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Energy S.p.A.

2022 Full-Year Results

29th March 2023

A leading Italian
energy storage
advanced
system integrator

AGENDA



1. Company Overview
2. FY 2022 Financial Highlights
3. Strategic achievements and objectives
4. Q&A
5. Annex

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3. Strategic achievements and objectives

4. Q&A

5. Annex

TODAY'S SPEAKERS



Davide Tinazzi

Co-Founder and CEO

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



Daniele Manfro

CFO

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

ENERGY MISSION



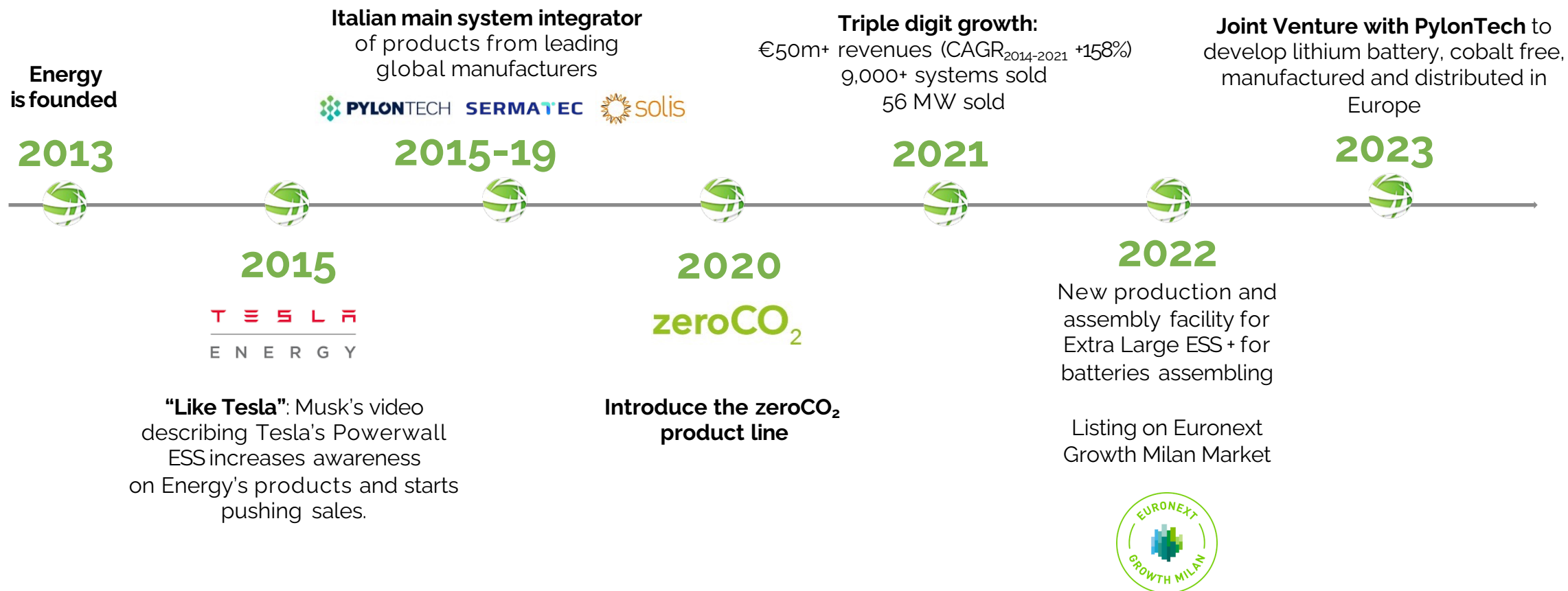
We give every individual, family or business,
the tangible opportunity to mitigate climate change
and actively contribute
to the green energy transition.

Everyone can reduce the emissions of CO₂
by maximizing the self production of electricity,
also contributing to the grid stability.

HISTORY OF SUCCESS AND GROWTH



Established in 2013, Energy S.p.A. («**Energy**») is an advanced system integrator of Energy Storage Systems (ESS). In ten years since inception, Energy has grown under the leadership of Mr. Tinazzi to become **the reference player in the Italian market** for ESS solutions, in partnership with primary global manufacturers of components, **supplying integrated systems** to both residential and larger clients.



ENERGY: A COMPELLING EQUITY STORY



UNIQUE PRODUCT OFFERING



STRATEGIC MARKET POSITIONING



SOLID AND COMMITTED SUPPLIERS' RELATIONSHIP



ATTRACTIVE STRATEGY







STRONG FINANCIAL AND GROWTH
PERFORMANCE BEATING MARKET RATES



PRODUCT OFFERING

In The company sources components from leading international suppliers, **combining them with proprietary software** and its products, sold under the **company's brand** Energy's product range includes a range of inverters, developed, and produced according client's specifics and marketed under the "zeroCO₂" brand.

