

Energy S.p.A

Preliminary Results FY 2022

January 2023

A leading Italian
energy storage
advanced
system integrator

TODAY'S SPEAKERS



Davide Tinazzi

Co-Founder and CEO

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



Daniele Manfro

CFO

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

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

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

FY 2022 PRELIMINARY HIGHLIGHTS



Established in 2013, Energy S.p.A. («**Energy**») is an advanced system integrator of Energy Storage Systems (ESS), both for residential use (**Small&Large**: <50kW ESS) and for larger scale applications (**Extra Large**: >50kW+ ESS). The company sources components from leading international suppliers, combining them with proprietary software and its products, sold under the company's brand **zeroCO₂**.

KEY HIGHLIGHTS

Key Financials	FY 2021	FY 2022*
Revenues	EUR 52 m	EUR 126 m
EBITDA	EUR 10 m	> 20 %

+ 147% growth YoY

Backlog *
as of 31st Dec 2022

EUR 26 m

in line with company expectations
confirming the efficacy of 2022
commercial activity

Systems sold

FY 2021	FY 2022
9.150 ESS sold	18.851 ESS sold
56 MW	111 MW

Targets 2023-2024 confirmed

- Favorable market trends in Italy and Globally
- New products launched ready for distribution in 2023

PEOPLE







+ n. 23 people in 2022

total headcount at 31 December 2022 of n. 47 people
(n. 11 in production/warehouse and n. 5 in R&D/engineering)

* Unaudited; The 2022 EBITDA (as defined by art. 5.6 of the Company's by-law), envisaging the application of the price adjustment share mechanism (PAS), will be defined further to the approval of the Company's Financial Statement at 31 December 2022.

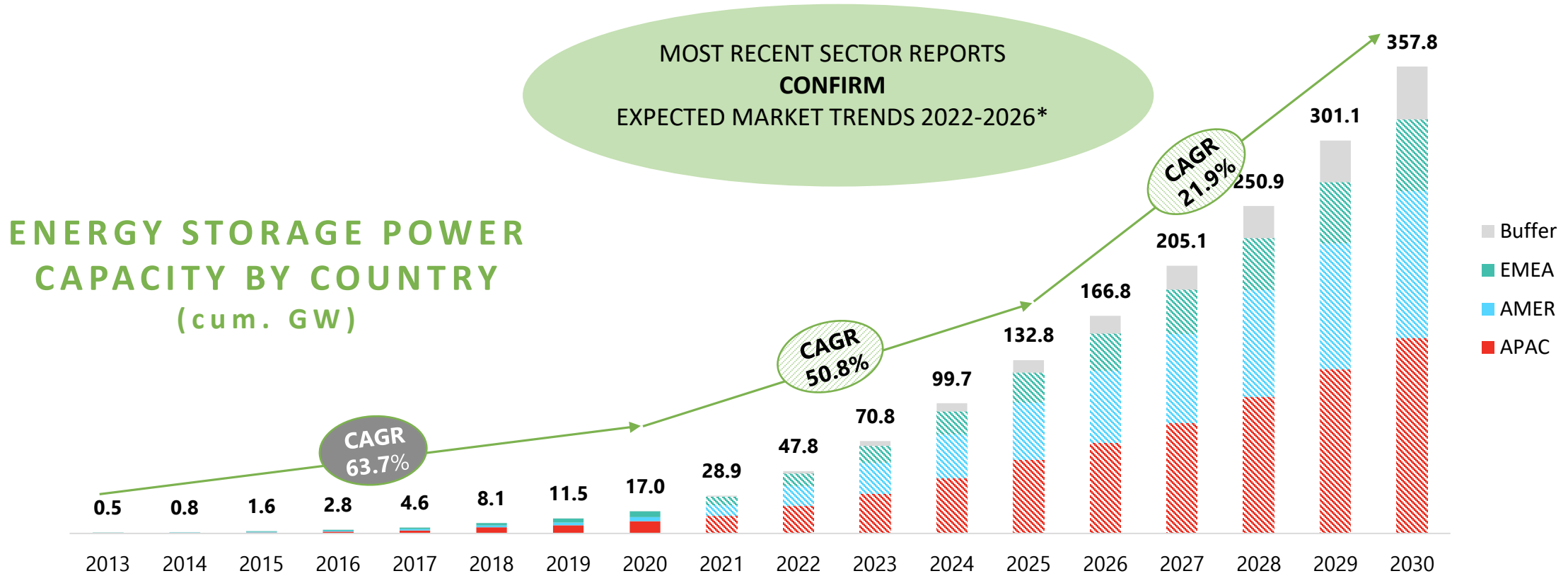
PRODUCT OFFERING

Energy's product range includes a range of inverters, developed, and produced according client's specifics and marketed under the "zeroCO₂" brand

