



PRESS RELEASE

## Energy Group H1 2024: EU exports account for approximately half of consolidated revenues (+52%), backlog at Euro 29.3 million

CEO Tinazzi: *“Against a general slowdown for renewables, surplus supply and a price war, in the first half of the year we strengthened our commercial channels and boosted our export share, reduced inventories and consolidated strategic expertise to prepare ourselves for future opportunities”.*

The Energy Group in the first half of 2024 reports<sup>1</sup>:

- **Sales revenues:** Euro 19.1 million, decreasing 51% on Euro 39.3 million in H1 2023\*;
- **EBITDA:** loss of Euro 3.2 million, compared to a profit of Euro 8.5 million in H1 2023\*;
- **EBIT:** loss of Euro 3.9 million, compared to a profit of Euro 8.0 million in H1 2023\*;
- **Net Result for the period:** loss of Euro 4.2 million, compared to a profit of Euro 5.5 million in H1 2023\*;
- **Backlog:** Euro 29.3 million, compared with Euro 6.6 million as of June 30, 2023\* (unaudited figure);
- **Net cash flow** of Euro 7.2 million absorbed;
- **Net Financial Debt** increases in the period to Euro 8.3 million.

S. Angelo di Piove di Sacco (PD), September 26, 2024 – The Board of Directors of **Energy S.p.A.**, an Italian company listed on the Euronext Growth Milan market, (ISIN Code IT0005500712, Ticker ENY), parent company of the **Energy Group**, a full system technology manufacturer, BESS (Battery Energy Storage System) leader and cloud and engineering services provider, in a meeting chaired by Alessandro Granuzzo, today approved the half-year financial report at June 30, 2024, which is subject to limited audit and prepared in accordance with the Euronext Growth Milan Issuers’ Regulation and with Italian GAAP.

*“The market environment over the last two years has undoubtedly presented unpredictable and major challenges, particularly in our segment, which is undergoing a phase of structural transition. Our Group has reacted by strengthening its commercial channels, boosting export share and expanding the range of strategic services, with expertise such as cloud-computing, engineering consultancy and the production in Italy of “Made in” storage systems and at high added value”* stated the **Energy Group’s Chief Executive Officer Davide Tinazzi**.

*“Thanks to the acquisition of Enermore and the simultaneous creation of the Energy Group, we have added to the vertical production of storage systems of all sizes, the development of software, the safe management of data and the accompanying engineering services - providing customers with a complete package. We are also undertaking with EnergyinCloud various projects for the development of the cloud platform and the artificial intelligence application for after-sales processes. A significant focus was placed on the targeted reduction of inventories, within a sharply contracting marketplace and with supply chains in the destocking phase, adopting an aggressive commercial policy of selectively reducing prices”*, added **Tinazzi**.

*“As per the strategic plan, we have boosted our presence on the Italian and EMEA C&I market, although adapting to the market environment. We have further developed our product innovation and even in the current competitive environment are ensuring a leadership position. It has required the sacrificing of margins, which have been assessed and managed while maintaining the Group’s financial solidity”.* *“Over the near-*

<sup>1</sup> The companies included in the consolidation scope at June 30, 2024 are Energy S.p.A. (also the “Parent Company”) and the subsidiary Enermore S.r.l. (also the “Subsidiary”). Energyincloud S.r.l. (EiC) is not fully consolidated due to its insignificance in terms of providing a true and fair view of the balance sheet, financial position and Group net result. Similarly, the investment in the associate Pylon LiFeEU S.r.l., upon which significant influence is exercised, although is not subject to control, is recognized at cost. The operating results of Enermore S.r.l. are consolidated for only 23 days, as acquired on June 7, 2024.

\* The earnings for H1 2023 exclusively concern the Parent Company.



term, we are beginning to see the positive signs for which we have been preparing for the last three years: European production chains for renewables are key - not only for decarbonization - but also for the energy security and affordability of our continent”.

We present below the H1 2024 key consolidated financial highlights.

