

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

2024 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

Contents

Directors' report.....	4
Introduction	4
History of the company	4
Governance structure and company ownership	5
Analysis of the company's financial position, financial performance and cash flows.....	6
Significant events of the year	7
Brief overview of performance	7
The market and products	8
Workforce	8
Financial position, financial performance and cash flows.....	9
Financial indicators.....	13
Main risks and uncertainties	14
Company organisation	17
Environmental management.....	17
Personnel.....	17
Research and development.....	17
Sustainability	18
Related-party transactions	18
Outlook.....	18
Branches	19
Net loss for the year	19
Balance sheet	21
Profit and loss account	24
Cash flow statement, prepared using the indirect method	26
Disclosure on the cash flow statement	27
Notes to the financial statements — introduction	28
Basis of preparation	28
Exceptional events pursuant to article 2423.5 of the Italian Civil Code.....	29
Changes in accounting policies.....	29
Comparability and reclassification	29
Accounting policies	29
Other information	36
Notes to balance sheet assets.....	36
Fixed assets	36
Current assets.....	44
Prepayments and accrued income	48

Capitalised financial charges	48
Notes to liabilities and net equity	48
Net equity.....	48
Provisions for risks and charges	50
Employees' leaving entitlement.....	51
Payables	51
Accrued expenses and deferred income	54
Notes to the profit and loss account.....	55
Production revenues	55
Production cost	56
Financial income and charges	59
Amount and type of individual revenue/expense items of an exceptional size or impact	60
Income taxes, current and deferred	60
Notes to the cash flow statement.....	62
Notes — other information.....	62
Workforce	62
Fees, advances and loans to directors and statutory auditors and commitments undertaken on their behalf.....	63
Independent auditors' fees	63
Categories of shares issued by the company	63
Securities issued by the company	63
Other financial instruments issued by the company.....	64
Off-balance sheet commitments, guarantees and contingent liabilities	64
Assets and loans earmarked for a specific deal	64
Related-party transactions	64
Off-balance sheet agreements	64
Post-balance sheet events	64
Company that prepares the financial statements for the largest/smallest group of companies that the company belongs to as a subsidiary	64
Disclosure on derivatives pursuant to article 2427-bis of the Italian Civil Code	64
Summary of the financial statements of the company that carries out management and coordination activities	65
Disclosure pursuant to article 1.125 of Law no. 124 of 4 August 2017	65
Proposal for the allocation of profit or coverage of losses	65
Notes — final part	65

Directors' report

Prepared in accordance with article 2428 of the Italian Civil Code

Introduction

Dear shareholders

The financial statements submitted for your approval set out the company's financial performance in 2024. They show a net loss for the year of €17,113,969, reflecting the obstacles faced during the year.

This directors' report analyses the company's operations pursuant to the requirements of article 2428 of the Italian Civil Code. Its purpose is to offer an overview of the company'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 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 company

Energy S.p.A. began as an innovative start-up in 2013. The company 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.

Governance structure and company ownership

The Energy Group's mission is to **provide all customers on the market 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, actively participating in grid stability and offering goods and services in line with market needs.

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

- on 10 May 2024, the company 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 company 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%
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 company 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 company, 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 company. 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 company'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 company in line with the proxies conferred by the board of directors.

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

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

Analysis of the company'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 company 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 company 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 company 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 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.
- Also in May 2024, the Company 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 Enernore S.r.l., June saw the foundation of the Energy Group, an integrated energy storage systems (ESS) manufacturer.
- In June 2024, the Development Agreement was signed, governing the utilization of the non-repayable grant of €7.1 million (PNRR funds, measure 5.1 Renewable Energy and Batteries) granted to the parent company for the Gigafactory.
- On 11 November 2024, the company's board of directors resolved to acquire an additional 13.5% interest in EnergyInCloud S.r.l..
- Again in November, the Energy 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 Q1 2025 at Stadtwerke Amstetten, a municipal multi-utility company in Austria.

Brief overview of performance

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

- Revenues of €35,445,265, down due to the factors mentioned above.
- Significant increase in the export share (38% in 2024, amounting to €13.5 million, versus 23% in 2023, amounting € 14,9 million) and the portion of revenues from the commercial and industrial segment (15% in 2024 versus 7% in 2023).
- Overall profitability down 44% 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.
- 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

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 company 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 services¹ to be activated. Energy 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, 38% of revenues was generated abroad (EU and non-EU) and 62% in Italy. The foreign sales of €13,511,514 were mostly made in central and northern Europe.

The company’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 company’s ability to meet its commitments and to continue with its investments.

The company 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 company 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 €48,297,106.

Fixed assets of €27,074,168 more than doubled compared to the previous year end, mainly as a result of increases in fixed assets due to the construction of the new adjacent building.

Workforce

The company had 61 employees at 31 December 2024, grouped by functional area.

The workforce may be analysed as follows:

Closing workforce	61
FTE	57

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).

Quarterly breakdown of the workforce			
Q1	Q2	Q3	Q4
56	56	60	61

Males	42	69%
Females	19	31%

The workforce increased significantly in 2024 from 52 to 61 employees (+17%). This growth was mainly due to a ramp-up in hiring, particularly in the second half of the year, which led to the stabilisation and slight expansion of the workforce. Overall in 2024 there were 20 new hires, including 2 junior managers, 11 white collars, 2 apprentices and 5 blue collars.

There were more outgoing employees than in 2023 (10 in total), but the overall figure did not fluctuate significantly, suggesting stable management of outgoing employees, albeit with a higher concentration of outgoing employees in the first half of the year.

2024 saw a balanced workforce in terms of gender and age breakdown, with a slight increase in average age. With a gender breakdown of 31% female and 69% male in 2024, the company maintained the proportion of females in its workforce.

Financial position, financial performance and cash flows

The financial indicators offer an immediate view of the company'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 2023 and 2024 and the profit and loss account and cash flow statement for the years the ended, prepared using management criteria adopted by the board of directors to support the analysis of the company’s financial position, financial performance and cash flows.

The reclassified figures presented in the following tables are used by the board of directors to analyse the company’s financial position, financial performance and cash flows.

Profit and loss account

(thousands of Euros)	2024	%	2023	%	Change	% change
Turnover from sales and services	35,445	100%	63,329	100%	(27,883)	(44%)
Internal work capitalised	1,131	3%	1,395	2%	(264)	(19%)
Other revenues	310	1%	1,175	2%	(865)	(74%)
Costs for materials ²	43,486	123%	46,928	74%	(3,441)	(7%)
Costs for services	4,893	14%	5,152	8%	(260)	(5%)
Personnel expenses	3,011	8%	2,452	4%	559	23%
Other costs ³	1,201	3%	1,248	2%	(47)	(4%)
Gross operating profit (loss) (EBITDA)	(15,706)	(44%)	10,117	16%	(25,823)	(255%)
Adjusted EBITDA	(5,706)	(16%)				
Amortisation and depreciation	1,545	4%	1,225	2%	320	26%
Write-downs	0	0%	0	0%	0	0%
Operating profit (loss)	(17,250)	(49%)	8,893	14%	(26,143)	(294%)

² cost of materials and change in inventory

³ use of third party assets, other operating costs and other provisions

Net financial charges	(1,051)	(3%)	(1,375)	(2%)	323	(24%)
Profit (loss) before taxes	(18,302)	(52%)	7,518	12%	(25,820)	(343%)
Income taxes	(1,188)	(3%)	1,909	3%	(3,097)	(162%)
Net profit (loss) for the year	(17,114)	(48%)	5,609	9%	(22,723)	(405%)

The company'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 company's two segments, as shown below.

The total backlog 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 company has a backlog of €31,6 million, of which €10.9 million are expected for 2025.

EBITDA was a gross operating loss of €15,995,458 or -44% of net revenue. 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 €9,104,948, up 3% on 2023 (€8,852,902).

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

Gross revenues are analysed below by geographical segment, in Euros:

	2024	%	2023	%	Change	% change
Italy	21,933,751	62%	48,922,170	77%	(26,988,419)	(55%)
EU	12,425,882	35%	13,994,270	22%	(1,568,388)	(11%)
Non-EU	1,085,631	3%	912,008	1%	173,623	19%

Revenues are analysed by product category as follows:

	2024	%	2023	%	Change	% change
Small&Large (<50 kW)	30,268,016	85%	59,672,779	93%	(29,404,763)	(49%)
Extra Large (>50 kW)	5,177,249	15%	4,155,670	7%	1,021,579	25%

Revenues are analysed by sales channel as follows:

	2024	%	2023	%	Change	% change
VAR (value-added reseller)	10,984,729	31%	20,281,907	32%	(9,297,178)	(46%)
General distributors	10,655,023	30%	20,014,662	31%	(9,359,639)	(47%)
Specialist distributors	7,588,896	21%	16,889,026	26%	(9,300,130)	(55%)
EPC / Other	6,216,617	18%	6,642,853	10%	(426,236)	(6%)

By number of storage systems and power:

	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 company's foreign sales of €13,511,514, or 38% of the total, increased 15% over 2023 in relative terms, but show an absolute decrease of €1,137,403 (-9%). 78% of revenues are concentrated with the company's top 20 customers (out of a total of 292, compared to 214 in 2023), showing a broader portfolio.

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.

