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

2024 Interim Financial Report

Energy S.p.A.
Registered office in Piazza manifattura 1, 38068 ROVERETO TN
Share capital €616,605.80, fully paid up
Tax code 02284640220
TRENTO **Company registration no.** 02284640220
REA no. 213161

Contents

Directors' report

Prepared in accordance with article 2428 of the Italian Civil Code

Introduction

The 2024 interim financial report presents the financial position and financial performance of the Energy Group in the first half of 2024. The results contained therein, which show a net loss for the period of €4,228,047, reflect the challenges faced during the period.

This directors' report analyses the group's operations pursuant to the requirements of article 2428 of the Italian Civil Code. Its purpose is to offer a view of the group's position and financial performance of the period, with a particular focus on costs, revenues and capex.

As this is an interim report, it only describes events and information about the six months, while reference should be made to the 2023 Annual Report, already approved by the shareholders, for matters of a general nature or that have not undergone substantial change.

History of the Group

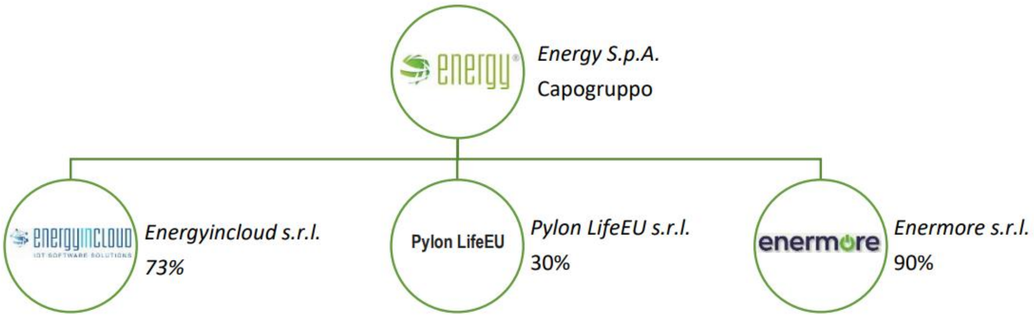
The parent (Energy S.p.A.) prepared its first post-acquisition consolidated financial statements at 30 June 2024. The Energy Group was established in June 2024 following Energy S.p.A.'s acquisition of 90% of Enermore S.r.l.. The latter company is active in the design, supply and installation of complex systems and renewable energy production and storage.

Energy S.p.A. was incorporated in 2013. After around a year designing innovative technologies for residential systems, it began carrying out technical retrofits, sales and aftersale services for photovoltaic energy storage systems. Its main technical partners include leading producers and some of the products sold by the parent are OEM-branded. Energy has achieved ambitious growth objectives since its inception, further expanding its product range since 2020 and introducing original solutions, including its own-brand products (zero CO2).
In their extraordinary meeting of 17 June 2022, the shareholders approved the company's transformation into a company limited by shares, as well as the share capital increase against payment and in one or more tranches and excluding the right of first refusal pursuant to article 2441.5 of the Italian Civil Code for the listing procedure for trading on Euronext Growth Milan ("EGM"). The share capital increase entailed the issue of new ordinary shares without nominal value. Energy shares began trading on the EGM on 1 August 2022.
On 23 May 2023, the parent set up the subsidiary Energyincloud S.r.l. (EiC) while, on 27 June, it entered into a preliminary agreement to acquire (via EiC) the main business unit of Cloud Computing S.r.l., a software developer including IoT applications since 2016. After completing the acquisition in July 2023, Energy integrated advanced technologies into the remote control and management of energy production,
storage and consumption systems.
Furthermore, in May, it also set up the associate Pylon LifeEU S.r.l. as a joint venture with Pylon Technologies Europe B.V.. The associate's objective is to research, develop and produce lithium batteries for stationary storage.
On 7 June 2024, Energy S.p.A. completed the acquisition of 90% of Enermore S.r.l, a company specialised in the consultancy, design and control of the installation and maintenance of storage systems. Thanks to this acquisition, the

Energy Group can offer top-notch engineering support in the design and construction of medium to large-scale systems, improving both the quantity and quality of the services provided to customers in the renewable energy sector.

Group structure and consolidation scope

The group's structure at 30 June 2024 is shown below:



The consolidation scope includes Energy S.p.A. (the "parent") and the subsidiary Enermore S.r.l. (the "subsidiary"). EnergyInCloud S.r.l. (EiC) is not consolidated as it is immaterial for the purposes of a true and fair view of the group's financial position and financial performance. Similarly, the investment in the associate Pylon LiFeEU S.r.l., over which the parent has significant influence, but not control, was recognised using the equity method.

Governance structure and the parent's ownership base

The parent's mission is to create value for those stakeholders directly involved in its operations - customers, employees and shareholders - and, ultimately, the supply chain, the local community and wider society:
Energy pursues this objective by offering goods/services and solutions that meet market needs.

The key events of the period affecting the parent's capital structure are described below.

- on 10 May 2024, the parent announced the issue of 168,654 ordinary shares following the vesting and exercise by the beneficiaries of a total of 168,654 options related to the stock option plan, which had been approved by the shareholders in their meeting on 17 June 2022;
- on 21 May 2024, the parent announced the filing of the by-laws following the cancellation of 3,792,000 Price Adjustment Shares (PAS);
- on 11 June 2024, the parent announced the allocation of 900,000 options to management as part of the stock option plan which had been approved by the shareholders in their meeting on 17 June 2022. The 900,000 options will vest upon completion of the "Gigafactory Project", which envisages the creation of a new factory for the production of energy storage systems and electrochemical batteries.

Energy S.p.A.'s shareholding structure may be analysed as follows:

Shareholder	Ordinary shares	PAS *	Total shares	% of share capital
Elmagi S.r.l. [1]	10,444,188	949,896	11,394,084	19.69%
Freman Holding S.r.l. [2]	10,445,570	949,896	11,402,466	19.70%
Sun Hongwu	10,270,638	948,000	11,218,638	19.39%
Euroguarco S.p.A.	10,278,222	944,208	11,222,430	19.39%
RPS S.p.A.	4,166,500	-	4,166,500	7.20%
Market**	8,464,462	-	8,464,462	14.63%
Total	**54,076,580**	**3,792,000**	**57,868,580**	**100.00%**

[1] Company owned by Davide Tinazzi, CEO of Energy S.p.A.. These figures also include the shares granted to management as part of the stock option plan;
[2] Company owned by Andrea Taffurelli, director with proxies granted by the board of directors of Energy S.p.A.. These figures also include the shares granted to management as part of the stock option plan;
* not admitted for trading
** the free float accounts for 15.65% of the 54,076,580 shares admitted for trading on Euronext Growth Milan.

The parent has a traditional governance structure comprised of the following bodies:

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

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

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

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

- the efficiency and effectiveness of its processes;
- the reliability of financial information;
- compliance with the law, regulations, the by-laws and internal procedures;
- the safeguarding of its assets;
- KPMG S.p.A., the independent auditors engaged to audit the company's financial statements for the 2022-2024 three-year period, reviewed the interim consolidated financial statements at 30 June 2024.

The following section covers the group's organisational structure.

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

General characteristics of the group

The context and results

Energy storage systems are essential in the transition from fossil fuels to renewables and attract significant public and private investments. The market is part of a long-term trend which affects its development and potential, driven by several key factors, including (a) energy price hikes which will drive up the demand for energy storage systems to ensure stable costs and the security of supply; (b) the risk of black outs and the need to stabilise the grid, partly due to the greater penetration of renewables and the growing peaks in absorption of electric vehicles; (c) the drop in the price of lithium ion batteries and other key technologies over the long term, which increase their competitiveness; (d) the complementarity of storage systems with renewable energy sources, such as wind and solar, which by their nature are intermittent; (e) the increase in the demand for electric vehicles and, consequently, the need for appropriate energy profile for users; (f) public incentives for the energy transition both in Italy and abroad.
With respect to the external environment, the first half of 2024 – in line with the trend that began in 2023 – was negatively affected by the following factors:

- a significant drop in prices due to oversupply across the entire renewables sector, which especially affected the photovoltaic modules segment, but also had a significant impact on the storage segment;
- persistently high interest rates, as the interest rate cuts expected from the first half of 2023 did not materialise contrary to expectations - leading to less liquidity for investments;
- the postponement of the Transition 5.0 decree and other major initiatives expected in Italy, which generated serious uncertainties. The postponement caused a temporary slowdown in investments, as many companies decided to defer their installation decisions pending clarification of the new mechanisms and their application criteria. This led to a slowdown in new storage projects, especially large-scale ones that are more dependent on government support;
- the contraction of volumes - especially in the residential sector - as a consequence of the above points, and oversupply.

Despite these negative impacts, the group plans to increase its foothold in the Italian C&I market also, potentially, by exploiting incentives and initiatives with an impact on investments, and in the EMEA C&I market by benefiting from the award of a major contract that will have a considerable impact on 2025, without however neglecting the residential and domestic market. The group pursued - as far as possible - the strategy set out in the business plan, implementing the actions deemed important to gain a competitive edge in tomorrow’s market. They included growing exports, acquiring a specialised engineering company, strengthening the sales channels targeting DACH and Dutch countries, investing in the design and production of medium-large storage systems with higher internal added value, and strengthening the zeroCO2 brand.

Significant events of the period

The group continued with its medium- to long-term strategy during the period, while monitoring market conditions. In May 2024, Energy S.p.A. won a major contract in Austria for the supply of electrical energy storage systems and the provision of related services to ASFINAG - Autobahnen- und Schnellstraßen-Finanzierungs-Aktiengesellschaft - the motorway operator in Austria. The purpose of the call for tenders is to extend the network infrastructure for alternative mobility. The contract is worth €25.7 million, with an the option for the customer ASFINAG to commission another approximately €3 million of supplies.
In June, the acquisition of 90% of Enermore S.r.l. led to the establishment of the Energy Group. Enermore mainly operates in DACH countries and is specialised in the consultancy, design and control of the installation and maintenance of storage systems.

Brief overview of performance

An analysis of the interim consolidated financial statements at 30 June 2024 shows:

- Below-target turnover, totalling €19,055,820 – due to the factors described earlier.
- Profit margins down on 2023, with the gross operating loss (EBITDA) margin down 17%, mainly as a result of downward price trends and the de-stocking activities undertaken in the first half of the year, in addition to targeted promotional campaigns on products and storage kits
- Cost structure again in line with that set out in the parent's 2023 financial statements, with a still limited, though growing, impact of internal production.
- Capex, in particular: the finalisation of the casing and assembly line of the first battery department, the completion of the photovoltaic system, the ongoing construction of the new building in the adjacent area and further technical developments involving the cloud platform and products.
- Significant working capital, amounting to €46,237,919. Raw materials are down on the 31 December 2023 balance and the group reduced purchases and trade payables.
- The net financial debt worsened compared to 31 December 2023, as a consequence of that described above.

