(Translation from the Italian original which remains the definitive version)

2024 consolidated annual financial report

Energy S.p.A.
Registered office in Piazza Manifattura 1, 38068 ROVERETO (TN)
Share capital €616,605.80, fully paid up
Tax code 02284640220
Trento company registration no. 02284640220
REA no. 213161

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Letter to the shareholders

Dear shareholders

First of all, I would like to express my sincere thanks for your continued trust and support in the Energy Group. We faced significant challenges in 2024, which are clearly reflected in our operating results and have led us to make some difficult decisions. In any case, fully aware of their importance, we have continued with projects that we have long considered strategic and have initiated some initiatives aimed at laying further foundations for future growth in storage systems for energy from renewable sources.

2024 summary
2024 was a year of transition and transformation for the Energy Group. We had to navigate a complex market environment, characterised by falling prices in the renewables sector, a severe contraction in demand and macroeconomic uncertainties. Despite these obstacles, we reacted with determination, investing in strategic areas for the future.

- **Financial consolidated performance**: sales revenues came to €37.2 million in 2024. In 2023, the parent company Energy S.p.A. achieved revenues amounting to €63.3 million. EBITDA was a gross operating loss of €15.9 million (-43% Ebitda Margin) significantly impacted by the inventory write-down, necessary mainly to realign the carrying amount of certain assets to their current market value. EBITDA net of such write-down was a loss of €5.9 million (-16% Ebitda Margin Adjusted). The group incurred a net loss for the year of €17.6 million and a net financial debt of €8.1 million. In 2023, the parent company recorded an EBITDA of €10.1 million with a net profit of €5.6 million.
- **Strategic investments**: we focused our investments (€15,9 million in 2024 compared to €7.4 million in 2023 for the parent company alone) on what best supports the commercial and industrial (C&I) segment, which, in 2024, grew against the trend. In addition, we intensified our sales strategy in the EMEA region, with exports up 52% with an increase in export share of 14% compared to 2023.
- **Innovation and growth**: we strengthened our presence in the C&I Italy and EMEA markets. The Energy Group was formed in 2024 with the acquisition of Enermore S.r.l. (now EnergyOnSite S.r.l.) expanding our expertise in the integration of storage systems. Moreover, we continued to invest in cloud computing with EnergyinCloud S.r.l..
- **Key projects**: in 2024, we were awarded a three-year tender in Austria for €25.7 million which includes deliveries spread out until the first half of 2027 and won a tender for the supply and integration of an advanced Energy Management System (EMS) and a Battery Energy Storage System (BESS) to be installed by the first half of 2025 at Stadtwerke Amstetten valued at € 700 thousand. These facts demonstrate our growing commitment in the international arena and in projects of increasing complexity.
- **Sustainability**: we approved Energy S.p.A.'s first sustainability report for 2023, integrating ESG principles into every aspect of business management and developing sustainable products.

Future goals
The Energy Group is committed to consolidating its leadership in 2025 through a series of strategic initiatives:

- **International expansion**: we will continue to expand in central and northern European markets, with a focus on the DACH and DUTCH area.
- **Development of XL solutions**: we will focus on developing the Extra Large energy storage business, while maintaining our market share in the Small&Large segment.
- **Technological innovation**: we will invest and consolidate our production stages, know-how and innovation.
- **Cloud and engineering services**: we will further develop our cloud platform and the application of artificial intelligence in after-sales processes.
- **Strategic partnerships**: we will intensify our collaboration with strategic partners to reach a broader customer base, with a focus on servitisation and energy efficiency.
- **Financial management**: we will use the tools at our disposal to better manage market dynamics and streamline inventory.

In conclusion, 2024 was a year of challenges and difficulties, some of which are expected to persist into the following year. However, thanks to the resilience and expertise of our team, we we are facing them with determination and practical solutions. I would like to express my greatest thanks to all employees, managers and partners for their commitment and dedication. We look to the future with confidence, aware of our capabilities and ready to seize every opportunity to create value and sustainable growth. 2025 will mark a new chapter for us, with an increasing focus on innovation, sustainability and long-term value creation.

Yours sincerely,

Alessandro Granuzzo, Chairman of Energy S.p.A.

Alessandro Granuzzo

Directors' report

Prepared in accordance with article 2428 of the Italian Civil Code

Introduction

Dear shareholders

The consolidated financial statements submitted for your approval set out the group's financial performance in 2024. They show a net loss for the year of €17,609,258, reflecting the obstacles faced during the year.

This directors' report analyses the group's operations pursuant to the requirements of article 2428 of the Italian Civil Code. Its purpose is to offer an overview of the group's financial position and performance of the year, with a particular focus on costs, revenues and capex. It is an integral part of the 2024 annual financial report, which also includes the financial statements audited by KPMG.

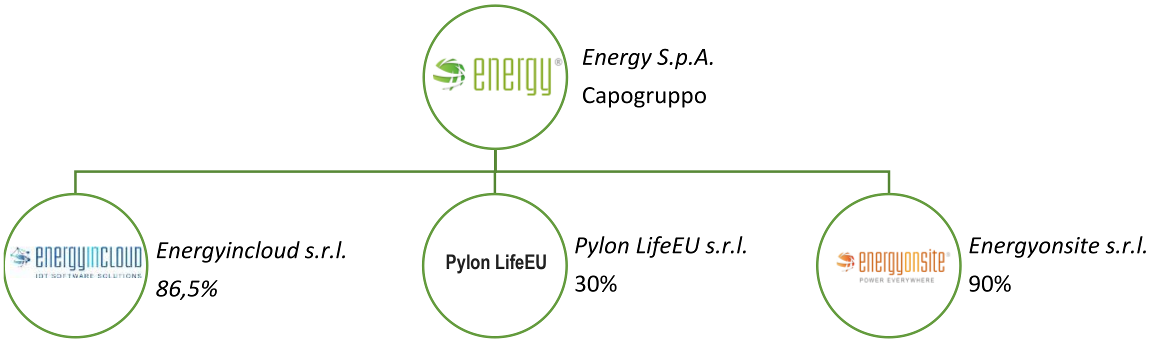
The consolidated financial statements at 31 December 2024 have been prepared in compliance with the requirements of the Italian Civil Code, the Italian accounting standards and the tax regulations in force.

History of the group

The Energy Group's journey began in 2013 with the foundation of Energy S.r.l. in Rovereto, Trento. Initially conceived as an innovative start-up, the company now focuses on the promising market of energy storage systems for the residential sector. After around a year designing innovative technologies for residential systems, it began carrying out technical retrofits, sales and aftersales services for photovoltaic energy storage systems. In 2020, the company achieved innovative SME status and took a significant step by expanding its portfolio with the launch of the zeroCO2® product line for both the residential and industrial markets. The product range has continued to expand since 2021 and the sales network has grown in Italy and abroad.
In 2022, Energy S.r.l. was transformed into Energy S.p.A. and was listed on the Euronext Growth Milan (EGM) market of Borsa Italiana. The IPO allows the company to raise significant capital to further increase its vertical integration and consolidate its position as a full system integrator in the BESS sector. On 23 May 2023, it incorporated the subsidiary Energyincloud S.r.l. (EiC), through which, in July 2023, it finalised the acquisition of Cloud Computing S.r.l., integrating advanced technologies in the remote management and operation of energy production, storage and consumption systems.
In May 2023, it also set up the associate Pylon LifeEU S.r.l. as a joint venture with Pylon Technologies Europe B.V.. The associate's objective is to research, develop and produce lithium batteries for stationary storage.
On 7 June 2024, Energy S.p.A. completed the acquisition of 90% of Enermore S.r.l. (which subsequently changed its name to Energyonsite S.r.l.), a company specialised in consulting, design, production, installation and maintenance of complex energy production and storage systems. This acquisition led to the formation of the Energy Group, a full system technology manufacturer, which is a leader in energy storage systems and cloud and engineering services.
In November 2024, Energy S.p.A. acquired a further 13.5% investment in EnergyInCloud S.r.l.. The transaction strengthens the Energy Group's strategy in the supply of advanced services for the remote management and operation of energy production, storage and consumption systems.

Group structure and consolidation scope

The structure of the group at 31 December 2024 is shown below:



The companies included in the consolidation scope are Energy S.p.A. (the "parent") and the subsidiaries Energyonsite S.r.l. and Energyincloud S.r.l. (the "subsidiaries"), as well as Enerimmo S.r.l., a company wholly owned by Energyonsite S.r.l..
The investment in the associate Pylon LiFeEU S.r.l., over which significant influence is exercised but not control, has been recognised using the equity method.

Governance structure and company ownership

The Energy Group's mission is to **provide individuals, households and companies with advanced solutions for more efficient and sustainable energy management**, actively contributing to climate change mitigation and energy transition while generating value for all stakeholders. This is achieved by maximising self-generation of electricity, participating in grid stability and offering goods and services in line with market needs.

The key events of the year affecting the parent's capital structure are described below:

- on 10 May 2024, the parent issued 168,654 ordinary shares after as many options were vested and exercised by the beneficiaries of the stock option plan approved by the shareholders at their meeting held on 17 June 2022;
- on 21 May 2024, the parent filed its by-laws following the cancellation of 3,792,000 price adjustment shares (PAS).

At 31 December 2024, Energy S.p.A.'s ownership structure was as follows:

Shareholder	Ordinary shares	PAS *	Total shares	% of share capital
Elmagi S.r.l. [1]	10,444,188	949,896	11,394,084	19.69%
Freman Holding S.r.l. [2]	10,445,570	949,896	11,402,466	19.70%
Sun Hongwu	10,270,638	948,000	11,218,638	19.39%

Shareholder	Ordinary shares	PAS *	Total shares	% of share capital
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%
Market**	8,464,462	-	8,464,462	14.63%
Total	**54,076,580**	**3,792,000**	**57,868,580**	**100.00%**

[1] Company related to Davide Tinazzi, CEO of Energy S.p.A.; the figures also include shares attributed to management under the stock option plan;
[2] Company related to Andrea Taffurelli, a director of Energy S.p.A.; the figures also include shares attributed to management under the stock option plan;
* not admitted for trading
** the free float accounts for 15.65% of the 54,076,580 shares admitted for trading on Euronext Growth Milan.

The parent has a traditional governance structure, unchanged since 2022 and comprised of the following bodies:

- the shareholders' meeting, which represents the interests of the owners. It makes the most important decisions for the parent, appoints the board of directors, approves the financial statements and amends the by-laws;
- the board of directors — currently comprised of three members, two of whom are shareholders and one is an independent director — which operates through a CEO;
- the board of statutory auditors, comprised of three standing statutory auditors and two alternate statutory auditors.
- The audit is carried out by an independent auditor.

The board of directors plays a central role in the organisation of the parent. All departments report to it and it provides strategic and organisational guidance. To the extent of the business object, it holds all powers for the parent's ordinary and extraordinary management, apart from those expressly reserved to the shareholders' meeting by the law or by-laws.

The CEO has the greatest managerial responsibility within the parent in line with the proxies conferred by the board of directors.

The parent has an internal control system comprised of rules, procedures and an organisational structure monitoring:

- the efficiency and effectiveness of company processes;
- the reliability of financial disclosure;
- compliance with the law, regulations, the by-laws and internal procedures;
- the safeguarding of company assets.

The parent has adopted and keeps updated an Organisational, management and control model pursuant to Legislative decree no. 231/2001.

The group's organisational structure is discussed in a specific section below.

Analysis of the group's financial position, financial performance and cash flows

The context and results

Energy storage systems are essential in the transition from fossil fuels to renewables and attract significant public and private investments. The storage systems sector is part of a long-term market trend that steers its development and potential based on a number of drivers, such as (a) increased volatility in energy prices, exacerbated by geopolitical tensions and fluctuations in natural gas prices which drive up the demand for energy storage systems to stabilise costs and ensure a secure supply; (b) the risks of black-outs and the need to stabilise the grid, partly due to the greater penetration of renewables and absorption peaks caused by the spread of electric mobility; (c) the long-term trend of falling prices for lithium ion batteries and other key technologies; (d) the complementarity of storage systems with renewable energy sources, such as wind and solar, which are intermittent by nature; (e) the demand for electric vehicles, which, though growing less than expected, still entails a strategic need for recharging infrastructures with advanced storage systems; (f) public incentives for energy transition, which remain a determining factor, with new support plans in Europe and the United States.

Turning to the external context, 2024 was negatively impacted by several factors:

- a huge drop in prices due to oversupply across the entire renewables sector, particularly affecting photovoltaic modules, but also storage to a significant degree;
- the persistence of relatively high interest rates for a large part of 2024, leading to less liquid funds for investments; the postponement of rate cuts contributing to a wait-and-see effect and lowering confidence;
- the postponement of the Transition 5.0 decree and other important initiatives expected in Italy, which have created serious uncertainties. This delay caused a temporary slowdown in investment, as many companies chose to postpone installation decisions pending clarification of the new mechanisms and how they would be applied. This led to a slowdown in new storage projects, especially large-scale ones;
- falling volumes - especially in the residential sector - due to the above.

During the year, the group pursued and completed - within the limits imposed by market conditions - the strategy outlined in the business plan presented as part of the IPO, implementing all of the following key actions to consolidate its competitive advantage in the future market:

- increasing the export share;
- setting up the group following the acquisition of a specialised engineering company;
- expanding sales channels in the DACH and DUTCH markets;
- investing in the design and production of medium/large-scale storage systems, insourcing the production of LFP battery modules;
- strengthening the ZeroCO2 brand.

With these objectives, the group aims to consolidate and strengthen its leadership position in the energy storage sector, adapting to market dynamics and the opportunities offered by the global energy transition.

Significant events of the year

The group continued to pursue its medium/long-term strategy during the year, while taking into consideration the new market conditions.

- In May 2024, Energy S.p.A. won a major tender in Austria for the supply of electrical energy storage systems and related services for the country's motorway operator ASFINAG (Autobahnen- und Schnellstraßen-Finanzierungs-Aktiengesellschaft), with the goal of extending the network infrastructure for alternative mobility. The three-year supply of the storage systems and the provision of services are worth a total of €25.7 million, with an additional option for ASFINAG to purchase a further supply worth approximately €3 million. The current estimate anticipates that deliveries will be spread out until the first half of 2027.

- Also in May 2024, Energy S.p.A. announced the issuance of 168,654 ordinary shares following the maturation and exercise of options related to the incentive plan called the 'Stock Option Plan,' approved by the Shareholders' Meeting on June 17, 2022.
- With the acquisition of 90% of Enermore S.r.l, June saw the foundation of the Energy Group, an integrated energy storage systems (ESS) manufacturer.
- Also in June, a development contract was signed regulating the use of the €7.1 million grant (NRRP - the national recovery and resilience plan, measure 5.1 Renewables and batteries) awarded to the parent for the Gigafactory.
- On 11 November 2024, the parent's board of directors resolved to acquire an additional 13.5% interest in EnergyInCloud S.r.l..
- Again in November, the group won a tender for the supply and integration of an advanced energy management system (EMS) and a 1MW/2.256kWh battery energy storage system (BESS) to be installed by the first half of 2025 at Stadtwerke Amstetten, a municipal multi-utility company in Austria.

Brief overview of performance

The analysis of the consolidated financial statements at 31 December 2024 shows:

- Consolidated revenues of €37,199,939, down due to the factors mentioned above in the paragraph "The context and results".
- Significant increase in the export share (37% in 2024, amounting to €13.8 million, versus 23% in 2023, amounting to €14.9 million) and the portion of revenues from the commercial and industrial segment (14% in 2024, amounting to €5.2 million, versus 23% in 2023, amounting to €4.2 million).
- Overall profitability down 43% (Ebitda Margin) from 2023 mainly due to the downward trend in prices and the inventory streamlining campaign undertaken during the year, as well as targeted marketing campaigns for storage products and kits. Indeed, the profit margin includes inventory write-downs of €9,999,773, partly necessary to realign the carrying amount of certain assets to their current market value. Adjusted EBITDA (i.e., net of the aforementioned write-downs) was a gross operating loss of €5,995,685 (-16%).
- Investments in production and to improve efficiency, in particular: to complete the casing and assembly line for battery production, the completion of the photovoltaic plant and the first storage system for production, and the continuation of the construction of the new Gigafactory in the adjacent area with a longer time frame compared to the original plan..
- Product design review, integration of functionalities and new features, and investments aimed, in particular, at boosting technical developments on the cloud platform.
- Overheads substantially in line with the previous year. Increase in personnel costs due to the addition of new resource.
- Closing inventory down compared to the previous year end, due to the group's inventory streamlining campaign and also due to a provision for inventory write-down amounting to € 9.999.773, primarily resulting from the decision to realign the value of certain assets to their current market value..
- The net financial position worsened from the previous year end due to the above reasons.