There were 100 zero CO₂ 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 5% 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 company for sales in 2024 came to €54,135,999 (€44,136,226 net of write-downs). Of these costs, €4,892,961 is for services, €3,011,070 for personnel expenses, while €43,486,261 (€33,486,488 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	31/12/2023	Change	% change
Intangible fixed assets	5,692	4,772	919	19%
Tangible fixed assets	17,973	7,294	10,680	146%
Financial fixed assets	3,409	1,180	2,229	189%
Total fixed assets	27,074	13,246	13,828	104%
Inventory	23,939	56,410	(32,471)	(58%)
Trade receivables	6,017	4,645	1,371	30%
Trade payables and payments on account	(3,760)	(9,867)	6,107	(62%)
Trade working capital	26,196	51,188	(24,992)	(49%)
Receivables from subsidiaries	2	184	(182)	(99%)
Receivables from associates	515	0	515	100%
Payables to subsidiaries	0	(2)	2	(100%)
Payables to associates	0	(2)	2	(100%)
Other receivables and prepayments and accrued income	2,756	669	2,087	312%
Other payables and accrued expenses and deferred income	(1,602)	222	(1,824)	(822%)
Net working capital	27,867	52,260	(24,392)	(47%)
Employees' leaving entitlement and other provisions	(285)	(219)	(66)	30%
Invested capital	54,656	65,287	(10,631)	(16%)

(thousands of Euros)	31/12/2024	31/12/2023	Change	% change
Net equity	48,297	65,456	(17,159)	(26%)
Net financial debt (position)	6,359	(168)	6,528	(3876%)
Total sources of funding	54,656	65,287	(10,631)	(16%)

Fixed assets rose significantly over the previous year, in line with the investments, especially in tangible fixed assets. At 31 December 2024, they totalled €27,074,168, of which €5,691,786 for intangible fixed assets and €17,973,357 for tangible fixed assets. Intangible fixed assets include the EGM listing costs of €3,139,597 (historical cost) and development costs (€3,676,673). Tangible fixed assets include investments in the new building under construction on the land next to the company's premises which will house the Gigafactory, machinery for the battery assembly line and other works on the existing building.

Financial fixed assets amounting to €3,409,025 include the equity investments in Pylon LifeEU S.r.l., Energyincloud S.r.l., and Energyonsite S.r.l., and the financial receivables from the latter, as well as receivables for guarantee deposits. This caption increased by €2,228,813 on the previous year end mainly due to the acquisition of 90% of Energyonsite in June 2024.

The company's trade working capital amounted to €26,195,819, mainly comprised of net inventory of €23,939,400, trade receivables of €6,016,617 and trade payables of €3,760,198.

The overall figure is down on the previous year end, chiefly due to the reduction in inventory (-€32,470,741 including the write-down), which is the result of a policy implemented by the company in 2023 and pursued in full in 2024.

Other receivables and prepayments and accrued income amounted to €2,756,417, up €2,087,251 on the previous year end. They include tax receivables (€1,030,650), deferred tax assets (€1,345,260), other receivables and prepayments and accrued income.

Other payables and accrued expenses and deferred income amounted to €1,602,215. They include tax payables (€654,339), social security charges payable (€165,678), other payables and accrued expenses and deferred income.

Net working capital was €27,867,282 at 31 December 2024. The company's invested capital was €54,656,444, down €10,630,813 from €65,287,257 at 31 December 2023.

Total sources of funding of €54,656,444 comprise net equity (€48,297,106) and net financial debt (€6,359,338). The company'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 €5,389,359 and medium-/long-term bank loans and borrowings of €5,441,416, net of liquid funds of €4,471,437.

Net financial position

(thousands of Euros)	31/12/2024	31/12/2023	Change	% change
Liquid funds	(4,471)	(18,834)	14,363	(76%)
Current financial receivables	-	(5,000)	5,000	(100%)
Short-term bank loans and borrowings	5,389	14,077	(8,687)	(62%)
Short-term loans and borrowings from other financial backers	-	-	-	0%
Short-term financial (position) debt	918	(9,757)	10,675	(109%)
Medium/long-term bank loans and borrowings	5,441	9,589	(4,148)	(43%)
Medium/long-term loans and borrowings from other financial backers	-	-	-	0%

(thousands of Euros)	31/12/2024	31/12/2023	Change	% change
Net financial debt (position)	6,359	(168)	6,528	(3878%)

Cash flow statement

(thousands of Euros)	2024	2023	Change	% change
Operating profit (loss)	(17,250)	8,893	(26,143)	(294%)
Income taxes	1,188	(1,909)	3,097	(162%)
Amortisation, depreciation and write-downs	1,545	1,225	320	26%
Change in trade working capital	24,992	17,592	7,400	42%
Change in other receivables/(other payables), employees' leaving entitlement and other provisions ⁽¹⁾	(533)	(7,631)	7,097	(93%)
Cash flows from operating activities	9,941	18,170	(8,229)	(45%)
Investments in intangible, tangible and financial fixed assets	(15,373)	(8,392)	(6,981)	83%
Cash flows before financing activities	(5,432)	9,778	(15,210)	(156%)
Change in bank loans and borrowings and loans and borrowings from other financial backers	(12,835)	(482)	(12,354)	2565%
Changes in financial receivables due within one year	5,000	(5,000)	10,000	(100%)
Net financial charges	(1,051)	(1,375)	323	(24%)
Change in net equity	(45)	(51)	6	(12%)
Net cash flows	(14,363)	2,871	(17,234)	(600%)

Opening liquid funds	18,834	15,963
Net cash flows	(14,363)	2,871
Closing liquid funds	4,471	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 company performance for the year:

	2024	2023	2022
ROE — (Return on equity)	(35.4%)	8.6%	37.7%
ROIC — (Return on invested capital)	(30.9%)	11.6%	34.8%
ROA — (Return on assets)	(28.6%)	8.8%	29.6%
ROS — (Return on sales)	(48.7%)	14.0%	25.0%

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	2023
Net profit (loss) for the year	(17,114)	5,609
Income taxes	(1,188)	1,909
Net financial income	1,051	1,375
EBIT	(17,250)	8,893
EBIT %	(49%)	14%
Amortisation, depreciation and write-downs	1,545	1,225
EBITDA	(15,706)	10,117
EBITDA %	(44%)	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
EBITDA	(15,706)
EBITDA %	(44%)
Inventory write-down	10,000
Adjusted EBITDA	(5,706)
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 company'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 company 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 company to regularly meet its financial obligations. As the company'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 company has taken out derivatives to hedge the interest rates on loans, where appropriate. Despite significant absorption, the company 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 company'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 company closely monitors currency risks in order to promptly implement the appropriate management tools designed to reduce such risk.

OPERATIONAL RISKS

Supplier dependence

The company 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 company a competitive edge on the market in recent years. These de facto alliances naturally expose the company 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 company 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 company has identified alternative suppliers outside China to ensure continuity of production even in the event of geopolitical issues.

Key management personnel

The company continues to build up its management team, setting up teams and implementing processes to reduce its dependence on its founding members. It had eight 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 company 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 company'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 company 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 company 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 company constantly strengthens its IT systems, regularly performs security procedures, provides personnel training and protects its IT infrastructure with ad hoc measures. The company 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 18), 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 company's operations, the Italian Civil Code requires that the analysis of a company's financial position and performance also contains "to the extent necessary for an understanding of the company's financial position and performance, financial indicators and, if relevant, non-financial indicators on the company'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 company'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 company'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 company's financial position and performance.

Personnel

The purpose of these disclosures is to illustrate the relationship between the company and its employees. The *Workforce* section on page 8 provides the main personnel statistics and trends.

The company 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 company 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 company'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 company'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 company 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 company reinforced its commitment to innovation, pursuing 12 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, 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.

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 company'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 company 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 company'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 company 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

The company classified and recognised the newly-acquired Energyonsite S.r.l. as a new related party in 2024. The company has business relations of buying and selling products and services at market values with such subsidiary. In addition, the company 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 company 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 company and one of its managers. It was approved by the relevant body and subject to the application of the company's procedure.

Outlook

Despite the negative impacts of the market situation, the company 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 company is implementing targeted strategies to enter the utility scale market, a strategic segment for the future of energy storage.

The company'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 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

In addition to the registered office, the company also has an operating facility, as follows:

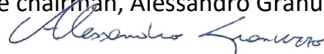
- registered office at Piazza Manifattura 1, Rovereto (Trento)
- operating facilities at Via zona industriale 8/10, Sant'Angelo di Piove di Sacco, Padua (new facility since 2022).

Net loss for the year

On the basis of the information provided, we invite you to approve the financial statements as at and for the year ended 31 December 2024 and cover the net loss for the year using the other reserves.

Rovereto, 27 March 2025

On behalf of the board of directors
The chairman, 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:	

Financial statements as at and for the year ended 31 December 2024

Balance sheet

	31/12/2024	31/12/2023
Assets		
B) Fixed assets		
I - Intangible fixed assets	-	-
1) start-up and capital costs	1,625,509	2,244,762
2) development costs	1,593,341	1,170,794
3) industrial patents and intellectual property rights	675,197	28,036
4) concessions, licences, trademarks and similar rights	3,016	4,058
6) assets under development and payments on account	1,787,263	1,242,958
7) other	7,459	81,817
<i>Total intangible fixed assets</i>	<i>5,691,785</i>	<i>4,772,425</i>
II - Tangible fixed assets	-	-
1) land and buildings	5,411,748	1,631,597
2) plant and machinery	335,916	69,003
3) industrial and commercial equipment	177,818	186,349
4) other assets	107,707	82,315
5) assets under construction and payments on account	11,940,169	5,324,293
<i>Total tangible fixed assets</i>	<i>17,973,358</i>	<i>7,293,557</i>
III - Financial fixed assets	-	-
1) equity investments	-	-
a) subsidiaries	1,406,504	46,803
b) associates	860,631	860,631
<i>Total equity investments</i>	<i>2,267,135</i>	<i>907,434</i>
2) financial receivables	-	-
a) from subsidiaries	1,139,264	-
due within one year	260,259	-
due after one year	879,005	-
d-bis) from others	2,625	272,778
due within one year	-	225,153
due after one year	2,625	47,625
<i>Total financial receivables</i>	<i>1,141,889</i>	<i>272,778</i>

