

38th MKK – Munich Capital Markets Conference



energy®

Energy S.p.A. – Nov. 13th, 2024

Today's Speakers



Davide Tinazzi

Co-Founder & CEO

- PhD in Engineering, Master in Project and Innovation Management
- Former Project Manager in the field of nanotechnology
- Served as COO in former Mitsubishi Electric Klimat Transportation Systems



Daniele Manfro

CFO

- MBA, Degree in Business Management, post-graduate Master in Environmental Management
- Former Auditor in Quality, and EHS certification
- Served as Quality and EHS manager in Mitsubishi Electric Klimat Transportation Systems

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2024 Key Facts

1

Started testing phase for the first battery production line of the new Gigafactory

January

 3

€26m order from ASFINAG – Austria's motorway concession company – to supply BESS systems and related services for alternative mobility charging infrastructure

May

5

Authorized Technical Assistance Centres: launch of a network of installers, throughout the country, trained and qualified by Energy for assistance with greater added value compared to other electricians

September

2 February

EU's Net Zero Industry Act aims to cover at least 40% of annual deployment needs by 2030, through the European Union's global strategic production of net-zero emissions technologies

   4 May

Acquisition of Enermore S.r.l., Südtirol company based, focused on DACH markets, operating in BESS installation, maintenance, design and control

 6 October

Supply of a large-scale storage system (power of 375 kW and a capacity of 980 kWh) installed in a BMW dealership in **Belgium**

What's new: latest update

- On **November** 12, 2024 **Energy Group**, through its subsidiary Enermore, signs a **LOI with Austria's Stadtwerke Amstetten** for the supply of an innovative Energy Management System (EMS) and a 1MW/2,256kWh Battery Energy Storage System (BESS)
- The system will be installed at Stadtwerke Amstetten, a multi-service municipal company in Austria that provides the supply of electricity, water, gas, district heating, waste, and sewage management in the Amstetten region
- The awarded tender has a value of **Euro 700,000**
- The agreement represents a **further step in Energy Group's expansion strategy in the DACH area**
- **The agreement also includes:**
 - **a commercial partnership** that will enable Energy Group to expand its customer network in Austria, with a focus on servitization and energy efficiency;
 - **the supply of a complete EMS system**, designed to maximize energy efficiency through self-consumption, peak-shaving and energy trading functions on the open market (delivery expected by March 2025).

Energy: a unique Integrated Player

The Energy Group is a leading **manufacturer** of all the hardware and software technology **of the BESS** (Battery Energy Storage System) systems and a **provider of related services** (such as cloud control and engineering support) in the Italian and European markets. The Group is an evolution of **Energy S.p.A.**, founded in 2013, which was **joined in 2023 and 2024 by the companies EnergyInCloud S.r.l. and Enemore S.r.l.**



64,000+
storage systems
sold by Energy since
2013

~7%*
share of Italian BESS
market

300+ MW
total power of
storage systems
sold by Energy since
2013

1+ GWh
capacity sold by
Energy since 2013

*Source: company estimate based on Gaudi data

Market Context and Company's Strategies

BESS market is part of a **long-term trend**, driven by following factors:

- **fluctuations in energy prices** (which will strengthen the demand for BESS to ensure cost stability and security of supply)
- **risks of blackouts and need to stabilize the grid** (also due to the greater penetration of renewables and the growing peaks of absorption of EVs)
- **growing demand for EVs**
- **public policies** to incentivize the energy transition (both in Italy and abroad)



Residential

→ Market in the **saturation phase**

- **Maintaining** market share in Italy, consolidating existing strong relationship with clients
- **Promoting the zeroCO2 own brand**



Commercial & Industrial

→ Market in **growth phase**

- Market expected to grow, also due to the incentives of "**Industry 5.0**" in Italy
- **Strategic growth in DACH, Benelux and Nordics**



Utility Scale

→ **New** business opportunity

- Market **penetration** starting from end 2025, both in **Italy and in Europe**
- Construction of **Gigafactory** according to market demand
- **JV with Pylontech**