The market and products

Range of products and services

Group Energy sells two categories of product:

- the "Small&Large ESS" category, commenced in 2014, with energy storage systems for residential use and small and medium-sized industrial and commercial operators;
- the "Extra Large ESS" category ("XL", or "C&I"), commenced in the final quarter of 2021 and further developed in subsequent years, with energy storage systems for industrial and commercial users with needs exceeding 50 kW. The parent carries out system integration activities for large (more than 50 kW) energy storage systems based on a proprietary energy management system. The range has software

functionalities which also enable multi-stack services[1] to be activated. The parent offers a smart cloud-based ESS management service. This ensures the historical management of data and ongoing maintenance of the algorithms based on which it carries out constant research and development activities and updates to improve the services offered and enable the use of new functionalities.

Foreign sales

In 2024, 37% of revenues was generated abroad (EU and non-EU) and 63% in Italy. The foreign sales of €13,768,875 were mostly made in central and northern Europe. More information is provided in the section Profit and Loss.

The group’s general situation

2024 saw a decrease in revenues on the previous year in light of the facts outlined above. However, this did not affect the group’s ability to meet its commitments and to continue with its investments.
The group has funded its working capital and investments with both the cash flows generated by operating activities and bank loans. With reference to working capital, the group implemented a significant inventory reduction policy and wrote down inventory to realign the carrying amount of such assets to their current market value.

Net equity, calculated as the sum of share capital and reserves, is €47,589,405.
Fixed assets came to €27,439,216 as a result of increases linked to the construction of the new Gigafactory building.

Workforce

The Energy Group had 80 employees at 31 December 2024, showing significant growth over the previous year, partly due to the acquisition of companies. The increase was also driven by new hires, mainly in the second half of the year, to support the expansion and consolidation of the organisational structure.

Specifically, the group welcomed 21 new resources, including managers, white collars and blue collars, bolstering skills in the various departments. There were 10 outgoing employees, while safeguarding overall balance and ensuring operational stability.

The group's workforce has a gender breakdown of 74% men and 26% women, while the average age increased slightly from the previous year. The breakdown by role shows a balance between administrative, technical and operational staff, confirming a versatile structure appropriate to the growth needs of the business.

Overall, 2024 was a year of consolidation and development for the group's human capital, with the strengthening of governance and core skills, thus ensuring continuity and ability to respond to market challenges.

More people left the group compared to the previous year, with a total of 10 staff leaving the group. However, the overall figure did not fluctuate significantly, suggesting stable and well-planned management of outgoing resources.
The parent’s gender breakdown at year end was 26% female, down slightly from 35% in the previous year for the parent company alone, but mainly due to the acquisition. This figure confirms the parent's commitment to maintaining a positive trend with regard to gender diversity and the percentage of female employees, in line with the goals of inclusiveness and of promoting equal opportunities. There was a slight increase in the average age,

[1] Multi-stack services are overlapping services managed in parallel, such as self-consumption, peak shaving and grid services, based on criteria that are chosen to automatically determine how much of the various services to use (e.g., scheduling at least 80% of coverage on on-call grid services to avoid penalties, ensuring a certain level of peak shaving and using self-consumption for the remainder).

which may reflect the ageing and greater overall experience of personnel. However, despite this slight increase, the parent continued to invest in generational renewal, as evidenced by the new young apprentices and blue collars hired.
In general, 2024 saw positive development of the workforce, which helped consolidate the company structure, improving operational efficiency and preparing the parent for future challenges. Steady human resources management combined with a balanced composition of staff provides a solid basis for the parent's operations in the long term.

Financial position, financial performance and cash flows

The financial indicators offer an immediate view of the group's performance and results. The financial indicators examined in the relevant section of this report mainly relate to profit and loss account figures.
The "Reclassified figures" present the balance sheet and net financial position as at 31 December 2024 and the profit and loss account and cash flow statement for the year the ended, prepared using management criteria adopted by the board of directors to support the analysis of the group's financial position, financial performance and cash flows. The parent's figures for 2023 are presented for comparative purposes as it is the group's most significant company in terms of size.
The reclassified figures presented in the following tables are used by the board of directors to analyse the group's financial position, financial performance and cash flows.

Profit and loss account

(thousands of Euros)	**2024 Consolidated**	**%**	**2023 Energy**	**%**	**Change**	**% change**
Turnover from sales and services	37,200	100,0%	63,329	100,0%	(26,129)	(41,3%)
Internal work capitalised	1,345	3,6%	1,395	2,2%	(49)	(3,6%)
Other revenues	316	0,9%	1,175	1,9%	(858)	(73,1%)
Costs for materials[2]	44,215	118,9%	46,928	74,1%	(2,713)	(5,8%)
Costs for services	5,338	14,3%	5,152	8.1%	186	3,6%
Personnel expenses	3,768	10,1%	2,452	3,9%	1,316	53,7%
Other costs[3]	1,536	4,1%	1,248	2,0%	288	23,1%
Gross operating profit (loss) (EBITDA)	(15,995)	(43.0%)	10,117	16,0%	(26,113)	(258,1%)
Adjusted EBITDA	(5,996)	(16,1%)	0	0%		
Amortisation and depreciation	1,663	4,5%	1,225	1,9%	439	35,8%
Write-downs	56	0,2%	0	0,0%	56	0,0%
Operating profit (loss)	(17,715)	(47,6%)	8,893	14,0%	(26,607)	(299,2%)
Net financial charges	(1,147)	(3,1%)	(1,375)	(2,2%)	228	(16,9%)
Profit (loss) before taxes	(18,862)	(50,7%)	7,518	11,9%	(26,380)	(350,9%)
Income taxes	(1,252)	(3,4%)	1,909	3,0%	(3,161)	(165,6%)
Net profit (loss) for the year	(17,609)	(47,3%)	5,609	8,9%	(23,218)	(413,94%)

Turnover from sales and services for 2024 amounts to €37,199,939. The parent's net turnover amounts to €35,445,265, a €27,883,306 decrease (-44%) over the previous year (€63,328,571). This reduction in revenues is fully in line with the overall sector trend and, in any case, is the result of very different dynamics between the parent's two segments, as shown below.

[2] cost of materials and change in inventory
[3] use of third party assets, other operating costs and other provisions

The total backlog of the parent company is €28.8 million at 31 December 2024, including €25.3 million related to the Asfinag contract. The portion of orders acquired for 2025 amounts to €8.2 million, of which €4.7 million are for the Asfinag call-off. The customer's planning of BESS installations was rescheduled in late 2024 due to the time required to obtain permits for the various sites involved. According to current estimates, deliveries will be spread over the remaining time until the first half of 2027. At 18 March 2025, the parent has a backlog of €33,8 million, of which €11.9 million are expected for 2025.

Consolidated EBITDA was a gross operating loss of €15,995,458 or -43% of net revenues. 16% of this drop in profitability is due to the combined effect of lower final sales prices, based on existing stocks and the contraction in volumes, which prevented the full recovery of overheads. Finally, the profit margin includes inventory write-downs of €9,999,773, mainly due to the decision to realign the carrying amount of inventory assets to their current market value. As mentioned earlier, adjusted EBITDA (i.e., net of the aforementioned write-downs) was a gross operating loss of €5,995,685 (-16%).

Overheads (services, personnel and other costs) amounted to €10,641,934.

The profit and loss account shows a net loss for the year of €17,609,258, entirely absorbed by available reserves.

Revenues are analysed below by geographical segment as follows (in Euros):

	2024 consolidated	%	**2023 Energy**	%	**Change**	**% change**
Italy	23,431,064	63%	48,922,170	77%	(25,491,106)	(52%)
EU	12,683,243	34%	13,994,270	22%	(1,311,027)	(9%)
Non-EU	1,085,631	3%	912,008	1%	173,623	19%

Revenues are analysed by product category as follows:

	2024 consolidated	%	**2023 Energy**	%	**Change**	**% change**
Small&Large (<50 kW)	30,268,016	81%	59,672,779	93%	(29,404,763)	(49%)
Extra Large (>50 kW)	5,177,249	14%	4,155,670	7%	1,021,579	25%
Other	1,754,674	5%	-	0%	1,754,674	100%

Revenues are analysed by sales channel as follows:

	2024 consolidated	%	**2023 Energy**	%	**Change**	**% change**
VAR (value-added reseller)	10,984,729	30%	20,281,907	32%	(9,297,178)	(46%)
General distributors	10,655,023	29%	20,014,662	31%	(9,359,639)	(47%)
Specialist distributors	7,588,896	20%	16,889,026	26%	(9,300,130)	(55%)
EPC / Other	7,971,291	21%	6,642,853	10%	1,328,438	20%

By number of storage systems and power (Energy S.p.A.):

	2024	**2023**
Number of systems sold	4,694	8,981
Total power	30 MW	48 MW

The breakdown of revenues shows an increase in exports compared to 2023, as a consequence of the geographical diversification under way. The group's foreign sales of €13,768,875, or 37% of the total, increased 14% over 2023 in relative terms, but show an absolute decrease of €1,137,403 (-8%). 74% of revenues are concentrated with the group's top 20 customers (out of a total of 360, compared to 214 in 2023), showing a broader portfolio even net of the impact of the subsidiary companies.

Revenues from the "Extra Large" (XL) range of €5,177,249 were up 25% on 2023 (€4,155,670), completely bucking the overall trend, recording sales to both long-standing and newly acquired customers. "Other" comprises revenues that cannot be attributed to kW storage systems.
There were 100 zero CO_2 XL systems registered and connected at the reporting date, compared to 42 at the end of 2023. The installations cover commercial, industrial and agrivoltaic applications.

Looking at sales by channel, the portion for VARs and general distributors is basically unchanged in 2024, while the fall in specialist distributors (down 6% on 2023) is offset by the increase in other types of customers, particularly EPCs, linked to the C&I segment.

Storage systems sold number 4,694, for a total capacity of 30 MW, which is lower than 2023 and in proportion with the overall reduction in volumes following the rise in XL systems.

Net of financial charges and income taxes, the costs incurred by the group for sales in 2024 came to €56,576,038 (€46,576,265 net of write-downs). Of these costs, €5,337,996 is for services, €3,767,767 for personnel expenses, while €44,214,944 (€34,215,171 net of the write-down) is the costs to purchase raw materials and the change in inventory of raw materials.

Balance sheet

(thousands of Euros)	**31/12/2024 Consolidated**	**31/12/2023 Energy**	**Change**	**% change**
Intangible fixed assets	6,684	4,772	1,912	40,1%
Tangible fixed assets	19,891	7,294	12,598	172,7%
Financial fixed assets	864	1,180	(316)	(26,8%)
Total fixed assets	27,439	13,246	14,193	107,1%
Inventory	24,777	56,410	(31,633)	(56,1%)
Trade receivables	6,382	4,645	1,737	37,4%
Trade payables and payments on account	(4,553)	(9,867)	5,314	(53,9%)
Trade working capital	26,606	51,188	(24,582)	(48,0%)
Receivables from subsidiaries	0	184	(184)	(100,0%)
Receivables from associates	515	0	515	100,0%
Payables to subsidiaries	0	(2)	2	(100,0%)
Payables to associates	0	(2)	2	(100,0%)
Other receivables and prepayments and accrued income	3,419	669	2,750	410,9%
Other payables and accrued expenses and deferred income	(1,951)	222	(2,173)	(978,8%)
Net working capital	28,590	52,260	(23,670)	(45,3%)
Employees' leaving entitlement and other provisions	(347)	(219)	(128)	58,7%
Invested capital	55,682	65,287	(9,605)	(14,7%)
Net equity	47,589	65,456	(17,866)	(27,3%)
Net financial debt (position)	8,093	(168)	8,261	(4905,0%)
Total sources of funding	55,682	65,287	(9,605)	(14,7%)

Fixed assets rose significantly over the previous year, in line with the investments, especially in tangible fixed assets. At 31 December 2024, they totalled €27,439,216, of which €6,684,089 for intangible fixed assets and €19,891,331 for tangible fixed assets. Intangible fixed assets include the EGM listing costs of €3,139,597 (historical cost) and development costs. Tangible fixed assets include investments in the new building under construction on the land next to the parent's premises, machinery for the battery assembly line and other works on the existing building.
Financial fixed assets amounting to €863,796 mainly comprise the investment in the associate Pylon lifeEU S.r.l..

The group's trade working capital amounted to €26,606,458, mainly comprised of net inventory of €24,777,082, trade receivables of €6,382,412 and trade payables of €4,553,036.
The parent's trade working capital changed during the year, amounting to €26,195,819 at 31 December 2024. The overall figure is down on the previous year end, chiefly due to the reduction in inventory (-€31,633,059 including the write-down), which is the result of a policy implemented by the group in 2023 and pursued in full in 2024.
Other receivables and prepayments and accrued income amounted to €3,419,011. They include tax receivables (€1,564,957), deferred tax assets (€1,427,967), other receivables and prepayments and accrued income.
Other payables and accrued expenses and deferred income amounted to €1,950,699. They include tax payables (€775,394), social security charges payable (€226,609), other payables and accrued expenses and deferred income.

Net working capital was €28,589,687 at 31 December 2024. The group's invested capital amounted to €55,682,141, while the parent's was €54,656,444, down €10,630,813 from €65,287,257 at 31 December 2023.
Total sources of funding of €55,682,141 comprise net equity (€47,589,405) and net financial debt (€8,092,736).
The group's financial debt, which is exclusively to banks with self-liquidating lines, import financing and medium-term loans, is comprised of short-term bank loans and borrowings of €5,587,433 and medium-/long-term bank loans and borrowings of €7,204,121, net of liquid funds of €4,698,818.

Net financial position

(thousands of Euros)	**31/12/2024 Consolidated**	**31/12/2023 Energy**	**Change**	**% change**
Liquid funds	(4,699)	(18,834)	14,136	(75%)
Current financial receivables	0	(5,000)	5,000	(100%)
Short-term bank loans and borrowings	5,587	14,077	(8,489)	(60%)
Short-term loans and borrowings from other financial backers	0	-	0	0%
Short-term financial (position) debt	889	(9,757)	10,646	(109%)
Medium/long-term bank loans and borrowings	7,204	9,589	(2,385)	(25%)
Medium/long-term loans and borrowings from other financial backers	0	0	0	0%
Net financial debt (position)	8,093	(168)	8,261	(4907%)

Cash flow statement

(thousands of Euros)	2024 Consolidated	2023 Energy	Change	% change
Operating profit (loss)	(17,715)	8,893	(26,607)	(299%)
Income taxes	1,252	(1,909)	3,161	(166%)
Amortisation, depreciation and write-downs	11,709	1,225	10,484	856%
Change in trade working capital	14,536	17,592	(3,057)	17%
Change in other receivables/(other payables), employees' leaving entitlement and other provisions [1]	(783)	(7,631)	6,847	(90%)
Cash flows from operating activities	8,999	18,170	(9,171)	(50%)
Investments in intangible, tangible and financial fixed assets	(15,856)	(8,392)	(7,465)	89%
Cash flows before financing activities	(6,857)	9,778	(16,636)	(170%)
Change in bank loans and borrowings and loans and borrowings from other financial backers	(10,874)	(482)	(10,393)	2158%
Changes in financial receivables due within one year	5,000	(5,000)	10,000	(100%)
Net financial charges	(1,147)	(1,375)	228	(17%)
Change in net equity	(257)	(51)	(206)	405%
Net cash flows	(14,136)	2,871	(17,007)	(592%)

Opening liquid funds	18,834	15,963
Net cash flows	(14,136)	2,871
Closing liquid funds	4,698	18,834

(1) Other receivables and prepayments and accrued income; Other payables and accrued expenses and deferred income, employees' leaving entitlement and other provisions

Financial indicators

The following table summarises certain indicators used to measure the group's performance for the year:

	2024 Consolidated	2023 Energy
ROE — (Return on equity)	(37.0%)	8.6%
ROIC — (Return on invested capital)	(30.6%)	11.6%

ROA — (Return on assets)	(28.3%)	8.8%
ROS — (Return on sales)	(47.6%)	14.0%

All indicators, which are based on the ratio of operating profit to the other parameters, decreased compared to previous years due to the reduction in volumes and profitability.
Below is an explanation of how the indicators are calculated.