(Euro millions)	H1 2024 consolidated	%	H1 2024 Energy	%	H1 2023 Energy	%
Revenues	19,056	100%	18,944	100%	39,295	100%
EBITDA	(3,216)	(17%)	(3,229)	(17%)	8,548	22%
EBIT	(3,870)	(20%)	(3,873)	(20%)	8,005	20%
Net Result for the period	(4,228)	(22%)	(4,233)	(22%)	5,470	14%

Consolidated **EBITDA** was a loss of Euro 3.2 million, equal to -17% of revenues. The margin principally relates to the reduction in end sales prices, as a result of declining prices and the destocking undertaken in the first half of the year, in addition to the campaigns focused on promoting products and storage kits. This strategy has aligned supply with the downward trend of market prices, more significantly impacting the Italian market, which saw a sharper decline than the EMEA region. The reduction in sales prices particularly concerned batteries, hybrid inverters and wallboxes, also through the introduction of storage kits offered at attractive prices.

H1 2024 consolidated **EBIT** reports a loss of Euro 3.9 million, with a margin of -20% of revenues, compared to Euro 8.0 million (20% margin) in H1 2023 for Energy.

The company's consolidated **pre-tax result** in H1 2024 was a loss of Euro 4.5 million, compared to a profit of Euro 7.5 million in the same period of 2023.

Finally, the **net result** was of Euro 4.2 million, compared to a profit of Euro 5.5 million in the same period of 2023 for Energy.

#### GROUP BACKLOG

The overall backlog was **Euro 29.3 million**, of which Euro 25.7 million for the Asfinag order to be completed by the end of 2025.

#### GENERAL ECONOMIC ENVIRONMENT AND IMPACTS ON THE GROUP

The first half of 2024 was impacted by a number of negative factors, in continuity with the final months of 2023. These include the **significant drop in prices as a result of the excess supply within the renewables sector**, which particularly hit photovoltaic modules, although with repercussions also on storage. In addition, the persistently **high interest rates** reduced the liquidity available for investments. The **postponement of the Transition 5.0** decree further added to the uncertainty, slowing new storage projects, in particular large-scale projects which are more dependent on regulatory support. As a result of these factors, the **residential segment** also saw a contraction in volumes.

The Energy Group in this environment adopted key measures to maintain a competitive position within the current market and a strong positioning for the future, undertaking **concrete actions** such as:

- boosting **exports**;
- the bringing in-house of **cloud computing** expertise;
- the **acquisition** of a project and site engineering services company;



- the strengthening of the sales channels in the **DACH and Benelux areas**;
- investments in **the production of medium and large storage systems** and the consolidation of the zeroCO2 brand dedicated both to residential and medium/large systems.

**Note for assessing the following data:** the operating results of Enermore S.r.l. are consolidated for only 23 days, as acquired on June 7, 2024. Their impact is insignificant with regards to the overall revenues which follow, and are therefore excluded. The four following tables therefore present Energy S.p.A.'s figures.

### REVENUES BY REGION

Energy in the first half of 2024 reported an increased overseas revenue share compared to the previous period, as a result of the international initiatives undertaken from 2022 and continued in the subsequent years. These actions have allowed Energy to significantly increase revenues in the EMEA area (Euro 8.5 million) on the first half of 2023 (Euro 5.6 million), an increase of 52%.

	H1 2024	%	H1 2023	%	cge.	cge. %
Revenues Italy	10,332,492	55%	33,240,874	85%	(22,908,382)	(69%)
Revenues EU	8,538,274	45%	5,616,461	14%	2,921,813	52%
Revenues Non-EU	73,653	0%	437,883	1%	(364,229)	(83%)

### SALES REVENUE BY PRODUCT CATEGORY

In terms of Extra Large systems, the H1 2024 figures slightly increased on the previous period, confirming the continued strength of the segment. Energy focused its commercial efforts also on participation at the largest European sector trade fair in June 2024 in Munich (Intersolar), presenting its Commercial and Industrial storage systems.

