006*	*(308)*	*(2%)*
G)	**Current financial indebtedness G = (E + F)**	**58,742**	**58,401**	**341**	**1%**
H)	**Net current financial indebtedness H = (G - D)**	**54,093**	**30,862**	**23,231**	**75%**
I)	**Non-current financial debt:**	**29,988**	**34,400**	**(4,412)**	**(13%)**
	Non - current bank debts - loans	*29,988*	*34,400*	*(4,412)*	*(13%)*
J)	**Debt securities**	**4,000**	**4,000**	**0**	**0%**
K)	**Non-current trade and other payables:**	**9,404**	**9,756**	**(352)**	**(4%)**
	Other non-current payables - subsidised loans Invitalia / Mise	*9,404*	*9,756*	*(352)*	*(4%)*
L)	**Non-current financial indebtedness L = (I + J + K)**	**43,392**	**48,156**	**(4,764)**	**(10%)**
M)	**Total adjusted financial indebtedness (H+L)**	**97,484**	**79,018**	**18,467**	**23%**
E)	**Current financial debt**	**5,557**	**5,156**	**401**	**8%**
	Current financial debts - IFRS 16	*5,557*	*5,156*	*401*	*8%*
K)	**Non-current trade and other payables:**	**27,074**	**20,115**	**6,959**	**35%**
	Non-current financial debts - IFRS 16	*27,074*	*20,115*	*6,959*	*35%*
O)	**Total financial indebtedness**	**130,115**	**104,289**	**25,827**	**25%**

Below is a breakdown of cash flows as of June 30, 2023:

Financial cash flows	30/06/2023	30/06/2022
Net financial position at the beginning of the period	**(104,289)**	**98,018**
Net operating income (loss)	**(6,685)**	**(1,932)**
Amortisation, depreciation and write-downs/write-backs	13,540	10,787
Gross operating income	**6,855**	**8,855**
Changes in inventories	(9,907)	(17,995)
Change in trade receivables	479	1,131
Change in trade payables	568	1,991
Change in other current assets and liabilities	519	(2,644)
Changes in working capital	*(8,341)*	*(17,517)*
Cash flow from operations	**(1,486)**	**(8,662)**
Proceeds from sale of property, plant and equipment	0	17
Investments in tangible assets	(3,724)	(3,281)
Investments in intangible assets	(3,328)	(3,121)
(Increase)/Decrease in other investment activities	0	(112)
Cash flow from investment activities	**(7,052)**	**(6,497)**
Changes in provisions and other non-current assets/liabilities	(5,125)	(2,177)
Cash flow from operations after payment of investments	**(13,663)**	**(17,336)**
Financial income (expenses)	(2,565)	(2,359)
Net cash flow	**(16,228)**	**(19,695)**
Investments in rights of use	(10,065)	(2,519)
Other changes	1,207	(846)
Other flows from financing sources	(740)	1,212
Net financial position at the end of the period	**(130,115)**	**(119,866)**
IFRS 16 debt at the beginning of the period	*25,271*	*22,971*
Increases	*10,065*	*2,519*
Payments	*(2,705)*	*(2,802)*
IFRS 16 debt at the end of the period	**32,631**	**22,688**
Adjusted net financial position at the end of the period	**(97,484)**	**(97,178)**

Cahs flows for the period mainly relate to the absorption caused by the increase in inventories, in the amount of euros 9.9 million, and investment activity in tangible and intangible assets, in the amount of euros 7.1 million.

Economic information by sector

The following tables summarise the economic performance by sector as of June 30, 2023:

Economic information by sectors	**Batteries**	**Plastic Materials**	**Other**	**Corporate**	**Conso. effects**	**Consolidated**
Revenues from contract with customers	29,302	56,487	0	2,512	(3,431)	84,870
Other operating income	4,095	1,967	0	42	(63)	6,041
Internal works	3,841	1,113	0	0	4	4,958
Total revenue, income and internal works	**37,238**	**59,566**	**0**	**2,554**	**(3,490)**	**95,869**
Purchase of materials	27,558	31,375	0	9	(934)	58,009
Change in inventories	(10,778)	1,062	0	0	0	(9,716)
Services expense	9,128	15,703	2	1,045	(2,542)	23,336
Other operating costs	473	446	20	189	(17)	1,111
Personnel costs	7,442	7,122	0	1,681	28	16,274
Operating costs	**33,824**	**55,708**	**22**	**2,924**	**(3,465)**	**89,014**
Gross operating margin	**3,415**	**3,858**	**(22)**	**(370)**	**(25)**	**6,855**
Depreciation and amortisation	8,112	4,066	0	108	1	12,287
Write-downs/write-backs	488	755	0	31	(21)	1,253
Net operating income (loss)	**(5,185)**	**(963)**	**(22)**	**(509)**	**(5)**	**(6,685)**
Financial income	210	450	0	1,106	(46)	1,720
Financial expense	2,092	1,766	0	923	(44)	4,737
Profit (Loss) before tax	**(7,067)**	**(2,278)**	**(22)**	**(327)**	**(7)**	**(9,702)**
Income taxes	256	568	0	(3,484)	1	(2,660)
Profit (Loss)	**(7,323)**	**(2,846)**	**(22)**	**3,157**	**(8)**	**(7,042)**

The following table shows the contribution of the segments to total revenues from customers, other operating income and increases in internal works as of June 30, 2023: 34

Euros / 000	**Batteries**	**Plastic Materials**	**Other**	**Corporate**	**Consolidated**
Revenues from contract with customers	29,110	55,726	0	34	84,870
Other operating income	4,095	1,910	0	36	6,041
Internal works	3,845	1,113	0	0	4,958
Total revenue, income and internal works	**37,050**	**58,749**	**0**	**70**	**95,869**

Plastics Materials Sector

The table below shows the economic performance of the Plastic Materials segment as of June 30, 2023 (consolidated segment data not including eliminations with Batteries, Corporate and Other segments):

Plastics	30/06/2023	30/06/2022	Change	Change %
Revenues from contract with customers	56,487	59,250	(2,763)	(5%)
Other operating income	1,967	2,328	(361)	(16%)
Internal works	1,113	1,222	(109)	(9%)
Total revenue, income and internal works	**59,566**	**62,800**	**(3,234)**	**(5%)**
Purchase of materials	31,375	41,377	(10,002)	(24%)
Change in inventories	1,062	(6,996)	8,058	(115%)
Services expense	15,703	16,163	(460)	(3%)
Other operating costs	446	671	(225)	(34%)
Personnel costs	7,122	7,202	(80)	(1%)
Operating Costs	**55,708**	**58,417**	**(2,709)**	**(5%)**
Gross operating income	**3,858**	**4,382**	**(524)**	**(12%)**
Depreciation and amortisation	4,066	3,746	320	9%
Write-downs/write-backs	755	(148)	903	(610%)
Net operating income (loss)	**(963)**	**785**	**(1,748)**	**(223%)**
Financial income	450	83	367	442%
Financial expense	1,766	1,092	674	62%
Profit (Loss) before tax	**(2,278)**	**(224)**	**(2,054)**	**917%**
Income taxes	568	474	94	20%
Profit (Loss)	**(2,846)**	**(698)**	**(2,148)**	**308%**

During 2023, there was a 5% decrease in Total revenues, income and internal works, mainly due to a reduction in average sales prices compared to the previous reporting period.
In terms of profitability, the Gross Operating Income as of June 30, 2023, was euros 3,858 thousand, with a percentage margin of 6% (7% as of June 30, 2022). Net operating profit was a negative for euros 963 thousand, after depreciation, amortisation and write-downs of euros 4,821 thousand.

Margins were impacted by higher electricity costs incurred by the French subsidiaries in the first half of 2023, estimated at euros 1,574 thousand compared to the previous reporting period.

Not considering the increase in electricity costs described above, the percentage margin would be higher than in the previous reporting period.

Batteries Sector

The table below shows the economic performance of the Batteries segment as of June 30, 2023 (consolidated segment data not including eliminations with the Plastic Materials, Corporate and Other segments):

Batteries	**30/06/2023**	**30/06/2022**	**Change**	**Change %**
Revenues from contract with customers	29,302	31,444	(2,142)	(7%)
Other operating income	4,095	5,459	(1,364)	(25%)
Internal works	3,841	2,600	1,241	48%
Total revenue, income and internal works	**37,238**	**39,503**	**(2,265)**	**(6%)**
Purchase of materials	27,558	30,309	(2,751)	(9%)
Change in inventories	(10,778)	(11,763)	985	(8%)
Services expense	9,128	8,857	271	3%
Other operating costs	473	634	(161)	(25%)
Personnel costs	7,442	6,611	831	13%
Operating costs	**33,824**	**34,648**	**(824)**	**(2%)**
Gross operating income	**3,415**	**4,855**	**(1,440)**	**(30%)**
Depreciation and amortisation	8,112	6,987	1,125	16%
Write-downs/write-backs	488	110	378	344%
Net operating income (loss)	**(5,185)**	**(2,241)**	**(2,944)**	**131%**
Financial income	210	511	(301)	(59%)
Financial expense	2,092	1,659	433	26%
Profit (Loss) before tax	**(7,067)**	**(3,390)**	**(3,677)**	**108%**
Income taxes	256	372	(116)	(31%)
Profit (Loss)	**(7,323)**	**(3,761)**	**(3,562)**	**95%**

In the first half of 2023, there was a decrease in Total revenues, income and internal works of 6%, compared to the previous reporting period.

The negative change in revenues from customers is mainly attributable to the suspension of marketing and sales activities in the smelter segment in the first two months of 2023, as the set-up activities for the new refining and smelting plant were underway.

In terms of profitability, the Gross Operating Margin as of June 30, 2023, was positive euros 3,415 thousand with a percentage margin of 9%. Net operating profit was negative for Euros 5,185 thousand, after depreciation, amortisation, and write-downs of Euros 8,600 thousand. It should be noted that amortisation and depreciation in the Batteries segment includes Euros 6,342 thousand in respect of the investment made and underway in relation to the Teverola 1 and 2 projects, of which Euros 5,097 thousand for depreciation of investments made (Teverola 1 and 2) and Euros 1,245 thousand for rights of use related to the lease of the Teverola 1 (Euros 541 thousand) and Teverola 2 (Euros 704 thousand) buildings.

Holding

The Holding manages all the Group's management and coordination activities. It coordinates administration, finance and control, 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 strategic guidelines.
The parent company's income statement is shown below:

Euro / 000	30/06/2023	30/06/2022	Change	Change %
Revenues from contract with customers	2,512	2,266	246	11%
Other operating income	42	112	(70)	(63%)
Total revenues and other income	**2,554**	**2,378**	**176**	**7%**
Operating costs	2,924	2,773	151	5%
Gross operating income	**(370)**	**(395)**	**25**	**(6%)**
Net Operating Income (Loss)	**(590)**	**(478)**	**(31)**	**6%**
Finance income (expense)	182	(246)	428	(174%)
Profit (Loss) before tax	**(327)**	**(724)**	**397**	**(55%)**
Income taxes	(3,484)	11	(3,495)	(31,773%)
Profit (Loss)	**3,157**	**(735)**	**3,892**	**(530%)**

The balance sheet is as follows:

Euros / 000	30/06/2023	31/12/2022	Change	Change %
Current Assets	16,493	28,159	(11,666)	(41%)
Non-current Assets	168,602	165,549	3,053	2%
ASSETS	**185,095**	**193,708**	**(8,613)**	**(4%)**
Current liabilities	12,509	19,661	(7,152)	(36%)
Non-current liabilities	27,598	31,467	(3,869)	(12%)
Equity	144,988	142,580	2,408	2%
LIABILITIES AND EQUITY	**185,095**	**193,708**	**(8,613)**	**(4%)**

The net financial position of the Parent Company, compared to the previous year, is as follows:

	PFN - NET FINANCIAL POSITION	30/06/2023	31/12/2022	Change	Change %
A)	Cash	2,377	23,512	(21,135)	(90%)
B)	Cash equivalents	8,791	1,889	6,902	365%
C)	Other current financial assets	461	1,502	(1,041)	(69%)
D)	**Liquidity D = (A + B + C)**	**11,629**	**26,903**	**(15,274)**	**(57%)**
E)	Current financial debt	2,619	10,934	(8,315)	(76%)
F)	Current portion of non-current financial debt	6,738	5,800	938	16%
G)	**Current financial indebtedness G = (E + F)**	**9,357**	**16,734**	**(7,377)**	**(44%)**
H)	**Net current financial indebtedness H = (G - D)**	**(2,272)**	**(10,169)**	**7,897**	**(78%)**
I)	Non-current financial debt	26,463	30,300	(3,837)	(13%)
K)	Non-current trade and other payables	280	101	179	177%
L)	**Non-current financial indebtedness L = (I + K)**	**26,743**	**30,401**	**(3,658)**	**(12%)**
M)	**Total financial indebtedness (H+L)**	**24,471**	**20,232**	**4,239**	**21%**
N)	IFRS 16 debt adjustment	383	198	185	93%
O)	**Adjusted total financial indebtedness**	**24,088**	**20,034**	**4,054**	**20%**

Significant events of the period

Teverola 1

Please refer to the description above in the section 'Ongoing Projects'.

Unilever-P2P: Development Agreement signed by MIMIT and Invitalia for Euros 82 million to support P2P project

On June 30, 2023, a Development Agreement was signed by the Ministry of Enterprises and Made in Italy and Invitalia S.p.A. to support the industrial project proposed by P2P, a company co-participated by Unilever B.V. and its subsidiary Seri Plast S.p.A., which envisages the construction of a new production unit in Pozzilli (Isernia, Molise) for the production of recycled raw materials from recovered post-consumer packaging necessary for the creation of new-life plastic packaging.

The project envisages total investments of around Euros 109 million, covered by MIMIT resources of around Euros 82 million (of which Euros 30 million non-repayable grant and Euros 52 million subsidized loan).

Finally, it should be noted that site preparation and demolition activities of the old facilities have been completed.

Subsequent events after the end of the period and business outlook

Subsequent events

Business Plan Update 2023-2026

On July 27, 2023, the Board of Directors approved the 2023-2026 Business Plan of the Seri Industrial Group. The plan is an update of the previous one, approved on July 22, 2022, and was drafted 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 relative assumptions.

The Plan, despite the postponement of the deadline for the Teverola 2 production plant to become fully operational from 2025 to 2026, forecasts revenues of around Euros 2.2 billion in 2026, in line with the previous plan.

Teverola 2

On August 11, 2023, the subsidiary FIB received a first disbursement from MIMIT as an advance payment in the amount of 20% of the total facilitation granted, amounting to Euros 83.4 million, for investment activities under the IPCEI - Batteries 1 programme.

In addition, FIB is continuing the preliminary investigation with a pool of banks to activate an additional revolving credit line to anticipate the timing of the disbursement of subsidies.

Business outlook

For the main business and economic-financial outlook, please refer to section “Group Strategy and Risk Management”.

Teverola 1 and 2

Please refer to the description above in the section 'Ongoing Projects'.

Other information

Related party transactions

The notes to the financial statements provide summarised balance sheet/financial and economic data on transactions between the various companies that are part of the Group during the period under review. Information is also provided on transactions with related parties as required by IAS 24.

Relations with subsidiaries

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

- the granting of loans, the management of cash pools and the issuance of guarantees, such as co-bonding for VAT refunds, the issuance of comfort letters in the context of leasing agreements, and the issuance of guarantees in the context of agreements for the sale of equity interests;
- the provision of centralised services for the management of administrative, corporate, legal and contractual, tax and personnel management activities;
- relations with subsidiaries in the context of tax consolidation for IRES purposes.

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

Related party transations[17]

The Group has entertained and continues to entertain significant financial and economic relations with related parties, the latter mainly relating to companies referable to Vittorio Civitillo. Certain company representatives of Seri Industrial - specifically Vittorio Civitillo, Andrea Civitillo and Marco Civitillo, and his father Giacomo Civitillo (the '**Civitillo exponents**') - have significant interests pursuant to Article 2391 of the Italian Civil Code on behalf of parties related to the Company and the Group (the aforementioned persons hold offices or functions as directors in companies that are part of the control chain of the Company and/or in other parties related to the Company).

On June 28, 2021, the Board of Directors of Seri Industrial S.p.A. resolved to adjust the Procedure relating to the regulation of transactions with related parties by implementing the amendments introduced by Consob Resolution No. 21624 of December 10, 2020, to the Regulation adopted with Resolution No. 17211 of March 12, 2010.
Two transactions of major significance were carried out during the period for more information see 'Note 43. Related Party Transactions'.

Main Related Parties

The following persons are the most significant related parties of the Company and the Seri Industrial Group:

- the Civitillo exponents;
- companies that are also indirectly owned by Civitillo exponents.

As of June 30, 2023, Vittorio Civitillo, CEO, and Andrea Civitillo indirectly owned, through SE.R.I. S.p.A., shares in the Company corresponding in total to 56.4% of the Company's share capital. SE.R.I., in which Vittorio Civitillo holds 50.60%, and Andrea Civitillo holds 49.40%. Vittorio Civitillo also directly owns 53,300 shares corresponding to 0.099% of the Company's share capital.

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

The main transactions that the Seri Industrial Group has carried out with Related Parties

The Group's main transactions with related parties concern:

- Real estate leases: the Company and the Group's companies have lease contracts for office and industrial use with Pmimmobiliare Srl and Azienda Agricola Quercete a r.l., companies indirectly owned by Vittorio Civitillo and Andrea Civitillo;
- Guarantees and sureties: through SERI, factoring companies and banking institutions respectively granted the Italian companies of the Seri Industrial Group the possibility of using advances on receivables and short-term credit facilities;
- Other reports.

For all qualitative and quantitative information on related party transactions, please refer to the notes to the consolidated financial statements 'Note 43. Related Party Transactions'.

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

On 28 July 2021, following Order No. 0838644/21, Consob announced that the disclosure requirements on a monthly basis pursuant to Article 114(5) of Legislative Decree No. 58/98 had ceased to apply. The obligation to provide supplementary information, pursuant to the aforementioned regulation, remains with reference to the annual and half-yearly financial reports and interim management reports. It should be noted that the obligation to provide supplementary information to be reported, with reference to the first and third quarter of each financial year, may be fulfilled by means of 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 on:
(a) the net financial position of the Company and its Group, showing short-term components separately from medium-to long-term components.
Please refer to the Note 35 'Net Financial Position' and the previous paragraphs 'Financial review and other information - Consolidated balance sheet and financial position' and 'Financial review and other information - Economic information by sector - Holding';
(b) the overdue debt positions of the Company and the Group headed by it, 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	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
Trade payables	559	917	15,986	19,698
Tax payables	15	15	180	169
Other payables	27	27	735	550

At the Group level, there was a reduction in overdue trade payables of about euros 4 million; payment orders as of June 30, 2023 amounted to Euros 672 thousand.
(c) the main changes in related party transactions of the Company and its Group since the last financial report approved pursuant to Article 154-ter of the Consolidated Law on Finance.
Information on related party transactions is provided in “Note 43. Related Party Transactions” to the half-year consolidated financial statements;
(d) the possible non-compliance with covenants, negative pledges and any other clause of the Group's indebtedness involving limits on the use of financial resources.

There are no restrictions on the use of financial resources. The verification of the covenants, consistent with the relevant loan agreements, takes place on the basis of the reference data as of December 31, of each year. In addition, the following should be noted (i) with reference to the FIB-Deutsche Bank loan - recognised for a residual euros 1.5 million in current liabilities and regularly repaid at the respective due dates, most recently the instalments of March 31 and June 30, 2023, no requests for early repayment were received for failure to meet the financial covenants at December 31, 2022 (ii) with reference to the FIB-Pool bank loan, recognised in the amount of euros 5 million under current liabilities, the preliminary investigation is at an advanced stage aimed at granting the extension of the maturity date to July 31, 2024 and the non-application of the covenants; no requests for early repayment have been received in respect of the failure to meet the financial parameters at December 31, 2022;

(e) the status of implementation of any industrial and financial plans, highlighting any deviations of actual figures from those forecasts.
Management confirms the Plan's objectives. The current delays encountered in the start-up of the Teverola 1 project have led to lower than expected economic and financial results; these deviations are considered, at this stage, not decisive for the purposes of implementing the Plan.