The market and products

Range of products and services

The parent sells two categories of products:

- the "Small&Large ESS" category, launched in 2014, with energy storage systems of less than 50 kW (<50 kW ESS) for residential use and for small and medium-sized industrial and commercial operators. The parent carries out system integration activities for small (up to 6 kW) and medium (from 6 to 50 kW) energy storage systems for industrial and commercial operators.
- The "Extra Large ESS" category launched in the final quarter of 2021 and which grew further in 2022, covering energy storage systems of more than 50 kW (50+kW ESS) for larger industrial and commercial users with energy storage needs exceeding 50 kW. The parent carries out system integration activities for large (more than 50 kW) energy storage systems based on a proprietary Energy Management System. The range has software functionalities which also enable multi-stack services to be activated. The parent offers a smart cloud-based ESS management service. This ensures the historical management of data and ongoing maintenance of the algorithms in relation to which it carries out constant research and development activities and updates to improve the services offered and enable the use of new functionalities.

Furthermore, following the completion of the acquisition of 90% of Enermore S.r.l., the group integrated engineering, design and control services for the installation and maintenance of storage systems in highly complex projects which may include photovoltaic and wind systems, generators, hydrogen and hydroelectric systems.

Foreign sales

In the first half of 2024, 45% of revenues was generated abroad (EU and non-EU) and 54% in Italy. Foreign sales of €8,612,048 were mostly made in north and central Europe. More information about Energy S.p.A. is provided on page9.

The group

Revenues decreased during the period as a consequence of the factors described earlier. However, the decrease did not affect the group's ability to meet its commitments and to continue with its investments.
The group has funded its working capital and investments with both the cash flows generated by operating activities and existing bank loans, without taking out new loans. With respect to working capital, the group adopted an important policy to reduce inventory.

Net equity, being the sum of share capital and reserves, is €61,211,277.
Intangible, tangible and financial fixed assets amount to €22,910,595 and mainly reflect the increase in tangible and intangible fixed assets.

Financial position, financial performance and cash flows

The performance indicators offer an immediate view of the group's performance and results.

The "Reclassified figures" present the balance sheet and net financial position as at 30 June 2024 and 31 December 2023 and the profit and loss account and cash flow statement for the six months ended 30 June 2024 and 2023, prepared using management criteria adopted by the board of directors to support the analysis of the group's financial position, financial performance and cash flows.

Reclassified figures

The reclassified figures presented in the following tables are used by the board of directors to analyse the group's financial position, financial performance and cash flows. To enable a comparison with the previous period, the figures relating to the parent at 30 June 2024 and 30 June 2023 are also included.

Reclassified profit and loss account

(Thousands of Euros)	**H1 2024 Group**	**%**	**H1 2024 Energy**	**%**	**H1 2023 Energy**	**%**	**Change**
Turnover from sales and services	19,056	100%	18,944	100%	39,295	100%	(20,315)
Internal work capitalised	430	2%	430	2%	451	1%	(21)
Other revenues	167	1%	167	1%	391	1%	(260)
Costs for materials (1)	18,514	97%	18,520	98%	27,022	69%	(8,502)
Costs for services	2,515	13%	2,483	13%	2,950	8%	(467)
Personnel expenses	1,397	7%	1,332	7%	1,245	3%	87
Other costs (2)	444	2%	436	2%	373	1%	63
Gross operating profit (loss) (EBITDA)	(3,216)	(17%)	(3,229)	(17%)	8,548	22%	(11,777)
Amortisation and depreciation	654	3%	644	3%	543	1%	101
Write-downs	0	0%	0	0%	0	0%	0
Operating profit (loss)	(3,870)	(20%)	(3,873)	(20%)	8,005	20%	(11,878)
Net financial charges	(615)	(3%)	(617)	(3%)	(536)	(1%)	(81)
Profit (loss) before taxes	(4,485)	(23%)	(4,490)	(24%)	7,469	19%	(11,959)
Income taxes	(257)	(1%)	(257)	(1%)	1,998	5%	(2,255)
Net profit (loss) for the period	(4,228)	(22%)	(4,233)	(22%)	5,470	14%	(9,704)

(1) Cost of materials and change in inventory
(2) Use of third-party assets, other operating costs and other provisions

The group's net turnover amounts to €19,055,820. Energy's net revenues total €18,944,419, down €20,350,780 on the balance of €39,295,218 for the first half of 2023.
Since its acquisition, Enermore has recorded turnover of €147,156 mainly in the domestic market.
The order backlog is worth €29.3 million, of which €25.7 million related to the Asfinag contract.
The group's gross operating loss (EBITDA) amounts to €3,216,451, equal to 17% of revenues, while Energy's gross operating loss comes to €3,229,312. The EBITDA margin essentially reflects the combined effect of the reduction in final sales prices, as the group used up existing stocks, and the contraction in volumes, which prevented the full recoup of operating costs.

An analysis of Energy's average sales prices shows a significant decrease on the corresponding period of the previous year. This is due to both changes to the price list and promotions targeting the residential segment to support turnover and a de-stocking policy. This strategy brought the offer into line with the downward price trend characterising the markets, specifically the Italian one, which recorded a sharper decrease compared to the EMEA region. The reduction in sales prices mainly affected batteries, hybrid inverters and wallboxes, and was achieved partly by the launch of storage kits sold at competitive prices. In contrast, the mix of larger-scale systems has been shifting to higher-power products (with higher sales prices) since 2023.
In Italy, the residential segment recorded a significant downturn, in line with the general sector trend.

Enermore S.r.l.'s profit and loss account figures have been consolidated for just 23 days as this company was acquired on 7 June 2023. As its figures are immaterial considering those of Energy, they have been excluded from the following tables. The following four tables show Energy S.p.A.'s revenues, in euros.

Revenues are analysed below by geographical segment, in euros:

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

Revenues are analysed by product category as follows:

	H1 2024	%	**H1 2023**	%	**Change**	**% change**
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%

Revenues are analysed by sales channel as follows:

	H1 2024	%	**H1 2023**	%	**Change**	**% change**
VAR (VALUE-ADDED RESELLERS)	7,113,864	38%	13,973,232	36%	(6,859,368)	(49%)
Specialist distributors	5,475,096	29%	10,853,132	28%	(5,378,035)	(50%)
General distributors	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%)

By number of storage systems and power:

	1H 2024	**1H 2023**
Number of systems sold	2,597	7,086
Total power	9.9 MW	37.5 MW

In the first half of 2024, the group recorded an increase in foreign sales compared to the corresponding period of the previous year. Indeed, its foreign activities, which were launched in 2022 and built up in 2023 and the first half of 2024, led to a significant increase in revenues in the EMEA region, also in absolute terms (€8,538,274) compared to the first half of 2023 (€5,616,461).

In the first half of 2024, revenues from sales of Extra Large systems were slightly higher compared to the corresponding period of the previous year, thus confirming the segment's resilience. Furthermore, revenues generated by zeroCO_2 XL systems account for 43%, up significantly compared to previous years. The group's commercial efforts also included the participation in the main European sector trade fair in Munich (Intersolar) in June 2024, where it unveiled its commercial- and industrial-size storage systems.

In June 2024, an analysis of sales by customer category confirmed the dominant position of VARs and the balance between the electrical materials generalist distributors and photovoltaic specialist distributors.

Net of financial charges, amortisation and depreciation, and income taxes, the costs incurred by the group in the first half of 2024 came to €22,869,806, while those pertaining to the parent amounted to €22,771,258, compared to €31,589,715 in the same period of the previous year.

Reclassified balance sheet

(Thousands of Euros)	30/06/2024 Group	30/06/2024 Energy	31/12/2023 Energy	Change	% change
Intangible fixed assets	6,575	5,292	4,772	519	11%
Tangible fixed assets	15,254	15,166	7,294	7,873	108%
Financial fixed assets	1,081	2,375	1,180	1,195	101%
Total fixed assets	22,911	22,833	13,246	9,587	72%
Inventory	45,595	44,548	56,410	(11,862)	(21%)
Trade receivables	6,191	5,841	4,645	1,196	26%
Trade payables and payments on account	(5,548)	(4,708)	(9,867)	5,159	(52%)
Trade 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%
Payables to subsidiaries	0	0	(2)	2	(100%)
Payables to associates	0	0	(2)	2	(100%)
Other receivables and prepayments and accrued income	2,659	2,362	669	1,693	253%
Other payables and accrued expenses and deferred income	(2,040)	(1,805)	222	(2,027)	(913%)
Net working capital	46,866	46,352	52,260	(5,907)	(11%)
Employees’ leaving entitlement and other provisions	(274)	(247)	(219)	(29)	13%
Invested capital	69,503	68,938	65,287	3,651	6%
Net equity	61,211	61,205	65,456	(4,251)	(6%)
Net financial debt (position)	8,292	7,734	(168)	7,902	(4692%)
Total sources of funding	69,503	68,938	65,287	3,651	6%

The parent’s fixed assets came to €13,246,196 at 31 December 2023, while they amount to €22,910,595 at 30 June 2024, of which €6,575,290 for intangible fixed assets and €15,254,338 for tangible fixed assets. Energy’s fixed assets amount to €22,833,047 at the reporting date, of which €5,291,614 for intangible fixed assets and €15,166,436 for tangible fixed assets. Capitalised development costs amount to €462,625. Investments in R&D relate to 10 projects aimed at extending the product range, the new zeroCO_2 cloud platform and developing the existing one, and the application of AI in after-sales processes.

Tangible fixed assets include investments in the new building under construction on the land next to the parent's existing building, some parts of the battery assembly line and the effect of exercising the option to purchase the main building.
The group's financial fixed assets of €1,080,967 comprise receivables for guarantee deposits for utilities, the investments in the two companies set up in May and June 2023 (Pylon LifeEU S.r.l. and Energyincloud S.r.l.) and the financial receivables from the latter company. Energy's financial fixed assets amount to €2,374,997, up €1,194,785 following the acquisition of 90% of Enermore in June 2024.

The group's trade working capital amounts to €46,237,919 at the reporting date. It is mainly comprised of inventory of €45,595,035, trade receivables of €6,191,296 and trade payables of €5,548,412. Energy's working capital amounts to €45,681,724 at 30 June 2024. The decrease on the parent's 2023 year-end balance of €51,188,060 is mainly due to the reduction in inventory, which is down €11,862,154 as a result of the group policy launched in 2023 and strengthened in the first half of 2024.

Energy's net working capital was €52,259,629 at 31 December 2023, while it is €46,352,464 at 30 June 2024 (-€5,907,165). The group's net working capital amounts to €46,865,797 at 30 June 2024.
Energy's invested capital was €65,287,257 at 31 December 2023, while it is €69,938,397 at 30 June 2024 (+€3,651,140). The group's invested capital at 30 June 2024 amounts to €69,502,827.

