

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

Annual Financial Report

2025

Energy S.p.A.

Headquarters at Piazza Manifattura 1 , 38068 ROVERETO TN

Share capital: €616,605.80, fully paid up

Tax ID 02284640220

Trento company registration no. 02284640220

R.E.A. No. 213161

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Directors' Report

Prepared pursuant to Article 2428 of the Civil Code
Period from January 1, 2025, to December 31, 2025

Introduction

Dear Shareholders,

The financial statements submitted for your approval describe the Company's financial and equity performance during the 2025 fiscal year. Based on the results contained therein, the financial statements show a net loss for the year of €2,141,546, reflecting the challenges faced during the fiscal year.

This report concerns the analysis of operations, in accordance with the provisions of Article 2428 of the Italian Civil Code, and serves to provide an overview of the Company's situation and the performance of operations for the fiscal year, with particular regard to costs, revenues, and investments. It is an integral part of the financial report as of December 31, 2025, which has been audited by KPMG.

It should be noted that the financial statements as of December 31, 2025, were prepared in accordance with the provisions of the Italian Civil Code, in accordance with Italian accounting standards, and in compliance with applicable tax regulations.

Company History

Energy was founded in 2013 as an innovative startup. The company focuses on the promising market for energy storage systems for the residential sector, and after about a year of research into innovative technologies for residential systems, it launched the technical adaptation, marketing, and after-sales support of photovoltaic electricity storage systems. In 2020, Energy obtained the status of Innovative SME and took a significant step forward by expanding its offering with the launch of the zeroCO₂[®] product line, designed for both the residential and industrial markets. Starting in 2021, the range of products offered was expanded, and the company's commercial presence was further extended, both in Italy and abroad.

In 2022, Energy Srl became Energy S.p.A. and completed its listing on the Euronext Growth Milan (EGM) market of Borsa Italiana. The IPO enabled the company to raise significant capital, intended to pursue increasing vertical integration and consolidate its position as a full system integrator in the BESS sector. On May 23, 2023, Energy established the subsidiary Energyincloud s.r.l. (EiC), through which, in July 2023, it completed the acquisition of the business unit of Cloud Computing s.r.l., integrating advanced technologies for the remote control and management of energy production, storage, and consumption systems.

Furthermore, in May 2023, the affiliate Pylon LifeEU s.r.l. was founded—in partnership with Pylon Technologies Europe B.V.—for the research, development, and manufacture of lithium batteries for stationary storage.

On June 7, 2024, Energy S.p.A. completed the acquisition of 90% of Enernore S.r.l. — which subsequently changed its name to Energyonsite S.r.l. — a company specializing in consulting, design, production, installation, and maintenance of complex energy production and storage systems. This acquisition marked the formation of the Energy Group, a *full-system technology manufacturer*, leader in energy storage systems, and provider of cloud and engineering services.

In November 2024, Energy S.p.A. acquired an additional 13.5% stake in the share capital of its subsidiary EnergyInCloud S.r.l. The transaction reinforces the Energy Group's strategy in providing advanced services for the remote control and management of energy production, storage, and consumption systems.

During the period under review, Energy S.p.A. acquired the remaining 10% of the shares in Energyonsite s.r.l. held by the minority shareholder, thereby gaining 100% ownership.

Governance Structure and Corporate Structure

The Company's mission is to contribute significantly to a more efficient, sustainable, flexible, and resilient energy management system through technologically advanced solutions and value-added services—thereby playing an active role in mitigating climate change and driving the energy transition, while generating value for all stakeholders. All of this is achieved by maximizing self-generation of electricity, actively contributing to grid stability, and offering goods and services aligned with market needs.

With regard to Energy's capital structure, the following events occurred during 2025:

- On June 9, 2025, the Company announced the filing of its articles of incorporation following the cancellation of 3,792,000 "Price Adjustment Shares" (PAS, third and final tranche)
- On November 14, 2025, the Company executed the purchase agreement for 10% of the shares of Energyonsite s.r.l. held by the minority shareholder, thereby gaining control of 100% of the shares.

The ownership structure of Energy S.p.A. as of December 31, 2025, is as follows:

<i>Shareholder</i>	<i>Common Shares</i>	<i>% of Share Capital</i>
<i>Freman Holding S.r.l.*</i>	10,506,070	19.43%
<i>Elmagi s.r.l.**</i>	10,456,688	19.34%
<i>Eurogarco S.p.A.</i>	10,278,222	19.01%
<i>Vee Holding s.r.l.***</i>	10,270,638	18.99%
<i>RPS S.p.A.</i>	4,166,500	7.70%
<i>Market</i>	8,398,462	15.53%
Total	54.076.580	100,00%

**Company attributable to: Andrea Taffurelli, Executive Director of the Board of Directors of Energy S.p.A.; the Common Shares include 48,000 shares held by Taffurelli under a stock option plan (2023)*

***Company attributable to: Davide Tinazzi, Chief Executive Officer of Energy S.p.A.; the Common Shares include 40,654 shares held by Tinazzi under the stock option plan (2023)*

****Company wholly attributable to Sun Hongwu*

Energy's corporate governance structure is based on a traditional organizational model and consists of the following bodies:

- Shareholders' Meeting, the body that represents the interests of the general shareholder base and is responsible for making the most significant decisions regarding the Company's operations, including appointing the Board of Directors, approving the financial statements, and amending the Articles of Association;
- Board of Directors – composed of 5 members, including one independent director and one CEO;
- Board of Statutory Auditors, composed of 3 standing members and 2 alternate members;
- Accounting oversight is entrusted to the independent audit firm.

The Board of Directors plays a central role within the corporate organization. It is responsible for strategic and organizational direction and holds, within the scope of the corporate purpose, all powers not expressly reserved by law or the Articles of Association to the Shareholders' Meeting, for the purpose of carrying out the ordinary and extraordinary administration of the Company.

The highest managerial responsibilities within the Company are assigned to the Chief Executive Officer in accordance with the powers delegated by the Board of Directors.

The Company has an internal control system consisting of rules, procedures, and an organizational structure designed to monitor:

- the efficiency and effectiveness of business processes

- the reliability of financial information
- compliance with laws, regulations, the Articles of Association, and internal procedures
- the safeguarding of the Company's assets

The Company has adopted and maintains an Organizational and Management Model in accordance with the requirements of Legislative Decree 231/2001.

The internal organizational structure is discussed in a separate section below.

Analysis of the Company's situation, performance, and operating results

Context and Results

Energy storage systems are essential products in the energy transition from fossil fuels to renewables and are attracting significant public and private investment. The energy storage systems sector is part of a long-term market trend that determines its development and potential, driven by several key factors, such as (a) the increased volatility of energy prices, exacerbated by geopolitical tensions and fluctuations in the cost of natural gas and crude oil; (b) the risks of blackouts and the need to stabilize and make the grid more flexible, due in part to the increased penetration of renewables and consumption peaks resulting from the spread of electric mobility; (c) changes in the regulation of energy markets and energy-intensive entities; (d) the complementary nature of storage systems with renewable energy sources, such as wind and solar power, which are inherently intermittent; (e) the demand for electric vehicles, which, although it has grown less than expected, nevertheless entails a strategic need for charging infrastructure with advanced storage systems; (f) public incentive policies for the energy transition and energy independence; (g) the evolution of regulated and unregulated electricity markets.

Compared to the external environment, the 2025 fiscal year was negatively impacted by several factors:

- a slight decline in prices due to oversupply across the entire renewable energy sector, significantly less pronounced than that observed in 2023 and 2024
- a significant reduction in demand in the residential segment, continuing the trend from 2024
- the persistence of relatively high interest rates—albeit declining in the latter part of the year—for much of 2025
- the serious uncertainties generated by delays in regulatory definitions and the resulting uncertainty for investments

The company nevertheless intends to evolve and strengthen its leadership position in the energy storage sector, adapting to market dynamics and the opportunities offered by the global energy transition.

Key events of the fiscal year

During the period under review, the company continued to pursue its medium- to long-term strategy, while taking into account the changing market conditions.

- On July 18, 2025, the Company established the newco Energyonsite GmbH, headquartered in Munich and focused on the German market, and announced this to the market
- At the ordinary shareholders' meeting held on April 29, 2025, the corporate bodies were renewed, with the Board of Directors expanded from 3 to 5 members and new appointments made to the Board of Statutory Auditors; the auditing firm KPMG was confirmed for the three-year period 2025–2027

Overall summary of performance

An analysis of the financial statements as of December 31, 2025 reveals the following:

- Revenues of €27,974,219, down due to a contraction in demand caused by the factors outlined in the "Description of the Context and Results" section.

- Exports remained largely unchanged (36% in 2025, amounting to €10.2 million, versus 38% in 2024, amounting to €13.5 million).
- Significant increase in the share of revenue from the commercial and industrial segment (44% in 2025, equal to €12.2 million, versus 15% in 2024, equal to €5.2 million).
- Operating margin of €600,333 (2% EBITDA margin), an improvement compared to €-15,705,620 (EBITDA margin of -44%) in 2024. The 2024 margin included a provision for inventory write-downs of €9,999,773, necessary in part to realign the value of certain assets to market value.
- Conservative continuation of investments in fixed assets, specifically: the completion of the assembly line in the first battery production department, construction work on the new Gigafactory in the adjacent area, and further technical developments on the cloud platform and new products.
- Product design reviews, integration of functionalities, and new features
- Overhead costs were essentially in line with the previous year;
- A decrease in working capital, with trade working capital amounting to €21,384,138, compared to €26,195,819 as of December 31, 2024.
- Net financial position of €9,132,302 compared to €6,359,338 as of December 31, 2024, due to a decrease in cash and cash equivalents.

Market Data and Products

Range of products and services offered

The Company offers two product categories:

- the “Small&Large ESS” category, launched in 2014, featuring energy storage systems for residential users and small-to-medium-sized industrial and commercial users
- the “Extra Large ESS” (“XL,” or “C&I,” commercial & industrial) category, launched in the fourth quarter of 2021 and further developed in subsequent years, for industrial and commercial users with energy storage needs exceeding 50 kW; In this area, the Company provides system integration services for large energy storage systems (over 50 kW) based on a proprietary Energy Management System. The range is equipped with software features that also enable the activation of *multi-stack* services¹. The Company offers a cloud-based intelligent ESS management service, which ensures historical data management and continuous maintenance of algorithms, in relation to which the Company continuously conducts research and development and updates to improve the services offered and enable the use of new features.

Foreign Trade Data

During the period under review, 36% of revenues were generated abroad (EU and non-EU) and 64% in Italy. In absolute terms, foreign sales totaled €10,197,160, concentrated primarily in Central and Northern European countries. Further details can be found in the “Profit and loss account” section starting on page 9.

General Situation of the Company

The financial year under review shows a decrease in revenues compared to the previous year, in light of the facts outlined above. However, this decrease in revenues has not compromised the Company’s ability to meet its obligations and continue its investments.

The Company financed its working capital and investments both through operating cash flows generated by its operations and through bank debt.

¹ “Multi-stack” refers to overlapping services managed in parallel, such as self-consumption, peak shaving, and grid services, based on selection criteria that automatically determine the extent to which each service is fulfilled (e.g., setting a minimum of 80% coverage for on-demand grid services to avoid penalties, ensuring a certain level of peak shaving, and directing the remainder toward self-consumption)

Shareholders' equity at year-end, consisting of the sum of share capital and reserves, amounts to €46,137,591. Fixed assets amounted to €32,537,978, an increase compared to 2024, primarily due to the rise in fixed assets related to the construction of the new adjacent building.

Internal Organizational Structure

Energy's organizational structure comprised 62 employees as of December 31, 2025. The following are the main characteristics of the workforce:

Headcount at year-end	62
FTE	61

Average number of employees			
Q1	Q2	Q3	Q4
61	64	65	63

Men	47	76%
Women	15	24%

Throughout 2025, Energy's organizational structure remained generally stable, with a slight adjustment during the year. As of December 31, 2025, the workforce consisted of 62 employees, corresponding to 61 FTEs, confirming substantial continuity compared to the previous fiscal year, despite internal transfers and normal staff turnover. The intra-year trend shows an increase in headcount in the middle of the year, followed by a slight decline in the fourth quarter, indicating a gradual rebalancing of the structure rather than a structural reduction.

During the fiscal year, 13 new hires were made, compared to 12 departures, resulting in a near-neutral balance that indicates careful management of turnover and a commitment to consolidating the workforce. As of December 31, the workforce was predominantly composed of white-collar employees, with 46 white-collar workers, 10 blue-collar workers, 5 apprentices in total, and 1 executive, reflecting an organizational structure focused on operational and support functions.

From a demographic perspective, the average age stands at 37, confirming a relatively young workforce, a factor that fosters adaptability, skill development, and continuity in the medium term. The gender distribution shows a male majority (75.8% men and 24.2% women); while this figure indicates a decrease in the proportion of women compared to the past, it remains consistent with the nature of the technical and operational roles within the company and represents an area of focus for future employer branding and organizational development policies.

Overall, 2025 is shaping up to be a year of workforce stabilization and rationalization, with the organization consolidating its structure, maintaining a balance between hires and departures, and laying the groundwork for sustainable workforce growth in subsequent years.

Economic, Equity, and Financial Position

The performance indicators provide a brief overview of the Company's performance and operating results. The section titled "Economic, Balance Sheet, and Financial Position" presents the balance sheet, net financial position, profit and loss account, and a cash flow statement for the fiscal years 2025 and 2024, prepared according to a management classification used by the administrative body to support the economic, balance sheet, and financial analysis of the Company.

The following are some management tables that the Board of Directors uses for financial, economic, and equity analysis.

Profit and loss account

(thousands of Euros)	31/12/2025	%	31/12/2024	%	Chg.	% change
Turnover from sales and services	27,974	100%	35,445	100%	(7,471)	(21%)
Internal work capitalised	936	3%	1,131	3%	(194)	(17%)
Other revenues	1,768	6%	310	1%	1,458	471%
Cost of materials ²	21,004	75%	43,486	123%	(22,482)	(52%)
Costs for services	4,664	17%	4,893	14%	(229)	(5%)
Personnel expenses	3,289	12%	3,011	8%	277	9%
Other costs ³	1,122	4%	1,201	3%	(79)	(7%)
Gross operating profit (loss) (EBITDA)	600	2%	(15,706)	(44%)	16,306	(104%)
Depreciation and amortization	1,910	7%	1,545	4%	365	24%
Write-downs	129	0%	0	0%	129	n.a.
Operating profit (loss)	(1,438)	(5%)	(17,250)	(49%)	15,812	(92%)
Net financial charges	(653)	(2%)	(1,051)	(3%)	398	(38%)
Profit (loss) before taxes	(2,092)	(7%)	(18,302)	(52%)	16,210	(89%)
Income Taxes	50	0%	(1,188)	(3%)	1,238	(104%)
Net profit (loss) for the year	(2,142)	(8%)	(17,114)	(48%)	14,972	(87%)

Energy's net revenues amounted to €27,974,219, representing a decrease of €7,471,046 (-21%) compared to the previous fiscal year (€35,445,265). The decline in revenue is due to the contraction of the residential segment, which was not fully offset by the growth in the Commercial & Industrial (C&I) segment, as shown in the tables below.

The backlog as of December 31, 2025, stands at €7.2 million, excluding €19.8 million related to the remaining portion of the Asfinag contract, the timeline for which is difficult to predict. As of February 28, 2026, the Company has a backlog of €7.8 million projected for 2026.

EBITDA is positive at €600,333, equal to 2% of net revenue. Margins have improved compared to 2024, thanks to increased sales of the higher-value-added XL range.

Overhead costs (services, personnel, other) amount to €9,074,502, substantially in line with 2024 (€9,104,948). The profit and loss account shows a net loss for the year of €2,141,546, fully absorbed by available reserves.

Below is the breakdown of revenue by geographic area, in Euros:

	31/12/2025	%	31/12/2024	%	Chg.	% change
Revenues in Italy	17,777,059	64%	21,933,751	62%	(4,156,692)	(19%)
EU Revenue	9,599,925	34%	12,425,882	35%	(2,825,957)	(23%)
Non-EU Revenue	597,235	2%	1,085,631	3%	(488,396)	(45%)

Below is a breakdown of revenue by product category:

	31/12/2025	%	31/12/2024	%	Chg.	% change
Small & Large (<50 kW)	15,745,586	56%	30,268,016	85%	(14,522,430)	(48%)
Extra Large (>50 kW)	12,228,633	44%	5,177,249	15%	7,051,384	136%

² cost of materials purchased and inventory variance

³ use of third-party assets, miscellaneous operating expenses, and other provisions

Below is the breakdown of revenue by sales channel:

	31/12/2025	%	31/12/2024	%	Chg.	% change
EPC / Other	10,930,997	39%	6,216,617	18%	4,714,381	76%
General distributor	8,723,395	31%	10,655,023	30%	(1,931,628)	(18%)
Specialty distributor	5,408,331	19%	7,588,896	21%	(2,180,566)	(29%)
VAR	2,911,496	10%	10,984,729	31%	(8,073,233)	(73%)

By number of storage systems and capacity:

	FY2025	FY2024
Number of systems sold	1,945	4,694
Total capacity	33 MW	30 MW

The revenue breakdown shows that the export share in 2025 remains largely unchanged compared to 2024. Revenues from abroad amount to €10,197,160, equal to 36% of the total, or a relative decrease of 2%, although with an absolute decrease of €3,314,354 compared to 2024. Customer concentration shows that 73% of revenues are generated by the top 20 customers.

Revenues for the Extra Large (XL) range in 2025—totaling €12,228,633—represent a 136% increase compared to 2024 (€5,177,249), marking a deliberate and significant departure from the overall market trend, with sales driven by an expanding customer base.

By the end of the year, there were over 130 registered and connected *zeroCO₂XL* systems. Installations covered Commercial, Industrial, and Agrivoltaic applications.

Looking at sales by channel, in 2025 the majority came from EPCs and others (39%)—linked to the C&I segment—followed by generalist distributors (31%) and specialist distributors (19%), unlike 2024, which saw a predominance of VAR (Value Added Reseller) customers.