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

GLOBAL ENERGY STORAGE MARKET

The global storage market is growing at unprecedented pace, it is expected to grow at a **CAGR₂₀₂₁₋₂₀₃₀ of c. 33%**. It will reach a cumulative **358GW/1,028GWh by 2030**, more than twenty-fold the 17GW/34GWh capacity online at the end of 2020, attracting **\$262 billion in investments between 2021 and 2030**. The **U.S. and China are the two largest markets**, representing over half of the global cumulative build by 2030



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

PRELIMINARY 2022 FINANCIAL RESULTS AND GUIDANCE 2023E-2024E



	2021	FY 2022 Preliminary Results*	Guidance 2023E-2024E	KEY HIGHLIGHTS
REVENUES	EUR 52 m	EUR 126 m Guidance EUR 120-140	CAGR 30% Target confirmed	<ul style="list-style-type: none"> ▪ Revenue Guidance 2022 fully achieved registering a YoY growth of +147% thanks to: <ul style="list-style-type: none"> ✓ Consolidation of relationships with existing clients in Italy and abroad in the Small & Large segment ✓ Extension of the XL systems' offer to EU, North America and Industrial & Commercial clients ▪ Revenue Guidance 2023E-2024E confirmed ▪ Backlog evolving positively in the first weeks of January 2023 in line with company's expectations and as a result of the extensive commercial activity conducted in 2022 ▪ FY 2022 EBITDA margin over-performance still reflects the transfer on selling price of raw materials' cost spike not totally balanced by increase of raw materials cost ▪ EBITDA margin Guidance 2023E-2024E confirmed
BACKLOG		EUR 26 m as of 31 st Dec 2022		
EBITDA MARGIN	20%	>20% Guidance 16-18%	20% Target confirmed	

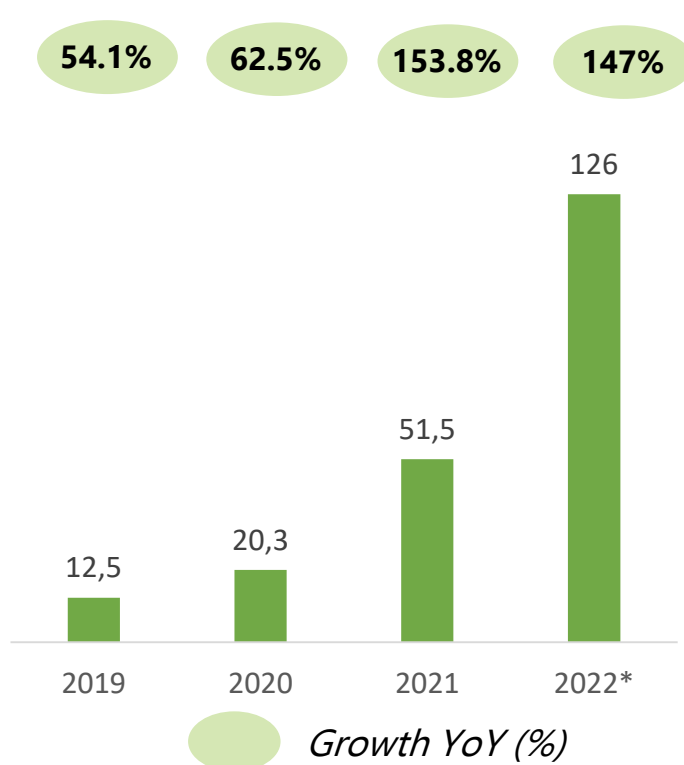
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ENERGY IS DELIVERING EXCEPTIONAL GROWTH