Share Capital

As of June 30, 2023, the share capital amounted to euros 106,456,682.03 divided into 53,979,002 ordinary shares.
On August 7, 2023, Seri Industrial S.p.A. communicated the new composition of the share capital (fully subscribed and paid up) in accordance with the provisions of art. 127 quinquies, paragraph 2, of the TUF and art. 44 of the Consob Bank of Italy's Single Provision on post-trading, as well as the provisions of Article 5 of the Articles of Association. As a result of the increased voting rights, the current composition of the Company's share capital consists of 23,426,464 no-par-value ordinary shares with two votes for each share held and 30,552,538 no-par-value ordinary shares with a single vote.

Own shares and shares or quotas of parent companies held

The Company does not own any of its own shares or shares or quotas of its parent company, even indirectly through trust companies or intermediaries; the Company did not purchase or dispose of any of its own shares or shares or quotas of its parent company during the period.

Management and coordination activities

Please refer to “Note 6. Management and Coordination Activities” to the Half-Year Consolidated Financial Statements as of June 30, 2023.

Registered office

The registered office of Seri Industrial SpA is at Via Provinciale per Gioia snc in San Potito Sannitico (CE), at the Quercete Corporate Centre.

Procedure on Related Party Transactions

On June 28, 2021, the Board of Directors of Seri Industrial S.p.A. resolved to adjust the Procedure relating to the regulation of transactions with related parties by implementing the amendments introduced by Consob Resolution No. 21624 of December 10, 2020 to the Regulation adopted with Resolution No. 17211 of March 12, 2010.
This adjustment, in compliance with an earlier opinion of the Committee for Transactions with Related Parties ("OPC Committee"), also takes into account certain changes made on the basis of the indications discussed during the Board of Directors' meetings of October 25 and November 5, 2019, with particular regard to the broadening of the list of significant transactions and the restriction of the category of ordinary transactions.
In fact, the Company, on a voluntary basis, has decided to broaden the list of transactions to be considered More Relevant Related-Party Transactions ('RPTs') to include the following:

- in which at least one of the applicable materiality ratios exceeds 5.0% respectively;
- relating to real estate leases entered into with the parent company or with parties related to the latter, which are in turn related to the Company, where the relevance index of the countervalue exceeds 2.5%;
- transactions carried out with the parent company or with parties related to the latter that are in turn related to the Company, regardless of the magnitude of the materiality indices applicable depending on the specific transaction, relating to
  - (i) the purchase or sale, howsoever effected, or the transfer of companies, branches of companies or participations in other companies or entities, as well as the conclusion of active or passive contracts of lease or usufruct of companies or branches of companies;
  - (ii) the establishment of companies and/or other entities, or the subscription of participations in the capital of companies and/or other entities;
  - (iii) merger or demerger operations;
  - (iv) the buying and selling of real estate.

With regard to ordinary RPTs concluded on terms equivalent to market or standard terms, which are excluded from the scope of application of the RPT Procedure in accordance with Article 13 of the Consob Regulation, it was established that the RPT Committee must assess in advance the most significant RPTs and, in any case, that real estate leasing transactions cannot be considered ordinary RPTs concluded on terms equivalent to market or standard terms.

Significant non-recurring transactions

During the period, there were no events or transactions whose occurrence is non-recurring, i.e., transactions or events that do not occur frequently in the ordinary course of business, that had an impact on the financial position, results of operations and cash flows of the Company and/or the Group, with the exception of those reported in the section "Financial Review and other information".

Atypical and unusual transactions

Atypical and/or unusual transactions are defined as all those transactions that due to their significance/relevance, the nature of the counterparties, the subject of the transaction, the way in which the transfer price is determined and the timing of the event (proximity to the end of the financial year-period) may give rise to doubts as to: the correctness/completeness of the information in the financial statements, conflict of interest, the safeguarding of the company's assets, the protection of minority shareholders. There were no atypical and/or unusual transactions during the period under review.

Legal and regulatory framework

The following is a brief description of certain laws and regulations considered significant by the Issuer for the conduct of its business and the activities of its subsidiaries. The Group believes that it operates in the performance of its activities in compliance with the current regulations illustrated below, to the extent applicable to it, it being understood and necessary to bear in mind, however, that the application of the primary rules and regulations is subject to constant changes in case law and developments in both application and interpretation, including by the competent Authorities.
In addition to the legislation applicable to all legal persons, the Group is subject to the following laws and regulations, among others.

Holding

- " Testo unico delle disposizioni in materia di intermediazione finanziaria" (TUF), enacted by Legislative Decree No. 58 of 24 February 1998, as subsequently amended. The TUF organically regulates the interactions between entities operating on the financial market, regulating the main aspects of financial intermediation and constitutes the main regulatory source of financial market law in the Italian legal system.
- Consob Regulation No. 11971/1999 (Issuers) of May 14, 1999, as amended, implementing Legislative Decree No. 58 of February 24, 1998 on the regulation of issuers.
- Consob Regulation No. 17221 of March 12, 2010, as subsequently amended, containing provisions on related party transactions. 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 must adhere in order to ensure the transparency and substantive and procedural correctness of transactions with related parties carried out directly or through subsidiaries.
- Market Regulations and the related Instructions issued by Borsa Italiana, as amended and supplemented, which govern the organisation and management of regulated markets, establishing their conditions, organisation and operation.

In addition to the above, the Group has voluntarily adhered to the 'Corporate Governance Code' drafted 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 Corporate Governance Code contains recommendations that constitute a '*best practice*' model for the organisation and operation of Italian listed companies.

Industrial Activities

Regarding the Batteries sector, the European Commission, Parliament and Council reached agreement on the final text of the new European Battery Regulation. The new Regulation 2023/1542, published in the Official Journal of the European Union No. L 191, entered into force on August 17, 2023 and will apply from February 18, 2024. The Regulation pursues three main objectives: (i) to strengthen the functioning of the internal market by ensuring a level playing field through a common set of rules; (ii) to promote a circular economy; and (iii) to reduce environmental and social impacts at all stages of the battery life cycle.

The Group is also subject to the following laws and regulations:

- Legislative Decree No. 81/08 as amended and supplemented - Consolidated Occupational Safety Act - The Consolidated Occupational Health and Safety Act (also known by the acronym TUSL) is a set of regulations of the Italian legal system on occupational health and safety.
- Legislative Decree No. 152/2006 and subsequent regulations - Environmental Regulations - The primary objective of this legislative decree is to promote the quality of human life, to be achieved by safeguarding and improving the conditions of the environment and the use of natural resources.
- Regulation (EU) No. 517/2014 as amended - 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), which aims to protect the environment by reducing emissions of fluorinated greenhouse gases. In particular, the Regulation in question:
  - (i) lays down provisions on the containment, use, recovery and destruction of fluorinated greenhouse gases and related ancillary measures;
  - (ii) imposes conditions on the placing on the market of specific products and equipment containing or whose functioning relies on fluorinated greenhouse gases (Article 11 and Annex III); specific provisions on HFC-precharged equipment (Article 14); and the reduction of the quantity of HFCs placed on the market (HFC quota mechanism);
  - (iii) imposes conditions on particular uses of fluorinated greenhouse gases;
  - (iv) sets quantitative limits for the placing on the market of hydro fluorocarbons.
- Directive 2006/42/EC of the European Parliament and of the Council on machinery, amending Directive 95/16/EC (recast). The Directive was 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 health and safety requirements that machinery must meet during its design, manufacture and operation before being placed on the market.
- Directive 2014/35/EU, as amended, known as the Low Voltage Directive or LVD. Low Voltage Directive or LVD (from the English acronym Low Voltage Directive) which concerns 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 makes explicit reference to the IEC/ISO EN technical standards to which manufacturers of electrical products must adhere.
- Directive 2014/30/EU on the harmonisation of the laws of the Member States relating to electromagnetic compatibility (recast), regulating the electromagnetic compatibility of equipment. It aims to ensure the functioning of the internal market by requiring equipment to comply with an appropriate level of electromagnetic compatibility.
- Directive 2014/68/EC on the harmonisation of the laws of the Member States concerning the making available on the market of pressure equipment (Text with EEA relevance - European Economic Area). The Directive applies to the design, manufacture and conformity assessment of pressure equipment and assemblies subjected to a maximum allowable pressure PS greater than 0.5 bar.
- Ministry of Health Decree No. 174 of April 6, 2004, as amended and supplemented - 'Regulations concerning the materials and objects that may be used in fixed installations for the collection, treatment, adduction and distribution of water intended for human consumption'. The provisions of the regulation define the conditions to be met by materials and objects used in fixed installations for the collection, treatment, supply and distribution of water intended for human consumption, as referred to in Legislative Decree no. 31 of February 2, 2001. These provisions apply to materials of new installations and those used for replacements in repairs, as from twelve months from the date of publication of these regulations in the Official Gazette of the Italian Republic, unless otherwise indicated in the text.
- Ministry of the Interior Decree of November 24, 1984 as amended - Fire safety regulations for the transport, distribution, storage 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 transport and distribution installations, by means of pipelines, from

production fields to users. They also apply to the internal installations of industrial users and to user shunt installations with an operating pressure of more 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 December 12, 2002", as subsequently amended, which comprehensively reformed the previous legislation introducing into the legal system an autonomous and organic discipline on the protection of intellectual property rights. In addition to this Code, there are the relevant implementing regulations, including the regulations set out in Ministerial Decree No. 33 of January 13, 2010 and the Ministerial Decree of May 11, 2011.

For the Board of Directors

The Chairman

(Roberto Maviglia)

Half-Year Consolidated Financial Statements at June 30, 2023

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-Jun-2023	31-Dec-2022
Cash and cash equivalents	8	2,996	24,817
Financial assets	9	1,121	1,133
Financial assets at fair value through Profit or Loss	10	461	459
Current derivative financial assets	11	72	1,129
Trade receivables	12	31,791	32,270
Other current assets	13	31,026	31,332
Inventories	14	85,660	75,753
Current Assets		**153,127**	**166,893**
Intangible assets	15	73,677	73,140
Rights-of-use assets	16	34,181	27,066
Property, plant and equipment	17	70,450	73,523
Equity-accounted investments	18	538	538
Other non-current assets	19	1,598	1,207
Deferred Tax Assets	20	29,359	26,519
Non-current Assets		**209,803**	**201,993**
ASSETS		**362,930**	**368,886**
Liabilities and Equity			
Trade payables	21	47,088	46,520
Other current liabilities	22	16,158	15,945
Current borrowings	23	58,741	58,401
Current lease liabilities	24	5,557	5,156
Current tax liabilities	25	991	1,444
Short term provisions	26	825	689
Current liabilities		**129,360**	**128,155**
Non-current borrowings	27	43,393	48,155
Non-current lease liabilities	28	27,074	20,115
Provisions for employee benefits	29	4,137	4,235
Deferred taxe liabilities	30	323	566
Other non-current liabilities	31	22,755	24,004
Long-term provisions	32	148	134
Non-current liabilities		**97,830**	**97,209**
Share Capital		106,457	97,313
Statutory reserve		996	730
Share premium		22,562	8,710
Other reserves		12,690	41,125
Profit (Loss)		(6,992)	(4,385)
Equity attributable to owners of the Parent	**33**	**135,713**	**143,493**
Share capital and reserve		77	86
Profit (Loss)		(50)	(57)
Non-controlling interest	**34**	**27**	**29**
Total equity	**33**	**135,740**	**143,522**
LIABILITIES AND EQUITY		**362,930**	**368,886**

(*) Pursuant to CONSOB Resolution No. 15519 of 27 July 2006, the effects of related party transactions and significant non-recurring events and transactions on the Balance Sheet are shown in the Balance Sheet Schedule in Annex 4a.

Consolidated Income Statement(*)

	Notes	30-Jun-2023	30-Jun-2022
Revenues from contract with customers		84,870	89,811
Other operating income		6,041	7,751
Internal works		4,958	3,915
Total revenue, income and internal works	**37**	**95,869**	**101,477**
Purchase of materials		58,009	70,880
Change in inventories		(9,716)	(18,759)
Services expense		23,336	23,746
Other operating costs		1,111	1,405
Personnel costs		16,274	15,350
Operating Costs	**38**	**89,014**	**92,622**
Gross operating income		**6,855**	**8,855**
Depreciation and amortisation	39	12,287	10,826
Write-downs/write-backs	39	1,253	(39)
Net Operating Income (Loss)		**(6,685)**	**(1,932)**
Finance income	40	1,720	594
Finance expense	40	4,737	2,988
Profit (Loss) from equity-accounted investments	40	0	(7)
Profit (Loss) before taxes		**(9,702)**	**(4,333)**
Income taxes	41	(2,660)	861
Profit (Loss)	**33**	**(7,042)**	**(5,194)**
Attributable to non-controlling interests		(50)	(55)
Attributable to owners of the Parent	**33**	**(6,992)**	**(5,139)**

Profit (Loss) attributable to owners of the Parent	**30-Jun-2023**	**30-Jun-2022**
- basic	(0,1444)	(0,1068)
- diluted	(0,1222)	(0,0898)

(*) Pursuant to CONSOB Resolution No. 15519 of 27 July 2006, the effects of related party transactions and significant non-recurring events and transactions on the Profit and Loss Account are shown in the relevant Income Statement Schedule in Appendix 4b.

Consolidated Comprehensive Income Statement

	Notes	30-Jun-2023	30-Jun-2022
Profit (Loss)	**33**	**(7,042)**	**(5,194)**
Other comprehensive income/(expense) that may be subbsequently reclassified to profit or loss (net of taxes)			
Changes in the fair value of cash flow hedging derivates	33	(803)	533
Change in the translation reserve	33	129	7
Other components of Comprehensive income/(expense) that may not be subsequently reclassified to profir or loss (net of taxes)			
Remeasurement of defined benefit plans	33	(28)	308
Total other comprehensive income/(expense) for the year		**(702)**	**848**
Consolidated Comprehensive Income/(expense) for the year		**(7,744)**	**(4,346)**
Attributable to non-controlling interests		(50)	(55)
Attributable to owners of the Parent		(7,694)	(4,291)

Consolidated Cash Flow Statement

	Notes	30-Jun-2023	30-Jun-2022
Profit (Loss)		**(7.042)**	**(5.194)**
Adjustments to reconcile profit (loss) to net cash			
Depreciation and net Impairment losses (reversals) of Property, Plant and Equipment and Rights-of-Use	39	9.557	9.125
Amortisation and net Impairment losses (reversals) of Intangible Assets	39	2.730	1.701
Gain/(Loss) on disposal of property, plant and equipment		(8)	(1)
Finance income	40	(1.630)	(314)
Finance expense	40	4.195	2.692
Other non-cash changes		835	7
Net change in deferred tax assets (liabilities)	20-25-30	(3.536)	655
Net changes in the provisions and employee benefits	26-29-32	52	(669)
Changes in working capital:			
Change in trade receivables	12	479	1.130
Change in other assets	13	(271)	3.178
Changes in inventories	14	(9.907)	(17.995)
Change in trade payables	21	568	1.991
Change in other liabilities	22	(1.036)	(7.961)
Interest received	40	1.630	314
Interest paid	40	(4.195)	(2.673)
Net cash flow from (used in) operating activities		**(7.579)**	**(14.015)**
Investment activities			
Purchase of tangible assets	17	(3.724)	(3.281)
Purchase of intangible assets	15	(3.328)	(3.121)
Investment activities in tangible assets, right of use and intangible assets		*(7.052)*	*(6.402)*
Proceeds from the sale of property, plant and equipment		0	17
Changes in financial receivables and other financial assets	9-10-19	(381)	700
Net cash flow from (used in) investing activities		**(7.433)**	**(5.685)**
Financing Activities			
Payments of lease liabilities	24-28	(2.705)	(2.801)
Increase (Decrease) of financial liabilities	11-23-27	(3.364)	6.050
Other flows from financing activities	33-34	(740)	1.212
Net cash flow from (used in) financing activities		**(6.809)**	**4.461**
Increase/(Decrease) in cash and cash equivalents	**8**	**(21.821)**	**(15.238)**
Cash and cash equivalents at January 1st	8	24.817	19.500
Cash and cash equivalents at December 31st	**8**	**2.996**	**4.262**

Changes in Consolidated Equity (Notes 33-34)

	Share Capital	Statutory reserve	Share premium	Other reserves	Profit (Loss)	Equity attributable to owners of the Parent	Share Capital and reserve	Minority interest in profit (loss)	Equity attributable to non-controlling interests	Total Equity
31 December 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)
30 June 2022	**96,523**	**730**	**7,513**	**16,973**	**(5,139)**	**116,600**	**405**	**(55)**	**350**	**116,950**
31 December 2022	**97,313**	**730**	**8,710**	**41,125**	**(4,385)**	**143,493**	**86**	**(57)**	**29**	**143,522**
Retained earnings	0	266	0	(4,651)	4,385	0	(57)	57	0	0
Capital increase	9,144	0	13,852	(22,996)	0	0	0	0	0	0
Other changes in equity	0	0	0	(86)	0	(86)	48	0	48	(38)
Other comprehensive income	0	0	0	(702)	0	(702)	0	0	0	(702)
Profit (loss)	0	0	0	0	(6,992)	(6,992)	0	(50)	(50)	(7,042)
30 June 2023	**106,457**	**996**	**22,562**	**12,690**	**(6,992)**	**135,713**	**77**	**(50)**	**27**	**135,740**

Explanatory notes

Note 1. Form and Content

The Group's Half-Year Financial Statements as ofJune 30, 2023 has been prepared in accordance with the International Accounting Standards (International *Accounting Standards* - IAS and *International Financial Reporting Standards* - IFRS) issued by the International Accounting Standards Board (IASB) and 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. The set of all the above referenced standards and interpretations is hereinafter referred to as "IFRS-EU".

These Half-Year consolidated Financial Statements , included in the Half-Year Financial Report, have been prepared in accordance with the applicable international accounting standard for the preparation of interim financial statements ('IAS 34 - Interim Financial Reporting') and consist of the Consolidated Balance Sheet, the Consolidated Income Statement, the Consolidated Comprehensive Income Statement, the Consolidated Cash Flow Statement, Changes in Consolidated Equity, and related Notes. These Half-Year consolidated Financial Statements, included in the Half-Year Financial Report, were also prepared pursuant to Article 154-ter of Legislative Decree No. 58 of 24 February 1998, as amended by Legislative Decree No. 195 of 6 November 2007, as well as Article 81 of the Issuers' Regulations, as amended, and were authorised for publication by the Board of Directors on 21 September 2023.

The Half-Year consolidated Financial Statements do not include all the information required for the annual financial statements and, therefore, must be read together with the Consolidated Financial Statements as of December 31, 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 Reporting') 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 shareholders' equity, and the related notes.

The schedules attached to this half-year consolidated financial statements are as follows:

- Statement of Changes in Intangible Assets;
- Schedule of Changes in Rights of Use assets;
- Statement of Changes inproperty, plant and equipment;
- Information on relations with related parties, in implementation of Consob Resolution 15519 of 27 July 2006.

The Income Statement and Balance Sheet show, in the schedules attached (Appendix 4) to these Notes to the Half-year Consolidated Financial Statements, transactions with related parties.

The currency used by the Group for the presentation of the Consolidated Half-Year Financial Statements is the euros, the functional currency of Seri Industrial SpA. This half-year consolidated financial statements are expressed in thousands of euros, unless otherwise indicated, and provide comparative information with the previous year.

The Half-Year consolidated Financial Statements are prepared on a going concern basis by applying the historical cost method, with the exception of those balance sheet items which, according to IFRS-EU, are recognised at fair value, as indicated in the measurement criteria for the individual items.