In terms of storage systems, the number of systems sold is 1,945, with a total capacity of 33 MW, up from 30 MW in 2024.

The costs incurred by the company in 2025 for sales, net of financial expenses and taxes, amounted to €32,116,972. Of these costs, €4,663,774 represent costs for services, €3,288,517 for personnel, while €21,003,939 is the value of the purchase costs of raw materials used and the change in raw material inventories.

Balance Sheet

(in thousands of Euros)	31/12/2025	31/12/2024	Chg.	% change
Intangible fixed assets	5,152	5,692	(540)	(9%)
Tangible fixed assets	24,009	17,973	6,035	34%
Financial fixed assets	3,377	3,409	(32)	(1%)
Total fixed assets	32,538	27,074	5,464	20%
Inventory	22,379	23,939	(1,561)	(7%)
Trade receivable	4,335	6,017	(1,681)	(28%)
Trade payables and payments on account	(5,330)	(3,760)	(1,570)	42%
Trade working capital	21,384	26,196	(4,812)	(18%)

(in thousands of Euros)	31/12/2025	31/12/2024	Chg.	% change
Receivables from subsidiaries	845	2	842	n.s.
Receivables from associates	602	515	87	17%
Payables to subsidiaries	(379)	0	(379)	n.a.
Payables to associates	0	0	0	n.a.
Other receivables and prepayments and accrued income	2,078	2,756	(679)	(25%)
Other payables and accrued expenses and deferred income	(1,398)	(1,602)	204	(13%)
Net working capital	23,132	27,867	(4,735)	(17%)
Employees' leaving entitlement and other provisions	(400)	(285)	(115)	40%
Invested capital	55,270	54,656	613	1%
Net equity	46,138	48,297	(2,160)	(4%)
Net financial debt (position)	9,132	6,359	2,773	44%
Total sources of funding	55,270	54,656	613	1%

Fixed assets increased compared to the previous fiscal year, in line with investments, particularly in property, plant, and equipment. As of December 31, 2025, they totaled €32,537,978, of which €5,151,969 consisted of intangible assets and €24,008,721 of tangible fixed assets. Research and development costs amounting to €936,469 have been capitalized. Tangible fixed assets include investments in the new building under construction on the site adjacent to the headquarters, the machinery for the battery assembly line, and other improvements to the existing building.

Financial assets totaling €3,377,288 include equity interests in Pylon LifeEU s.r.l., Energyincloud S.r.l., Energyonsite S.r.l., and Energyonsite GmbH.

Trade working capital amounts to €21,384,138, consisting primarily of net inventory of €22,378,861, accounts receivable of €4,335,181, and accounts payable of €5,329,904. The total figure is down by €4,811,681 compared to the end of the 2024 fiscal year.

Other receivables and accrued income/deferred charges amount to €2,077,914, a decrease of €678,503 compared to December 31, 2024, and include tax receivables of €504,384, deferred tax assets of €1,295,279, and other receivables and accrued income/deferred charges.

Other payables and accrued liabilities/prepaid expenses amount to €1,397,887 and include tax liabilities of €202,948, liabilities to social security and welfare institutions of €182,734, and other payables and accrued liabilities/prepaid expenses.

Net working capital as of December 31, 2024, was €26,195,819. Energy's invested capital as of December 31, 2024, was €54,656,444, while as of December 31, 2025, it stood at €55,269,893, representing an increase of €613,449.

Total consolidated equity, amounting to €55,269,893, consists of shareholders' equity (€46,137,591) and net financial debt (NFD) of €9,132,302. Total financial debt, consisting of bank debt with revolving credit lines, Finimport loans, and medium-term loans, is composed of short-term bank debt amounting to €7,106,828 and medium- to long-term bank debt amounting to €2,690,800, net of cash and cash equivalents amounting to €665,326.

Net financial position

(thousands of Euros)	31/12/2025	31/12/2024	Chg.	% change
Liquid funds	(665)	(4,471)	3,806	(85%)

(thousands of Euros)	31/12/2025	31/12/2024	Chg.	% change
Current financial receivables	0	0	0	n.a.
Short-term bank loans and borrowings	7,107	5,389	1,717	32%
Short-term loans and borrowings from other financial backers	0	0	0	n.a.
Short-term financial (position) debt	6,442	918	5,524	602%
Medium/long-term bank loans and borrowings	2,691	5,441	(2,751)	(51%)
Medium/long-term loans and borrowings from other financial backers	0	0	0	n.a.
Net financial debt (position)	9,132	6,359	2,773	44%

Cash Flow statement

(thousands of Euros)	31/12/2025	31/12/2024	Chg.	% change
Operating profit (loss)	(1,438)	(17,250)	15,812	(92%)
Income taxes	(50)	1,188	(1,238)	(104%)
Amortisation, depreciation and write-downs	2,039	11,535	(9,496)	(82%)
Change in trade working capital	4,683	15,003	(10,320)	(69%)
Change in other receivables/(other payables), employees' leaving entitlement and other provisions ⁽¹⁾	39	(533)	572	(107%)
Cash flows from operating activities	5,272	9,941	(4,669)	(47%)
Investments in intangible, tangible and financial fixed assets	(7,373)	(15,373)	7,999	(52%)
Cash flow before financing activities	(2,102)	(5,432)	3,330	(61%)
Change in bank loans and borrowings and loans and borrowings from other financial backers	(1,033)	(12,835)	11,802	(92%)
Changes in financial receivables due within one year	0	5,000	(5,000)	(100%)
Net financial charges	(653)	(1,051)	398	(38%)
Change in equity	(18)	(45)	27	(60%)
Net cash flow	(3,806)	(14,363)	10,557	(74%)

Opening liquid funds	4,471	18,834
Net cash flow	(3,806)	(14,363)
Closing liquid funds	665	4,471

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

Financial Ratios

The following table summarizes some of the key economic indicators used to measure the company's performance during the period:

Ratio description	31/12/2025	31/12/2024	12/31/2023
ROE - (Return on Equity)	(4.6%)	(35.4%)	8.6%
ROIC - (Return on Invested Capital)	(2.3%)	(30.9%)	11.6%
ROA - (Return on Assets)	(2.3%)	(28.6%)	8.8%
ROS - (Return on Sales)	(5.1%)	(48.7%)	14.0%

All ratios, which are based on the relationship between operating income and other metrics, have improved compared to the previous year.

Below are some notes on the calculation of the indicators.

ROE (Return on Equity)	Percentage return on shareholders' equity	Net income for the year / Equity
ROIC - (Return on Invested Capital)	operating profitability: measures the company's ability to generate profits by transforming inputs into outputs	Net operating margin (EBIT) / Operating capital invested
ROA - (Return on Assets)	The company's ability to generate a cash flow from its operations	Net Operating Margin (EBIT) / Total Assets
ROS - (Return on Sales)	Impact of key production factors (materials, labor, depreciation, other costs) on revenue	Net operating margin (EBIT) / Revenue

EBITDA

(thousands of Euros)	31/12/2025	31/12/2024
Net profit (loss) for the year	(2,142)	(17,114)
Income taxes	50	(1,188)
Net financial income	653	1,051
EBIT	(1,438)	(17,250)
EBIT %	(5%)	(49%)
Amortisation, depreciation and write-downs	2,039	1,545
EBITDA	600	(15,706)
EBITDA %	2%	(44%)

The EBITDA reconstructed above is defined as: net loss for the year, adjusted for the following components: (i) income taxes for the year, (ii) financial items, and (iii) depreciation and amortization of tangible and intangible assets, impairment losses, and other provisions.

Information on Major Risks and Uncertainties

In this section of the present report, in compliance with the provisions of Article 2428 of the Italian Civil Code, the undersigned intend to report on risks, namely those events potentially capable of producing negative effects on the pursuit of corporate objectives and which therefore hinder value creation.

The identification and management of risks represent a strategic element for the protection, maintenance, and enhancement of the Company's value over time.

FINANCIAL RISKS

Credit Risk

Credit risk represents the Company's exposure to the risk of potential losses arising from the failure of counterparties to fulfill their obligations.

Trade receivables are reported net of the allowance for doubtful accounts. It is believed that this value provides a fair representation of their estimated realizable value. There are no particular risks arising from credit concentration. New customers acquired in 2025 have a good credit rating.

Liquidity Risk

Liquidity risk represents the possibility that the financial resources available to the Company may not be sufficient to meet financial and commercial obligations within the established terms and deadlines. The financial structure established by the management with banking and financial institutions has thus far enabled the Company to meet its financial needs. Based on currently available information and cash flow forecasts, this structure appears adequate to support the financial needs associated with ordinary operations in the foreseeable future, including through the use of credit lines made available by the banking system. In order to stabilize expected cash flows related to variable-rate exposure on financial debt, the Company has maintained interest rate hedging derivatives on certain loans. Although the current fiscal year recorded a significant outflow of liquidity, it shows financial resources that are currently deemed adequate to support the continuation of operations, subject to constant monitoring of changes in financial needs.

Foreign Exchange Risk

Foreign exchange risk can be defined as the aggregate of the effects on economic and financial results arising from fluctuations in currencies other than the euro that companies operating in foreign markets must face. The Company's primary objective is to protect its profit margin on sales and purchases from external factors. Given the limited value of sales and purchases denominated in currencies other than the euro, this risk is not considered significant. The Company continuously monitors risks that may arise from foreign exchange risk in order to promptly implement the necessary management tools aimed at reducing such risk.

OPERATIONAL RISKS

Dependence on Suppliers

The Group primarily relies on long-term technological and production partnerships with selected suppliers, with whom it establishes a lasting and mutually beneficial relationship. This approach has also provided a competitive advantage in the market over the past few years. Naturally, these alliances *de facto* expose the Energy Group to a certain degree of risk, as the termination of such relationships for any reason, or the occurrence of critical issues in supply relationships, could negatively impact operations. The Group has implemented and will continue to implement mitigation measures in this regard, both in terms of its supplier portfolio and through the acquisition of skills and processes that reduce the degree of dependence or, if necessary, enable *recovery* times to be shortened. In particular, the introduction of new product lines using technologies different from those traditionally employed requires the introduction of new suppliers.

Key Management Personnel

The Company continues to pursue a path of internal development of managerial personnel, team building, and the establishment of business processes that can reduce dependence on long-standing personnel. As of December 31, 2025, there is a first line of 9 department heads.

Economic Outlook

In 2025, the European economy recorded moderate growth, broadly in line with 2024. Inflation approached the ECB's target, albeit with fluctuations linked in particular to the energy component. Domestic demand remained subdued, partly due to financial conditions that were still restrictive—though gradually normalizing—and a high level of international uncertainty. In this context, trade tensions and global trade policy shocks acted as an additional brake on consumption and investment decisions.

Market Risk

The renewable energy and energy storage sectors continue to be characterized by rapid evolution and significant regulatory influence, affecting both technical aspects and investment support mechanisms. Their growing strategic importance for European Union countries, particularly in light of the energy security and decarbonization targets set at the European level, keeps these sectors at the center of public policies and regulatory initiatives across various institutional levels. In this context, the introduction or revision of regulatory provisions can have significant effects on the sector's operations, even in the short term.

Throughout 2025, continuing the trend initiated in previous years, the European and national regulatory framework continued to evolve through the introduction and gradual consolidation of instruments aimed at promoting the development of renewable energy sources, strengthening energy infrastructure, and expanding energy storage systems. These measures were accompanied by initiatives focused on simplifying permitting processes and supporting investments in the energy transition. However, uncertainties remain regarding the operational definition and long-term stability of incentive mechanisms, which may affect the timing of certain projects and the overall dynamics of investments in the sector.

Geopolitical Risks

Global geopolitical tensions continue to influence international trade and supply chains, particularly regarding economic relations between the European Union, the United States, and China, from which a significant portion of the company's supplies originate. In this context, the introduction of trade restrictions, tariffs, or export limitations could affect the availability and costs of strategic components. Although the former Soviet Union region does not represent a significant market for Energy, the company has adopted a proactive approach aimed at mitigating risks associated with the geographic concentration of supply chains, through supplier diversification initiatives and the development of technological solutions designed to reduce dependence on specific geographic areas.

Cybersecurity Risk

The Company is exposed to cybersecurity risk due to the increasing use of IT systems and the spread of digitalization processes. The consequences of this risk could include data loss, business interruptions, or privacy breaches.

The Company is committed to continuously strengthening its IT systems, implementing security procedures, training staff, and protecting IT infrastructure with ad hoc measures, with particular reference to the NIS2 regulation and the ISO 27001 standard.

Climate Change Risk

Although it acts as an enabler for the energy transition aimed at mitigating climate change, the Company cannot avoid acknowledging that a general risk linked to the impacts of this macro-phenomenon exists, albeit of a minor nature given the specific characteristics of its operations. Also in relation to the subsequent section "Sustainability" (p.16), Energy adopts both risk transfer measures through insurance and active policies and actions to reduce the impacts of its activities.

Information on Adequate Organizational Structures

In compliance with the requirements of Article 2423-bis of the Italian Civil Code, Energy S.p.A. confirms that it has adopted organizational structures appropriate to its size and operational complexity. The Company has implemented efficient internal control and risk management systems, ensuring transparent and responsible management. The internal organization is constantly monitored and updated to respond dynamically to market needs and strategic objectives. Collaboration across various organizational levels and a clear definition of responsibilities support the effectiveness of our structure. We reaffirm our commitment to sustainability and growth, ensuring corporate management consistent with the principles of fairness and integrity.

Information Regarding Environmental Management

The Italian Civil Code requires that the analysis of the financial position and performance, in addition to being consistent with the size and complexity of the Company's business, also include "to the extent necessary for understanding the financial position, performance, and results of operations, financial performance indicators and, where applicable, non-financial indicators relevant to the specific business, including information pertaining to the environment and personnel" (Art. 2428, para. 2).

As can be seen from the provision cited above, the Civil Code requires directors to assess whether additional environmental information may contribute to an understanding of the company's situation.

In light of the above considerations, the administrative bodies believe they may omit the information in question as it is not, at present, material and, therefore, is not deemed to contribute to an understanding of the company's situation and operating results. Such information will be disclosed whenever there are concrete, tangible, and significant environmental impacts capable of generating potential financial and income-related consequences.

Information regarding relations with personnel

Regarding this point, it should be noted that the information provided is intended to explain how the relationship between the company and the people with whom it collaborates is conducted. The section "*Internal Organizational Situation*" on page 8 describes the main statistics regarding personnel and their evolution.

The Company does not experience significant employee *turnover*. The Company is supported by its collaboration with specialized agencies. Currently, there are no union representatives among the workforce, and no labor disputes have been reported.

With regard to Occupational Health and Safety, no significant accidents have occurred. The Risk Assessment Document (DVR) has been updated, and specific risk assessments have been completed, some of which are currently being updated in line with the Company's ongoing restructuring. Organizational and production developments are constantly monitored from an HSE perspective, both at the technical level and in terms of roles, responsibilities, and competencies.

Research and Development

The Company's ongoing effort to anticipate market trends has led it to develop larger-scale storage systems built from modular components that can be integrated into a system.

This macro-project has already yielded concrete results in fiscal year 2021, enabling the Company to expand its commercial offering beyond residential applications. This offering has expanded further in subsequent years with the introduction of new larger-scale products, mid-range products, and outdoor applications. Today, the company is able to serve residential, commercial, industrial, agrivoltaic, utility-scale, and grid-scale applications. In 2025, Energy S.p.A. reinforced its commitment to innovation by pursuing 10 development projects. These projects aim to expand and refine the product line, adapt products to new requirements, and improve them based on feedback received from the field. In parallel with hardware development, software development continued and was expanded.

Sustainability

Energy continues its journey of integrating sustainability principles into its business model according to ESG (Environmental, Social, and Governance) criteria, recognizing these aspects as key to creating value over the medium to long term.

Over the past few fiscal years, the Company has initiated a process to analyze the impacts—both positive and negative, current and potential—generated by its activities along the value chain, completing its first materiality analysis and identifying the sustainability issues most relevant to Energy and its stakeholders, as well as their connection to the Sustainable Development Goals of the United Nations 2030 Agenda.

This process enabled the definition of a sustainability roadmap and led to the preparation of the first Sustainability Report for the 2023 fiscal year, followed by the second edition covering the 2024 fiscal year and published in 2025. The document serves as a tool for transparency toward stakeholders and represents a gradual alignment with the evolving European regulatory framework on sustainability reporting.

The activities undertaken represent a step in the process of integrating ESG aspects into corporate strategies and processes, with the aim of strengthening the Company's ability to generate sustainable value over the long term.

Related Party Transactions

No significant transactions with related parties were recorded during the period under review. The register was updated following the appointment of the Board of Directors in May 2025.

The Company does not hold, directly or indirectly, any of its own shares or shares or equity interests in parent companies, and has never held any, not even through a trust company or an intermediary. Please refer to the section on related parties in the Notes to the Financial Statements for further information.

Outlook

Although the market environment remains characterized by volatility and evolving competitive dynamics in the renewable energy and energy storage sectors, the Company intends to continue strengthening its position in its various target market segments.

In particular, during the coming fiscal year, the Company will continue to pursue a strategy focused on expanding sales channels and progressively diversifying its product portfolio, with the aim of capturing new customer segments and consolidating its presence in markets where it already operates.

The Company also intends to capitalize on the expansion of its product range, which began in 2025, enabling it to compete in niche markets characterized by high technical requirements and greater application complexity, thereby strengthening its ability to offer integrated solutions in high-value-added segments.

At the same time, further development of the engineering and design services offering is planned, including in synergy with the expertise developed within the Group, with the aim of supporting customers in the implementation of increasingly sophisticated energy systems. In this context, the Company will also continue to enhance its digital and cloud services, an area in which investments aimed at improving energy system management and monitoring platforms are ongoing.

Geographically, the Company plans to further strengthen its presence in the DACH region (Germany, Austria, and Switzerland), both through collaborations with professionals dedicated to commercial and technical development and through the newly established Energyonsite GmbH, which serves as an operational hub for business development in that area.