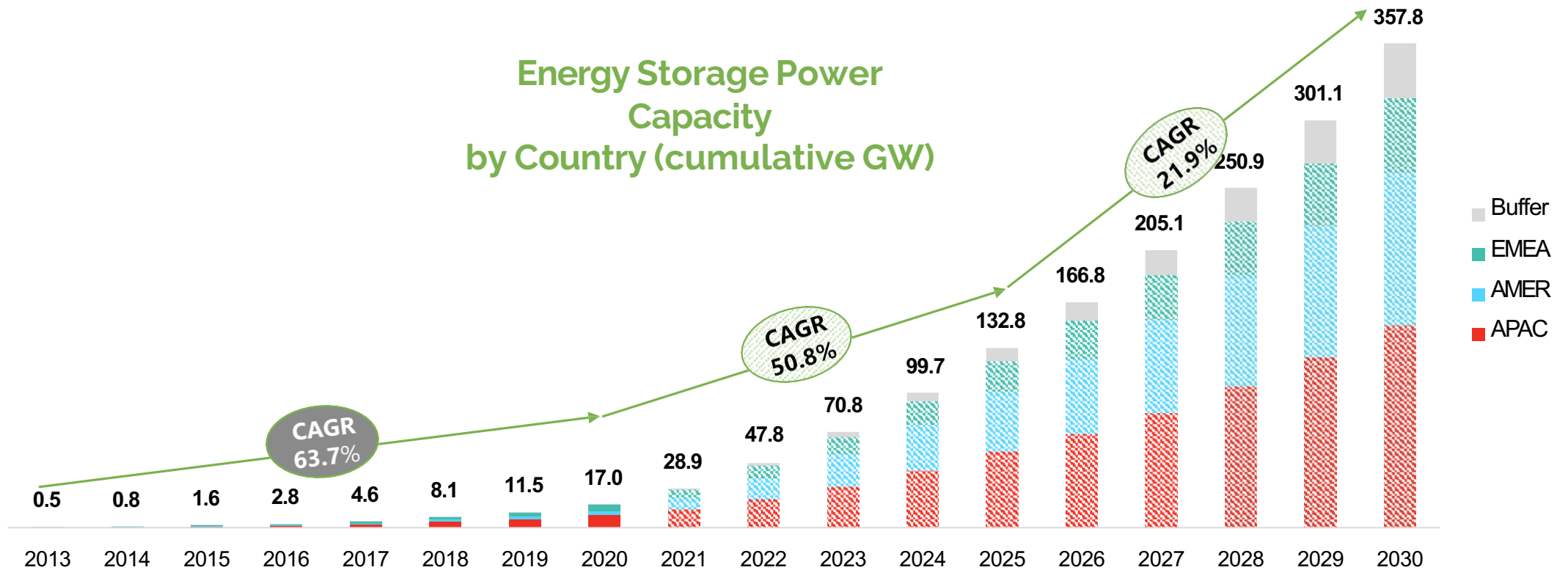
| | SMALL&LARGE ESS | | | EXTRA LARGE ESS |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| |  |  |  |  |
| | zeroCO₂ SMALL | zeroCO₂ LARGE | zeroCO₂ SUN CHARGER | zeroCO₂ EXTRA LARGE |
| GENERAL FEATURES | <ul style="list-style-type: none"> Hybrid single-phase inverter Power capacity: 3 kW - 6 kW Retrofit installation: Yes | <ul style="list-style-type: none"> Hybrid three-phase inverter Power capacity: 6 kW - 10 kW Retrofit installation: Yes Parallelizable <u>up to 10 units</u> (100 kW max) | <ul style="list-style-type: none"> Single-phase <u>Three - phase</u> Power capacity: 7.3 kW Suitable with all zeroCO₂ products Also works stand-alone with meter (without inverter) | <ul style="list-style-type: none"> From 30kWh up to multiple MWh PCS power capacity: 30 kW or 60 kW parallelizable <u>up to 10 units</u> (housed in cabinet together with EMS) Retrofit installation: Yes Assemblable also in containers |
| END-USER | <ul style="list-style-type: none"> Homes | <ul style="list-style-type: none"> Homes and small condominiums Small C&I | <ul style="list-style-type: none"> Homes | <ul style="list-style-type: none"> Smart-grid and Utilities Energy-consuming firms Large-scale C&I Large condominiums |
| THIRD PARTIES' COMPONENTS | <ul style="list-style-type: none"> Low voltage batteries, <u>including 5 kWh capacity batteries</u> | <ul style="list-style-type: none"> High voltage batteries | | <ul style="list-style-type: none"> Powercube (battery modules + BMS) PCS and EMS hardware Cabinets |



GLOBAL ESS MARKET



Energy storage system market is growing at unprecedented pace and could fundamentally change electricity market dynamics. The United States and China are the two largest markets but also EMEA region plays a key role in this scenario of growth.



Source: BloombergNEF – Global Energy Storage Outlook 2021 - *Solar Power Europe European Market Outlook 2022-2026 (Dec 2022)
 Note: Buffer represents rest of the world lacking in visibility and countries that are likely to exceed their current targets.

POSITIONING

Energy has started the process of in-sourcing some strategic production activities of its components, in order to become a full system integrator, controlling a significant part of energy storage systems value chain, **by insourcing the manufacturing of ESS' hardware and software and investing in acquisitions for vertical integration** into the supply chain consistent with the strategy pursued.



Advanced System Integrator

Provision of an advanced integrated energy storage solution with advanced control software as well, developed using batteries supplied by pure manufacturers

Competitive Landscape

sonnen
ferroamp
necom



Full System Integrator

Provision of an advanced integrated energy storage solution with advanced control software as well, by making internally inverters, EMS software but also batteries and BOS

Competitive Landscape

FLUENCE
A Siemens and AES Company

TESLA



AGENDA



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3. Strategic achievements and objectives

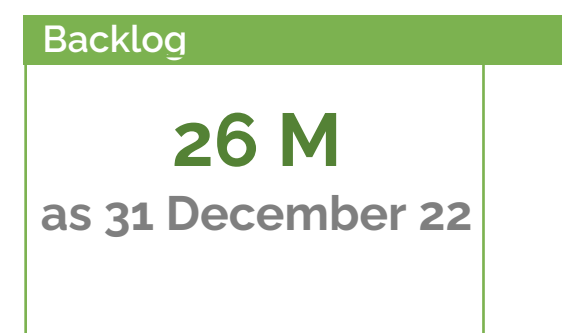
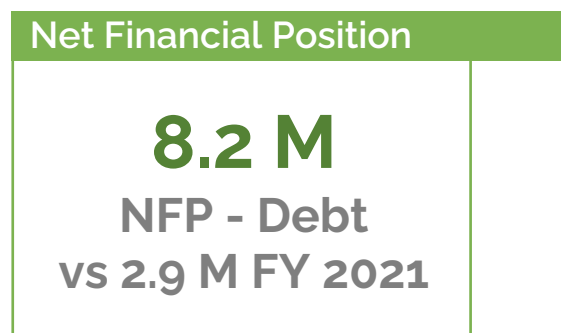
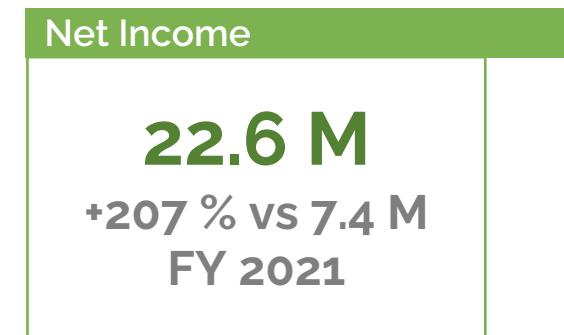
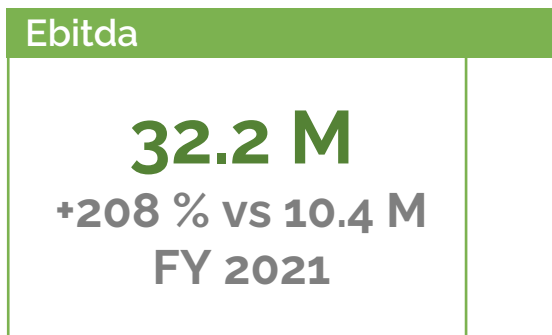
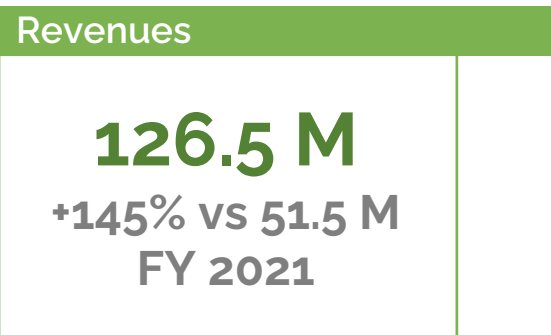
4. Q&A