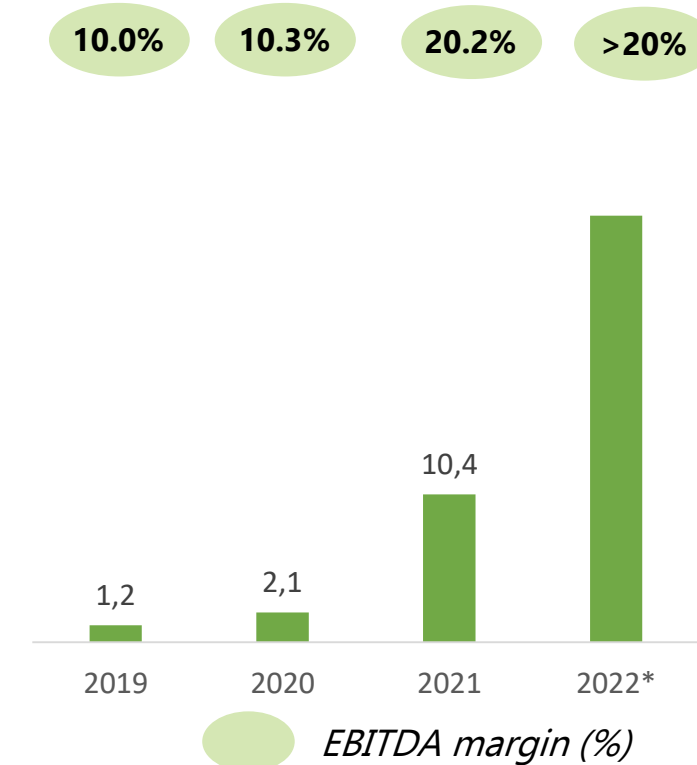
High revenues growth

Revenues (EUR m)



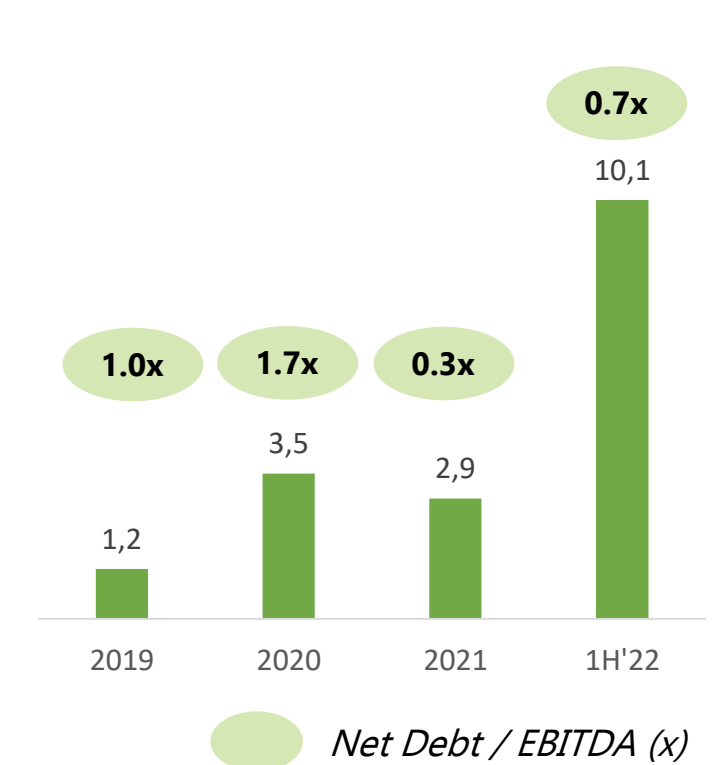
Fast ramp-up in profitability

EBITDA (EUR m)



Solid financial position

Net Debt (EUR m)



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In August 2022 the Company listed on Euronext Growth Milan with a capital increase of ca Eur 27m

Strategic Achievements (1/2)



Supply and Manufacturing:

Insourcing of the assembly to strengthen the control and proximity of the supply chain

2022 ACHIEVEMENTS

- ✓ **Transfer in the new plant** of 9,100 sqm
- ✓ **Acquisition of a new space** of +11,000 sqm (Eur 1,1 m)
- ✓ **Hiring of n. 23 people in 2022, with total headcount at 31/12/2022 of n. 47 people, of which n. 11 in production/warehouse and n. 5 in R&D/engineering**
- ✓ **Scouting and interactions for M&A**



Small & Large ESS

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



Extra Large ESS

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

Strategic Achievements (2/2)



Go to Market:

- ✓ Retain the Italian market share while expanding export sales
- ✓ Be the first mover in the XL systems segment with still low competition

2022 ACHIEVEMENTS

- ✓ **Consolidated relationships** with existing clients in Italy and abroad in the Small&Large segment
- ✓ **Extension of the XL systems' offer to EU and North America and to Industrial&Commercial clients:**
 - Burning Man in Nevada (US) – Sept 2022: Energy with an ESS of 114 KWh and a power of 18 KW has supplied self sufficient energy with high safety standards to the Burning Man Event
 - XL Energy Storage project for a food industrial producer, first in-factory application, with 240 kW and 1.109 kWh in Italy

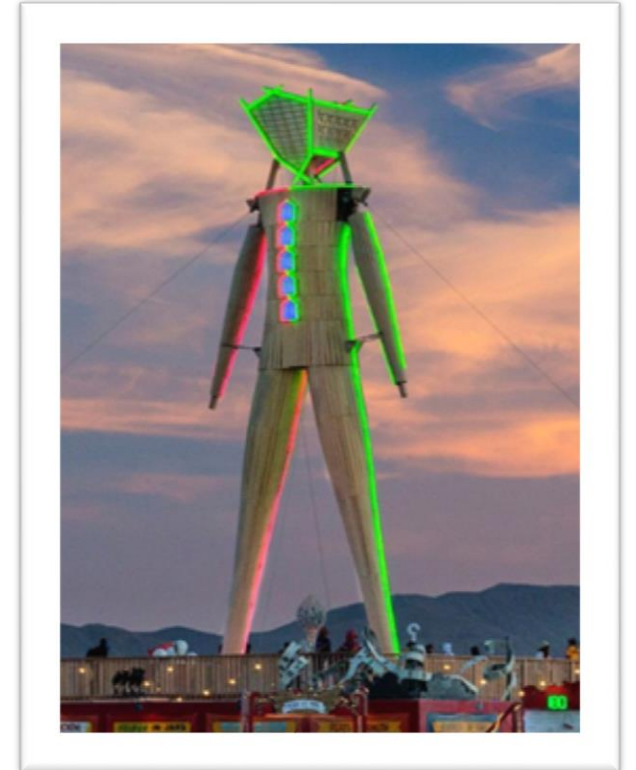


ZeroCo2 Brand:

Increase brand visibility and awareness to push demand

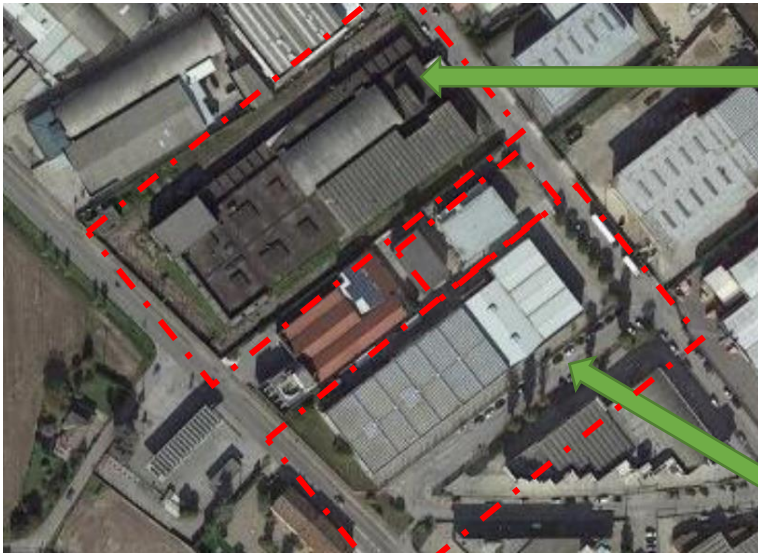
2022 ACHIEVEMENTS

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



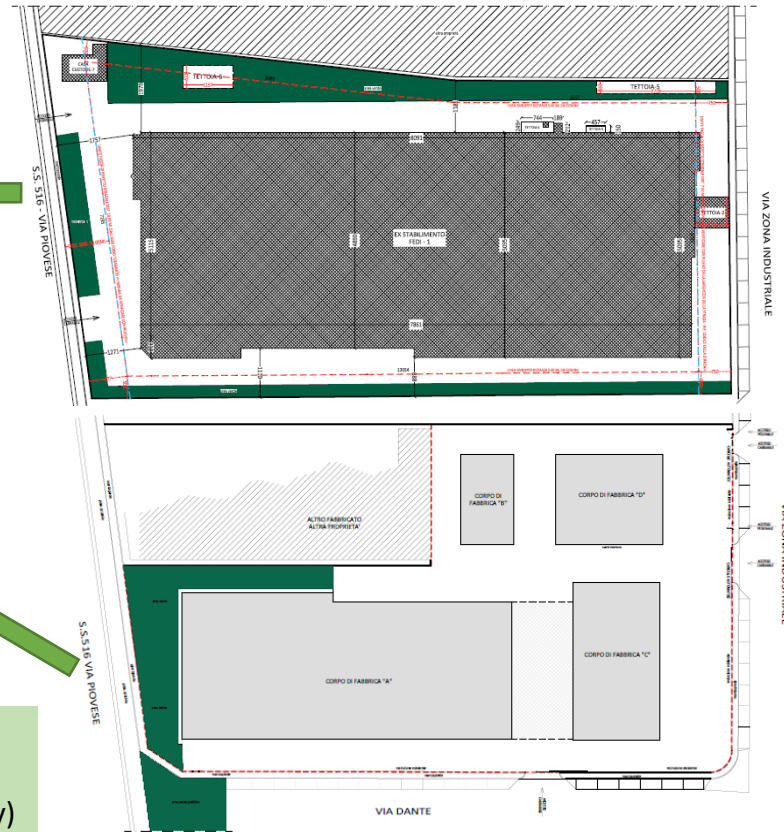
Production facilities

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



TARGET PRODUCTION CAPACITY

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



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

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

IPO and Share Price



Energy Share Price (Eur)

Start of Trading	August 1 st 2022
IPO Size	c. €30 m (including GS 10% of the Offer)
Price per Share @ IPO	€2.40
Free Float	13.6%* (excluding RPS SpA 6,67%)
Primary/ Secondary	90% Primary
IPO Size	Primary: c. €27.3 m / c. 11.4 m shares
Greenshoe – fully exercised	Secondary: 10% of the Base Offer Size



- In the six months after IPO the stock traded on average at +11% over the IPO price
- RPS S.p.A., a Riello Elettronica Group company, leader in UPS market, subscribed an amount of €10.0 m as cornerstone investor
- The Company shareholders allocated up to 23.0% of the ordinary shares to **Price Adjustment Share ("PAS")**, to be applied in a linear progression if 2022, 2023 and 2024 targets are not achieved (EBITDA 2022 €21.5 m, EBITDA 2023 €30.0 m and EBITDA 2024 €40.0 m).

** the free float considering the 49.999.000 shares admitted to trading is 16,69%, and will move to 15,52% post conversion of n. 3.792.000 PAS into ordinary shares if the EBITDA target 2022 is achieved*

Q&A

ENERGY: A COMPELLING EQUITY STORY



UNIQUE PRODUCT OFFERING



STRATEGIC MARKET POSITIONING



SOLID AND COMMITTED SUPPLIERS' RELATIONSHIP



ATTRACTIVE STRATEGY



**STRONG FINANCIAL AND GROWTH
PERFORMANCE BEATING MARKET RATES**





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THANKS

APPENDIX



SHAREHOLDING AND GOVERNANCE

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

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

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

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



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

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

*** Cornerstone Investor

****the free float considering the 49.999.000 shares admitted to trading is 16,69%, and will move to 15,52% post conversion of n. 3.792.000 PAS into ordinary shares if the EBITDA target 2022 is achieved