Future Outlook

- **C&I** remains a focus for national & international growth
- **AI integrated services and cloud-based solutions** will provide additional sales opportunities
 - **Engineering Services** will provide additional grip to all initiatives
- **Capillary presence of CAT** (Centres for Technical Assistance) will deliver higher value to customers
 - **Collaboration with distribution** channels to push C&I
 - **DACH & Dutch areas** continue to represent a target for expansion
 - **Vertical integration of business model** allows to compete in international tenders
 - **Remodulation** of strategic investments to adapt to the scenario
- **“Made in” Storage systems** are everyday more strategic for Europe (NZIA, Net Zero Industry Act)



1H 2024 Financial Results



Overview of Financial Performances

Still a complex scenario in 1H 2024

Energy's 1H 2024 was negatively impacted by following factors:

- **significant drop in prices** due to excess supply across the entire renewables sector (with significant impacts also on storage)
- persistence of **high interest rates** (resulting in less liquidity available for investments)
- **postponement of the Transition 5.0 decree** (which led to a slowdown in new storage projects, especially large-scale ones that are more dependent on regulatory support)
- **contraction in volumes** (especially in the residential sector)

Consolidated Revenues

19.1 M

-51% vs 39.3 M
1H 2023

Consolidated EBITDA

-3.2 M

-11.8M vs 8.5 M
1H 2023

Group Backlog

29.3 M

+22.7M vs 6.6 M
1H 2023

Consolidated NFP (Debt)

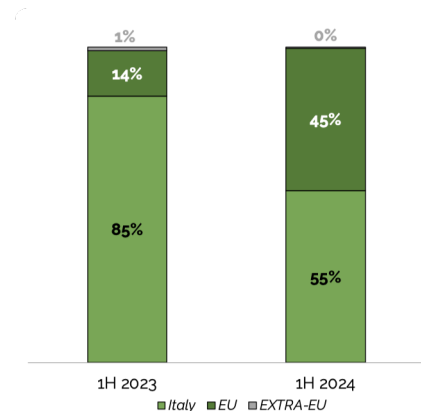
8.3 M

vs -0.2 M (Cash)
FY 2023

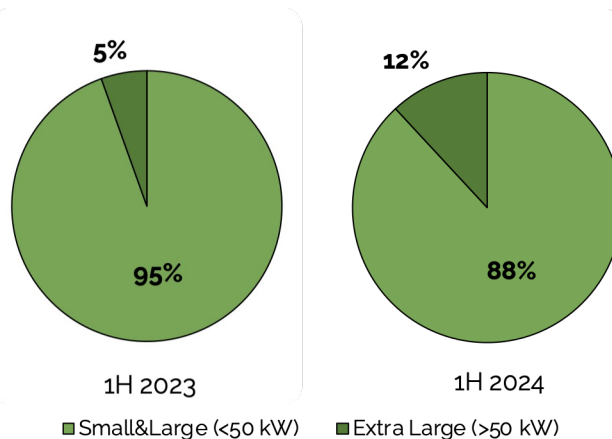
The companies included in the consolidation scope at June 30, 2024 are Energy S.p.A. (also the "Parent Company") and the subsidiary Enermore S.r.l. (also the "Subsidiary"). Energyincloud S.r.l. (EiC) is not fully consolidated due to its insignificance in terms of providing a true and fair view of the balance sheet, financial position and Group net result. Similarly, the investment in the associate Pylon LiFeEU S.r.l., upon which significant influence is exercised, although is not subject to control, is recognized at cost. The operating results of Enermore S.r.l. are consolidated for only 23 days, as acquired on June 7, 2024.