5. Annex

FY 2022 HIGHLIGHTS



In 2022 **Energy** recorded a robust acceleration of revenues (+145%) combine with a strong increase in profitability (+208%) with higher-than-expected margins.

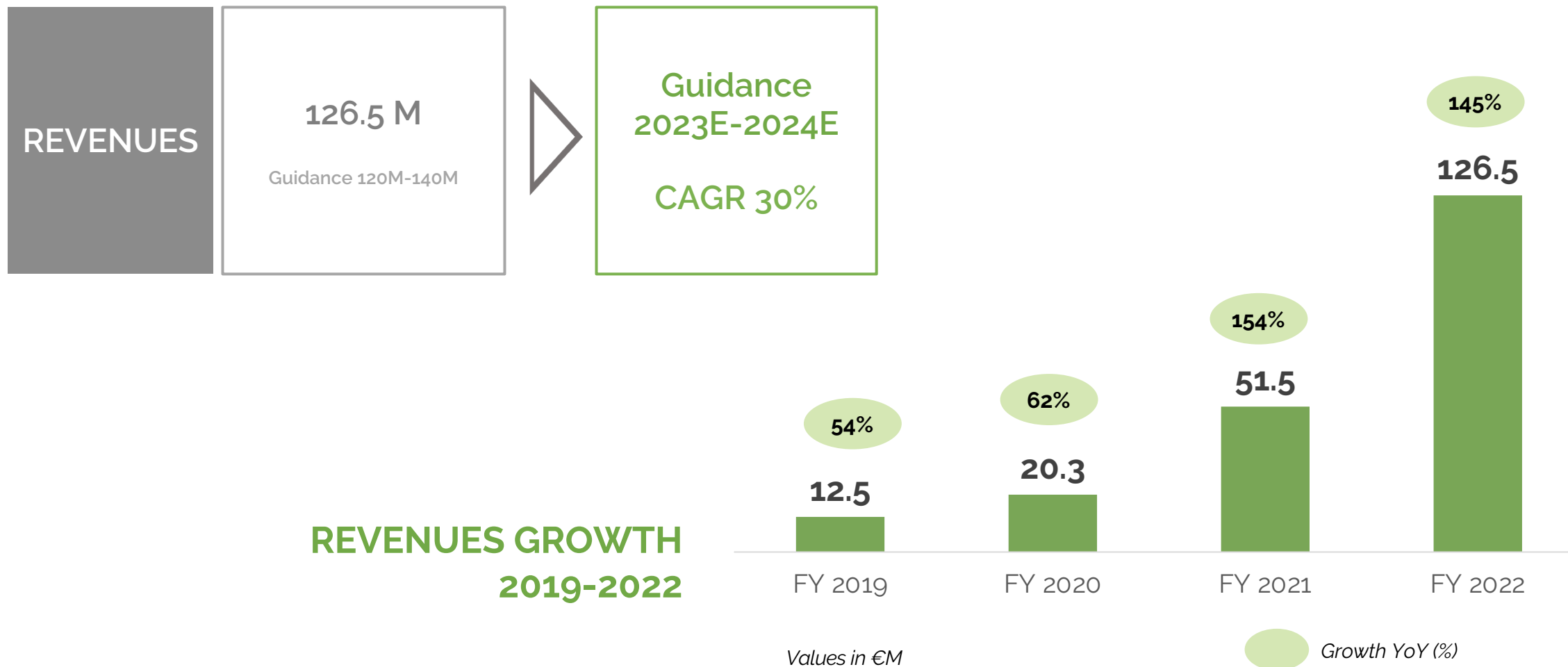


Values in €

STRONG TOP LINE GROWTH AND DEVELOPMENT



Energy has shown an impressive historical growth since its inception in terms of revenues. Revenue Guidance 2022 **has been fully achieved** registering a YoY growth of **+145%**.

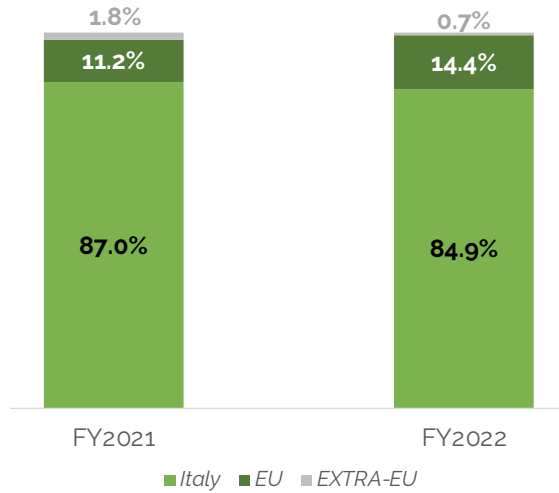


STRONG ACCELERATION OF 2022 REVENUES

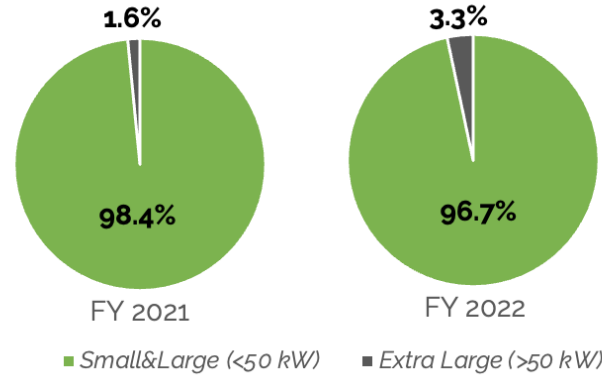


Italy is confirmed to be the primary market covering 84.9% of revenues in 2022. Foreign sales grew substantially in the second half of 2022 as a results of the company's international expansion strategy. Sales of Small & Large ESS confirmed to represent the majority of sales (96.7%).