In this context, the coming fiscal year will be characterized by the progressive consolidation of the Group's business model, with increasing integration between products, engineering services, and digital platforms, with the aim of capitalizing on the opportunities offered by the evolution of the energy storage market and the energy transition.

The Directors therefore believe that the Company possesses the expertise, technologies, and resources necessary to continue on its development path, while maintaining a prudent approach in light of the persistent uncertainties in the macroeconomic and market environment.

Branch Offices

In addition to its registered office, the Company operates from an operational office. Details are provided in the following list:


- Registered office: Piazza Manifattura 1, Rovereto (TN)
- Operational office in Sant'Angelo di Piove di Sacco, PD (new location 2022) – Via Zona Industriale, 8/10

Results for the fiscal year

Based on the information provided, we invite you to approve the financial statements as of December 31, 2025, and to cover the net loss for the year by utilizing retained earnings.

Rovereto, March 27, 2026

On behalf of the Board of Directors,
The Chairman, Alessandro Granuzzo

A handwritten signature in black ink, appearing to read "Alessandro Granuzzo". The signature is written in a cursive style with a prominent initial 'A'.

General information about the company

Basic Information

Company Name:	ENERGY SPA
Location:	PIAZZA MANIFATTURA 1, ROVERETO, TN
Share capital:	616,605.80
Fully paid-in share capital:	Yes
Chamber of Commerce Code:	TN
VAT number:	02284640220
Tax ID:	02284640220
REA Number:	213161
Legal form:	CORPORATION
Primary Industry Sector (ATECO):	466420
Company in liquidation:	No
Single-member company:	no
Company subject to management and coordination by another entity:	no
Name of the company or entity exercising management and coordination:	
Membership in a group:	yes
Name of the parent company:	ENERGY SPA
Country of the parent company:	ITALY
Registration number in the register of cooperatives:	

Financial statements

as at and for the year ended

31 December 2025

Balance Sheet

	31/12/2025	31/12/2024
Assets		
B) Fixed Assets		
I - Intangible fixed Assets	-	-
1) Start-up and capital costs	1,012,770	1,625,509
2) Development costs	2,124,713	1,593,341
3) Industrial patent rights and intellectual property rights	526,587	675,197
4) Concessions, licenses, trademarks, and similar rights	1,975	3,016
6) assets under development and payments on account	1,480,377	1,787,263
7) other	5,547	7,459
<i>Total intangible fixed assets</i>	<i>5,151,969</i>	<i>5,691,785</i>

	31/12/2025	31/12/2024
II - Tangible fixed assets	-	-
1) Land and buildings	5,994,784	5,411,748
2) plant and machinery	2,685,201	335,916
3) industrial and commercial equipment	156,198	177,818
4) other assets	116,879	107,707
5) Assets under construction and and payments on account	15,055,659	11,940,169
<i>Total tangible fixed assets</i>	<i>24,008,721</i>	<i>17,973,358</i>
III - Financial assets	-	-
1) equity investments	-	-
a) subsidiaries	1,389,858	1,406,504
b) associates	860,631	860,631
<i>Total equity investments</i>	<i>2,250,489</i>	<i>2,267,135</i>
2) financial receivables	-	-
a) from subsidiaries	1,124,174	1,139,264
due within one year	297,058	260,259
due after one year	827,116	879,005
d-bis) from others	2,625	2,625
due after one year	2,625	2,625
<i>Total financial receivables</i>	<i>1,126,799</i>	<i>1,141,889</i>
<i>Total financial fixed assets</i>	<i>3,377,288</i>	<i>3,409,024</i>
<i>Total fixed assets (B)</i>	<i>32,537,978</i>	<i>27,074,167</i>
C) Current assets		
I - Inventory	-	-
2) Work in progress and semi-finished goods	68,219	15,084
4) finished goods	22,046,065	23,511,740
5) payments on account	264,577	412,576
<i>Total inventory</i>	<i>22,378,861</i>	<i>23,939,400</i>
II - Receivables	-	-
1) trade receivable	4,335,181	6,016,617
due within one year	4,335,181	6,016,617
2) from subsidiaries	844,706	2,344
due within one year	844,706	2,344
3) from associates	601,870	514,917
due within one year	601,870	514,917
5-bis) tax receivables	504,384	1,030,650
due within one year	309,436	1,001,175
due after one year	194,948	29,475

	31/12/2025	31/12/2024
5-ter) deferred tax assets	1,295,279	1,345,260
5-quater) from others	119,131	187,146
due within one year	7,294	68,288
due after one year	111,837	118,858
<i>Total receivables</i>	<i>7,700,551</i>	<i>9,096,934</i>
III - Current financial assets	-	-
5) Derivatives	8,383	32,027
<i>Total current financial assets</i>	<i>8,383</i>	<i>32,027</i>
IV – Liquid funds	-	-
1) Bank and postal accounts	664,873	4,470,961
3) cash-in-hand and cash equivalents	453	475
<i>Total liquid funds</i>	<i>665,326</i>	<i>4,471,436</i>
<i>Total current assets (C)</i>	<i>30,753,121</i>	<i>37,539,797</i>
D) Prepayments and accrued income	150,737	161,334
<i>Total assets</i>	<i>63,441,836</i>	<i>64,775,298</i>
Liabilities		
A) Net equity	46,137,591	48,297,105
I – Share Capital	616,606	616,606
II - Share Premium Reserve	27,186,250	27,186,250
IV - Legal reserve	123,000	123,000
VI - Other reserves, indicated separately	-	-
Extraordinary reserve	5,210	5,210
Reserve for unrealized foreign exchange rate gains	-	39,828
Sundry other reserves	1	-
<i>Total other reserves</i>	<i>5,211</i>	<i>45,038</i>
VII – Hedging Reserve	6,371	24,340
VIII - Retained earnings	20,341,699	37,415,840
IX – Net profit (loss) for the year	(2,141,546)	(17,113,969)
Total net equity	46,137,591	48,297,105
B) Provisions for risks and charges		
1) pension and similar provisions	1,232	35
2) tax provision, including deferred tax liabilities	2,012	7,686
4) other	57,780	18,500
<i>Total provisions for risks and charges</i>	<i>61,024</i>	<i>26,221</i>
C) Employees' leaving entitlement	339,012	258,784
D) Payables		
4) Bank loans and borrowings	9,797,628	10,830,775

	31/12/2025	31/12/2024
due within one year	7,106,828	5,389,359
due after one year	2,690,800	5,441,416
6) payments on account	282,165	288,486
due one year	282,165	288,486
7) trade payables	5,047,739	3,471,712
due within one year	5,047,739	3,471,712
9) Payables to subsidiaries	378,790	-
due within one year	378,790	-
12) tax payables	202,948	654,339
due within one year	202,948	654,339
13) social security charges payable	182,734	165,678
due within one year	182,734	165,678
14) Other payables	348,857	375,822
due within one year	348,857	375,822
<i>Total liabilities</i>	<i>16,240,861</i>	<i>15,786,812</i>
E) Accrued expenses and deferred income	663,348	406,376
<i>Total liabilities</i>	<i>63,441,836</i>	<i>64,775,298</i>

Profit and Loss Account

	2025	2024
A) Production revenues		
1) turnover from sales and services	27,974,219	35,445,265
2) change in work in progress, semi-finished products and finished goods	53,135	15,084
4) internal work capitalised	936,469	1,130,671
5) other revenues and income	-	-
grants related to income	130,896	103,100
From others	1,637,190	206,553
<i>Total other revenues and income</i>	<i>1,768,086</i>	<i>309,653</i>
<i>Total production revenues</i>	<i>30,731,909</i>	<i>36,900,673</i>
B) Production costs		
6) raw materials, auxiliary materials, consumables, and goods	19,591,400	10,689,085
7) services	4,663,774	4,892,961
8) use of third-party assets	342,193	204,075
9) personnel expenses	-	-
a) wages and salaries	2,375,469	2,194,804

	2025	2024
b) social security contributions	681,686	589,325
c) employees' leaving entitlement	157,938	136,480
e) other costs	73,424	90,460
<i>Total personnel costs</i>	<i>3,288,517</i>	<i>3,011,069</i>
10) amortisation, depreciation and write-downs	-	-
a) amortization of intangible assets	1,510,454	1,371,378
b) depreciation of tangible fixed assets	399,097	173,412
c) other write-downs of fixed assets	14,758	-
d) write-downs of receivables included in current assets	15,000	-
<i>Total depreciation, amortization, and write-downs</i>	<i>1,939,309</i>	<i>1,544,790</i>
11) change in raw materials, consumables, supplies and goods	1,465,674	32,812,261
14) Other operating costs	780,018	996,843
<i>Total production costs</i>	<i>32,070,885</i>	<i>54,151,084</i>
Operating profit (loss) (A-B)	(1,338,976)	(17,250,411)
C) Financial income and charges		
16) Other financial income	-	-
a) from financial receivables	-	-
subsidiaries	25,429	5,109
<i>Total financial income from receivables recorded under fixed assets</i>	<i>25,429</i>	<i>5,109</i>
d) other income	-	-
From others	3,562	113,888
<i>Total other income</i>	<i>3,562</i>	<i>113,888</i>
<i>Total other financial income</i>	<i>28,991</i>	<i>118,997</i>
17) Interest and other financial charges	-	-
other	632,464	1,169,085
<i>Total interest and other financial charges</i>	<i>632,464</i>	<i>1,169,085</i>
17-bis) Net exchange rate gains (losses)	(49,894)	(1,105)
<i>Total financial charges (15+16-17+-17-bis)</i>	<i>(653,367)</i>	<i>(1,051,193)</i>
D) Value adjustments to financial assets and liabilities		
19) write-downs	-	-
a) of equity investments	99,222	-
<i>Total write-downs</i>	<i>99,222</i>	<i>-</i>
<i>Total value adjustments to financial assets and liabilities (18-19)</i>	<i>(99,222)</i>	<i>-</i>
Profit (loss) before taxes (A-B+-C+-D)	(2,091,565)	(18,301,604)
20) Income taxes for the year, current, deferred, and prepaid		
taxes relative to prior years	-	673
changes in deferred taxes	49,981	(1,188,308)

	2025	2024
<i>Total income taxes</i>	49,981	(1,187,635)
21) Net profit (loss) for the year	(2,141,546)	(17,113,969)

Cash flow statement, indirect method

	2025	2024
A) Cash flows from operating activities (indirect method)		
Net profit (loss) for the year	(2,141,546)	(17,113,969)
Income taxes	49,981	(1,187,635)
Interest (income) expense	645,702	1,056,302
(Gains)/Losses from the sale of assets	7,665	
<i>1) Profit (loss) for the year before income taxes, interest, dividends, and gains/losses on sale of assets</i>	<i>(1,438,198)</i>	<i>(17,245,302)</i>
Non-monetary adjustments that did not affect net working capital		
Accruals to provisions	157,938	136,480
Amortisation and depreciation	1,909,551	1,544,790
Impairment losses	29,758	
Value adjustments to financial assets and liabilities	99,222	
Other increases/(decreases) in non-monetary items	(3,480,396)	9,988,839
<i>Total non-monetary adjustments that did not affect net working capital</i>	<i>(1,283,927)</i>	<i>11,670,109</i>
<i>2) Cash flow before changes in net working capital</i>	<i>(2,722,125)</i>	<i>(5,575,193)</i>
Changes in net working capital		
Decrease/(Increase) in inventory	5,040,935	22,481,902
Decrease/(Increase) in trade receivable	1,666,436	(1,371,500)
Increase/(Decrease) in trade payable	1,576,027	(6,307,257)
Decrease/(Increase) in prepayments and accrued income	10,597	(57,497)
Increase/(Decrease) in accrued expenses and deferred income	256,972	(247,359)
Other decreases/(Other increases) in net working capital	76,811	(616,708)
<i>Total changes in net working capital</i>	<i>8,627,778</i>	<i>13,881,581</i>
<i>3) Cash flow after changes in net working capital</i>	<i>5,905,653</i>	<i>8,306,388</i>
Other adjustments		
Interest received/(paid)	(645,702)	(1,056,302)
(Income taxes paid)	(501,372)	1,679,895
(Use of provisions)	(38,430)	(55,459)
<i>Total other adjustments</i>	<i>(1,185,504)</i>	<i>568,134</i>
Cash flow from operating activities (A)	4,720,149	8,874,522
B) Cash flows from investing activities		
Tangible fixed assets		
(Investments)	(6,425,819)	(10,768,209)
Disposals	21,565	
Intangible fixed assets		

	2025	2024
(Investments)	(1,035,853)	(2,367,049)
Financial assets		
(Investments)	(120,991)	(2,493,261)
Disposals	67,986	224,547
Cash flow used in investing activities (B)	(7,493,112)	(15,403,972)
C) Cash flows from financing activities		
Third-party funds		
Increase/(Decrease) in short-term bank borrowings	3,297,272	(7,030,035)
(Repayment of loans)	(4,330,419)	(5,805,093)
Equity		
Proceeds from issue of share capital against consideration		1,687
(Repayment of share capital)		5,000,000
Cash flow used in financing activities (C)	(1,033,147)	(7,833,441)
Increase (decrease) in liquid funds (A ± B ± C)	(3,806,110)	(14,362,891)
Opening liquid funds		
Bank and postal accounts	4,470,961	18,833,709
Cash-in-hand and cash equivalents	475	618
Total Opening liquid funds	4,471,436	18,834,327
Closing liquid funds		
Bank and postal accounts	664,873	4,470,961
Cash-in-hand and cash equivalents	453	475
Total closing liquid funds	665,326	4,471,436
Reconciliation difference		

Disclosure on the cash flow statement

Cash flow decreased by €3.8 million during the fiscal year. This decrease is primarily attributable to three major factors.

Cash flow from operating activities was positive by 4.72 million Euros, attributable to a positive change in net working capital (8.63 million Euros) due largely to a reduction in inventory (approximately 5 million Euros) linked to the sale of products purchased in prior fiscal years.

Cash flow from investing activities was negative by €7.49 million, primarily due to investments for the construction of the new building (approximately €5.6 million) and development costs of nearly €1 million.

Financing activities show a decrease of approximately €1.03 million, primarily due to a reduction in medium- to long-term financial debt of approximately €4.33 million.

For these reasons, cash and cash equivalents at year-end amounted to €665,326. It should be noted that in January 2026, a receivable of approximately €643,000 was collected relating to a supply made in December 2025.

Notes to the Financial Statements, Introduction

Dear Shareholders, these notes to the financial statements form an integral part of the financial statements as of December 31, 2025.

The financial statements comply with the provisions of Articles 2423 et seq. of the Italian Civil Code and with Italian accounting standards as published by the Italian Accounting Board; they therefore present a clear, true, and fair view of the company's financial position and results of operations for the year.

The content of the balance sheet and profit and loss account complies with Articles 2424 and 2425 of the Italian Civil Code, while the cash flow statement has been prepared in accordance with Article 2425-ter.

The notes to the financial statements, prepared in accordance with Article 2427 of the Italian Civil Code, also contain all the information necessary to provide a proper understanding of the financial statements.

Preparation Criteria

Preparation of the Financial Statements

The information contained in this document is presented in the order in which the relevant items appear in the balance sheet and profit and loss account.

With reference to the introductory section of these notes to the financial statements, it is hereby certified that, pursuant to Article 2423, paragraph 3 of the Italian Civil Code, if the information required by specific legal provisions is insufficient to provide a true and fair view of the company's financial position, supplementary information deemed necessary for this purpose is provided.

The financial statements, as well as these notes to the financial statements, have been prepared in Euros.

Accounting Principles

The valuation of balance sheet items was carried out in accordance with the principles of prudence and materiality and on a going concern basis. In particular, taking into account the available information, it is believed that:

- there are no imbalances of a balance sheet or economic-financial nature;
- the conditions exist for the company to continue as a functioning economic entity intended to generate income for a foreseeable future period, covering at least twelve months from the balance sheet date.

No significant uncertainties emerged in the forward-looking assessment of the going concern assumption. The directors have prepared a monthly cash flow plan through June 30, 2027, which does not indicate a critical financial situation during the period covered by the Plan.

Pursuant to Article 2423-bis, paragraph 1, point 1-bis of the Italian Civil Code, items are recognized and presented taking into account the substance of the transaction or contract. In preparing the financial statements, expenses and revenues were recognized on an accrual basis regardless of the timing of their cash outflow or inflow, and only profits realized as of the fiscal year-end were reported. Furthermore, risks and losses attributable to the fiscal year were taken into account, even if they became known after the fiscal year-end.

The components of individual asset and liability items were valued separately to prevent the gains on some items from offsetting the losses on others.

In cases where offsetting is permitted by law, the gross amounts subject to offsetting are disclosed in the notes to the financial statements.

The valuation criteria applied remained unchanged from the previous fiscal year.

Structure and Content of the Financial Statements

The structure of the Balance Sheet and the 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 items in the balance sheet and profit and loss account have been recorded in accordance with the principles of Articles 2424-bis and 2425-bis of the Italian Civil Code.

The balance sheet, profit and loss account, cash flow statement, and accounting information contained in these notes to the financial statements are consistent with the accounting records from which they were directly derived.

The cash flow statement has been prepared in accordance with Article 2425-ter of the Italian Civil Code and in compliance with the provisions of accounting standard OIC 10 "Cash Flow Statement."

The Notes to the Financial Statements, prepared in accordance with Articles 2427 and 2427-bis of the Italian Civil Code and other provisions of the Italian Civil Code other than those mentioned above, as well as in accordance with specific legal provisions other than those mentioned above, also contain all supplementary information deemed necessary to provide a true and fair view of the economic, financial, and financial position, even if not required by specific legal provisions.

In accordance with the provisions of Article 2423-ter, paragraph 6, of the Italian Civil Code, it is hereby stated that no offsetting permitted by law has been performed.

Pursuant to Article 2423-bis, paragraph 1, subparagraph 1, of the Italian Civil Code, the valuation of balance sheet items was performed with a view to going concern.