Revenues breakdown

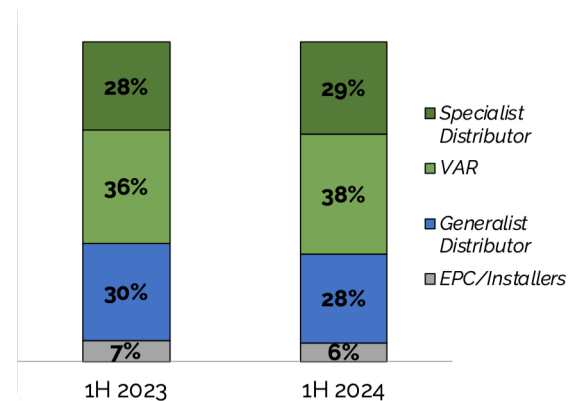
Revenues by Geographic Area



Revenues by Product Category

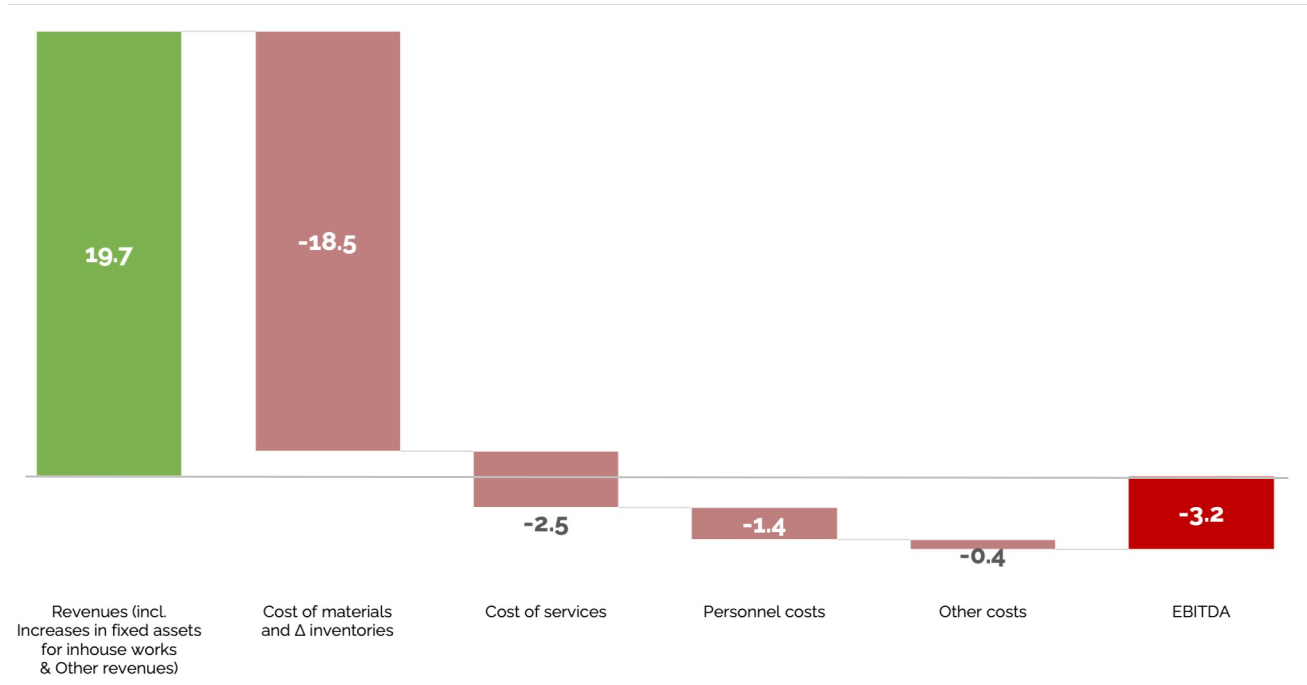


Revenues by Channel



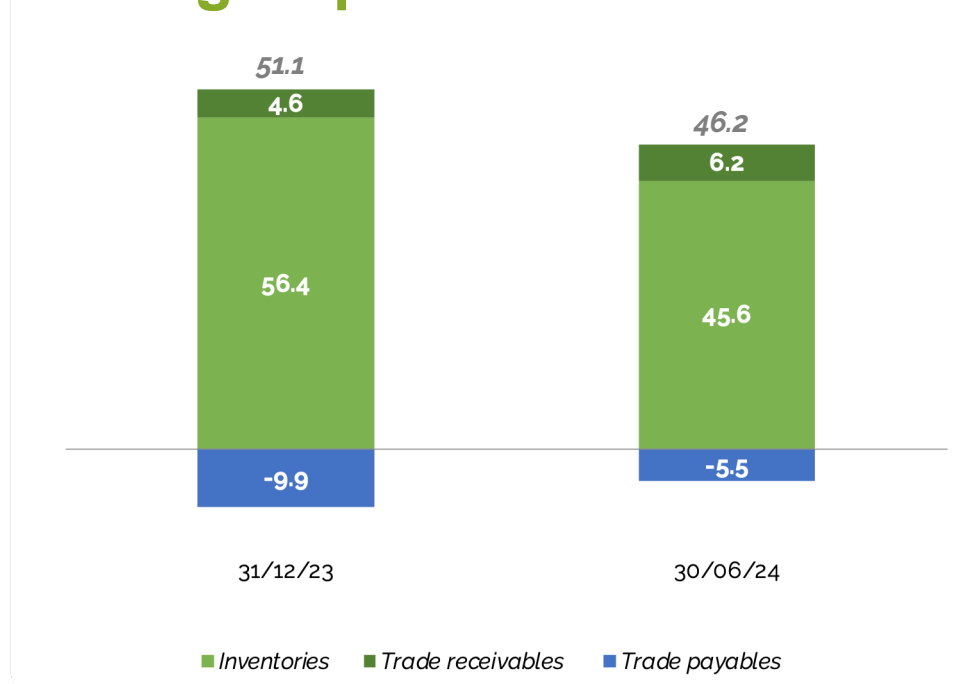
- The initiatives abroad, further intensified during the first half of 2024, allowed to record a **significant increase in revenues in the EU area**
- **As regards Extra Large systems, the Group has continued its commercial efforts**, also through participation in the most important European trade fair in the sector in Munich (Intersolar in June 2024), presenting its solutions for Commercial & Industrial sized storage systems
- As regards the typology of customers, the **preponderance of VARs (Value-Added Resellers) is confirmed**, as well as the balance between the weight of generalist distributors of electrical material and photovoltaic specialists

EBITDA



- Marginality down compared to 1H 2023 (EBITDA margin equal to -17%), mainly due to the **downward trend in prices and de-stocking activities** undertaken in 1H 2024 in addition to targeted promotional campaigns on products and accumulation kits
- The result on margins is therefore explained firstly by the **reduction in final sales prices** – working with an existing stock – and secondly by the **reduction in volumes** which did not allow the first margin to support the structural costs