In particular, the management has carried out checks on the existence of the going concern assumption in the preparation of the half-year consolidated financial statements through an analysis of the Group's historical results and an estimation of the prospective results and the resulting expected cash flows, considering the main risks and uncertainties to which the Group and its activities are exposed.

The factors considered by management in relation to the maintenance of the going concern assumption in its assessments are: (i) the forecasts of the 2023-2026 Consolidated Business Plan, approved in July 2023, and access to new sources of financing within the scope of the Teverola 2 investment project, for €83.4 million, and the Unilever-P2P project, for €82 million, (ii) the continuation of a situation of economic-financial equilibrium in the short and medium term. The assessments made by management also took into account significant events occurring after the end of the period, as well as the business outlook, which are discussed in the Report on Operations in the section 'Events after the end of the year and Outlook'.

Based on these factors, management believes that at present there is no element of uncertainty about the Group's going concern outlook.

The Half-Year consolidated Financial Statements as of June 30, 2023 are subject to a limited audit by EY SpA.

Note 2. Accounting policies, use of estimates and significant management judgments

The accounting policies adopted, the recognition and measurement criteria, the use of significant estimates and judgements made by management, including also those factors that may affect results, as well as the consolidation criteria and methods used in the consolidated half-year financial report for the six months ended 30th June 2023, are consistent with those adopted in the preparation of the consolidated financial statements for the year ended 31st December 2022, to which reference should be made, except for the new accounting standards, interpretations and amendments effective from 1st January 2023.

Note 3. New Accounting Standards, Amendments and Interpretations

Below are the new accounting standards, interpretations and amendments that came into effect from 1st January 2023. The Group has not early adopted any new standards, interpretations or amendments issued but not yet in force.

Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies

- The amendments to IAS 1 and IFRS *Practice Statement 2 Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide more useful accounting policy disclosures by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'materiality' accounting policies and adding guidance on how entities apply the concept of materiality in making accounting policy disclosure decisions.
- The changes had no impact on the Group's Half-Year consolidated Financial Statements but are expected to affect the disclosure of accounting policies in the Group's consolidated annual financial statements.

Amendments to IAS 8 - Definition of Accounting Estimates

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and correction of errors. They also clarify how entities use valuation techniques and inputs to develop accounting estimates.

The changes had no impact on the Group's half-year consolidated financial statements.

Amendments to IAS 12 Income Taxes: Deferred Taxes Related to Assets and Liabilities arising from Single Transaction

The amendments to IAS 12 Income Taxes narrow the scope of the exception to initial recognition so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's condensed consolidated interim financial statements.

IFRS 17 - Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a new accounting standard for insurance contracts that considers recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts issued in 2005. IFRS 17 applies to all types of insurance contracts (e.g. life, non-life, direct insurance and reinsurance), regardless of the type of issuing entity, as well as to certain guarantees and financial instruments with discretionary participation features; some exceptions apply with regard to scope. The overall objective of IFRS 17 is to provide insurers with a more useful and consistent accounting model for insurance contracts. Contrary to the requirements of IFRS 4, which are largely based on the maintenance of previous local accounting standards, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. IFRS 17 is based on a general model, integrated by:

- a specific adjustment for contracts with direct participation features (the variable commission approach);
- a simplified approach (the premium allocation approach) mainly for short-term contracts.

The changes had no impact on the Group's half-year consolidated financial statements.

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As of the reporting date of these Half-year Consolidated Financial Statements, the following new accounting standards and interpretations have been issued by the IASB, which have not yet come into force:

Mandatory application from 1 January 2024
New accounting standards and interpretations transposed by the EU but not yet in force
Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
Amendments to IAS 1 - Non-current Liabilities with Covenants
Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

The Group is assessing the potential effects of the new provisions' future application.

Note 4. Seasonality of the business

Considering the business sector in which the Group operates, it should be noted that cash flows are not affected by seasonality effects. Therefore, the additional financial disclosures required by IAS 34.21 concerning the trend for the 12 months ended 30th June 2023 are not provided.

Note 5. Scope of Consolidation

In the following tables are listed the Group's companies with evidence of their inclusion in or exclusion from the scope of consolidation as of 31 December 2022, as well as the Group's relative percentages of ownership:

Company	Registered 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 – Francia	100,00%	SERI PLAST SPA	F.C.	EUR	10.000	10.000
PLASTAM EUROSPE SAS	Arras – Francia	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 - Polonia	100,00%	SERI PLAST SPA	F.C.	PLN	5.000	5.000
PACKAGING TO POLYMERS 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
FAAM ASIA LIMITED	Hong Kong - Cina	100,00%	FIB SPA	F.C.	HKD	49.010.000	49.010.000
YIXING FAAM INDUSTRIAL BATTERIES LTD	Yixing – Cina	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	Barcellona - Spagna	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 liquidazione	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 Jujuy - Arg.	40,00%	FIB SPA	CO.**	ARS	1.000.000	400.000
BLUECAP RL	Newport - Regno Unito	20,00%	FIB SPA	CO.**	USD	28.121	5.624
OTHER HOLDINGS							
TURKUAZ GOLD MADENCILIK	Ankara - Turchia	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 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

Compared to December 31, 2022, there has been no changes in the scope of consolidation.

Note 6. Management and Coordination Activities

Although the Company is directly controlled by right, pursuant to Article 2359, paragraph 1, No. 1 of the Italian Civil Code and Article 93 of the Consolidated Law on Finance, through SE.R.I. SpA, by Vittorio Civitillo and Andrea Civitillo, it is not subject to the management and coordination of SE.R.I. SpA.

In fact, on 28 June 2021, the Board of Directors of Seri Industrial SpA, at the end of a lengthy verification process, has confirmed that there are no longer effective elements to consider the Company subject to the direction and coordination of others.

For further details, please refer to the Management Report, section 'Other Information - Management and Coordination Activities'.

Note 7. Sector Information

The Seri Industrial Group is organised into two lines of business, plus corporate functions and a residual non-core business. These business lines form the basis on which the Group reports segment information according to the primary format.

The two operational areas into which the activities are divided are as follows:

- ***"Plastic Materials"*** (traceable to Seri Plast SpA and its subsidiaries), active in the recycling and production of plastic materials for the (i) battery market (production of special compounds and moulding of battery boxes and lids), (ii) automotive market (production of special compounds) and (iii) hydro-thermo-sanitary, civil and shipbuilding markets (production of special compounds, extrusion and moulding of pipes, fittings and special parts);
- ***"Batteries"*** (referable to "Fib" or "FIB" or "Faam"), active, under the Faam brand name, in the production and recycling of lead and lithium batteries for industrial traction, storage and starting applications and in the construction of plants for the recovery of end-of-life batteries.

Jointly there is also the ***'Corporate'*** sector relating to the activities carried out through Seri Industrial SpA, which, as part of its guidance and coordination, provides to the other Group companies, also in relation to the organisational structure adopted, activities of Holding function, connected to the coordination of governance processes at Group level: Administration, Finance and Control; Human Resources and Organisation; Communication; Legal and Corporate Affairs; Information Systems; and Audit.

The 'Other' segment includes the residual activities conducted through Tolo Energia Srl in liquidation.

The economic performance of the business split by sector as of June 30, 2023 is as follows:

Economic information by sectors	**Batteries**	**Plastic materials**	**Other**	**Corporate**	**Conso. effects.**	**Consolidated**
Revenues from contract with customers	29,302	56,487	0	2,512	(3,431)	84,870
Other operating income	4,095	1,967	0	42	(63)	6,041
Internal works	3,841	1,113	0	0	4	4,958
Total revenue, income and internal works	**37,238**	**59,566**	**0**	**2,554**	**(3,490)**	**95,869**
Purchase of materials	27,558	31,375	0	9	(934)	58,009
Change in inventories	(10,778)	1,062	0	0	0	(9,716)
Services expense	9,128	15,703	2	1,045	(2,542)	23,336
Other operating costs	473	446	20	189	(17)	1,111
Personnel costs	7,442	7,122	0	1,681	28	16,274
Operating Costs	**33,824**	**55,708**	**22**	**2,924**	**(3,465)**	**89,014**
Gross operating income	**3,415**	**3,858**	**(22)**	**(370)**	**(25)**	**6,855**
Depreciation and amortisation	8,112	4,066	0	108	1	12,287
Write-downs/write-backs	488	755	0	31	(21)	1,253
Net Operating income (loss)	**(5,185)**	**(963)**	**(22)**	**(509)**	**(5)**	**(6,685)**
Financial income	210	450	0	1,106	(46)	1,720
Financial charges	2,092	1,766	0	923	(44)	4,737
Profit (Loss) before tax	**(7,067)**	**(2,278)**	**(22)**	**(327)**	**(7)**	**(9,702)**
Income taxes	256	568	0	(3,484)	1	(2,660)
Profit (Loss)	**(7,323)**	**(2,846)**	**(22)**	**3,157**	**(8)**	**(7,042)**

Consolidation effects mainly include elisions of intra-sectoral economic ratios, which are mainly attributable to *management fees* charged by the parent company to subsidiaries.

The following table shows revenues, income and internal works, as well as operating costs by line of business in order to highlight the weight of the different sectors in the market. These figures are expressed net of intra-sectoral ratios, taking into account that the Group is highly integrated across the entire supply chain.

Revenues, income and internal works and costs by sector	**30/06/2023**				**30/06/2022**			
	Revenues	%	**Costs**	%	Revenues	%	Costs	%
Batteries	37,050	39%	31,732	36%	39,269	39%	32,773	35%
Plastics	58,749	61%	54,356	61%	62,109	61%	57,082	62%
More	0	0%	20	0%	15	0%	0	0%
Corporate	71	0%	2,916	3%	81	0%	2,769	3%
Total	**95,869**	**100%**	**89,014**	**100%**	**101,477**	**100%**	**92,623**	**100%**

The following is the economic information by segment as at 30 June 2022:

Economic information by sectors	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 revenue, income abdinternal 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 amortization	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)**
Financial income	511	83	0	375	(374)	594
Financial charges	1,659	1,092	0	613	(376)	2,988
Income (expenses) 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)**

As follows, the balance sheet by segment as ofJune 30, 2023:

Balance sheet by sector	**Batteries**	**Plastic Materials**	**Other**	**Corporate**	**Conso. effects**	**Consolidated**
Cash and cash equivalents	328	292	(1)	2,377	0	2,996
Financial assets	1,981	1,920	112	9,416	(12,308)	1,121
Financial Assets at fair value through or loss Loss	0	0	0	461	0	461
Current derivative financial assets	72	0	0	0	0	72
Trade receivables	16,843	17,129	1	3,703	(5,885)	31,791
Other current assets	26,092	4,223	180	536	(5)	31,026
Inventories	48,348	37,311	1	0	(0)	85,660
Current Assets	**93,664**	**60,875**	**293**	**16,493**	**(18,198)**	**153,127**
Intangible assets	10,786	8,503	2	76	54,310	73,677
Rights of use assets	22,448	11,342	(3)	394	0	34,181
Property, plant and equipment	56,115	14,243	(2)	94	0	70,450
Equity-accounted investments	537	0	0	141,395	(141,395)	537
Other non-current assets	925	674	0	2,500	(2,500)	1,599
Deferred tax assets	2,838	2,377	1	24,143	0	29,359
Non-current Assets	**93,649**	**37,139**	**(2)**	**168,602**	**(89,585)**	**209,803**
ASSETS	**187,313**	**98,014**	**290**	**185,095**	**(107,782)**	**362,930**
Liabilities and Equity						
Trade payables	24,810	26,878	6	1,274	(5,880)	47,088
Other current liabilities	9,051	5,536	19	1,561	(9)	16,158
Current borrowings	35,656	26,138	3	9,253	(12,309)	58,741
Current lease liabilities	2,959	2,494	1	103	0	5,557
Current tax liabilities	293	599	(0)	99	0	991
Short term provisions	548	41	17	219	0	825
Current liabilities	**73,317**	**61,686**	**46**	**12,509**	**(18,198)**	**129,360**
Non-current borrowings	15,857	3,573	0	26,463	(2,500)	43,393
Non-current lease liabilities	19,986	6,808	1	279	0	27,074
Provisions for employee benefits	1,378	1,938	(2)	823	0	4,137
Deferred tax liabilities	63	260	0	0	0	323
Other non-current liabilities	20,392	2,330	0	33	(0)	22,755
Long-term provisions	73	75	0	0	0	148
Non-current liabilities	**57,749**	**14,984**	**(1)**	**27,598**	**(2,500)**	**97,830**
Share Capital	0	0	0	106,457	0	106,457
Statutory reserve	0	0	0	996	0	996
Share premium	0	0	0	22,562	0	22,562
Other reserves	63,487	24,195	269	11,816	(87,077)	12,690
Profit (Loss)	(7,283)	(2,836)	(22)	3,157	(8)	(6,992)
Equity attributable to owners of the Parent	**56,204**	**21,359**	**247**	**144,988**	**(87,085)**	**135,713**
Share capital and reserve	83	(6)	(0)	0	0	77
Profit (Loss)	(40)	(9)	(1)	0	0	(50)
Non-controlling interests	**43**	**(15)**	**(1)**	**0**	**0**	**27**
Total equity	**56,247**	**21,344**	**246**	**144,988**	**(87,085)**	**135,740**
LIABILITIES AND EQUITY	**187,313**	**98,014**	**290**	**185,095**	**(107,782)**	**362,930**

Below is the balance sheet by segment as of December 31, 2022:

Segment reporting	Batteries	Plastic Materials	Other	Corporate	Conso. effects	Consolidated
Cash and cash equivalents	1,008	297	0	23,512	(0)	24,817
Financial assets	11,037	64	113	1,888	(11,969)	1,133
Financial Assets at fair value through Profit or Loss	0	0	0	459	0	459
Trade receivables	17,634	15,413	0	711	(1,488)	32,270
Other current assets	25,608	5,004	178	547	(5)	31,332
Inventories	37,005	38,747	1	0	0	75,753
Current Assets	**92,378**	**59,525**	**292**	**28,159**	**(13,461)**	**166,893**
Intangible assets	10,141	8,576	(0)	113	54,310	73,140
rights of use assets	11,644	15,217	(2)	207	(0)	27,066
Property, plant and equipment	57,928	15,485	(1)	111	(0)	73,523
Equity-accounted investments	538	0	0	141,387	(141,387)	538
Other non-current assets	890	317	0	3,125	(3,125)	1,207
Deferred tax assets	3,040	2,872	1	20,606	0	26,519
Non-current Assets	**84,181**	**42,467**	**(2)**	**165,549**	**(90,202)**	**201,993**
ASSETS	**176,559**	**101,992**	**290**	**193,708**	**(103,663)**	**368,886**
Liabilities and Equity						
Trade payables	20,666	25,992	5	1,346	(1,489)	46,520
Other current liabilities	9,085	5,544	14	1,306	(4)	15,945
Current borrowings	30,023	23,709	1	16,637	(11,969)	58,401
Current lease liabilities	2,932	2,130	(2)	96	0	5,156
Current derivative financial assets	0	0	0	0	0	0
Current tax liabilities	526	805	2	111	0	1,444
Short term provisions	463	61	0	165	0	689
Current liabilities	**63,695**	**58,241**	**19**	**19,661**	**(13,461)**	**128,155**
Non-current borrowings	17,243	3,736	1	30,300	(3,125)	48,155
Non-current lease liabilities	9,122	10,891	0	102	(0)	20,115
Provisions for employee benefits	1,388	2,071	1	775	0	4,235
Deferred tax liabilities	68	248	0	250	0	566
Other non-current liabilities	21,502	2,463	(1)	40	0	24,004
Long-term provisions	68	66	0	0	0	134
Non-current liabilities	**49,391**	**19,475**	**1**	**31,467**	**(3,125)**	**97,209**
Share Capital	0	0	0	97,313	(0)	97,313
Statutory reserve	0	0	0	730	0	730
Share premium	0	0	0	8,710	0	8,710
Other reserves	73,557	23,838	265	30,504	(87,039)	41,125
Profit (Loss)	(10,119)	444	4	5,323	(37)	(4,385)
Equity attributable to owners of the Parent	**63,438**	**24,282**	**270**	**142,580**	**(87,077)**	**143,493**
Share capital and reserves	83	3	(0)	0	0	86
Profit (loss)	(48)	(9)	0	0	0	(57)
Non-controlling interests	**35**	**(6)**	**0**	**0**	**(0)**	**29**
Total equity	**63,473**	**24,276**	**270**	**142,580**	**(87,077)**	**143,522**
LIABILITIES AND EQUITY	**176,559**	**101,992**	**290**	**193,708**	**(103,663)**	**368,886**

Comments on the Consolidated Balance Sheet Items

Current Assets

	30/06/2023	31/12/2022	Change	Change %
Cash and cash equivalents	2,996	24,817	(21,821)	(88%)
Financial assets	1,121	1,133	(12)	(1%)
Financial assets at FV through profit or loss	461	459	2	0%
Current Derivative financial assets	72	1,129	(1,057)	(94%)
Trade receivables	31,791	32,270	(479)	(1%)
Other current assets	31,026	31,332	(306)	(1%)
Inventories	85,660	75,753	9,907	13%
Current Assets	**153,127**	**166,893**	**(13,766)**	**(8%)**

Note 8. Cash and cash equivalents

Cash and cash equivalents, amounting to euros 2,996 thousand, mainly related to positive current account balances and show a decrease of euros 21,821 thousand. This item includes Euros 2,377 thousand in cash and cash equivalents held by the Parent Company as *pooler in the* context of centralised treasury management. The decrease in cash and cash equivalents is mainly attributable to increases in working capital accounting for Euros 9,016 thousand and in investment assets in tangible and intangible assets accounting for Euros 7,052 thousand.
There are no restrictions on utilization.

Note 9. Financial Assets

Current **financial assets** are recorded at euros 1,121 thousand; they mainly include receivables from Invitalia for euros 485 thousand, from the related party Pmimmobiliare for euros 322 thousand, and other residual assets for euros 314 thousand. For valuation purposes, all financial assets are classified as 'Financial assets at amortised cost' (IFRS9.5.2.1).

Note 10. Financial Assets at Fair Value through profit or loss

Financial assets at Fair Value on the profit and loss account amount to euros 461 thousand and include investments in readily marketable securities called *"Cash collect protection 100%"* issued by Unicredit and held by the Parent Company.

Note 11. Current derivative Financial assets

Current derivative financial assets are recorded in the amount of Euros 72 thousand. The balance includes the valuation of two hedging derivative entered into by the subsidiary FIB.

Since the underlying elements of the underwritten financial instrument and the underlying loan are closely related, pursuant to paragraph B6.4.4 of IFRS 9 the existence of an economic relationship between the value of the hedging instrument and the hedged item is therefore inferred, such that it causes a similar reaction to the risk being hedged. Pursuant to paragraph B6.4.14 of IFRS 9, the underlying elements of the hedging instrument and the hedged item are substantially aligned, so that only a 'qualitative' check is carried out with regard to the effectiveness of the hedge.

The change from the previous year is attributable to the sale on 19th June 2023 of the hedging derivative signed by Seri Industrial on 25th September 2020 with Unicredit S.p.a..

Note 12. Trade Receivables

Trade receivables amounted to euros 31,791 thousand and has decreased by euros 479 thousand compared to the previous year. They are claimed for euros 16,490 thousand by the Batteries sector, for euros 15,160 thousand by the Plastic Materials sector, and for euros 141 thousand by the Corporate sector; the Batteries sector shows a decrease in trade receivables (euros 17,546 thousand as of December 31 2022), whereas the Plastics segment shows an increase (euros 14,650 thousand as at 31 December 2022). There are no significant financial items and return rights.