	31/12/2024	31/12/2023
<i>Total financial fixed assets</i>	3,409,024	1,180,212
<i>Total fixed assets (B)</i>	27,074,167	13,246,194
C) Current assets		
I - Inventory	-	-
2) work in progress and semi-finished products	15,084	-
4) finished goods	23,511,740	56,324,000
5) payments on account	412,576	86,141
<i>Total inventory</i>	23,939,400	56,410,141
II - Receivables	-	-
1) trade receivables	6,016,617	4,645,117
due within one year	6,016,617	4,645,117
2) from subsidiaries	2,344	184,140
due within one year	2,344	64,876
due after one year	-	119,264
3) from associates	514,917	-
due within one year	514,917	-
5-bis) tax receivables	1,030,650	1,795,925
due within one year	1,001,175	1,697,664
due after one year	29,475	98,261
5-ter) deferred tax assets	1,345,260	156,952
5-quater) from others	187,146	5,143,996
due within one year	68,288	5,138,496
due after one year	118,858	5,500
<i>Total receivables</i>	9,096,934	11,926,130
III - Current financial assets	-	-
5) derivatives	32,027	92,938
<i>Total current financial assets</i>	32,027	92,938
IV - Liquid funds	-	-
1) bank and postal accounts	4,470,961	18,833,709
3) cash-in-hand and cash equivalents	475	618
<i>Total liquid funds</i>	4,471,436	18,834,327
<i>Total current assets (C)</i>	37,539,797	87,263,536
D) Prepayments and accrued income	161,334	103,837
<i>Total assets</i>	64,775,298	100,613,567
Liabilities		
A) Net equity	48,297,105	65,455,678
I - Share capital	616,606	614,919

	31/12/2024	31/12/2023
II - Share premium reserve	27,186,250	27,186,250
IV - Legal reserve	123,000	122,750
VI - Other reserves, indicated separately	-	-
Extraordinary reserve	5,210	5,210
Reserve for unrealised exchange rate gains	39,828	-
Sundry other reserves	-	(3)
<i>Total other reserves</i>	<i>45,038</i>	<i>5,207</i>
VII - Hedging reserve	24,340	70,633
VIII - Retained earnings	37,415,840	31,846,719
IX - Net profit (loss) for the year	(17,113,969)	5,609,200
Total net equity	48,297,105	65,455,678
B) Provisions for risks and charges		
1) pension and similar provisions	35	-
2) tax provision, including deferred tax liabilities	7,686	22,305
4) other provisions	18,500	-
<i>Total provisions for risks and charges</i>	<i>26,221</i>	<i>22,305</i>
C) Employees' leaving entitlement	258,784	196,263
D) Payables		
4) bank loans and borrowings	10,830,775	23,665,903
due within one year	5,389,359	14,076,758
due after one year	5,441,416	9,589,145
6) payments on account	288,486	88,229
due within one year	288,486	88,229
7) trade payables	3,471,712	9,778,969
due within one year	3,471,712	9,778,969
9) payables to subsidiaries	-	1,795
due within one year	-	1,795
10) payables to associates	-	1,908
due within one year	-	1,908
12) tax payables	654,339	162,079
due within one year	654,339	162,079
13) social security charges payable	165,678	143,953
due within one year	165,678	143,953
14) other payables	375,822	442,750
due within one year	375,822	442,750
<i>Total payables</i>	<i>15,786,812</i>	<i>34,285,586</i>
E) Accrued expenses and deferred income	406,376	653,735

	31/12/2024	31/12/2023
<i>Total liabilities</i>	64,775,298	100,613,567

Profit and loss account

	2024	2023
A) Production revenues		
1) turnover from sales and services	35,445,265	63,328,571
2) change in work in progress, semi-finished products and finished goods	15,084	-
4) internal work capitalised	1,130,671	1,394,506
5) other revenues and income	-	-
grants related to income	103,100	365,052
from others	206,553	809,669
<i>Total other revenues and income</i>	309,653	1,174,721
<i>Total production revenues</i>	36,900,673	65,897,798
B) Production cost		
6) raw materials, consumables, supplies and goods	10,689,085	47,625,666
7) services	4,892,961	5,152,477
8) use of third party assets	204,075	212,388
9) personnel expenses	-	-
a) wages and salaries	2,194,804	1,764,197
b) social security contributions	589,325	504,567
c) employees' leaving entitlement	136,480	116,587
e) other costs	90,460	66,754
<i>Total personnel expenses</i>	3,011,069	2,452,105
10) amortisation, depreciation and write-downs	-	-
a) amortisation of intangible fixed assets	1,371,378	1,141,371
b) depreciation of tangible fixed assets	173,412	83,208
<i>Total amortisation, depreciation and write-downs</i>	1,544,790	1,224,579
11) change in raw materials, consumables, supplies and goods	32,812,261	(698,052)
14) other operating costs	996,843	1,035,932
<i>Total production cost</i>	54,151,084	57,005,095
Operating profit (loss) (A-B)	(17,250,411)	8,892,703
C) Financial income and charges		
16) other financial income	-	-
a) from financial receivables	-	-
subsidiaries	5,109	-

	2024	2023
<i>Total financial income from financial receivables</i>	5,109	-
d) other income	-	-
from others	113,888	20,285
<i>Total other income</i>	113,888	20,285
<i>Total other financial income</i>	118,997	20,285
17) interest and other financial charges	-	-
other	1,169,085	1,435,754
<i>Total interest and other financial charges</i>	1,169,085	1,435,754
17-bis) Net exchange rate gains (losses)	(1,105)	40,901
<i>Net financial charges (15+16-17+-17-bis)</i>	(1,051,193)	(1,374,568)
Profit (loss) before taxes (A-B+-C+-D)	(18,301,604)	7,518,135
20) Income taxes		
current taxes	-	2,017,564
taxes relative to prior years	673	2
changes in deferred taxes	(1,188,308)	(108,631)
<i>Total income taxes</i>	(1,187,635)	1,908,935
21) Net profit (loss) for the year	(17,113,969)	5,609,200

Cash flow statement, prepared using the indirect method

	2024	2023
A) Cash flows from operating activities (indirect method)		
Net profit (loss) for the year	(17,113,969)	5,609,200
Income taxes	(1,187,635)	1,908,935
Interest income/(expense)	1,056,302	1,414,396
<i>1) Profit (loss) for the year before income taxes, interest, dividends and gains/losses on sale of assets</i>	<i>(17,245,302)</i>	<i>8,932,531</i>
Non-monetary adjustments that did not affect net working capital		
Accruals to provisions	136,480	116,587
Amortisation and depreciation	1,544,790	1,224,579
Other increases/(decreases) due to non-monetary items	9,988,839	493,550
<i>Total non-monetary adjustments that did not affect net working capital</i>	<i>11,670,109</i>	<i>1,834,716</i>
<i>2) Cash flows before changes in net working capital</i>	<i>(5,575,193)</i>	<i>10,767,247</i>
Changes in net working capital		
Decrease/(increase) in inventory	22,481,902	4,433,807
Decrease/(increase) in trade receivables	(1,371,500)	18,406,506
Increase/(decrease) in trade payables	(6,307,257)	(5,601,498)
Decrease/(increase) in prepayments and accrued income	(57,497)	(71,619)
Increase/(decrease) in accrued expenses and deferred income	(247,359)	512,787
Other decreases/(other increases) in net working capital	(616,708)	(2,374,309)
<i>Total changes in net working capital</i>	<i>13,881,581</i>	<i>15,305,674</i>
<i>3) Cash flows after changes in net working capital</i>	<i>8,306,388</i>	<i>26,072,921</i>
Other adjustments		
Interest received/(paid)	(1,056,302)	(1,414,396)
Income taxes paid	1,679,895	(7,768,544)
Use of provisions	(55,459)	(146,651)
<i>Total other adjustments</i>	<i>568,134</i>	<i>(9,329,591)</i>
Cash flows from operating activities (A)	8,874,522	16,743,330
B) Cash flows from investing activities		
Tangible fixed assets		
Investments	(10,768,209)	(5,768,593)
Intangible fixed assets		
Investments	(2,367,050)	(1,598,710)
Financial fixed assets		
Investments	(2,493,261)	(1,026,947)

	2024	2023
Disposals	224,547	2,700
Cash flows used in investing activities (B)	(15,403,973)	(8,391,550)
C) Cash flows from financing activities		
Third-party funds		
Increase (decrease) in short-term bank borrowings	(7,030,035)	(8,904,047)
New loans		12,800,000
Repayments of loans	(5,805,093)	(4,377,528)
Own funds		
Proceeds from issue of share capital against consideration	1,687	1,169
Repayment of share capital	5,000,000	(5,000,000)
Cash flows used in financing activities (C)	(7,833,441)	(5,480,406)
Increase (decrease) in liquid funds (A+-B+-C)	(14,362,891)	2,871,374
Opening liquid funds		
Bank and postal accounts	18,833,709	15,962,755
Cash-in-hand and cash equivalents	618	198
Total opening liquid funds	18,834,327	15,962,953
Closing liquid funds		
Bank and postal accounts	4,470,961	18,833,709
Cash-in-hand and cash equivalents	475	618
Total closing liquid funds	4,471,436	18,834,327
Reconciliation differences		

Disclosure on the cash flow statement

The result of the just-concluded financial year shows a negative economic result of €17.1 million, influenced by a significant write-down made at year-end on the value of goods in stock, amounting to nearly €10 million. This write-down was necessary to correctly represent the final inventory in a scenario of general price reductions. The reduction in sales margins is the main factor behind the decrease in operating cash flow, which stands at €8.87 million compared to €16.7 million generated in 2023.

From a financial point of view, the company 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.

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, which, though lower than in 2023, remained above €13.8 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 €12.8 million.

Notes to the financial statements — introduction

These notes are an integral part of the financial statements as at and for the year ended 31 December 2024. The financial statements comply with the provisions of article 2423 and following articles of the Italian Civil Code and the reporting standards promulgated by the Italian Accounting Standard Setter ("OIC"). They are clearly stated and give a true and fair view of the company's financial position, financial performance and cash flows. The captions of the balance sheet and the profit and loss account comply with the requirements of articles 2424 and 2425 of the Italian Civil Code while the cash flow statement has been prepared in accordance with article 2425-ter of the Italian Civil Code. These notes, drawn up as per article 2427 of the Italian Civil Code, provide all the information necessary for the correct understanding of the financial statements.