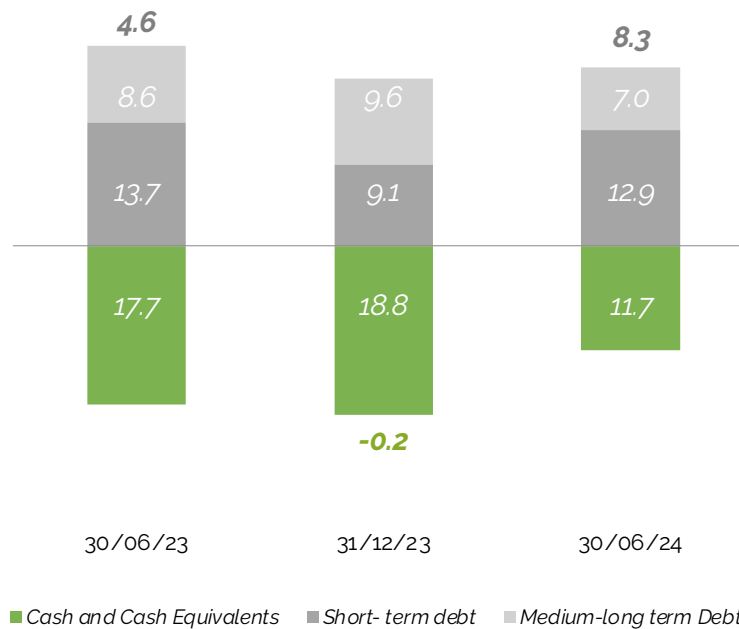
Commercial Working Capital



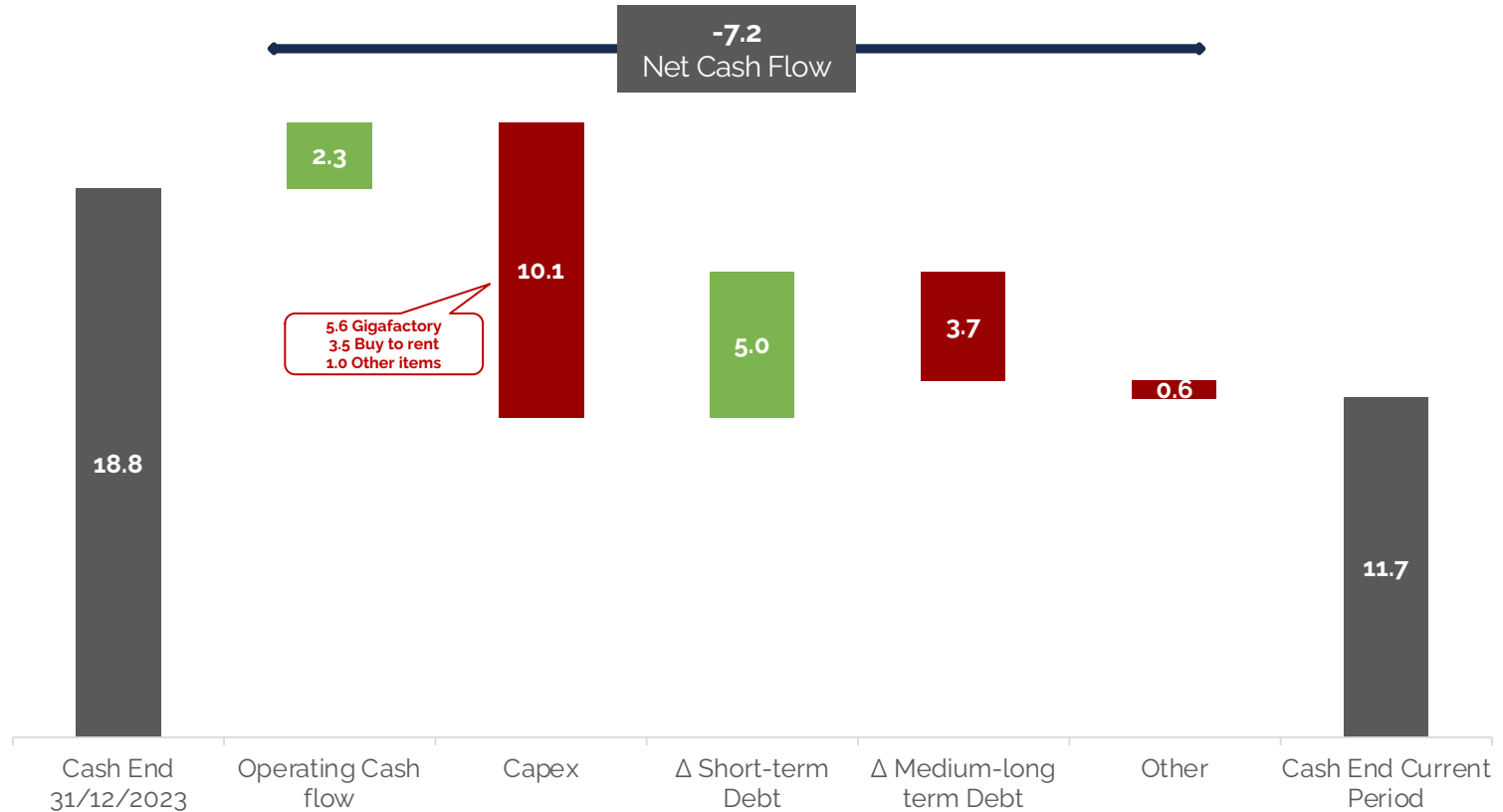
- The Commercial Working Capital is equal to €46.2 million: the raw material inventories are down compared to 31 December 2023 and the Group has implemented a reduction in purchases and trade payables
- With reference to inventories, the Group has implemented an important reduction policy