As explained in greater detail in the Directors' Report, the decline in revenues recorded during the fiscal year reflects a phase of structural transformation of the Company's business model. Energy has, in fact, embarked on a path to increase its presence in the industrial and utility-scale segments, while reducing its focus on the residential segment. This latter sector remains important for the Company, which is progressively diversifying its sales channels in order to reach new markets.

While this repositioning entails an immediate, natural reduction in turnover linked to the technical development times of the new commercial pipeline, it responds to a specific strategic choice aimed at capturing market segments characterized by greater depth, supply contracts with significant unit values, and structurally more solid growth prospects.

The global market for large-scale electricity storage continues to expand, driven by the growing penetration of non-dispatchable renewable sources and the need for an autonomous system capable of, even partially, offsetting energy price fluctuations caused by external and uncontrollable events.

The Italian market also presents favorable dynamics for the utility-scale segment. In this context, the Company believes that the repositioning strategy it has undertaken, while requiring a consolidation period, is suitable for ensuring business continuity and creating the conditions for a return to sustainable revenue growth of higher quality than that achieved in previous fiscal years.

Exceptional circumstances pursuant to Article 2423, paragraph 5, of the Italian Civil Code

No exceptional cases occurred that would have required the use of the exceptions provided for in Article 2423, paragraphs 4 and 5, of the Italian Civil Code.

Changes in accounting policies

No exceptional circumstances arose that would have required the use of the exceptions provided for in Article 2423-bis, paragraph 2, of the Italian Civil Code.

As indicated in the section describing the principles used to determine revenue, the introduction of the new OIC No. 34 does not impact the determination of the company's revenue.

Comparability and restatement issues

Pursuant to Article 2423-ter of the Italian Civil Code, it is noted that all financial statement items were comparable to the prior year; therefore, there was no need to restate any items from the prior year.

Valuation criteria applied

The criteria applied in the valuation of balance sheet items and in value adjustments comply with the provisions of the Italian Civil Code and the guidelines contained in the accounting standards issued by the Italian Accounting Board. Furthermore, these criteria have not changed compared to the previous fiscal year.

Pursuant to Article 2427, paragraph 1, no. 1 of the Italian Civil Code, the most significant valuation criteria adopted in compliance with the provisions of Article 2426 of the Italian Civil Code are described below, with particular reference to those balance sheet items for which the law permits different valuation and adjustment criteria or for which no specific criteria are provided.

The carrying amounts expressed in foreign currency were recorded after conversion into Euros at the exchange rate in effect at the time of their recognition, or at the exchange rate on the fiscal year-end date, in accordance with the provisions of accounting standard OIC 26.

Intangible Assets

Intangible assets, provided the conditions set forth in the accounting standards are met, are recorded on the balance sheet at purchase and/or production cost and are amortized on a straight-line basis over their expected useful lives.

The value of fixed assets is shown net of accumulated amortization and any write-downs.

Amortization was calculated in accordance with the following predetermined schedule, which is deemed to ensure a proper allocation of the cost incurred over the useful life of the intangible assets in question:

Intangible Assets	Period
Start-up and expansion costs	5 years
Development costs	5 years
Patents and intellectual property rights	3 years
Concessions, licenses, trademarks, and similar rights	5 to 10 years

The amortization method for intangible assets has been applied consistently in every fiscal year, based on the remaining economic useful life of each individual asset or expense.

Pursuant to and for the purposes of Article 10 of Law No. 72 of March 19, 1983, and as also provided for by subsequent monetary revaluation laws, it is noted that no monetary revaluation has ever been performed on intangible assets still held on the balance sheet.

It should be noted that no write-downs were necessary for these capitalized expenses pursuant to Article 2426, paragraph 1, no. 3 of the Italian Civil Code, as, in accordance with accounting standard OIC 9, no indicators of potential permanent impairment of intangible assets were identified.

Start-up and expansion costs

Start-up and expansion costs were recorded as assets on the balance sheet with the consent of the Board of Statutory Auditors as they have a long-term utility; these costs were amortized over a period not exceeding five years.

Development costs

Development costs were recorded as assets on the balance sheet with the consent of the Board of Statutory Auditors, as they meet, in the Company's prudent judgment, the criteria required by OIC 24: the costs are recoverable and relate to specific, feasible development projects for which the Company possesses the necessary resources. Furthermore, the costs relate to a clearly defined, identifiable, and measurable product or process. Since it is possible to reliably estimate their useful life, these costs are amortized over their useful life.

Intangible Assets

Intangible assets are recognized at purchase cost, including incidental costs, and are amortized within the legal or contractual limits applicable to them.

Assets under construction and advance payments

Intangible assets under construction, recorded under item B.I.6, are initially recognized on the date the first costs for their construction are incurred and include both internal and external costs incurred. These costs remain recorded as assets under construction until the project is completed and are not subject to amortization until that time.

Property, Plant, and Equipment

Assets belonging to the category of tangible fixed assets, recognized on the date on which the risks and benefits associated with the acquired asset are transferred, are recorded in the financial statements at purchase cost, plus any incidental expenses incurred until the assets are ready for use and, in any case, within the limit of their recoverable value. These assets are shown on the balance sheet net of accumulated depreciation and impairment losses.

The carrying amount of assets, grouped into homogeneous classes based on their nature and year of acquisition, is allocated over the fiscal years during which they are expected to be used. This procedure is implemented by systematically charging depreciation expenses to the profit and loss account in accordance with predetermined schedules, established when the asset is available and ready for use, based on the estimated remaining useful life of the assets. These schedules, which are reviewed annually, are based on the gross value of the assets and assume a residual value of zero at the end of their useful life.

Depreciation of tangible fixed assets, whose useful life is limited, was calculated in accordance with the following predetermined schedule:

Items of tangible fixed assets	Period
Land	0%
Buildings	3%
Plant and machinery	15%
Industrial and commercial equipment	15%
Transportation vehicles	20%
Office furniture and equipment	12%
Electronic office equipment	20%

For fixed assets acquired during the fiscal year, the above rates were reduced by half, as the resulting depreciation amount does not differ significantly from the amount calculated from the moment the asset is available and ready for use.

The depreciation criteria for property, plant, and equipment have not changed from those applied in the

Pursuant to and for the purposes of Article 10 of Law No. 72 of March 19, 1983, as also referenced in subsequent monetary revaluation laws, it is specified that no monetary revaluation has ever been performed for tangible assets still on the balance sheet.

It should be noted that it was not necessary to recognize impairment losses pursuant to Article 2426, paragraph 1, no. 3 of the Italian Civil Code, as, in accordance with accounting standard OIC 9, no indicators of potential permanent impairment of tangible fixed assets were identified.

Land and Buildings

The company has separately accounted for the land underlying the buildings it owns, and no depreciation has been recorded for this land, as these are assets for which no depletion of future utility is expected.

Since land does not lose its utility over time, it has not been depreciated.

Assets under construction and advance payments

Tangible fixed assets under construction, recorded under item B.II.5, are initially recognized on the date the first costs for the construction of the asset are incurred and include both internal and external costs incurred for the

construction of the asset. These costs remain recorded as assets under construction until the project is completed and are not subject to depreciation until that time.

Financial assets

Receivables

Receivables recorded under financial assets have been recognized in the financial statements using the amortized cost method, as defined in Article 2426, paragraph 2, of the Italian Civil Code, taking into account the time factor and the estimated realizable value, in accordance with the provisions of Article 2426, paragraph 1, no. 8, of the Italian Civil Code.

For receivables for which the application of the amortized cost method and/or discounting was deemed irrelevant for the purpose of providing a true and fair view of the company's financial position and results of operations, they were recorded at their estimated realizable value. This occurred, for example, in the case of receivables with a maturity of less than twelve months or, with regard to the amortized cost criterion, where transaction costs, commissions, and any other difference between the initial value and the value at maturity are immaterial, or, in the case of discounting, when the interest rate inferable from the contractual terms is not significantly different from the market interest rate.

Inventories

Inventory items are initially recognized on the date on which the risks and rewards associated with the acquired asset are transferred. Inventory is initially recorded at purchase or production cost and subsequently measured at the lower of cost and the corresponding realizable value derived from the market.

Purchase cost refers to the actual purchase price plus incidental charges. The purchase cost of materials includes, in addition to the price of the material, transportation costs, customs duties, other taxes, and other costs directly attributable to that material. Returns, trade discounts, rebates, and bonuses are deducted from costs.

The cost determination method adopted for fungible assets is the weighted average cost.

Receivables recorded under current assets

Receivables recorded on the balance sheet represent rights to demand, at a specified or determinable maturity, fixed or determinable amounts of cash, or goods/services of equivalent value, from customers or other parties. Receivables arising from the sale of goods and the provision of services are recognized in accordance with the requirements set forth in the commentary section on revenues. The amortized cost method is not applied in cases where its effects are immaterial, generally for short-term receivables or when transaction costs, commissions paid between the parties, and any other difference between the initial value and the maturity value of the receivable are immaterial.

Such receivables are initially recorded at face value net of premiums, discounts, and rebates provided for or otherwise granted, and are subsequently measured at face value plus interest calculated at the nominal interest rate, net of principal and interest received and net of estimated write-downs and credit losses recognized to adjust the receivable to its estimated realizable value.

Financial discounts and rebates, which did not contribute to determining the estimated realizable value as they were not foreseeable at the time of the receivable's initial recognition, are recognized upon collection as financial expenses.

With regard to the estimated recoverable amount, the carrying amount of receivables is adjusted through an allowance for doubtful accounts, taking into account the existence of indicators of impairment. For this purpose, both specific and experience-based indicators, as well as any other relevant factors, that suggest a probable impairment of receivables are considered. The estimate of the allowance for doubtful accounts is determined by analyzing individually significant receivables and at the portfolio level for the remaining receivables, determining the losses that are expected to be incurred on receivables outstanding as of the balance sheet date.

The provision for bad debts on receivables backed by guarantees takes into account the effects of the enforcement of such guarantees. With regard to insured receivables, the provision is limited to the portion not covered by insurance, only if there is reasonable certainty that the indemnity will be recognized.

Financial assets not classified as fixed assets

Derivative financial instruments

A derivative financial instrument is defined as a financial instrument or other contract that possesses the following three characteristics:

- its value changes as a result of changes in a specified interest rate, financial instrument price, commodity price, exchange rate, price or rate index, credit rating, or credit index, or other variable, provided that, in the case of a non-financial variable, such variable is not specific to one of the contractual counterparties (sometimes referred to as the underlying);
- it does not require an initial net investment or requires an initial net investment that is less than would be required for other types of contracts from which a similar response to changes in market factors would be expected;
- is settled at a future date.

Derivative financial instruments (hereinafter also referred to simply as “derivatives”) are initially recognized when the company, by becoming a party to the contractual terms—that is, on the date the contract is signed—becomes subject to the related rights and obligations, and are recorded at fair value, even if they are embedded in other derivative financial instruments.

At each balance sheet date, derivative financial instruments are measured at fair value and classified in the balance sheet under the appropriate current or non-current asset accounts (where they hedge non-current assets or liabilities due beyond 12 months) in cases of positive fair value, or under provisions for risks and charges in cases of negative fair value. Fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in an arm’s-length transaction between market participants as of the measurement date; for unlisted derivatives, it is determined by the company using appropriate valuation techniques, based on assumptions, parameters, and fair value hierarchy levels set forth in the applicable accounting standard.

Hedging Transactions

Derivative financial instruments may be designated as hedging transactions when:

- the hedging relationship consists solely of eligible hedging instruments and eligible hedged items;
- at the inception of the hedging relationship, there is a formal designation and documentation of the hedging relationship, the company’s risk management objectives, and the strategy for implementing the hedge;
- the hedging relationship meets both the qualitative and quantitative requirements for hedge effectiveness.

Consequently, if derivatives are used from a management perspective for purely hedging purposes but do not fully meet the criteria for designation as hedging instruments, they are measured in accordance with the general rules described above.

The effectiveness of the hedging relationship is documented not only initially but on an ongoing basis. At each balance sheet date, the company assesses whether the hedging relationship still meets the effectiveness requirements.

When all the requirements described above are met, hedging transactions may be accounted for according to the following accounting models.

When hedging transactions involve derivative financial instruments with characteristics entirely similar to those of the hedged item and the derivative financial instrument is entered into at market conditions (e.g., a swap with a forward fair value of zero or close to zero) at the date of initial recognition, the accounting model provided for so-called simple hedges, described below, applies if:- the hedging relationship consists solely of eligible hedging instruments and eligible hedged items;

- at the inception of the hedging relationship, there is a formal designation and documentation of the hedging relationship, the company’s risk management objectives, and the strategy for implementing the hedge;

- the key terms of the hedging instrument and the hedged item (such as the notional amount, the cash flow settlement date, the maturity, and the underlying variable) match or are closely aligned, and the counterparty's credit risk is not such as to significantly affect the fair value of either the hedging instrument or the hedged item. At each balance sheet date, the company assesses whether the effectiveness criteria described above are met, including a review of the counterparty credit risk of the hedging instrument and the hedged item, which, if significant, could result in the termination of the hedging relationship.

Changes in fair value of both the hedging instrument and the hedged item are recognized in full in the appropriate profit and loss account line items, without the need to calculate the portion to be allocated to the profit and loss account line item of the hedged item.

Changes in the fair value of the hedging instrument are recognized entirely in the appropriate equity reserve, without the need to calculate what portion of the hedge is ineffective and therefore must be recognized in the profit and loss account. The same accounting models described above are then followed for the release of amounts accumulated in the equity reserve.

A specific section of the notes to the financial statements provides the information required by Article 2427-bis, paragraph 1, of the Italian Civil Code regarding the fair value of derivative financial instruments and that required by OIC 32.

Cash and Cash Equivalents

Cash and cash equivalents are valued according to the following criteria:

- cash, at face value;
- bank deposits and checks on hand, at their estimated realizable value. In this specific case, the realizable value coincides with the face value.

Accrued income and prepaid expenses

Accrued income and prepaid expenses represent, respectively, portions of income and expenses attributable to the current fiscal year that will be recognized in subsequent fiscal years.

Prepaid expenses and deferred income represent portions of costs and revenues, respectively, that were recognized during the current fiscal year or in prior fiscal years but pertain to one or more subsequent fiscal years.

Therefore, only portions of costs and revenues common to two or more fiscal years are recorded in these accounts, the amounts of which vary according to physical or economic time.

At the end of each fiscal year, the conditions that led to their initial recognition are reviewed, and, if necessary, the necessary value adjustments are made. In particular, in addition to the passage of time, for accrued income, the estimated realizable value is considered, while for prepaid expenses, the existence of the future economic benefit related to the deferred costs is considered.¹

Shareholders' Equity

Transactions between the company and its shareholders (acting in their capacity as shareholders) may give rise to receivables or payables to shareholders. The company records a receivable from shareholders when the shareholders assume an obligation to the company, while it records a payable when it assumes an obligation to the shareholders.

Payments made by shareholders that do not entail a repayment obligation are recorded in the relevant equity account, while loans received from shareholders that entail a repayment obligation are recorded as liabilities.

Provisions for Risks and Charges

Provisions for risks and charges represent liabilities of a specific nature, certain or probable, with an uncertain timing or amount. In particular, provisions for risks represent liabilities of a specific nature and probable existence, whose values are estimated, while provisions for expenses represent liabilities of a specific nature and certain existence, estimated in terms of amount or occurrence date, related to obligations already assumed as of the balance sheet date but which will result in cash outflows in subsequent fiscal years.

Provisions are recognized on an accrual basis for amounts expected to be paid or for goods and services to be provided at the time the obligation must be fulfilled.

Provisions for risks and liabilities are primarily recorded in the profit and loss account items of the relevant classes, with the criterion of classification by nature of costs taking precedence. The amount of provisions is measured based on the best estimate of costs, including legal fees, as of the balance sheet date.

However, in the case of a provision for expenses, the estimation process may take into account the relevant time horizon if it is possible to make a reasonably reliable estimate of the expenditure associated with the obligation and the date of occurrence, and the latter is so far in the future as to make the present value of the obligation and the estimated liability at the time of expenditure significantly different.

Provisions for risks and charges recognized in a prior period are reviewed to verify their correct measurement as of the balance sheet date.

Subsequent use of provisions is made directly and only for those expenses and liabilities for which the provisions were originally established. Any negative differences or surpluses compared to the expenses actually incurred are recognized in the profit and loss account in accordance with the original provision.

Employees' leaving entitlement

Severance pay (TFR) represents the benefit to which an employee is entitled in any case of termination of employment, pursuant to Article 2120 of the Italian Civil Code and taking into account the regulatory changes introduced by Law 296/2006. It constitutes a certain compensation expense to be recognized in each fiscal year on an accrual basis and corresponds to the total of accrued employees' leaving entitlement, taking into account all forms of ongoing remuneration, net of advances paid and partial advances paid pursuant to collective or individual contracts or company agreements for which no reimbursement is required, as well as net of amounts transferred to supplementary pension funds or to the treasury fund managed by INPS.

The liability for employees' leaving entitlement is equal to the amount that would have been payable to employees had their employment relationship ended as of the balance sheet date. The amount of employees' leaving entitlement relating to employment relationships that ended as of the balance sheet date and for which payment is made in the following fiscal year is classified as a liability.

Employees' leaving entitlement has been calculated in accordance with the provisions of Article 2120 of the Italian Civil Code, taking into account legislative provisions and the specific terms of contracts and professional categories, and includes accrued annual amounts and revaluations based on ISTAT coefficients.

The amount of the provision is recognized net of advance payments made and amounts used for employment terminations occurring during the fiscal year and represents the certain liability to employees as of the balance sheet date.

Liabilities

Liabilities are obligations of a specific nature and certain existence that represent obligations to pay fixed or determinable amounts of cash to lenders, suppliers, and other parties. The classification of liabilities among the various liability categories is based on their nature (or origin) with respect to ordinary operations, regardless of the time period within which the liabilities must be settled.