Basis of preparation

The balance sheet items were measured in accordance with the principles of prudence, materiality and on a going-concern basis. Specifically, on the basis of the available information:

- there are no equity or cash flow imbalances;
- the conditions exist for the company to continue as a going concern in the foreseeable future, i.e., for at least twelve months from the reporting date.

No significant uncertainties arose from the forward-looking assessment of the going-concern assumption. Pursuant to article 2423-bis.1.1-bis of the Italian Civil Code, captions have been recognised and presented considering substance over form. Income and expense pertaining to the year are recognised on an accruals basis irrespective of when they are collected or paid and profits are only recognised if realised before the reporting date. Moreover, risks and losses pertaining to the year have been considered, even if they became known after the reporting date.

The company measured the individual assets and liabilities separately, in order to avoid offsetting profits on certain items against losses on other items.

Where offsetting is permitted, the gross amounts subject to offsetting are disclosed in the notes to the financial statements.

Structure and content of the 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 company'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.

Pursuant to article 2423-bis.1.1 of the Italian Civil Code, the financial statements captions have been measured on a going concern basis. As explained in more detail in these notes, and in the directors' report, the further fall in revenues on 2023 reflects the decline in the demand for residential-scale storage systems, which had contributed significantly to the company's revenue growth, especially in 2022. However, the outlook for the near future remains positive, with the energy storage market growing steadily. The Italian market is also expected to

continue its expansion in the coming years, especially in the utility-scale storage segment where the company is focusing its efforts on creating state-of-the-art technological solutions.

Exceptional events pursuant to article 2423.5 of the Italian Civil Code

There were no exceptional events which would have led the company 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 company to apply the departures to change the accounting policies as per article 2423-bis.2 of the Italian Civil Code. "As indicated in the section outlining the principles used for revenue recognition, the introduction of the new OIC No. 34 does not result in an impact on the determination of the company's revenues."

Comparability and reclassification

Pursuant to article 2423-ter of the Italian Civil Code, it is hereby noted that all financial statements captions are comparable with those of the previous year and it was therefore not necessary to reclassify any prior year captions.

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. They are unchanged from those of the previous year.

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 company 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.

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 company 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 company'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 company has adopted the weighted average cost model.

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 company 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 company 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 company 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 company 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 company 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 company 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 company 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 company 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 company 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 company 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 company 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 and postal account 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 company 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 company and its owners (acting as owners) may result in receivables/payables from/to them. The company 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 company 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 company would have paid had all employees left at the reporting date. The amount due to employees who had already left the company 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 company'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 company 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.

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.

Starting from January 1, 2024, the new accounting standard OIC 34 came into force, governing the criteria for the recognition and measurement of revenue in the financial statements and the information to be disclosed in the notes. In this specific case, it is noted that 'sales with warranty' are irrelevant for the application of OIC 34, as they represent marginal sales in relation to the total annual revenue.

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 company 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 years.

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 year 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 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 3,90% 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 year, and also in the following years, if they affect both the current and subsequent years.

Other information

Repurchase agreements

Pursuant to article 2427.6-ter of the Italian Civil Code, the company 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	5,691,785
Balance at 31/12/2023	4,772,425
Change	919,360

Changes in intangible fixed assets

After the recognition of the amortisation of the year of €1,371,378 in the profit and loss account, intangible fixed assets amount to €5,691,785.

The changes of the year are shown in the table below.

The changes include the €449,459 reclassification from assets under development and payments on accounts (item B.I.6) for costs that have now become available and ready for use and thus duly recognised under industrial patents and intellectual property rights (item B.I.3). The reclassification relates to the costs incurred for the implementation of the new ERP system rolled out on 1 January 2024.

In addition, €182,140 was reclassified from development costs to industrial patents and intellectual property rights following the completion of certain software development projects.

	Start-up and capital costs	Development costs	Industrial patents and intellectual property rights	Concessions, licences, trademarks and similar rights	Assets under development and payments on account	Other	Total
Opening balance							
Cost	3,139,597	2,690,776	165,294	9,116	1,242,958	179,011	7,426,752
Accumulated amortisation	894,835	1,519,981	137,258	5,058	-	97,194	2,654,326
Carrying amount	2,244,762	1,170,795	28,036	4,058	1,242,958	81,817	4,772,426
Changes of the year							
Purchases	10,000	1,168,037	186,049	-	993,764	9,200	2,367,050
Reclassifications (carrying amount)	-	(182,140)	631,599	-	(449,459)	(76,312)	(76,312)
Amortisation	629,253	563,350	170,487	1,042	-	7,246	1,371,378
<i>Total changes</i>	<i>(619,253)</i>	<i>422,547</i>	<i>647,161</i>	<i>(1,042)</i>	<i>544,305</i>	<i>(74,358)</i>	<i>919,360</i>
Closing balance							
Cost	3,149,597	3,676,672	982,942	9,116	1,787,263	12,700	9,618,290
Accumulated amortisation	1,524,088	2,083,331	307,745	6,100	-	5,241	3,926,505
Carrying amount	1,625,509	1,593,341	675,197	3,016	1,787,263	7,459	5,691,785

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	Change (%)
<i>Start-up and capital costs</i>					
	Listing costs	3,139,597	3,139,597	-	-
	Start-up and capital costs	10,000	-	10,000	-
	Accumulated amortisation — listing costs	(1,522,755)	(894,835)	(627,920)	70
	Accumulated amortisation - start-up costs	(1,333)	-	(1,333)	-
	Total	1,625,509	2,244,762	(619,253)	

Listing costs are those incurred by the company 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 strategic and business plan for the purpose of making financial forecasts for foreseeable future developments.

Development costs

The following table breaks down 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	Change (%)
<i>Development costs</i>					
	Development costs	3,676,673	2,690,775	985,898	37
	Accumulated amortisation — development costs	(2,083,332)	(1,519,981)	(563,351)	37
	Total	1,593,341	1,170,794	422,547	

Development costs with a carrying amount of €1,593,341 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 company has the required resources;
- they are recoverable, i.e., the company expects that the revenues from the project will be adequate to cover the costs incurred.

As they satisfy the requirements, the company capitalised development costs of €1,168,037 during the year in relation to:

- wages and salaries of personnel involved in development activities for €1,130,671;
- external consulting services for €37,366.

Development costs are amortised on a straight-line basis over their useful life, estimated to be five years.

The company will calculate the amount of the tax credit for the activities carried out during the year provided for in article 1.198-209 of Law no. 160/2019, as amended and supplemented.

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 €647,161 during the year.

On 1 January 2024, the company successfully completed the implementation of the new ERP system, which required a total investment of over €605 thousand. The implementation of the new management system will give the company 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 company also focused its efforts on developing IT solutions to be applied in the energy storage sector. Thanks to these efforts, the company filed a new patent application in 2024 for an innovative system for managing shared resources in an energy community. In addition, in early 2025, the company filed two more patent applications as a result of the research carried out in the previous year.

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 company'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 company'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.

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 company exercised its purchase option under the rent-to-buy contract for the Sant'Angelo di Piove di Sacco (PD) building.

Tangible fixed assets

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

Balance at 31/12/2024	17,973,358
Balance at 31/12/2023	7,293,557
Change	10,679,801

Changes in tangible fixed assets

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	Total tangible fixed assets
Opening balance						
Cost	1,631,597	87,861	255,602	147,406	5,324,293	7,446,759
Accumulated depreciation	-	18,858	69,253	65,091	-	153,202
Carrying amount	1,631,597	69,003	186,349	82,315	5,324,293	7,293,557
Changes of the year						
Purchases	3,791,133	12,675	25,720	58,542	6,895,837	10,783,907
Reclassifications (carrying amount)	76,312	279,962	-	-	(279,962)	76,312
Disposals (carrying amount)	-	-	-	7,009	-	7,009
Depreciation	87,294	25,725	34,252	26,141	-	173,412
Total changes	3,780,151	266,912	(8,532)	25,392	6,615,875	10,679,798
Closing balance						
Cost	5,499,042	380,498	281,322	190,248	11,940,169	18,291,279
Accumulated depreciation	87,294	44,582	103,504	82,541	-	317,921
Carrying amount	5,411,748	335,916	177,818	107,707	11,940,169	17,973,358

Land and buildings

Land and buildings include the purchase cost of the properties owned by the company, located in Sant'Angelo di Piove di Sacco (Padua).

The opening carrying amount is the value of the land on which the new 11,400 square metres 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 company 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.

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 the company's property which became up and running in the first half of the year. These systems will enable the company to significantly reduce

the amount of electricity purchased in order to run ageing operations as well as offset part of the other consumption.

Industrial and commercial equipment

This caption includes the equipment used in the production process (€124,659), as well as the new shelving installed at the Sant'Angelo di Piove di Sacco facility (€156,663).

Other assets

Other assets comprise the costs incurred for the purchase of office equipment, lifting transport 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 company 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 company's facility in Sant'Angelo di Piove di Sacco (€8,698,044).

The board of directors expects that the construction of the company's new production site can be completed in 2025 or 2026 so that the production lines for batteries and XL 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 company was notified that it will receive a €7.1 million grant for its investment in the new production facility. The company 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 company was involved in the following projects during the year:

- the photovoltaic system installed on the new warehouse under construction (€768,460):
- battery production plant (€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 schedule provides the information required by the Legislator in order to represent, albeit off-balance sheet, the implications arising from the difference in accounting compared to the financial method. Under the financial method, the lessee would recognize the leased asset among fixed assets and calculate the relevant depreciation on that asset, while simultaneously recording the debt for the capital portion of the lease payments. In this case, the income statement would reflect the interest portion and the depreciation portion attributable to the period.

As of the financial year-end, the company had two financial lease agreements for two cars.

The company has no finance leases at the reporting date.

	Amount
Closing Balance	116.114

	Amount
Depreciation that would have been attributable to the period	16.588
Present value of the lease payments not yet due at the end of the financial year	85.870
Financial expenses attributable to the period based on the effective interest rate	3.212

Financial fixed assets

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

Balance at 31/12/2024	3,409,024
Balance at 31/12/2023	1,180,212
Change	2,228,812

Changes in equity investments, other securities and derivatives

In 2024, the company pursued its growth strategy, including externally, with the aim of becoming an integrated manufacturer of storage systems capable of interacting with the entire supply chain: from producing storage systems and developing edge and cloud software solutions to designing, manufacturing and installing complex systems.