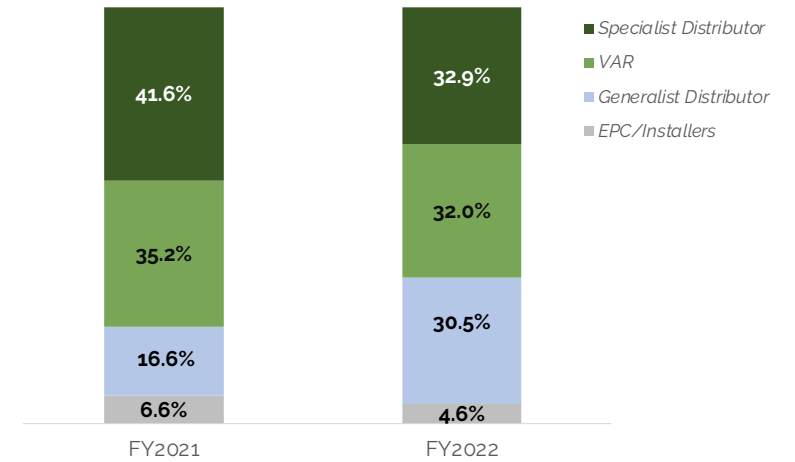
Revenues by Geographic Area



Revenues by Product Category



Revenues by Channel



Systems sold

| FY 2021 | FY 2022 |
|----------------|-----------------|
| 9.150 ESS sold | 18.851 ESS sold |
| 56 MW | 104 MW |

OUTSTANDING INCREASE IN PROFITABILITY



EBITDA margin high-performance reflects the different price increases transfer on sales not totally balanced by increase of raw materials cost. The company successfully achieved the EBITDA targets indicated in 2022 guidance (which reported an estimated EBITDA margin between 16% and 18%).

EBITDA FY 2022

32.2 M

(vs 10.4 M FY 2021)

EBITDA Margin FY 2022



25.4%

(vs 20.2% FY 2021)

EBIT FY 2022

31.6 M

(vs 10.1 M FY 2021)

EBIT Margin FY 2022



25.0%

(vs 19.7% FY 2021)

Guidance
2023E-2024E
EBITDA MARGIN

20%

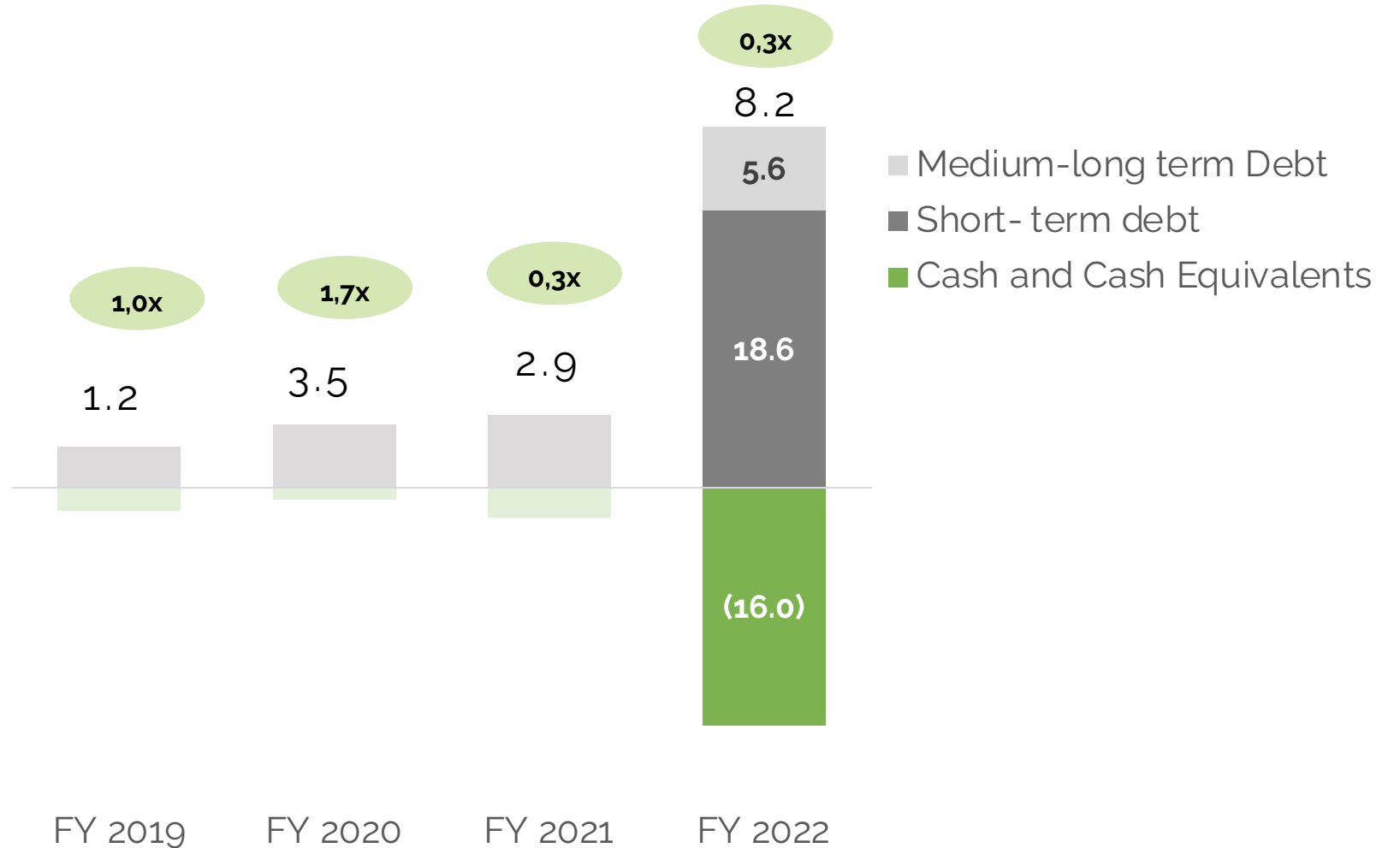
Values in €

NET FINANCIAL POSITION

Financial debt refers totally to bank debt for 18.6€m (short term) and medium-long-term debt for 5.6€m. The increased borrowing was mainly used to finance working capital. Cash available accounted for 16.0€m. The company partially used the IPO proceeds for finance growth opportunities consistent with the strategies pursued.