Liabilities arising from the purchase of goods and services are recognized in accordance with the requirements set forth in the commentary section on costs. Borrowings and liabilities arising for reasons other than the acquisition of goods and services are recognized when the company's obligation to pay the counterparty arises, to be determined based on legal and contractual provisions. Liabilities for customer prepayments are recognized

when the right to collect the prepayment arises. Liabilities are recognized in the financial statements using the amortized cost method, taking into account the time value of money.

The amortized cost method is not applied in cases where its effects are immaterial, generally for short-term liabilities or when transaction costs, commissions paid between the parties, and any other difference between the initial value and the maturity value of the liability are immaterial.

Transactions and Assets in Foreign Currency

Assets and liabilities arising from a foreign currency transaction are initially recognized in Euros, applying the spot exchange rate between the euro and the foreign currency in effect on the transaction date to the foreign currency amount.

Monetary items denominated in foreign currency, including provisions for risks and charges related to foreign currency liabilities, are translated in the financial statements at the spot exchange rate as of the balance sheet date. The related foreign exchange gains and losses are recognized in the profit and loss account for the fiscal year. Non-monetary assets and liabilities denominated in foreign currency remain recorded on the balance sheet at the exchange rate at the time of their acquisition; therefore, positive or negative exchange differences do not give rise to separate recognition. Any net gain arising from the exchange rate adjustment of monetary items denominated in foreign currency contributes to the formation of the net loss for the year and, upon approval of the financial statements and the subsequent allocation of the net loss, is recorded in a specific non-distributable reserve. If the net profit for the year is less than the unrealized gain on foreign currency items, the amount recorded in the non-distributable reserve is equal to the net profit for the year.

Revenue from Sales and Services

Revenues are recognized in the financial statements on an accrual basis, net of returns, rebates, discounts, and bonuses, as well as taxes directly

related to them. With regard to the sale of goods, the related revenues are recognized when the substantive, rather than formal, transfer of ownership has occurred, using the transfer of risks and rewards as the benchmark for the substantive transfer. Revenue from the provision of services is recognized when the service is rendered, i.e., when the service has been performed; in the specific case of ongoing services, the related revenue is recognized on an accrual basis.

Effective 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 to the financial statements. In this specific case, it should be noted that "sales with warranty" are immaterial for the application of OIC 34, as they represent a marginal portion of total annual revenue.

Increases in fixed assets for internal work

Increases in fixed assets for internal work are recorded at production cost, which includes direct costs (materials and direct labor, design costs, external supplies, etc.) and general production costs, for the portion reasonably attributable to the asset for the period of its manufacture until the asset is ready for use; Any costs related to the financing of its manufacture are added using the same criteria.

Other Revenues and Income

Operating grants, recognized on an accrual basis in the fiscal year in which the right to receive them arose with certainty, are reported under the specific item A5 as they supplement revenues from ordinary operations and/or reduce costs and expenses from ordinary operations.

Income taxes

Current taxes are calculated based on a realistic estimate of taxable income for the fiscal year, determined in accordance with tax legislation, and by applying the tax rates in effect as of the balance sheet date. The related tax liability is recognized in the balance sheet net of advance payments, withholdings, and tax credits that can be offset and for which no refund has been requested; if the advance payments, withholdings, and credits exceed the taxes due, the related tax credit is recognized. Tax credits and liabilities are measured using the amortized cost method, except in cases where they are due within 12 months.

Deferred and prepaid income taxes are calculated on the cumulative amount of all temporary differences between the values of assets and liabilities determined using statutory accounting criteria and their values recognized for tax purposes, which are expected to reverse in subsequent fiscal years.

Deferred and prepaid income taxes are recognized in the fiscal year in which the temporary differences arise and are calculated by applying the tax rates in effect in the fiscal year in which the temporary differences will reverse, provided such rates are already determined as of the balance sheet date; otherwise, they are calculated based on the rates in effect as of the balance sheet date.

Income taxes are recognized based on the calculation of taxable income in accordance with applicable regulations and reflect both current and deferred tax liabilities.

The current tax expense was determined by applying:

- the standard rate of 24% to taxable income for IRES purposes;
- to taxable income for IRAP purposes, the rate of 4.08% for the portion of income allocated to the Veneto Region and 2.68% for that allocated to the Autonomous Province of Trento.

Deferred and prepaid taxes, relating to temporary differences between the value attributed to assets and liabilities under statutory accounting criteria and the corresponding values for tax purposes, were determined in accordance with the procedures set forth in OIC 25, applying rates of 24% for IRES and 3.3% for IRAP.

Use of Estimates

The preparation of the financial statements requires the use of estimates that affect the values of assets and liabilities and the related financial statement disclosures. Actual results may differ from these estimates. Estimates are reviewed periodically, and the effects of changes in estimates—unless resulting from erroneous estimates—are recognized in the profit and loss account of the fiscal year in which the changes occur, if they affect only that year, and also in subsequent years if the changes affect both the current and subsequent years.

Other Information

Forward transactions with a repurchase obligation

The Company, pursuant to Article 2427(6-ter) of the Italian Civil Code, certifies that during the fiscal year it did not enter into any transactions subject to a forward repurchase obligation.

Notes to the Financial Statements, Assets

The following provides a detailed analysis of the changes in individual balance sheet items, where required by applicable regulations.

Fixed Assets

Intangible assets

The following table summarizes the annual change in the intangible assets account:

Balance as of 31/12/2025	5,151,969
Balance as of December 31, 2024	5,691,785
Change	(539,816)

Changes in intangible assets

After recognizing the amortization expense for the year, amounting to €1,510,454, in the profit and loss account, intangible assets total €5,151,969.

The table below shows the changes in the intangible assets in question.

Among these changes, note the reclassification to “Intangible assets in progress and prepayments” (item B.I.6) in the amount of €1,298,390, relating to assets previously recorded under that heading and which are now available and ready for use, appropriately classified in these financial statements under the headings Buildings (B.II.1 of assets) and Plant and machinery (B.II.2 of assets).

	Start-up and expansion costs	Development costs	Industrial patent rights and intellectual property rights	Concessions, licenses, trademarks, and similar rights	Intangible assets in progress and advance payments	Other intangible assets	Total intangible assets
Opening balance							
Cost	3,149,597	3,676,672	982,942	9,116	1,787,263	12,700	9,618,290
Depreciation and Amortization (Accumulated Depreciation and Amortization)	1,524,088	2,083,331	307,745	6,100	-	5,241	3,926,505
Book value	1,625,509	1,593,341	675,197	3,016	1,787,263	7,459	5,691,785
Changes during the year							
Increases from acquisitions	18,084	-	33,415	-	991,504	-	1,043,003
Reclassifications (of carrying amount)	-	1,247,048	-	-	(1,298,390)	-	(51,342)
Decreases due to disposals and write-downs (of carrying amount)	-	-	6,267	-	-	-	6,267
Depreciation for the year	630,824	700,918	175,758	1,042	-	1,912	1,510,454
Write-downs made during the fiscal year	-	14,758	-	-	-	-	14,758
Total changes	(612,740)	531,372	(148,610)	(1,042)	(306,886)	(1,912)	(539,818)
Value at end of fiscal year							

	Start-up and expansion costs	Development costs	Industrial patent rights and intellectual property rights	Concessions, licenses, trademarks, and similar rights	Intangible assets in progress and advance payments	Other intangible assets	Total intangible assets
Cost	3,167,682	4,923,720	1,009,045	9,117	1,480,377	12,700	10,602,641
Depreciation (Accumulated depreciation)	2,154,912	2,784,249	482,458	7,142	-	7,153	5,435,914
Write-downs	-	14,758	-	-	-	-	14,758
Carrying amount	1,012,770	2,124,713	526,587	1,975	1,480,377	5,547	5,151,969

Breakdown of multi-year costs

Start-up and expansion costs

The following table provides a breakdown of start-up and expansion costs, highlighting changes compared to the previous fiscal year. For information regarding the reasons for their recognition and the respective amortization criteria, please refer to the explanation provided above.

Description	Details	2025	2024	Absolute change	% Change
<i>Start-up and expansion costs</i>					
	Start-up and expansion costs	28,084	10,000	18,084	181%
	Listing costs	3,139,597	3,139,597	0	0%
	Provision for start-up and expansion costs	(4,238)	(1,333)	(2,904)	218%
	Amortization reserve for listing costs	(2,150,674)	(1,522,755)	(627,920)	41%
	Total	1,012,770	1,625,509	(612,740)	(38%)

Listing costs represent the expenses incurred by the company in 2022 in connection with consulting services received and costs incurred for the listing of the company's shares on the Euronext Growth Milan market. Start-up and expansion costs relate to the preparation of the 2024-2030 business and strategic plan, which was developed to make economic and financial forecasts regarding anticipated future developments.

Development costs

The following table provides a breakdown of development costs, highlighting changes compared to the previous fiscal year. For the reasons for their recognition and the respective amortization criteria, please refer to the information provided above.

Description	Details	2025	2024	Absolute change	% Change
<i>Development costs</i>					
	Development costs	4,893,759	3,676,673	1,217,086	33%
	Provision for development costs	(2,769,046)	(2,083,332)	(685,714)	33%
	Total	2,124,713	1,593,341	531,372	

Development costs are recognized at a net value of 2,124,713 Euros and relate to past development projects, as well as to new projects primarily concerning XL-sized products intended for the commercial and industrial segments. Specifically, the company is developing a new software platform that enhances user experience and lays the groundwork for improved scalability and the delivery of additional services within the scope of network services.

The development costs were capitalized because, in accordance with the provisions of OIC Accounting Standard No. 24:

- they relate to a clearly defined product or process, are identifiable and measurable, that is, they are directly attributable to the product, process, or project for which they were incurred;
- they relate to a technically feasible project for which the company possesses the necessary resources;
- they are recoverable, meaning the company expects the project's completion to generate sufficient revenue to cover the costs incurred.

During the fiscal year, as the requirements were met, the company capitalized development costs of €1,247,047 relating to:

- wages and salaries for personnel engaged in development activities, amounting to €936,469;
- purchases of external consulting services amounting to €310,578.

Development costs are amortized on a straight-line basis over their useful life, which is estimated at 5 years.

Since the requirements for capitalization no longer exist, the company wrote down the remaining book value of €14,758 related to previously capitalized projects.

Industrial patent rights and intellectual property rights

The following table provides a breakdown of patent rights, highlighting changes from the previous fiscal year. For the reasons for their recognition and the respective amortization criteria, please refer to the information provided above.

Description	Details	2025	2024	Absolute change	% Change
<i>Patent rights and intellectual property rights</i>					
	Patent rights	242,405	216,140	26,265	12%
	Software	766,802	766,802	0	0%
	Provision for patent rights	(94,529)	(48,455)	(46,074)	95%
	Software amortization reserve	(388,091)	(259,290)	(128,801)	50%
	Total	526,587	675,197	(148,610)	(22%)

During the fiscal year, this item decreased by a total of 148,610 Euros.

To support its technological development and remain at the forefront of developing solutions for efficient energy monitoring and management, the company continues to develop innovative solutions, as evidenced by the increase in costs incurred to obtain industrial property rights. At the end of fiscal year 2025, the company had filed a total of 4 patent applications aimed at protecting the intellectual property of the projects initiated.

The "Software" item includes costs for acquiring licenses for the new ERP system (€105,059), as well as costs incurred for its implementation (€661,743). The new ERP project was launched in 2023 and is enabling the company to exercise precise control over operational flows, as well as greater reliability and traceability of information.

Concessions, licenses, trademarks, and similar rights

This item includes the costs incurred for the acquisition of trademarks for consideration, the cost of which is systematically amortized. The change observed in this item is solely attributable to the ordinary amortization process.

Intangible assets under construction and advance payments

In fiscal year 2025, planned investments for the company's development continued, and numerous additional projects were launched.

In total, investments amounting to 991,504 Euros were made. The main projects undertaken by the company were:

- implementation of artificial intelligence (AI) in the proprietary ticketing system platform and development of related new web applications: €360,938;
- implementation of cloud platforms to support energy storage systems: €350,189;
- further development of the new corporate ERP: €204,000;
- design and development of XL containers: €56,220.

Developments related to the ZeroCO2 platform have also been completed.

As of the end of fiscal year 2025, investments still in progress amount to €1,480,377 and are expected to be completed between 2026 and early 2027.

Other intangible assets

The decrease observed in the "other intangible assets" line item is solely attributable to the ordinary amortization process.

Property, plant, and equipment

Changes in tangible fixed assets

Tangible fixed assets, including accumulated depreciation, amount to €24,824,939; accumulated depreciation totals €816,218.

The following table shows the changes in the fixed assets in question.

Balance as of December 31, 2025	24,008,721
Balance as of 31/12/2024	17,973,358
Change	6,035,363

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible fixed assets	Tangible assets under construction and advance payments	Total tangible fixed assets
Opening balance						
Cost	5,598,241	380,498	281,322	190,248	11,940,169	18,390,478
Depreciation and Amortization (Accumulated Depreciation and Amortization)	186,493	44,582	103,504	82,541	-	417,120
Book value	5,411,748	335,916	177,818	107,707	11,940,169	17,973,358
Changes during the fiscal year						

	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other tangible fixed assets	Tangible assets under construction and advance payments	Total tangible fixed assets
Increases from acquisitions	-	780,721	24,677	41,614	5,578,808	6,425,820
Reclassifications (of carrying amount)	688,595	1,803,517	-	-	(2,463,318)	28,794
Decreases due to disposals and write-offs (of carrying amount)	-	-	20,154	-	-	20,154
Depreciation for the year	105,559	225,643	35,453	32,442	-	399,097
Other changes	-	(9,310)	9,310	-	-	-
<i>Total changes</i>	<i>583,036</i>	<i>2,349,285</i>	<i>(21,620)</i>	<i>9,172</i>	<i>3,115,490</i>	<i>6,035,363</i>
Value at end of year						
Cost	6,286,836	2,964,736	285,846	231,862	15,055,659	24,824,939
Depreciation and Amortization (Accumulated Depreciation and Amortization)	292,052	279,535	129,648	114,983	-	816,218
Book value	5,994,784	2,685,201	156,198	116,879	15,055,659	24,008,721

Land and Buildings

The item "land and buildings" includes the purchase value of the real estate owned by the Group, located in the municipality of Sant'Angelo di Piove di Sacco (PD).

On February 7, 2024, the company purchased the building complex located on Via Zona Industriale in the municipality of Sant'Angelo di Piove di Sacco (PD), with a covered area of 4,694 square meters and consisting of four separate blocks used as production laboratories, warehouses, and offices. In addition, the company acquired a plot of land on which a new warehouse of approximately 11,433 square meters is currently under construction.

Plant and machinery

This item includes plant and machinery dedicated to the production of storage systems, as well as general-purpose equipment.

Among the initial costs, the most significant investments recorded under this item are the photovoltaic systems completed in 2024, which required an investment of nearly 280,000 Euros and will allow the company to significantly reduce the amount of electricity purchased from third parties for the purpose of carrying out production and testing operations for batteries and energy storage systems, as well as to offset part of other types of consumption.

The increase of over €2.58 million in 2025 relates to the completion of two technologically advanced plants that will be used for the production of energy storage systems. Both plants have been integrated into the company's

information system, allowing the company to benefit from the so-called "Industry 4.0" investment tax credit recognized by the 2021 Budget Law (Law No. 178/2020).

Industrial and commercial equipment

This item mainly includes equipment used in the production process (€115,272), as well as shelving installed at the Sant'Angelo di Piove di Sacco plant (€156,663).

Other tangible fixed assets

This item consists mainly of costs incurred for the purchase of office equipment (€48,838), lifting equipment (€134,679), and furniture and fixtures (€43,117). The increase recorded during the fiscal year relates primarily to the purchase of additional furniture and computers.

Tangible assets under construction and advance payments

As of the end of the 2025 fiscal year, new investments totaling nearly 5.6 million Euros were recorded under fixed assets. The final balance of projects in progress is therefore 15 million Euros.

In terms of amounts, the main project involves the construction of the new industrial site for the production of batteries for energy storage systems. The costs incurred through December 31, 2025, for the construction of the new operational building adjacent to the company's headquarters in Sant'Angelo di Piove di Sacco (€11.54 million) were therefore recorded under assets under construction. Along with the new building, Energy is constructing new technologically advanced production facilities that will be used for the production of BESS (€2.36 million).

As of December 31, 2025, the Gigafactory project shows property, plant, and equipment under construction totaling €15,055,659, an increase compared to the previous fiscal year due to investments made during the period.

During the fiscal year, total investments of €5,578,808 were made, primarily related to the construction of the new industrial building, the acquisition of energy storage systems (BESS), and the development of related production and plant infrastructure.

A portion of the investments has already been reclassified as an asset, in connection with the commissioning of specific production components. Construction and plant engineering work on the new building has progressed to the point where it can be registered with the land registry in February 2026. Given the integrated nature of the complex and the difficulty of reliably separating the various areas functionally, this date is considered the date of commissioning for the purposes of initiating the depreciation process.

The project, originally designed with extensive battery production capacity and a total value of 43 million Euros—of which 21 million has already been invested—is currently being revised to adapt to changing market conditions and technological advancements. The revision will result in a reduction of the total investment and a greater focus on energy storage systems rather than cell and battery production. The plan calls for the initiative to be completed by 2028, including building completion, plant installation, and the setup of production lines. In 2026, the reporting process for the PNRR public grant was also initiated, with the submission of the first progress report. The total amount of the grant is currently being recalculated based on the ongoing project review. It should be noted that the construction of the new production facility is part of a project for which the company has applied for a non-repayable grant in the form of a Development Contract for the strategic production chain "Renewables and Batteries" provided for by the PNRR.

In addition, the company has completed previously initiated projects totaling 2.46 million Euros. Specifically, in the first half of 2025, two facilities (totaling 2.29 million Euros) were completed and are now being used for the production of energy storage systems. Both plants have been integrated with the " " corporate information system, enabling the company to benefit from the so-called "Industry 4.0" investment tax credit recognized by the 2021 Budget Law (Law 178/2020).