The company's equity investments comprise:

- **Pylon LifeEU S.r.l.** (tax code 05546060285) as a joint venture with Pylon Technologies Europe Holding B.V. (which has a 70% stake therein). The joint venture is included in the register of innovative start-ups and will continue the development of energy storage technologies which are intrinsic to Energy's products.
- **Energyincloud S.r.l.** (tax code 2714770225), set up as an innovative start-up on 23 May 2023 with the business object to develop, produce and sell innovative cutting-edge technology IT systems and application software. In November 2024, the company completed the purchase of additional quotas, increasing its investment to 86.5% of the subsidiary's quota capital. Energyincloud supplies advanced services for the remote management and operation of energy production, storage and consumption systems using state-of-the-art ICT technologies, IoT (Internet of Things) and AI (Artificial Intelligence).
- **Energyonsite S.r.l.** (tax code 03097240216) with registered office in Sterzing (Bolzano), specialised in the consultancy, design and control of the installation and maintenance of large storage systems, particularly present in the DACH region. On 7 June 2024, Energy completed the acquisition of a 90% investment previously held by the German holding company Natural Resources Holding AG.

	Investments in subsidiaries	Investments in associates	Total equity investments
Opening balance			
Cost	46,803	860,631	907,434
Carrying amount	46,803	860,631	907,434
Changes of the year			
Purchases	1,315,474	-	1,315,474
Reclassifications (carrying amount)	44,227	-	44,227
Total changes	1,359,701	-	1,359,701

	Investments in subsidiaries	Investments in associates	Total equity investments
Closing balance			
Cost	1,406,504	860,631	2,267,135
Carrying amount	1,406,504	860,631	2,267,135

Investments in subsidiaries include the carrying amounts of the controlling interests held in Energyincloud (86.5%) and Energyonsite (90%).

Specifically, the investment in Energyincloud is recognised at €112,204. As mentioned in the interim financial report, the carrying amount of the investment increased by €44,227 after Energy partially waived the repayment of the shareholder loan previously made. Furthermore, in November, the company completed the acquisition of a further 13.5% investment in Energyincloud for €20,000. This investment may be allocated, in whole or in part, to managers and/or key personnel of EnergyInCloud S.r.l. in order to retain key figures.

As mentioned above, Energy also completed the purchase of a controlling investment (90%) in Energyonsite (formerly Enernore) for €1,294,300.

Lastly, investments in associates comprises the interest held in Pylon LiFe EU.

Changes and due date

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

	Opening balance	Changes of the year	Closing balance	Amount due within one year	Amount due after one year
From subsidiaries	-	1,139,264	1,139,264	260,259	879,005
From others	272,778	(270,153)	2,625	-	2,625
Total	272,778	869,111	1,141,889	260,259	881,630

Financial receivables comprise amounts due from subsidiaries for interest-bearing shareholder loans.

In detail, the company granted an interest-bearing loan of €200,000 to EnergyinCloud in 2023, to be repaid in quarterly instalments until 30 September 2026. The residual amount at the reporting date is €119,264.

The company also granted an interest-bearing loan of €1,020,000 to Energyonsite, to be repaid in half-yearly instalments until 31 December 2029. The residual amount at the reporting date was €1,020,000.

The reduction in financial receivables from others is due to the company's decision to exercise its purchase option on the building in Sant'Angelo di Piove di Sacco (Padua) and the recognition of payments on account.

Investments in subsidiaries

	City (if in Italy), or foreign country	Tax code (for Italian companies)	Quota capital (Euros)	Net profit (loss) for 2024 (Euros)	Net equity (Euros)	Investment (Euros)	Investment (%)	Carrying amount or amount receivable
EnergyInCloud S.r.l.	ROVERETO (TN)	02714770225	10,000	22,486	32,487	8,650	86,500	112,204
Energyincloud S.r.l.	STERZING (BZ)	03097240216	20,000	(272,726)	143,887	18,000	90,000	1,294,300
Total								1,406,504

The table shows the net profit or loss for 2024 and net equity at the reporting date, as the boards of directors of the subsidiaries had already approved the respective financial statements at the date of preparation of these financial statements.

Investments in associates

	City (if in Italy), or foreign country	Tax code (for Italian companies)	Quota capital (Euros)	Net loss for 2024 (Euros)	Net equity (Euros)	Investment (Euros)	Investment (%)	Carrying amount or amount receivable
PYLON LIFEEU S.r.l.	SANT'ANGELO DI PIOVE DI S (PD)	05546060285	10,000	(54,646)	2,796,356	3,000	30,000	860,631
Total								860,631

The associate Pylon LiFe EU incurred a net loss for the year comprised of the start-up costs which were not covered by the revenues of the year. Indeed, as the associate only commenced operations in the final weeks of the year, the difference between the investment and the corresponding carrying amount is not considered an impairment loss.

Financial receivables by geographical segment

All financial receivables relate to parties resident in Italy.

Carrying amount of financial fixed assets

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.

Current assets total €37,539,797 at 31 December 2024, a decrease of €49,723,559 on the previous year.

Details of each sub-section and its captions are provided below, in accordance with the layout of the XBRL taxonomy.

Inventory

The following table shows changes in inventory during the year: Pursuant to OIC 13, caption C.I.5 includes payments on account to suppliers of €412,576.

Compared to the previous year end, there was a clear increase in payments on account to suppliers.

	Opening balance	Changes of the year	Closing balance
Work in progress and semi-finished products	-	15,084	15,084
Finished goods	56,324,000	(32,812,260)	23,511,740
Payments on account	86,141	326,435	412,576

	Opening balance	Changes of the year	Closing balance
<i>Total</i>	56,410,141	(32,470,741)	23,939,400

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)
<i>Total</i>	(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
- 2) from subsidiaries
- 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 company'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 and due date

The following table sets out the changes in receivables and, where significant, details of their due date.

	Opening balance	Changes of the year	Closing balance	Amount due within one year	Amount due after one year
Trade receivables	4,645,117	1,371,500	6,016,617	6,016,617	-
Receivables from subsidiaries	184,140	(181,796)	2,344	2,344	-
Receivables from associates	-	514,917	514,917	514,917	-
Tax receivables	1,795,925	(765,275)	1,030,650	1,001,175	29,475

	Opening balance	Changes of the year	Closing balance	Amount due within one year	Amount due after one year
Deferred tax assets	156,952	1,188,308	1,345,260	-	-
From others	5,143,996	(4,956,850)	187,146	68,288	118,858
Total	11,926,130	(2,829,196)	9,096,934	7,603,341	148,333

Trade receivables

The company 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.

The provision for bad debts remained unchanged from the previous year, as the company did not deem it necessary to accrue additional amounts as almost all of the receivables at the reporting date were covered by insurance guarantees.

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.

Tax receivables

These receivables are recognised at nominal amount, which coincides with estimated realisable value and equal €1,030,650.

This caption may be analysed as follows:

Tax receivables	Closing balance
IRES	844,942
Tax credit for research, development and innovation activities	152,796
IRAP	13,485
Other	19,427
Total	1,030,650

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 €1,345,260.

€1,295,279 of this amount refers to deferred tax assets related to the tax loss for the year 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 company will generate a net profit as soon as 2025.

The section on "Income taxes, current and deferred" provides a breakdown of deferred tax assets.

From others

This caption mainly includes advances to suppliers (€67,970) and advances to employees (€113,358). The latter are due to be collected after 2025.

This caption decreased by an additional €5 million following the release of restricted liquid funds due to the natural expiry of the term.

As mentioned in the notes to the profit and loss account, the company's liquidity management allowed it to record net cash inflows of almost €120 thousand.

Current receivables by geographical segment

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

	Trade receivables	From subsidiaries	From associates	Tax receivables	Deferred tax assets	Other receivables	Total
Italy	5,057,307	2,344	14,000	1,030,650	1,345,260	187,146	7,636,707
Other EU countries	223,036	-	500,917	-	-	-	723,953
Rest of Europe	-	-	-	-	-	-	-
Rest of the world	736,274	-	-	-	-	-	736,274
Total	6,016,617	2,344	514,917	1,030,650	1,345,260	187,146	9,096,934

There was an increase in trade receivables during the year, especially due to the completion of some important supply contracts in the final weeks of 2024 for which collections will be made in early 2025. As already mentioned, almost all trade receivables are insured and, as a result, no significant collection risks are expected.

The tax receivables will be used in 2025 to offset periodic payments due to the tax authorities and social security institutions.

Current financial assets

Change in current financial assets

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

	Opening balance	Changes of the year	Closing balance
Derivatives	92,938	(60,911)	32,027
Total	92,938	(60,911)	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	(14,362,748)	4,470,961

	Opening balance	Changes of the year	Closing balance
Cash-in-hand and cash equivalents	618	(143)	475
Total	18,834,327	(14,362,891)	4,471,436

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	57,497	161,334
Total prepayments and accrued income	103,837	57,497	161,334

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 2427.1.8 of the Italian Civil Code.

Notes to liabilities and net equity

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

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

Changes in net equity captions

With reference to 2024, the following tables show the changes in the individual net equity captions, as well as details of any reserves.

	Opening balance	Allocation of the previous year's net profit - Other allocations	Other changes - Increase	Other changes - Decrease	Other changes - Reclassifications	Net loss for the year	Closing balance
Equity	614,919	-	1,687	-	-	-	616,606
Share premium reserve	27,186,250	-	-	-	-	-	27,186,250
Legal reserve	122,750	250	-	-	-	-	123,000
Extraordinary reserve	5,210	-	-	-	-	-	5,210
Reserve for unrealised exchange rate gains	-	-	-	-	39,828	-	39,828
Sundry other reserves	(3)	-	3	-	-	-	-
Total other reserves	5,207	-	3	-	39,828	-	45,038
Hedging reserve	70,633	-	19,447	65,740	-	-	24,340
Retained earnings	31,846,719	5,608,950	-	1	(39,828)	-	37,415,840
Net profit (loss) for the year	5,609,200	(5,609,200)	-	-	-	(17,113,969)	(17,113,969)
Total	65,455,678	-	21,137	65,741	-	(17,113,969)	48,297,105

On 10 May 2024, the company 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), but 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.