ROE (Return on equity)	percentage return on capital pertaining to the shareholders	Net profit (loss) for the year / Own funds
ROIC — (Return on invested capital)	profitability of operations: measures a company's ability to generate profits in transforming inputs into outputs	EBIT / Invested operating capital
ROA — (Return on assets)	a company's ability to obtain profit flows from its operations	EBIT / Total assets
ROS — (Return on sales)	impact of the main factors of production (materials, personnel, amortisation/depreciation and other costs) on turnover	EBIT / Revenues

EBITDA

(thousands of Euros)	**2024 Consolidated**	**2023 Energy**
Net profit (loss) for the year	(17,609)	5,609
Income taxes	(1,252)	1,909
Net financial income	1,147	1,375
EBIT	(17,715)	8,893
EBIT %	(48%)	14%
Amortisation, depreciation and write-downs	1,719	1,225
EBITDA	(15,995)	10,117
EBITDA %	(43%)	16%

EBITDA is calculated as follows: net profit or loss for the year, adjusted by: (i) income taxes, (ii) financial income and charges and (iii) amortisation, depreciation and write-downs and other provisions.

Reconciliation between EBITDA and adjusted EBITDA:

(thousands of Euros)	**2024 Consolidated**
EBITDA	(15,995)
EBITDA %	(43%)
Inventory write-down	10,000
Adjusted EBITDA	(5,996)
Adjusted EBITDA %	(16%)

Main risks and uncertainties

Pursuant to article 2428 of the Italian Civil Code, this section of the directors' report describes the risks, i.e., those events that could potentially produce negative effects on the pursuit of the group's objectives, therefore hindering the creation of value.
Risk identification and management is a strategic factor to protect, maintain and improve a company's value over time.

FINANCIAL RISKS

Credit risk

Credit risk represents a company's exposure to potential risks deriving from counterparty default.
Trade receivables are stated net of the provision for bad debts. Their carrying amount is deemed to be equal to their estimated realisable value. There are no particular risks deriving from the concentration of receivables. New customers acquired in 2024 were found to have a good credit rating. An examination carried out in early 2024 of the overall rating of Energy's trade receivables showed an average level of risk below the national average and below the sector average.

Liquidity risk

Liquidity risk is the possibility that the financial resources available to the group are insufficient to meet its financial and commercial obligations within the agreed terms and deadlines.
The financial structure established by the board of directors with banks and other financial backers has enabled, and is expected to continue to do so for the foreseeable future, the group to regularly meet its financial obligations. As the group's cash flows, as well as the financial resources that could be provided by banks are sufficient to meet ordinary financial requirements, there is no liquidity risk.
In order to stabilise the expected cash flows of an "underlying" represented by the floating cash interest rate on financial payables, the group has taken out derivatives to hedge the interest rates on loans, where appropriate.
Despite significant absorption, the group showed sufficient residual liquidity in 2024 to continue operations.

Currency risk

Currency risk is the overall impact of fluctuations in currencies other than the Euro on financial performance and cash flows, affecting companies that operate on foreign markets.
The group's main aim is to protect its profit margin on sales and purchases against external factors.
This risk is not material given the limited amount of foreign currency sales and purchases. The group closely monitors currency risks in order to promptly implement the appropriate management tools designed to reduce such risk.

OPERATIONAL RISKS

Supplier dependence

The group has long-term technological and production partnerships with selected suppliers with which it has long-standing relationships beneficial to both parties. This strategic choice has given the group a competitive edge on the market in recent years. These de facto alliances naturally expose the Energy Group to a certain level of risk as operations could be negatively impacted if they were to be terminated for any reason, or if critical issues were to arise in the procurement relationships. Though considered unlikely, the group has taken and will continue to take steps to mitigate this risk, both in terms of the supplier portfolio and in the acquisition of expertise and processes that reduce the level of dependency or which would reduce recovery times if necessary.
The group has identified alternative suppliers outside China to ensure continuity of production even in the event of geopolitical issues.

Key management personnel

The group continues to build up its management team, setting up teams and implementing processes to reduce its dependence on its founding members. It had 11 department heads at 31 December 2024.

Macroeconomic scenario

The Eurozone economy showed signs of moderate recovery in 2024. According to the European Central Bank's projections, GDP grew by 0.8%, driven mainly by improved exports, especially of goods, with a further acceleration to 1.2% expected in 2025, supported by the increase in domestic demand. However, overall production remained unchanged from the previous year and is still 3% below 2021 levels.
Business confidence, on the other hand, worsened in all sectors, with the exception of manufacturing, while consumer confidence showed an improvement, driven mainly by assessments of the personal economic situation. In Italy, inflation remained under control, with the harmonised consumer price index showing an increase of 1.7% in both January and February, below the Eurozone average.
In summary, the Eurozone experienced moderate economic growth in 2024, driven by an improvement in exports and an increase in wages, which helped strengthen individual consumption. However, challenges related to industrial production and business confidence persist and require attention if economic recovery is to be considered feasible. Indeed, several elements of uncertainty remain in this respect.

Market risks

The renewables sector and the storage systems sector in particular are still evolving and are subject to the impact of regulations covering both technical aspects and incentives, along with supply and demand trends which are influenced by differing external factors. The strategic importance of storage for EU countries, to increase energy resilience and drive down emissions, means the sector is in the headlights of institutions at various levels. The impact of regulatory changes can be significant and have even short-term effects. Over the years, we saw how the announcement of regulatory changes governing incentives can create a wait-and-see effect, curbing demand before a swift spike. Energy relies on its resilience, diversification and a medium- to long-term strategic plan to overcome these challenges.
Despite a challenging environment, the group adopted mitigation strategies, strengthening its presence in foreign markets, expanding its portfolio of high value-added solutions and developing the C&I segment. The acquisition of Enermore S.r.l. (Energyonsite S.r.l.) and improved operational efficiency helped diversify the business, reducing the impact of these variables on business development.

Geopolitical risks

Global geopolitical tensions continue to affect international trade and supply chains, with particular reference to relations between the EU/US and China, with the latter being the source of most of the group's supplies. Trade restrictions, tariffs or export limitations could affect the availability and cost of strategic components. Although the former USSR bloc is not a significant market for Energy, the group has taken a proactive approach to mitigating Chinese procurement risks by diversifying suppliers and developing solutions that reduce the dependence on specific regions. While having an impact on global transport, the tensions in the Red Sea and the Gulf of Aden have, so far, not significantly affected Energy's logistics and operations.

Cybersecurity risk

The group is exposed to the cybersecurity risk due to the growing use of IT systems and the dissemination of digitalisation processes. This risk could entail data losses, business interruption or privacy breaches.
The group constantly strengthens its IT systems, regularly performs security procedures, provides personnel training and protects its IT infrastructure with ad hoc measures. The group has recently registered with ACN (the Italian national cybersecurity agency), in order to comply with the NIS2 directive, and has taken the main measures necessary for compliance with best practices, pending the final regulations in this area by the agency.

Climate change risk

Although Energy is an enabler of the energy transition to mitigate climate change, it acknowledges the generic risk associated with the impacts of this phenomenon, albeit slight, given the nature of its operations. Also with respect to the “Sustainability” section below (page 21), Energy has both insurance coverage and proactive policies and actions to reduce the impacts of its operations.

Company organisation

Pursuant to the requirements of article 2423-bis of the Italian Civil Code, Energy S.p.A. states that its organisational structure is commensurate with its size and operational complexity. It has implemented effective internal control and risk management systems, ensuring transparent and accountable management and extending them throughout the group. The internal organisation is closely monitored and promptly updated in response to market needs and strategic objectives. The effectiveness of our organisational structure is ensured by the collaboration between the various organisational levels and the clear definition of responsibilities. We reaffirm our commitment to sustainability and growth, ensuring our business management is consistent with the principles of fairness and integrity.

Environmental management

As well as reflecting the size and complexity of a group's operations, the Italian Civil Code requires that the analysis of a group's financial position and performance also contains “to the extent necessary for an understanding of the group's financial position and performance, financial indicators and, if relevant, non-financial indicators on the group's specific operations, including disclosures about the environment and personnel” (article 2428.2).
Consequently, the Italian Civil Code requires the directors to assess whether additional disclosure on the environment would contribute to understanding the group’s financial position and performance.
In light of the foregoing, the board of directors has decided to omit these disclosures, as they are not currently material and therefore do not contribute to an understanding of the group’s financial position and performance. These disclosures will be provided in the event of real, tangible and significant environmental impacts with potential consequences for the group’s financial position and performance.

Personnel

The purpose of these disclosures is to illustrate the relationship between the group and its employees. The *Workforce* section on page 10 provides the main personnel statistics and trends.
The group does not have significant personnel turnover and the workforce is expanding. This growth is supported by the collaboration with specialised agencies. There are currently no trade union representatives in the group and there are no disputes.

With respect to occupational health and safety, no significant injuries took place in the workplace in 2024. The risk assessment document was updated and specific risk assessments were completed in line with the expansion of the group's workforce. The development of the workforce and production is closely monitored from an HSE perspective as well as in technical terms and in relation to roles, responsibilities and internal expertise.

Research and development

The parent’s constant efforts to pre-empt market trends led it to develop larger storage systems using modular elements that can be combined.
This macro-project gave tangible results as early as 2021, enabling the parent to expand its sales offer beyond residential applications. The portfolio was further expanded in 2022, 2023 and 2024 with the introduction of new XL products, medium range products and products for outdoor applications. Today, Energy can handle commercial, industrial, agrivoltaic, utility-scale and grid-scale applications.
In 2024, the group reinforced its commitment to innovation, pursuing 18 development projects, with a focus on new solutions for the storage and distributed energy market. Notable projects include: (1) energy power

management (EPM), a system for optimising the use of inverters and charging stations; and (2) fire detection and extinguishing system, with an innovative aerosol extraction and extinguishing technology for BESS systems.
During the year and in the first two month of 2025, three new patents were filed, including: (a) iGCU (Intelligent-Grid-Coupling-Unit), a smart unit for power management between different grids; (b) fire suppression system for residential batteries, integrated directly into storage modules; c) Shared resource management system for the energy community.
The total investment in R&D in 2024 included the development of advanced solutions for on-grid and off-grid systems, digital platforms for energy optimisation and upgrading existing infrastructure. The group's commitment in this area strengthens its competitive edge, ensuring increasingly efficient and safe products.

Sustainability

In 2023, Energy embarked on a path to incorporate ESG (environment, social and governance) sustainability principles into its business.
Specifically, the parent completed its first materiality assessment, starting with an analysis and assessment of the positive and negative, actual and potential, impacts of its operations — including upstream and downstream — on the economy, people and the environment. The output helped identify the most important sustainability matters for Energy and the UN 2030 Sustainable Development Goals which, in turn, informed the parent’s sustainability plan.
On the one hand, the output helped Energy define its sustainability roadmap for the coming years, prepare its first sustainability report for 2023 on a voluntary basis and prepare an improvement plan. The aim of this document is not only to communicate Energy’s sustainability performance, targets and approach to sustainability matters, but it is also a step towards meeting the requirements of the Corporate Sustainability Reporting Directive (CSRD).
These activities have involved and continue to involve the parent across the board. However, they do not represent the finishing line. Rather, they are a major step on Energy’s path to incorporating ESG matters into its business and, thus, to achieve sustainable success.

Related-party transactions

Energy S.p.A. classified and recognised the newly-acquired Energyonsite S.r.l. as a new related party in 2024. The parent has business relations of buying and selling products and services at market values with such company. In addition, the parent disbursed a shareholder loan to the subsidiary to enable it to purchase an industrial estate. This transaction is excluded from the application of the related party procedure, as there were no “significant interests of other related parties of the company” in the transaction -- article 2 “Exclusions” paragraph 1.(h) “Related-party transactions” of such procedure.
The parent does not hold and has never held, directly or indirectly, own shares or shares or quotas of parents, including through trustees or nominees.
There was one transaction above the materiality threshold in 2024 between the parent and one of its managers. It was approved by the relevant body and subject to the application of the parent’s procedure.

Outlook

Despite the negative impacts of the market situation, the group aims to maintain its share in the residential segment and to strengthen its presence in the commercial & industrial (C&I) sector by leveraging recent acquisitions to develop integrated solutions, including engineering services, maintenance services, after-sales support and advanced software subscriptions. In addition, the group is implementing targeted strategies to enter the utility scale market, a strategic segment for the future of energy storage.
The group's target is to further establish itself as an integrated manufacturer of energy storage systems (ESS), operating in multiple market segments and offering a diverse range of products and services. Specifically, it plans to strengthen its sales department dedicated to the C&I and utility scale markets, making the most of the opportunities offered by European energy policies and the momentum of energy transition. The market features:

- opportunities offered by European and Italian energy policies and the growing momentum of energy transition;
- increased penetration of solar and wind power, thus a greater need for storage solutions to balance intermittent generation;
- forecasts that the global energy demand will grow up to 2050, driven by emerging economies and new energy-intensive sectors (AI, data centres, electric vehicles);
- the electrification of transport, industry and buildings, which will require more BESS to reduce peaks and stabilise the grid;
- increased volatility in energy prices, exacerbated by geopolitical tensions and fluctuations in natural gas prices, which are likely to increase demand for energy storage systems to stabilise costs and ensure the security of supplies.

2025 is shaping up to be the year in which the evolution of the Group's business model will have a significant impact on the results, more so than the external context. This will require careful integration, planning, and management of the key operational and financial factors at hand.

Branches

The group's branches are as follows:

- registered office of Energy S.p.A. and Energyincloud S.r.l. at Piazza Manifattura 1, Rovereto (Trento)
- operating facilities at Via zona industriale 8/10, Sant'Angelo di Piove di Sacco, Padua (new facility since 2022)
- registered office and operating facilities of Energyonsite S.r.l. at Via Gänsbacher 36, Sterzing (Bolzano)

Net loss for the year

On the basis of the information provided, we invite you to approve the consolidated financial statements as at and for the year ended 31 December 2024. The coverage of the loss is deferred to the individual files of the Group companies.