Finance Leases

The following table presents the information required by the legislator to illustrate, albeit on an off-balance-sheet basis, the implications arising from the difference in accounting treatment compared to the financial

method, under which the lessee would recognize the leased asset as a fixed asset and calculate the related depreciation charges on that asset, while simultaneously recognizing the liability for the principal portion of the lease payments due. In this case, the interest expense and depreciation expense for the period would be recognized in the profit and loss account.

At the end of the fiscal year, the company had two active finance leases relating to three automobiles.

	Amount
Total amount of assets under finance leases at the end of the fiscal year	162,295
Depreciation and amortization that would have been recognized for the fiscal year	44,512
Present value of lease payments not yet due at the end of the fiscal year	134,865
Financial expenses for the fiscal year based on the effective interest rate	5,533

Financial assets

The following table summarizes the annual change in the financial assets account:

Balance as of December 31, 2025	3,377,288
Balance as of 31/12/2024	3,409,024
Change	(31,736)

Changes in equity investments, other securities, and derivative financial instruments held as fixed assets

In 2025, the company continued its growth strategy, including through external expansion, with the goal of becoming an integrated manufacturer of energy storage systems capable of interacting with the entire supply chain: from the production of energy storage systems, to the development of edge and cloud software solutions, to the design, construction, and installation of complex systems.

The equity investments reported in the financial statements relate to:

- Pylon LiFeEU S.r.l. (Tax ID 05546060285) in a joint venture with Pylon Technologies Europe Holding B.V., which holds 70% of its capital. The company, which has been registered in the register of innovative startups, will enable the further development of the energy storage technology underlying Energy's products.
- Energyincloud S.r.l. (Tax ID 02714770225), incorporated on May 23, 2023, with the corporate purpose of developing, producing, and marketing innovative IT systems and high-tech application software. In November 2024, the company completed the purchase of an additional shares, increasing its stake to 79% of the share capital. EnergyInCloud provides advanced services for the remote control and management of energy production, storage, and consumption systems, utilizing cutting-edge technologies in the fields of ICT (Information and Communication Technologies), IoT (Internet of Things), and AI (Artificial Intelligence).
- Energyonsite S.r.l. (Tax ID 03097240216), headquartered in Vipiteno (BZ), is a company specializing in consulting, design, and supervision of installation and maintenance for large-scale storage systems, with

a strong presence in the D-A-CH region. On June 7, 2024, Energy completed the acquisition of a 90% stake in the share capital previously held by the German holding company Natural Resources Holding AG. During the fiscal year, the Company acquired an additional 10% through a notarial deed dated November 14, 2025, incurring a cost of €50,000, to be added to the purchase cost already incurred, amounting to €1,294,300.

- EnergyOnSite GmbH (HRB 304807), a company incorporated on July 21, 2025, with headquarters in Munich, which will handle the marketing of the Energy Group's technological solutions in the German market.

The following table shows the changes in the fixed assets in question.

	Investments in subsidiaries	Investments in associates	Total equity investments
Value at beginning of year			
Cost	1,406,504	860,631	2,267,135
Balance sheet value	1,406,504	860,631	2,267,135
Changes during the fiscal year			
Increases from acquisitions	90,991	-	90,991
Decreases due to disposals or divestitures (of carrying amount)	8,415	-	8,415
Write-downs recorded during the fiscal year	99,222	-	99,222
Total changes	(16,646)	-	(16,646)
Value at end of year			
Cost	1,489,080	860,631	2,349,711
Write-downs	99,222	-	99,222
Carrying amount	1,389,858	860,631	2,250,489

The item "Investments in subsidiaries" includes the carrying amounts of the controlling interests held in Energyincloud Srl (79%), Energyonsite Srl (100%), and Energyonsite GmbH (100%).

As part of a project to recognize the company's key personnel, Energy expanded the shareholder base of Energyincloud by selling shares totaling 7.5% of its share capital. The shares were allocated to three company employees at par value, for a total of 750 Euros. Following this sale, Energy holds a 79% stake at a cost of €103,789.

These financial statements also include a controlling interest (representing 100% of the share capital) in Energyonsite Srl (formerly Enermore). The acquisition was carried out by Energy in two stages: in 2024, a 90% stake in the share capital was acquired, while the remaining 10% was acquired by notarial deed dated November 14, 2025. The price paid for this additional purchase was €50,000, which, as per , is added to the initial purchase price of €1,294,300. As required by Article 2426 of the Italian Civil Code and accounting standard OIC 21, the value of fixed assets also includes incidental costs directly attributable to the acquisition of the equity interest. These costs total €1,940. A comparison between the carrying amount of the equity interest and the equity reported in the investee's financial statements for the 2025 fiscal year revealed the need to record a provision of €99,222 to partially adjust the carrying amount of the equity interest.

In July 2025, Energy established the new wholly-owned subsidiary Energyonsite GmbH, tasked with developing the Group's presence in the German market. The company was established with an initial capital of €25,000. The costs directly incurred for the incorporation amounted to €14,051. The financial statements for the 2025 fiscal

year of the investee show a negative equity of 13,168 Euros; however, since this is the first fiscal year, these losses are not considered to be of a permanent nature. For this reason, as provided for in paragraph 39 of OIC 21, the board of directors does not consider it necessary to proceed with a write-down of the investment's value. Finally, it is specified that the item "investment in associates" fully represents the equity interest held in the share capital of Pylon LiFe EU. It is expected that during the 2026 fiscal year, this company will complete its preparatory activities and will therefore be able to launch the first production batches.

Changes and Maturity of Long-Term Receivables

The following table shows the changes in the fixed assets in question.

	Value at the beginning of the fiscal year	Changes during the fiscal year	Value at end of year	Portion due within the fiscal year	Portion due beyond the fiscal year
Receivables from subsidiaries	1,139,264	(15,090)	1,124,174	297,058	827,116
Receivables from others	2,625	-	2,625	-	2,625
Total	1,141,889	(15,090)	1,126,799	297,058	829,741

Long-term receivables represent receivables due from subsidiaries for interest-bearing loans made in the capacity of a shareholder.

Specifically, in 2023, Energy granted EnergyinCloud an interest-bearing loan in the original amount of 200,000 Euros, to be repaid in quarterly installments through September 30, 2026. The outstanding balance as of December 31, 2025, amounts to 52,028 Euros.

In addition, Energy granted Energyonsite Srl an interest-bearing loan with an original amount of €1,020,000, to be repaid in semi-annual installments through December 31, 2029. The outstanding balance as of December 31, 2025, amounts to €1,042,007, including €22,007 in interest.

Details on long-term investments in subsidiaries

The following table shows the equity investments in subsidiaries as well as the additional disclosures required by Article 2427 of the Italian Civil Code.

Name	City, if in Italy, or foreign country	Tax ID (for Italian companies)	Capital in Euros	Profit (Loss) for the last fiscal year in Euros	Net equity in Euros	Ownership stake in Euros	Ownership stake in %	Book value or corresponding credit
EnergyInCloud S.r.l.	ROVERETO (TN)	02714770225	10,000	15,987	48,382	41,850	86,500	103,789
EnergyOnSite S.r.l.	VIPITENO (BZ)	03097240216	20,000	110,621	254,509	254,509	100,000	1,247,018
EnergyOnSite GmbH	MUNICH	HRB 304807	25,000	(38,168)	(13,168)	(13,168)	100,000	39,051

The table above shows the financial results for the 2025 fiscal year and the amount of shareholders' equity as of the end of the 2025 fiscal year, since, as of the date of preparation of these financial statements, the boards of directors of the subsidiaries had approved their respective draft financial statements.

Details on long-term investments in associates

The following table lists the equity investments in associated companies as well as the additional disclosures required by Article 2427 of the Italian Civil Code.

Name	City, if in Italy, or foreign country	Tax ID (for Italian companies)	Capital in Euros	Profit (Loss) for the last fiscal year in Euros	Net equity in Euros	Ownership stake in Euros	Ownership stake in %	Book value or corresponding credit
PYLON LIFE EU S.R.L.	SANT'ANGELO DI PIOVE DI S (PD)	05546060285	10,000	(76,481)	2,719,874	815,962	30,000	860,631
Total								860,631

For the affiliate Pylon LiFe EU, as of the date of preparation of these financial statements, the board of directors has approved the draft financial statements. The company closed the 2025 fiscal year with a loss of €76,481. The company expects to commence production by the second quarter of 2026, and for this reason, management believes that the negative difference between the share of equity held and the corresponding carrying amount cannot be considered an impairment loss.

Breakdown of long-term receivables by geographic area

Geographic area	Long-term receivables from subsidiaries	Long-term receivables from others	Total long-term receivables
Italy	1,094,035	2,625	1,096,660
EU	30,139	-	30,139
Total	1,124,174	2,625	1,126,799

All long-term receivables recorded in the financial statements relate to entities resident in Italy, with the exception of the receivable due from the subsidiary EnergyOnSite GmbH, amounting to 30,139 Euros.

Value of financial assets

The financial assets reported in the financial statements have not been recorded at a value higher than their “fair value.”

Current assets

Current assets include, under letter “C,” the following subclasses of the “Assets” section of the balance sheet:

- Subclass I - Inventories;
- Subclass II - Accounts Receivable;
- Subclass III - Financial Assets Not Classified as Fixed Assets;
- Subclass IV - Cash and Cash Equivalents.

The amount of current assets as of December 31, 2025, is 30,752,371 Euros. Compared to the previous fiscal year, it has decreased by 6,787,426 Euros.

The details for each of these subclasses and their constituent items are provided below, in accordance with the XBRL taxonomy schema.

Inventories

The following table presents information regarding changes in inventory. Inventory consists of goods held for sale and is valued in the financial statements at the lower of cost and market value.

The valuation of inventory at the lower of cost and realizable value was performed in accordance with the consistently applied valuation methods.

Returns, discounts, rebates, and bonuses have been deducted from costs.

Inventory valuation was determined using the weighted average cost method.

The following table presents information regarding changes in inventory.

As required by OIC Accounting Standard No. 13, advance payments made to suppliers totaling €264,577 were also recorded under item C.I.5.

	Opening balance	Changes during the year	Value at end of year
Work in progress and semi-finished goods	15,084	53,135	68,219
Finished goods and merchandise	23,511,740	(1,465,675)	22,046,065
advances	412,576	(147,999)	264,577
<i>Total</i>	<i>23,939,400</i>	<i>(1,560,539)</i>	<i>22,378,861</i>

As in previous fiscal years, the board of directors conducted a thorough assessment and analysis of the inventory on hand at the end of the period. Specifically, the analyses focused on determining both the turnover rate of individual items sold and remaining in inventory at year-end, and on determining any difference between the carrying amount and the estimated realizable value. In this regard, the analysis conducted by the Board of Directors was also based on the projected trend of prices for the products sold.

These assessments revealed that a portion of the provisions made in prior years to cover the lower market value of certain assets relative to their carrying amount on the balance sheet can now be released, given that these assets have been sold by the company.

As illustrated below, the amount of this extraordinary adjustment has a significant impact on the 2025 profit and loss account.

	Opening balance	Use of provision	Release	Provision	Value at end of period
Inventory valuation allowance	(10,563,966)	2,824,232	1,198,797	(542,633)	(7,083,570)
<i>Total</i>	<i>(10,563,966)</i>	<i>2,824,232</i>	<i>1,198,797</i>	<i>(542,633)</i>	<i>(7,083,570)</i>

Therefore, the inventory allowance of 10,563,966 Euros existing at the beginning of the fiscal year was utilized in the amount of 2,824,232 Euros following the sale to third parties of goods previously written down, while 1,198,797 Euros were released. In addition, the aforementioned assessments revealed the need to further increase the existing inventory allowance by €542,633 to cover the risk that, in future fiscal years, certain specific goods in stock may encounter difficulties during the marketing phase.

It should be noted that the value of inventory reported under item C.I.4 is already net of the related allowance for inventory write-downs.

The use of the provision, its release, and the accrual are, however, recorded under the item "B.11 - Change in inventories of raw materials, auxiliary materials, consumables, and goods" in the profit and loss account.

Receivables recorded under current assets

In the financial statements for the year ended December 31, 2025, the subclass of Assets C.II Receivables includes the following items:

- 1) Accounts receivable from customers
- 2) from subsidiaries
- 3) from associates

5-bis) tax receivables
 5-ter) deferred tax assets
 5-quater) to others

Receivables are classified under Current Assets based on whether they relate to ordinary business operations.

Article 2426, paragraph 1, item 8) of the Italian Civil Code provides that receivables shall be recognized in the financial statements using the amortized cost method, taking into account the time factor and the estimated realizable value.

Amortized cost is the value at which the asset was measured at the time of initial recognition, net of principal repayments, increased or decreased by cumulative amortization using the effective interest method on any difference between the initial value and the value at maturity, and less any impairment or uncollectibility.

Changes and Maturity of Receivables Recorded in Current Assets

The following table presents information regarding changes in receivables recorded under current assets as well as, if significant, information regarding their maturity.

	Beginning-of-year balance	Change during the year	Value at end of year	Portion due within the year	Portion due after the year
Accounts receivable	6,016,617	(1,681,436)	4,335,181	4,335,181	-
Receivables from subsidiaries	2,344	842,362	844,706	844,706	-
Receivables from affiliated companies	514,917	86,953	601,870	601,870	-
Tax receivables	1,030,650	(526,266)	504,384	309,436	194,948
Deferred tax assets	1,345,260	(49,981)	1,295,279	-	-
Receivables from others	187,146	(68,015)	119,131	7,294	111,837
Total	9,096,934	(1,396,383)	7,700,551	6,098,487	306,785

Accounts receivable

It should be noted that the company has not measured trade receivables at amortized cost or discounted them, as all recognized trade receivables have a maturity of less than 12 months.

Therefore, trade receivables, as referred to in item C.II.1), have been recorded in the financial statements at their estimated realizable value, which corresponds to the difference between the nominal value and the allowance for doubtful accounts.

During the fiscal year, the company fully utilized the provision previously set aside to cover certain trade receivables that were no longer recoverable. For this reason, the company deemed it appropriate to replenish the allowance for doubtful accounts by making a new provision of 15,000 Euros. This amount was determined as 0.5% of receivables not covered by insurance. This demonstrates that the majority of receivables existing as of the fiscal year-end are covered by insurance.

The following provides a breakdown of the changes in the allowance for doubtful accounts:

	Opening balance	Use of provision	Provision	End-of-period balance
Bad debt reserve	(4,900)	4,900	(15,000)	(15,000)
<i>Total</i>	<i>(4,900)</i>	<i>4,900</i>	<i>(15,000)</i>	<i>(15,000)</i>

Receivables from subsidiaries

Item C.II.2 of the balance sheet assets includes trade receivables from subsidiaries in the amount of 844,706 Euros.

Receivables from associated companies

Receivables from associated companies include €587,870 in trade receivables from the temporary association temporary consortium of Austrian companies in which Energy holds an interest together with the Austrian company Königskreuz GmbH. This joint venture was awarded a major contract in Austria for the supply of electricity storage systems and the provision of certain related services to ASFINAG, the Austrian highway concessionaire, with the aim of expanding the network infrastructure for alternative mobility.

Tax receivables

These receivables are reported in the financial statements at their nominal value, which coincides with the estimated realizable value, and amount to €504,384. The following table provides a breakdown of this item:

	Value at Year-End
VAT receivable	68,223
Tax credit for research, development, and innovation activities and credits for investments in capital goods under the "Industry 4.0" program	400,360
Corporate Income Tax (IRES) credit	23,938
IRAP credit	11,433
Other tax credits	430
Total	504,384

Deferred tax assets

The amount of deferred tax assets recognized in 2024, equal to €1,295,279, is recorded under item C.II 5-ter of the balance sheet's assets, in accordance with OIC No. 25.

This amount refers to deferred IRES on tax losses for which there is reasonable certainty regarding their recoverability based on the projection of taxable income for the 2026–2028 period. The amount of these deferred tax assets was recognized based on the results of the business plan prepared by the management, which forecasts that the company will generate positive financial results starting in fiscal year 2027. The section titled "Current, Deferred, and Prepaid Income Taxes" provides a breakdown of the credit.

The change observed in 2025 relates to the release of IRAP provisions made in prior years regarding the write-down of inventory.

Receivables from others

This item primarily includes receivables for advances granted to certain employees in the amount of €111,087. These receivables are due for collection by the end of fiscal year 2027.

This item includes receivables from related parties; for a more detailed description, please refer to the relevant section of these notes to the financial statements.

Breakdown of receivables recorded under current assets by geographic area

The following table shows the breakdown by geographic area of receivables recorded under current assets.

Geographic area	Trade receivables recorded under current assets	Receivables from subsidiaries recorded under current assets	Receivables from associates recorded in current assets	Tax receivables recorded under current assets	Deferred tax assets recorded under current assets	Receivables from others recorded under current assets	Total receivables recorded under current assets
IT	3,726,460	844,706	14,000	504,384	1,295,279	119,131	6,503,960
EU	401,111	-	587,870	-	-	-	988,981
Non-EU	207,610	-	-	-	-	-	207,610
Total	4,335,181	844,706	601,870	504,384	1,295,279	119,131	7,700,551

Compared to the previous fiscal year, there has been a slight decrease in accounts receivable. As previously noted, accounts receivable are almost entirely covered by insurance guarantees and, consequently, no significant risks are anticipated regarding their collection.

Financial assets not classified as fixed assets

Changes in financial assets not classified as fixed assets

The following table presents information regarding changes in financial assets not classified as fixed assets.

Item description	Balance at beginning of year	Changes during the year	Value at end of year
Derivative financial instruments—assets	32,027	(23,644)	8,383
<i>Total</i>	<i>32,027</i>	<i>(23,644)</i>	<i>8,383</i>

As of December 31, 2025, the amount of 8,383 Euros was recorded in the balance sheet under Asset Item C.III.5, relating to the *mark-to-market value* of two interest rate hedging derivatives on bank loans. As a counterparty to this financial asset, an equity reserve named "Reserve for hedging expected cash flows" (subclass A.VII) was recorded for 6,371 Euros, along with a provision to the deferred tax fund for 2,012 Euros.

Cash and Cash Equivalents

The following table presents information regarding changes in cash and cash equivalents.