Net Financial Position

8.3 M (Debt)
NFP 1H 2024
(vs 0.2 M cash in FY 2023)



Cash Bridge Analysis





Annex



Income Statement

	1H 2023 Energy	%		1H 2024 Consolidated	%	Δ	Δ%		1H 2024 Energy
Revenues from sales and services	39.295	100%		19.056	100%	- 20.239	-51.5%		18.944
Increases in fixed assets for inhouse works	0.451	1%		0.430	2%	- 0.021	-4.7%		0.430
Other revenues	0.391	1%		0.167	1%	- 0.224	-57.3%		0.167
Cost of materials	-27.022	-69%	-	18.514	-97%	8.508	-31.5%		-18.520
Cost of services	- 2.950	-8%	-	2.515	-13%	0.435	-14.7%		- 2.483
Personnel costs	- 1.245	-3%	-	1.397	-7%	- 0.152	12.2%		- 1.332
Other costs	- 0.373	-1%	-	0.444	-2%	- 0.071	19.0%		- 0.436
EBITDA	8.547	22%	-	3.216	-17%	- 11.763	nm		- 3.229
D&A	- 0.543	-1%	-	0.654	-3%	- 0.111	20.4%		- 0.644
Write-downs	-	0%		-	0%	-	-		-
EBIT	8.004	20%	-	3.870	-20%	- 11.874	nm		- 3.873
Financial income/(charges)	- 0.536	-1%	-	0.615	-3%	- 0.079	14.7%		- 0.617
Result Before Taxes	7.468	19%	-	4.485	-24%	- 11.953	nm		- 4.490
Taxes	- 1.998	-5%	-	0.257	1%	2.255	nm		0.257
Net Income	5.470	14%	-	4.228	-22%	- 9.698	nm		- 4.233

The companies included in the consolidation scope at June 30, 2024 are Energy S.p.A. (also the "Parent Company") and the subsidiary Enermore S.r.l. (also the "Subsidiary"). Energyincloud S.r.l. (EiC) is not fully consolidated due to its insignificance in terms of providing a true and fair view of the balance sheet, financial position and Group net result. Similarly, the investment in the associate Pylon LiFeEU S.r.l., upon which significant influence is exercised, although is not subject to control, is recognized at cost. The operating results of Enermore S.r.l. are consolidated for only 23 days, as acquired on June 7, 2024.

Balance Sheet

	31/12/23 Energy	30/06/24 Consolidated	Δ	Δ%	30/06/24 Energy
Intangible fixed assets	4.772	6.575	1.803	38%	5.292
Tangible fixed assets	7.294	15.254	7.960	109%	15.166
Financial assets	1.180	1.081	- 0.099	-8%	2.375
Total fixed assets	13.246	22.911	9.665	73%	22.833
Inventories	56.410	45.595	- 10.815	-19%	44.548
Trade receivables	4.645	6.191	1.546	33%	5.841
Trade payables	- 9.867	- 5.548	4.319	-44%	- 4.708
Commercial Working Capital	51.188	46.238	- 4.950	-10%	45.682
Other assets	0.669	2.669	2.000	299%	2.476
Other liabilities	0.222	- 2.040	- 2.262	nm	- 1.805
Net Working Capital	52.259	46.866	- 5.393	-10%	46.352
Post-employment benefits and other provisions	- 0.219	- 0.274	- 0.055	25%	- 0.247
Capital employed	65.286	69.503	4.217	6%	68.938
Net Equity	65.500	61.211	- 4.289	-7%	61.205
Net financial debt	- 0.200	8.292	8.492	nm	7.734
Total sources	65.300	69.503	4.203	6%	68.938