Rovereto, 27 March 2025

On behalf of the board of directors

The chairman, Alessandro Granuzzo

Alessandro Granuzzo

General information

Company information

Name:	ENERGY S.p.A.
Registered office:	PIAZZA MANIFATTURA 1, ROVERETO, TRENTO
Share capital:	616,605.80
Share capital fully paid-up:	yes
Chamber of commerce code:	TN
VAT code:	02284640220
Tax code:	02284640220
REA no.:	213161
Legal form:	COMPANY LIMITED BY SHARES
Main business sector (ATECO):	466920
Company in liquidation:	no
Single-member company:	no
Company managed and coordinated by another party:	no
Name of company or body that manages and coordinates it:	
Company belonging to a group:	yes
Name of parent:	ENERGY S.p.A.
Country of parent:	ITALY
Register of cooperatives number:	

Consolidated financial statements as at and for the year ended 31 December 2024

Balance sheet

	31/12/2024
Assets	
B) Fixed assets	

	31/12/2024
I - Intangible fixed assets	-
1) start-up and capital costs	1,636,434
2) development costs	1,546,865
3) industrial patents and intellectual property rights	676,076
4) concessions, licences, trademarks and similar rights	6,627
5) goodwill	1,015,852
6) assets under development and payments on account	1,790,253
7) other	11,982
Total intangible fixed assets	*6,684,089*
II - Tangible fixed assets	-
1) land and buildings	7,234,920
2) plant and machinery	339,694
3) industrial and commercial equipment	198,934
4) other assets	177,614
5) assets under construction and payments on account	11,940,169
Total tangible fixed assets	*19,891,331*
III - Financial fixed assets	-
1) equity investments	-
b) associates	860,631
d-bis) other companies	540
Total equity investments	*861,171*
2) financial receivables	-
d-bis) from others	2,625
due after one year	2,625
Total financial receivables	*2,625*
Total financial fixed assets	*863,796*
Total fixed assets (B)	*27,439,216*
C) Current assets	
I - Inventory	-
2) work in progress and semi-finished products	15,084
3) contract work in progress	264,317
4) finished goods	24,085,105
5) payments on account	412,576
Total inventory	*24,777,082*
II - Receivables	-
1) trade receivables	6,382,412
due within one year	6,382,412

	31/12/2024
3) from associates	514,917
due within one year	514,917
5-bis) tax receivables	1,564,957
due within one year	1,535,482
due after one year	29,475
5-ter) deferred tax assets	1,427,967
5-quater) from others	195,984
due within one year	77,126
due after one year	118,858
Total receivables	*10,086,237*
III - Current financial assets	-
5) derivatives	32,027
Total current financial assets	*32,027*
IV - Liquid funds	-
1) bank and postal accounts	4,698,334
3) cash-in-hand and cash equivalents	484
Total liquid funds	*4,698,818*
Total current assets (C)	*39,594,164*
D) Prepayments and accrued income	**198,076**
Total assets	*67,231,456*
Liabilities	
A) Net equity	**47,589,405**
I - Share capital	616,606
II - Share premium reserve	27,186,250
IV - Legal reserve	123,000
VI - Other reserves, indicated separately	-
Extraordinary reserve	5,210
Reserve for unrealised exchange rate gains	39,828
Sundry other reserves	25,702
Total other reserves	*70,740*
VII - Hedging reserve	24,340
VIII - Retained earnings	37,158,833
IX - Net loss for the year	(17,609,577)
Total net equity attributable to the group	47,570,192
Net equity attributable to minority interests	-
Share capital and reserves attributable to minority interests	18,894
Net profit attributable to minority interests	319

	31/12/2024
Total net equity attributable to minority interests	*19,213*
Total consolidated net equity	47,589,405
Total net equity	47,570,192
B) Provisions for risks and charges	
1) pension and similar provisions	35
2) tax provision, including deferred tax liabilities	7,686
4) other provisions	23,500
Total provisions for risks and charges	*31,221*
C) Employees' leaving entitlement	**315,541**
D) Payables	
4) bank loans and borrowings	12,791,554
due within one year	5,587,443
due after one year	7,204,121
6) payments on account	831,602
due within one year	831,602
7) trade payables	3,721,434
due within one year	3,721,434
12) tax payables	775,394
due within one year	775,394
13) social security charges payable	226,609
due within one year	226,609
14) other payables	503,844
due within one year	503,844
Total payables	*18,850,437*
E) Accrued expenses and deferred income	**444,852**
Total liabilities	*67,231,456*

Profit and loss account

	2024
A) Production revenues	
1) turnover from sales and services	37,199,939
2) change in work in progress, semi-finished products and finished goods	(145,661)
4) internal work capitalised	1,345,105
5) other revenues and income	-
grants related to income	103,100

	2024
from others	213,276
Total other revenues and income	*316,376*
Total production revenues	*38,715,759*
B) Production cost	
6) raw materials, consumables, supplies and goods	11,215,397
7) services	5,337,996
8) use of third party assets	516,343
9) personnel expenses	-
a) wages and salaries	2,739,999
b) social security contributions	754,552
c) employees’ leaving entitlement	175,151
e) other costs	98,065
Total personnel expenses	*3,767,767*
10) amortisation, depreciation and write-downs	-
a) amortisation of intangible fixed assets	1,475,322
b) depreciation of tangible fixed assets	187,759
d) write-downs of current receivables and liquid funds	56,079
Total amortisation, depreciation and write-downs	*1,719,160*
11) change in raw materials, consumables, supplies and goods	32,853,886
14) other operating costs	1,019,828
Total production cost	*56,430,377*
Operating loss (A-B)	**(17,714,618)**
C) Financial income and charges	
16) other financial income	-
d) other income	-
from others	115,382
Total other income	*115,382*
Total other financial income	*115,382*
17) interest and other financial charges	-
other	1,225,849
Total interest and other financial charges	*1,225,849*
17-bis) Net exchange rate losses	(5,463)
Net financial charges (15+16-17+-17-bis)	*(1,115,930)*
D) Adjustments to financial assets and liabilities	
18) write-backs	-
a) equity investments	(30,956)
Total write-backs	*(30,956)*

	2024
Total adjustments to financial assets and liabilities (18-19)	*(30,956)*
Loss before taxes (A-B+-C+-D)	**(18,861,504)**
20) Income taxes	
current taxes	6,602
taxes relative to prior years	673
changes in deferred taxes	(1,259,521)
Total income taxes	*(1,252,246)*
21) Net loss for the year	**(17,609,258)**
Net loss for the year attributable to the group	**(17,609,577)**
Net profit for the year attributable to minority interests	**319**

Cash flow statement, prepared using the indirect method

	2024
A) Cash flows from operating activities (indirect method)	
Net loss for the year	(17,609,258)
Income taxes	(1,252,246)
Interest expense	1,115,930
1) Loss for the year before income taxes, interest, dividends and gains/losses on sale of assets	*(17,745,574)*
Non-monetary adjustments that did not affect net working capital	
Accruals to provisions	175,151
Amortisation and depreciation	1,663,081
Other net increases due to non-monetary items	9,988,839
Total non-monetary adjustments that did not affect net working capital	*11,827,071*
2) Cash flows before changes in net working capital	*(5,918,503)*
Changes in net working capital	
Decrease/(increase) in inventory	21,644,220
Decrease/(increase) in trade receivables	(1,737,295)
Increase/(decrease) in trade payables	(5,314,162)
Decrease/(increase) in prepayments and accrued income	(94,239)
Increase/(decrease) in accrued expenses and deferred income	(208,883)
Other decreases/(other increases) in net working capital	(1,922,601)

	2024
Total changes in net working capital	*12,367,040*
3) Cash flows after changes in net working capital	*6,448,537*
Other adjustments	
Interest paid	(1,115,930)
Income taxes paid	1,865,561
Use of provisions	(43,867)
Total other adjustments	705,764
Cash flows from operating activities (A)	***7,154,301***
B) Cash flows from investing activities	
Tangible fixed assets	
Investments	(10,783,909)
Disposals	7,009
Intangible fixed assets	
Investments	(2,367,049)
Financial fixed assets	
Investments	(2,494,435)
Disposals	224,610
Cash flows used in investing activities (B)	***(15,413,774)***
C) Cash flows from financing activities	
Third-party funds	
Increase (decrease) in short-term bank borrowings	(5,069,256)
Repayments of loans	(5,805,093)
Own funds	
Proceeds from issue of share capital against consideration	(1,687)
Changes in financial receivables due within one year	5,000,000
Cash flows used in financing activities (C)	***(5,876,036)***
Decrease in liquid funds (A ± B ± C)	***(14,135,509)***
Opening liquid funds	
Bank and postal accounts	18,833,709
Cash-in-hand and cash equivalents	618
Total opening liquid funds	18,834,327
Closing liquid funds	
Bank and postal accounts	4,698,334
Cash-in-hand and cash equivalents	484
Total closing liquid funds	4,698,818
Reconciliation differences	

Information on the cash flow statement

The net loss for the year amounts to €17.6 million and reflects the significant write-down of inventory (approximately €10 million) which was recognised at year end. This write-down was necessary in order to fairly present closing inventory against a scenario characterised by a general reduction in sales prices. Indeed, the decrease in cash flows from operating activities to €7.15 million is due to the reduction in sales margins.
However, 2024 was a year of significant investments for the group in order to continue the steps necessary to pursue the transformation goals under the relevant strategic plan.
From a financial point of view, the group was involved in numerous projects that absorbed significant cash flows. Indeed, liquid funds decreased by more than €14.3 million on the previous year end balance recognised by Energy.
As seen in the above table, total capital expenditure amounted to over €15.4 million, broken down into investments in tangible fixed assets (€10.7 million), intangible fixed assets (€2.3 million) and financial fixed assets (€2.4 million).
Capital expenditure was largely covered by the cash flows generated by operating activities (€12.3 million).
The reduction in bank loans and borrowings was another factor that led to the decrease in liquid funds. The combined reduction of short-term payables and the repayment of loan instalments amounted to more than €10.8 million.

Notes to the consolidated financial statements

Consolidated financial statements as at and for the year ended 31 December 2024

Introduction

The consolidated financial statements consist of the balance sheet, the profit and loss account, the cash flow statement and the notes thereto, prepared in accordance with the criteria set out in current legislation and in compliance with the Italian accounting standards. These consolidated financial statements, of which these notes form an integral part, are the group’s first set of annual consolidated financial statements and are consistent with the duly-kept accounting records of the parent and its subsidiaries, adjusted by the eliminations inherent in the consolidation process, as well as the entries outlined later in these notes.
They are clearly stated and give a true and fair view of the group’s financial position, financial performance and cash flows in accordance with Legislative decree no. 127/91. Where necessary, they provide the additional information required by article 29.3 of said decree.

The cash flow statement, prepared in compliance with OIC 10, shows the group's cash flows, net of those relating to intragroup positions.
In addition to the basis of consolidation, these notes also describe the accounting policies used to prepare the consolidated financial statements in accordance with the ruling Italian Civil Code provisions. The following is also provided: a list of the consolidated and non-consolidated companies and a reconciliation between the net equity of the parent as per the financial statements and net equity as per the consolidated financial statements.
The consolidated financial statements are also accompanied by a directors' report which provides an overview of the group's financial position and performance.

The group

At the reporting date, the consolidation scope included the parent Energy S.p.A. and the following companies:

- EnergyOnSite S.r.l.: 90% controlled, with registered office in Sterzing (Bolzano), specialised in the consultancy, design and control of the installation and maintenance of large storage systems;
- EnergyInCloud S.r.l.: 86.5% controlled, with registered office in Rovereto (Trento), a start-up developing IoT software applications;
- Enerimmo S.r.l.: a wholly-owned subsidiary of EnergyOnSite S.r.l., based in Sterzing (Bolzano), currently being wound up, that was set up for the purpose of carrying out a real estate transaction.

Energy S.p.A. also holds a 30% interest in Pylon LiFeEU S.r.l., with registered office in Sant'Angelo di Piove di Sacco (Padua).

	Investor	Role	Type of control	% of direct control / % of voting powers	% consolidation
ENERGY S.p.A.		Holding			
EnergyInCloud S.r.l.	ENERGY S.p.A.	Subsidiary	Direct	86.50	86.50
EnergyOnSite S.r.l.	ENERGY S.p.A.	Subsidiary	Direct	90.00	90.00
ENERIMMO S.r.l.	ENERMORE S.r.l.	Subsidiary	Indirect	100.00	90.00
PYLON LIFEEU S.r.l.	ENERGY S.p.A.	Associate	Direct	30.00	

All group companies at the reporting date were included in the consolidation scope.

	Investor	Registered office	Quota capital	Currency	Reason for exclusion
Companies consolidated on a line-by-line basis:					
Directly-controlled:					
EnergyInCloud S.r.l.	ENERGY S.p.A.	PIAZZA MANIFATTURA 1 ROVERETO (TRENTO)	10,000	Euro	
EnergyOnSite S.r.l.	ENERGY S.p.A.	VIA GAENSBACHER 36 STERZING (BOLZANO)	20,000	Euro	
Indirectly-controlled:					

	Investor	Registered office	Quota capital	Currency	Reason for exclusion
ENERIMMO S.r.l.	ENERMORE S.r.l.	VIA GAENSBACHER 36 STERZING (BOLZANO)	20,000	Euro	
Companies excluded from consolidation and measured using the equity method:					
Directly-controlled:					
PYLON LIFEEU S.r.l.	ENERGY S.p.A.	VIA ZONA INDUSTRIALE 14 SANT'ANGELO DI PIOVE DI S (PADUA)	10,000	Euro	No control

The financial statements of all companies included in the consolidation scope are expressed in Euros.
With respect to the group structure, the acquisition of 90% of Energyonsite S.r.l. was completed on 7 June 2024. Therefore, Energyonsite was consolidated using the balance sheet figures as at 31 December, while the figures covering the period between the acquisition date and the reporting date were considered for the profit and loss account.
Furthermore, the investment in Energyincloud S.r.l. acquired in 2023 had not been consolidated at 31 December 2023 as it was immaterial for the purposes of giving a true and fair view of the group's financial position, financial performance and cash flows. However, it was consolidated in 2024 in order to give a full presentation of the group's financial performance. It is also specified that on November 11, 2024, an additional 13.5% stake in the company EnergyInCloud S.r.l. was acquired, bringing the subsidiary's total ownership to 86.5%.

Basis of presentation

The information provided in these notes is presented in the same order as the related captions in the balance sheet and the profit and loss account.
With respect to that set out in the introduction hereto, in accordance with article 2423.3 of the Italian Civil Code, when the information required by specific legal provisions is not sufficient to give a true and fair view of the group’s financial position, financial performance and cash flows, the group has provided additional information.
In preparing the consolidated financial statements, the financial statements of the companies belonging to the group at 31 December 2024, as prepared by their respective boards of directors, were used.
The financial statements used to draw up the consolidated financial statements were all prepared using the same accounting policies as those used by the parent in its own financial statements.
The structure and content of the balance sheet, profit and loss account and cash flow statement are those that apply for the financial statements of consolidated companies as the conditions set out in article 32.1.2 of Legislative decree no. 127/91 do not apply.
Both the consolidated financial statements and these notes are presented in Euros.

Basis of preparation

Pursuant to article 2423.2 of the Italian Civil Code, these consolidated financial statements are clearly stated and give a true and fair view of the group’s financial position, financial performance and cash flows.
The following general principles were observed in the preparation of these consolidated financial statements:

- the captions were measured in accordance with the principle of prudence. The group measured the individual assets and liabilities separately, in order to avoid offsetting profits on certain items against losses on other items. Accordingly, it recognised profits only if realised before the reporting date, whereas it considered risks and losses on an accruals basis, even when they became known after the reporting date. Moreover, no items that could be recognised under more than one caption are included in the individual captions;

- captions were recognised and presented considering substance over form. The group checked the correctness of the recognition or derecognition of assets, liabilities, revenues and costs based on a comparison of the accounting standards and the contractual rights and obligations of the transactions;
- the group recognised income and expense pertaining to the year regardless of when they are collected or paid. They were, therefore, recognised in the profit and loss account on an accruals basis in order to be included in the net profit or loss for the year. Costs and revenues for the year are recognised on a matching basis;
- the materiality of the captions was assessed considering the consolidated financial statements as a whole and both qualitative and quantitative factors;
- the consolidated financial statements were prepared in order to be comparable over time. Accordingly, for each balance sheet and profit and loss account caption, the corresponding prior year figures were presented, except in exceptional cases where one or more captions were not comparable or could not be reclassified. Where necessary, the latter were adjusted for comparative purposes and the related effects are disclosed in the notes, if material.

Structure and content of the consolidated financial statements

The structure of the balance sheet and profit and loss account is as follows:

- the balance sheet and profit and loss account comply with the provisions of articles 2423-ter, 2424 and 2425 of the Italian Civil Code;
- the balance sheet and profit and loss account captions are recognised in accordance with the provisions of articles 2424-bis and 2425-bis of the Italian Civil Code.

The cash flow statement is prepared in compliance with article 2425-ter of the Italian Civil Code and pursuant to the provisions of OIC 10 “Cash flow statement”.

These notes are prepared in compliance with articles 2427 and 2427-bis and other provisions of the Italian Civil Code, as well as pursuant to other specific legislation. They include all additional disclosures deemed necessary to give a true and fair view of the group’s financial position, financial performance and cash flows, even when not required by specific legal provisions.
Pursuant to the provisions of article 2423-ter.6 of the Italian Civil Code, it is hereby noted that no legally-permitted offsetting of items has taken place.
As this is the group’s first set of consolidated financial statements, the column for the prior year figures has not been included in the financial schedules. However, the prior year figures of the parent have been included in these notes for comparative purposes in order to provide more complete information on the events of the year.

Exceptional events pursuant to article 2423.5 of the Italian Civil Code

There were no exceptional events which would have led the group to apply the departures permitted by article 2423.4/5 of the Italian Civil Code.

Changes in accounting policies

There were no exceptional events which would have led the group to apply the departures to change the accounting policies as per article 2423-bis.2 of the Italian Civil Code.

Comparability and reclassification

This is the group’s first set of consolidated financial statements, therefore the column for the prior year figures has not been included in the financial schedules.