Its sources of funding of €69,502,827 comprise net equity (€61,211,277) and net financial debt (€8,291,550). The parent's net equity amounts to €61,204,636, while its net financial debt is equal to €7,733,761, representing a deterioration on the net financial position of €168,424 at 31 December 2023. The group's financial debt, which is exclusively to banks with self-liquidating lines and loans, is comprised of short-term bank loans and borrowings of €12,911,332 and medium-/long-term bank loans and borrowings of €7,040,082, net of liquid funds of €11,659,864.

Net financial debt

(Thousands of Euros)	**30/06/2024 Group**	**30/06/2024 Energy**	**31/12/2023 Energy**	**Change**	**% change**
Liquid funds	(11,660)	(11,286)	(18,834)	7,549	(40%)
Current financial receivables	0	0	(5,000)	5,000	(100%)
Short-term bank loans and borrowings	12,911	11,981	14,077	(2,096)	(15%)
Short-term loans and borrowings from other financial backers	0	0	0	0	0%
Short-term financial (position) debt	1,251	695	(9,757)	10,453	(107%)
Medium/long-term bank loans and borrowings	7,040	7,039	9,589	(2,550)	(27%)
Medium/long-term loans and borrowings from other financial backers	0	0	0	0	0%
Net financial debt (position)	8,292	7,734	(168)	7,902	(4694%)

Reclassified cash flow statement

(Thousands of Euros)	H1 2024 Group	H1 2024 Energy	H1 2023 Energy	Change	% change
Operating profit (loss)	(3,870)	(3,873)	8,005	(11,878)	(148%)
Income taxes	257	257	(1,998)	2,255	(113%)
Amortisation, depreciation and write-downs	654	644	543	101	19%
Change in trade working capital	4,950	5,506	(957)	6,464	(675%)
Change in other receivables/(other payables), employees' leaving entitlement and other provisions (1)	294	225	393	(168)	(43%)
Cash flows from operating activities	2,285	2,759	5,985	(3,226)	(54%)
Investments in intangible, tangible and financial fixed assets	(10,114)	(10,026)	(1,876)	(8,150)	434%
Cash flows before financing activities	(7,829)	(7,267)	4,109	(11,376)	(277%)
Change in bank loans and borrowings and loans and borrowings from other financial backers	(3,714)	(4,646)	(1,836)	(2,811)	153%
Changes in financial receivables due within one year	5,000	5,000	0	5,000	(100%)
Net financial charges	(615)	(617)	(536)	(81)	15%
Change in net equity	(16)	(18)	(14)	(3)	24%
Net cash flows	(7,174)	(7,549)	1,722	(9,271)	(538%)
Opening liquid funds	18,834	18,834	15,963		
Net cash flows	(7,174)	(7,549)	1,722		
Closing liquid funds	11,660	11,285	17,685		

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

Performance indicators

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

	H1 2024 Group	H1 2024 Energy	H1 2023 Energy
ROE — (Return on equity)	(6.9%)	(6.9%)	8.6%
ROIC — (Return on invested capital)	(5.0%)	(5.1%)	11.6%
ROA — (Return on assets)	(4.3%)	(4.5%)	8.8%
ROS — (Return on sales)	(20.3%)	(20.4%)	14.0%

The large differences in the indicators are mostly due to the downturn in volumes during the six months and the downward price trends which characterised the period.

ROE (Return on equity)	percentage return on capital pertaining to the shareholders	Net profit (loss) for the period / Own funds
ROIC — (Return on invested capital)	profitability of operations: measures a company's ability to generate profits in transforming inputs into outputs	EBIT / Invested operating capital [1]
ROA — (Return on assets)	a company's ability to obtain profit flows from its operations	EBIT / Total assets
ROS — (Return on sales)	impact of the main factors of production (materials, personnel, amortisation/depreciation and other costs) on turnover	EBIT / Revenues

[1] Total assets - Liquidity

Main risks and uncertainties

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

FINANCIAL RISKS

Credit risk

Credit risk represents the group's exposure to potential risks deriving from counterparty default.
Trade receivables are stated net of the provision for bad debts. Their carrying amount is deemed to be equal to their estimated realisable value. There are no particular risks deriving from the concentration of credit. The new customers acquired in the first half of 2024 have a good credit rating and, in general, the review of the overall rating of Energy Group's trade receivables in early 2024 showed a lower average riskiness compared to the sector average.

Liquidity risk

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

Currency risk

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

OPERATIONAL RISKS

Supplier dependence

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

Key management personnel

The group has rolled out a project to build up its management team, set up teams and implement processes to reduce its dependence on its initial key personnel. At 30 June 2024, it has 11 c-suite managers.

Macroeconomic scenario

Energy's business was temporarily impacted by upstream supply chain disruptions in 2021 and part of 2022, also due to the Covid-19 pandemic. These tensions eased in 2023; however, there was a sharp slowdown in demand compared to the available production capacity. The European economy avoided recession, but ended the year in the doldrums, with 0% GDP growth in the fourth quarter.
In the first six months of 2024, European economic growth showed weak signs of improvement, but remains fragile due to the ongoing inflationary pressures and global geopolitical turmoil.

Market risk

The renewables and the storage systems sectors continue to evolve and are affected by the impact of regulations covering both technical aspects and incentives. Their strategic importance for EU countries as levers to increase energy resilience and reduce emissions, means these sectors are in the spotlights of institutions at various levels. The impact of regulatory changes can be significant and may also have short-term effects, as in 2023, when the tax credit transfer mechanism in Italy was terminated.

In the first half of 2024, the regulatory framework saw further changes, including the introduction of new EU-wide incentives to accelerate energy transition and the expansion of storage networks. However, regulatory uncertainty remains a concern. Indeed, the announcement of regulatory changes on incentives generated a wait-and-see effect on demand. During the period, the effect of the market contraction for the entire renewables sector, especially in Italy and the storage segment, was evident.

The group continues to build on its resilience and to adopt a medium- to long-term perspective to overcome these obstacles, while adjusting its strategy to the economic situation.

Geopolitical risks

The geopolitical tensions linked to relations between NATO and other emerging powers (Russia and China) could impact international relations between companies, both in terms of restrictive regulatory actions and of macroeconomic impacts on the group's markets. However, the former-USSR bloc is not a major market for Energy, nor is it strategic for procurement. On the other hand, the issue of relations with China is much more significant, as this country is the source of most of the group's supplies. For this reason, the group has implemented a development programme based on a scenario of complex relationships between the EU/US and China, to mitigate the negative impacts and seek to gain advantage from the possible opportunities that could arise from this geopolitical situation.

Cybersecurity risk

The group is exposed to cybersecurity risk due to the growing use of IT systems and the dissemination of digitalisation processes. This risk could entail data loss, business disruptions or privacy breaches.
Although the group is not particularly exposed to this risk, it nonetheless is continually involved in strengthening its IT systems, regularly performing security procedures, personnel training and protecting its IT infrastructure with ad hoc measures.

Environmental management

Pursuant to article 2428.2 of the Italian Civil Code, the board of directors has decided to omit these disclosures, as they are not currently material and therefore do not contribute to an understanding of the group's position and financial performance. They will be provided when there are concrete, tangible and significant environmental impacts with potential consequences for the group's financial position and financial performance.

Personnel disclosures

The purpose of these disclosures is to illustrate the relationship between the group and people who work with or for the group.
At 30 June 2024, the group has 68 employees. It hired 10 people during the period (nine white collars and one junior manager).
29% of the workforce is female.
There are no employees over 40 years old and the average age is 37 for men and 41 for women.
Six employees voluntarily left the group during the period.
With respect to occupational health and safety, one injury which led to the employee taking sick leave of less than 10 days took place.

Research and development

During the six months, the group was involved in 10 projects to develop new products and functionalities, as well as its ongoing fine-tuning of its existing reach and study of the production process for the future production of batteries. These projects are aimed at expanding the range and honing existing products to adapt them to new needs and to improve them in light of feedback from users. Software development continued alongside hardware development and was stepped up thanks to the subsidiary Energyincloud. Total capitalised research and development costs for the first half of 2024 amount to €462,624.

Sustainability

Energy S.p.A.'s sustainability report, which will be published shortly, is the first step of the parent's ESG journey which commenced in 2023 with the measurement of its own performance.
Ahead of the regulatory obligations which will come into force in 2026, the sustainability report provides information on economic, environmental and social topics, useful to ensure the business is managed sustainably by understanding the activities carried out and their performance, results and impact.
The sustainability report has been prepared in accordance with the standards established by the Global Reporting Initiative (GRI), the world's most recognised and widely used framework for sustainability reporting.

The GRI Standards used and reported are listed in the GRI Content Index which summarises information related to the different topics covered and helps readers to find the relevant indicators and other quantitative and qualitative information within the sustainability report. In light of the regulatory reporting requirement that will become mandatory for the company in 2026, its reporting will comply with the new ESRS Standards.
With respect to sustainability reporting, the materiality assessment that was carried out in accordance with GRI 3 “Material Topics” plays a fundamental role in determining the information to be provided in the report, in addition to identifying the strategic priorities related to the ESG areas that are most relevant to the parent’s business and its stakeholders, and designing a road map that will strengthen ESG management.
The reporting boundary of qualitative and quantitative data and information refers to Energy S.p.A.’s performance at 31 December 2023.

Reference should be made to the sustainability report for a detailed analysis of the material topics identified.

Related party transactions

During the period, there were no related party transactions to be examined by the related party transactions committee, which is made up of the independent director and chair of the board of directors of Energy S.p.A.. The procedure governing related party transactions is unchanged from that in force in 2023.
On 30 July 2024, the related parties register was updated to include Enermore S.r.l., following the acquisition of a 90% investment therein by Energy on 7 June 2024.

Outlook

The group saw a contraction in volumes and profit margins during the period. Certain factors, such as little economic growth in the Eurozone, high inflation and interest rates, are expected to continue to be seen in the second half of the year. Despite these market developments, the group deems it appropriate to continue its existing strategies although it may reshape them depending on the evolution of demand and available resources. Management will continue to contrast this negative situation by preserving the group’s financial strength and developing market segments with higher added value.
Furthermore, it will increase its investments in AI applications for energy management. As confirmed by the recent Draghi report, the group believes that local storage system supply chains will be a strategic asset for Europe over the medium to long term.