Availability and use of net equity

The net equity captions are set out below by origin, possible use and availability, as well as their use in the previous three years.

	Amount	Origin/Type	Possible use	Available portion	Use in the past three years — for other reasons
Share capital	616,606	Equity-related	B	616,606	-
Share premium reserve	27,186,250	Equity-related	A;B;C	27,186,250	-
Legal reserve	123,000	Income-related	B	123,000	-
Extraordinary reserve	5,210	Income-related	A;B;C	5,210	-
Reserve for unrealised exchange rate gains	39,828	Income-related	B	-	-
Sundry other reserves	(1)	Equity-related		(1)	-
Total other reserves	45,037			5,209	-
Hedging reserve	24,340	Equity-related	A;B	-	-
Retained earnings	37,415,840	Income-related	A;B;C	37,415,840	490,000
Total	65,411,073			65,346,905	490,000
Non-distributable portion				3,415,790	
Distributable portion				61,931,115	
Key: A: share capital increases; 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 company 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	Accruals	Use	Total changes	Closing balance
Pension and similar provisions	-	35	-	35	35
Tax provision, including deferred tax liabilities	22,305	14,619	29,238	(14,619)	7,686
Other provisions	-	18,500	-	18,500	18,500
Total	22,305	33,154	29,238	3,916	26,221

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 company accrued €18,500 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

Changes in employees' leaving entitlement are shown in the following table:

	Opening balance	Accruals	Use	Total changes	Closing balance
EMPLOYEES' LEAVING ENTITLEMENT	196,263	165,823	103,302	62,521	258,784
Total	196,263	165,823	103,302	62,521	258,784

The uses include the employees' leaving entitlement transferred to the INPS Treasury Fund, supplementary pension funds and to employees for advances and/or on leaving the company.

Payables

The changes in payables are summarised in the following table:

Balance at 31/12/2024	15,786,812
Balance at 31/12/2023	34,285,586
Change	(18,498,774)

Changes and due date

The following table sets out the changes in payables and details of their due date:

	Opening balance	Changes of the year	Closing balance	Amount due within one year	Amount due after one year
Bank loans and borrowings	23,665,903	(12,835,128)	10,830,775	5,389,359	5,441,416
Payments on account	88,229	200,257	288,486	288,486	-
Trade payables	9,778,969	(6,307,257)	3,471,712	3,471,712	-

	Opening balance	Changes of the year	Closing balance	Amount due within one year	Amount due after one year
Payables to subsidiaries	1,795	(1,795)	-	-	-
Payables to associates	1,908	(1,908)	-	-	-
Tax payables	162,079	492,260	654,339	654,339	-
Social security charges payable	143,953	21,725	165,678	165,678	-
Other payables	442,750	(66,928)	375,822	375,822	-
Total	34,285,586	(18,498,774)	15,786,812	10,345,396	5,441,416

Bank loans and borrowings

Bank loans and borrowings are analysed in the following table:

	Unaccepted trade bills under reserve	Current loans	Non-current loans	Total
4)	1,158,737	7,584	9,664,454	10,830,775

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 company 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 company had agreed two derivative contracts which are detailed in the relevant section of these notes.

The company committed to complying with the following financial covenants throughout the term of the loans granted by Sparkasse in 2023:

NFP/EBITDA \leq 3.0x

NFP/PN \leq 1.0x

The results achieved in 2024 show that these covenants were not met. As a result, the company 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 €288,486 in caption D.6) of the liabilities.

The company 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.

Trade payables

Trade payables are recognised at their nominal amount of €3,471,712 in caption D.7) Trade payables of the liabilities.

The company 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 most important items making up the tax payables are:

- VAT (€450,367);
- withholding taxes related to employees (€188,060);
- withholding taxes related to self-employed workers (€15,726).

Social security charges payable

Social security charges payable are recognised at their nominal amount of €165,678 in caption D.13) of the liabilities.

The company 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: €109,279;
- contributions on the fourteenth month salary to be paid to INPS: €13,939;
- payables to INAIL (the Italian national institute for insurance against accidents at work): €2,129;
- payables to various social security institutions: €15,216.

Other payables

Other payables are analysed in the following table:

	Breakdown	31/12/2024
<i>Other payables</i>		
	Directors' fees	36,845
	Withholding taxes	4,600
	Payables to credit card issuers	4,114
	Wages and salaries	237,662
	Due to personnel for deferred charges	92,601
	Total	375,822

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	Payables
Italy	10,830,775	288,486	1,796,434	654,339	165,678	375,822	14,111,534
Other EU countries	-	-	231,466	-	-	-	231,466
Rest of Europe	-	-	-	-	-	-	-

	Bank loans and borrowings	Payments on account	Trade payables	Tax payables	Social security charges payable	Other payables	Payables
Rest of the world	-	-	1,443,812	-	-	-	1,443,812
Total	10,830,775	288,486	3,471,712	654,339	165,678	375,822	15,786,812

Payables secured by collateral on company assets

Pursuant to article 2427.1.6 of the Italian Civil Code, it is noted that there are no company liabilities secured by collateral.

Shareholder loans

The company has not received any loans from shareholders.

Accrued expenses and deferred income

The following table sets out the changes in accrued expenses and deferred income:

	Opening balance	Changes of the year	Closing balance
Accrued expenses	268,674	(142,576)	126,098
Deferred income	385,061	(104,783)	280,278
Total	653,735	(247,359)	406,376

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

	Breakdown	31/12/2024
ACCRUED EXPENSES AND DEFERRED INCOME		
	Bank interest expense	118,458
	SME listing bonus	258,333
	Other	29,585
	Total	406,376

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	126,098	-	-
Deferred income	104,783	173,350	2,145
Total	230,881	173,350	2,145

Notes to the 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 company'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".

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	2023	Change
A1) Turnover from sales and services	35,445,265	63,328,571	(27,883,306)
2) Change in work in progress, semi-finished products and finished goods	15,084	-	15,084
4) Internal work capitalised	1,130,671	1,394,506	(263,835)
5) Other revenues and income – Grants related to income	103,100	365,052	(261,952)
5) Other revenues and income – Other revenues	206,553	809,669	(603,116)
Total production revenues	36,900,673	65,897,798	(28,997,125)

Turnover from sales and services by geographical segment

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

	2024
Italy	21,935,011
EU	11,645,608
Non-EU	779,014
Rest of the world	1,085,632
Total	35,445,265

Demand for storage systems contracted sharply in 2024, which had a significant impact on the sales revenues generated by the company.

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 company's main outlet is the Italian market (65%), down on the previous year as a consequence of management's strategy to expand the company's presence in new international markets. Indeed, the share of turnover in EU member states is on the rise (34% compared to 23% recorded by the company in 2023). The markets with the highest growth in 2024 were Sweden, Austria and Germany.

Internal work capitalised

Internal work capitalised amounted to €1,130,671 in 2024, compared to €1,394,506 in 2023, down €263,836. This decrease is the result of the many projects the company undertook in 2023, some of which were completed in 2024.

In particular, the main projects concern:

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

Caption A.5) includes the grants related to income totalling €103,100 received by the company towards the costs incurred. They include:

1. the grants disbursed by Trentino Sviluppo under Regional law no. 6/1999 (€3,100);
2. the portion pertaining to the year of the grant for the consultancy costs incurred in relation to the listing of the company's shares on a regulated market (€100,000);

Caption A.5) also includes other revenues which in 2024 mainly include reimbursements for transport costs in Italy and abroad for €110,097, as well as €79,289 in compensation for loss of products and €4,783 relating to the portion pertaining to 2024 of the tax credit for the purchase of new operating assets.

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 €10,689,085.

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 and 2023 and the change year-on-year.

Raw materials, consumables, supplies and goods

Costs for raw materials, consumables, supplies and goods amounted to €10,689,085 in 2024 compared to €47,625,666 in 2023, a decrease of €36,936,581. This decrease stems from the reduction in goods purchased compared to the previous year.

6) Raw materials, consumables, supplies and goods	2024	2023	Change
Finished goods	10,174,660	46,244,951	(36,070,291)
Customs duties	1,416	687,628	(686,212)
Warehouse and packaging costs	432,860	631,542	(198,682)
Stationery and forms	16,077	28,338	(12,261)
Consumables and maintenance	64,072	33,207	30,865
Total	10,689,085	47,625,666	(36,936,581)

Services

Costs for services amount to €4,892,961 in 2024, compared to €5,152,477 in 2023, a decrease of €259,516 mainly due to the reduction in transport costs during the year.

7) Services	2024	2023	Change
Transport	622,931	813,032	(190,101)
Directors' and statutory auditors' fees	1,147,819	1,202,870	(55,051)
Commercial and contract cost consultancy	791,761	1,270,170	(478,409)
Marketing and entertainment	536,014	360,680	175,334
Insurance	222,528	276,065	(53,537)
Incidental personnel costs	140,667	335,169	(194,502)
Bank commissions and fees	128,163	203,419	(75,256)
Incidental services costs	241,498	154,677	86,821
Legal, tax and accounting consultancy	813,112	392,150	420,962
Utilities	93,648	117,946	(24,298)
Maintenance	154,819	26,298	128,521
Total	4,892,961	5,152,477	(259,516)

Use of third party assets

8) Use of third party assets	2024	2023	Change
Deductible lease instalments	9,701	81,160	(71,459)
Lease instalments and incidental costs	19,305	-	19,305
Car leases	17,440	7,732	9,708

8) Use of third party assets	2024	2023	Change
Equipment leases	16,988	18,871	(1,883)
Software licences	140,641	104,625	36,016
Total	204,075	212,388	(8,313)

Personnel expenses

Personnel expenses amount to €3,011,069 in 2024, compared to €2,452,105 in 2023, an increase of €558,964. The increase is due to the greater number of employees working for the company.