Accounting policies

The criteria applied to measure and adjust the financial statements captions comply with the provisions of the Italian Civil Code and the accounting standards issued by the OIC.
Pursuant to article 2427.1.1 of the Italian Civil Code, the most important accounting policies adopted pursuant to the provisions of article 2426 of the Italian Civil Code are described below, particularly as relates to those financial statements captions for which the legislator envisages various measurement and adjustment criteria or for which there are no specific criteria.
Foreign currency amounts are translated into Euro at the spot exchange rate ruling on the date of their recognition, or the closing rate in line with the provisions of OIC 26.

Intangible fixed assets

Intangible fixed assets are recognised at acquisition and/or development cost and are amortised on a straight-line basis in line with their income-generating potential.
They are shown net of accumulated amortisation and write-downs.
Amortisation is recognised based on the following schedule which is deemed to correctly allocate the cost incurred over the relevant asset's income-generating potential:

	Period
Start-up and capital costs	5 years
Development costs	5 years
Industrial patents and intellectual property rights	3 years
Concessions, licences, trademarks and similar rights	from 5 to 10 years

The assets or costs are amortised on a straight-line basis each year in line with their residual income-generating potential.
Pursuant to article 10 of Law no. 72 of 19 March 1983 and as reiterated in subsequent monetary revaluation laws, it is hereby noted that the recognised intangible fixed assets have never undergone monetary revaluation.
These assets have not been written down pursuant to article 2426.1.3 of the Italian Civil Code as there are no indications of impairment losses under OIC 9.

Start-up and capital costs

Start-up and capital costs are recognised with the consent of the board of statutory auditors, as they are deferred in nature. They are amortised over not more than five years.

Development costs

Development costs are recognised with the consent of the board of statutory auditors as, based on a prudent judgement, they satisfy the characteristics required by OIC 24: they are recoverable and relate to specific development projects that are feasible and for which the group has the required resources. Moreover, they relate to a clearly defined, identifiable and measurable product or process. As their income-generating potential can be reliably estimated, development costs are amortised over the related period.

Other

Other intangible fixed assets are recognised at acquisition cost including the related transaction costs. They are amortised to the extent legally or contractually permitted.

Goodwill

Goodwill was recognised under balance sheet assets with the approval of the board of statutory auditors since it was acquired against consideration and has been amortised, within the 20-year limit set out in OIC 24, over its useful life in accordance with article 2426.1.6 of the Italian Civil Code.

Assets under development and payments on account

Assets under development recognised under caption B.I.6 are initially recognised when the initial costs to develop the asset are incurred and they include the related internal and external costs. These costs remain in this caption until the project is complete and are not subject to amortisation before then.

Tangible fixed assets

Tangible fixed assets are recognised upon transfer of the risks and benefits related to the purchased asset. They are recognised at purchase cost, including any directly-related charges incurred up to when the asset is available for use and to the extent of their recoverable amount. Tangible fixed assets are recognised net of accumulated depreciation and write-downs.
The carrying amount of these assets, which are grouped by category and year of purchase, is allocated over the years in which they are expected to be used. This takes place through the systematic recognition in the profit and loss account of the related depreciation based on depreciation schedules established when the asset is available and ready for use and reflecting its estimated residual useful life. The schedules are checked annually and are based on the asset's gross carrying amount and assuming a zero recoverable amount at the end of the process.

Depreciation of tangible fixed assets, which have a finite useful life, is charged based on the following schedule:

	Rate (%)
Land	0%
Buildings	3%
Plant and machinery	15%
Industrial and commercial equipment	15%
Transport vehicles	20%
Ordinary office furniture and equipment	12%
Electronic office equipment	20%

Such rates are halved in the first year in which the asset is purchased, resulting in depreciation that does not differ significantly from that calculated from the time the asset is available for use.
The depreciation rates are unchanged from those of the previous year.
Pursuant to article 10 of Law no. 72 of 19 March 1983 and as reiterated in subsequent monetary revaluation laws, it is hereby noted that the recognised tangible fixed assets have never undergone monetary revaluation.
They have not been written down pursuant to article 2426.1.3 of the Italian Civil Code as there are no indications of impairment losses under OIC 9.

Land and buildings

In line with previous years, the carrying amount of the land on which the building stands has not been separated as the property owned is in a condominium building and the share attributable to it is not significant.
The group has recognised the land underlying its buildings separately. Land is not depreciated given its indefinite useful life.

Assets under construction and payments on account

Assets under construction recognised under caption B.I.5 are initially recognised when the initial costs to construct the asset are incurred and they include the related internal and external costs. These costs remain in this caption until the project is complete and are not subject to depreciation before then.

Financial fixed assets

Financial receivables

Financial receivables are recognised at amortised cost, as defined by article 2426.2 of the Italian Civil Code, considering the time value of money and their estimated realisable value, pursuant to the provisions of article 2426.1.8 of the Italian Civil Code.
When the application of the amortised cost method and/or discounting of the financial receivables is irrelevant, they are recognised at their estimated realisable value in order to give a true and fair view of the group's financial position, financial performance and cash flows. This is the case, for instance, of receivables due within one year or, with respect to the amortised cost method, when the transaction costs, commissions and any other difference between the original and settlement amounts at the due date are insignificant or, in case of discounting, when the interest rate based on contractual terms does not differ significantly from the market interest rate.

Inventory

Assets classified as inventory are initially recognised upon transfer of the risks and benefits related to the purchased asset. Inventory is initially measured at purchase or production cost and subsequently measured at the lower of cost and estimated realisable value based on market trends.
Purchase cost is the actual cost paid upon purchase including related charges. The purchase cost of materials includes their price, transport costs, customs and other duties and other directly attributable costs. Returns, discounts, allowances and premiums are offset against costs.
The group has adopted the weighted average cost model.

Contract work in progress

Contract work in progress is measured using the completed contract method, defined as follows:

- production cost;
- allocation of profit to the contract when the works are completed.

This method has been adopted as it is based on actual figures as required by the principle of prudence.

Current receivables

Receivables are rights to receive fixed or determinable amounts of cash or its equivalent, or assets/services having an equivalent value, from customers or other third parties at identified or identifiable due dates. Receivables arising from the sale of goods and supply of services are recognised in accordance with the requirements set out in the note to revenues. The amortised cost method is not applied when its effects are irrelevant, which is usually the case for current receivables or when transaction costs, commissions paid between the parties and any other difference between the original and recoverable amounts at the due date are insignificant.
In this case, receivables are initially recognised at their nominal amount, net of bonuses, discounts and allowances contractually provided for or, in any case, granted. They are subsequently measured at their nominal amount plus interest calculated at the nominal interest rate, reduced by principal and interest collected and net

of estimated write-downs and expected credit losses recognised to adjust their carrying amount to their estimated realisable value.
Cash discounts and allowances that were not included in the calculation of the estimated realisable value, as they could not be determined when the receivable was originally recognised, are recognised upon receipt as financial charges.
The group recognises these receivables at their estimated realisable value by writing down their carrying amount through the provision for bad debts, taking into consideration impairment indicators. The group considers specific indicators based on past trends and any other useful information about a probable impairment. The write-downs are estimated on an individual basis for significant receivables and collectively for the others, by calculating the expected impairment losses at the reporting date. The write-downs recognised in the provision for bad debts for receivables covered by guarantees consider the effects of enforcing the guarantees. In the case of insured receivables, write-downs are only limited to the portion not covered by the insurance policy, if compensation is reasonably certain.

Current financial assets

A derivative is a financial instrument or other contract with all three of the following characteristics:
- its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the underlying);
- it requires no initial net investment or an initial net investment that is smaller than that required for other types of contracts that would be expected to have a similar response to changes in market factors;
- it will be settled at a future date.

The group recognises a derivative when it becomes party to its contractual provisions, i.e., when it signs the contract and is, therefore, subject to its rights and obligations. It recognises derivatives, including embedded derivatives, at fair value.
At each reporting date, the group measures derivatives at fair value and presents them in the specific balance sheet captions as current or fixed (in the case of hedges of fixed assets or liabilities due after one year) assets, if their fair value is positive or under provisions for risks and charges, if their fair value is negative. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The group measures the fair value of unlisted derivatives using adequate valuation techniques and the assumptions, parameters and fair value hierarchy levels required by the relevant OIC.

Hedge accounting

A derivative qualifies for hedge accounting if all of the following criteria are met:
- the hedging relationship consists only of eligible hedging instruments and eligible hedged items;
- at the inception of the hedging relationship there is formal designation and documentation of the hedging relationship and the entity’s risk management objective and hedging strategy;
- the hedging relationship meets the qualitative and quantitative hedge effectiveness requirements.

Therefore, if the group uses derivatives as hedges from a management perspective but the hedging relationship does not fully meet hedge accounting requirements, it recognises them based on the general treatment described earlier.
The hedge effectiveness is documented at initial recognition and also on an ongoing basis. At each reporting date, the group assesses whether the hedging relationship is still effective.
If all the requirements mentioned above are met, hedging relationships may be accounted for using the following models.
When hedging relationships only relate to derivatives with characteristics very similar to those of the hedged item and the derivative has been entered into at market conditions (for example, forwards or swaps with a fair value approximating nil) at initial recognition, the group applies the treatment applicable to simple hedges described below, if:

- the hedging relationship consists only of eligible hedging instruments and eligible hedged items;
- at the inception of the hedging relationship there is formal designation and documentation of the hedging relationship and the entity's risk management objective and hedging strategy;
- the main elements of the hedging instrument and hedged item (nominal amount, settlement date of cash flows, due date and underlying variable) match or nearly match and the counterparty's credit risk does not significantly affect the fair value of the hedging instruments and hedged item.

At each reporting date, the group checks that the effectiveness requirements described above are still met, including the credit risk of the counterparty to the hedging instrument and hedged item, which may trigger the discontinuation of the hedging relationship if it becomes significant.
The fair value gains or losses on both the hedging instrument and hedged item are fully recognised in the specific profit and loss account captions and the group is not required to calculate the difference to be taken to the profit and loss account captions relating to the hedged item.
The fair value gains or losses on the hedging instrument are fully recognised in the specific net equity reserve and the group is not required to calculate the ineffective portion of the hedge to be taken to the profit and loss account. The same accounting treatments described above are applied to reclassify the amount accumulated in net equity.
The disclosures required by article 2427-bis.1 of the Italian Civil Code on the fair value of derivatives and those required by OIC 32 are provided in a specific section of these notes.

Liquid funds

Liquid funds are measured using the following criteria:

- cash, at nominal amount;
- bank deposits and cheques, at their estimated realisable value, which coincides with their nominal amount.

Prepayments and accrued income, accrued expenses and deferred income

Accrued income and expenses are respectively portions of income and expenses pertaining to the year but that will be collected/paid in subsequent years.
Prepayments and deferred income are respectively portions of expenses and income collected/paid during the year or in previous years but pertaining to one or more subsequent years.
Accordingly, these captions comprise only portions of expenses and income relating to two or more years, whose amount varies on a time or economic accruals basis.
At each year end, the group analyses the conditions underlying their initial recognition and makes any necessary adjustments. Specifically, the balance of accrued income varies not only over time, but also based on its expected realisable value, whereas that of prepayments is based on the existence of future economic benefits matching the deferred costs.

Net equity

Transactions between the parent and its owners (acting as owners) may result in receivables/payables from/to them. The group recognises a receivable when its owners take on an obligation and a payable when it takes on an obligation to them.
Capital injections with no repayment obligation are recognised under the relevant net equity caption, while shareholder loans with a repayment obligation are recognised under payables.

Provisions for risks and charges

Provisions for risks and charges are recognised to cover specific liabilities that are certain or probable, but whose amount or due date is unknown at the reporting date. Specifically, provisions for risks relate to specific liabilities whose occurrence is probable and amount estimated, while provisions for charges relate to specific liabilities, whose occurrence is certain and amount or due date estimated, that arise from obligations already taken on at the reporting date but which will be paid in subsequent years.
Provisions are recognised on an accruals basis for amounts that are expected to be paid or goods and services that will be supplied at the time the obligation is satisfied.
Accruals to provisions for risks and charges are primarily recognised in the profit and loss account section to which the transaction relates, privileging the classification of costs by nature. The amount of the accruals to the provisions is based on the best estimate of costs, including the legal expenses, at the reporting date.
Moreover, in estimating accruals to provisions for charges, the group may consider the related time horizon, if a reasonable estimate of the amount required to settle the obligation and its due date is possible and the latter is so far into the future that the obligation's present value and estimated liability will be considerably different at that settlement date.
The provisions for risks and charges recognised in previous periods are reviewed to check their appropriate measurement at the reporting date.
The provisions are subsequently used directly and solely for those costs and liabilities for which they were originally set up. If they are not sufficient or are redundant, the shortfall or surplus is recognised in the profit and loss account in line with the original accrual.

Employees' leaving entitlement

The Italian employees' leaving entitlement (TFR) is the benefit to which employees are entitled in any case of termination of employment pursuant to article 2120 of the Italian Civil Code and considering the changes in legislation introduced by Law no. 296/2006. It is a remuneration cost whose nature is certain and is recognised on an accruals basis each year. The overall accrued benefit considers any type of continuous remuneration and is net of any payments on account and partial advances paid by virtue of national or individual labour contracts or company agreements which are not required to be repaid. It is net of any portions transferred to supplementary pension funds or the treasury fund managed by INPS (the Italian social security institution).
The related liability is the amount that the group would have paid had all employees left at the reporting date.
The amount due to employees who had already left the group at the reporting date but that will be paid in the following year is reclassified to payables.
The Italian employees' leaving entitlement (TFR) is measured pursuant to article 2120 of the Italian Civil Code, taking into account the provisions of the law and the characteristics of the contracts and professional categories, and it includes the annual portions vested and the revaluations made on the basis of ISTAT (the Italian national institute of statistics) coefficients.
TFR is recognised net of any advances and the amounts paid to outgoing employees during the year. It corresponds to the amount due to employees at the reporting date.

Payables

Payables are specific and certain liabilities that are obligations to pay fixed or determinable sums of cash or its equivalent to financial backers, suppliers or other parties. They are classified to the various liability captions depending on their nature (or origin) in line with the group's ordinary activities and regardless of their due date.
Payables arising from the purchase of goods and supply of services are recognised in accordance with the requirements set out in the section on costs. Loans and borrowings and payables unrelated to the procurement of goods and services are recognised when the group has a legal or contractual obligation vis-a-vis the counterparty. Payables for advances from customers are recognised when the right to collect the advance arises.
Payables are recognised at amortised cost, considering the time value of money.

The amortised cost method is not applied when its effects are irrelevant, which is usually the case for current payables or when transaction costs, commissions paid between the parties and any other difference between the original and settlement amounts at the due date are insignificant.

Foreign currency transactions, assets and liabilities

Assets and liabilities generated by foreign currency transactions are initially recognised in Euros, applying the transaction-date spot rate between the Euro and foreign currency to the foreign currency amount.
Foreign currency monetary items, including the provisions for risks and charges related to foreign currency liabilities, are translated using the closing rates. Any resulting gains or losses are taken to the profit and loss account. Non-monetary foreign currency assets and liabilities are maintained in the balance sheet at the transaction-date exchange rate. Consequently, any exchange rate gains or losses are not recognised separately.
Any unrealised net exchange rate gain on foreign currency monetary items forms part of the net profit or loss for the year and, when the financial statements and consequent allocation or coverage of the net profit or loss for the year are approved, it is recognised in an undistributable reserve. Should the net profit for the year be smaller than the unrealised net exchange rate gain, the amount recognised in the undistributable reserve is equal to the net profit for the year.

Accrued expenses and deferred income

Revenues from the sale of products and goods or the provision of services attributable to the group's core business are stated net of returns, allowances, discounts and premiums, as well as taxes directly related to the sale of goods or provision of services, in compliance with the accruals and prudence concepts.
Revenues from the sale of goods are recognised when the production process for the goods has been completed and the exchange has already taken place i.e., upon the substantial rather than formal transfer of title, with the transfer of risks and benefits being the key parameter. Revenues from the provision of services are recognised once the services have been provided, i.e., when they have been carried out.
Production cost is stated net of returns, allowances, discounts and premiums. Costs incurred for the procurement of goods are recognised when the production process for the goods has been completed, upon the substantial transfer of title, with the transfer of risks and benefits being the key parameter. Costs for services are recognised once the services have been delivered, i.e., when they have been carried out.
Revenues and income, costs and charges relating to foreign currency transactions are translated using the spot exchange rate ruling on the date of the relevant transaction.
Gains and losses from repurchase agreements, including those arising from the difference between the spot and forward prices, are recognised on an accruals basis.
Grants related to income accruing either by law or contractual provisions are recognised on an accruals basis when the group is certain that it is entitled thereto.