	Balance at beginning of year	Changes during the year	Balance at end of year
Bank and postal deposits	4,470,961	(3,806,088)	664,873
Cash and cash equivalents	475	(22)	453
<i>Total</i>	<i>4,471,436</i>	<i>(3,806,110)</i>	<i>665,326</i>

During the 2025 fiscal year, cash and cash equivalents decreased, primarily due to cash outflows related to the significant investments made during the year, as already described in the sections on fixed assets, as well as loan repayments made during the period.

For a more detailed analysis of the cash outflow, please refer to the section on the cash flow statement

Accrued Income and Prepaid Expenses

The following table presents information regarding changes in prepaid expenses and deferred income.

	Balance at the beginning of the year	Change during the year	Value at end of year
Prepaid expenses	161,334	(10,597)	150,737
Total accrued income and prepaid expenses	161,334	(10,597)	150,737

Prepaid expenses include the future portions of the following types of costs:

- software licenses and IT platforms: 78,035 Euros;
- lump-sum lease payments for three vehicles: €50,113;
- insurance premiums: €22,589.

The portion of prepaid expenses relating to periods after fiscal year 2026 amounts to 12,277 Euros.

Capitalized financial expenses

All interest and other financial expenses were fully expensed during the fiscal year. For the purposes of Article 2427, paragraph 1, no. 8 of the Italian Civil Code, it is hereby certified that there are no capitalized financial expenses.

Notes to the Financial Statements, Liabilities and Shareholders' Equity

The following provides a detailed analysis of the changes in individual balance sheet items, where required by applicable regulations.

Shareholders' Equity

Shareholders' equity is the difference between assets and liabilities on the balance sheet. Shareholders' equity items are recorded under liabilities on the balance sheet in Class A "Shareholders' Equity" with the following classification:

- I - Capital
- II - Share Premium Reserve
- III - Revaluation reserves
- IV - Legal reserve
- V - Statutory reserves
- VI - Other reserves, separately identified
- VII - Reserve for hedging expected cash flows
- VIII - Retained earnings (losses)
- IX - Net loss for the year
- X - Negative reserve for treasury shares held

Changes in equity items

With reference to the fiscal year ending, the following tables show the changes in the individual equity items, as well as the details of other reserves, if present in the financial statements.

	Opening balance	Allocation of prior year's profit - Other allocations	Other changes - Increases	Other changes - Decreases	Net loss for the year	Value at end of fiscal year
Capital	616,606	-	-	-	-	616,606

	Opening balance	Allocation of prior year's profit - Other allocations	Other changes - Increases	Other changes - Decreases	Net loss for the year	Value at end of fiscal year
Share premium reserve	27,186,250	-	-	-	-	27,186,250
Legal reserve	123,000	-	-	-	-	123,000
Extraordinary reserve	5,210	-	-	-	-	5,210
Reserve for unrealized foreign exchange gains	39,828	-	-	39,828	-	-
Various other reserves	-	-	1	-	-	1
Total other reserves	45,038	-	1	39,828	-	5,211
Reserve for hedging expected cash flows	24,340	-	-	17,969	-	6,371
Retained earnings (losses)	37,415,840	(17,113,969)	39,828	-	-	20,341,699
Net loss for the year	(17,113,969)	17,113,969	-	-	(2,141,546)	(2,141,546)
Total	48,297,105	-	39,829	57,797	(2,141,546)	46,137,591

On June 5, 2025, the Board of Directors canceled 3,792,000 *Price Adjustment Shares 2023* (PAS third tranche), without, however, changing the number of common shares or the amount of the share capital.

Share Premium Reserve

The share premium reserve arose following the listing transaction, during which, for 11,375,000 new ordinary shares issued at a placement price of €2.40, €2.39 was recorded in this reserve, while the remaining €0.01 was recorded as a capital increase.

Availability and Use of Shareholders' Equity

The following tables provide a detailed breakdown of equity items, specifying their origin, availability for use and distributability, as well as their actual use in the previous three fiscal years.

Description	Amount	Origin/Nature	Availability for use	Available amount	Summary of drawdowns made in the previous three fiscal years - to cover losses
Capital	616,606	Capital	B	-	-
Share premium reserve	27,186,250	Capital	A;B;C	27,186,250	-
Legal reserve	123,000	Retained earnings	B	123,000	-
Extraordinary reserve	5,210	Retained earnings	A;B;C	5,210	-

Description	Amount	Origin/Nature	Availability for use	Available amount	Summary of drawdowns made in the previous three fiscal years - to cover losses
Reserve for unrealized foreign exchange gains	-			-	39,828
Various other reserves	1	Retained earnings	A;B;C	1	-
Total other reserves	5,211	Net income		-	-
Reserve for hedging expected cash flows	6,371	Capital		-	-
Retained earnings (losses)	20,341,699	Profits	A;B;C	20,341,699	17,113,969
Total	48,279,137			47,656,160	17,153,797
Non-distributable portion				3,137,804	
Remaining distributable amount				44,518,356	
Legend: A: for capital increase; B: to cover losses; C: for distribution to shareholders; D: for other statutory restrictions; E: other					

With regard to the company's use of revaluation reserves, as shown in the statement of changes in equity, it is specified that the company may not distribute profits until such reserves are replenished to their original amount or reduced by a corresponding amount pursuant to a resolution of the shareholders' meeting (pursuant to Article 6 of Law 72/83 and subsequent revaluation laws).

Changes in the reserve for hedging expected cash flows

Pursuant to Article 2427-bis, paragraph 1b-quater of the Italian Civil Code, the following statement illustrates the movements in fair value reserves that occurred during the fiscal year.

	Opening balance	Changes during the fiscal year - Decrease due to change in fair value	Value at end of year
Reserve for hedging expected cash flows	24,340	17,969	6,371

As of the balance sheet date, the company recognized the fair value hedge instrument in the balance sheet under the item "C.III - Financial assets not classified as fixed assets" for €6,371 and, as a corresponding entry, recorded the equity reserve designated as "Reserve for hedging expected cash flows" (subclass A.VII) under " . "

The reserve will be recognized in the profit and loss account to the extent and at the times corresponding to the occurrence or change in the cash flows of the hedged instrument (or the occurrence of the transaction being hedged).

It should be noted that equity reserves arising from the fair value measurement of derivatives used to hedge the expected cash flows of another financial instrument or a planned transaction are not included in the calculation of equity for the purposes set forth in Articles 2412, 2433, 2442, 2446, and 2447 of the Italian Civil Code and, if positive, are not available and cannot be used to offset losses.

Provisions for Risks and Charges

The following table presents information regarding changes in provisions for risks and charges.

	Balance at beginning of year	Changes during the year - Provision	Changes during the year - Utilization	Changes during the year - Total	Value at end of year
Provision for retirement benefits and similar obligations	35	1,475	278	1,197	1,232
Provision for taxes, including deferred taxes	7,686	-	5,674	(5,674)	2,012
Other provisions	18,500	57,780	18,500	39,280	57,780
Total	26,221	59,255	24,452	34,803	61,024

Other provisions

In light of the agreements entered into with certain key company personnel, it was deemed appropriate to set aside an amount of €57,780, estimated based on the costs expected to be incurred in connection with the performance bonuses to be awarded upon the achievement of the results projected for the year 2025. It should be noted that the provision made in 2024 in the amount of €18,500 was fully utilized in 2025.

Employees' leaving entitlement

The following table presents information regarding changes in the employees' leaving entitlement.

	Balance at the beginning of the year	Changes during the year - Provision	Changes during the year - Utilization	Changes during the year - Total	Value at end of year
EMPLOYEES' LEAVING ENTITLEMENT	258,784	200,131	119,903	80,228	339,012
Total	258,784	200,131	119,903	80,228	339,012

The uses section includes the amounts of employees' leaving entitlement liabilities transferred to the INPS Treasury Fund, to supplementary pension funds, and to employees following advances and/or resignations.

Payables

The following table summarizes the annual change in payables:

Balance as of 31/12/2025	16,240,861
Balance as of 31/12/2024	15,786,812
Change	454,049

Changes and Maturity of Liabilities

The following table presents information regarding changes in payables and any information regarding their due dates.

	Opening balance	Change during the year	Value at end of year	Amount due within the fiscal year	Portion due after the fiscal year
Bank debt	10,830,775	(1,033,147)	9,797,628	7,106,828	2,690,800
Advance payments	288,486	(6,321)	282,165	282,165	-
Accounts payable	3,471,712	1,576,027	5,047,739	5,047,739	-
Payables to subsidiaries	-	378,790	378,790	378,790	-
Tax liabilities	654,339	(451,391)	202,948	202,948	-
Payables to pension and social security institutions	165,678	17,056	182,734	182,734	-
Other liabilities	375,822	(26,965)	348,857	348,857	-
Total	15,786,812	454,049	16,240,861	13,550,061	2,690,800

Bank debt

The following table shows the breakdown of the item "Bank debt."

Item	Payables for bank drafts	Payables for short-term loans	Payables for medium/long-term loans	Total
4) Bank debt	4,415,474	48,118	5,334,036	9,797,628

It should be noted that for the portion of financial liabilities with a maturity of less than 12 months, given the immaterial effects resulting from the application of amortized cost compared to valuation at par value, these liabilities were valued at their par value.

In 2025, the company repaid medium- and long-term loans to financial institutions totaling over 4.3 million Euros. Finally, it should be noted that for financial liabilities with a maturity of more than 12 months, they were not measured at amortized cost because the effective interest rate was not significantly different from the market interest rate.

It should be noted that there are no liabilities maturing after December 31, 2030.

All bank loans received are at variable rates. To mitigate the risk associated with rising interest rates, the company entered into two derivative contracts, regarding which information is provided in the relevant section of these notes to the financial statements.

In connection with the loans received from Sparkasse in 2023, the company has committed to meeting certain covenants for the entire duration of the loans. Specifically, a first covenant relates to the €2.4 million loan (original amount) and requires Energy to meet the following two covenants:

NFP/EBITDA 5.0x

NFP/Net Equity 3.0x

A second covenant relates to the €4 million loan (original amount) and a revolving credit facility, requiring Energy to comply with the following two ratios:

NET DEBT/EBITDA 3.0x

NET DEBT/EQUITY 1.0x

The results achieved in 2025 did not allow for compliance with these ratios, which is why the company requested and obtained a waiver from the lending institution allowing the remaining debt to be recorded in accordance with the contractual terms, pursuant to OIC 19.

Payables for advance payments

The valuation of prepayment liabilities, recorded under liabilities in item D.6) for €282,165, was performed at face value.

It should be noted that the company did not value these at amortized cost or discount them, as all prepayments relate to liabilities that will be paid within 12 months and the effects of applying amortized cost would be immaterial.

This item includes advance payments received from customers for the supply of goods.

Accounts Payable

Trade payables, recorded under Liabilities in item D.7 - Trade payables for €5,047,739, were valued at face value. It should be noted that the company did not measure trade payables at amortized cost or discount them, as all recognized trade payables have a maturity of less than 12 months and the effects of applying the amortized cost method would be immaterial.

Tax liabilities

Among the most significant items comprising tax liabilities are:

- payables for withholding taxes on employee income totaling €183,561;
- payables for withholding taxes on self-employment income of €19,380.

Liabilities to social security and welfare institutions

The valuation of liabilities to social security and welfare institutions, recorded under liabilities in item D.13) Liabilities to social security and welfare institutions for €182,734, was performed at face value.

It should be noted that the company did not value these liabilities at amortized cost or discount them, as all liabilities to social security and welfare institutions relate to amounts due within 12 months and the effects of applying amortized cost would be immaterial.

Among the most significant items comprising the liabilities recorded under this heading are:

- liabilities for payroll contributions for the month of December and the thirteenth-month bonus payable to INPS: 114,859 Euros;
- liabilities for contributions on the fourteenth month's salary payable to INPS: €14,308;
- liabilities to INAIL: €2,324;
- liabilities to various social security and welfare agencies: €20,962.

Other liabilities

The following table shows the breakdown of the item "Other liabilities."

Description	Details	Current fiscal year amount
<i>Other payables</i>		
	Payables to directors	49,627
	Payables for withholdings to third parties	2,774
	Payables from credit card issuers and other payment systems	4,403
	Other payables to third parties	257
	Personnel - salaries	140,344
	Other payables to employees	151,452
	Total	348,857

Breakdown of payables by geographic area

The following table shows the breakdown of liabilities by geographic area.

Geographic area	Liabilities to banks	Advances	Payables to suppliers	Payables to subsidiaries	Tax liabilities	Payables to pension and social security institutions	Other payables	Payables
IT	9,797,628	126,000	2,335,539	378,790	202,948	182,734	348,857	13,372,496
EU	-	156,165	27,636	-	-	-	-	183,801
Non-EU	-	-	2,684,564	-	-	-	-	2,684,564
Total	9,797,628	282,165	5,047,739	378,790	202,948	182,734	348,857	16,240,861

Liabilities secured by collateral on company assets

Pursuant to and for the purposes of Article 2427, paragraph 1, item 6 of the Civil Code, it is hereby certified that there are no corporate liabilities secured by collateral.

Loans provided by company shareholders

The company has not received any loans from its shareholders.

Accrued liabilities and deferred income

The following table presents information regarding changes in accrued liabilities and deferred income.

	Balance at the beginning of the fiscal year	Change during the year	Value at end of year
Accrued liabilities	126,098	(37,297)	88,801
Accrued expenses	280,278	294,269	574,547
Total accrued liabilities and deferred income	406,376	256,972	663,348

The following table shows the breakdown of the items in question, as recorded in the financial statements.

Description	Details	Current-year amount
<i>ACCRUALS AND PREPAYMENTS</i>		
	Capital Goods Bonus (Law 178)	17,161
	Credit 4.0	399,053
	SME listing bonus	158,333
	Other	88,801
	Total	663,348

The following table shows the breakdown of accrued liabilities and deferred income with maturities within and beyond the current fiscal year, as well as beyond five years:

Description	Amount due within the next fiscal year	Amount beyond the next fiscal year	Amount beyond five years
Accrued liabilities	88,801	-	-
Deferred income	166,450	383,373	24,724
Total accrued liabilities and deferred income	255,251	383,373	24,724

Notes to the Financial Statements, Profit and loss account

The profit and loss account shows the financial results for the fiscal year.

It provides a representation of operating activities through a summary of the positive and negative income components that contributed to determining the financial result. The positive and negative income components, recorded in the financial statements in accordance with Article 2425-bis of the Italian Civil Code, are classified according to their classification under the various categories: core, ancillary, and financial.

Core operations identify the income components generated by transactions that occur on an ongoing basis and within the sector relevant to the conduct of business, which identify and characterize the specific and distinctive part of the economic activity carried out by the company, for which the company is established.

Financial activities consist of transactions that generate financial income and expenses.

On a residual basis, ancillary activities consist of transactions that generate income components that are part of ordinary operations but do not fall under core or financial activities.

Value of Production

This section of the Notes to the Financial Statements provides, in accordance with the structure dictated by the XBRL taxonomy and in compliance with the provisions of Article 2427 of the Italian Civil Code, commentary on the items that, in the financial statements for the year ended December 31, 2025, comprise the Profit and loss account.

In line with OIC 12, the distinction between core and ancillary activities—not expressly provided for by the Italian Civil Code—has been maintained to allow, exclusively on the revenue side, for the differentiation of components that must be classified under item A.1) “Revenue from the sale of goods and services” from those under item A.5) “Other revenue and income.”

Item A.5 also includes operating grants provided by various entities, such as non-repayable grants, various tax credits, as well as the portion attributable to the current period of capital grants received in connection with investments made.

Description	2025	2024	Change
A1) Revenue from sales and services	27,974,219	35,445,265	(7,471,046)
2) Change in inventories of work in progress, semi-finished, and finished goods	53,135	15,084	38,051
4) Additions to fixed assets for internal work	936,469	1,130,671	(194,202)
5) Other revenues and income - Operating grants	130,896	103,100	27,796
5) Other revenues and income - Other revenues	1,637,190	206,553	1,430,398
Total value of production	30,731,909	36,900,673	(6,168,764)

Breakdown of revenue from sales and services by business segment

The following table shows the breakdown of revenue from sales and services by business segment.

Breakdown of revenue from sales and services by geographic area

The following table shows the breakdown of revenue from sales and services by geographic area.

Geographic area	Current fiscal year
IT	17,787,438
EU	9,788,127
Outside the EU	398,654
Total	27,974,219

Revenue from sales and services

In 2025, the decline in demand for storage systems in the residential segment—which had already been underway in previous years—continued, leading to a further contraction in the company’s revenue compared to the previous fiscal year. As highlighted in the Directors’ Report, this decline was only partially offset by growth in the industrial-commercial segment.

The company’s primary market is Italy (67%), while the share of revenue generated outside Italy remains at approximately one-third of the total. This trend is a result of management’s strategy to expand the company’s presence in new international markets. The share of revenue in European Union member states remained constant (33% compared to 34% in the previous fiscal year). The European markets where the company had the strongest presence in 2025 were Austria, Switzerland, and Sweden.

Increases in fixed assets for internal work

Increases in fixed assets for internal projects for the 2025 fiscal year amounted to €936,469, in addition to the €1,130,671 incurred in 2024. This figure reflects the numerous projects the company worked on during 2025.

In particular, the main projects concern:

1. the development of technology related to large-scale storage systems;
2. the development of a new ticketing system dedicated to *customer service*;
3. the development of the layout and configuration of the new battery assembly line.

Other Revenues

Item A.5) also includes:

- the portion of the contribution for the period related to consulting expenses incurred for admission to a regulated market (€100,000);
- the reimbursement by a supplier of additional costs incurred by Energy in connection with the purchase of inverters subsequently sold to end customers (€1,460,446);
- reimbursements for transportation expenses incurred in Italy and abroad (€127,137);
- the portion attributable to the period of capital grants accrued in connection with investments made in technologically advanced capital assets (€4,783).