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Cash Flow

	30/06/23	31/12/23	30/06/24	30/06/24
	Energy	Energy	Consolidated	Energy
EBIT	8.005	8.893	-	3.870
Taxes	- 1.998	- 1.909		0.257
D&A	0.543	1.225		0.644
Δ in Commercial Working Capital	- 0.957	17.592		5.506
Δ in other credits/(other debts), post-employment and other funds	0.393	- 7.631		0.225
Cash Flow from Operating activities	5.986	18.170		2.759
Capex	- 1.876	- 8.392	- 10.114	- 10.026
Cash Flow before financing activities	4.110	9.778	-	7.267
Δ in bank payables and other lenders	- 1.836	- 0.482	- 3.714	- 4.646
Δ in short-term financial receivables	-	- 5.000	5.000	5.000
Financial income/(expenses)	- 0.536	- 1.375	- 0.615	- 0.617
Δ in Equity	- 0.014	- 0.051	- 0.016	- 0.018
Net Cash Flow	1.724	2.870	-	7.174

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Go-to-Market

To date **62,000+** systems have been sold by **Energy** and already installed on the national territory, dedicated **to the Residential, Commercial & Industrial, Utilities and Electric Mobility markets**.

The **Energy Group**'s sales channels include both **generalist distributors of electrical materials and photovoltaic specialists**, and the company also works with large European **EPCs**.

The proximity of the company's logistics to the HQs of the main distributors has led the **Energy Group** to have solid partnerships with the players in the Italian and European markets.



Shareholding & Governance

SHAREHOLDER	ORDINARY SHARES	PAS	TOTAL SHARES	% OF SHARE CAPITAL
Elmagi s.r.l. (company owned by Davide Tinazzi)	10,444,188	949,896	11,394,084	19.69%
Freman Holding s.r.l. (company owned by Andrea Taffurelli)	10,452,570	949,896	11,402,466	19.70%
Sun Hongwu*	10,270,638	948,000	11,218,638	19.39%
Euroguarco S.p.A**	10,278,222	944,208	11,222,430	19.39%
RPS S.p.A.***	4,166,500		4,166,500	7.20%
Free float****	8,464,462		8,464,462	14.63%
Total	54,076,580	3,792,000	57,868,580	100.00%

The values of Elmagi S.r.l. and Freman Holding S.r.l. also include shares attributed to management by virtue of the Stock Option Plan.

* Chinese businesswoman who introduced Mr. Tinazzi and Taffurelli to the Chinese market in 2013. Her family owns a company involved in the production of expanded graphite

** Company involved in the manufacturing of gaskets and insulating materials for the oil & gas industry belonging to the Ghirlanda family

*** Cornerstone Investor

**** Free float considering the 54.076.580 shares admitted to trading is 15.65%

Board of Directors

A. Granuzzo: Chairman – Independent
Director

D. Tinazzi: CEO

A. Taffurelli: CTO

Statutory Auditors

M. Bernardis

R. Bogoni

D. Carlo

A. Travain

I. Bisinella

Audit Company 

ESG Reporting

The **Sustainability Report** represents the Company's first step towards the ESG path undertaken during 2023, anticipating the regulatory obligations expected for 2026.

The general principles that have been applied for the preparation of the Sustainability Report are those established by the **Global Reporting Initiative (GRI)**.

The reporting scope of the qualitative and quantitative data and information refers to the performance of **Energy SpA as of 31 December 2023**.