Turnover from sales and services

Revenues are recognised on an accruals basis, net of returns, allowances, discounts and premiums, as well as directly-related taxes.
Revenues from the sale of goods are recognised upon the substantial rather than formal transfer of title, with the transfer of risks and benefits being the key parameter for the substantial transfer.
Revenues from the provision of services are recognised once the services have been provided, i.e., when they have been carried out. In the case of ongoing services, revenues are recognised on an accruals basis.
As of 1 January 2024, the new accounting standard OIC 34 came into force, which governs the criteria for recognising and measuring revenues and the disclosure to be made in the notes to the financial statements. OIC 34 does not apply to the group's sales with legally-required warranties as they are marginal sales compared to the total annual turnover.

Internal work capitalised

Internal work capitalised is recognised at production cost including the direct costs (materials and direct labour, design costs, external supplies, etc.) and the reasonably attributable portion of production overheads incurred from development up to when the asset is available for use. It also includes any borrowing costs related to production calculated using the same criteria.

Other revenues and income

Grants related to income are recognised on an accruals basis in caption A5 when the group is certain that it is entitled thereto, as they are supplementary to revenues from core business and/or decrease costs and charges related to core business.

Income taxes

Current income taxes are calculated on the basis of a realistic forecast of the taxable profit under the relevant tax legislation, applying the enacted tax rates at the reporting date. The related tax payable is stated in the balance sheet, net of payments on account, withholding taxes and tax receivables which may be offset and have not been claimed for reimbursement. A tax receivable is recognised for payments on account, withholdings and receivables exceeding the taxes payable. Tax receivables and payables are measured at amortised cost, except when they are due within one year.
Deferred tax assets and liabilities are calculated on the accumulated amount of all temporary differences between the carrying amounts of assets and liabilities and their tax base that will reverse in subsequent periods. Deferred tax assets and liabilities are recognised when the temporary differences arise and are calculated at the tax rates that will be applicable in the period in which the temporary differences reverse, if they have already been established at the reporting date, otherwise at the enacted tax rates at the reporting date.
Income taxes are recognised based on taxable income calculated pursuant to the effective rates; they reflect both the current and deferred tax charges.
The current tax charge is calculated by applying:
- for profit taxable for IRES (corporate income tax) purposes, the ordinary rate of 24%;
- for profit taxable for IRAP (local tax on production) purposes, the rate of 3.90% to the portion of profit related to the Veneto Region and 2.68% to that related to the Trento Autonomous Province.

Deferred tax assets and liabilities deriving from temporary differences between the carrying amount and tax base of assets and liabilities are calculated using the method set out in OIC 25, applying the rate of 24% for IRES and 3.29% for IRAP.

Use of estimates

The preparation of financial statements requires management to make estimates that affect the carrying amount of assets and liabilities and the related disclosures. Actual results may differ. Estimates are revised regularly and the effect of any changes, if not due to errors, is recognised in the profit and loss account when the estimates are changed, if they affect just one period, and also in the following periods, if they affect both the current and subsequent periods.

Repurchase agreements

Pursuant to article 2427.6-ter of the Italian Civil Code, the group states that it has not entered into any repurchase agreements during the year.

Notes to balance sheet assets

Changes in the individual financial statements captions are analysed below, where required by current legislation.

Fixed assets

Intangible fixed assets

Changes of the year in intangible fixed assets are shown below:

Balance at 31/12/2024	6,684,089
Balance at 31/12/2023	4,772,425
Change	**1,911,664**

Changes in intangible fixed assets

Intangible fixed assets amount to €5,691,785, net of the amortisation of the year of €1,371,378.
The changes of the year are shown in the following table, with the amounts relating to the consolidation of the subsidary companies.

	Historical cost	Accumulated amortisation	Opening balance	Acquisitions	Reclassification	Net Subsidiary companies	Amortisation	Closing balance
Start-up and capital costs	3,139,597	894,835	2,244,762	10,000		14,345	627,919	1,636,434
Development costs	2,690,775	1,519,981	1,170,794	733,326	(182,140)	369,866	544,981	1,546,865
Industrial patents and intellectual property rights	165,294	137,258	28,036	186,049	631,599	3,609	173,217	676,076
Concessions, licences, trademarks and similar rights	9,116	5,058	4,058			4,127	1,558	6,627
Goodwill	-	-	-	1,022,901		107,146	114,195	1,015,852
Assets under development and payments on account	1,242,958		1,242,958	993,764	449,459	2,990	-	1,790,253
Other	179,011	97,194	81,817	9,200	(76,312)	5,974	8,697	11,982
Total	**7,426,751**	**2,654,326**	**4,772,425**	**2,955,241**	**(76,312)**	**508,057**	**1,475,322**	**6,684,089**

Analysis of deferred charges

Start-up and capital costs

The following table breaks down start-up and capital costs, showing the changes of the year. The reasons for their recognition and the respective amortisation criteria are set out above.

	Breakdown	31/12/2024	31/12/2023	Change
Start-up and capital costs				
	Corporate costs	28,938	-	28,938
	Listing costs	3,139,597	3,139,597	-
	Accumulated amortisation - corporate costs	(9,346)	-	(9,346)
	Accumulated amortisation - start-up and capital costs	(1,522,755)	(894,835)	(627,920)
	Total	**1,636,434**	**2,244,762**	**(608,328)**

Listing costs are those incurred by the parent in 2022 for consulting services received and the charges incurred to list its shares on the Euronext Growth Milan market.
Start-up and capital costs are those incurred to prepare the 2024-2030 business and strategic plan for the purpose of making financial forecasts for foreseeable future developments, as well as other deferred charges incurred by group companies in connection with extraordinary transactions.

Development costs

The following table breaks down the development costs, showing the changes of the year. The reasons for their recognition and the respective amortisation criteria are set out above.

	Breakdown	31/12/2024	31/12/2023	Change
Development costs				
	Development costs	3,742,483	2,690,775	1,051,708
	Accumulated amortisation — development costs	(2,195,618)	(1,519,981)	(675,637)
	Total	**1,546,865**	**1,170,794**	**376,071**

Development costs relate to previous development projects and new projects related to the residential segment and XL systems for the commercial and industrial segment.
Development costs were capitalised as they comply with the following provisions of OIC 24:
- they relate to a clearly defined product or process and are identifiable and measurable, i.e., they are directly related to the product, process or project for which they incurred;
- they relate to a technically feasible project for which the group has the required resources;
- they are recoverable, i.e., the group expects that the revenues from the project will be adequate to cover the costs incurred.

As they satisfy the requirements, the Group was involved in 18 development projects, some of which are still ongoing. The group capitalised development costs of €1,486,419 during the year in relation to:
- XL ESS development projects;
- developing the cloud platform and applying artificial intelligence to after-sales processes;
- Design of fire protection systems for residential and XL applications;
- Development of a new platform for small-scale hybrid inverters.

Industrial patents and intellectual property rights

This caption includes the costs incurred for industrial patents, software licences and for the purchase and development of proprietary software.
It increased by a total of €821.257 during the year.
On 1 January 2024, the group successfully completed the implementation of the new ERP system, which required a total investment of over €448 thousand. The implementation of the new management system - limited to the parent and Energyincloud in the initial phase - will give the group precise control over operating flows along with greater reliability and traceability of information. Due to the complexity of the project, the implementation and configuration stages of the system began in 2023. 2024 saw the completion of wave 1 of the implementation and the roll-out of wave 2 for additional non-core developments.
In 2024, the group also focused its efforts on developing IT solutions to be applied in the energy storage sector. Thanks to these efforts, the parent filed a new patent application in 2024 for an innovative system for managing shared resources in an energy community. In addition, in early 2025, Energy filed two more patent applications as a result of the research carried out in the previous year.

Goodwill

Goodwill relates to the goodwill arising from consolidation of the investments in Energyonsite and Energyincloud. Such goodwill was calculated as the difference between the costs incurred to acquire the investments and the portions of net equity acquired. According to the board of directors, this difference reflects the increased future ability of the acquirees to generate value for the entire group. Pursuant to OIC 17, this amount has been recognised under goodwill and is amortised over 10 years. Specifically, the goodwill arising from the elimination of the investment in Energyonsite amounted to €919,348, while that regarding Energyincloud amounted to €103,554.

Concessions, licences, trademarks and similar rights

This caption includes the costs incurred to acquire trademarks against payment, the cost of which is amortised on a straight-line basis. The change in this caption is fully attributable to ordinary amortisation.

Assets under development and payments on account

The planned investments into the group's development continued in 2024 along with the launch of multiple additional projects.
A total of €993,764 was invested. The main projects were:

- implementing the new cloud platform: €389,673;
- implementing the group's new ERP system: €264,679 (reclassified together with the costs incurred in 2023 under intellectual property rights following its roll-out);
- implementing artificial intelligence in the proprietary platform: €121,938;
- project Battery Department Step 1: €100,516;
- developing the ZeroCO2 project: €45,038;
- designing and developing XL containers: 39,120.

During the financial year, projects totaling 449,459 euros were successfully completed.At the reporting date, all these investments (totalling €1,787,263) were still underway and are therefore presented in this caption.

Other

The decrease in "Other" is due to the classification of the costs incurred to upgrade the spaces and offices in the head office in Sant'Angelo di Piove di Sacco (Padua) under intangible fixed assets. On 7 February 2024, the parent exercised its purchase option under the rent-to-buy contract for the Sant'Angelo di Piove di Sacco (PD) building.

Tangible fixed assets

Changes in tangible fixed assets

Changes of the year in tangible fixed assets are shown below:

Balance at 31/12/2024	19,891,331
Balance at 31/12/2023	7,293,557
Change	**12,597,774**

The changes of the year are shown in the following table:

	Historical cost	Accumulated depreciation	Opening balance	Acquisitions	Sales	Reclassifications	Net Subsidiary companies	depreciation	Closing balance
Land and buildings	1,631,597	-	1,631,597	3,791,133		76,312	1,823,172	87,294	7,234,920
Plant and machinery	87,861	18,858	69,003	12,678		279,962	4,278	26,224	339,694
Industrial and commercial equipment	255,602	69,253	186,349	25,720				37,373	198,934
Other assets	147,406	65,091	82,315	58,542	7,009		80,644	36,878	177,614
Assets under construction and payments on account	5,324,293	-	5,324,293	6,895,837		(279,962)		-	11,940,169
Total	**7,446,759**	**153,202**	**7,293,557**	**10,783,907**	**7,009**	**76,312**	**1,932,332**	**187,759**	**19,891,331**

Land and buildings

Land and buildings include the purchase cost of the properties owned by the group, located in Sant'Angelo di Piove di Sacco (Padua) and Sterzing (Bolzano).
With regard to the property in Sant'Angelo di Piove di Sacco, the opening carrying amount is the value of the land on which the new 11,400 square metre warehouse is being built, which will house the Gigafactory.
The over €4 million increase in 2024 is due to the purchase cost of the building which was previously held under a rent-to-buy contract. Indeed, on 7 February 2024, the parent purchased the building complex located at Via Zona Industriale in Sant'Angelo di Piove di Sacco with a surface area of 4,694 square metres and consisting of four separate blocks used as a production laboratory, warehouse and offices.
Through Energyonsite, the group also owns a building plot in Sterzing of a total of 4,524 square metres on which such company's new headquarters will be built.

Plant and machinery

This caption includes the new roller conveyor (and accessories) used for the assembly of the metal cabinets and the XL systems, including dedicated lifting systems.
The increase in 2024 is due to the completion of two photovoltaic systems built at Sant'Angelo di Piove di Sacco, which became up and running in the first half of the year. These systems, which required an investment of nearly €280 thousand, will enable the group to significantly reduce the amount of electricity purchased in order to run ageing operations as well as offset part of other consumption.

Industrial and commercial equipment

This caption includes the equipment used in the production process (net book value of €78,968), as well as the new shelving installed at the Sant'Angelo di Piove di Sacco facility (net book value of €119,966).

Other assets

Other assets comprise the costs incurred for the purchase of office equipment, lifting transport vehicles, other vehicles and furniture and fittings. The increase of the year relates mainly to the purchase of additional furniture and computers.

Assets under construction and payments on account

At the reporting date, new investments of almost €6.9 million were recorded under tangible fixed assets and €280 thousand was reclassified to plant for assets that became operational during the year. The closing balance of assets under construction is therefore €11.9 million.
The caption includes the investment projects started by the group which will continue over the next few months. The main project in terms of the amount involved is for the construction of the new industrial facility to be used to produce batteries for storage systems. The caption thus includes the amounts paid up to 31 December 2024 to build the new operating building next to the parent's facility in Sant'Angelo di Piove di Sacco (€8,698,044).
The board of directors expects that the construction of the new production site can be completed by 2025 and 2026 so that the production lines for batteries for renewable energy storage systems can then be installed. The Gigafactory is expected to be fully completed by 2028, although some of the production lines could be operational in early 2026.
In November 2024, the parent was notified that it will receive a €7.1 million grant for its investment in the new production facility. The parent expects to receive the grant from 2025 to 2028. It will be disbursed as per progress reports in the form of the "Renewables and Batteries" strategic supply chain development contract provided for in the NRRP.
In addition, the parent was involved in the following projects during the year:

- the photovoltaic system installed on the new warehouse under construction (€768,460).
- battery production plants (€185,182);
- the ageing system (€84,428).

The decrease in this caption refers to the completion of the two photovoltaic systems, which were consequently reclassified to plant and machinery.

Finance leases

The following table sets out the information required by the legislator in order to represent, albeit in a non-accounting manner, the implications arising from the difference in accounting compared to the financial method, in which the lessee recognises the leased asset as a fixed asset and calculates the relevant accumulated depreciation on that asset, while at the same time recognising the liability for the principal portion of the lease payments. In this case, the interest and depreciation of the year are recognised in the profit and loss account.

	Amount
Total amount of assets under finance lease at the reporting date	143,727
Depreciation of the year	27,633
Present value of instalments not due at the reporting date	113,508
Financial charges for the year based on the effective interest rate	7,826

Financial fixed assets

Changes in financial fixed assets

Changes of the year in financial fixed assets are shown below:

Balance at 31/12/2024	863,796
Balance at 31/12/2023	1,180,212
Change	**(316,416)**

	Opening balance	Acquisitions	Disposals	Reclassifications	Closing balance
Subsidiaries	46,803	1,359,701	-	(1,406,504)	-
Associates	860,631	-	-	-	860,631
Other companies	-	540	-	-	540
Financial receivables from others	272,778	-	(270,153)	-	2,625
Total	**1,180,212**	**1,360,241**	**(270.153)**	**(1,406,504)**	**863,796**

Equity investments

The initial value observed under the 'Subsidiary companies' item relates to the investment held in 2023 by Energy in the company EnergyInCloud, which, as previously explained in the introductory part of this note, was not included in the consolidation area. The increases are as follows:

- 1,294,300 euros for the purchase by Energy of the stake in EnergyOnSite (named Enermore S.r.l. at the closing date);
- 44,227 euros for the partial waiver by Energy of the repayment of a shareholder loan previously made;
- 21,174 euros for the purchase of an additional 20% stake by Energy in the company EnergyInCloud.

Both controlling stakes in EnergyInCloud and EnergyOnSite were eliminated with the portion of net equity held by the group, with the difference being recorded as a positive difference allocated to goodwill.
Under 'associates,' the value of the 30% stake in the company Pylon LiFeEU S.r.l. (C.F. 05546060285) is recorded, a joint venture with Pylon Technologies Europe Holding B.V., which holds 70% of the share capital.

Financial receivables

This caption comprises guarantee deposits for utilities.
A complete evaluation and analysis of the changes in these fixed assets is provided in the attachments to these notes.

Financial fixed assets with a carrying amount greater than their fair value

The carrying amount of financial fixed assets does not exceed their fair value.

Current assets

Current assets, under section C of the balance sheet assets, are comprised of the following sub-sections:

- I - Inventory;
- II - Receivables;
- III - Current financial assets;
- IV - Liquid funds.