8.2 M
NFP- DEBT
 (vs 2.9 M FY 2021)

x Net Debt / EBITDA

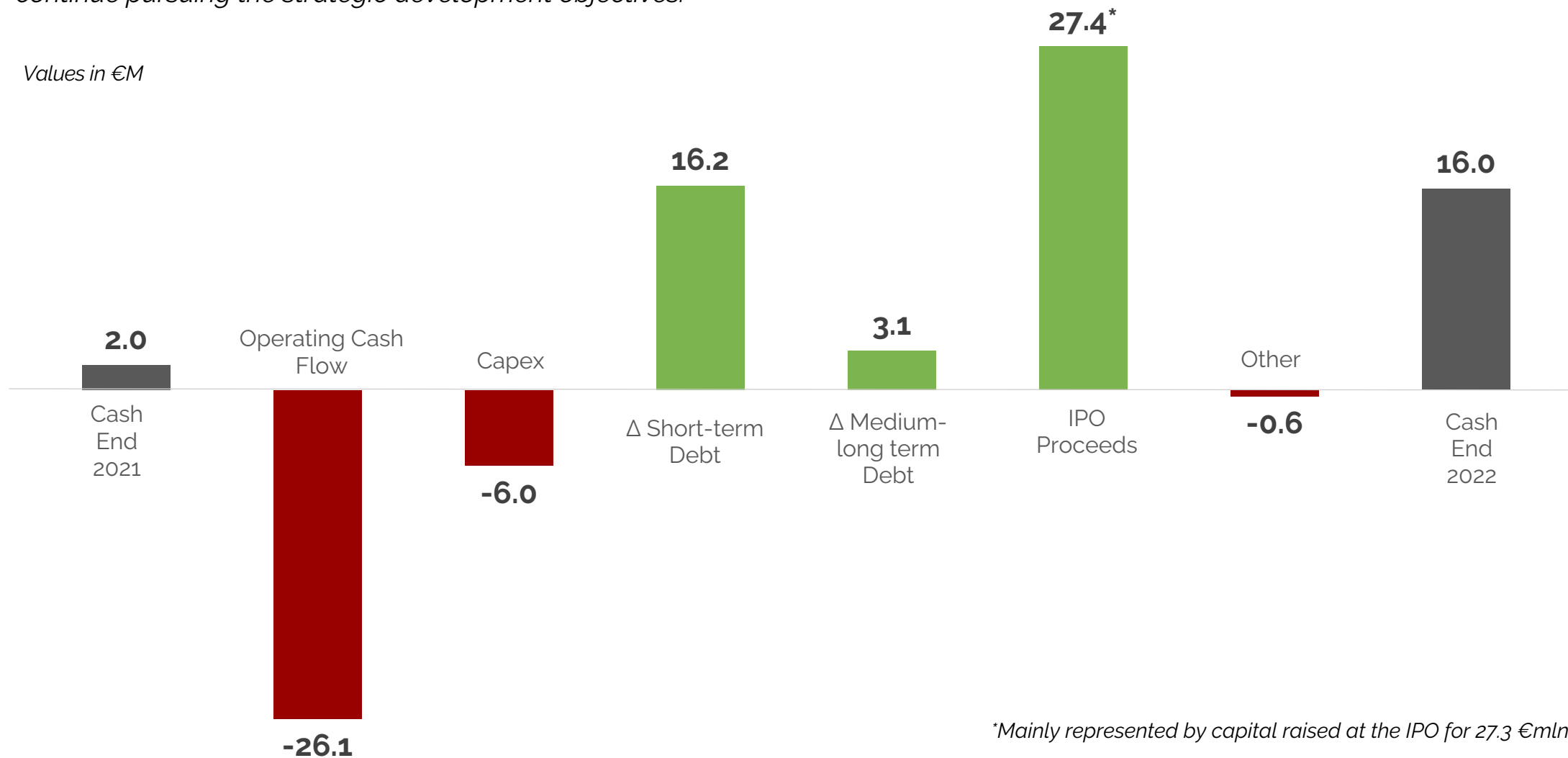


Values in €M

CASH BRIDGE ANALYSIS

The cash and cash equivalents available at the end of 2022 accounted for 16.0€mln, including part of IPO proceeds which will be used to continue pursuing the strategic development objectives.