Energy's material topics and the relevant SDGs	1 Energy	2 Clean Energy	3 Good Health and Well-being	4 Quality Education	5 Gender Equality	6 Sustainable Water and Sanitation	7 Affordable and Clean Energy	8 Decent Work and Economic Growth	9 Industry, Innovation and Infrastructure	10 Reduced Inequalities	11 Sustainable Cities and Communities	12 Responsible Consumption and Production	13 Climate Action	14 Life Below Water	15 Life on Land	16 Peace, Justice and Strong Institutions	17 Partnerships for the Goals	
Energy consumption, GHG emissions and climate change																		
Responsible waste management																		
Sustainability performance of the products offered																		
Product quality and safety																		
Product circularity																		
Respect for human rights																		
Talent attraction, training and continuous development																		
Equity, inclusion and protection of diversity																		
Staff welfare and benefits																		
Health and safety at work																		
Sustainable and transparent management of the supply chain and material procurement																		
Cooperation and sector development																		
Business ethics, transparency and integrity																		
Creation of economic value																		
Protection of privacy and data security																		

Glossary

BESS-Battery Energy Storage Systems

A group of devices, equipment, management and control logic capable of storing electric power so that it can later be fed into the grid. It allows solar and wind power plants to overcome their intrinsic limitations in terms of flexibility and dispatching.

Commercial & Industrial (C&I) Customers

Commercial and industrial companies of medium or large size. "Industrial" refers to any enterprise that deals with the production of goods, while "commercial" refers to any enterprise that purchases goods or services from another entity for commercial purposes.

Energy grid

The infrastructure used to transport energy from where it is produced to the final consumers. In the case of electricity, the classic structure includes two grids: the first is the **transmission grid**, which transports high-voltage electricity from the generation facilities to the primary substations; from here the second, or **distribution**, grid transports the medium-voltage electricity to the secondary substations and then, at a low voltage, to the final customer.

Engineering Procurement & Construction (EPC) contract

A contract regulating the relationship with a single supplier that provides the engineering, procurement of materials and construction services, required to build a power station.

Installed capacity

The authorized maximum amount of power a power plant can produce. **Additional Capacity** is the capacity relating to new plants, both consolidated or managed, or the increases in the capacity of existing plants via technological development work. Additional capacity is declared when the first circuit of a plant is connected to the grid and begins producing energy and all the components of the plant are electromechanically complete.

Inverter

A device that converts continuous current (CC) to alternating current (AC). For instance, it is used to convert continuous current from photovoltaic panels to alternating current to be fed into the grid.

Payback period

The number of years it will take for positive flows from an investment to compensate for outgoings sustained. It indicates the riskiness of a project solely in terms of time.

Photovoltaic panel

A device consisting of a photovoltaic module or set of modules mounted on a supporting structure; each module is a mosaic of interconnected photovoltaic cells. These cells are the most basic element of a photovoltaic system: they convert sunlight into electrical current thanks to a phenomenon called the photovoltaic effect. The most common semiconductor used in solar cells is a thin wafer of crystalline silicon; solar cells can also be made of amorphous silicon.

Photovoltaic (PV) plant

A plant consisting of a series of modules that convert the sun's radiation into electrical energy through the photovoltaic effect. There are two main types of photovoltaic plant: **stand-alone**, which isn't connected to a grid and uses the energy produced on site, and **"grid-connected"**.

Sustainable Development Goals (SDGs)

The 17 Sustainable Development Goals established in 2015 by the United Nations to guarantee future peace and prosperity for humanity. They cover a range of different areas, such as ending hunger around the world, gender equality, climate protection and clean energy for everyone.

Transformer

An electric device used to transfer electric power at different voltage levels.

Watt (W)

International System unit of measure of power. Multiples of Watts are: **kW** (103W), **MW** (106W), **GW** (109W) and **TW** (1012W).

Watt hour (W/h)

Unit of measurement of electrical energy, defined as the total energy supplied if an electrical power of 1 watt is maintained for 1 hour. In practice only some of its multiples are used, in particular the kilowatt hour (symbol **kWh**) used as a unit of sale of electricity by electricity companies to users.

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