Branches

In addition to its registered office, the parent also has operating facilities, as follows:

- registered office in Piazza Manifattura 1, Rovereto (TN)
- operating facilities in Sant’Angelo di Piove di Sacco (PD) (new facility since 2022) – via zona industriale 8/10

Enermore S.r.l. operates from its registered office at:

- via Gaensebacherstrasse 36, Vipiteno (BZ)

Rovereto, 26 September 2024

On behalf of the board of directors
The chairman, Alessandro Granuzzo

Balance sheet

Assets	30-06-2024
B) Fixed assets	
I - Intangible fixed assets	
1) start-up and capital costs	1,918,877
2) development costs	1,470,879
3) industrial patents and intellectual property rights	434,387
4) concessions, licences, trademarks and similar rights	6,862
5) goodwill	1,273,621
6) assets under development and payments on account	1,456,654
7) other	14,010
Total intangible fixed assets	*6,575,290*
II - Tangible fixed assets	
1) land and buildings	5,426,040
2) plant and machinery	334,183
3) industrial and commercial equipment	208,243
4) other assets	171,853
5) assets under construction and payments on account	9,114,019
Total tangible fixed assets	*15,254,338*
III - Financial fixed assets	
1) equity investments	
a) subsidiaries	91,030
b) associates	860,631
c) other companies	270
Total equity investments	*951,931*
2) financial receivables	
a) from subsidiaries	123,911
due within one year	*37,964*
due after one year	*85,947*
d-bis) from others	5,125
due within one year	-
due after one year	*5,125*
Total financial receivables	*129,036*
Total financial fixed assets	*1,080,967*
Total fixed assets (B)	*22,910,594*
C) Current assets	
I - Inventory	
2) work in progress and semi-finished products	17,364
3) contract work in progress	447,395

Assets	**30-06-2024**
4) finished goods	44,531,445
5) payments on account	598,831
Total inventory	*45,595,035*
II - Receivables	
1) trade receivables	6,191,296
due within one year	*6,191,296*
due after one year	-
2) from subsidiaries	9,583
due within one year	*9,583*
due after one year	-
3) from associates	55
due within one year	*55*
due after one year	-
5-bis) tax receivables	1,557,321
due within one year	*1,527,846*
due after one year	*29,475*
5-ter) deferred tax assets	414,586
5-quater) from others	399,576
due within one year	*394,076*
due after one year	*5,500*
Total receivables	*8,572,416*
III - Current financial assets	
5) derivatives	67,350
Total current financial assets	*67,350*
IV - Liquid funds	
1) bank and postal accounts	11,659,279
3) cash-in-hand and cash equivalents	585
Total liquid funds	*11,659,864*
Total current assets (C)	*65,894,665*
D) Prepayments and accrued income	**219,684**
Total assets	*89,024,944*

Liabilities	30-06-2024
A) Net equity	
I - Share capital	616,606
II - Share premium reserve	27,186,250
IV - Legal reserve	123,000
VI - Other reserves, indicated separately	
Extraordinary reserve	5,210
Sundry other reserves	(1)
Total other reserves	*5,209*
VII - Hedging reserve	51,186
VIII - Retained earnings	37,455,668
IX - Net loss for the period	(4,229,374)
Total net equity attributable to the group	*61,208,545*
Net equity attributable to minority interests	
Share capital and reserves attributable to minority interests	1,403
Net profit attributable to minority interests	1,329
Total net equity attributable to minority interests	*2,732*
Total net equity	**61,211,277**
B) Provisions for risks and charges	
2) tax provision, including deferred tax liabilities	16,164
Total provisions for risks and charges	*16,164*
C) Employees' leaving entitlement	**257,401**
D) Payables	
4) bank loans and borrowings	19,951,414
due within one year	*12,911,332*
due after one year	*7,040,082*
6) payments on account	794,515
due within one year	*794,515*
due after one year	-
7) trade payables	4,753,897
due within one year	*4,753,897*
due after one year	-
9) payables to subsidiaries	-
due within one year	-
10) payables to associates	-
due within one year	-
12) tax payables	520,672
due within one year	*520,672*
due after one year	-
13) social security charges payable	252,650

Liabilities	**30-06-2024**
due within one year	*252,650*
due after one year	-
14) other payables	811,728
due within one year	*811,728*
due after one year	-
Total payables	*27,084,876*
E) Accrued expenses and deferred income	**455,226**
Total liabilities	*89,024,944*

Profit and loss account

	H1 2024
A) Production revenues	
1) turnover from sales and services	19,055,820
2) Change in work in progress, semi-finished products and finished goods	94,767
4) internal work capitalised	430,062
5) other revenues and income	
grants related to income	50,756
other revenues and income	116,717
Total other revenues and income	*167,473*
Total production revenues	*19,748,122*
B) Production cost	
6) raw materials, consumables, supplies and goods	6,216,482
7) services	2,514,785
8) use of third party assets	149,445
9) personnel expenses	
a) wages and salaries	1,028,602
b) social security contributions	290,481
c) employees' leaving entitlement	69,394
e) other costs	8,626
Total personnel expenses	*1,397,103*
10) amortisation, depreciation and write-downs	
a) amortisation of intangible fixed assets	562,722
b) depreciation of tangible fixed assets	91,079
Total amortisation, depreciation and write-downs	*653,801*
11) change in raw materials, consumables, supplies and goods	12,392,208
14) other operating costs	294,549
Total production cost	*23,618,373*

	H1 2024
Operating loss (A-B)	**(3,870,251)**
C) Financial income and charges	
16) other financial income	
a) other income from financial receivables classified as fixed assets from subsidiaries	
from others	2,884
Total other financial income	*2,884*
d) other income	
from others	104,578
Total other income	*104,578*
Total other financial income	*107,462*
17) interest and other financial charges	
other	718,559
Total interest and other financial charges	*718,559*
17-bis) Net exchange rate losses	(3,658)
Net financial charges (15+16-17+-17-bis)	*(614,756)*
Loss before taxes (A-B+-C+-D)	**(4,485,006)**
20) Income taxes	
current taxes	-
taxes relative to prior years	673
changes in deferred taxes	(257,634)
Total income taxes	*(256,961)*
21) Net loss for the period	**(4,228,045)**
Loss for the period attributable to the group	*(4,229,374)*
Profit for the period attributable to minority interests	*1,329*

Cash flow statement

	H1 2024
A) Cash flows from operating activities	
Net loss for the period	**(4,228,045)**
Income taxes	(256,961)
Interest expense / (interest income)	617,639
Dividends	0
(Gains) / losses on the sale of assets	9
1. Loss for the period before income taxes, interest, dividends and gains/losses on sales	**(3,867,358)**
Non-monetary adjustments that did not affect net working capital	
Accruals to provisions	69,394
Amortisation and depreciation	653,801
Write-downs	0
Other adjustments for non-monetary items	944,062
Total non-monetary adjustments that did not affect net working capital	**1,667,257**
2. Cash flows before changes in net working capital	**(2,200,101)**
Changes in net working capital	
Decrease/(increase) in inventory	9,871,044
Decrease/(increase) in trade receivables	(1,546,179)
Increase/(decrease) in trade payables	(5,025,072)
Decrease/(increase) in prepayments and accrued income	(115,847)
Increase/(decrease) in accrued expenses and deferred income	(198,509)
Other changes in net working capital	877,138
Total changes in net working capital	3,862,575
3. Cash flows after changes in net working capital	**1,662,474**
Other adjustments	
Interest received/(paid)	(617,639)
Income taxes paid	615,554
Dividends collected	-
Use of provisions	(8,256)
Total other adjustments	**(10,341)**
4. Cash flows after other adjustments	**1,652,133**
Cash flows from operating activities (A)	**1,652,133**
B. Cash flows from investing activities	

	H1 2024
Tangible fixed assets	**(7,969,590)**
Investments	(7,969,590)
Disposals	-
Intangible fixed assets	**(2,427,589)**
Investments	(2,427,589)
Disposals	-
Financial fixed assets	**283,385**
Investments	(44,497)
Disposals	327,882
Current financial assets	**-**
Investments	-
Disposals	-
Cash flows used in investing activities (B)	**(10,113,794)**
C) Cash flows from financing activities	
Third party funds	
Decrease in short-term bank borrowings	(813,254)
New loans	0
Repayments of loans	(2,901,235)
Own funds	
Proceeds from issue of share capital against consideration	1,687
Changes in financial receivables due within one year	5,000,000
Dividends and interim dividends paid	
Cash flows from financing activities (C)	**1,287,198**
Increase/(decrease) in liquid funds (A ± B ± C)	**(7,174,463)**
Opening liquid funds	**18,834,327**
Closing liquid funds	**11,659,864**

Information on the cash flow statement

With a view to making the cash flow statement clear for the reader, it is noted that:
goodwill arising on the acquisition of a controlling interest in Enermore has been recognised under intangible fixed assets.

Notes to the interim consolidated financial statements

Introduction

Structure of the interim consolidated financial statements

The interim consolidated financial statements, presented to you for approval, show a net loss of €4,228,045.
These interim consolidated financial statements, of which these notes form an integral part, are the group's first set of consolidated financial statements and are consistent with the duly-kept accounting records and have been prepared in accordance with the relevant legal requirements, interpreted in the context of and integrated by the reporting standards promulgated by the Italian Accounting Standard Setter ("OIC").
They have been prepared pursuant to OIC 30 which governs interim financial reporting.

They are clearly stated and give a true and fair view of the group's financial position, financial performance and cash flows in accordance with Legislative decree no. 127/91. Where necessary, they provide the additional information required by article 29.3 of said decree. The cash flow statement, prepared in compliance with OIC 10, shows the group's cash flows, net of those relating to intragroup positions.
In addition to the basis of consolidation, these notes also describe the accounting policies used to prepare the consolidated financial statements in accordance with the ruling Italian Civil Code provisions. The following is also provided: a list of the consolidated and non-consolidated companies, a reconciliation between the net equity of the parent as per the financial statements and the net equity as per the consolidated financial statements.

The group

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

- **Enermore S.r.l.:** 90% controlled, with registered office in Vipiteno (Bolzano), specialised in the consultancy, design and control of the installation and maintenance of large storage systems.

The other subsidiaries comprise:

- **Energyincloud S.r.l.**: 73% controlled, with registered office in Rovereto (Trento), a start-up developing IoT software applications.

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

	Percentage of ownership	Consolidation method
Subsidiaries		
Enermore S.r.l.	90%	Line-by-line
Energyincloud S.r.l.	73%	Cost
Associates		
Pylon LifeEU S.r.l.	30%	Equity

With respect to the group structure, the acquisition of 90% of Enermore S.r.l. was finalised on 7 June 2024.

Energy's financial statements at 30 June 2024 were used to prepare these interim consolidated financial statements. Enermore was consolidated using the balance sheet as at 30 June, while the profit and loss account covering the period between the acquisition date and the reporting date was considered.
Energyincloud has not been consolidated since it was technically impossible to obtain its financial statements at 30 June 2024 within the timescale required for the preparation of these interim consolidated financial statements. Indeed, this company adopted a new administrative programme on 1 January 2024 and, to date, the customisations necessary to provide the parent with the information required for consolidation purposes are still underway. According to the subsidiary's board of directors, the process will be complete by the end of 2024, therefore, in time for the preparation of the 2024 consolidated financial statements. This investment, acquired in 2023, was also not included in the consolidation scope at 31 December 2023 as it was immaterial for the purposes of giving a true and fair view of the group's financial position, financial performance and cash flows.