	H1 2024	%	H1 2023	%	cge.	cge. %
Small&Large (<50 kW)	16,686,349	88%	37,142,869	95%	(20,456,520)	(55%)
Extra Large (>50 kW)	2,258,071	12%	2,152,349	5%	105,722	5%

### SALES REVENUES BY CHANNEL

In terms of customer type, in H1 2024 the significant share of VAR's (Value-Added Resellers) and the balance between general distributors of electric equipment and PV specialists is confirmed.

	H1 2024	%	H1 2023	%	cge.	cge. %
VAR	7,113,864	38%	13,973,232	36%	(6,859,368)	(49%)
Specialist distributor	5,475,096	29%	10,853,132	28%	(5,378,035)	(50%)
General distributor	5,240,656	28%	11,905,364	30%	(6,664,708)	(56%)
EPC / Other	1,114,804	6%	2,563,490	7%	(1,448,686)	(57%)

### NUMBER OF STORAGE SYSTEMS SOLD AND TOTAL CAPACITY

In H1 2024, the Company sold **2,597 storage systems** (7,086 storage systems sold in H1 2023), totaling **9.9 MW** of power, compared to 37.5 MW in the same period of 2023.

	H1 2024	H1 2023
Number of systems sold	2,597	7,086
Total capacity	9.9 MW	37.5 MW

### EQUITY AND FINANCIAL OVERVIEW

The **total consolidated of fixed assets** at June 30, 2024 was Euro 22.9 million, of which Euro 6.6 million **intangible assets** and Euro 15.3 million **tangible assets**. Development costs of Euro 462,625 were capitalized. Investments in Research and Development concerned 10 products regarding the extension of the product range, the new zeroCO2 cloud platform and the developments of the existing platform, in addition to the AI application for after-sales processes.

**Property, plant and equipment** includes the investment in the new building under construction on the land adjacent to the headquarters, sections of the battery assembly line, and the effect of the exercise of the option to purchase the main building.

**Financial fixed assets** for Euro 1.1 million include receivables for security deposits for utilities, the equity investments in the two companies created in May and June 2023 (Pylon LifeEU s.r.l. and Energyincloud s.r.l.) and the non-current receivables from the subsidiary.

**Consolidated commercial working capital** changed during the half year, standing at Euro 46.2 million at June 30, 2024. This consisted mainly of inventories for Euro 45.6 million, trade receivables for Euro 6.2 million and trade payables for Euro 5.5 million. Commercial working capital overall reduced on the end of FY 2023 for Energy (Euro 51.2 million), mainly due to the reduction in inventories, based on a group policy undertaken in 2023 and intensely pursued in H1 2024.

**Consolidated net working capital** amounts to Euro 46.9 million, compared to Euro 52.3 million at December 31, 2023.

**Group capital employed** totaled Euro 69.5 million, increasing on Euro 65.3 million at December 31, 2023.

**The Group's shareholders' Equity** totaled Euro 61.2 million, decreasing on Euro 65.5 million at December 31, 2023.

**Consolidated Net financial debt** was Euro 8.3 million, increasing on December 31, 2023 (cash position of Euro 168,424), due to the absorption related principally to the investments plan undertaken by the Group.

(Euro thousands)	30/06/2024 consolidated	30/06/2024 Energy	31/12/2023 Energy	cge.	change %
(Cash and cash equivalents)	(11,660)	(11,286)	(18,834)	7,549	(40%)
Current financial receivables	0	0	(5,000)	5,000	(100%)
Current bank payables	12,911	11,981	14,077	(2,096)	(15%)
Current payables to other lenders	0	0	0	0	0%
Current financial debt	1,251	695	(9,757)	10,453	(107%)
Medium/long-term loans and borrowings	7,040	7,039	9,589	(2,550)	(27%)



Non-current payables to other lenders	0	0	0	0	0%
Net financial debt	8,292	7,734	(168)	7,902	(4694%)

## CONSOLIDATED CASH FLOW

Net cash of Euro 7.2 million was absorbed.