The Group has existing contracts for the assignment of receivables with recourse in favour of factoring companies. These financial advances have been removed from the balance sheet as the conditions set forth in IFRS 9 for the derecognition of the related financial liabilities have been met.
Receivables recorded in the nominal amount of euros 36,355 thousand are adjusted by an allowance for doubtful accounts of euros 4,564 thousand, whose movement during the period is as follows:

	31/12/2022	Increases	Decreases	30/06/2023
Allowance for doubtful trade receivables	4,344	622	402	4,564

The Group's exposure to credit risk consists of potential losses that could arise from the failure of counterparties to meet their obligations. 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 a shift from the incurred loss model under IAS 39 to the expected credit loss model. The Group uses a matrix to calculate Expected Credit Losses (ECL) for trade receivables and contract assets. The matrix is based on the Group's observed historical default rates. The amount of ECLs is sensitive to changes in circumstances and expected economic conditions.

Note 13. Other Activities

Other assets amounted to Euros 31,026 thousand and decreased by Euros 306 thousand compared to the previous year. Tax credits totalled euros 19,362 thousand and posted a net decrease of euros 2,562 thousand; they mainly include tax credits for investments in Southern Italy and other investments for euros 16,204 thousand and tax credits for research, development, and technological innovation activities for euros 835 thousand. Receivables from the parent company SE.R.I. SpA for transfers made under the Group VAT system amounted to euros 919 thousand; against these receivables, payables of the same nature totalling euros 493 thousand are posted.
Below is a breakdown of this item and a comparison with the previous year:

Other current assets	30/06/2023	31/12/2022	Change	Change %
Other current receivables	9,535	8,300	1,235	15%
Current tax assets	19,362	21,924	(2,562)	(12%)
Other assets with related parties	1,210	764	446	58%
Group VAT receivables	919	344	575	167%
Total Other Current Assets	**31,026**	**31,332**	**(306)**	**(1%)**

A breakdown of the item is shown below, highlighting the relevant sectors:

Other current assets	Batteries	Plastic Materials	Other	Corporate	Total
Other current receivables	7,842	1,477	0	215	9,535
Current tax assets	16,753	2,383	179	46	19,362
Accruals and prepayments	579	356	0	275	1,210
Group VAT receivables	919	0	0	0	919
Total Other Current Assets	**26,093**	**4,216**	**179**	**536**	**31,026**

Other receivables are recorded for a nominal amount of euros 10,271 thousand, adjusted by an allowance for doubtful accounts of euros 736 thousand. In the Batteries segment, the item mainly includes (i) receivables of euros 5,302 thousand related to Mise contributions for the Teverola 2 project and (ii) receivables of euros 776 thousand from Repiombo's minority shareholders. In the Plastics segment, the item mainly includes (i) receivables from Invitalia in the amount of euros 100 thousand for grants related to the investment in the Alife site and (ii) receivables for insurance reimbursements in the amount of about euros 520 thousand (iii) receivables for default interest from third parties in the amount of about euros 400 thousand.

Below is a breakdown of the item as at 31 December 2022, showing the relevant sectors:

Other current assets	Batteries	Plastic materials	Other	Corporate	Total
Other current receivables	6,198	1,893	0	209	8,300
Current tax assets	18,790	2,908	179	49	21,924
Accruals and prepayments	278	197	0	289	764
Group VAT receivables	344	0	0	0	344
Total Other Current Assets	**25,610**	**4,998**	**179**	**547**	**31,332**

Note 14. Inventories

Inventories are recorded at euros 85,660 thousand and show an increase of euros 9,907 thousand compared to the previous period, of which euros 6,901 thousand is due to the increase in inventories at the Teverola 1 site.
The breakdown of inventories by business segment is as follows:

Inventories	Batteries	Plastic materials	Total
Raw materials	16,557	9,311	25,868
Work in progress	11,962	1,300	13,262
Finished products and goods	16,731	26,700	43,432
Down payments	3,098	0	3,098
Total Inventory	**48,348**	**37,311**	**85,660**

The comparative figure for inventories as at 31 December 2022 is as follows:

Inventories	Batteries	Plastic materials	Total
Raw materials	14,991	9,214	24,205
Work in progress	10,213	1,378	11,592
Finished products and goods	9,683	28,155	37,838
Down payments	2,118	0	2,118
Total Inventory	**37,005**	**38,747**	**75,753**

Inventories at 30 June 2023 are shown net of the allowance for inventory write-downs of Euros 2,243 thousand at 30 June 2023, an increase of Euros 675 thousand compared to 31 December 2022. The following table shows the value of inventories with evidence of the relevant provisions for write-downs:

Inventories	Batteries	Plastic materials	Total
Raw materials (gross value)	16,632	9,779	26,411
Inventory write-down provision	(75)	(468)	(543)
Raw materials	**16,557**	**9,311**	**25,868**
Work in progress	12,085	1,340	13,425
Inventory write-down provision	(123)	(40)	(163)
Work in progress and semi-finished products	**11,962**	**1,300**	**13,262**
Finished products and goods (gross value)	16,831	28,137	44,969
Inventory write-down provision	(100)	(1,437)	(1,537)
Finished goods	**16,931**	**26,700**	**43,631**
Down payments	**3,098**	**0**	**3,098**
Total Inventory	**48,348**	**37,311**	**85,660**

Non-current Assets

	30/06/2023	31/12/2022	Change	Change %
Intangible assets	73,677	73,140	537	1%
Rights of use assets	34,181	27,066	7,115	26%
Property, plant and equipment	70,450	73,523	(3,073)	(4%)
Equity-accounted investments	538	538	0	0%
Other non-current assets	1,598	1,207	391	32%
Deferred Tax Assets	29,359	26,519	2,840	11%
Non-Current Assets	**209,803**	**201,993**	**7,810**	**4%**

Note 15. Intangible Assets

Intangible assets amounted to Euros 73,677 thousand and increased by Euros 537 thousand. The breakdown of intangible non-current assets by type is as follows:

Intangible assets	30/06/2023	31/12/2022	Change	Change %
Goodwill	55,042	55,042	0	0%
Development Costs	13,895	6,567	7,328	112%
Patents and Concessions	842	953	(111)	(12%)
Other intangible assets	1,475	1,464	11	1%
Intangible assets in progress	2,422	9,113	(6,691)	(73%)
Total Intangible Assets	**73,677**	**73,140**	**537**	**1%**

Details of the changes during the period are provided in Appendix 1.

The increase in development costs is attributable to reclassifications from assets under construction, and mainly relates to the development of innovative battery projects.

Capital expenditure on intangible assets for the period amounted to Euros 3,328 thousand.

A breakdown of the item is shown below, highlighting the relevant sectors:

Intangible fixed assets	Batteries	Plastic materials	Other	Corporate	Total
Goodwill	15,330	39,712	0	0	55,042
Development Costs	7,075	6,821	0	0	13,895
Patents and Concessions	599	165	0	76	842
Other intangible assets	1,124	351	0	0	1,475
Intangible assets in progress	1,254	1,167	0	0	2,422
Total Intangible Assets	**25,382**	**48,217**	**0**	**76**	**73,677**

The following table shows a breakdown of the item as at 31 December 2022, highlighting the relevant sectors:

Intangible fixed assets	Batteries	Plastic materials	Other	Corporate	Total
Goodwill	15,330	39,712	0	0	55,042
Development Costs	2,482	4,085	0	0	6,567
Patents and Concessions	651	187	0	113	953
Other intangible assets	1,023	442	0	0	1,464
Intangible assets in progress	5,251	3,862	0	0	9,113
Total Intangible Assets	**24,737**	**48,289**	**0**	**113**	**73,140**

Below is the allocation of goodwill to the CGUs identified by the Group.

CGU	30/06/2023	31/12/2022
Batteries	15,330	15,330
Plastic materials	39,712	39,712
Total	**55,042**	**55,042**

Impairment test on the value of goodwill and tangible and intangible assets

The preparation of periodic disclosures requires the directors to apply accounting principles and methodologies, which in certain circumstances are based on difficult and subjective valuations and estimates based on historical experience and assumptions that are from time to time considered reasonable and realistic under the relevant circumstances. The application of these estimates and assumptions affects the amounts reported in the financial statements, such as the balance sheet, income statement and cash flow statement, as well as the disclosures made.

In this context, analyses were performed in accordance with IAS 36, paragraph 9-12, verifying the existence of impairment indicators for assets, with particular reference to those with an indefinite useful life.

The analyses carried out by management at 30 June 2023 took into account (i) the 2023-2026 Business Plan approved by the Board of Directors on 27 July 2023, (ii) the evolution, even in the short term, of current projects, (iii) future investment projects and, in particular the obtaining of new sources of financing for the Teverola 2 investment project, in the amount of Euros 83.4 million, and the Unilever-P2P project, in the amount of Euros 82 million, (iv) the possible impact of the uncertain macroeconomic context, (v) the deviations of the final economic data compared to forecasts.

With reference to this last aspect, the current delays encountered in the start-up of the Teverola 1 project have led to lower than expected economic and financial results, however, these deviations are considered, at present, not decisive for the purposes of implementing the Plan.

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

Note 16. Rights of Use assets

Rights of use assets are recognised at Euros 34,181 thousand and increased by Euros 7,115 thousand. The breakdown of property, plant and equipment for utilisation rights between leasing and finance leases is as follows:

	30/06/2023	31/12/2022	Change	Change %
Rights of use assets	34,181	27,066	7,115	26%
of which : Utilisation rights - rental	*31,541*	*24,353*	*7,188*	*30%*
of which : Utilisation rights - leasing	*2,640*	*2,713*	*(73)*	*(3%)*
Total	**34,181**	**27,066**	**7,115**	**26%**

Details of the changes during the period are provided in Appendix 2.

A breakdown of the item is shown below, highlighting the relevant sectors:

	Batteries	Plastic materials	Corporate	Total
Rights of use assets	22,448	11,342	394	34,181
of which : Utilisation rights - rental	*22,012*	*9,199*	*331*	*31,541*
of which : Utilisation rights - leasing	*436*	*2,143*	*63*	*2,640*

Below is a breakdown of the item as at 31 December 2022, showing the relevant sectors:

	Batteries	Plastic materials	Corporate	Total
Rights of use assets	11,644	15,217	207	27,066
of which : Utilisation rights - rental	*11,250*	*12,965*	*138*	*24,353*
of which : Utilisation rights - leasing	*394*	*2,252*	*69*	*2,713*

Utilisation rights mainly refer to leases of industrial buildings concluded with the related parties Pmimmobiliare and Azienda Agricola Quercete (see Note 43 for details on the leases). The increase in property, plant and equipment for utilisation rights compared to the previous year is attributable to the recognition of new leasing contracts in accordance with IFRS 16, as well as the revision of their duration.

With reference to the leases, the valuation period is between 3 and 8 years, taking into account the expiry of the contracts and any renewal periods. It should be noted that no *lease modifications* took place during the period and that rents are discounted at the Company's marginal financing rate, identified as 3.5% on an annual basis.

Utilisation rights are recorded (net of the related amortisation provision) in the amount of euros 22,448 thousand in the Batteries segment, euros 11,342 thousand in the Plastics segment, and euros 394 thousand in the Corporate segment.

Leases taken out for the period, totalling euros 182 thousand, related in particular to the Plastics segment for euros 74 thousand and to the Batteries segment for euros 108 thousand.

Note 17. Property, plant and equipment

Property, plant and equipment are recorded in the amount of euros 70,450 thousand and show a decrease of euros 3,073 thousand. The breakdown of property, plant and equipment by type is as follows:

Property, plant and equipment	30/06/2023	31/12/2022	Change	Change %
Land and buildings	775	903	(128)	(14%)
Plant and machinery	62,666	65,422	(2,756)	(4%)
Industrial and commercial equipment	3,116	3,249	(133)	(4%)
Other tangible Assets	757	823	(66)	(8%)
Tangible assets in progress	3,136	3,126	10	0%
Total property, plant and equipment	**70,450**	**73,523**	**(3,073)**	**(4%)**

Details of the changes during the period are provided in Appendix 3.

Investments in property, plant and equipment amount to euros 3,724 thousand and related to investments mainly in the Batteries segment at the Teverola site.

A breakdown of the item is shown below, highlighting the relevant sectors:

Property, plant and equipment	Batteries	Plastic materials	Other	Corporate	Total
Land and buildings	685	90	0	0	775
Plant and machinery	51,100	11,565	0	0	62,666
Industrial and commercial equipment	1,437	1,680	0	0	3,116
Other tangible Assets	245	420	0	94	757
Tangible assets in progress	2,648	488	0	0	3,136
Total Property, plant and equipment	**56,115**	**14,243**	**0**	**94**	**70,450**

The following table shows a breakdown of the item as of December 31, 2022, highlighting the relevant sectors:

Property, plant and equipment	Batteries	Plastic materials	Other	Corporate	Total
Land and buildings	805	98	0	0	903
Plant and machinery	52,917	12,504	0	0	65,422
Industrial and commercial equipment	1,431	1,818	0	0	3,249
Other tangible Assets	258	455	0	111	823
Tangible assets in progress	2,517	610	0	0	3,126
Total Tangible Fixed Assets	**57,928**	**15,485**	**0**	**111**	**73,523**

Tangible assets are recorded (net of the relevant depreciation reserve) in the amount of euros 56,115 thousand in the Batteries segment, euros 14,243 thousand in the Plastics segment, and euros 94 thousand in the Corporate segment.

Note 18. Equity-accounted investments

Equity-accounted **investments** are recognised at euros 538 thousand, unchanged from 31 December 2022. The balance mainly includes the value of the investment in Bluecap RL for euros 513 thousand.
The breakdown of this item by sector is shown below:

	30/06/2023	31/12/2022	Change	Change %
Equity-accounted investments	538	538	0	0%
Total	**538**	**538**	**0**	**0%**

Note 19. Other non-current assets

Other non-current assets amounted to euros 1,598 thousand (euros 1,207 thousand as of 31 December 2022) and included security deposits posted pursuant to lease agreements mainly with the related company Pmimmobiliare Srl.

Note 20. Deferred Tax Assets

Deferred tax assets were recognised in the amount of euros 29,359 thousand (euros 26,519 thousand as of 31 December 2022) and showed a change of euros 2,840 thousand. As at June 30, 2023, the item is mainly made up of assets recognised (i) for euros 4,438 thousand (euros 5,069 thousand as at December 31, 2022) for revaluation assets recognised by the subsidiaries FIB, Seri Plast and Repiombo and reversed during the period for euros 635 thousand (ii) for euros 24,143 thousand (euros 20,606 thousand as at December 31, 2022) for tax losses recognised by the Parent Company in the context of tax consolidation as per the following table:

	31/12/2022	Uses	Increases	30/06/2023
On losses before 2018	5,418			5,418
On losses 2020	3,297			3,297
On losses 2021	4,991			4,991
On losses 2022	6,901			6,901
On Losses 06-2023			3,537	3,537
Total	20,606		3,537	24,143

The recognition of the aforementioned deferred tax assets took place following the verification of the forecast of future taxable profits sufficiently large to absorb them and of further benefits related to other deferred tax assets, also based on the forecasts of the Plan approved on 27 July 2023 and the foreseeable evolution of operations.

Current liabilities

	30/06/2023	31/12/2022	Change	Change %
Trade payables	47,088	46,520	568	1%
Other current liabilities	16,158	15,945	213	1%
Current borrowings	58,741	58,401	340	1%
Current lease liabilities	5,557	5,156	401	8%
Current taxes liabilities	991	1,444	(453)	(31%)
Short term provisions	825	689	136	20%
Current Liabilities	**129,360**	**128,155**	**1,205**	**1%**

Note 21. Trade Payables

Trade payables were recognised in the amount of euros 47,088 thousand (euros 46,520 thousand as of 31 December 2022) and showed a change of euros 568 thousand compared to 31 December 2022, mainly attributable to the Batteries and Plastics segments. In particular, euros 21,251 thousand related to the Batteries segment, up by euros 19,760 thousand compared to 31 December 2022, and euros 24,595 thousand related to the Plastics segment, down by euros 25,413 thousand compared to 31 December 2022.

Trade payables	Batteries	Plastic materials	Other	Corporate	Total
Trade payables with third parties	21,023	24,452	4	1,200	46,679
Trade payables with related parties	228	143	0	38	409
Total Trade Payables	**21,251**	**24,595**	**4**	**1,238**	**47,088**

Below is a table containing comparative data for the previous year:

Trade payables	Batteries	Plastic materials	Other	Corporate	Total
Trade payables with third parties	19,599	25,276	4	1,293	46,173
Trade payables with related parties	161	137	0	49	347
Total Trade Payables	**19,760**	**25,413**	**4**	**1,342**	**46,520**

Trade payables due as at 30 June 2023 amounted to euros 15,986 thousand (euros 19,698 thousand as at 31 December 2022).

Note 22. Other current Liabilities

Other current liabilities amounted to Euros 16,158 thousand (Euros 15,945 thousand as at 31 December 2022) and increased by Euros 213 thousand compared to 31 December 2022.
This item includes payables to employees and payables to social security and welfare institutions in respect of current monthly payments, accrued and untaken holidays and additional monthly payments.
Below is a breakdown of this item and a comparison with the previous year:

Other current liabilities	30/06/2023	31/12/2022	Change	Change %
Other liabilities to employees	5,286	4,603	683	15%
Other social security and welfare liabilities	2,870	2,703	167	6%
Other liabilities to third parties	1,884	1,409	475	34%
Other liabilities with related parties	97	100	(3)	(3%)
Fees and debts to institutions	69	0	69	100%
Accruals and prepayments	5,459	5,255	204	4%
Group VAT payables	493	1,875	(1,382)	(74%)
Total other current liabilities	**16,158**	**15,945**	**213**	**1%**

A table summarising the breakdown of this item by sector is shown below:

Other current liabilities	Batteries	Plastic materials	Other	Corporate	Total
Other liabilities to employees	1,880	2,159	0	564	4,603
Other social security and welfare liabilities	1,135	1,390	0	178	2,703
Other liabilities to third parties	1,013	162	18	219	1,409
Other liabilities with related parties	0	2	0	98	100
Fees and debts to other institutions	0	0	0	0	0
Accruals and prepayments	4,578	669	0	8	5,255
Group VAT payables	478	1,162	0	234	1,875
Total other current liabilities	**9,084**	**5,544**	**18**	**1,301**	**15,945**

Other payables to third parties mainly include advances from customers in the amount of Euros 683 thousand, of which Euros 441 thousand related to the Plastics segment and Euros 242 thousand to the Batteries segment.

The item accrued expenses and deferred income increased by € 204 thousand compared to 31 December 2022; the balance is mainly composed of deferred income recognised following the recognition of tax credits, as well as deferred income recognised in relation to benefits accrued with Invitalia for the Litio project and the investment of the subsidiary Seri Plast in the Alife site. The Invitalia facilitation, as well as the tax facilitations, are in fact charged to the income statement among the grants for plant in correlation to the depreciation of the assets for which the grant is received. The subsidies are therefore deferred for the portion not pertaining to the year. These deferrals do not contain the portions beyond twelve months, which are shown under non-current liabilities.
Group VAT payables include VAT payables to SE.R.I. SpA in the amount of euros 493 thousand, of which euros 179 thousand related to the Plastics segment and euros 314 related to the Corporate sector.

Note 23. Current borrowings

Current borrowings are recorded at euros 58,741 thousand and decreased by euros 340 thousand compared to 31 December 2022.
Below is a table summarising the type of debt compared to the previous year:

Current borrowings	30/06/2023	31/12/2022	Change	Change %
Bank advances	36,437	35,041	1,396	4%
Bank loans	15,698	16,006	(308)	(2%)
Subsidised loans	2,673	2,532	141	6%
Bank account	2,671	2,596	75	3%
Other Financial debts	1,262	2,226	(964)	(43%)
Total	**58,741**	**58,401**	**340**	**1%**

A table summarising the type of debt by sector is shown below:

Current borrowings	Batteries	Plastic materials	Other	Corporate	Total
Bank advances	14,440	21,996	0	0	36,437
Bank loans	8,960	0	0	6,738	15,698
Subsidised loans	2,433	240	0	0	2,673
Bank accounts	2,634	5	0	31	2,671
Other Financial debts	1,221	41	0	0	1,262
Total	**29,688**	**22,282**	**0**	**6,769**	**58,741**

The verification of the *covenants*, consistent with the relevant loan agreements, takes place on the basis of the reference data as at 31 December of each year. In addition, the following should be noted (i) in relation to the FIB-Deutsche Bank loan - recognised for a residual €1.5 million in current liabilities and regularly repaid at the respective due dates, most recently the instalments of 31 March and 30 June 2023, no requests for early repayment were received for failure to meet the financial covenants at 31 December 2022 (ii) with reference to the FIB-Pool bank loan, recognised in the amount of € 5 million under current liabilities, the preliminary investigation is at an advanced stage aimed at granting the extension of the maturity date to 31 July 2024 and the non-application of the covenants; no requests for early repayment have been received in respect of the failure to meet the financial parameters at 31 December 2022

The Group monitors the financial risks to which it is exposed in order to assess their potential negative effects in advance and take appropriate action to mitigate them. S i refer to "Note 45. Risk Disclosure" for further details.