Basis of presentation

Presentation of the interim consolidated financial statements

The information provided in these notes is presented in the same order as the related captions in the balance sheet and the profit and loss account.
With respect to that set out in the introduction hereto, in accordance with article 2423.3 of the Italian Civil Code, when the information required by specific legal provisions is not sufficient to give a true and fair view of the group's financial position and financial performance, the group has provided additional information to remedy the situation.
Both the interim consolidated financial statements and these notes are presented in Euros.

Basis of preparation

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

- the captions were measured in accordance with the principle of prudence. The group measured the individual assets and liabilities separately, in order to avoid offsetting profits on certain items against losses on other items. Accordingly, it recognised profits only if realised before the reporting date, whereas it considered risks and losses on an accruals basis, even when they became known after the reporting date. Moreover, no items that could be recognised under more than one caption are included in the individual captions;
- captions were recognised and presented in accordance with the substance over form principle. The parent checked the correctness of the recognition or derecognition of assets, liabilities, revenues and costs based on a comparison of the reporting standards and the contractual rights and obligations of the transactions;
- the group recognised income and expense pertaining to the period regardless of when they are collected or paid. They were, therefore, recognised in the profit and loss account on an accruals basis in order to be included in the net profit or loss for the period. Costs and revenues for the period are recognised on a matching basis;
- the materiality of the captions was assessed considering the interim consolidated financial statements as a whole and both qualitative and quantitative factors;
- the interim financial consolidated statements were prepared in order to be comparable over time. Accordingly, for each balance sheet and profit and loss account caption, the corresponding prior period figures were presented, except in exceptional cases where one or more captions were not comparable or could not be reclassified. Where necessary, the latter were reclassified for comparative purposes and the related effects are disclosed in the notes, if material.

Structure and content

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

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

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

These notes are prepared in compliance with articles 2427 and 2427-bis and other provisions of the Italian Civil Code, as well as pursuant to other specific legislation. They include all additional disclosures deemed necessary to give a true and fair view of the group’s financial position, financial performance and cash flows, even when not required by specific legal provisions.

Pursuant to the provisions of article 2423-ter.6 of the Italian Civil Code, it is hereby noted that no legally-permitted offsetting of items has taken place.

Exceptional events pursuant to article 2423.5 of the Italian Civil Code

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

Changes in accounting policies

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

Comparability and reclassification

This is the group’s first set of consolidated financial statements. Therefore, these interim consolidated financial statements do not include prior comparative figures as at 31 December 2023 or for the six months ended 30 June 2024.

Accounting policies

The criteria applied to measure and adjust the financial statements captions comply with the provisions of the Italian Civil Code and the reporting standards issued by the OIC.

Pursuant to article 2427.1.1 of the Italian Civil Code, the most important accounting policies adopted pursuant to the provisions of article 2426 of the Italian Civil Code are described below, particularly as relates to those financial statements captions for which the legislator envisages various measurement and adjustment criteria or for which there are no specific criteria.

Foreign currency amounts are translated into Euro at the spot exchange rate ruling on the date of their recognition, or the closing rate in line with the provisions of OIC 26.

Intangible fixed assets

As they satisfy the requirements of the reporting standards, intangible fixed assets are recognised in the balance sheet assets at purchase or development cost and are amortised on a straight-line basis in line with their income-generating potential.

They are shown net of accumulated amortisation and write-downs.

The purchase cost includes the related transaction costs. The development cost includes all directly attributable costs and the reasonably attributable portion of other costs incurred from development up to when the asset is available for use.
Intangible fixed assets, comprising patents, intellectual property rights, licences and software, are recognised as assets only if they can be identified individually, the related future economic benefits will flow to the group, which can limit third-party access to such benefits, and their cost can be estimated with sufficient reliability.
Intangible fixed assets are amortised systematically and the amortisation expensed each period reflects the allocation of the cost incurred over their entire useful life. Amortisation begins when the asset is available for use. The amortisation pattern depends on how the benefits are expected to flow to the group.
Amortisation is recognised based on the following schedule which is deemed to correctly allocate the cost incurred in line with the relevant asset's income-generating potential:

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

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

Start-up and capital costs

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

Development costs

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

Goodwill

Goodwill is entirely comprised of goodwill arising from consolidation. It is amortised over ten years as it is not possible to determine the useful life of this investment.

Other

Other assets are recognised at purchase cost including the related costs. They are amortised to the extent legally or contractually permitted.

Assets under development and payments on account

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

Tangible fixed assets

Tangible fixed assets are recognised upon transfer of the risks and benefits related to the purchased asset. They are measured at purchase cost, including any directly-related charges incurred up to when the asset is available for use and to the extent of their recoverable amount. Tangible fixed assets are recognised net of accumulated depreciation and write-downs.

The carrying amount of these assets, which are grouped by category and year of purchase, is allocated over the years in which they are expected to be used. This takes place through the systematic recognition in the profit and loss account of the related depreciation based on depreciation schedules established when the asset is available and ready for use and reflecting their estimated residual useful life. The schedules are checked annually and are based on the asset's gross carrying amount and assuming a zero recoverable amount at the end of the process.

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

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

Depreciation has been charged for six months for the purposes of these interim consolidated financial statements.

Such rates are halved in the first period in which the asset is purchased, resulting in depreciation that does not differ significantly from that calculated from the time the asset is available for use.

Pursuant to article 10 of Law no. 72 of 19 March 1983 and as reiterated in subsequent monetary revaluation laws, it is hereby noted that the recognised tangible fixed assets have never undergone monetary revaluation.

They have not been written down pursuant to article 2426.1.3 of the Italian Civil Code as there are no indications of impairment losses under OIC 9.

Land and buildings

With particular reference to the buildings, they are not depreciated as they do not incur significant impairment losses due to use.

The parent has recognised the land underlying its buildings separately. It is not depreciated given its infinite useful life.

Assets under construction and payments on account

Payments on account to suppliers for tangible fixed assets in caption B.II.5 are initially recognised only when the related payments are due. Accordingly, they are not depreciated.

This caption also includes assets under construction, which are recognised when the initial costs to construct the asset are incurred and they include the related internal and external costs. These costs remain in this caption until the project is complete and they are not subject to depreciation until such time.

Financial fixed assets

Equity investments
All the equity investments are measured at cost, where cost is the acquisition cost regardless of the payment method and inclusive of any transaction costs (bank charges and commissions, stamp duty, bank fees, etc.).

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

Inventory

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

Current receivables

Receivables are rights to receive fixed or determinable amounts of cash or its equivalent, or assets/services having an equivalent value, from customers or other third parties at identified or identifiable due dates. Receivables arising from the sale of goods and supply of services are recognised in accordance with the requirements set out in the note to revenues. The amortised cost method is not applied when its effects are irrelevant, which is usually the case for current receivables or when transaction costs, commissions paid between the parties and any other difference between the original and recoverable amounts at the due date are insignificant.
In this case, receivables are initially recognised at their nominal amount, net of bonuses, discounts and allowances contractually provided for or, in any case, granted. They are subsequently measured at their nominal amount plus interest calculated at the nominal interest rate, reduced by principal and interest collected and net of estimated write-downs and expected credit losses recognised to adjust their carrying amount to their estimated realisable value.
Cash discounts and allowances that were not included in the calculation of the estimated realisable value, as they could not be determined when the receivable was originally recognised, are recognised upon receipt as financial charges.
The group recognises these receivables at their estimated realisable value by writing down their carrying amount through the provision for bad debts, taking into consideration impairment indicators. The group considers specific indicators based on past trends and any other useful information about a probable impairment. The write-downs are estimated on an individual basis for significant receivables and collectively for the others, by calculating the expected impairment losses at the reporting date. The write-downs recognised in the provision for bad debts for receivables covered by guarantees consider the effects of enforcing the guarantees. In the case of insured receivables, write-downs are only limited to the portion not covered by the insurance policy, if compensation is reasonably certain.

Current financial assets

Derivatives

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

The group recognises a derivative when it becomes party to its contractual provisions, i.e., when it signs the contract and is, therefore, subject to its rights and obligations. It recognises derivatives, including embedded derivatives, at fair value.

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

Hedge accounting

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

Therefore, if the group uses derivatives as hedges from a management perspective but the hedging relationship does not fully meet hedge accounting requirements, it recognises them based on the general treatment described earlier.

The hedge effectiveness is documented at initial recognition and also on an ongoing basis. At each reporting date, the group assesses whether the hedging relationship is still effective.

If all the requirements mentioned above are met, hedging relationships may be accounted for using the following models.

When hedging relationships only relate to derivatives with characteristics very similar to those of the hedged item and the derivative has been entered into at market conditions (for example, forwards or swaps with a fair value approximating nil) at initial recognition, the group applies the treatment applicable to simple hedges described below, if:
- the hedging relationship consists only of eligible hedging instruments and eligible hedged items;
- at the inception of the hedging relationship there is formal designation and documentation of the hedging relationship and the entity's risk management objective and hedging strategy;
- the main elements of the hedging instrument and hedged item (nominal amount, settlement date of cash flows, due date and underlying variable) match or nearly match and the counterparty's credit risk does not significantly affect the fair value of the hedging instruments and hedged item.

At each reporting date, the group checks that the effectiveness requirements described above are still met, including the credit risk of the counterparty to the hedging instrument and hedged item, which may trigger the discontinuation of the hedging relationship if it becomes significant.

The fair value gains or losses on both the hedging instrument and hedged item are fully recognised in the specific profit and loss account captions and the group is not required to calculate the difference to be taken to the profit and loss account captions relating to the hedged item.

The fair value gains or losses on the hedging instrument are fully recognised in the specific net equity reserve and the group is not required to calculate the ineffective portion of the hedge to be taken to the profit and loss account. The same accounting treatments described above are applied to reclassify the amount accumulated in net equity.
The disclosures required by article 2427-bis.1 of the Italian Civil Code on the fair value of derivatives and those required by OIC 32 are provided in a specific section of these notes.

Liquid funds

Liquid funds are measured using the following criteria:

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

Prepayments and accrued income

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

Net equity

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

Provisions for risks and charges

Provisions for risks and charges are recognised to cover specific liabilities that are certain or probable, but whose amount or due date is unknown at the reporting date. Specifically, provisions for risks relate to specific liabilities whose occurrence is probable and amount estimated, while provisions for charges relate to specific liabilities, whose occurrence is certain and amount or due date estimated, that arise from obligations already taken on at the reporting date but which will be paid in subsequent years.
Provisions are recognised on an accruals basis for amounts that are expected to be paid or goods and services that will be supplied at the time the obligation is satisfied.
Accruals to provisions for risks and charges are primarily recognised in the profit and loss account section to which the transaction relates, privileging the classification of costs by nature. The amount of the accruals to the provisions is based on the best estimate of costs, including the legal expenses, at the reporting date.
Moreover, in estimating accruals to provisions for charges, the group may consider the related time horizon, if a reasonable estimate of the amount required to settle the obligation and its due date is possible and the latter is so far

into the future that the obligation's present value and estimated liability will be considerably different at that settlement date.
The provisions for risks and charges recognised in previous periods are reviewed to check their appropriate measurement at the reporting date.
The provisions are subsequently used directly and solely for those costs and liabilities for which they were originally set up. If they are not sufficient or are redundant, the shortfall or surplus is recognised in the profit and loss account in line with the original accrual.