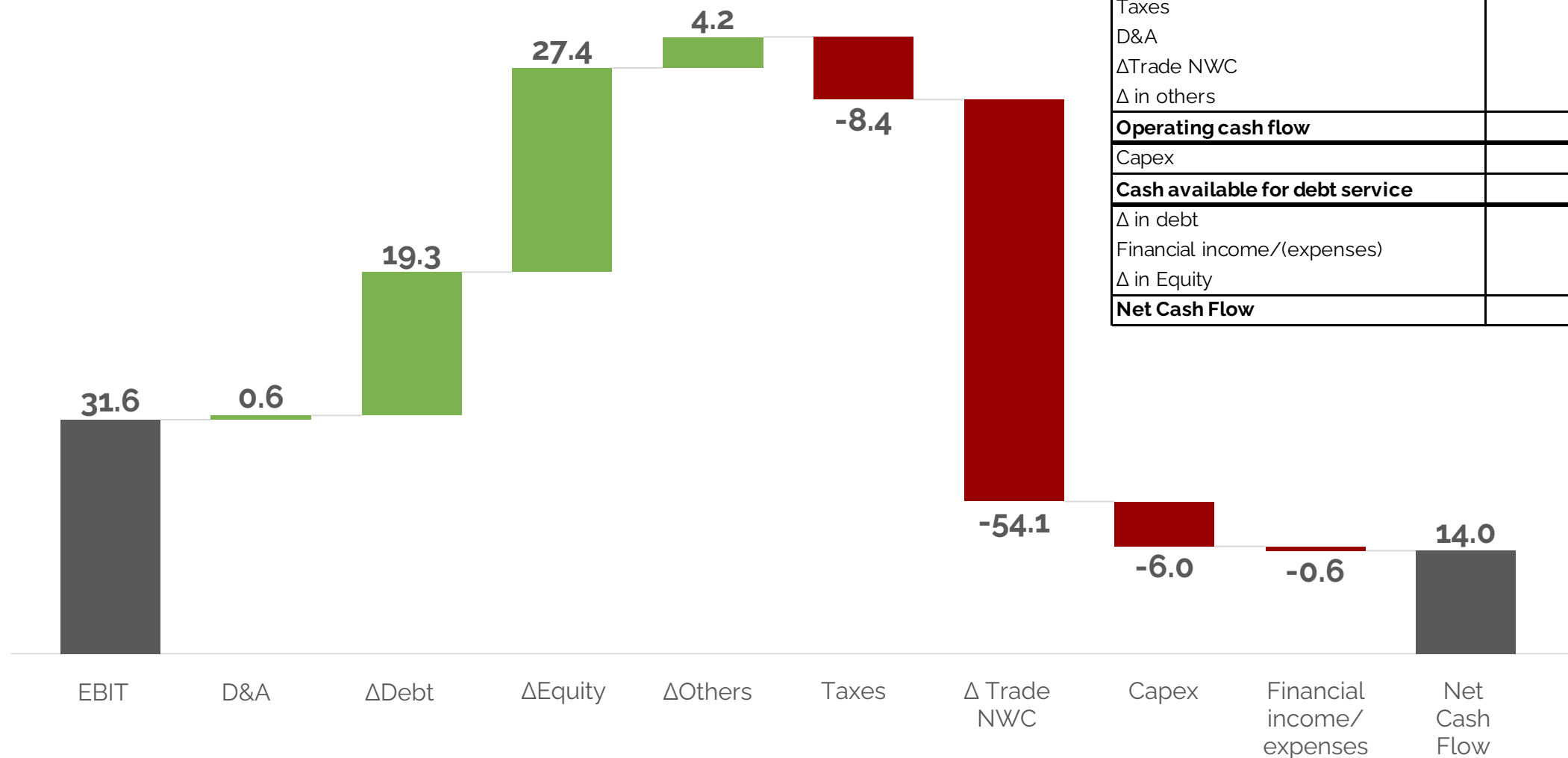
Values in €M



*Mainly represented by capital raised at the IPO for 27.3 €mln

CASH FLOW BRIDGE

Values in €M



| | |
|----------------------------------------|--------------|
| EBIT | 31.6 |
| Taxes | -8.4 |
| D&A | 0.6 |
| ΔTrade NWC | -54.1 |
| Δ in others | 4.2 |
| Operating cash flow | -26.1 |
| Capex | -6.0 |
| Cash available for debt service | -32.2 |
| Δ in debt | 19.3 |
| Financial income/(expenses) | -0.6 |
| Δ in Equity | 27.4 |
| Net Cash Flow | 14.0 |

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1. Company Overview

2. FY 2022 Financial Highlights

3. Strategic achievements and objectives

4. Q&A

5. Annex

STRATEGY AND OBJECTIVES

Energy's strategic objective to **become a full system integrator** will continue to focus on **three elements**:



Supply/Manufacturing

1

- **Insourcing** and industrialise production phases to increase added value and consolidate know-how and innovation;
- Pursue strategic M&A

Go-to-Market

2

Further expansion of the distribution model to larger clients and internationalisation, with marketing and commercial activities in foreign countries.

Zero CO₂ Brand

3

Further **building of its brand 'zeroCO₂'** promoting it in all applications and for all product types

STRENGTHENING THE SUPPLY CHAIN

In 2022 the Company further increased the production capacity by the extension of the facilities in a new building, while continuing its investments in human resources. In terms of M&A strategy at the beginning of 2023, Energy signed a joint venture with PylonTech EU for the production and distribution of Made-in-Italy lithium batteries in Europe.



Transfer in the new plant
9.000 sqm



New space acquisition
+11.000 sqm capacity



+23 people
(Total 47)



Joint Venture with PylonTech



1

Small&Large ESS

- **Pilot Plant Shell** for batteries assembly from cells completed (to produce 600-800 batteries/day – up to 4 MWh/year by end 2023)



2

Extra Large ESS

- **In-house XL systems assembly line completed** (targeting 60 MWh/year capacity by end 2023)
- Start of series production of indoor **XL ESS branded ZeroCo2**



CONTINUING PURSUING GO-TO-MARKET

Energy is consolidating its position in the Italian market with commercial expansion particularly strong in the residential market segment. The company is also shifting toward larger clients in order to become the first mover in the XL systems segment where the competition is still low.



Consolidation of relationships
Italian Market



Extension of the XL systems'
EU and North America



New Industrial & Commercial clients



1

Small&Large ESS

- Retain the Italian market share while expanding export sales

2

Extra Large ESS

- Burning Man in Nevada (US) – Sept 2022: Energy with an ESS of 114 KWh and a power of 18 KW has supplied self sufficient energy with high safety standards to the Burning Man Event
- XL Energy Storage project for a food industrial producer, first in-factory application, with 240 kW and 1.109 kWh in Italy



INCREASING ZERO CO₂ BRAND VISIBILITY

Energy is pushing the brand awareness developing a range of inverters, produced according to its specifications by its suppliers, and marketed under its newly established "zeroCO₂" brand,



Pushing the
brand
awareness



- **Small& Large;**
Stackable systems: product ready, commercial activity started Rackable batteries 5KWh , suncharger zeroCO₂ for electrical vehicles (mono and three-phases)
- **ZeroCo2 XL ESS:** start of series production in the new plant

zeroCO₂

In March 2023, launched the zeroCO₂ Mobile, a portable storage system 470 Wh for outdoor activities.