The following table shows a breakdown of the item as at 31 December 2022, highlighting the relevant sectors:

Current borrowings	Batteries	Plastic materials	Other	Corporate	Total
Bank advances	13,609	21,432	0	0	35,041
Bank loans	10,206	0	0	5,800	16,006
Subsidised loans	2,398	134	0	0	2,532
Bank account	2,589	7	0	0	2,596
Other Financial debts	1,221	761	0	244	2,226
Total	**30,023**	**22,334**	**0**	**6,044**	**58,401**

Note 24. Current lease liabilities

Current lease liabilities amount to Euros 5,557 thousand and increased by Euros 401 thousand compared to 31 December 2022.

The following table summarises the type of debt, highlighting the reference sector:

Current lease liabilities	Batteries	Plastic materials	Other	Corporate	Total
Lease liabilities	2,959	2,494	0	103	5,557
of which: Rental	*2,873*	*2,134*	*0*	*87*	*5,095*
of which: Leasing	*86*	*360*	*0*	*16*	*462*

Below is a table summarising the type of debt for the previous year, highlighting the reference sector:

Current lease liabilities	Batteries	Plastic materials	Other	Corporate	Total
Lease liabilities	2,932	2,130	0	96	5,156
of which: Rental	*2,845*	*1,785*	*0*	*80*	*4,708*
of which: Leasing	*87*	*345*	*0*	*16*	*448*

Note 25. Current tax liabilities

Current tax liabilities
amounted to Euros 991 thousand and decreased by Euros 453 thousand compared to the previous year.

Note 26. Short term provisions

Short term provisions are recorded in the amount of euros 825 thousand and show an increase of euros 136 thousand compared to 31 December 2022 due to provisions by the subsidiary FIB.
They include euros 548 thousand in the Batteries segment (euros 463 thousand as at 31 December 2022), euros 41 thousand in the Plastics segment (euros 61 thousand as at 31 December 2022), euros 219 thousand in the Corporate segment (euros 165 thousand as at 31 December 2022) and euros 16 thousand in the Other segment.

	Batteries	Plastic materials	Other	Corporate	Total
Short term provisions	548	41	16	219	825
	548	**41**	**16**	**219**	**825**

Non-current liabilities

	30/06/2023	31/12/2022	Change	Change %
Non-current borrowings	43,393	48,155	(4,762)	(10%)
Non-current lease liabilities	27,074	20,115	6,959	35%
Provisions for employee benefits	4,137	4,235	(98)	(2%)
Deferred tax liabilities	323	566	(243)	(43%)
Other non-current liabilities	22,755	24,004	(1,249)	(5%)
Long-term provisions	148	134	14	10%
Non-current liabilities	**97,830**	**97,209**	**621**	**1%**

Note 27. Non-current borrowings

Non-current borrowings are recorded for Euros 43,393 thousand and show a decrease of Euros 4,762 thousand compared to the previous year.
A table summarising the type of debt is presented below:

	30/06/2023	31/12/2022	Change	Change %
Subsidised loans	9,405	9,755	(350)	(4%)
Bank loans	29,988	34,400	(4,412)	(13%)
Debenture loan	4,000	4,000	0	0%
Other Financial Payables	0	0	0	100%
Total	**43,393**	**48,155**	**(4,762)**	**(10%)**

Please refer to 'Note 45. Risk Disclosure' for further details.

The table below summarises the type of debt by sector:

Non-current borrowings	Batteries	Plastic materials	Other	Corporate	Total
Subsidised loans	8,332	1,073	0	0	9,405
Bank loans	3,525	0	0	26,463	29,988
Debenture loan	4,000	0	0	0	4,000
Total	**15,857**	**1,073**	**0**	**26,463**	**43,393**

Below is a table summarising the type of debt for the previous year, highlighting the reference sector:

Non-current borrowings	Batteries	Plastic materials	Other	Corporate	Total
Subsidised loans	9,143	611	0	0	9,755
Bank loans	4,100	0	0	30,300	34,400
Debenture loan	4,000	0	0	0	4,000
Total	**17,243**	**611**	**0**	**30,300**	**48,155**

Note 28. Non-current lease liabilities

Non-current lease liabilities amounted to Euros 27,074 thousand and increased by Euros 6,959 thousand compared to 31 December 2022.
The following table summarises the type of debt, highlighting the reference sector:

Financial liabilities for leasing	Batteries	Plastic materials	Other	Corporate	Total
Lease liabilities	19,986	6,808	0	279	27,074
of which: Rental	*19,755*	*6,148*	*0*	*252*	*26,155*
of which: Leasing	*231*	*660*	*0*	*27*	*919*

Below is a table summarising the type of debt for the previous year, highlighting the reference sector:

Financial liabilities for leasing	Batteries	Plastic materials	Other	Corporate	Total
Lease liabilities	9,122	10,891	0	102	20,115
of which: Rental	*8,933*	*10,098*	*0*	*66*	*19,097*
of which: Leasing	*189*	*793*	*0*	*36*	*1,018*

Note 29. Provision for employee benefits

The item **Provision for employee benefits**, related to the provision for severance and termination indemnity, includes the value of the payable to employees for the treatment due at the end of the employment relationship. As of 30 June 2023, this item was recognised for euros 4,137 thousand, down euros 98 thousand from 31 December 2022.
The main actuarial assumptions used in the valuation of defined benefit pension plans and the component of the staff severance fund, which has retained the nature of a *defined benefit plan*, are as follows:

	30/06/2023	31/12/2022
Technical annual discount rate	3,60%	3,77%
Annual inflation rate	5,7%-2023 2,7%-2024 2,0%-2025	5,9%-2023 2,3%-2024 2,0%-2025
Annual wage growth rate	Inflation +1%	Inflation +1%
Annual rate of increase TFR	5,78%-2023 3,53%-2024 3,00%-2025	5,93%-2023 3,33%-2024 3,00%-2025

The valuation of the average annual discount rate took the iBoxx Euroszone Corporates AA 10+ index at the last useful date as a reference. This maturity is in fact correlated to the average remaining duration of employees of Group companies, weighted with the expected payments.
For the annual rate of inflation, reference was made to the Economic and Financial Document 2023 (DEF 2023) published on 11 April 2023, which shows the value of the consumption deflator for the years 2023, 2024 and 2025 as 5.7%, 2.7% and 2.0% respectively, and assuming a constant rate of 2.0% from 2026 onwards. Sensitivities on the BOD as required by IAS19 revised are reported:

	Discount rate		Inflation rate		Annual turnover rate	
Society	**0.50%**	**(0.50%)**	**0.25%**	**(0.25%)**	**2.00%**	**(2.00%)**
Seri Industrial	788	861	830	815	817	829
Seri Plast	1,516	1,624	1,584	1,553	1,581	1,554
FIB	946	1,019	992	971	990	970
FS	249	271	262	257	257	257
Repiombo	58	63	61	60	60	59
Plast R&D	6	7	6	6	6	6
FRC	20	20	20	20	20	20
Total	**3,583**	**3,865**	**3,755**	**3,682**	**3,731**	**3,695**

Note 30. Deferred Tax liabilities

Deferred taxes are recognised in the amount of Euros 323 thousand and show a decrease of Euros 243 thousand compared to 31 December 2022. The change is mainly due to the accounting of leasing contracts in application of IFRS 16 and post-employment benefits in application of IAS 19.

Note 31. Other non-current liabilities

Other non-current liabilities are posted for euros 22,755 thousand and show a decrease of euros 1,249 thousand compared to the previous year. Below is a breakdown of the item and a comparison with the previous period:

Other non-current liabilities	**30/06/2023**	**31/12/2022**	**Variation**	**Change %**
Deferred income for tax credits	13,641	14,398	(757)	(5%)
Other non-current deferrals	6,696	7,021	(325)	(5%)
Other non-current payables	2,418	2,585	(167)	(6%)
Total other non-current liabilities	**22,755**	**24,004**	**(1,249)**	**(5%)**

Other liabilities are recorded in the amount of euros 20,392 thousand in the Batteries segment and euros 2,330 thousand in the Plastics segment. Deferred income for tax credits amounted to euros 12,022 thousand in the Batteries segment and euros 1,619 thousand in the Plastic materials segment and related to the non-current portion of deferred income recognised against tax credits for tax benefits. The item also includes other deferred income related to the non-current portion of Invitalia and IPCEI grants, of which euros 5,335 thousand related to the investment in the Lithium project, euros 855 thousand to the IPCEI project, and euros 506 thousand related to the investment of the subsidiary Seri Plast in the Alife (CE) site.

As provided for by IAS 20, Invitalia subsidies, like other tax concessions, are assimilated to grants for plants and therefore charged to the income statement in connection with the depreciation of the assets for which the grant is received. The subsidies are therefore deferred for the portion not pertaining to the period. These deferrals contain the non-current portions for income related to depreciation expected beyond 12 months with respect to 30 June 2023.

Note 32. Long-term provisions

Long-term **provisions** are posted for Euros 148 thousand and increased by Euros 14 thousand. The item includes allocations made in the Batteries segment, amounting to euros 73 thousand, and in the Plastics segment, amounting to euros 75 thousand.

Note 33. Equity

The following table shows a breakdown of equity items as of June 30, 2023, and the comparison with the previous year:

Equity	30/06/2023	31/12/2022	Change	Change %
Share Capital	106,457	97,313	9,144	9%
Statutory reserve	996	730	266	36%
Share premium	22,562	8,710	13,852	159%
Other reserves	12,690	41,125	(28,435)	(69%)
Profit (loss)	(6,992)	(4,385)	(2,607)	59%
Equity attributable to owners of the Parent	**135,713**	**143,493**	**(7,780)**	**(5%)**
Share capital and reserves	77	86	(9)	(10%)
Profit (loss)	(50)	(57)	7	(12%)
Non-controlling interests	**27**	**29**	**(2)**	**(7%)**
Total equity	**135,740**	**143,522**	**(7,782)**	**(5%)**

Share Capital

As at 30 June 2023, the share capital amounted to EUR 106,456,682.03 divided into 53,979,002 ordinary shares. The share capital increased as a result of the exercise of the SERI 2017-2022 Warrants whose exercise deadline expired at the end of 2022. It is specified that the Warrants for which a subscription request has not been submitted by the end of the 2022 financial year, amounting to a residual no. 32,360,387, are to be considered forfeited of all rights, becoming definitively invalid for all purposes, as provided for by the Rules.

During the exercise periods of the Uno SERI Warrants 2017 - 2022, the following warrants were exercised as of the subscription date:

Description	Periods	No. 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
September 2022	19	3,362,020	336,202	1,691,096.06	672,404
December 2022*	20	45,717,480	4,571,748	22,995,892.44	9,143,496
Residual Uno SERI 2017-2022 Warrants		0			

(*) The change in share capital took place in January 2023.

Profit (Loss) per share

Basic profits (loss) per share is calculated by dividing the profit (loss) for the period attributable to 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 profit (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 arising from the conversion of warrants discussed above.

	30-Jun-2023	30-Jun-2022
- basic (B)	48,420,700	48,132,289
- diluted (C)	57,215,040	57,215,040
- basic (A/B)	(0.1305)	(0.1068)
- diluted (A/C)	(0.1104)	(0.0898)

Statutory reserve

This item contains the parent company's legal reserve of Euros 996 thousand.

Share premium

The share premium reserve amounts to euros 22,562 thousand. The reserve increased due to the exercise of the SERI 2017-2022 Warrants, whose exercise term expired at the end of 2022.

Other reserves

The item contains the Parent Company's other reserves in addition to undistributed profits (losses). Also included are other comprehensive income (OCI) reserves amounting to a negative Euros 346 thousand as at 30 June 2023 (positive Euros 356 thousand as at 31 December 2022). The breakdown of the items of other OCI reserves and the comparison with the previous year are shown below:

Other OCI reserves	**30/06/2023**	**31/12/2022**	**Change**	**Change %**
Currency exchange differences reserve	(323)	(452)	129	(29%)
Derivative financial instruments cash flow hedge reserve	55	858	(803)	(94%)
Employee defined benefit plan reserve	(78)	(50)	(28)	56%
Total	**(346)**	**356**	**(702)**	**(197%)**

Consolidated profit (loss)

The result for the period amounted to a negative Euros 6,367 thousand.

Note 34. Non-controlling interest

The item consisting of non-controlling interest in capital, reserves and result for the period includes the values relating to the minority interests in equity of F&F Srl (40%), P2P Srl (50%) and Repiombo Srl (0.18%).

Note 35. Net financial position

The following table shows the Group's net financial debt (or NFP - Net Financial Position[18]) as of 30 June 2023, prepared in accordance with CONSOB's "Attention Reminder 5/21 of 29 April 2021" and in compliance with ESMA Recommendation 32-382-1138 of 4 March 2021, showing the short-term components separately exposed from the medium/long-term components, compared with the same information most recently published in the consolidated annual financial report as of 31 December 2022, as well as the related reconciliation with the adjusted net financial debt commented in the report on operations in the section "Consolidated financial position":

	NFP - NET FINANCIAL POSITION	30/06/2023	31/12/2022	Change	Change %
A)	Cash	2,996	24,818	(21,822)	(88%)
B)	Cash equivalents	1,121	1,133	(12)	(1%)
C)	Other current financial assets	533	1,588	(1,055)	(66%)
D)	**Liquidity D = (A + B + C)**	**4,650**	**27,539**	**(22,889)**	**(83%)**
E)	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	48,601	47,552	1,049	2%
F)	Current portion of non-current financial debt	15,698	16,006	(308)	(2%)
G)	**Current financial indebtedness G = (E + F)**	**64,299**	**63,558**	**741**	**1%**
H)	**Net current financial indebtedness H = (G - D)**	**59,649**	**36,019**	**23,630**	**66%**
I)	Non-current financial debt (excluding current portion and debt instruments)	29,988	34,400	(4,412)	(13%)
J)	Debt securities	4,000	4,000	0	100%
K)	Non-current trade and other payables	36,478	29,870	6,608	22%
L)	**Non-current financial indebtedness L = (I + J + K)**	**70,466**	**68,270**	**2,196**	**3%**
M)	**Total financial indebtedness (H+L)**	**130,115**	**104,289**	**25,826**	**25%**
N)	IFRS 16 adjustment	32,631	25,271	7,360	29%
O)	**Adjusted total financial indebtedness**	**97,484**	**79,018**	**18,466**	**23%**

The Group's net financial debt amounted to Euros 130,115 thousand (net financial debt of Euros 104,289 thousand as at 31 December 2022). The increase in financial debt compared to the previous year is attributable, in addition to the increase in working capital, to the recognition of new finance lease contracts in accordance with IFRS 16.
With reference to indirect indebtedness, the total amount of provisions for risks recorded in the balance sheet was Euros 973 thousand.

Note 36. Commitments and Guarantees

The main commitments undertaken and guarantees given and received are set out below.

Guarantees given

During the 2021 financial year, the companies Repiombo, FIB, and Faam Research Center issued guarantees in favour of the Italian Revenue Agency issued by the insurance company Allianz SpA with respect to the VAT offset in the context of the Group's VAT management for the 2020 tax year. The insurance company requested that SE.R.I. SpA act as co-obligor for a total of euros 664 thousand.
In relation to the sales of the shares of Murge Green Power Srl and I.T.E. Srl, signed during the 2018 financial year between Tolo Energia and the purchasers, Seri Industrial issued a letter of patronage to guarantee the regular fulfilment of the obligations assumed by Tolo Energia in relation to the transactions.

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

Guarantees received

From related parties

Vittorio and Andrea Civitillo, SE.R.I. S.p.A. and Pmimmobiliare S.r.l. have issued commitments and guarantees in favour of credit institutions and leasing companies in relation to credit facilities granted, inter alia, to Seri Industrial Group companies for the benefit and in the interest of Seri Industrial and the same companies.

Beneficiary	Amount Guarantee	Guaranteed Subject	Subject Guarantor	Subject Warranty
Ifitalia SPA	14,000	Fib - Seri Plast	SME - A. and V. Civitillo - Seri Industrial	Factoring
Invitalia SpA	19,921	Fib	SME (mortgage)	Invitalia Financing
Intesa San Paolo SPA	16,150	Fib	A. and V. Civitillo - Seri Industrial	Cash credits/credits
Intesa San Paolo SPA	14,250	Seri Plast	A. and V. Civitillo - Seri Industrial	Cash credits/credits
Alba Leasing SPA	44	Seri Plast	SE.R.I.	Leasing
BPER Bank SPA	220	Seri Plast	SE.R.I.	Cash credits/credits
Credit Agricole SPA	7,930	Seri Industrial	A. and V. Civitillo	Cash credits/credits

From third parties

The guarantees received from third parties relate to loans received under the Liquidity Decree. Below are details of the guarantees received as at 30 June 2023 that benefit from SACE guarantees:

Beneficiary	Amount Guarantee	Guaranteed subject	Subject Guarantor	Subject Warranty	Original Financing Amount	Amount Financing residual
Deutsche Bank S.p.A.	2,700	FIB	SACE	Financing to FIB	3,000	1,500
Unicredit S.p.A.	15,000	Seri Industrial	FIB	Fin.to Seri Industrial	15,000	15,000
Unicredit S.p.A.	13,500	Seri Industrial	SACE	Fin.to Seri Industrial		
Unicredit S.p.A.	5,000	Seri Industrial	SERI PLAST	Fin.to Seri Industrial	5,000	
Unicredit S.p.A.	4,500	Seri Industrial	SACE	Fin.to Seri Industrial		
Cassa Depositi e Prestisti S.p.A.	22,500	Seri Industrial	FIB	Fin.to Seri Industrial	15,000	15,000
Cassa Depositi e Prestisti S.p.A.	13,500	Seri Industrial	SACE	Fin.to Seri Industrial		
Banca Progetto SpA	3,600	Seri Industrial	SACE	Fin.to Seri Industrial	4,000	3,200
Banca Progetto SpA	4,500	FIB	SACE	Financing to FIB	5,000	4,000

Intragroup guarantees

Beneficiary	Amount Guarantee	Guaranteed subject	Subject Guarantor	Subject Warranty
BPER Bank SPA	2,600	Fib	Seri Industrial	Cash credits/credits
Credit Agricole SPA	1,853	Fib	Seri Industrial	Cash credits/credits
Unicredit SPA	7,500	Fib	Seri Industrial	Pool Financing
Medio Credito Centrale SPA	6,500	Fib	Seri Industrial	Pool Financing
Banco BPM SPA	7,500	Fib	Seri Industrial	Pool Financing
Banco BPM SPA	800	Fib	Seri Industrial	Cash credits/credits
Banco BPM SPA	350	FS	Seri Industrial	Cash credits/credits
Credit Agricole SPA	3,747	Seri Plast	Seri Industrial	Cash credits/credits
Deutsche Bank SPA	2,600	Fib	Seri Industrial	Cash credits/credits
Deutsche Bank SPA	390	Seri Plast	Seri Industrial	Cash credits/credits
Unicredit Leasing SPA	2,220	Seri Plast	Seri Industrial	Leasing
Unicredit Factoring SPA	17,500	Seri Plast	Seri Industrial	Factoring
Unicredit Factoring SPA	1,000	Fib	Seri Industrial	Factoring
Unicredit SPA	10,270	Fib	Seri Industrial	Cash credits/credits
Unicredit Leasing SPA	100	Fib	Seri Industrial	Leasing
Unicredit SPA	16,510	Seri Plast	Seri Industrial	Cash credits/credits
Unicredit Leasing SPA	407	Repiombo	Seri Industrial	Leasing

Seri Industrial issued a guarantee in favour of SACE in relation to factoring contracts to the company Seri Plast S.p.A. for euros 1.5 million.