Employees' leaving entitlement

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

Payables

Payables are specific and certain liabilities that are obligations to pay fixed or determinable sums of cash or its equivalent to financial backers, suppliers or other parties. They are classified to the various liability captions depending on their nature (or origin) in line with the group's ordinary activities and regardless of their due date.
Payables arising from the purchase of goods and supply of services are recognised in accordance with the requirements set out in the section on costs. Loans and borrowings and payables unrelated to the procurement of goods and services are recognised when the group has a legal or contractual obligation vis-a-vis the counterparty. Payables for advances from customers are recognised when the right to collect the advance arises. Payables are recognised at amortised cost, considering the time value of money.
The amortised cost method is not applied when its effects are irrelevant, which is usually the case for current payables or when transaction costs, commissions paid between the parties and any other difference between the original and settlement amounts at the due date are insignificant.

Foreign currency transactions, assets and liabilities

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

Accrued expenses and deferred income

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

Turnover from sales and services

Revenues are recognised on an accruals basis, net of returns, allowances, discounts and premiums, as well as directly-related taxes. Revenues from the sale of goods are recognised upon the substantial rather than formal transfer of title, with the transfer of risks and benefits being the key parameter for the substantial transfer.
Revenues from the provision of services are recognised once the services have been provided, i.e., when they have been carried out. In the case of ongoing services, revenues are recognised on an accruals basis.

Internal work capitalised

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

Other revenues and income

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

Income taxes

Current income taxes are calculated on the basis of a realistic forecast of the taxable profit under the relevant tax legislation, applying the enacted tax rates at the reporting date. The related tax payable is stated in the balance sheet, net of payments on account, withholding taxes and tax receivables which may be offset and have not been claimed for reimbursement. A tax receivable is recognised for payments on account, withholdings and receivables exceeding the taxes payable. Tax receivables and payables are measured at amortised cost, except when they are due within one year.

Deferred tax assets and liabilities are calculated on the accumulated amount of all temporary differences between the carrying amounts of assets and liabilities and their tax base that will reverse in subsequent periods.
Deferred tax assets and liabilities are recognised when the temporary differences arise and are calculated at the tax rates that will be applicable in the period in which the temporary differences reverse, if they have already been established at the reporting date, otherwise at the enacted tax rates at the reporting date.
Income taxes are recognised based on taxable income calculated pursuant to the effective rates; they reflect both the current and deferred tax charges.
The current tax charge is calculated by applying:
- for profit taxable for IRES purposes, the ordinary rate of 24%;
- for profit taxable for IRAP purposes, the rate of 3.90% to the portion of profit related to the Veneto Region and 2.68% to that related to the Trento Autonomous Province.
Deferred tax assets and liabilities deriving from temporary differences between the carrying amount and tax base of assets and liabilities are calculated using the method set out in OIC 25, applying the rate of 24% for IRES and 3.29% for IRAP.

Use of estimates

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

Repurchase agreements

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

Notes to the assets

Changes in the individual financial statements captions are analysed below pursuant to current legislation.

FIXED ASSETS

Intangible fixed assets

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

Balance at 30/06/2024	6,575,290
Balance at 31/12/2023	4,772,425
Change	**1,802,865**

Changes in intangible fixed assets

Intangible fixed assets amount to €6,575,290, net of the amortisation of the period of €562,722.
The changes of the period are shown in the following table, with the amounts relating to Enermore consolidation shown separately.

	Historical cost	Acc. amortisation	Opening balance	Acquisitions	Reclassification	Enermore	Amortisation	Closing balance
Start-up and capital costs	3,139,597	894,835	2,244,762	15,436	-	1,201	342,522	1,918,877
Development costs	2,690,775	1,519,981	1,170,794	462,625	-	-	162,540	1,470,879
Industrial patents and intellectual property rights	165,294	137,258	28,036	23,605	430,553	-	47,806	434,387
Concessions, licences, trademarks and similar rights	9,116	5,058	4,058	-	-	3,609	805	6,862
Goodwill	-	-	-	1,281,675	-	-	8,054	1,273,620
Assets under development and payments on account	1,242,958		1,242,958	644,249	(430,553)	-	-	1,456,654
Other	179,011	97,194	81,817	-	(72,547)	5,735	995	14,010
Total	**7,426,751**	**2,654,326**	**4,772,425**	**2,427,589**	**(72,547)**	**10,545**	**562,722**	**6,575,290**

Start-up and capital costs include listing costs, i.e., those incurred by Energy in 2022 for consulting services received and the costs incurred to list its shares on the Euronext Growth Milan market.

Development costs with a carrying amount of €1,470,879 relate to previous development projects and new projects related to the residential segment and XL systems for the commercial and industrial segment.
Development costs were capitalised as they comply with the following provisions of OIC 24:

- they relate to a clearly defined product or process and are identifiable and measurable, i.e., they are directly related to the product, process or project for which they were incurred;

- they relate to a technically feasible project for which the group has the required resources;
- they are recoverable, i.e., the group expects that the revenues from the project will be adequate to cover the costs incurred.

As they satisfy the requirements of OIC 24, Energy recognised further development costs of €462,625 during the period relating to:
- wages and salaries of personnel involved in development activities for €426,829;
- external consulting services for €35,796.

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

Industrial patents and intellectual property rights include the costs incurred for industrial patents, software licences and for the purchase and development of proprietary software.
The €454,147 increase during the period is due to the recognition of the costs incurred to implement Energy's new ERP system, which will be gradually extended to all subsidiaries. These costs were incurred between 2023 and early 2024 and were previously recognised under assets under development.

Goodwill relates to the goodwill arising from consolidation of the investment in Enermore. It is calculated as the difference between the cost incurred to acquire the investment (€1,294,300) and the parent's portion of net equity acquired on the consolidation date (€12,625). According to the board of directors, this difference reflects the to increased future ability of the acquiree to generate value for the entire group. Pursuant to OIC 17, this amount has been recognised under goodwill and is amortised over 10 years.

Concessions, licences, trademarks and similar rights comprise the costs incurred to acquire trademarks against consideration, the cost of which is amortised over ten years, i.e., the expected period required to produce and sell the products protected by such trademarks.

"Assets under development and payments on account" currently includes the costs incurred by the group for various innovative projects that, once completed, will give the group an important competitive advantage over its competitors. That main projects in which Energy is investing are:
- the development of the Cloud XL platform by an in-house team (€170,201);
- the construction of battery compartment casing (€802,364);
- the development of the new cloud platform (€246,801);
- the development of an AI-assisted project (€108,988).

The decrease in assets under construction is due to the completion of the project relating to the implementation of the new ERP system and the consequent recognition of the costs incurred under "Industrial patents and intellectual property rights".

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

Tangible fixed assets

Changes in tangible fixed assets

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

Balance at 30/06/2024	15,254,338
Balance at 31/12/2023	7,293,557
Change	**7,960,781**

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

	Historical cost	Acc. depreciation	Opening balance	Acquisitions	Sales	Reclassifications	Enermore	Amortisation	Closing balance
Land and buildings	1,631,597	-	1,631,597	3,832,445	-	-		38,002	5,426,040
Plant and machinery	87,861	18,858	69,003	-	-	279,961	4,278	19,059	334,183
Industrial and commercial equipment	255,602	69,253	186,349	15,238	-	-	24,238	17,582	208,243
Other assets	147,406	65,091	82,315	52,220	(7,008)	-	60,763	16,437	171,853
Assets under construction and payments on account	5,324,293	-	5,324,293	4,069,687	-	(279,961)	-	-	9,114,019
Total	**7,446,759**	**153,202**	**7,293,557**	**7,969,590**	**(7,008)**	**-**	**89,279**	**91,080**	**15,254,338**

“Land and buildings” include the purchase cost of properties owned by the group, located in Sant’Angelo di Piove di Sacco (Padua).
The initial carrying amount is the value of the land on which the new 11,400 square metres warehouse is being built, which will house the gigafactory. However, the increase is due to the purchase cost of the building which was previously held under a rent-to-buy contract.

The increase in “Plant and machinery” is due to the completion of two photovoltaic systems located within the building owned by the group, which will become operative in the first half of the year. These systems will enable the group to significantly reduce the amount of electricity purchased in order to run aging operations as well as to offset part of the other consumption.

“Industrial and commercial equipment” include the costs incurred to purchase production equipment.

“Other assets” comprise the costs incurred for the purchase of office equipment, lifting transport vehicles and furniture and fittings.

The group also pursued its targeted investment plan in the first half of 2024. The main project is for the construction of the new industrial facility to be used to produce batteries for storage systems. The caption thus includes the amounts paid to build the new operating building next to the group’s facility in Sant’Angelo di Piove di Sacco (€6,517,886 at the reporting date).
In addition, Energy is investing in the construction of the following systems:

- the 1.2 MWh energy storage system (€493,855);
- the aging system (€77,357);
- production systems (€1,725,395);
- the photovoltaic system installed on the new warehouse under construction (€299,526).

Two photovoltaic systems have been completed and, consequently, reclassified to “plant and machinery”.

Financial fixed assets

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

Balance at 30/06/2024	1,080,967
Balance at 31/12/2023	1,180,212
Change	**(99,245)**

	Opening balance	Acquisitions	Disposals	Reclassifications	Enermore	Closing balance
Subsidiaries	46,803	44,227	-	-	-	91,030
Associates	860,631	-	-	-	-	860,631
Other companies	-	-	-	-	270	270
Receivables from parents	-	-	(60,229)	184,140	-	123,911
Receivables from others	272,778	-	(267,653)	-	-	5,125
Total	**1,180,212**	**44,227**	**(327,882)**	**184,140**	**270**	**1,080,967**

Equity investments

As described in the introduction, the group includes Energyincloud (C.F. 02714770225) which was not consolidated as it was not possible to obtain the information required in time for the preparation of these consolidated interim financial statements. The carrying amount of the investment increased by €44,227 after Energy partially waived the repayment of the shareholder loan previously made.

“Associates” include the investment in Pylon LiFeEU S.r.l. (tax code 05546060285) as a joint venture with Pylon Technologies Europe Holding B.V. (which has a 70% stake therein).

Financial receivables

This caption comprises the shareholder loan granted by Energy to Energyincloud (€123,911), as well as guarantee deposits for utilities.