9) Personnel expenses	2024	2023	Change
Wages and salaries	2,194,804	1,764,197	430,607
Social security contributions	589,325	504,567	84,758
Employees' leaving entitlement	136,480	116,587	20,253
Other costs	90,460	66,754	23,706
Total	3,011,069	2,452,105	558,964

Amortisation, depreciation and write-downs

This caption increased by €320,211 in 2024, mainly as a result of the company's large-scale investments in product development and the company's listing during the year. The listing costs are included in caption B.I.1, intangible fixed assets, and as such are amortised on a straight-line basis.

The increase in costs related to the other items of caption B.10 are the natural consequence of the company's investments of the year, as discussed in the notes to the balance sheet.

10) Amortisation, depreciation and write-downs	2024	2023	Change
Intangible fixed assets	1,371,378	1,141,371	230,007
Tangible fixed assets	173,412	83,208	90,204
Total	1,544,790	1,224,579	320,211

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.

As discussed in the note to "Inventory" in the balance sheet, this caption includes the specific write-down of slow-moving inventory (€9,999,774).

11) Change in inventory	2024	2023	Change
Change in raw materials, consumables, supplies and goods	32,812,261	(698,052)	33,510,313
Total	32,812,261	(698,052)	33,510,313

Other operating costs

Other operating costs amount to €996,843 in 2024, compared to €1,035,932 in 2023, down €39,089. They mainly comprise:

- prior year expense of €132,072;
- costs for goods provided free of charge to its customers for promotional purposes of €576,894;
- other fees and taxes of €162,802.

Financial income and charges

Section C of the profit and loss account includes all positive and negative income items related to the company's financial activity, characterised by transactions that generate income, expense, gains and losses on sales, related to securities, investments, bank accounts, financial receivables and loans of any type given and received, as well as exchange rate gains and losses.

Financial income and charges are recognised on an accruals basis.

Financial income comprised interest income of over €109 thousand on liquid funds deposited with banks.

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.

Interest and other financial charges	2024	2023	Change
Bank loans and borrowings	1,163,103	1,382,070	(218,967)
Other payables	5,982	53,684	(47,702)
Total	1,169,085	1,435,754	(266,669)

Exchange rate gains and losses

Information on exchange rate gains and losses at year end is provided below, showing realised and unrealised gains and losses.

	Carrying amount	Unrealised	Realised
<i>Exchange rate gains and losses</i>	<i>1.105-</i>		
Gains		7,344	1,745
Losses		-	10,193
Total		7,344	8,448

Amount and type of individual revenue/expense 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.

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	132,072	Prior year expense

Income taxes, current and deferred

The company has accrued income taxes for the year pursuant to the tax regulations in force. Taxes relative to prior years include direct taxation of previous years, including interest and penalties and the positive (or negative) difference between the amount due after the settlement of a dispute or tax inspection and the amount of the provision accrued in previous years. Deferred tax assets and liabilities relate to positive and negative income items respectively taxable or deductible in years other than that in which they are recognised under statutory criteria.

Recognition of deferred tax assets and liabilities and effects

	IRES	IRAP
A) Temporary differences		
Total deductible temporary differences	5,396,994	-
Total taxable temporary differences	(32,027)	-
Net temporary differences	(5,429,021)	-
B) Tax effects		
Opening provision for deferred taxation	(115,725)	(18,922)
Changes in deferred tax liabilities (assets) of the year	(1,171,867)	(31,060)
Closing provision for deferred taxation	(1,287,592)	(49,982)

Deductible temporary differences

	Opening balance	Change	Closing balance	IRES rate	IRES tax effect	IRAP rate	IRAP tax effect
Provision for inventory write-down	575,127	-	575,127	24.00	138,030	3.29	18,922

Taxable temporary differences

	Opening balance	Change	Closing balance	IRES rate	IRES tax effect	IRAP rate	IRAP tax effect
Mark-to-market price of derivatives	92,938	(60,911)	32,027	24.00	7,686	-	-

Disclosure on tax losses

	Amount (2024)	Tax rate (2024)	Deferred tax assets (2024)	Amount (2023)	Tax rate (2023)	Deferred tax assets (2023)
Tax losses						
for the year	8,127,780			-		
Total tax losses	8,127,780			-		
Tax losses carried forward whose recovery is reasonably certain	5,396,994	24.00	1,295,279	-	-	-

Reconciliation between the net loss for the year and taxable income

IRES	2024	2023
Pre-tax profit (loss)	(18,301,604)	7,518,135
Theoretical tax charge (24%)	(4,392,385)	1,804,352
Increase	10,408,742	908,633
Decrease	234,938	813,176
ACE (aid to economic growth) benefit	-	776,979
IRES taxable income	(8,127,800)	6,836,613
Effective tax charge (24%)	(1,950,672)	1,640,787

IRAP	2024	2023
Operating profit (loss)	(17,250,411)	8,892,703
Costs not relevant for IRAP purposes	3,011,069	2,452,105
Theoretical IRAP taxable base	(14,239,342)	11,344,808
Theoretical tax charge (3.9%)	(555,334)	442,448
Increase	902,981	1,496,077
Decrease	2,741,676	2,680,391
IRAP taxable income	(16,078,037)	10,160,494
- of which, taxable income earned in the Province of Trento	-	1,596,935
- of which, taxable income earned in the Veneto Region	-	8,563,558

IRAP	2024	2023
Effective tax charge	-	376,777
- of which, effective tax charge in the Province of Trento (2.68%)	-	42,798
- of which, effective tax charge in the Veneto region (3.9%)	-	333,979

Notes to the cash flow statement

The company has prepared the cash flow statement which summarises and links the changes of the year in the company's assets and liabilities with the changes in the financial position. It highlights the source and application of the financial resources during the year.

Pursuant to OIC 10, it is noted that the indirect method was used for the cash flow statement, whereby the cash flows are reconstructed adjusting the net profit for the year by the non-monetary items.

Notes — 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:

	Managers	Junior managers	White collars	Blue collars	Total
Average number	1	7	40	9	57

The change in the number of employees in the year may be analysed as follows:

- 3 more junior managers;
- 2 more white collars;
- 2 more blue collars.

Overall in 2024 there were 20 new hires, including 2 junior managers, 11 white collars, 2 apprentices and 5 blue collars. This recruitment strategy is part of the company's objective to strengthen the workforce with a view to planning growth and to support increased productivity and efficiency.

More people left the company compared to the previous year, with a total of 10 staff leaving the company. However, the overall figure did not fluctuate significantly, suggesting stable and well-planned management of outgoing resources.

The company's gender breakdown at year end was 31% female, down slightly from 35% in the previous year. This figure confirms the company'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 promoting equal opportunities. There was a slight increase in the average age, which may reflect the ageing and greater overall experience of personnel. However, despite this slight increase, the company continued to invest in generational renewal, as evidenced by the new hires of young apprentices and workers.

In general, 2024 saw positive development of the workforce, which helped consolidate the company structure, improving operational efficiency and preparing the company for future challenges. Steady human resources management combined with a balanced composition of staff provides a solid basis for the company's operations in the long term.

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 2427.16 of the Italian Civil Code. 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	854,000	72,873

Independent auditors' fees

The independent auditors' fees are shown in the following table, divided by service type.

Independent auditors' fees

	Statutory audit of the financial statements	Other non-audit services	Total independent auditors' fees
Fees	70,000	45,061	115,061

The fees for non-audit services provided by the independent auditors relate to data migration checks on new management software, certification of tax credits for research and development, integration of the interim financial report for the consolidation of Energyonsite S.r.l. and translations.

Categories of shares issued by the company

At the reporting date, the share capital was comprised of 57,868,580 shares without nominal amount. These shares belong to two categories:

- ordinary shares: 54,076,580;
- PAS (Price Adjustment Shares): 3,792,000.

In May 2024, the right to subscribe new shares for the stock option plan for management was exercised for a total of 168,654 newly-issued shares.

On 21 May 2024, the company's board of directors approved the cancellation of the second tranche of PAS as the targets stipulated in the by-laws had not been reached. Therefore, 3,792,000 PAS were cancelled.

Categories of shares	31/12/2023	PAS cancellation	Subscription of the stock option plan	31/12/2024
Ordinary shares	53,907,926	-	168,654	54,076,580
PAS	7,584,000	(3,792,000)	-	3,792,000
Total	61,491,926	(3,792,000)	168,654	57,816,852

Securities issued by the company

The company has not issued any securities or similar covered by the provisions of article 2427.18 of the Italian Civil Code.

Other financial instruments issued by the company

The company has not issued any other financial instruments pursuant to article 2346.6 of the Italian Civil Code.

Off-balance sheet commitments, guarantees and contingent liabilities

None.

Assets and loans earmarked for a specific deal

Assets earmarked for a specific deal

There are no assets earmarked for a specific deal at the reporting date pursuant to article 2427.20 of the Italian Civil Code.

Loans earmarked for a specific deal

There are no loans earmarked for a specific deal at the reporting date pursuant to article 2427.21 of the Italian Civil Code.

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 with 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 company's financial position, financial performance and cash flows, it is noted that no such events took place after the reporting date.

Company that prepares the financial statements for the largest/smallest group of companies that the company belongs to as a subsidiary

The company does not fall into the cases referred to in article 2427.22-quinquies and sexies of the Italian Civil Code.

Disclosure on derivatives pursuant to article 2427-bis of the Italian Civil Code

There are two hedging derivatives at the reporting date.

The first was agreed with Unicredit in 2020, but with effect from 31 January 2021, while the second was agreed with Intesa SanPaolo in 2021, but with effect from 15 March 2021.

Pursuant to the requirements of article 2427-bis of the Italian Civil Code, the following information is provided in compliance with the concept of a true and fair view of company commitments.

Derivative type	Interest rate cap
Purpose	Hedging

Derivative type	Interest rate cap
Amount	€1,750,000
Underlying financial risk	Interest rate risk
Start date	31/01/2021
End date	30/10/2026
Fair value – mark to market	€15,071
Hedged liability	Loan from Unicredit S.p.A.