Comments on Consolidated Income Statement items

Note 37. Revenues from contract with customers, income and internal works

Revenues	30/06/2023	30/06/2022	Change	Change %
Revenues from contract with customers	84,870	89,811	(4,941)	(6%)
Other operating income	6,041	7,751	(1,710)	(22%)
Internal works	4,958	3,915	1,043	27%
Total revenue, income and internal works	**95,869**	**101,477**	**(5,608)**	**(6%)**

The table below shows revenues and other operating income by geographic area as at 30 June 2023 with the corresponding period of comparison:

Total revenues from contract with customers and other operating income by geographical area	30/06/2023		30/06/2022	
	Revenues	%	Revenues	%
Italy	51,891	57%	58,306	60%
Europe	31,377	35%	29,696	30%
Asia	4,033	4%	4,902	5%
Africa	1,927	2%	1,505	2%
America	1,478	2%	3020	3%
Oceania	205	0%	133	0%
Total	**90,911**	**100%**	**97,562**	**100%**

Revenues from contract with customers

The breakdown of revenue from customers between revenue from the sale of goods and the provision of services by business segment for the current period is as follows:

Revenues from contract with customers	Batteries	Plastic materials	Other	Corporate	Total
Revenue from sale of goods	28,542	55,728	0	0	84,269
Revenue for services	567	0	0	34	601
Total	**29,109**	**55,728**	**0**	**34**	**84,870**

The table summarising the previous reporting period is shown below:

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

Sales revenues from contracts entered into with customers derive from both 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.

In the Batteries segment, revenues derive from the production and recycling of lead and lithium batteries for various applications such as (i) traction batteries (forklift trucks and earthmoving equipment), both mainly for the aftermarket both for OEMs (Original Equipment Manufacturers), (ii) storage/stationary batteries for storage power plants (mainly telecommunications, UPS and power plants) both for OEMs and the aftermarket, (iii) starter batteries (cars, motorbikes, trucks and special applications), mainly for the aftermarket. In addition, a spent battery recovery activity is carried out through a *smelter*, consisting of a shredding and recovery section for spent batteries, which is fully operational, and a smelting and subsequent refining section, for the production of complex alloys, of the metal part. Finally, in this sector, revenues also come from the construction of plants for the recovery of spent batteries.

In the Plastics segment, revenues are derived from the production of plastics for the (i) battery market (production of special compounds and moulding of battery boxes and lids), (ii) automotive market (production of special compounds) and (iii) hydro-thermo-sanitary, civil and shipbuilding markets (production of special compounds, extrusion and moulding of pipes, fittings and special parts).

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

Other operating income

The breakdown of other operating income by business segment for the current period is as follows:

Other operating income	**Batteries**	**Plastic materials**	**Other**	**Corporate**	**Total**
Contributions to Research and Development	49	106	0	0	154
Contributions for tax credits	1,383	194	0	4	1,581
Contributions for energy-intensive enterprises	410	878	0	4	1,292
Grants for operating expenses	1,196	47	0	0	1,243
Grants for capital expenses	198	0	0	0	198
Invitalia grants	604	51	0	0	655
Revenues from certificates and contributions	0	40	0	0	40
Extraordinary income	101	0	0	4	105
Capital gains on fixed assets	0	12	0	0	12
Other income	154	582	0	25	761
Total	**4,095**	**1,910**	**0**	**37**	**6,041**

Compared to the previous reporting period, other operating income increased by euros (1,710) thousand.
The table summarising the previous reporting period is shown below:

Other operating income	**Batteries**	**Plastic materials**	**Other**	**Corporate**	**Total**
Contributions to Research and Development	216	153	0	0	369
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	2,635
Invitalia grants	604	51	0	0	655
Revenues from certificates and contributions	0	51	0	0	51
Extraordinary income	167	10	0	0	177
Capital gains on fixed assets	0	17	0	0	17
Other income	154	677	15	42	888
Total	**5,454**	**2,238**	**15**	**42**	**7,751**

Internal works

The item relative to internal works, amounting to euros 4,958 thousand (euros 3,915 thousand as of 30 June 2023), is recognised for euros 3,844 thousand in the Batteries segment and for euros 1,113 thousand in the Plastics segment and relates to the development of innovative projects for batteries and plastics and the fine-tuning of the production process of the Teverola 1 plant.

Note 38. Operating Costs

Operating Costs	**30/06/2023**	**30/06/2022**	**Change**	**Change %**
Purchase of materials	58,009	70,880	(12,871)	(18%)
Change in Inventories	(9,716)	(18,759)	9,043	(48%)
Service expense	23,336	23,746	(410)	(2%)
Other operating costs	1,111	1,405	(294)	(21%)
Personnel costs	16,274	15,350	924	6%

Total operating costs	**89,014**	**92,622**	**(3,608)**	**(4%)**

The individual items of operating costs are commented on below, providing the relevant details.

The costs for material purchases, amounting to euros 58,009 thousand, mainly refer to raw materials in the amount of euros 44,874 thousand, of which euros 16,974 thousand relate to the Batteries segment and euros 27,900 thousand relate to the Plastics segment.

Changes in inventories reflect the utilisation of raw materials, semi-finished goods, finished goods and contract work in progress. Changes in inventories are detailed below:

Change in Inventories	**30/06/2023**	**30/06/2022**	**Change**	**Change %**
Changes in finished products	(7,821)	(12,722)	4,901	(39%)
Changes in goods	(100)	(275)	175	(64%)
Changes in raw materials	(1,795)	(5,762)	3,967	(69%)
Change in Inventories	**(9,716)**	**(18,759)**	**9,043**	**(48%)**

Service costs, which amounted to Euros 23,336 thousand, are broken down as follows:

Services expense	**30/06/2023**	**30/06/2022**	**Change**	**Change %**
Professional advices	1,402	1,299	103	8%
Transport and duties	5,246	5,575	(329)	(6%)
Electricity	7,063	8,253	(1,190)	(14%)
Bonuses and commissions	1,438	2,562	(1,124)	(44%)
Outsourced work	2,792	2,980	(188)	(6%)
Fees to statutory auditors	117	113	4	4%
Fees to Committees	25	60	(35)	(58%)
Auditing service fees	139	144	(5)	(3%)
Other services	5,114	2,760	2,354	85%
Total services expense	**23,336**	**23,746**	**(410)**	**(2%)**

Other operating costs are recorded in the amount of Euros 1,111 thousand; a breakdown of the item is given below:

Other operating costs	**30/06/2023**	**30/06/2022**	**Change**	**Change %**
Lease expense	711	749	(38)	(5%)
Provisions	18	7	11	157%
Other expenses	382	649	(267)	(41%)
Other operating costs	**1,111**	**1,405**	**(294)**	**(21%)**

The Group has lease agreements in place for industrial buildings, plant and machinery, vehicles and other assets that are used in operating activities. Leases relating to industrial buildings, plant and machinery generally have a term of between three and 15 years, while those for vehicles and other assets generally have a term of between three and five years. The Group's liabilities under these leases are secured by the lessor's title to the leased assets. Generally, the Group may not lease the leased assets to third parties and certain contracts require compliance with certain liquidity ratios. In addition, for certain leases for machinery whose term is 12 months or less and office equipment whose value is modest, the Group has chosen for these contracts to apply the exemptions provided by IFRS 16 regarding short-term or low-value leases.

Personnel costs are posted in the amount of Euros 16,274 thousand; the breakdown of the item is as follows.

Personnel costs	**30/06/2023**	**30/06/2022**	**Change**	**Change %**
Wages and salaries of employees	11,015	10,471	544	5%
Wages and salaries of Directors	790	737	53	7%
Social security contributions of employees	3,051	2,887	164	6%
Social security contributions of Directors	101	91	10	11%
Cost related to employee benefit plans	625	664	(39)	(6%)
Stock Option Plan 2022	40	0	40	100%
Other personnel costs	652	500	152	30%
Personnel costs	**16,274**	**15,350**	**924**	**6%**

In addition to current costs referring to employees and assimilated personnel, personnel costs also include the amounts accrued for the period referring to accrued and untaken holidays, holidays, accruals for additional monthly payments, and legal provisions. Wages and salaries and social security charges refer not only to employee costs, totalling euros 14,066 thousand, but also to directors' remuneration and related contributions, totalling euros 891 thousand. Employee severance indemnity includes the accrued portion for the period relative to future benefits that will accrue upon termination of employment. Other personnel costs mainly refer to the canteen service and the purchase of meal vouchers for employees and other accessory costs.

Staff

As at 30 June 2023, the Group's workforce was composed as follows:

Category	Initial value	Recruitment	Terminations	Final Value
Managers	1	0	0	1
Quadri	40	0	1	39
Clerks and apprentices	212	19	20	211
Workers	459	16	15	460
Total employees	**712**	**35**	**36**	**711**

The number of employees as at 30 June 2023 was 711, while the average number was 699.

Employee incentive plans with Seri Industrial shares

On 16 December 2022, the Board of Directors of Seri Industrial S.p.A. resolved to allocate 342,500 options, giving the right to receive an equal number of Seri Industrial ordinary shares, under the first allocation cycle of the 2022 Stock Option Plan ("PSO 2022") approved by the Shareholders' Meeting of 6 May 2022. The options were granted to executive directors, employees and associates of Seri Industrial, Fib and Seri Plast, who hold strategically relevant roles or are able to make a significant contribution to the pursuit of the Group's strategic objectives. The fair value of the options granted is estimated at the date of grant using the Monte-Carlo simulation model, taking into account the terms and conditions under which the options were granted. The model takes into account historical dividends and expected dividends, the volatility of the Group's share price and that of its competitors in order to predict the return on the shares, the rate of employee turnover, the rationality of the beneficiaries when exercising the options and the assumptions regarding the achievement of the envisaged objectives of the 2022 PSO.

The Exercise Price set at EUR 5.78 is equal to the arithmetic average of the official prices of the Company's Shares on Eurosnext during the thirty trading days prior to the date of allocation of the options to the beneficiaries.

The cost recognised for services received by employees during the period amounted to Euros 40,000 and is allocated pro-rata temporis to the income statement according to the so-called grant date and vesting period.

The following table shows the number and weighted average exercise prices (PMPE) of options as at 30 June 2023:

	30/06/2023	PMPE
In circulation on 1 January	0	n.a.
Assigned during the year	0	n.a.
Cancelled during the year	0	n.a.
Practice during the year	0	n.a.
Expired during the year	0	n.a.
In circulation as of June 30, 2023	342,500	1.40 €
Exercisable as of June 30, 2023	0	n.a.

The remaining contractual term for options outstanding at 30 June 2023 is four and a half years. The weighted average fair value of the options granted during the year is €1.40.

The table below lists the information with which the models used for the plan adopted for the period to 30 June 2023 were fed:

	31/12/2022
Weighted fair value at measurement date	1.40€
Dividend yield (%)	0%
Expected volatility (%)	52.13%
Free risk interest rate (%)	3.135%
Expected useful life of options (in years)	4.5
Weighted average price per share (€)	1.40€
Model adopted	Monte Carlo

The volatility shown in the table indicates the historical volatility of the Seri Industrial stock; in calculating the fair value of the options, the historical volatility of the FTSE Italia STAR reference index and a panel of 10 comparables were also considered.

Note 39. Depreciation, amortisation and Write-downs/Write-backs

The following table summarises depreciation and amortisation of euros 12,287 thousand and write-downs/write-backs of euros 1,253 thousand:

Depreciation, amortisation and write-downs/Write-backs	**30/06/2023**	**30/06/2022**	**Change**	**Change %**
Depreciation and amortisation	12,287	10,825	1,462	14%
Write-downs/write-ups	1,253	(39)	1,292	>100%
Total	**13,540**	**10,786**	**2,754**	**26%**

Below is a summary table showing the relevant sector:

Depreciation, amortisation and write-downs/write-backs	**Batteries**	**Plastic materials**	**Other**	**Corporate**	**Total**
Depreciation and amortisation	8,111	4,065	0	107	12,287
Write-downs/write-ups	488	755	0	10	1,253
Total	**8,599**	**4,819**	**0**	**117**	**13,540**

Amortisation and depreciation in the Batteries segment includes euros 6,342 thousand in respect of the investment made and underway in relation to the Teverola 1 and 2 projects, of which euros 5,097 thousand for amortisation of investments made (Teverola 1 and 2) and euros 1,245 thousand for utilisation rights relating to the lease of the Teverola 1 (euros 541 thousand) and Teverola 2 (euros 704 thousand) buildings. Write-downs amounted to euros 578 thousand and refer to the adjustment of trade receivables to their estimated realisable value.

The table summarising the previous reporting period is shown below:

Depreciation, amortisation and Write-downs/Write-backs	**Batteries**	**Plastic materials**	**Other**	**Corporate**	**Total**
Depreciation and amortisation	6,986	3,746	0	93	10,825
Write-downs/write-backs	110	(149)	0	0	(39)
Total	**7,096**	**3,597**	**0**	**93**	**10,786**

Note 40. Financial Income (Expenses) / Profit (Loss) from equity-accounted investments

Below is a summary table as at 30 June 2023, showing the relevant sector:

Financial Management	**Batteries**	**Plastic materials**	**Other**	**Corporate**	**Total**
Financial income	210	450	0	1,060	1,720
Financial expense	2,093	1,717	0	924	4,737
Profit (Loss) from equity-accounted inv.	0	0	0	0	0
Total	**(1,883)**	**(1,267)**	**0**	**136**	**(3,017)**

Financial operations showed financial income of Euros 1,720 thousand, of which (i) Euros 944 thousand pertained to the Corporate segment for the disposal of the hedging derivative of the Parent Company (ii) Euros 376 thousand pertained to the Plastics segment for interest income on arrears.

Financial expenses are recognised in the amount of euros 4,737 thousand and are mainly attributable to interest on financing sources taken out to meet capital expenditure and working capital management. The first half of 2023 was still characterised by a significant upward trend in interest rates by the various central banks. The Group's debt is partly governed by variable interest rates and is therefore exposed to the risk of fluctuations, which influenced the increase in financial expenses.
The table summarising the previous period is shown below:

Financial Management	**Batteries**	**Plastics**	**Other**	**Corporate**	**Total**
Financial income	511	82	0	1	594
Financial 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)**

Note 41. Income Taxes

Below is a summary table as at 30 June 2023, showing the relevant sector:

Taxes	**Batteries**	**Plastic materials**	**Other**	**Corporate**	**Total**
Current Taxes	76	44	0	53	174
Deferred taxes expense/(income)	179	523	0	(3,537)	(2,834)
Total	**255**	**567**	**0**	**(3,484)**	**(2,660)**

The item mainly refers for euros 3,537 thousand to the recognition of deferred tax assets on losses recognised in the current period, as well as to the reversal of deferred tax assets, for euros 635 thousand, recognised on revaluation assets recognised in the financial statements prepared in accordance with the OIC national accounting standards of the subsidiaries FIB, Seri Plast and Repiombo. For further details, please refer to 'Note 20. Deferred Tax Assets'.
The table summarising the previous period is shown below:

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

Note 42. Public disbursements pursuant to Article 1, paragraphs 125-129 of Law No. 124/2017

The following are grants, contributions, paid posts and other economic benefits received from national public administrations and assimilated entities. Those attributable, directly or indirectly, to public entities of other States (European or non-European) and to European institutions are excluded.

Company	Description of facilitation	Aid element	Date granted	National aid register	Disbursed in the period
Seri Plast Spa	Facilities for energy-intensive enterprises	972	22/03/2023	YES	YES
Seri Plast Spa	Aid to business for higher costs related to the energy crisis (period July 2022 - December 2022)	20	07/07/2023	YES	YES
Fib Spa	Facilities for energy-intensive enterprises	20	07/07/2023	YES	YES

Note 43. Transactions with Related Parties

In implementation of the provisions of art. 2391 bis of the Italian Civil Code as well as the Regulation adopted on the subject with CONSOB resolution no. 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 entered into 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 fairness, both substantial and procedural, of transactions with related parties.

Pursuant to Consob Resolution No. 15519 of 27 July 2006, the effects of transactions with related parties on assets and liabilities and on income statement items are highlighted in a special annex (Annex 4), so as not to compromise the overall readability of the same. Transactions with related parties are identified according to the broad definition provided by IAS 24, i.e. including transactions with administrative and control bodies as well as with executives with strategic responsibilities.

Main Related Parties[19]

The following persons are the most significant Related Parties of the Company and the Seri Industrial Group:

- the Civitillo exponents;
- companies that are also indirectly owned by Esponenti Civitillo.

Vittorio Civitillo - Chief Executive Officer, and Andrea Civitillo, as of 30 June 2023 indirectly owned, through SE.R.I. SpA, shares in the Company corresponding to a total of 60.4% of the Company's share capital. Below are the main transactions that the Seri Industrial Group has carried out with Related Parties.

Significant Transactions 2023

Two major transactions took place during the period.

6 February 2023

The Company's Board of Directors authorised the signing of new lease agreements, with novative effects compared to the previous ones, with the related party Pmimmobiliare, by the subsidiaries FIB and Seri Plast, and with Azienda Agricola Quercete a r.l. by Seri Industrial itself.

The definition of the new contracts is aimed at simplifying administrative and accounting management. The three new contracts have uniform terms and conditions, including durations, and cover the entirety of the industrial complexes already leased by FIB and Seri Plast.

The transaction to sign the lease agreements was assessed as a transaction between related parties of 'major significance'. The opinion on the interest, convenience and substantial fairness of the related conditions was rendered by a committee composed of two independent directors and a member of the Board of Statutory Auditors.

For further information, please refer to the information document, prepared in accordance with Annex 4 of Consob Regulation 17221/2010, published on 6 February 2023 on the Company's website.

26th June 2023

The information document on the highly significant related party transaction, which was the subject of a press release dated 4 October 2022, was published following Unilever's consent to the transaction.

As part of the programme of industrial reconversion of the Pozzilli site, Seri Plast S.p.A. had been authorised to renounce the purchase of a building in Pozzilli, through its subsidiary Packaging To Polymers S.r.l., with Pmimmobiliare S.r.l. taking over, and the stipulation of a real estate lease agreement between Packaging To Polymers S.r.l. and Pmimmobiliare S.r.l. The transaction was assessed as a transaction between related parties of 'major significance'. The opinion on the interest, convenience and substantive fairness of the related conditions was rendered by a committee composed of two independent directors and a member of the Board of Statutory Auditors.

For further information, please refer to the information document, prepared in accordance with Annex 4 of Consob Regulation 17221/2010, published on 26 June 2023 on the Company's website.

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

Relations with the parent company and other related parties

The main relationships with the parent company and other Group companies and shareholders, as well as companies related to them, that hold significant stakes in the Company's capital are set out below:

Property leases

The Company and the Group companies have lease agreements for office and industrial buildings with Pmimmobiliare Srl and Azienda Agricola Quercete a r.l., companies indirectly controlled by Vittorio Civitillo and Andrea Civitillo.