P&L STATEMENT



P&L (EUR M)*	2019A	%	2020A	%	2021A	%	1 st H2021A	%	1 st H 2022A	%
REVENUES	12.5	100,0%	20.3	100,0%	51.5	100,0%	17.5	100,0%	53.3	100,0%
CAPITALIZED EXPENSES	0.3	2.2%	0.4	1.9%	0.0	0.1%	-	0.0%	-	0.0%
RAW MATERIALS	(9.9)	(79.3%)	(16.2)	(79.7%)	(38.2)	(74.2%)	(12.9)	(73.7%)	(36.1)	(67.7%)
SERVICES COSTS	(1.3)	(10.0%)	(1.8)	(9.0%)	(1.9)	(3.6%)	(0.7)	(4.0%)	(1.7)	(3.1%)
PERSONNEL	(0.5)	(4.1%)	(0.7)	(3.4%)	(1.1)	(2.1%)	(0.5)	(2.8%)	(0.7)	(1.3%)
OTHER INCOME (COSTS)	0.1	1.2%	0.1	0.6%	0.0	0.0%	-	0.0%	-	0.0%
EBITDA	1.2	10.0%	2.1	10.3%	10.4	20.2%	3.4	19.5%	14.8	27.7%
DEPRECIATION AND AMORTIZATION	(0.2)	(1.6%)	(0.3)	(1.2%)	(0.3)	(0.5%)	(0.1)	(0.5%)	(0.1)	(0%)
EBIT	1.1	8.4%	1.8	9.0%	10.1	19.7%	3.3	18.8%	14.6	27.5%
FINANCIAL INCOME / (EXPENSES)	(0.1)	(1.0%)	(0.1)	(0.6%)	(0.2)	(0.3%)	-	0.0%	-	0.0%
EBT	0.9	7.4%	1.7	8.5%	10.0	19.3%	3.2	18.3%	14.6	27.5%
INCOME TAXES	(0.2)	(1.9%)	(0.4)	(1.9%)	(2.6)	(5.0%)	(0.8)	(4.5%)	(3.9)	(7.3%)
NET INCOME	0.7	5.5%	1.3	6.6%	7.4	14.3%	2.4	13.7%	10.7	20.0%

* FY 2021A full audit by KPMG, 1st H 2022A limited review by KPMG ; Other financial figures unaudited

BALANCE SHEET STATEMENT



Balance sheet (EUR M)*	2019A	2020A	2021A	1 st H 2022A
Intangible fixed asset	0.5	0.7	0.5	3.3
Tangible fixed asset	0.0	0.0	0.0	0.2
Financial asset	0.0	0.0	0.1	0.2
Net Fixed asset	0.5	0.7	0.6	3.8
Inventory	1.8	4.8	5.3	8.0
Trade receivables	0.7	2.8	9.7	24.9
Trade payables	(0.5)	(1.4)	(1.7)	(2.3)
Trade NWC	2.1	6.2	13.3	30.7
Other assets	1.0	0.6	3.0	7.1
Other liabilities	(1.0)	(1.3)	(3.9)	(8.0)
Net working capital (NWC)	2.0	5.5	12.4	29.7
Severance indemnity funds and others	(0.1)	(0.2)	(0.3)	(2.8)
Net Invested Capital	2.4	6.0	12.7	30.7
Equity	1.2	2.6	9.9	20.6
Short term debt	2.6	2.5	2.5	11.2
Medium/long term debt	0.1	1.7	2.4	2.1
Cash available	(1.6)	(0.8)	(2.0)	(3.2)
Net Debt	1.2	3.5	2.9	10.1
Total Funds	2.4	6.0	12.7	30.7

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CASH FLOW

Cash flow (EUR m)*	2019A	2020A	2021A	1 st H 2022A
EBIT	1.1	1.8	10.1	14.6
Income taxes	(0.2)	(0.4)	(2.6)	(3.8)
Depreciation and amortization	0.2	0.3	0.3	0.1
Change in trade NWC	(0.2)	(4.1)	(7.1)	(17.4)
Change in other assets (liabilities). Severance indemnity funds and others	0.1	0.7	0.3	0.1
Operating cash flow	1.0	(1.7)	1.1	(6.4)
Capex**	(0.3)	(0.5)	(0.2)	(0.8)
Cash available for debt service	0.7	(2.2)	0.8	(7.2)
Change in debt	0.8	1.5	0.6	8.4
Financial income / (expenses)	(0.1)	(0.1)	(0.2)	-
Change in Equity	-	0.0	(0.0)	-
Net Cash Flow	1.3	(0.8)	1.2	1.2
Cash BoP	0.3	1.6	0.8	2.0
Net Cash Flow	1.3	(0.8)	1.2	1.2
Cash EoP	1.6	0.8	2.0	3.2

• *FY 2021A full audit by KPMG, 1H 2022A limited review by KPMG ; Other financial figures unaudited

• **CAPEX: preliminary listing costs for Eur c 0.2 m development of new energy storage systems for Eur c. 0.4 m, security deposit for industrial buildings for Eur c. 0.2 m