The reduction in “Receivables from others” is due to the decision of the parent to exercise its purchase option on the building in Sant’Angelo di Piove di Sacco (Padua) and the recognition of payments on account.

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

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

CURRENT ASSETS

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

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

Current assets total €65,894,665 at 30 June 2024, a decrease of €21,368,871 on the previous reporting date.

Details of each sub-section and its captions are provided below (accounting policies, changes, etc.).

Inventory

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

	Opening balance	Change	Closing balance
Work in progress and semi-finished products	-	17,364	17,364
Contract work in progress	-	447,395	447,395
Finished goods	56,324,000	(11,792,555)	44,531,445
Payments on account	86,141	512,690	598,831
Total	**56,410,141**	**(10,815,106)**	**45,595,035**

The board of directors carried out a careful assessment and analysis of the turnover of the individual inventory items in these financial statements. This showed the need to supplement the existing provision for the possible risk of difficulties in selling certain inventory items in future years.
The provision changed as follows in the first half of 2024:

	Opening balance	Releases	Accruals	Closing balance
Provision for inventory write-down	(575,127)	10,934	(1,034,996)	(1,599,188)
Total	**(575,127)**	**10,934**	**(1,034,996)**	**(1,599,188)**

The accrual to the provision totals €1,034,996. Of the provision for inventory write-down, €80,000 relates to Enermore S.r.l. which has been recently acquired.
Lastly, the application of the group policy led to the partial release of said provision for €10,934 because the goods that had previously been written down were actually sold thus generating a profit.

Current receivables

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

Changes in current receivables

The following table sets out the changes in receivables:

	Opening balance	Change	Reclassifications	Closing balance
Trade receivables	4,645,117	1,546,179	-	6,191,296
From subsidiaries	184,140	9,583	(184,140)	9,583
From associates	-	55	-	55
Tax receivables	1,795,925	(238,604)	-	1,557,321
Deferred tax assets	156,952	257,634	-	414,586
From others	5,143,996	(4,744,420)	-	399,576
Total	**11,926,130**	**(3,169,573)**	**(184,140)**	**8,572,416**

Trade receivables

The group has not measured trade receivables at amortised cost, nor has discounted them, as they are all due within one year.

Accordingly, the trade receivables in caption C.II.1) are recognised at their estimated realisable value, which corresponds to the difference between their nominal value and the provision for bad debts.

At the reporting date, the provision for bad debts amounts to €60,979. The group has taken out specific insurance policies to contain the risk of non-payment of its receivables.

Tax receivables

These receivables are recognised at their nominal value, which coincides with their estimated realisable value. They mostly consist of:

- IRES (corporate income tax) and IRAP (regional production tax) receivables for €1,333,483;
- the remaining instalments of the tax credit for research, development and innovation activities for €152,796.

Deferred tax assets

Pursuant to OIC 25, caption C.II 5-ter of balance sheet assets includes deferred tax assets of €414,586.

These are “current” taxes for the period connected with “deductible temporary differences” the recovery of which is reasonably certain given that the group expects to make future taxable profits.

From others

This caption mostly comprises advances on remuneration and fees given to employees and directors.

Breakdown of current receivables by due date and geographical segment

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

	Trade receivables	From subsidiaries	From associates	Tax receivables	Deferred tax assets	Other receivables	Total
Italy	4,042,184	9,583	55	1,557,321	414,586	399,576	6,423,304
Other EU countries	1,675,764	-	-	-	-	-	1,675,764
Rest of Europe	302,960	-	-	-	-	-	302,960
Rest of the world	170,388	-	-	-	-	-	170,388
Total	**6,191,296**	**9,583**	**55**	**1,557,321**	**414,586**	**399,576**	**8,572,416**

Current financial assets

Derivatives

This caption includes interest rate hedges on the group’s outstanding loans.

At 30 June 2024, caption C.III.5 of the assets includes the mark-to-market value (€67,350) of two derivatives hedging the interest rate on bank loans. A net equity reserve, the “Hedging reserve” (sub-category A.VII) of €51,186 was recognised as a balancing item, along with an accrual to the provision for deferred taxation of €16,164.

Liquid funds

The following table shows changes in liquid funds during the six months:

	Opening balance	Change	Closing balance
Bank and postal accounts	18,833,709	(7,174,430)	11,659,279
Cash-in-hand and cash equivalents	618	(33)	585
Total	**18,834,327**	**(7,174,463)**	**11,659,864**

Prepayments and accrued income

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

	Opening balance	Change	Closing balance
Accrued income	-	10,566	10,566
Prepayments	103,837	105,281	209,118
Total	**103,837**	**115,847**	**219,684**

Capitalised financial charges

As all interest and other financial charges are fully expensed, no financial charges are expected to be capitalised for the purposes of article 2427.1.8 of the Italian Civil Code.

Notes to liabilities and net equity

NET EQUITY

Net equity amounts to €61,211,277 and decreased by €4,244,401 from the previous year end.
Changes in the individual financial statements captions are analysed below pursuant to current legislation.

Changes in net equity captions

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

	Opening balance	Allocation of the previous year's net profit — Other allocations	Other changes — Increase	Other changes — Decrease	Net loss for the period	Closing balance
Equity	614,919		1,687			616,606
Share premium reserve	27,186,250					27,186,250
Legal reserve	122,750	250				123,000
Extraordinary reserve	5,210					5,210
Sundry other reserves	(3)		2			(1)
Hedging reserve	70,633			(19,447)		51,186
Retained earnings	31,846,719	5,608,950		(1)		37,455,668
Net profit (loss) for the period	5,609,200	(5,609,200)			(4,228,045)	(4,228,045)
Net equity (euros)	*65,455,678*	-	*1,689*	*(19,448)*	*(4,228,045)*	*61,209,874*
Share capital and reserves attributable to minority interests			1,403			1,403
Net equity attributable to minority interests			*1,403*			*1,403*
Total net equity	**65,455,678**	-	**3,092**	**(19,448)**	**(4,228,045)**	**61,211,277**

All shares are fully paid up.
On 17 June 2022, the directors were given the power to increase the share capital in one or more tranches up to a maximum of €15,000, via the issue of a maximum of 1,500,000 ordinary shares, at a unit subscription price of €0.01. The purpose of this share capital increase is to service the share-based payment plan which provides for a share subscription deadline of 31 December 2026.
As part of this share-based payment plan, 168,654 new shares were issued in May 2024.
As can be seen from the table above, the net profit for 2023 was entirely allocated to reserves in order to increase the group's financial standing.
The reduction in net equity is almost entirely attributable to the loss for the period.

The following table shows the reconciliation between the net equity and net profit of the parent and the consolidated net equity and net profit.

	Net equity at 30 June 2024
Net equity and the net profit of the parent for the year	**61,204,636**
Elimination of the carrying amount of the consolidated equity investments	
Difference between the carrying amount and the proportionate amount of the net equity allocated to assets and liabilities	
Consolidated net equity	14,028
Elimination of the carrying amount of equity investments	(1,294,300)
Net profit of investees	13,292
Goodwill arising on consolidation	1,273,621
Dividends/write-downs/write-backs	-
Consolidated net equity and net profit	**61,211,277**
Profit for the period attributable to minority interests	1,403
Net equity and net profit for the period attributable to the group	**61,209,874**

Availability and use of net equity

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

	Type of reserve	Possible use	Available portion	Distributable portion	Non-distributable portion
Share capital					
Initial contribution	Equity-related	B	10,000	-	10,000
Capital increase of 17 June 2022	Income-related	B	490,000	-	490,000
Listing on EGM market on 1 August 2022	Equity-related	B	113,750	-	113,750
Stock option conversion on 19 April 2023	Equity-related	B	1,169	-	1,169
Stock option conversion on 10 May 2023	Equity-related	B	1,687	-	1,687
Total			*616,606*	-	*616,606*
Share premium reserve					
	Equity-related	A;B;C	27,186,250	27,186,250	-
Total			*27,186,250*	*27,186,250*	-
Legal reserve					
	Income-related	B	123,000	-	123,000
Total			*123,000*	-	*123,000*
Extraordinary reserve					
	Income-related	A;B;C	5,210	5,210	-
Total			*5,210*	*5,210*	-
Sundry other reserves					
	Equity-related	E	1	-	1
Total			*1*	-	*1*
Hedging reserve					
	Income-related	A;B	51,159	-	51,159
Total			*51,159*	-	*51,159*
Retained earnings and losses carried forward					
	Income-related	A;B;C	37,455,668	37,455,668	-
Total			*37,455,668*	*37,455,668*	-

	Type of reserve	Possible use	Available portion	Distributable portion	Non-distributable portion
Total net equity			*65,437,894*	*64,647,128*	*790,766*
KEY: A: share capital increase; B: to cover losses; C: dividend distributions; D: for other by-law requirements; E: other					

Change in the hedging reserve

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

	Opening balance	Changes - Decrease due to changes in fair value	Closing balance
Hedging reserve	70,633	(19,447)	51,186

Provisions for risks and charges

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

	Opening balance	Change	Closing balance
Tax provision, including deferred tax liabilities	22,305	(6,141)	16,164
Total	**22,305**	**(6,141)**	**16,164**

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

Employees' leaving entitlement

Employees' leaving entitlement is the actual amount due to employees in compliance with the law and current labour contracts, pursuant to article 2120 of the Italian Civil Code.
It is a remuneration cost whose nature is certain and is recognised on an accruals basis each year.
Pursuant to Law no. 296 of 27 December 2006 (the 2007 Finance Act), employees choose whether the employees' leaving entitlement accruing after 1 January 2007 is allocated to supplementary pension funds or held by the group, which then periodically transfers it to the INPS treasury fund.
Moreover:

a. the entitlement maintained by the group companies is recognised in caption C under liabilities, net of the substitute tax on the revaluation of employees' leaving entitlement (€257,401)

b. the liabilities for entitlement not yet paid at the reporting date are recognised in captions D.13 and D.14 under liabilities. The group does not revalue the entitlement transferred to the supplementary pension funds or the INPS treasury fund as this is done by the funds.

The relevant accrual is recognised in sub-caption B.9 c) of the profit and loss account for €69,394 and covers the period up to the reporting date.

The related liability is the amount that the group would have paid had all employees left at the reporting date, net of advances paid.

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

	Opening balance - Energy	Opening balance - Enermore	Accruals	Utilisations	Closing balance
Employees' leaving entitlement	196,263	25,625	69,394	(33,881)	257,401
Total	**196,263**	**25,625**	**69,394**	**(33,881)**	**257,401**

The utilisations include the employees' leaving entitlement transferred to the INPS treasury fund, supplementary pension funds and to employees for advances and/or on leaving the group companies.