Conductor	Location	Landlord	Use	Deadline (mm/yyyy)	Annual rent	Security Deposits
FS Srl	Dragoni (CE)	SME - FIB	Warehouse	03/2027(1)	21,038	
Fib Spa	Monte Sant'Angelo (FG)	SME - FIB	Industrial	03/2027(1)	143,820	
Fib Spa	Monterubbiano (FM)	SME - FIB	Industrial	03/2027 (1)	139,173	
Fib Spa	Teverola (CE)	SME - FIB	Industrial	03/2027 (1)	1,352,886	878,309
Fib Spa	Teverola (CE)	SME - FIB	Industrial	03/2027 (1)	1,684,481	
Fib Spa	Alife (CE)	SME - FIB	Industrial	03/2027 (1)	149,524	
Repiombo Srl	Calitri (AV)	SME - FIB	Industrial	03/2027 (1)	22,313	
Seri Plast Spa	Alife (CE)	PMI - SERI PLAST	Industrial	03/2027 (1)	286,667	
Seri Plast Spa	Pioltello (MI)	PMI - SERI PLAST	Industrial	03/2027 (1)	789,075	
Seri Plast Spa	Canonica D'Adda (BG)	PMI - SERI PLAST	Industrial	03/2027 (1)	665,270	509,511
ICS EU Sas	Peronne (France)	PMI - SERI PLAST	Industrial	03/2027 (1)	207,034	
Plastam EU	Arras (France)	PMI - SERI PLAST	Industrial	03/2027 (1)	90,000	
Seri Industrial Spa	San Potito Sannitico (CE)	AAQ - SERIOUS INDUSTRIAL	Offices	03/2027 (1)	91,893	22,973
Seri Industrial Spa	San Potito Sannico (CE)	AAQ - SERIOUS INDUSTRIAL	Guesthouse	07/2026(2)	6,000	n/a
Total					**5,649,174**	**1,410,793**

(1) Duration 4 years with automatic renewal for a further 4 years unless terminated by either party 12 months in advance.
(2) Duration 4 years without renewal.

The leases in place during the period fall within the framework provided by IFRS 16 as they allow the Group to acquire the right to control a specific asset (in this case real estate) for a specific period of time in exchange for the payment of a consideration to the lessee. Both the previous and the new lease agreements present all the above-mentioned elements, in consideration of the fact that (i) the assets are always the same (ii) the use of the same is always the same (iii) only the contractual counterparties have changed, but the users have changed, not entailing changes at the consolidated level.

The above does not constitute a *lease modification,* therefore *the* Group recognised the new contracts by restating the value of the *lease liability* and consequently the *right of use*, at the date the contract was signed (IFRS 16.45/IFRS 16.46), with no impact on the income statement.

The renewed contracts provide for a lease term of 4 years (commencing 1 April 2023) with automatic renewal on the first expiry date, unless the tenant has the option to cancel within 12 months prior to expiry.

The Group has also assessed the duration of the contracts based on the reasonable certainty of exercising the option to extend the lease or to terminate the contract on the first expiry date (IFRS 16.B37) in consideration of the medium- and long-term strategy that envisages the pursuit of sustainability, digitalisation and energy transition objectives, through circular economy models started with the 'Teverola 1' project and continued with 'Teverola 2'.

Considering all the relevant facts and circumstances that would incentivise the exercise or non-exercise of the option, including any expected changes in the facts and circumstances from the commencement date to the date the option is exercised, and also considering the degree of specialisation and importance of the underlying assets (IFRS 16.B37), the Group has reasonably expected that only the contracts relating to the lease of the Teverola 1 and Teverola 2 projects will be renewed at the first expiry date.

Warranties and indemnities

Through SE.R.I., respectively, factoring companies and banking institutions granted the Italian companies of the Seri Industrial Group the possibility of utilising advances on receivables and short-term credit facilities.

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

Specifically, by private deeds dated 26 April 2018, the Guarantor signed agreements with the Group companies that assigned their receivables with recourse to the factoring companies. By these agreements, the Group companies are

indemnified against any claims and/or demands made by the factoring companies, arising from the non-payment by the (assigned) debtors of receivables claimed and assigned by them. If one of the factoring companies should request, by virtue of "with recourse" assignments of receivables, the retrocession of the assigned receivables and/or the return of the amount advanced for non-payment of the assigned receivables, the Guarantor undertook to indemnify and hold them harmless from any claim made by the factoring companies, proceeding to direct payment through the payment proxy or debt signed.
For the aforesaid guarantee and indemnity commitment, each of the Group companies recognises, in favour of the Guarantor, a lump sum equal to 0.2% of its assigned receivables. It is envisaged that the Group companies will transfer the receivables due from the factoring company to the Guarantor in order to allow for the retrocession of the receivables due from the assigned debtors in the event of non-payment.
The above transaction constitutes a "related party transaction" of "greater significance" due to the position of Mr Vittorio Civitillo, pursuant to the provisions of the Consob Related Parties Regulation and the RPT Procedure. For further details, please refer to the information document published on 3 May 2018 and available on the Company's website pursuant to Article 5 of the Consob Related Parties Regulation.
Finally, Mr. Vittorio Civitillo, Mr. Andrea Civitillo, and SE.R.I. issued commitments and guarantees in favour of credit institutions and leasing companies in relation to credit facilities granted to Seri Industrial Group companies for the benefit and in the interest of Seri Industrial and the same companies.
If these transactions - considered cumulatively - were to be configured as transactions between related parties pursuant to Article 13 of the Consob Regulation containing provisions on transactions with related parties, the transactions would have the nature of ordinary transactions of greater significance concluded at market-equivalent or standard conditions and therefore excluded from the procedural scope envisaged by the RPT Procedure adopted by the Company.

Other reports

Group VAT

SE.R.I. SpA has signed a contract with the companies of the Seri Industrial Group for the management of Group VAT in relation to periodic and annual VAT settlements. As of 30 June 2023, the Group had a total credit position of euros 919 thousand and a debit position of euros 493 thousand.

Other residual relations

Lastly, certain transactions are also in place with other companies related to the Civitillo family in relation to supplies and services of a technical and industrial, consulting and professional nature, governed by conditions similar to those generally applied in the sector in which the individual companies operate. The tables below provide quantitative information on the financial and economic relations in place as of 30 June 2023 with Related Parties.

The table below summarises Seri Industrial Group's transactions with related parties as of 30 June 2023 (where reported as '0', these are transactions of less than Euros 1 thousand):

Asset ratios by counterparty	30/06/2023		31/12/2022	
	Credits	Debts	Credits	Debts
Other companies				
WWS Group Srl		558	0	654
FRIEM Spa		14	0	14
Total SUB		***573***	***0***	***668***
Companies traceable to Civitillo exponents				
Cotton Movie & Food Srl		3	0	4
Cotton. S. Srl	14	167	12	60
Cotton Tech Srl		2	0	2
Elektra Srl	65	140	47	315
Repol Sas	256		0	0
Manita Creative Srl		86	0	97
Seri Lab Srl	16	10	15	40
Società Agricola Quercete Srl	4	18	0	33
Trade and Plant Srl		30	0	30
Total SUB	***354***	***455***	***74***	***582***
Companies belonging to the SERI SPA Group				
Arco Felice Srl	26		22	0
Azienda Agricola Quercete arl	28	324	25	136
Cam Srl	2		2	0
Deagle Srl	7		5	0
Dema Srl	2		2	0
Italo Srl	2		2	0
Kronos Srl	3		2	0
Makespresso Srl			1	0
Marvit Srl	3		2	0
Pmimmobiliare Srl	1,716	29,578	1,747	22,047
Polisportiva Matese	16	75	14	0
Total SUB	***1,804***	***29,977***	***1,824***	***22,183***
Parent Companies				
SE.R.I. SpA	932	511	346	2,897
Total SUB	***932***	***511***	***346***	***2,897***
Total	**3,090**	**31,516**	**2,244**	**26,330**

It should be noted that in application of IFRS 16, leases are recognised by recording right-of-use and financial payables. In this regard, payables to Pmimmobiliare are attributable for euros 29,430 thousand to the application of IFRS 16. Payables to Azienda Agricola Quercete are attributable for euros 323 thousand to the application of IFRS 16.

With reference to the balance sheet transactions outstanding as at 30 June 2023, the following table shows the balances with details of the counterparty and by nature of relationship:

Asset relations by nature	Comm.credits	Financial Credits	Other Credits	Comm. Debts	Financial Debts	Other Payables
Other related parties						
WWS Group Srl						558
FRIEM Spa				14		
Total SUB				***14***		***558***
Companies traceable to Civitillo exponents						
Cotton Movie & Food Srl				3		
Cotton. S. Srl	14			167		
Cotton Tech Srl				2		
Elektra Srl	65			140		
Repol Sas	256			0		
Manita Creative Srl				86		
Seri Lab Srl	16			10		
Società Agricola Quercete Srl	4			18		
Trade and Plant Srl				30		
Total SUB	***354***			***455***		
Companies belonging to the SERI SPA Group						
Arco Felice Srl	26					
Azienda Agricola Quercete arl	28			2	323	
Cam Srl	2					
Deagle Srl	7					
Dema Srl	2					
Italo Srl	2					
Kronos Srl	3					
Marvit Srl	3					
Polisportiva Matese	16			75		
Pmimmobiliare Srl	411	322	983	105	29.471	2
Total SUB	***499***	***322***	***983***	***182***	***29,794***	***2***
Parent Companies						
SE.R.I. SpA	13		919	18		493
Total SUB	***13***		***919***	***18***		***493***
Total	**866**	**322**	**1,903**	**669**	**29,794**	**1,053**

Below is a summary table of economic relations with related parties, referring to 30 June 2023 with the previous reporting period (where reported as '0', these are relations of less than Euros 1 thousand):

Costs and Revenues by Counterparty	30/06/2023		30/06/2022	
	COSTS	INCOME	COSTS	INCOME
Other companies				
WWS Group Srl	11	11	11	12
Total SUB	***11***	***11***	***11***	***12***
Companies traceable to Civitillo exponents				
Cotton movie & food Srl	4		4	0
Cotton S. Srl	123	1	379	0
Elektra Srl	31	15	107	12
Manita Creative Srl	195		194	0
Seri Lab Srl	4	0	4	1
Agricultural Society Quercete Srl	19	3	8	0
Trade and Plant Srl	21		21	0
Total SUB	***399***	***20***	***717***	***13***
Companies belonging to the SERI SPA Group				
Arco Felice Srl		3	0	3
Azienda Agricola Quercete arl	6	3	8	4
Deagle Srl		1	0	1
Dema Srl		0	0	0
Italo Srl		0	0	0
Kronos Srl		0	0	0
Marvit Srl		0	0	0
Repol Srl			0	0
Cam Srl		0	0	0
SMEmmobiliare Srl	878	14	546	8
Polisportiva Matese	75	2	48	6
Seri Development & Real Estate Srl			235	3
Total SUB	***959***	***24***	***837***	***26***
Parent Companies				
SE.R.I. SpA	36	9	43	9
Total SUB	***36***	***9***	***43***	***9***
Directors' fees				
Administrators	898		828	
Fees to committees	25		26	
More	58		54	
Total SUB	***981***		***908***	***0***
Total	**2,386**	**64**	**2,515**	**60**

It should be noted that in application of IFRS 16, leases are recognised through the recognition of 'Right of Use', consequently the income statement is impacted by the financial charges and not also by the cost of the lease instalments. At Group level, the lease cost (considered for the purposes of IFRS 16) recognised with related parties as of 30 June 2023 amounted to euros 2,718 thousand, the financial charges related to rights of use, recognised in application of IFRS 16, amounted to euros 374 thousand. The Group's costs incurred with related parties mainly concern supplies and services of a technical and industrial, consulting and professional nature, regulated at conditions similar to those generally applied in the sector in which the individual companies operate.

These transactions are mainly with the following companies:

- Fees for technical and O&M services: in the context of transactions with related parties during the 2022 financial year, Seri Development & Real Estate was merged by incorporation into SE.R.I. S.p.A., as a result of which the technical services previously offered by Seri Development & Real Estate to the Group were transferred to PMImmobiliare Srl;

- Purchases for investments: Elektra Srl and Cotton S. Srl supply the Group with materials and services for ordinary and extraordinary plant maintenance;
- Advertising and marketing: Manita Creative Srl provides marketing services and takes care of the printing of advertising material;
- Sponsorships and donations: granted by FS and FIB Spa respectively to Polisportiva Matese.

In relation to correlation profiles:
Azienda Agricola Quercete a rl is 100% owned by P mimmobiliare Srl , which in turn is 100% owned by SE.R.I. S.p.A.. Polisportiva Matese is 100% owned 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. Charity Srl is in turn 50% owned by Andrea Civitillo.

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

As of the date of this report, Vittorio Civitillo, Chief Executive Officer, and Andrea Civitillo indirectly own, through SE.R.I. Spa, shares of Seri Industrial corresponding in total to 56.37% 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%.
It should be noted that the remuneration accrued by the members of the Company's Board of Directors, Committees and the Attorney represents a relationship with related parties.

Note 44. Contingent Liabilities and assets

The Group is party to proceedings of various kinds. In the event that the risk has been assessed as probable, a specific provision has been allocated, also based on the assessments of the lawyers assisting the various Group companies.

Contingent liabilities

Please refer to the consolidated financial statements as at 31 December 2022.
Below are the main updates to the legal proceedings involving the Group.

Civil litigation

Repiombo/Ecopiombo litigation

The company is involved in a dispute, broken down into various proceedings, with the company Ecopiombo Srl, relating to (i) the sale of a business unit by Ecopiombo to Repiombo, the effectiveness of which is disputed by the selling party (ii) to the payment injunction served on Repiombo relating to the settlement of a residual portion of the debt for the sale of the branch of business and (iii) to the detention of the property in which the company operates, which is currently governed by a contract under which Repiombo pays Ecopiombo an occupation indemnity.
On the other hand, Repiombo is an active party in a dispute brought by the same and relating to the recovery of a receivable, acquired from a third company, also in the context of a prospective transaction for the purchase of the industrial plant owned by Ecopiombo.
The dispute was the subject of a settlement between the parties, which provides for the extinction of the pending litigation.

Labour disputes

Fib/former employees litigation

In July 2022, the Company initiated a personnel reduction procedure that resulted in the dismissal of 7 workers who had previously been reinstated; in view of the workers' appeal against the dismissals and in consideration of the probable loss of the lawsuit, provisions for risks of euros 220 thousand were allocated as of 30 June 2023.

Potential activities

Seri Industrial Group companies are party to active litigations for the compensation of damages suffered or for the recovery of sums from third parties. Considering the uncertainty of the outcomes of these disputes, the related contingent assets cannot be recognised in the financial statements due to the absence of the necessary prerequisites required by IAS 37. The Group's main contingent assets are set out below:

Liability action decided by the shareholders' meeting of Seri Industrial

The Shareholders' Meeting of 18 December 2018 resolved in favour of the proposal to bring a liability action, pursuant to Articles 2392, 2393 Civil Code, and, to the extent necessary, pursuant to Article 2043 Civil Code, against Mr. Antonio Bruno and Mr. Serge Umansky as former directors of the Company during the period from 1 January 2015 to 3 August 2016, as well as, pursuant to Article 2407 of the Italian Civil Code, and, to the extent necessary, pursuant to Article 2043

of the Italian Civil Code, against the following member - at the time - of the Company's Board of Statutory Auditors Fabio Petruzzella, as former Chairman of the Board of Statutory Auditors.
The corporate liability action against the above-mentioned persons in office in the period from January 2015 to 3 August 2016, started from the complaint formulated pursuant to Article 2408 of the Italian Civil Code on 11 May 2016 by a shareholder and from the set of checks carried out, on the corporate acts, independently by the new corporate bodies and with reference to the decisions taken in the period from January 2015 to 3 August 2016.

Insurance claim following the Avellino fire in 2019

The fire that broke out on 13 September 2019 at the plant located in Avellino in which the subsidiary ICS Srl (now Seri Plast) carried out its activities, resulted in significant direct and indirect damages, including the complete destruction of much equipment, plant and machinery. Seri Plast sent a claim for damages amounting to Euros 2,316 thousand, of which Euros 1,666 thousand for the warehouse and Euros 650 thousand for equipment, plant and machinery to PMImmobiliare Srl, sub-lessor of the property as lessee of the same in the context of a leasing contract with a leasing company. With a writ of summons brought before the Court of Bologna, notified to the insurance company and to the company owning the property, Seri Plast, in addition to requesting the amounts indicated above, also claimed damages for Euros 4,272 thousand for lost production, Euros 217 thousand for payment of rent, Euros 5,000 thousand for the loss of the supply contract with a primary customer, in addition to also requesting compensation for damages still outstanding. The Court of First Instance issued a partial ruling on the preliminary objections raised by the counterparties, holding that Seri Plast had full active legitimacy to present the claim, as an insured party given the authorisation to sublease issued by the owner of the building.
No receivables for insurance reimbursements are recorded in the consolidated financial statements.

Claim for damages E-distribuzione S.p.A.

By means of a writ of summons served on 18 January 2023, FIB S.p.A. sued E-distribuzione S.p.A. to ascertain and declare its liability, also pursuant to Articles 2050 and 2051 of the Italian Civil Code, in respect of the countless anomalies and voltage fluctuations occurring in the electricity supply service of the Teverola (CE) plant. The action was brought against E-Distribuzione S.p.A. as electricity distributor and actual owner, owner of the operation of power lines, plants, medium and low voltage grids, as well as owner of the buildings used for medium and low voltage transformation, transport and distribution.
The Company has also filed a claim for damages, initially quantified at €7,554 thousand, reserving the right to update the value of the greater damages suffered as a result of the continuing serious malfunctioning during the proceedings, as well as a claim for an order against E-Distribuzione S.p.A. to take all necessary or appropriate measures to resolve the problems complained of and prevent them from continuing. During the preliminary phase of the proceedings, the Company shall provide evidence of the further damage suffered, updating the value of the compensation initially requested, due to the persistent malfunctioning that continues to cause significant damage, jeopardising the success of production activities.

Note 45. Risk Disclosure

Credit risk

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

				Ageing of the expired			
	30/06/2023	**To expire**	**Expired**	**30 days**	**60 days**	**90 days**	**>90 days**
Financial assets	1.121	801	321	0	0	0	321
Financial Assets at fair value through Profit and Loss	461	461	0	0	0	0	0
Trade receivables	36,355	22,985	13,369	4,798	292	150	8,129
- Allowance for doubtful trade receivables	(4,564)	0	(4,564)	0	0	0	(4,564)
Other current assets	31,762	30,319	1,443	173	0	0	1,270
- Allowance for other receivables	(736)	0	(736)	0	0	0	(736)
Current Assets	**64,399**	**54,566**	**9,832**	**4,971**	**292**	**150**	**4,419**

The trade receivables accrued by the companies are distributed among a large number of customers, with the exception of some sectors, such as the production of battery boxes, where customers are concentrated on a very limited number of customers with a high credit rating.
Overdue trade receivables are constantly monitored and are stated at their estimated realisable value.

Liquidity risk[20]

Liquidity risk is the risk that the company is unable to meet its financial commitments in a timely manner due to the difficulty of raising funds or liquidating assets on the market. The two main factors that determine the Group's liquidity situation are, on the one hand, the resources generated or absorbed by operating and investing activities and, on the other hand, the maturity and renewal characteristics of debt or the liquidity of financial investments and market conditions. The Group applies a financial policy aimed at minimising risk by diversifying its short- and long-term financing sources and counterparties, and endeavours to have access to financing sources capable of meeting planned requirements.
The Group's liquidity is managed centrally by the Parent Company in order to monitor and optimise the overall availability of financial resources, while carrying out management and coordination activities for the other Group companies.