## SIGNIFICANT EVENTS IN H1 2024

During the year the Company continued to pursue its medium- to long-term strategy. On May 14, 2024, the awarding of a **major tender in Austria** was announced for the supply of electricity storage systems and the provision of a number of related services to ASFINAG (Autobahnen-und-Schnellstraßen-Finanzierungs-Aktiengesellschaft), Austria's motorway concession company, with the aim of extending the network infrastructure for alternative mobility. The total value of the supply of the storage systems and services is **Euro 25.7 million**, with an additional option in favor of the client ASFINAG for further supplies of approx. Euro 3 million.

On June 7, 2024, the Company **acquired 90% of Enermore S.r.l.**, based in Vipiteno (BZ) and specialized in storage system installation and maintenance consultancy, design and control. In line with the company's growth strategy, the acquisition aims to strengthen the Energy Group's know-how regarding the integration of storage systems into power generation plants, with the goal of extending the technical service offering to the renewable energy sector supply chain.

June 2024 saw the emergence of the **Energy Group**, a full system technology manufacturer, leader in Battery Energy Storage Systems (BESS) and a provider of cloud and engineering services. The parent company Energy S.p.A. has thus created a broad network of companies with vertical expertise that covers the entire energy storage system chain, from the production and installation of both large-scale and residential systems, to the production of LFP batteries, through the Gigafactory Project, and to post-acquisition supply (advanced management software and partner support with project engineering, execution and maintenance services).

## OUTLOOK

In the first half of 2024, the Group saw a decline in both volumes and margins. It is expected that the macroeconomic environment - featuring low growth in Europe, high inflation and sustained interest rates - will continue to influence the market in the second half of the year. Against these dynamics, **the Group considers it essential to continue to pursue its strategic guidelines**, while assessing a possible refocus, depending on the evolution of demand and available resources. Management will continue to counteract this challenging period by preserving financial solidity and developing the market segments with higher added value.

A special focus will be placed on **developing investments in artificial intelligence applications for energy management**. In the medium to long term, however, the Group confirms its confidence that energy storage systems represent a **strategic asset for the future of Europe** and the energy transition. As also highlighted in the recent Draghi report, the main objective is to develop green technologies in order to achieve climate neutrality by 2050. In order to achieve these goals, the EU needs to focus its efforts on the production of green energy sources, strengthening the storage system and tackling the issue of battery production.

## 2023 SUSTAINABILITY REPORT



The company today approved its **first Sustainability Report 2023**, which represents a crucial step in the ESG journey undertaken by the Energy Group. Anticipating the regulations that will come into force in 2026, the company has chosen to already integrate into this document detailed information on the economic, environmental and social aspects, which are fundamental to understanding Energy's activities, results and impact. This first Sustainability Report illustrates the management models for non-financial aspects, highlighting the company's main achievements and future commitments. Drawn up according to the Global Reporting Initiative's (GRI) Sustainability Reporting Standards 2021 (GRI Standards 2021), and approved by the Board of Directors on September 26, 2024, the document provides a clear and quantitative representation of the Group's performance.

#### Highlights:

- **Sustainable governance:** understanding the strategic importance of sustainability, Energy has launched initiatives to integrate sustainability principles into every aspect of business management, with a strong involvement of governance in guiding the transformation path;
- **Sustainable products:** the Energy Group is committed to developing storage systems designed to meet the challenges of intermittent renewable energy sources. The company therefore positions itself as a key player in the transition to a more efficient and sustainable energy system, creating a positive impact not only on its business partners but also on the entire industry;
- **Social responsibility:** the Energy Group's approach is not limited to environmental sustainability, but also embraces the social aspect, with the goal of promoting the well-being of its employees. The company has developed innovative human resources management policies and procedures, ensuring that such are communicated clearly and transparently to all personnel, through various internal channels and dedicated notices.

These steps are the foundation on which Energy will continue to develop its sustainability journey over the near-term, with **the objective of creating sustainable value based on three pillars:** being an active participant in the reduction of CO2 emissions; paying greater attention to the well-being of employees and the community around us; and ensuring greater transparency in the decisions and policies adopted by seeking innovative solutions for the promotion of sustainability.