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- 4. Q&A**
5. Annex



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Q&A

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2. FY 2022 Financial Highlights
3. Strategic achievements
4. Q&A
- 5. Annex**

SHAREHOLDING AND GOVERNANCE



Energy was founded in 2013 by **Davide Tinazzi** and **Andrea Taffurelli**, with the financial support of the Ghirlanda family (through their company Euroguarco) and Mrs. Hongwu Sun.

| Shareholding | N. Shares | N. PAS | Tot. Shares | % on share capital |
|---------------------|-------------------|-------------------|------------------|--------------------|
| Davide Tinazzi | 9.390.243 | 2.849.688 | 12.239.931 | 19,94% |
| Andrea Taffurelli | 9.390.243 | 2.849.688 | 12.239.931 | 19,94% |
| Sun Hongwu* | 9.371.500 | 2.844.000 | 12.215.500 | 19,90% |
| Euroguarco S.p.A.** | 9.334.014 | 2.832.624 | 12.166.638 | 19,83% |
| RPS*** | 4.166.500 | - | 4.166.500 | 6,79% |
| Mercato**** | 8.346.500 | - | 8.346.500 | 13,60% |
| Total | 49.999.000 | 11.376.000 | 61.375.00 | 100,0% |

- Board of Directors
 - A. Granuzzo: Chairman – Independent Director
 - D. Tinazzi: CEO
 - A. Taffurelli: CTO

- Statutory Auditors: Marco Bernardis, Renato Bogoni, Dante Carolo, Aldo Travain, Inge Bisinella
- Audit Company:



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

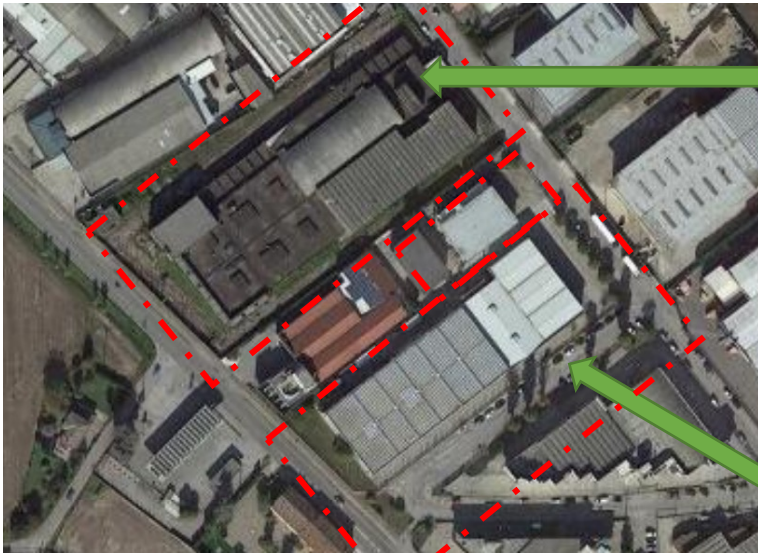
** Company involved in the manufacturing of gaskets and insulating materials for the oil & gas industry belonging to the Ghirlanda family

*** Cornerstone Investor

****the free float considering the 49.999.000 shares admitted to trading is 16,69%, and will move to 15,52% post conversion of the first tranche of n. 3.792.000 PAS into ordinary shares since the EBITDA target 2022 has been achieved In accordance with the provisions of the Bylaws.

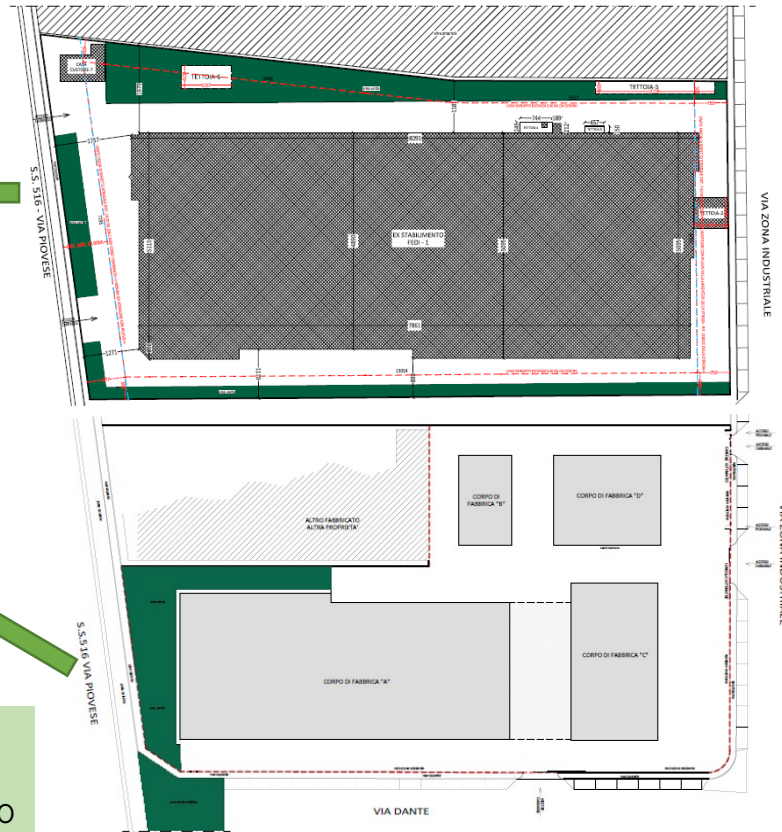
PRODUCTION FACILITIES

Energy's new production and office facilities located near Padua (c. 9,000 sqm) allow to achieve the full-scale production of Extra Large ESS. In H2 2022, Energy acquired an additional production area of 11,000 m sqm close to the existing plant for a **total of c. 20,000 sqm**



TARGET PRODUCTION CAPACITY

- **Small & Large:** up to 4MWh/year (600-800 batteries/day)
- **Extra Large:** up to 60 MWh/year by end of 2023