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

- as at 30 June 2023, cash and cash equivalents amounted to Euros 3 million;
- granted and undrawn credit lines totalling EUR 7.6 million are available;

It should be noted that, on 11 August 2023, the subsidiary FIB received a first disbursement from MIMIT as an advance in the amount of 20% of the total facility granted, equal to €83.4 million, for investment activities under the IPCEI - Batterie 1 programme. In addition, preliminary activities are underway with a pool of banks for the activation of a revolving credit line in order to anticipate the timing of the disbursement of the facilities.
The following table summarises the Group's overdue debt positions[21] broken down by nature (trade, tax, ect):

Nature of the debt	Seri Industrial S.p.A.		Seri Industrial Group	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
Trade payables	559	917	15,986	19,698
Tax payables	15	15	180	169
Other payables	27	27	735	550

The following table shows the contractual payments due in respect of financial debts and liabilities for leased assets and finance leases:

	30/06/2023	1 year	2 years	3 years	4 years	5 years	over 5 years
Bank loans	*45,686*	*15,698**	*10,700*	*10,700*	*5,700*	*2,888*	*0*
Subsidised loans	*12,078*	*2,673***	*1,758*	*1,704*	*1,647*	*2,145*	*2,152*
Bond loan	*4,000*	*0*	*0*	*0*	*0*	*0*	*4,000*
Other Financial debts	*40.370*	*40.,70*	*0*	*0*	*0*	*0*	*0*
Financial debts	102,135	58,741	12,458	12,404	7,347	5,033	6,152
Lease liabilities	32,631	5,557	5,464	5,651	4,932	2,891	8,136
Total	**134,766**	**64,298**	**17,921**	**18,055**	**12,278**	**7,924**	**14,288**

* includes the portion of non-current debt, relative to the Deutsche Bank S.p.A. loan, backed by financial covenants, which, in accordance with IAS 1, is classified as current liabilities. As of the date of this report, no requests for early repayment had been received from the bank;
** includes the instalment due on 30 June 2023 of the FIB-Invitalia and Seri Plast-Invitalia loan.

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

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

Below are details of the contractually due payments in connection with the Deutsche Bank loan:

	30/06/2023	1 year	2 years	3 years	4 years	5 years	over 5 years
Deutsche Bank financing	*1,500*	*600*	*600*	*300*	*0*	*0*	*0*

Outstanding transactions as at 30 June 2023 are summarised below, broken down by technical form.

Bank loans

Bank loans amounted to Euros 45,686,000; current transactions are detailed below:

Society	Seri Industrial S.p.A.	Seri Industrial S.p.A.	Seri Industrial S.p.A.
Counterpart	CDP S.p.A.	UniCredit S.p.A.	Banca Progetto S.p.A.
Original amount	15,000	20,000	4,000
Remaining amount	15,000	15,500	3,200
of which current share	938	5,000	800
of which non-current share	14,062	10,500	2,400
Ignition 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 (%) + par. of reference	1.140% + EUR3M	2.25% + EUR3M	3.80% + EURLRS
Financial covenants	Yes	Yes	No

Society	Fib S.p.A.	Fib S.p.A.	Fib S.p.A.	Fib S.p.A.
Counterpart	Deutsche Bank S.p.A.	Banca Progetto S.p.A.	BPM - Bank Pool	Sace - Simest
Original amount	3,000	5,000	15,000	600
Remaining amount	1,500	4,000	5,119	600
of which current share	1,500	1,000	5,119	75
of which non-current share	0	3,000	0	600
Ignition 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 (%) + par. of reference	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 Bank of China for a residual euros 1,266 thousand under current liabilities.

The verification of the covenants, consistent with the relevant loan agreements, takes place on the basis of the reference data as at 31 December of each year. In addition, the following should be noted (i) in relation to the FIB-Deutsche Bank loan - recognised for a residual €1.5 million in current liabilities and regularly repaid at the respective due dates, most recently the instalments of 31 March and 30 June 2023, no requests for early repayment were received for failure to meet the financial covenants at 31 December 2022 (ii) with reference to the FIB-Pool bank loan, recognised in the amount of € 5 million under current liabilities, the preliminary investigation is at an advanced stage aimed at granting the extension of the maturity date to 31 July 2024 and the non-application of the covenants; no requests for early repayment have been received in respect of the failure to meet the financial parameters at 31 December 2022

Facilitated financing

Subsidised loans amounted to euros 12,078 thousand; the transactions are detailed below:

Society	Fib S.p.A.	Fib S.p.A.	Seri Plast S.p.A.
Counterpart	Invitalia	MiSE	Invitalia
Original amount	17,372	576	1,646
Residual nominal amount	12,847	230	1,558
Residual amount IAS 20	10,573	192	1,313
of which current share (nominal)	2,565	57	250
of which non-current share (nominal)	10,282	173	1,308
Ignition 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

* on 30 June 2023, there was a further disbursement of a nominal Euros 722 thousand.

Since these are subsidised loans with a below-market interest rate: (i) the loans are recognised and measured in accordance with IFRS 9 - Financial Instruments using a marginal lending rate identified by the Company as 3.5% on an annual basis; (ii) in accordance with IAS 20, the government grants component was also recognised. The benefit of the below-market interest rate is measured as the difference between the initial carrying amount of the loan determined in accordance with IFRS 9 and the consideration received.

Lease and financial lease liabilities IFRS 16

Obligations under finance leases amounted to euros 31,249 thousand, of which euros 5,094 thousand related to the current portion and euros 26,155 thousand to the non-current portion; the following table shows the outstanding transactions and the corresponding residual debt:

Lessee	**Location**	**Lessor**	**Lease liabilities**	**Current share**	**Non-current share**
FS Srl	Dragoni (CE)	Pmimmobiliare Srl	74	19	55
Fib Spa	Monte Sant'Angelo (FG)	Pmimmobiliare Srl	506	129	377
Fib Spa	Monterubbiano (FM)	Pmimmobiliare Srl	488	124	364
Fib Spa	Teverola (CE)	Pmimmobiliare Srl	9,172	1,049	8,123
Fib Spa	Teverola (CE)	Pmimmobiliare Srl	11,415	1,301	10,114
FS Srl	Castenaso (BO)	Third parties	125	33	92
FS Srl	Mesero (MI)	Third parties	84	22	62
FS Srl	Rome (RM)	Third parties	158	40	118
Seri Plast Spa	Canonica D'Adda (BG)	Pmimmobiliare Srl	2,335	593	1,742
Seri Industrial SpA	San Potito Sannitico (CE)	Pmimmobiliare Srl	17	5	12
Seri Industrial SpA	San Potito Sannitico (CE)	Az. Agr. Quercete	323	82	241
Fib Spa	Alife (CE)	Pmimmobiliare Srl	525	134	391
Seri Plast Spa	Alife (CE)	Pmimmobiliare Srl	1,006	256	750
ICS EU Sas	Peronne (France)	Pmimmobiliare Srl	728	186	542
Plastam EU	Arras (France)	Pmimmobiliare Srl	316	80	236
Seri Plast Spa	Pioltello MI	Pmimmobiliare Srl	2,769	703	2,066
Seri Plast Spa	Gubbio (PG)	Third parties	374	100	274
Repiombo Srl	Calitri (AV)	Pmimmobiliare Srl	79	21	58
ICS Poland	Brwinow (Poland)	Third parties	755	217	538
Total			**31,249**	**5,094**	**26,155**

Pursuant to IFRS 16, the debit transactions shown in the table above are recognised in respect of existing lease agreements, mainly relating to the Group's production sites. Euros 29,753 thousand refer to lease contracts with Pmimmobiliare Srl and Azienda Agricola Quercete.

Finance lease liabilities amount to euros 1,379 thousand and are mainly attributable to the subsidiary Seri Plast Spa. The current portion is euros 462 thousand, while the non-current portion is euros 917 thousand.

Note 46. Valuation of Financial Instruments

The following is the disclosure required under the categories envisaged by IFRS 9. In particular, we indicate what is required by IFRS 13, which governs *fair value* measurement and *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 an orderly transaction between market participants (i.e. not in a forced liquidation or sale below cost) at the valuation date.

Fair Value Hierarchy

The Group must measure the *fair value of* an asset or liability by adopting the assumptions that market participants would use in pricing the asset or liability, assuming that market participants would act to satisfy their economic interest in the best way possible (level 1). In the absence of a quotation on an active market, or in the absence of a regularly operating market, i.e. when the market does not have a sufficient number of transactions, bid-ask spreads and volatility, the determination of the *fair value of* financial instruments is mainly carried out through 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: reference to market values that can be indirectly linked to the instrument to be valued and inferred from similar products in terms of risk characteristics (level 2) and valuations made using - even only in part - inputs not inferred from observable market parameters, for which recourse is made to estimates and assumptions formulated by the valuer (level 3).
The choice between the above methodologies is not optional, as they must be applied in hierarchical order:

- (Level 1) absolute priority is given to 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 use observable market parameters other than the price of the financial instrument;
- (Level 3) lower priority to assets and liabilities whose *fair value* is calculated on the basis of valuation techniques that use parameters that are not observable in the market and, therefore, more discretionary.

The valuation method defined for a financial instrument is adopted continuously over time and is changed only as a result of significant changes in market or subjective conditions in the company.
IFRS 13 requires disclosures to be made with regard to the measurement of default risk (*non-performance risk*) when determining the *fair value* of over-the-counter (OTC) derivatives, i.e., the set of transactions that are not listed on an exchange, whose functionality is organised by certain actors, and whose contractual characteristics are not standardised. This default risk includes both changes in the counterparty's creditworthiness and changes in the Company's own creditworthiness (*own credit risk*). In order to comply with the provisions of the standard, a calculation model is used, called *Bilateral Credit Value Adjustment* (BVA), which values not only the effects of changes in the counterparty's creditworthiness (previously the subject of the valuation adjustment method called *credit risk adjustment*), but also changes in the own creditworthiness (*Debt Value Adjustment* - DVA). The BVA consists of two addends, calculated considering the possibility of bankruptcy of both counterparties, called *Credit Value Adjustment* (CVA) and *Debt Value Adjustment* (DVA).

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

Criteria applied in the balance sheet valuation of assets and liabilities										
	Financial assets and liabilities measured at fair value							Assets and liabilities measured at amortised cost	Unlisted equity investments measured at cost	Book value
	with change in fair value recorded to:			total fair value (A)	fair value hierarchy (notes a, b, c)					
	profit and loss account	equity			1	2	3	(B)	©	(A + B + C)
	a	b	c					d	e	
Current financial assets				0				1,121		1,121
Financial Assets at fair value through Profit and Loss	461			461	461					461
Derivative financial instruments		72		72	72					72
Trade receivables				0				31,791		31,791
Other current assets				0				31,026		31,026
Participations				0			538		538	538
Other non-current assets				0				1,598		1,598
Trade payables				0				47,088		47,088
Other current liabilities				0				16,158		16,158
Current borrowings				0				58,741		58,741
Current lease liabilities				0				5,557		5,557
Non-current borrowings				0				43,393		43,393
Non-current lease liabilities				0				27,074		27,074

a. Financial assets and liabilities measured at fair value with changes in fair value recognised in the income statement.
b. Hedging Derivatives (Cash Flow Hedge).
c. Available-for-sale financial assets measured at fair value with gains/losses recognised in equity.
d. Financial assets and liabilities measured at amortised cost.
e. Financial assets consisting of unlisted equity investments for which the fair value cannot be reliably measured are valued at cost possibly reduced for impairment.

Note 47. Atypical and/or Unusual 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 ordinary course of business, which had an impact on the Company's financial position, results of operations or cash flows.

Note 48. Non-Recurring Transactions

During the fiscal year, there were no events or transactions whose occurrence is non-recurring, i.e., transactions or events that are not frequently repeated in the ordinary course of business, that had an impact on the financial position, results of operations and cash flows of the Company and/or the Group, with the exception of the events or transactions referred to in the Report on Operations "Comments on Results and Other Information".

Note 49. Subsequent events

Please refer to what is stated in the Report on Operations 'Events subsequent to the end of the period and business outlook'.

For the Board of Directors
The Chairman
(Roberto Maviglia)

Attachments

1. Statement of Changes in Intangible Fixed Assets
2. Statement of Changes in 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 in 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	17,781	2.326	55,042	9,113	8,971	93,233
Accumulated amortisation	(11,214)	(1,373)	0	0	(7,506)	(20,093)
Net carrying amount - beginning of the year	6,567	953	55,042	9,113	1,464	73,140
Changes						
Additions	659	38	0	2,210	420	3,328
Transfers	8,824	43	0	(8,901)	43	9
Change in the scope of consolidation	0	0	0	0	(27)	(27)
Disposals	0	0	0	0	(44)	(44)
Amortisation	(2,155)	(193)	(0)	0	(382)	(2,730)
Changes in the period	7,329	(112)	(0)	(6,691)	11	537
Final value						
Gross carrying amount	27,264	2,407	55,042	2,422	9,355	96,491
Accumulated amortisation	(13,369)	(1,566)	(0)	0	(7,880)	(22,815)
Net carrying amount – end of the year	13,895	842	55,042	2,422	1,475	73,677

Annex 2. Statement of Changes in rights-of-use assets

(€/000)	Rights of Use
Value at the beginning of the year	
Gross carrying amount	48,424
Accumulated amortisation	(21,357)
Net carrying amount - beginning of the year	27,066
Changes	
Acquisitions	10,065
Transfers	0
Change in the scope of consolidation	0
Disposals	0
Depreciation	(2,949)
Changes in the period	7,116
Value at the end of the year	
Gross carrying amount	39,629
Accumulated depreciation	(5,446)
Net carrying amount – end of the year	34,181

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

(€/000)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible Assets	Tangible assets in progress	Total
Value at the beginning of the year						
Gross carrying amount	3,130	103,452	14,336	1,967	3,126	126,011
Accumulated depreciation	(2,227)	(38,030)	(11,087)	(1,144)	0	(52,488)
Net carrying amount - beginning of the year	903	65,422	3,249	823	3,126	73,523
Changes						
Additions	0	3,038	284	45	357	3,724
Transfers	0	69	173	0	(252)	(9)
Change in the scope of consolidation	(50)	(34)	3	16	0	(65)
Disposals	0	(15)	0	(2)	(96)	(114)
Depreciation	(78)	(5,813)	(592)	(123)	0	(6,607)
Changes in the period	(128)	(2,756)	(132)	(64)	10	(3,071)
Value at the end of the year						
Gross carrying amount	2,931	106,197	14,743	2,010	3,136	129,016
Accumulated depreciation	(2,156)	(43,531)	(11,626)	(1,251)	0	(58,564)
Net carrying amount – end of the year	775	62,666	3,116	757	3,136	70,450

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

Consolidated Balance Sheet

	30/06/2023	Related Parties	% on item	31/12/2022	Related Parties	% on item
Cash and cash equivalents	2,996		0%	24,817		0%
Financial assets	1,121	322	29%	1,133	1	0%
Financial Assets s at fair value through Profit or Loss	461		0%	459		0%
Current Derivative financial assets	72		0%	1,129		0%
Trade receivables	31,791	866	3%	32,270	747	2%
Other current assets	31,026	919	3%	31,332	344	1%
Inventories	85,660		0%	75,753		0%
Current Assets	**153,127**	**2,107**	**1%**	**166,893**	**1,093**	**1%**
Intangible assets	73,677		0%	73,140		0%
Rights of use assets	34,181		0%	27,066		0%
Property, plant and equipment	70,450		0%	73,523		0%
Other non-current assets	538		0%	538		0%
Other activities	1,598	983	62%	1,207	1,152	95%
Deferred Tax Assets	29,359		0%	26,519		0%
Non-current Assets	**209,803**	**983**	**0%**	**201,993**	**1,152**	**1%**
ASSETS	**362,930**	**3,090**	**1%**	**368,886**	**2,244**	**1%**
Liabilities and Equity						
Trade payables	47,088	669	1%	46,520	688	1%
Other current liabilities	16,158	495	3%	15,945	1,877	12%
Current borrowings	58,741	41	0%	58,401	1,005	2%
Current lease liabilities	5,557	4,682	84%	5,156	4,303	83%
Current derivative financial liabilities	0		0%	0		0%
Current Tax liabilities	991		0%	1,444		0%
Short term provisions	825		0%	689		0%
Current liabilities	**129,360**	**5,887**	**5%**	**128,155**	**7,873**	**6%**
Non-current borrowings	44,330		0%	48,155		0%
Non-current lease liabilities	27,074	25,071	93%	20,115	17,803	89%
Provisions for employee benefits	4,137		0%	4,235		0%
Deferred tax liabilities	323		0%	566		0%
Other non-current liabilities	22,755	558	2%	24,004	654	3%
Long-term provisions	148		0%	134		0%
Non-current liabilities	**97,830**	**25,629**	**26%**	**97,209**	**18,457**	**19%**
Share Capital	106,457		0%	97,313		0%
Statutory reserve	996		0%	730		0%
Share premium	22,562		0%	8,710		0%
Other reserves	12,690		0%	41,125		0%
Profit (Loss)	(6,992)		0%	(4,385)		0%
Equity attributable to owners of the Parent	**135,713**	**0**	**0%**	**143,493**	**0**	**0%**
Share Capital and reserves	77		0%	86		0%
Profit (Loss)	(50)		0%	(57)		0%
Non-controlling interest	**27**	**0**	**0%**	**29**	**0**	**0%**
Total equity	**135,740**	**0**	**0%**	**143,522**	**0**	**0%**
LIABILITIES AND EQUITY	**362,930**	**31,516**	**9%**	**368,886**	**26,330**	**7%**

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

Consolidated Income Statement

	30/06/2023	Related Parties	% on item	30/06/2022	Related Parties	% on item
Revenues from contract with customers	84,870	43	0%	89,811	37	0%
Other operating income	6,041	21	0%	7,751	11	0%
Internal work	4,958		0%	3,915		0%
Total revenue, income and internal works	**95,869**	**64**	**0%**	**101,477**	**49**	**0%**
Purchase of materials	58,009	285	0%	70,880	602	1%
Change in inventories	(9,716)		0%	(18,759)		0%
Services expense	23,336	621	3%	23,746	574	2%
Other operating costs	1,111	14	1%	1,405	121	9%
Personnel costs	16,274	898	6%	15,350	828	5%
Operating Costs	**89,014**	**1,817**	**2%**	**92,622**	**2,126**	**2%**
Gross operating margin	**6,855**	**(1,753)**	**(26%)**	**8,855**	**(2,077)**	**(23%)**
Depreciation and amortisation	12,287		0%	10,826		0%
Write-downs/write-backs	1,253		0%	(39)		0%
Net operating income (loss)	**(6,685)**	**(1,753)**	**26%**	**(1,932)**	**(2,077)**	**108%**
Financial income	1,720		0%	594	11	2%
Financial expense	4,737	569	12%	2,988	389	13%
Profit (Loss) from equity-accounted investments	0		0%	(7)		0%
Profit (Loss) before taxes	**(9,702)**	**(2,322)**	**24%**	**(4,333)**	**(2,455)**	**57%**
Income taxes	(2,660)		0%	861		0%
Profit (Loss)	**(7,042)**	**(2,322)**	**33%**	**(5,194)**	**(2,455)**	**47%**
Attributable to non-controlling interests	(50)		0%	(55)		0%
Attributable to owners of the Parent	**(6,992)**		**0%**	**(5,139)**		**0%**

Attestation of the half-year consolidated financial statements

Certification of the consolidated half-year financial statements pursuant to Article 81-ter of Consob Regulation No. 11971 of 14 May 1999 and subsequent amendments and additions

1. The undersigned Vittorio Civitillo, in his capacity as "Chief Executive Officer" and Pasquale Basile, in his capacity as "Manager in charge of drafting corporate accounting documents" of Seri Industrial S.p.A., 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 characteristics of the enterprise and

b) The effective application of the administrative and accounting procedures for the preparation of the half-year consolidated financial statements during the period from January, 1 to June, 20 2023.

2. It is further attested that:

2.1. the consolidated half-year financial statements as of June 30, 2023:

a) has been 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 No. 38 of 28 February 2005;

b) corresponds to the findings in the books and records;

c) are capable of providing a true and fair representation of the assets and liabilities, economic and financial situation of the Issuer and the companies included in the consolidation.

2.2. The directors' report on operations includes a reliable analysis of references to significant events that occurred in the first six months of the financial year 2023 and their impact on the consolidated financial statements for the six months ended 30 June 2023, together with a description of the principal 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 material related party transactions.

San Potito Sannitico, September 21, 2023

Chief Executive Officer

(Vittorio Civitillo)

Manager in charge of drafting the corporate accounting documents

(Pasquale Basile)