#### OTHER BOARD OF DIRECTORS' MOTIONS

The Board of Directors, in order to align with the amendments to the Euronext Growth Milan Issuers' Regulation, as per the notice of Borsa Italiana No. 43747 of November 17, 2023, in force from December 4, 2023, repealed the "Procedure for obtaining the Euronext Growth Advisor's prior opinion on the proposed appointment of independent director(s) of Energy S.p.A."

#### PRESENTATION OF RESULTS TO THE FINANCIAL COMMUNITY

The H1 2024 results shall be presented to the financial community on **September 27, 2024 at 10.30AM CET** during a conference call. You may participate through the following link:

<https://meet.google.com/hdg-mjwb-bab>

This press release is available on Energy S.p.A.'s website at [www.energyspa.com](http://www.energyspa.com) in the "Investor Relations/Press Releases" section, and on [www.emarketstorage.com](http://www.emarketstorage.com).

The consolidated half-year financial report at June 30, 2024 (subject to limited audit) shall be made available to the public in accordance with law and the terms and means established by the Issuers' Regulation, and also on the website of Energy S.p.A. ([www.energyspa.com](http://www.energyspa.com)) in the "Investors/Financial Statements and Periodic Reports" section.

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*The **Energy Group** is a full system technology manufacturer and BESS (Battery Energy Storage System) leader for residential use and large-scale applications, and a provider of cloud and engineering services on the Italian and European markets. The Group emerges from Energy S.p.A., founded in 2013 by Davide Tinazzi, Andrea Taffurelli and Massimiliano Ghirlanda, listed since August 1, 2022 on the Euronext Growth Milan market of the Italian Stock Exchange (ISIN Code IT0005500712, Ticker ENY), which was joined by EnergyInCloud Srl and Enermore Srl in 2023 and 2024 respectively. Energy has to date sold and installed more than 65,000 systems across the country, with a focus on the residential, commercial, industrial, utilities and electric mobility markets. In H1 2024, revenues amounted to Euro 19.1 million, with a result for the period of Euro -4.2 million. [www.energyspa.com](http://www.energyspa.com)*

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## Income Statement

(Euro thousands)	<b>H1 2024</b>		<b>H1 2024</b>		<b>H1 2023</b>		<b>cge.</b>
	<b>Consolidated</b>	<b>%</b>	<b>Energy</b>	<b>%</b>	<b>Energy</b>	<b>%</b>	
Revenues from sales and services	19,056	100%	18,944	100%	39,295	100%	(20,315)
Capitalization of internal works	430	2%	430	2%	451	1%	(21)
Other revenues	131	1%	167	1%	391	1%	(260)
Material costs <sup>(1)</sup>	18,514	97%	18,520	98%	27,022	69%	(8,502)
Service costs	2,515	13%	2,483	13%	2,950	8%	(467)
Personnel expense	1,397	7%	1,332	7%	1,245	3%	87
Other costs <sup>(2)</sup>	444	2%	436	2%	373	1%	63
EBITDA	(3,216)	(17%)	(3,229)	(17%)	8,548	22%	(11,777)
Amortization & depreciation	654	3%	644	3%	543	1%	101
Write-downs	0	0%	0	0%	0	0%	0
EBIT	(3,870)	(20%)	(3,873)	(20%)	8,005	20%	(11,878)
Financial income/(expenses)	(615)	(3%)	(617)	(3%)	(536)	(1%)	(81)
Result before taxes	(4,485)	(23%)	(4,490)	(24%)	7,469	19%	(11,959)
Income taxes	(257)	(1%)	(257)	(1%)	1,998	5%	(2,255)
Profit/(Loss)	(4,228)	(22%)	(4,233)	(22%)	5,470	14%	(9,704)

(1) Material purchase cost and inventory changes

(2) Rent, leases and similar, miscellaneous operating expenses and other provisions