Neighbouring area acquired Sept 2022:
11,000 sqm total area, 6,000 sqm covered

- **Address:** Via dell'Industria 8/10, Sant'Angelo di Piove di Sacco (PD)
- **Current main area (accessed May 2022):**
 - **Plant:** 9,185 sqm total area, 4,613 sqm covered
 - 3,023 sqm production and warehouse
 - 1,070 sqm offices
 - 520 sqm R&D labs
 - Covered truck load/download area
 - Batteries independent warehouse
 - Office room for all company functions
 - Separate building for R&D and testing
 - Two overhead cranes available
 - High power supply available

P&L STATEMENT



| P&L (EUR M)* | 2019A | % | 2020A | % | 2021A | % | 2022A | % |
|-------------------------------|-------------|---------------|-------------|---------------|-------------|---------------|--------------|---------------|
| REVENUES | 12.5 | 100,0% | 20.3 | 100,0% | 51.5 | 100,0% | 126.5 | 100,0% |
| CAPITALIZED EXPENSES | 0.3 | 2.2% | 0.4 | 1.9% | 0.0 | 0.1% | 0.4 | 0.3% |
| OTHER REVENUES AND INCOME | 0.3 | 1.2% | 0.2 | 0.9% | 0.2 | 0.4% | 0.4 | 0.3% |
| RAW MATERIALS | (9.9) | (79.3%) | (16.2) | (79.7%) | (38.2) | (74.2%) | (87.1) | (68.9%) |
| SERVICES COSTS | (1.3) | (10.0%) | (1.8) | (9.1%) | (1.9) | (3.6%) | (5.8) | (4.6%) |
| PERSONNEL | (0.5) | (4.1%) | (0.7) | (3.4%) | (1.1) | (2.1%) | (1.9) | (1.5%) |
| OTHER COSTS | (0.2) | 1.2% | (0.1) | (0.3%) | (0.2) | (0.3%) | (0.3) | (0.2%) |
| EBITDA | 1.2 | 10.0% | 2.1 | 10.3% | 10.4 | 20.2% | 32.2 | 25.4% |
| DEPRECIATION AND AMORTIZATION | (0.2) | (1.6%) | (0.3) | (1.2%) | (0.3) | (0.6%) | (0.6) | (0.5%) |
| EBIT | 1.1 | 8.4% | 1.8 | 9.0% | 10.1 | 19.7% | 31.6 | 25.0% |
| FINANCIAL INCOME / (EXPENSES) | (0.1) | (1.0%) | (0.1) | (0.6%) | (0.2) | (0.3%) | (0.6) | (0.5%) |
| EBT | 0.9 | 7.4% | 1.7 | 8.5% | 10.0 | 19.3% | 31.0 | 24.5% |
| INCOME TAXES | (0.2) | (1.9%) | (0.4) | (1.9%) | (2.6) | (5.0%) | (8.4) | (6.6%) |
| NET INCOME | 0.7 | 5.5% | 1.3 | 6.6% | 7.4 | 14.3% | 22.6 | 17.9% |

* FY 2021A and FY2022A full audit. Other financial figures unaudited

BALANCE SHEET STATEMENT

| Balance sheet (EUR M)* | 2019A | 2020A | 2021A | 2022A |
|--------------------------------------|------------|------------|-------------|-------------|
| Intangible fixed asset | 0.5 | 0.7 | 0.5 | 4.3 |
| Tangible fixed asset | 0.0 | 0.0 | 0.0 | 1.6 |
| Financial asset | 0.0 | 0.0 | 0.1 | 0.2 |
| Net Fixed asset | 0.5 | 0.7 | 0.6 | 6.1 |
| Inventory | 1.8 | 4.8 | 6.7 | 61.3 |
| Trade receivables | 0.7 | 2.8 | 9.7 | 23.1 |
| Trade payables | (0.5) | (1.4) | (1.7) | (15.6) |
| Trade NWC | 2.1 | 6.2 | 14.7 | 68.8 |
| Other assets | 1.0 | 0.6 | 1.6 | 0.3 |
| Other liabilities | (1.0) | (1.3) | (3.9) | (6.8) |
| Net working capital (NWC) | 2.0 | 5.5 | 12.4 | 62.3 |
| Severance indemnity funds and others | (0.1) | (0.2) | (0.3) | (0.3) |
| Net Invested Capital | 2.4 | 6.0 | 12.7 | 68.1 |
| Equity | 1.2 | 2.6 | 9.9 | 59.9 |
| Short term debt | 2.6 | 2.5 | 2.5 | 18.6 |
| Medium/long term debt | 0.1 | 1.7 | 2.4 | 5.5 |
| Cash available | (1.6) | (0.8) | (2.0) | (16.0) |
| Net Debt | 1.2 | 3.5 | 2.9 | 8.2 |
| Total Funds | 2.4 | 6.0 | 12.7 | 68.1 |

* FY 2021A and FY2022A full audit. Other financial figures unaudited

CASH FLOW

| Cash flow (EUR m)* | 2019A | 2020A | 2021A | 2022A |
|-------------------------------------------------------------------------------|------------|--------------|-------------|---------------|
| EBIT | 1.1 | 1.8 | 10.1 | 31.6 |
| Income taxes | (0.2) | (0.4) | (2.6) | (8.4) |
| Depreciation and amortization | 0.2 | 0.3 | 0.3 | 0.6 |
| Change in trade NWC | (0.2) | (4.1) | (7.1) | (54.1) |
| Change in other assets (liabilities). Severance indemnity funds and others | 0.1 | 0.7 | 0.3 | 4.2 |
| Operating cash flow | 1.0 | (1.7) | 1.1 | (26.1) |
| Capex** | (0.3) | (0.5) | (0.2) | (6.0) |
| Cash available for debt service | 0.7 | (2.2) | 0.8 | (32.2) |
| Change in debt | 0.8 | 1.5 | 0.6 | 19.3 |
| Financial income / (expenses) | (0.1) | (0.1) | (0.2) | (0.6) |
| Change in Equity | - | 0.0 | 0.0 | 27.4 |
| Net Cash Flow | 1.3 | (0.8) | 1.2 | 14.0 |

| | | | | |
|----------------------|------------|--------------|------------|-------------|
| Cash BoP | 0.3 | 1.6 | 0.8 | 2.0 |
| Net Cash Flow | 1.3 | (0.8) | 1.2 | 14.0 |
| Cash EoP | 1.6 | 0.8 | 2.0 | 16.0 |

* FY 2021A and FY2022A full audit. Other financial figures unaudited

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