Derivative type	Interest rate swap
Purpose	Hedging
Amount	€1,000,000
Underlying financial risk	Interest rate risk
Start date	15/03/2021
End date	15/03/2027
Fair value – mark to market	€16,956
Hedged liability	Loan from Intesa San Paolo S.p.A.

Summary of the financial statements of the company that carries out management and coordination activities

Pursuant to article 2497-bis.4 of the Italian Civil Code, it is noted that the company is not subject to management and coordination.

Disclosure pursuant to article 1.125 of Law no. 124 of 4 August 2017

In relation to the provisions of article 1.125-bis of Law no. 124/2017 on the requirement to show any amounts received in the year as subsidies, benefits, advantages, grants or aid, in cash or in kind, not of a general nature and which are not fees, remuneration or compensation of any kind, from the public administration and parties referred to in point 125-bis of the same article, the company confirms that such amounts are registered in the National Register of State Aid.

Proposal for the allocation of profit or coverage of losses

In light of the above, the board of directors proposes to cover the net loss for the year using the share premium reserve.

Notes — final part

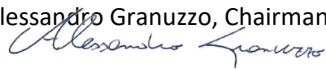
We confirm that these financial statements, comprised of a balance sheet, profit and loss account, cash flow statement and these notes give a true and fair view of the company's financial position, financial performance and cash flows and are consistent with the accounting records. We therefore invite you to approve the draft financial statements at 31 December 2024 together with the proposal for the coverage of the net loss for the year, as formulated by the board of directors.

The financial statements are true and consistent with the accounting records.

Rovereto, 27 March 2025

On behalf of the board of directors

Alessandro Granuzzo, Chairman

A handwritten signature in blue ink, appearing to read 'Alessandro Granuzzo', written over the printed name.



KPMG S.p.A.
Revisione e organizzazione contabile
Piazza Salvemini, 20
35131 PADOVA PD
Telefono +39 049 8249101
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

(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 S.p.A.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Energy S.p.A. (the "company"), 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 financial statements give a true and fair view of the financial position of Energy S.p.A. 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 financial statements*" section of our report. We are independent of the company 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 the company's directors and board of statutory auditors ("Collegio Sindacale") for the financial statements

The directors are responsible for the preparation of 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 company's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the



Energy S.p.A.

Independent auditors' report

31 December 2024

directors believe that the conditions for liquidating the company 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 company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 company'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 company'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 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 company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



Energy S.p.A.

Independent auditors' report

31 December 2024

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 company's directors are responsible for the preparation of a directors' report at 31 December 2024 and for the consistency of such report with the related 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 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 company's 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

ENERGY S.p.A.

Sede legale: Piazza Manifattura 1, Rovereto 38068 (TN)

Capitale sociale: Euro 616.605,80 i.v.

C.F., P.IVA e N. iscrizione Registro Imprese TN 02284640220

RELAZIONE DEL COLLEGIO SINDACALE ALL'ASSEMBLEA DEI SOCI IN OCCASIONE DELL'APPROVAZIONE DEL BILANCIO DI ESERCIZIO CHIUSO AL 31 DICEMBRE 2024 REDATTA AI SENSI DELL'ART. 2429, CO. 2, C.C.

Ai Soci della Società Energy S.p.A.

Il Collegio sindacale ha svolto la propria attività ispirandosi alle disposizioni di legge e ai principi di comportamento raccomandati dal Consiglio Nazionale dei Dottori commercialisti e degli Esperti contabili (CNDCEC). Il Collegio sindacale ha quindi aderito a norme di comportamento applicabili per società non quotate, in quanto essendo la Società quotata sul mercato Euronext Growth Milan (già AIM), e non essendo l'Euronext Growth Milan un mercato regolamentato ai sensi del Dlgs. 58/1998 (TUF), alla stessa non risultano applicabili le norme di comportamento previste dal CNDCEC per le società quotate.

Nel corso dell'esercizio chiuso al 31 dicembre 2024 la nostra attività è stata ispirata alle disposizioni di legge e alle Norme di comportamento del Collegio sindacale di società non quotate emanate dal Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili.

Di tale attività e dei risultati conseguiti Vi portiamo a conoscenza con la presente relazione.

È stato sottoposto al Vostro esame il bilancio d'esercizio della Energy S.p.A. al 31.12.2024, redatto in conformità alle norme italiane che ne disciplinano la redazione, che evidenzia un risultato d'esercizio di € – 17.113.969 (perdita). Il bilancio è stato messo a nostra disposizione nel termine di legge.

Il Collegio sindacale non essendo incaricato della revisione legale, ha svolto sul bilancio le attività di vigilanza previste nella Norma 3.8. delle "Norme di comportamento del Collegio sindacale di società non quotate" consistenti in un controllo sintetico complessivo volto a verificare che il bilancio sia stato correttamente redatto. La verifica della rispondenza ai dati contabili spetta, infatti, all'incaricato della revisione legale.

Il soggetto incaricato della revisione legale dei conti KPMG S.p.A. ci ha consegnato la propria relazione datata 8 aprile 2025 contenente un giudizio senza modifica.

Pertanto, da quanto riportato nella relazione del soggetto incaricato della revisione legale il bilancio d'esercizio al 31.12.2024 rappresenta in modo veritiero e corretto la situazione patrimoniale e

finanziaria, il risultato economico e i flussi di cassa della Vostra Società ed è stato redatto in conformità alla normativa che ne disciplina la redazione.

1) Attività di vigilanza ai sensi degli artt. 2403 e ss. c.c.

Abbiamo vigilato sull'osservanza della legge e dello statuto, sul rispetto dei principi di corretta amministrazione e, in particolare, sull'adeguatezza dell'assetto organizzativo, amministrativo e contabile adottato dalla società e sul suo concreto funzionamento.

Abbiamo partecipato alle assemblee dei soci e alle riunioni del Consiglio di amministrazione e, sulla base delle informazioni disponibili, non abbiamo rilievi particolari da segnalare.

Abbiamo acquisito dall'organo di amministrazione con adeguato anticipo e anche durante le riunioni svolte, informazioni sul generale andamento della gestione e sulla sua prevedibile evoluzione, nonché sulle operazioni di maggiore rilievo, per le loro dimensioni o caratteristiche, effettuate dalla società e dalle sue controllate e collegate e, in base alle informazioni acquisite, non abbiamo osservazioni particolari da riferire.

Con il soggetto incaricato della revisione legale abbiamo scambiato tempestivamente dati e informazioni rilevanti per lo svolgimento della nostra attività di vigilanza.

Abbiamo acquisito conoscenza e abbiamo vigilato sull'adeguatezza dell'assetto organizzativo, amministrativo e contabile e sul suo concreto funzionamento anche tramite la raccolta di informazioni dai responsabili delle funzioni e a tale riguardo non abbiamo osservazioni particolari da riferire.

Abbiamo acquisito conoscenza e vigilato, per quanto di nostra competenza, sull'adeguatezza e sul funzionamento del sistema amministrativo-contabile, nonché sull'affidabilità di quest'ultimo a rappresentare correttamente i fatti di gestione, mediante l'ottenimento di informazioni dai responsabili delle funzioni e l'esame dei documenti aziendali, e a tale riguardo, non abbiamo osservazioni particolari da riferire.

Non sono pervenute denunce dai soci *ex art. 2408 c.c.* o *ex art. 2409 c.c.*

Non abbiamo presentato denuncia al tribunale *ex art. 2409 c.c.*

Non abbiamo effettuato segnalazioni all'organo di amministrazione ai sensi e per gli effetti di cui all'art. 25-*octies* d.lgs. 12 gennaio 2019, n. 14.

Non abbiamo ricevuto segnalazioni da parte del soggetto incaricato della revisione legale ai sensi e per gli effetti di cui all'art. 25-*octies* d.lgs. 12 gennaio 2019, n. 14.

Non abbiamo ricevuto segnalazioni da parte dei creditori pubblici ai sensi e per gli effetti di cui art. 25-*novies* d.lgs. 12 gennaio 2019, n. 14.

Nel corso dell'esercizio non sono stati rilasciati dal Collegio sindacale pareri e osservazioni previsti dalla legge.

Nel corso dell'attività di vigilanza, come sopra descritta, non sono emersi altri fatti significativi tali da richiederne la menzione nella presente relazione.

2) Osservazioni in ordine al bilancio d'esercizio

Abbiamo verificato che gli amministratori hanno dichiarato la conformità alle norme di riferimento che disciplinano la redazione del bilancio d'esercizio.

Da quanto riportato nella relazione del soggetto incaricato della revisione legale, "il bilancio d'esercizio fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria della Energy S.p.A. al 31.12.2024, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data in conformità alle norme italiane che ne disciplinano i criteri di redazione".

Per quanto a nostra conoscenza, gli amministratori, nella redazione del bilancio, non hanno derogato alle norme di legge ai sensi dell'art. 2423, co. 5, c.c.

Ai sensi dell'art. 2426, n. 5, c.c. abbiamo espresso il nostro consenso all'iscrizione nell'attivo dello stato patrimoniale di costi di impianto e di ampliamento per € 1.625.509, costi di sviluppo per € 1.593.341.

3) Osservazioni e proposte in ordine alla approvazione del bilancio

Considerando le risultanze dell'attività da noi svolta e il giudizio espresso nella relazione di revisione rilasciata dal soggetto incaricato della revisione legale dei conti, non rileviamo motivi ostativi all'approvazione, da parte dei soci, del bilancio d'esercizio chiuso al 31 dicembre 2024, così come redatto dagli amministratori.

Il Collegio sindacale concorda con la proposta di destinazione del risultato d'esercizio formulata dagli amministratori nella nota integrativa.

Sant'Angelo di Piove di Sacco (PD), 9 aprile 2025

Il Collegio Sindacale

Marco Bernardis (Presidente del Collegio Sindacale)

Renato Bogoni (Sindaco effettivo)

Dante Carolo (Sindaco effettivo)