## Balance Sheet

(Euro thousands)	30/06/2024 consolidated	30/06/2024 Energy	31/12/2023 Energy	cge.	change %
Intangible assets	6,575	5,292	4,772	519	11%
Property, plant and equipment	15,254	15,166	7,294	7,873	108%
Financial assets	1,081	2,375	1,180	1,195	101%
<b>Total fixed assets</b>	<b>22,911</b>	<b>22,833</b>	<b>13,246</b>	<b>9,587</b>	<b>72%</b>
Inventories	45,595	44,548	56,410	(11,862)	(21%)
Trade receivables	6,191	5,841	4,645	1,196	26%
Trade payables and advances	(5,548)	(4,708)	(9,867)	5,159	(52%)
Commercial working capital	46,238	45,682	51,188	(5,506)	(11%)
Receivables from subsidiaries	10	114	184	(71)	(38%)
Receivables from associates	0	0	0	0	0%
Payable to subsidiaries	0	0	(2)	2	(100%)
Payables to associates	0	0	(2)	2	(100%)
Other receivables and prepayments/accrued income	2,659	2,362	669	1,693	253%
Other payables and accrued liabilities/deferred income	(2,040)	(1,805)	222	(2,027)	(913%)
Net working capital	46,866	46,352	52,260	(5,907)	(11%)
Post-employment benefits and other provisions	(274)	(247)	(219)	(29)	13%
Capital employed	69,503	68,938	65,287	3,651	6%
Equity	61,211	61,205	65,456	(4,251)	(6%)
Net financial debt	8,292	7,734	(168)	7,902	(4692%)
<b>Total sources</b>	<b>69,503</b>	<b>68,938</b>	<b>65,287</b>	<b>3,651</b>	<b>6%</b>

## Net financial debt

(Euro thousands)	30/06/2024 consolidated	30/06/2024 Energy	31/12/2023 Energy	cge.	change %
(Cash and cash equivalents)	(11,660)	(11,286)	(18,834)	7,549	(40%)
Current financial receivables	0	0	(5,000)	5,000	(100%)
Current bank payables	12,911	11,981	14,077	(2,096)	(15%)
Current payables to other lenders	0	0	0	0	0%
Current financial debt	1,251	695	(9,757)	10,453	(107%)
Medium/long-term loans and borrowings	7,040	7,039	9,589	(2,550)	(27%)
Non-current payables to other lenders	0	0	0	0	0%
Net financial debt	8,292	7,734	(168)	7,902	(4694%)

## Cash Flow

(Euro thousands)	30/06/2024 consolidated	30/06/2024 Energy	30/06/2023 Energy	cge.	change %
EBIT	(3,870)	(3,873)	8,005	(11,878)	(148%)
Income taxes	257	257	(1,998)	2,255	(113%)
Amortization, depreciation and write-downs	654	644	543	101	19%
Change in commercial working capital	4,950	5,506	(957)	6,464	(675%)
Change in other receivables/(other payables), post-employment & other provisions <sup>(1)</sup>	294	225	393	(168)	(43%)
Cash flow from operating activities	2,285	2,759	5,985	(3,226)	(54%)
Investments in tangible, intangible & financial assets	(10,114)	(10,026)	(1,876)	(8,150)	434%
Cash flow before financing activities	(7,829)	(7,267)	4,109	(11,376)	(277%)
Change in bank payables and other lenders	(3,714)	(4,646)	(1,836)	(2,811)	153%
Changes in short-term financial receivables	5,000	5,000	0	5,000	(100%)
Financial interest/(charges)	(615)	(617)	(536)	(81)	15%
Change in equity	(16)	(18)	(14)	(3)	24%
Net cash flow	(7,174)	(7,549)	1,722	(9,271)	(538%)
Cash and cash equivalents at beginning of period	18,834	18,834	15,963		
Net cash flow	(7,174)	(7,549)	1,722		
Cash and cash equivalents at end of period	11,660	11,285	17,685		

(1) Other receivables and prepayments/accrued income

Other payables and accrued liabilities/deferred income, post-employment & other provisions