Production Costs

The costs and expenses in Class B of the Profit and loss account, classified by nature, are shown net of returns, trade discounts, rebates, and bonuses, while financial discounts are recognized in item C.16 as financial income. Costs for raw materials, ancillary materials, consumables, and goods also include incidental purchase costs (transportation, insurance, loading and unloading, etc.) if the supplier has included them in the purchase price of the materials and goods. Otherwise, they have been recorded under costs for services (item B.7).

It should be noted that non-recoverable VAT has been incorporated into the purchase cost of the goods. Items B.6, B.7, and B.8 include not only costs of a certain amount resulting from invoices received from suppliers, but also those of an estimated amount not yet documented, for which specific verifications have been carried out.

It should be noted that, since the criterion of classifying costs “by nature” must prevail, provisions for risks and charges have been recorded under the operating items to which the transaction relates, other than items B.12 and B.13.

Overall, production costs for the fiscal year ended December 31, 2025, net of returns, trade discounts, and rebates, amount to €32,070,885.

The following tables are provided for the categories B.6) raw materials, consumables, and goods; B.7) services; B.8) costs for use of third-party assets; B.9) personnel; B.10) depreciation, amortization, and write-downs; B.11) changes in inventories; B.14) Other operating expenses, with a breakdown by cost type of the 2025 and 2024 balances and the annual change.

Costs for raw materials, ancillary materials, consumables, and goods

Costs for the purchase of raw materials amounted to €19,591,400 as of December 31, 2025, compared to €10,689,085 as of December 31, 2024, showing an increase of €8,902,315. This increase stems from the reduction in goods purchased compared to the previous fiscal year.

Description	2025	2024	Change
Purchases of goods and products	18,978,251	10,174,660	8,803,591
Customs duties	12,613	1,416	11,197
Warehousing and packaging costs	506,177	432,860	73,317
Office supplies and printers	2,786	16,077	(13,291)
Purchase of supplies and maintenance	91,573	64,072	27,501
Total	19,591,400	10,689,085	8,902,315

Service costs

Service costs amounted to €4,663,774 as of December 31, 2025, compared to €4,892,961 as of December 31, 2024, representing a change of €229,187, primarily due to the reduction in transportation costs incurred during the fiscal year.

Description	2025	2024	Change
Transportation costs	593,337	622,931	(29,594)
Compensation for directors and supervisory bodies	1,068,375	1,147,819	(79,444)
Business consulting and project costs	788,544	791,761	(3,217)
Marketing and entertainment expenses	499,667	536,014	(36,347)
Insurance costs	165,842	222,528	(56,686)

Description	2025	2024	Change
Personnel-related expenses	196,708	140,667	56,041
Bank fees and charges	98,424	128,163	(29,739)
Costs for ancillary services	292,506	241,498	51,008
Legal, tax, and accounting fees	825,801	813,112	12,689
Utilities	100,387	93,648	6,739
Maintenance costs	34,183	154,819	(120,636)
Total	4,663,774	4,892,960	(229,186)

Costs for use of third-party assets

Description	2025	2024	Change
Deductible property rental expenses	3,312	9,701	(6,389)
Lease payments and related expenses	34,022	19,305	14,717
Car rental fees	26,904	17,440	9,464
Equipment rental fees	29,341	16,988	12,353
Software license fees	248,614	140,641	107,973
Total	342,193	204,075	138,118

Personnel costs

Personnel costs amounted to €3,288,517 as of December 31, 2025, compared to €3,011,069 as of December 31, 2024, representing an increase of €277,448. This increase is attributable to the rise in the number of employees working for the Company.

Description	2025	2024	Change
Wages and salaries	2,375,469	2,194,804	180,665
Social security contributions	681,686	589,325	92,361
Employees' leaving entitlement	157,938	136,480	21,458
Other costs	73,424	90,460	(17,036)
Total	3,288,517	3,011,069	277,448

Depreciation and Impairment

Costs related to depreciation of fixed assets and write-downs increased by €394,519 during 2025. This increase is primarily due to significant investments made in the development of the company's products, as well as investments in tangible and intangible assets made starting in 2024.

In addition, a significant component relates to listing costs (€3,139,597), which are included in category B.I.1, intangible assets, and as such are amortized on a straight-line basis.

Description	2025	2024	Change
Intangible assets	1,510,454	1,371,378	139,076
Tangible fixed assets	399,097	173,412	225,685
Impairment losses	29,758	-	29,758
Total	1,939,309	1,544,790	394,519

Change in inventories of raw materials, auxiliary materials, consumables, and goods

Management continued its strategy, initiated in 2024, to reduce inventory levels. This resulted in a reduction in the net book value of inventory of nearly 5 million Euros. This action was motivated, on the one hand, by the desire to free up financial resources to be allocated to investments in productive assets and, on the other hand, by the need to limit the loss of value associated with progressive technological obsolescence. This effect was partially offset by the release and partial utilization of the inventory write-down reserve, as described in the section of these notes to the financial statements commenting on the "Closing Inventory" line item.

The economic change for the year 2025 is therefore €1,465,674.

Description	2025	2024	Change
Change in inventory	1,465,674	32,812,261	(31,346,587)
Total	1,465,674	32,812,261	(31,346,587)

Other operating expenses

Other operating expenses amounted to €780,018 as of December 31, 2025, compared to €996,843 as of December 31, 2024, representing a decrease of €216,825. Other operating expenses primarily consist of:

- costs incurred for goods provided free of charge to customers for promotional purposes, amounting to €417,148,
- costs incurred for other taxes and duties amounting to €132,612,
- contingent liabilities amounting to €130,981.

Financial Income and Expenses

All positive and negative components of the operating result for the period related to the company's financial activities, characterized by transactions that generate income, expenses, gains, and losses on disposal, relating to securities, equity investments, bank accounts, receivables recorded under fixed assets, and loans of any nature (both receivable and payable), as well as foreign exchange gains and losses.

Financial income and expenses have been recognized on an accrual basis.

Breakdown of interest and other financial expenses by type of debt

The following table shows interest and other financial expenses referred to in Article 2425, No. 17 of the Italian Civil Code, with a specific breakdown between those relating to bonds, bank debt, and other categories.

	Bank debt	Other	Total
Interest and other financial expenses	624,755	7,709	632,464

Financial expenses include a loss of €7,665 resulting from the sale of shares representing 7.5% of EnergyInCloud's share capital, carried out as part of an incentive plan for the company's key personnel.

Foreign exchange gains/losses

The following information relates to foreign exchange gains or losses, distinguishing between realized gains/losses and those arising from the valuation of foreign currency assets and liabilities recorded in the financial statements at the end of the fiscal year.

Description	Amount on the balance sheet	Valuation component	Realized portion
<i>foreign exchange gains and losses</i>	<i>(49,894)</i>		
Foreign exchange gain		-	32,329
Foreign exchange loss		-	(82,223)
Total item		-	(49,894)

Value adjustments to financial assets and liabilities

As further described in the section of these notes to the financial statements discussing financial fixed assets, the Board of Directors decided to make a provision to the allowance for impairment of investments in subsidiaries in the amount of €99,222. This provision reflects the accounting difference between the carrying amount of the investment in Energyonsite Srl and the equity reported in the financial statements approved by the investee company. The Board of Directors is nevertheless confident that, thanks to the positive financial results Energyonsite expects to achieve as early as 2026, it will be possible to fully restore the value of the investment as soon as possible.

Amount and nature of individual revenue/cost items of exceptional magnitude or significance

During the current fiscal year, no revenues or other positive components arising from events of exceptional magnitude or impact were recognized.

No costs arising from events of exceptional magnitude or impact were recognized during the current fiscal year.

Current, deferred, and prepaid income taxes

The company has provided for taxes for the year based on the application of current tax regulations. Current taxes refer to taxes for the current fiscal year as reported in tax returns; taxes relating to prior fiscal years include direct taxes from the prior fiscal years, including interest and penalties, and also relate to the positive (or negative) difference between the amount due following the resolution of a dispute or an assessment and the value of the provision set aside in prior fiscal years.

Finally, deferred tax liabilities and deferred tax assets relate to positive or negative income components subject to taxation or deduction, respectively, in fiscal years other than those in which they are recognized under statutory accounting.

The deferred tax assets recorded in the financial statements are almost entirely attributable to provisions made for the write-down of inventory. The company has prepared a specific *tax plan*, based on which there are no elements of uncertainty regarding the recoverability of these deferred tax assets, as their reversal is expected primarily due to the gradual realization and subsequent market valuation of the assets subject to write-down, as well as the positive results that management expects to achieve in the near future. Based on currently available estimates, the recovery of deductible temporary differences is expected within a limited timeframe, estimated at approximately 2–3 fiscal years

Recognition of deferred and prepaid taxes and related effects

	IRES	IRAP
A) Temporary differences		
Total deductible temporary differences	5,396,996	-
Total taxable temporary differences	(8,383)	-
Net temporary differences	(5,405,379)	-
B) Tax effects		
Deferred (prepaid) tax liability (asset) at the beginning of the year	(1,287,592)	(18,922)
Deferred (prepaid) taxes for the year	(5,675)	18,922
Deferred (prepaid) tax provision at year-end	(1,293,267)	-

Breakdown of deductible temporary differences

Description	Amount at the end of the prior year	Change during the fiscal year	Amount at the end of the fiscal year	IRES rate	IRES tax effect	IRAP rate	IRAP tax effect
Inventory valuation allowance	575,127	(575,127)	-	24.00	-	3.29	-

Details of taxable temporary differences

Description	Amount at the end of the previous fiscal year	Change during the fiscal year	Amount at the end of the fiscal year	IRES rate	IRES tax effect	IRAP rate	IRAP Tax Implications
Mark-to-market of derivatives	32,027	(23,644)	8,383	24.00	2,012	-	-

Disclosure on tax losses

	Amount (e.g., current)	Tax rate (e.g., current)	Deferred tax assets recognized (e.g., current)	Amount (e.g., prior period)	Tax rate (e.g., prior)	Recognized deferred tax assets (e.g., prior)
Tax losses						
for the year	5,459,807			8,128,396		
from prior years	8,128,396			-		
<i>Total tax losses</i>	<i>13,588,203</i>			<i>8,128,396</i>		

	Amount (e.g., current)	Tax rate (e.g., current)	Deferred tax assets recognized (e.g., current)	Amount (e.g., prior period)	Tax rate (e.g., prior)	Recognized deferred tax assets (e.g., prior)
Tax losses carried forward that are recoverable with reasonable certainty	5,396,994	24.00	1,295,279	5,396,994	24.00	1,295,279

Notes to the Financial Statements, Cash Flow Statement

The company has prepared the cash flow statement, which is a summary document that reconciles changes in the company's equity during the fiscal year with changes in its financial position; it highlights the amounts of financial resources required by the company during the fiscal year as well as their uses.

Regarding the method used, it is specified that the company has adopted, in accordance with OIC 10, the indirect method, whereby cash flow is reconstructed by adjusting the net loss for the financial year for non-cash items.

Notes to the Financial Statements, Other Information

The following is a summary of the other information required by the Italian Civil Code.

Employment Data

The following table shows the average number of employees, broken down by category and calculated based on the daily average.

	Executives	Middle managers	Office workers	Laborers	Other employees	Total employees
Average number	1	6	42	10	1	60

Compensation, advances, and receivables granted to directors and statutory auditors, and commitments undertaken on their behalf

The following table sets forth the information required by Article 2427, paragraph 16 of the Italian Civil Code, specifying that there are no advances or receivables and that no commitments have been undertaken on behalf of the Board of Directors as a result of guarantees of any kind provided.

	Directors	Statutory Auditors
Compensation	847,800	58,032

Remuneration to the statutory auditor or auditing firm

The following table shows the fees payable to the audit firm, broken down by type of service provided.

	Statutory audit of the annual financial statements	Other audit services performed	Total fees due to the statutory auditor or audit firm
Amount	70,000	36,211	106,211

Categories of shares issued by the company

As of the end of the fiscal year, the share capital consisted of 57,868,580 shares with no par value. These shares fall into two categories:

common shares: 54,076,580;

PAS (Price Adjustment Shares): 3,792,000.

	Opening balance, number	Ending balance, number
Common shares	54,076,580	54,076,580
PAS	3,792,000	3,792,000
Total	57,868,580	57,868,580

Securities issued by the company

The company has not issued any securities or similar instruments falling under the provisions of Article 2427(18) of the Italian Civil Code.

Details on other financial instruments issued by the company

The company has not issued any other financial instruments pursuant to Article 2346, paragraph 6 of the Italian Civil Code.

Commitments, guarantees, and contingent liabilities not reflected in the balance sheet

There are no commitments, guarantees, or contingent liabilities not reflected in the balance sheet.

Information on assets and financing allocated to a specific transaction

Assets allocated to a specific transaction

It is hereby certified that, as of the balance sheet date, there are no assets allocated to a specific transaction as referred to in Article 2427, paragraph 20, of the Italian Civil Code.

Loans allocated to a specific transaction

It is hereby certified that, as of the balance sheet date, there are no loans allocated to a specific transaction as referred to in Article 2427(21) of the Italian Civil Code.

Information on transactions with related parties

During the fiscal year, the Company engaged in commercial and financial transactions with subsidiaries and affiliates on arm's-length terms. There were no significant transactions with related parties that materially affected the Company's financial position. In this regard, pursuant to Article 2427, paragraph 1, item 22-bis of

the Italian Civil Code, the following summary information regarding transactions with related parties is provided. In accordance with the provisions of Article 2426, paragraph 2 of the Italian Civil Code, the definition of a related party refers to the international accounting standards adopted by the European Union, and in particular to IAS 24, as referenced by OIC 12. Related parties include individuals, group companies, associates, *joint ventures*, and entities capable of exercising control, joint control, or significant influence over the company.

Related party	Nature of the relationship	Receivables	Liabilities	Loans receivable/(payable)	Guarantees received/(provided)
Subsidiaries	Control	838,340	378,790	1,124,174	-
Joint venture	Joint control	601,870	-	-	-
Other related parties	As defined by IAS 24	-	10,577	-	-
Executives	Related parties under IAS 24	111,087	-	-	-

Related party	Nature of the relationship	Revenues	Costs	Interest income	Purchase of fixed assets
Subsidiaries	Control	1,059,170	661,628	25,429	356,919
Joint venture	Joint control	3,291,885	-	-	-
Other related parties	As defined by IAS 24	246	17,440	-	-
Executives	Related parties IAS 24	-	-	2,146	-

The transactions listed above and carried out with subsidiaries, joint ventures, and other related parties relate to commercial transactions involving the purchase and sale of goods and services strictly connected to normal business operations.

As for transactions carried out with company executives, these relate to an interest-bearing loan granted by the company to one of its employees.

Information on off-balance-sheet arrangements

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

Information on significant events occurring after the end of the fiscal year

With reference to Article 2427, paragraph 22-quater, of the Italian Civil Code, there are no significant events occurring after the end of the fiscal year that have had a material impact on the company's financial position, results of operations, or cash flows.

Companies that prepare the financial statements of the larger/smaller group of companies of which they are a part as a subsidiary

The circumstances referred to in Article 2427, paragraphs 22-quinquies and sexies of the Italian Civil Code do not apply.

Information regarding derivative financial instruments pursuant to Article 2427-bis of the Italian Civil Code

As of the fiscal year-end, two hedging derivative financial instruments are in place.

The first derivative financial instrument was entered into in 2020 but effective as of January 31, 2021, with Unicredit, while the second was entered into in 2021 and effective as of March 15, 2021, with Intesa SanPaolo. In compliance with the requirements of Article 2427-bis of the Italian Civil Code, and in accordance with the principle of a true and fair view of the company's commitments, the relevant information is provided below.

Type of derivative contract	Interest rate cap
Purpose	Hedging
Reference amount	€1,750,000
Underlying financial risk	Interest rate risk
Start date	January 31, 2021
Maturity date	10/30/2026
Fair value – mark-to-market	€3,097
Hedged liability	Unicredit Spa Mortgage

Type of derivative contract	Interest rate swap
Purpose	Hedging
Reference amount	€1,000,000
Underlying financial risk	Interest rate risk
Start date	March 15, 2021
Maturity date	March 15, 2027
Fair value – mark-to-market	€5,286
Hedged liability	Intesa San Paolo Spa Loan

Summary statement of the financial statements of the company exercising management and coordination activities

Pursuant to Article 2497-bis, paragraph 4 of the Italian Civil Code, it is hereby certified that the company is not subject to the management and coordination activities of any other entity.

Information pursuant to Article 1, paragraph 125, of Law No. 124 of August 4, 2017

In accordance with the provisions of Article 1, paragraph 125-bis, of Law No. 124/2017, regarding the obligation to disclose in the notes to the financial statements any sums of money received during the fiscal year in the form of grants, subsidies, benefits, contributions, or aid, in cash or in kind, that are not of a general nature and do not constitute consideration, remuneration, or compensation of any kind, from public administrations and the entities referred to in paragraph 125-bis of the same article, the Company certifies that these amounts are recorded in the National Register of State Aid. During the financial year in question, the following contributions were actually paid to the company by public administrations:

- tax credit for advertising investments in newspapers, magazines, and television and radio broadcasters in the amount of €14,432;
- digital data excellence tax credit: “Data enhancement and optimization for process and product innovation” in the amount of €12,264;
- contribution exemption for the hiring of young workers (Law 178/2020 and Law 197/2022) in the amount of €31,417.

Proposal for the allocation of profits or coverage of losses

Dear Shareholders, in light of the foregoing, the Board of Directors proposes that you cover the loss for the fiscal year by using retained earnings.

Notes to the Financial Statements, Concluding Section

Dear Shareholders, we confirm that these financial statements, consisting of the balance sheet, profit and loss account, cash flow statement, and notes to the financial statements, present a true and fair view of the company's financial position and results of operations for the fiscal year and are consistent with the accounting records. We therefore invite you to approve the draft financial statements as of December 31, 2025, together with the proposal for coverage of the net loss for the fiscal year, as formulated by the Board of Directors.

The financial statements are true and accurate and correspond to the accounting records.

Rovereto, 27 March 2026

On behalf of the Board of Directors

Alessandro Granuzzo, Chairman