"The amount of Current Assets as of December 31, 2024, is € 39,594,164. For comparison, the value of current assets reported in the parent company Energy's financial statements for the year ended December 31, 2023, was € 87,263,536. Therefore, a decrease of € 47,669,372 is noted.
Below are the details (valuation criteria, movements, etc.) related to each of these subclasses and the items they comprise.

Inventory

Inventory comprises goods held for sale measured at the lower of their purchase cost and estimated realisable value.
This basis of measurement has been applied consistently with previous reporting periods.
Returns, discounts, allowances and premiums are offset against costs.
Inventory is measured using the weighted average cost method.
The following table shows changes in inventory during the year:

	Opening balance	Change	Closing balance
Work in progress and semi-finished products	-	15,084	15,084
Contract work in progress	-	264,317	264,317
Finished goods	56,324,000	(32,238,895)	24,085,105
Payments on account	86,141	326,435	412,576
Total	**56,410,141**	**(31,633,059)**	**24,777,082**

The board of directors carried out a careful assessment and analysis of items held in stock at the reporting date. Specifically, the analyses focused on determining both the turnover rate of the individual items sold and in stock at the reporting date, and on determining the difference, if any, between the recognised cost and the estimated realisable value. The board's analysis was also based on the forecast price trends for the products.
This showed the need to supplement the existing provision for the possible risk of difficulties in selling certain inventory items in future years.
As shown below, this extraordinary adjustment had a material impact on the 2024 profit and loss account.

	Opening balance	2024 release	2024 accrual	Closing balance
Provision for inventory write-down	(575,126)	10,934	(9,999,774)	(10,563,966)
Total	*(575,126)*	*10,934*	*(9,999,774)*	*(10,563,966)*

€10,934 of the opening balance of the provision for inventory write-down was released (€575,126) following the sale of goods previously subject to write-down to third parties. The €9,999,774 increase, on the other hand, is the write-down carried out based on the analysis conducted by the board of directors.
The balance shown in caption C.I.4 is net of the related provision for inventory write-down.
The accrual to the provision is recognised under caption B) 11 - Change in raw materials, consumables, supplies and goods in the profit and loss account.

Current receivables

At the reporting date, sub-section C.II Receivables of balance sheet assets includes the following captions:
1) trade receivables
3) from associates
5-bis) tax receivables
5-ter) deferred tax assets
5-quater) from others
Receivables are classified in current assets based on their purpose in the group's ordinary operations.
Pursuant to article 2426.1.8 of the Italian Civil Code, receivables are recognised at amortised cost, considering the time value of money and their estimated realisable value.
Amortised cost is the amount at which a receivable is measured at initial recognition net of principal repayments, increased or decreased by accumulated amortisation/depreciation using the effective interest method on any difference between the opening balance and at the due date and less any impairment loss or non-recoverability.

Changes in current receivables

The following table sets out the changes in receivables:

	Opening balance	Subsidiary Companies	Change	Reclass.	Closing balance
Trade receivables	4,645,117	725,540	1,011,755	-	6,382,412
From subsidiaries	184,140	178,00	-	(362,140)	1,112
From associates	-	514,917	-	-	514,917
Toward Parent Company	-	(8,906)	-	(8,906)	-
Tax receivables	1,795,925	534,307	(765,275)	-	,564,957
Deferred tax assets	156,952	82,707	1,188,308	-	1,427,967
From others	5,143,996	8,838	(4,956,805)	-	195,984
Total	**11,926,130**	**1,538,298**	**(3,007,145)**	**(371,046)**	**13,534,596**

Trade receivables

The group has not measured trade receivables at amortised cost, nor has it discounted them, as they are all due within one year.
Accordingly, the trade receivables in caption C.II.1) are recognised at their estimated realisable value, which corresponds to the difference between their nominal amount and the provision for bad debts.
An accrual of €52,283 was made to the provision for bad debts during the year due to the uncertain collectability of a receivable held from Energyonsite.

Receivables from associates

This caption includes €500,917 in trade receivables from the temporary joint venture under Austrian law between Energy and the Austrian company Königskreuz GmbH. This joint venture won a major tender in Austria for the supply of electrical energy storage systems and related services to the country's motorway operator ASFINAG, with the goal of extending the network infrastructure for alternative mobility.
The caption also includes €14,000 due from Pylon LiFe EU S.r.l. for services rendered by the parent.

Tax receivables

These receivables are recognised at nominal amount, which coincides with estimated realisable value and equal €1,564,957.
This caption may be analysed as follows:

Tax receivables	Closing balance
IRES	895,209
Tax credit for research, development and innovation activities	152,796
VAT	422,583
IRAP	34,807
Other	59,562
Total	*1,564,957*

Of this item, €29,475 can be used for offsetting purposes after one year. This amount is the portion of the tax credit for investments in research and development, ecological transition, 4.0 technological innovation and other innovative activities that can be used in 2026.

Deferred tax assets

Pursuant to OIC 25, caption C.II 5-ter of balance sheet assets includes deferred tax assets of €1,427,967.
€1,295,279 of this amount refers to deferred tax assets related to the tax loss incurred by the parent which is reasonably certain to be recovered based on forecast taxable income for 2025-2027. These deferred tax assets were recognised on the basis of the business plan drawn up by the board of directors, which anticipates that the parent will generate a net profit as soon as 2025.
Additional deferred tax assets of €81,390 were recognised by Energyonsite in connection with the tax losses incurred in 2024 (€68,842), as well as a provision for bad debts accrued during the year (€12,548).
The section on "Income taxes, current and deferred" provides a breakdown of deferred tax assets.

From others

This caption mainly includes advances to suppliers (€67,982) and advances to employees (€113,358). The latter are due to be collected after 2025.

Breakdown of current receivables by due date and geographical segment

Current receivables are analysed by due date and geographical segment in the following table:

	Trade receivables	From associates	Tax receivables	Deferred tax assets	Other receivables	Total
Italy	5,059,477	14,000	1,564,957	1,427,967	195,984	8,262,385
Other EU countries	586,661	500,917				1,087,578
Rest of the world	736,274					736,274
Total	**6,382,412**	**514,917**	**1,564,957**	**1,427,967**	**195,984**	**10,086,237**

Current financial assets

Change in current financial assets

Changes in current financial assets are shown in the following table:

	Closing balance
Derivatives	32,027
Total	*32,027*

At 31 December 2024, asset caption C.III.5 included the mark-to-market value (€32,027) of two derivatives hedging the interest rate on bank loans. A net equity reserve, the "Hedging reserve" (sub-category A.VII) of €24,340 was recognised as a balancing item, along with an accrual to deferred tax liabilities of €7,686.

Liquid funds

The following table shows changes in liquid funds during the year:

	Opening balance	Changes of the year	Closing balance
Bank and postal accounts	18,833,709	(14,135,375)	4,698,334
Cash-in-hand and cash equivalents	618	(134)	484
Total	*18,834,327*	*(14,135,509)*	*4,698,818*

Liquid funds decreased significantly in 2024, mainly due to cash flows used for the investments made during the year and described in detail in the notes to fixed assets.
For a more in-depth analysis of cash outflows, reference should be made to the note to the cash flow statement.

Prepayments and accrued income

The changes in prepayments and accrued income are shown in the following table:

	Opening balance	Changes of the year	Closing balance
Prepayments	103,837	94,239	198,076

	Opening balance	Changes of the year	Closing balance
Total prepayments and accrued income	**103,837**	**94,239**	**198,076**

Prepayments include the portions of the following types of costs accruing in the future:

- software licences and IT platforms: €74,273;
- lease downpayments related to two cars: €34,045;
- trade fairs to be held in 2025: €28,760;
- insurance premiums: €24,256.

The portion of prepayments accruing after 2025 amounts to €23,351.

Capitalised financial charges

As all interest and other financial charges are fully expensed, no financial charges were capitalised for the purposes of article 38.1.g) of Legislative decree no. 127/1991.

Notes to liabilities and net equity

Net equity is the difference between balance sheet assets and liabilities. Net equity captions are recognised in the liabilities under section A "Net equity", as follows:
I – Share capital
II – Share premium reserve
III – Revaluation reserves
IV – Legal reserve
V – Statutory reserves
VI - Other reserves, indicated separately
VIII – Hedging reserve
VIII – Retained earnings/(losses carried forward)
IX – Net profit (loss) for the year
X – Reserve for own shares

Net equity

Changes in net equity captions

The following tables show:

- changes in individual net equity items, also including portions attributable to minority interests;
- a reconciliation between the net equity and net loss of the parent and the consolidated net equity and net loss.

	Opening balance	Transfer	Dividends paid	Other changes - Increase	Other changes - Decrease	Net loss for the year	Closing balance
Share capital	614,919			1,687			616,606
Share premium reserve	27,186,250						27,186,250
Legal reserve	122,750	250					123,000

	Opening balance	Transfer	Dividends paid	Other changes - Increase	Other changes - Decrease	Net loss for the year	Closing balance
Extraordinary reserve	5,210						5,210
Reserve for unrealised exchange rate gains				39,828			39,828
Sundry other reserves	(3)			25,705			25,702
Hedging reserve	70,633			19,447	(65,740)		24,340
Retained earnings	31,846,719	5,608,950			(296,836)		37,158,833
Net profit/(loss) for the year	5,609,200	(5,609,200)				(17,609,577)	(17,609,577)
Total net equity attributable to the group	*65,455,678*			*86,667*	*(362,576)*	*(17,609,577)*	*47,570,192*
Share capital and reserves attributable to minority interests				18,894			18,894
Net profit for the year attributable to minority interests						319	319
Total net equity attributable to minority interests				*18,894*		*319*	*19,213*
Total net equity	***65,455,678***			***105,561***	***(362,576)***	***(17,609,258)***	***47,589,405***

On 10 May 2024, the parent issued 168,654 ordinary shares after as many options were vested and exercised by the beneficiaries of the stock option plan approved by the shareholders at their meeting held on 17 June 2022. At the same meeting, the directors were given the power to increase the share capital in one or more tranches up to a maximum of €15,000, via the issue of a maximum of 1,500,000 ordinary shares, at a unit subscription price of €0.01. The purpose of this share capital increase is to service the share-based payment plan which provides for a share subscription deadline of 31 December 2026.
On 21 May 2024, the board of directors also cancelled 3,792,000 price adjustment shares 2023 (PAS second tranche), without adjusting the number of ordinary shares or the amount of share capital.

Share premium reserve

The share premium reserve arose following the listing, which entailed the issue of 11,375,000 new ordinary shares at a placement price of €2.40, with the allocation of €2.39 to the share premium reserve and the remainder as a capital increase.

The following table shows the reconciliation between the net equity and net loss of the parent and the consolidated net equity and net loss:

	Net equity at 31 December 2024
Net equity and net loss of the parent	**48,297,105**
Elimination of the carrying amount of the consolidated equity investments	
Difference between the carrying amount and the proportionate amount of the net equity allocated to assets and liabilities	
Consolidated net equity	
Elimination of the carrying amount of equity investments	
Net profit (loss) of investees	
Goodwill arising on consolidation	
Dividends/write-downs/write-backs	
Consolidated net equity and net loss	**47,589,405**
Net profit for the year attributable to minority interests	19,213
Net equity and net loss for the year attributable to the group	**47,570,192**

Net equity captions are analysed in the following tables, specifying their origin, possible use and distributability, and their use in the last three years.

	Type of reserve	Possible use	Available portion	Distributable portion	Non-distributable portion
Share capital					
Initial contribution	Equity-related	B	10,000	-	10,000
Capital increase of 17 June 2022	Income-related	B	490,000	-	490,000
Listing on EGM market on 1 August 2022	Equity-related	B	113,750	-	113,750
Stock option conversion on 19 April 2023	Equity-related	B	1,169	-	1,169
Stock option conversion on 10 May 2024	Equity-related	B	1,687	-	1,687
Total			*616,606*	-	*616,606*

	Type of reserve	Possible use	Available portion	Distributable portion	Non-distributable portion
Share premium reserve					
	Equity-related	A;B;C	27,186,250	27,186,250	-
Total			*27,186,250*	*27,186,250*	-
Legal reserve					
	Income-related	B	123,000	-	123,000
Total			*123,000*	-	*123,000*
Extraordinary reserve					
	Income-related	A;B;C	5,210	5,210	-
Reserve for unrealized foreign exchange gains					
	Equity-related	E	39,828		39,828
Total			39,828		39,828
Total			*5,210*	*5,210*	-
Sundry other reserves					
	Equity-related	A;B;C	25,702	-	25,702
Total			*25,702*	-	*25,702*
Hedging reserve					
	Income-related	A;B	24,340	-	24,340
Total			*24,340*	-	*24,340*
Retained earnings					
	Income-related	A;B;C	37,158,833	37,158,833	-
Total			*37,158,833*	*37,158,833*	-
KEY: A: share capital increase; B: to cover losses; C: dividend distributions; D: for other by-law requirements; E: other					

Change in the hedging reserve

Pursuant to article 2427-bis.1b-quater of the Italian Civil Code, the following table shows the changes in the hedging reserves in the year.

	Opening balance	Changes — Increase due to changes in fair value	Changes — Decrease due to changes in fair value	Closing balance
Hedging reserve	70,633	19,447	65,740	24,340

At the reporting date, the parent recognised the derivative at its fair value of €24,340 under caption "C.III - Current financial assets" and a balancing entry in the Hedging reserve (sub-category A.VII).
The reserve will be released to the profit and loss account to the extent and when the cash flows of the underlying arise or are modified (or when the underlying transaction takes place).
The net equity reserves deriving from the fair value measurement of the derivatives used to hedge
the cash flows expected from another financial instrument or forecast transaction are not included in the net equity calculation for the purposes referred to in articles 2412, 2433, 2442, 2446 and 2447 of the Italian Civil Code and, if positive, are not available and cannot be used to cover losses.

Provisions for risks and charges

The following table sets out the changes in provisions for risks and charges:

	Opening balance	Increases	Decreases	Closing balance
Pension and similar provisions	-	35	-	35
Tax provision, including deferred tax liabilities	22,305	(14,619)	-	7,686
Other provisions	-	23,500	-	23,500
Total	**22,305**	**8,916**	**-**	**31,221**

Tax provision, including deferred tax liabilities

This caption includes the deferred tax liabilities calculated on the mark-to-market value of the hedging derivatives recognised in the balance sheet assets. The rate used to calculate deferred taxation is the 24% IRES rate established by the tax legislation in force at the reporting date.

Other provisions

Due to the agreements entered into with certain key managers, the parent accrued €23,500 as an estimate of the costs expected to be incurred for bonuses to be paid out should the 2024 results be achieved.

Employees' leaving entitlement

The severance pay provision represents the actual debt accrued towards employees in accordance with the law and the current employment contract, pursuant to Article 2120 of the Civil Code. It constitutes a certain labor cost recorded in each period on an accrual basis.
According to Law No. 296 of December 27, 2006 (Financial Law 2007), severance pay (TFR) accrued from January 1, 2007, at the employee's choice, was allocated to supplementary pension schemes or retained by the company, which periodically transfers the TFR portions to the Treasury Fund managed by INPS.
The following are highlighted:

- In Class C of liabilities, the amounts retained within the Group companies, net of the substitute tax on the revaluation of TFR, for 315,541 euros;

- In items D.13/D.14 of liabilities, the debts related to the amounts not yet paid as of December 31, 2024. The amounts paid to the aforementioned funds have not been revalued, as the revaluation is the responsibility of the pension funds.

The corresponding provision is recorded in the income statement under sub-item B.9 c) for 175,151 euros and refers to the amounts accrued up to December 31, 2024.
Therefore, the severance pay liability corresponds to the total of the individual indemnities accrued in favor of employees at the closing date of the financial statements, net of advances paid, and represents what would have been owed to employees in the event of termination of the employment relationship on that date.
The following schedule provides a detailed breakdown of the movements in the severance pay during the period covered by this financial statement.