PAYABLES

Changes in payables

Changes in payables are summarised in the following table:

	Opening balance	Change	Closing balance	Amount due by 30 June 2025	Amount due after 30 June 2025
Bank loans and borrowings	23,665,903	(3,714,489)	19,951,414	12,911,332	7,040,082
Payments on account	88,229	706,286	794,515	794,515	-
Trade payables	9,778,969	(5,025,072)	4,753,897	4,753,897	-
Payables to subsidiaries	1,795	(1,795)	-	-	-
Payables to associates	1,908	(1,908)	-	-	-
Tax payables	162,079	358,593	520,672	520,672	-
Social security charges payable	143,953	108,697	252,650	252,650	-
Other payables	442,750	368,978	811,728	811,728	-
Total	**34,285,586**	**(7,200,710)**	**27,084,876**	**20,044,794**	**7,040,082**

Breakdown of bank loans and borrowings

Bank loans and borrowings are analysed in the following table:

	Unaccepted trade bills under reserve	Current loans	Non-current loans	Total
Bank loans and borrowings	1,791,442	4,659,774	13,500,199	19,951,414

Payments on account

Payments on account are recognised at their nominal value of €794,515 in caption D.6) of the liabilities.
The group has not measured payments on account at amortised cost nor discounted them, as they all relate to payables that will be settled within one year and the effects of the application of amortised cost would be immaterial.
The caption includes payments on account received from customers for the supply of goods.

Trade payables

Trade payables are recognised at their nominal value of €4,753,897 in caption D.7) Trade payables of the liabilities.
The group has not measured trade payables at amortised cost nor discounted them, as all recognised trade payables will be settled within one year and the effects of the application of amortised cost would be immaterial.

Tax payables

Current tax payables are recognised based on a realistic estimate of taxable profit (IRES) and production (IRAP) pursuant to the provisions in force, considering any applicable benefits and tax credits due. If the taxes to be paid the period are lower than the tax credits, the payments on account made and the taxes withheld, the resulting receivable is recognised under caption C.II.5-bis “Tax receivables” of the balance sheet assets.
The most important items making up the tax payables are:

- payables for withholdings on the salaries paid to the group’s employees (€375,114)
- VAT payables from the monthly settlements (€70,357);
- IRES and IRAP payables accrued in 2023 (€74,865).

Social security charges payable

Social security charges payable are recognised at their nominal value of €252,650 in caption D.13) of the liabilities.
The group has not measured social security charges payable at amortised cost nor discounted them, as they all relate to payables that will be settled within one year and the effects of the application of amortised cost would be immaterial.

Other payables

Other payables are analysed in the following table:

	Breakdown	31/12/2023
Other payables		
	To directors and employees for remuneration	227,464
	To employees for accrued charges	243,527
	Sundry payables	340,736
	Total	**811,727**

Sundry payables include €322,191 paid in July as the balance of the purchase cost of the controlling investment in Enermore.

Breakdown of payables by due date and geographical segment

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

	Italy	Other EU countries	Rest of Europe	Rest of the world
Bank loans and borrowings	19,951,414	-	-	-
Payments on account	4,765	789,750	-	-
Trade payables	2,589,285	841,276	37,218	1,286,118
Tax payables	520,672	-	-	-
Social security charges payable	252,650	-	-	-
Other payables	489,537	-	322,191	-
Total	**23,808,323**	**1,631,026**	**359,409**	**1,286,118**

Payables secured by collateral on group assets

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

ACCRUED EXPENSES AND DEFERRED INCOME

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

	Breakdown	30/06/2024
PREPAYMENTS AND ACCRUED INCOME		
	Accrued expenses	110,816
	Deferred income	344,410
	Total	**455,226**

Deferred income includes the deferred portion of the grant received for the consultancy costs incurred to list the group's shares on the EGM market.

Profit and loss account

The profit and loss account shows the group's net profit or loss for the first half of 2024.

It provides an overview of operations, collating the positive and negative income items that make up the net profit or loss for the period. These positive and negative income items are recognised pursuant to article 2425-bis of the Italian Civil Code and are grouped according to whether they relate to core business, non-core business or financial activities.
The core business includes revenues and costs generated by recurring transactions in the group's main operating sector, related to its specific operations and business object.
Financial activities comprise the transactions that generate financial income and charges.
Lastly, the non-core business is comprised of transactions that generate income as part of ordinary operations but which do not form part of the core business or financial activities.
Although not expressly provided for by the Italian Civil Code, the distinction between core and non-core business has been maintained pursuant to OIC 12. This enables, exclusively on the revenues side, to distinguish those items that should be classified under caption A.1) "Turnover from sales and services" from those in caption A.5) "Other revenues and income".

Production revenues

Turnover from sales and services as part of the group's core business is recognised net of returns, trade discounts, allowances and premiums as well as taxes directly related to the sale of products or provision of services and amounts to €19,748,293. This decrease is due to the fall in sales volumes caused by the slowdown in the market following the end of the "Superbonus" tax relief.
Other revenues and income (from the non-core business) recognised in caption A.5) come to €131,473.

	H1 2024
A.1) Turnover from sales and services	19,055,820
A.2) Change in work in progress, semi-finished products and finished goods	94,767
A.4) Internal work capitalised	430,062
A.5) Other revenues and income – Grants related to income	50,756
A.5) Other revenues and income – Other revenues	116,717
Total production revenues	**19,748,122**

Internal work capitalised

The increases in internal work capitalised in the first half of 2024 amount to €430,062 which are mainly due to investments in the development of technology for large-scale storage systems.

Other revenues and income include:

- the portion pertaining to the period of the grant for the consultancy costs incurred in relation to the listing of the group's shares on a regulated market (€50,000);
- repayment of interest in connection with the sale of the building (€36,000);
- reimbursements for transport costs (€71,001).

Breakdown of turnover from sales and services

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

	Turnover from sales and services
Italy	10,443,772
Other EU countries	8,182,335
Rest of the world	429,713
Total	**19,055,820**

Production cost

The costs and charges in section B of the profit and loss account, classified by nature, are shown net of returns, trade discounts, allowances and premiums, while discounts of a financial nature are stated in caption C.16, as financial income.
Costs for raw materials, consumables, supplies and goods include related purchase costs (transport, insurance, loading and unloading, etc.) if the supplier has included them in the purchase price of the materials and goods. Otherwise, they are recognised under services (caption B.7).
Non-rechargeable VAT has been included in the purchase cost of goods. Captions B.6, B.7 and B.8 include not only costs of a known amount as shown by the invoices received from suppliers, but also those of an estimated amount which have not yet been documented and for which accruals have been made.
As the classification of costs “by nature” must prevail, accruals to the provisions for risks and charges are recognised under the core business captions to which the transaction relates, other than captions B.12 and B.13.
Net of returns, trade discounts and allowances, the production cost for the first half of 2024 totals €23,618,373.

	H1 2024	H1 2023	Change
B.6) Raw materials, consumables, supplies and goods	6,216,482	47,001,614	(40,785,132)
B.7) Services	2,514,785	2,949,828	(435,043)
8) Use of third party assets	149,445	69,218	80,227
9) Personnel expenses	1,397,103	1,245,386	151,717
10) Amortisation, depreciation and write-downs	653,801	542,715	111,086
B.11) Change in raw materials, consumables, supplies and goods	12,392,208	(19,979,990)	32,372,198
B.14) Other operating costs	294,549	303,658	(9,109)
Total production cost	**23,618,373**	**32,132,429**	**(8,514,056)**

Raw materials, consumables, supplies and goods

Costs for raw materials amounted to €6,216,482 in the first half of 2024 compared to €47,001,614 in the corresponding period of the previous year, a decrease of €40,785,132.

Services
Costs for services amounted to €2,514,785 in the first half of 2024 compared to €2,949,828 in the corresponding period of the previous year, a decrease of €435,043. The main costs which make up this caption are as follows:

- transport costs of €464,977;
- technical, administrative, tax and legal consultancy costs of €605,730;
- directors', statutory auditors' and independent auditors' fees of €620,655;
- advertising and trade fair costs of €279,238.

Personnel expenses
Personnel expenses amount to €1,397,103 in the first half of 2024, compared to €1,245,386 in the corresponding period of the previous year, an increase of €151,717, due to the growth in workforce.

Financial income and charges

Financial income and charges are recognised on an accruals basis.

	H1 2024	H1 2023	Change
C.16) Financial income	107,462	2,870	104,592
C.17) Interest and other financial charges	(718,559)	(581,183)	(137,376)
C.17-bis) Net exchange rate gains (losses)	(3,658)	41,880	(45,538)
Net financial charges	**(614,755)**	**(536,433)**	**(78,322)**

Income from equity investments

The group has not recognised any income from equity investments as per article 2425.15 of the Italian Civil Code.

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

During the period, the group did not recognise revenue and expenses of an exceptional impact.

Income taxes, current and deferred

The group has determined the tax burden based on the application of the current tax regulations. Current taxes refer to taxes of the year as shown in the tax returns. Taxes relative to prior years include direct taxation of previous years, including interest and penalties and also include the positive (or negative) difference between the amount due after the settlement of a dispute or tax inspection and the amount of the provision accrued in previous years. Deferred tax assets and liabilities relate to positive and negative income items respectively taxable or deductible in years other than that in which they are recognised under statutory criteria.
No current taxes have been recognised in these interim consolidated financial statements as the taxable bases of the consolidated companies are negative. Instead, deferred tax assets were recognised in connection with the write-down of closing inventory. The change in deferred tax assets is estimated at €257,634.

Other information

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

Off-balance sheet commitments, guarantees and contingent liabilities

None.

Assets earmarked for a specific deal

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

Loans earmarked for a specific deal

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

Related party transactions

For the purposes of the regulations in force, it is noted that, in the six months ended 30 June 2024, there were no atypical and/or unusual transactions whose significance and/or materiality could affect the protection of group assets and of minority shareholders, either with related or other non-related parties.
Related party transactions are mainly of a commercial nature and no conditions other than those generally applied have been applied to them.

Off-balance sheet agreements

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

Post-balance sheet events

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

The interim consolidated financial statements are true and consistent with the accounting records.
Rovereto, 26 September 2024

Chairman of the board of directors
Alessandro Granuzzo

Alessandro Granuzzo

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

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

Report on review of condensed interim consolidated financial statements

To the board of directors of
Energy S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the Energy Group (the "group"), comprising the balance sheet as at 30 June 2024, the profit and loss account and cash flow statement for the six months then ended and notes thereto. The parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the Italian financial reporting standard applicable to interim financial reporting (OIC 30). Our responsibility is to express a conclusion on the condensed interim consolidated financial statements based on our review.

Scope of the review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Energy Group as at and for the six months ended 30 June 2024 do not give a true and fair view of the group's financial position as at 30 June 2024 and of its financial performance and cash flows for the six months then ended in accordance with OIC 30.

Padua, 30 September 2024

KPMG S.p.A.

(signed on the original)

Silvia di Francesco
Director