	Opening balance	Opening Balance Subsidiary companies	Accruals	Utilisations	Closing balance
EMPLOYEES' LEAVING ENTITLEMENT	196,263	41,569	175,151	(97, 442)	315,541
Total	**196,263**	**41,569**	**175,151**	**(97,442)**	**315,541**

Payables

The changes in payables are summarised in the following table:

Balance at 31/12/2024	18,850,437
Balance at 31/12/2023	34,285,586
Change	**(15,435,149)**

Changes in payables

Changes in payables are summarised in the following table:

	Opening balance	Change	Closing balance	Amount due within 31.12.2025	Amount due after 31.12.25
Bank loans and borrowings	23,665,903	(10,874,349)	12,791,554	6,250,138	6,541,416
Payments on account	88,229	743,373	831,602	831,602	-
Trade payables	9,778,969	(6,057,553)	3,721,434	3,721,434	-
Debts towards subsidiary companies	1,795	(1,795)	-	-	-
"Debts towards associated companies"	1,908	(1,908)	-	-	-
Tax payables	162,079	613, 315	775,394	775,394	-
Social security charges payable	143,953	82,656	226,609	266,609	-
Other payables	442,750	61,094	503,84	503,844	-
Total	**34,285,586**	**(15,435,149)**	**18,850,437**	**12,309,21**	**6,541,416**

Bank loans and borrowings

Bank loans and borrowings are analysed in the following table:

	Short-term Debts	Debt for bank receipts (s.b.f.)	Short-term loans	Long-term loans	Total
4) bank loans and borrowings	7,585	475,381	683,335	11,625,233	12,971,554

Bank loans and borrowings due within one year are measured at their nominal amount as the impact of the application of amortised cost is immaterial to measurement at nominal amount.
The parent repaid medium- to long-term bank loans of €5.8 million in 2024.
Lastly, bank loans and borrowings due after one year were not measured at amortised cost as the effective interest rate is not significantly different to the market interest rate.
There are no payables due after 31 December 2029.
All the bank loans have variable rates. To contain the risk linked to an increase in interest rates, the parent had agreed two derivative contracts which are detailed in the relevant section of these notes.
Following the financing received from Sparkasse in 2023, the company has committed to complying with financial covenants for the entire duration of the loans. Specifically, the first covenant relates to a loan of €2.4 million (original amount) and requires Energy to comply with the following two indicators::
NFP/EBITDA ≤ 5.0x
NFP/PN ≤ 3.0x
The second covenant is related to a €4 million loan (original amount) and a revolving credit facility (RCF), and requires Energy to comply with the following two indicators:
NFP/EBITDA ≤ 3.0x
NFP/PN ≤ 1.0x
The results achieved in 2024 show that these covenants were not met. As a result, the parent requested and obtained a waiver from the bank which allows the residual payable to be recognised in accordance with the contractual due dates.

Payments on account

Payments on account are recognised at their nominal amount of €831,602 in caption D.6) of the liabilities.
The group has not measured payments on account at amortised cost nor has it discounted them, as they all relate to payables that will be settled within one year and the effects of the application of amortised cost would be immaterial.
The caption includes payments on account received from customers for the supply of goods and installation of plant.

Trade payables

Trade payables are recognised at their nominal amount of €3,721,434 in caption D.7) Trade payables of the liabilities.
The group has not measured trade payables at amortised cost nor has it discounted them, as all recognised trade payables are due within one year and the effects of the application of amortised cost would be immaterial.

Tax payables

The group's tax payables came to €775,394 at the reporting date.
The most important items making up the tax payables are:

- VAT (€503,789);
- withholding taxes related to employees (€231,353);
- withholding taxes related to self-employed workers (€17,728).

Social security charges payable

Social security charges payable are recognised at their nominal amount of €226,609 in caption D.13) of the liabilities.
The group has not measured social security charges payable at amortised cost nor has it discounted them, as they all relate to payables due within one year and the effects of the application of amortised cost would be immaterial.
The most important items making up the social security charges payable are:
- contributions on the December remuneration and the thirteenth month salary to be paid to INPS: €160,772;
- payables to INAIL (the Italian national institute for insurance against accidents at work): €6,308;
- payables to various social security institutions: €15,341.

Other payables

Other payables are analysed in the following table:

Breakdown	31/12/2024
Other payables	
Directors' fees	38,598
Wages and salaries	289,037
Due to personnel for deferred charges	126,668
Other	49,541
Total	**503,844**

Payables by geographical segment

Payables are analysed by geographical segment in the following table:

	Bank loans and borrowings	Payments on account	Trade payables	Tax payables	Social security charges payable	Other payables	Total payables
Italy	12,791,554	831,602	2,046,156	775,394	226,609	503,844	17,175,159
Other EU countries	-		231,466	-	-		231,466
Rest of the world	-		1,443,812	-	-		1,443,812
Total	**12,791,554**	**831,602**	**3,721,434**	**775,394**	**226,609**	**503,844**	**18,850,437**

Payables secured by collateral on group assets

Pursuant to article 38.1.e) of Legislative decree no. 127/1991, it is noted that there are no group liabilities secured by collateral.

Accrued expenses and deferred income

Accrued expenses and deferred income are broken down in the following table:

Breakdown	31/12/2024
ACCRUED EXPENSES AND DEFERRED INCOME	

Breakdown	31/12/2024
Accrued expenses	127,114
Deferred income	317,738
Total	**444,852**

Deferred income includes the future accrual of the SME listing bonus for the consultancy costs incurred to list the parent's shares on the EGM market. This came to €258,333 at the reporting date.
The following table provides a breakdown of accrued expenses and deferred income due within and after one year, as well as after five years:

	Amount due within one year	Amount due after one year	Amount due after five years
Accrued expenses	127,114		
Deferred income	142,243	173,350	2,145
Total	**269,357**	**173,350**	**2,145**

Profit and loss account

The profit and loss account shows the net profit or loss for the year.
It provides an overview of operations, collating the positive and negative income items that make up the net profit or loss for the year. These positive and negative income items are recognised pursuant to article 2425-bis of the Italian Civil Code and are grouped according to whether they relate to core business, non-core business or financial activities.
The core business includes revenues and costs generated by recurring transactions in the group's main operating sector, related to its specific operations and business object.
Financial activities comprise the transactions that generate financial income and charges.
Lastly, the non-core business is comprised of transactions that generate income as part of ordinary operations but which do not form part of the core business or financial activities.

Production revenues

This section of the notes covers the captions of the profit and loss account for 2024 in the format established by the XBRL taxonomy and in compliance with the provisions of article 2427 of the Italian Civil Code.
Although not expressly provided for by the Italian Civil Code, the distinction between core and non-core business has been maintained pursuant to OIC 12. This enables, exclusively on the revenues side, to distinguish those items that should be classified under caption A.1) "Turnover from sales and services" from those in caption A.5) "Other revenues and income".
Internal work capitalised is recognised at production cost including the direct costs (materials and direct labour, design costs, external supplies, etc.) and the reasonably attributable portion of production overheads incurred from development up to when the asset is available for use. It also includes any borrowing costs related to production calculated using the same criteria.
Caption A.5 also includes grants related to income disbursed by various bodies, for instance, non-repayable grants and sundry tax credits and the portion pertaining to the year of grants related to assets received in relation to the investments made.

	2024
A1) Turnover from sales and services	37,199,939

	2024
2) Change in work in progress, semi-finished products and finished goods	(145,661)
4) Internal work capitalised	1,345,105
5) Other revenues and income – Grants related to income	103,100
5) Other revenues and income – Other revenues	213,276
Total production revenues	**38,715,759**

Turnover from sales and services

"2024 was a year characterized by a significant slowdown in the demand for energy storage systems, which had a notable impact on the volume of sales revenue generated by the company.
The primary cause of such a substantial and sudden slowdown is linked to the decrease in available liquidity among end users, caused by the suspension of the ability to transfer credits generated by building bonuses. This regulatory change occurred within a context of high interest rates and inflation, which amplified its impact on the demand for energy storage systems.
The company's main market is Italy (65%), which has decreased compared to the previous period as a result of the management's strategy to expand the company's presence in new international markets. The share of revenue from European Union member countries has indeed increased (34% compared to 23% in the previous year). The markets that saw the greatest growth in 2024 were Austria, Germany, and Sweden."

Internal work capitalised

The internal work capitalised in 2024 came to €1,345,105, mainly due to group investments in the following projects:

1. the development of technology for large-scale storage systems;
2. the development of management systems for own-brand charging stations;
3. the development of a new ticketing system for customer service;
4. the development of the layout and configuration of the new battery assembly line.

Other revenues

Other revenues and income include:

- the portion pertaining to the year of the grant for the consultancy costs incurred in relation to the listing of the parent's shares on a regulated market (€100,000);
- damages received for lost products (€79,289);
- reimbursements for transport costs in Italy and abroad (€110,097).

Breakdown of turnover from sales and services

Turnover from sales and services is analysed by geographical segment in the following table:

	Turnover from sales and services
Italy	23,432,324

	Turnover from sales and services
EU	11,821,432
Other European countries	860,551
Rest of the world	1,085,632
Total	**37,199,939**

Demand for storage systems contracted sharply in 2024, which had a significant impact on the sales revenues generated by the group.
The main reason for such a major and sudden decrease was the reduction in liquidity available to end users due to the revocation of the tax credit transfer mechanism for construction bonuses. This took place against a backdrop of high interest rates and high inflation which magnified the impact on demand for storage systems.
The group's main outlet is the Italian market (63%), down on the previous year as a consequence of management's strategy to expand the group's presence in new international markets. Indeed, the share of turnover in EU member states is on the rise (32% compared to 23% recorded by the parent in 2023). The markets with the highest growth in 2024 were Austria, Germany and Sweden.

Production cost

The costs and charges in section B of the profit and loss account, classified by nature, are shown net of returns, trade discounts, allowances and premiums, while discounts of a financial nature are stated in caption C.16, as financial income.
Costs for raw materials, consumables, supplies and goods include related purchase costs (transport, insurance, loading and unloading, etc.) if the supplier has included them in the purchase price of the materials and goods. Otherwise, they are recognised under services (caption B.7).
Non-rechargeable VAT has been included in the purchase cost of goods. Captions B.6, B.7 and B.8 include not only costs of a known amount as shown by the invoices received from suppliers, but also those of an estimated amount which have not yet been documented and for which accruals have been made.
As the classification of costs “by nature” must prevail, accruals to the provisions for risks and charges are recognised under the core business captions to which the transaction relates, other than captions B.12 and B.13. Net of returns, commercial discounts and allowances, the production cost for 2024 totals €54,430,377.

Below are the tables for captions B.6) Raw materials, consumables, supplies and goods, B.7) Services, B.8) Use of third party assets, B.9) Personnel expenses, B.10) Amortisation, depreciation and write-downs, B.11) Change in raw materials, consumables, supplies and goods and B.14) Other operating costs, showing details of the costs for 2024.

	2024
B.6) Raw materials, consumables, supplies and goods	11,215,397
B.7) Services	5,337,996
8) Use of third party assets	516,343
9) Personnel expenses	3,767,767
10) Amortisation, depreciation and write-downs	1,719,160
B.11) Change in raw materials, consumables, supplies and goods	32,853,886
B.14) Other operating costs	1,019,828
Total production cost	**56,430,377**

Raw materials, consumables, supplies and goods

Costs for raw materials amounted to €11,215,397. The main costs which make up this caption are as follows:

- purchase of goods for resale: €9,774,096;
- purchase of raw materials: €904,767;
- ancillary charges on purchases: €381,369.

Services

Costs for services amounted to €5,337,996. The main costs which make up this caption are as follows:

- third-party consultancy costs: €1,689,516;
- corporate bodies' fees: €1,319,285;
- transport costs on purchases and sales: €624,195;
- advertising and trade fair costs: €451,359;
- insurance premiums: €227,224.

Amortisation, depreciation and write-downs

This caption came to €1,719,160, mainly related to the significant investments made to develop group products, as well as investments in tangible and intangible fixed assets from 2023 onwards. In addition, a significant portion relates to the listing costs incurred by the parent (€3,139,597) which are included in caption B.I.1, intangible fixed assets, and as such are amortised on a straight-line basis.

10) Amortisation, depreciation and write-downs	2024
Intangible fixed assets	1,475,322
Tangible fixed assets	187,759
Write-down of current receivables	56,079
Total	**1,719,160**

Change in raw materials, consumables, supplies and goods

The change in inventory was strongly influenced by management's strategy of reducing stocks. Indeed, management began a major destocking operation in 2024 to dispose of many items in stock. This was due, on the one hand, to the decision to free up financial resources to be invested in operating assets and, on the other, to the need to contain the decrease in value caused by technological obsolescence.

The group also carried out a careful analysis of the goods included in its closing inventory Based on such analysis, it wrote down inventory to realign the carrying amount of such assets to their current market value.

Inventory write-downs in 2024 totalled €9,999,774.

Other operating costs

Other operating costs totalled €1,019,828 at the reporting date. They mainly comprise:
- costs for goods provided free of charge to its customers for promotional purposes of €576,894;
- other fees and taxes of €172,041,

- prior year expense of €148,085.

Financial income and charges

Financial income and charges are recognised on an accruals basis.

Interest and other financial charges by type of payable

Interest and other financial charges are analysed in the following table pursuant to article 2425.17 of the Italian Civil Code, grouping those related to bond issues, bank loans and borrowings and other payables.

	2024	Bank loans and borrowings	Other payables
C.16) Financial income	115,382	109,706	5,676
C.17) Interest and other financial charges	(1,225,849)	(1,201,959)	(23,890)
C.17-bis) Net exchange rate losses	(5,463)	-	(5,463)
Net financial charges	**(1,115,930)**	**(1,092,253)**	**(23,677)**

Amount and type of individual revenue/expense items of an exceptional size or impact

Revenue items of an exceptional size or impact

There were no revenues or other income items deriving from events of an exceptional size or impact during the year.

Expense items of an exceptional size or impact

The following table shows the amount and type of expense items of an exceptional size or impact.

	Amount	Type
B.11) Change in raw materials, consumables, supplies and goods	9,999,774	Inventory write-down
B.14) Other operating costs	148,085	Prior year expense

Other information

The other information required by the Italian Civil Code is provided below.

Workforce

The following table shows the average number of employees, grouped by category and calculated considering the daily average:

	2024
Managers	1
Junior managers	8

	2024
White collars	49
Blue collars	13
Total	**71**

The group's workforce is broken down by group company as follows:

- Energy 57
- Energyonsite: 10
- Energyincloud S.r.l. 4

Fees, advances and loans to directors and statutory auditors and commitments undertaken on their behalf

The following table sets out the information required by article 38.1.o) of Legislative decree no. 127/1991. There are no advances and loans and no commitments were undertaken on behalf of the board of directors as a result of guarantees of any kind given.

	Directors	Statutory auditors
Fees	1,079,444	72,873

Independent auditors' fees

During the year, the following fees were paid to the independent auditors:

- €70,000 for the statutory audit of the financial statements;
- €45,061 for other audit services.

Off-balance sheet commitments, guarantees and contingent liabilities

None.

Related party transactions

There were transactions with related parties during the year. However, these transactions took place at market conditions; therefore, no additional disclosure is required under current regulations.

Off-balance sheet agreements

No off-balance sheet agreements were entered into during the year.

Post-balance sheet events

With reference to article 2427.22-quater of the Italian Civil Code covering post-balance sheet events with a significant impact on the group's financial position, financial performance and cash flows, it is noted that no such events took place after the reporting date.

The consolidated financial statements are true and consistent with the accounting records.
Rovereto, 27 March 2025

Chairman of the board of directors
Alessandro Granuzzo

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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010

To the shareholders of
Energy Group

Report on the audit of the consolidated financial statements

Opinion

We have audited the first consolidated financial statements of the Energy Group (the "group"), which comprise the balance sheet as at 31 December 2024, the profit and loss account and cash flow statement for the year then ended and notes thereto.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Energy Group as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with the Italian regulations governing their preparation.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of Energy S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of directors and the board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the Italian regulations governing their preparation and, in accordance with the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The _Collegio Sindacale_ is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion and statement pursuant to article 14.2.e)/e-bis)/e-ter) of Legislative decree no. 39/10

The parent's directors are responsible for the preparation of the group's directors' report at 31 December 2024 and for the consistency of such report with the related consolidated financial statements and its compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to:

- express an opinion on the consistency of the directors' report with the consolidated financial statements;
- express an opinion on the consistency of the director's report with the applicable law;
- issue a statement of any material misstatements in the directors' report.

In our opinion, the directors' report is consistent with the group's consolidated financial statements at 31 December 2024.

Moreover, in our opinion, the directors' report has been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e-ter) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Padua, 8 April 2025

KPMG S.p.A.

(signed on the original)

Silvia Di Francesco
Director of Audit