

<p>Informazione Regolamentata n. 20263-12-2023</p>	<p>Data/Ora Ricezione 28 Marzo 2023 22:01:04</p>	<p>Euronext Growth Milan</p>
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Societa' : ENERGY S.p.A.

Identificativo : 174251

Informazione  
Regolamentata

Nome utilizzatore : ENERGIN01 - Tinazzi

Tipologia : 1.1

Data/Ora Ricezione : 28 Marzo 2023 22:01:04

Data/Ora Inizio : 28 Marzo 2023 22:01:09

Diffusione presunta

Oggetto : THE BoD OF ENERGY S.P.A. APPROVES  
2022 DRAFT OF FINANCIAL STATEMENT

<p><i>Testo del comunicato</i></p>
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Vedi allegato.

PRESS RELEASE – ENERGY S.P.A

## THE BOARD OF DIRECTORS OF ENERGY S.P.A. APPROVES 2022 DRAFT OF FINANCIAL STATEMENT

### REVENUES UP SHARPLY (+145%) TO EURO 126.5 MILLION, WITH EBITDA RISING SIGNIFICANTLY (+208%) TO EURO 32.2 MILLION

*International expansion and insourcing of production in Italy*

Energy S.p.A. in 2022 reported:

- **Sales revenues:** Euro 126.5 million, up 145% on Euro 51.5 million in 2021;
- **EBITDA:** Euro 32.2 million, compared to Euro 10.4 million in 2021, with a margin of 25.4% (20.2% in 2021);
- **Net Profit:** Euro 22.6 million, compared to Euro 7.4 million in 2021;
- **Backlog:** Euro 26.0 million at December 31, 2022 (unaudited figure);
- **Net Financial Position** of Euro 8.2 million, compared to Euro 2.9 million at December 31, 2021.

Shareholders' AGM to be called for April 28, 2023 in first call and May 2, 2023 in second call.

**S. Angelo di Piove di Sacco (PD), March 28, 2023** – The Board of Directors of **Energy S.p.A.** ("Company" or "Energy"), a company offering integrated Energy Storage Systems listed on Euronext Growth Milan (EGM), a multilateral trading facility organised and managed by Borsa Italiana S.p.A. (ISIN Code **IT0005500712**, Ticker **ENY**), dedicated to small and medium sized companies with high growth potential), today reviewed and approved the 2022 draft of financial statements.

*"We are proud of the results approved today which illustrate the achievement of our ambitious growth targets, with revenues more than doubling and a better-than-expected margin." - stated **Davide Tinazzi, Co-founder and Chief Executive of Energy S.p.A.** - "These results allow us to confidently confirm our objectives, which are to give each individual, family and enterprise the real opportunity to actively contribute to the energy transition through the use of energy from renewable resources. This is a social and environmental opportunity and truly a major responsibility in view of climate change, while also driven by the institutions and regulators. Energy is ready to respond to the demands of businesses and individuals seeking to access completely green energy storage systems.*

*In March 2023, against a challenging backdrop, Energy celebrated 10 years since its foundation. As we celebrate this milestone and thank our team who made possible to deliver significant results every day, I want to remind that each of us can reduce CO<sub>2</sub> emissions through the self-generation of electricity, while at the same time contributing to grid stability. This effort will be central in the coming years as Europe and the world seeks to lower pollutant emissions - an objective in which Energy seeks to play a leading role."*

The 2022 key financial highlights (compared with 2021) are presented below.

(Euro millions)	2022	%	2021	%
Revenues	126.5	100.0%	51.5	100.0%
EBITDA	32.2	25.4%	10.4	20.2%
EBIT	31.6	25.0%	10.1	19.7%
Net Profit	22.6	17.9%	7.4	14.3%

(Euro millions)	2022	2021
Fixed assets	6.1	0.6
Net working capital	62.3	12.4
Post-employment benefits and other provisions	(0.3)	(0.3)
<b>Net invested capital</b>	<b>68.1</b>	<b>12.7</b>
Equity	59.9	9.9
Net Financial Position	8.2	2.9
<b>Total sources</b>	<b>68.1</b>	<b>12.7</b>

### Operating performance

The Company grew significantly during the year and reported excellent **sales revenues** of Euro 126.5 million (+145% on 2021), EBITDA of Euro 32.2 million (+208% on 2021) and a net profit of Euro 22.6 million (+207% on 2021). Growth increased further in the second half of the year, reflecting the sector's seasonality, in addition to the Company's acceleration in order fulfilment in the latter part of the year.

### REVENUES BY GEOGRAPHIC AREA

Revenues breakdown reports strong growth in the European markets: 84.9% of revenues were in Italy, where management is targeting a consolidation of market share to become a sector leader, while 14.4% of revenues are from the Eurozone (excluding Italy), with 2022 sales more than tripling on 2021 from Euro 5.8 million to Euro 18.3 million.

(Euro millions)	2022	%	2021	%	cge.	cge. %
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Revenues Italy	107.3	84.9%	44.8	87.0%	62.5	140%
Revenues EU	18.3	14.4%	5.8	11.2%	12.5	215%
Revenues Non-EU	0.9	0.7%	0.9	1.8%	0.0	(5%)

## SALES REVENUE BY PRODUCT CATEGORY

The commercial growth in 2022 was mainly registered within the residential market (Small&Large), which accounted for 96.7% of revenues (2.4x the Euro 50.7 million of 2021), while the Extra Large product, following the transfer to the new production site and the installation of the “XL zeroCO2” product assembly lines, saw considerable growth with revenues of Euro 4.2 million (5x the Euro 0.8 million of 2021), in line with the Company strategy.

(Euro millions)	2022	%	2021	%	cge.	cge. %
Small&Large (<50 kW)	122.2	96.7%	50.7	98.4%	71.5	141%
Extra Large (>50 kW)	4.2	3.3%	0.8	1.6%	3.4	424%

## SALES REVENUES BY CHANNEL

In 2022 sales by channel reflect a substantial balance between the three main channels, which in decreasing order are Specialist distributors (32.9%), VAR (32.0%) and General distributors (30.5%), in addition to the EPC channel (4.6%).

In line with the Company strategy, the top 10 customers represent approx. 63% of revenues, with the top 20 accounting for 77%, indicating the shift of the business towards a greater focus on larger customers.

(Euro millions)	2022	%	2021	%	cge.	cge. %
Specialist distributor	41.5	32.9%	21.4	41.6%	20.1	94%
VAR	40.5	32.0%	18.1	35.2%	22.4	123%
General distributor	38.6	30.5%	8.5	16.6%	30.1	352%
EPC / Other	5.9	4.6%	3.4	6.6%	2.4	72%

## NUMBER OF STORAGE SYSTEMS SOLD AND TOTAL CAPACITY

The Company in 2022 sold 18,851 systems (9,701 storage systems more than 2021), for 104 MW of total capacity (56 MW in 2021).

	2022	2021
Number of systems sold in the year	18,851	9,150
Total capacity in the year	104 MW	56 MW
Cumulative number of systems sold	> 53,000	> 35,000

**EBITDA** in 2022 beat the expectations as continuing to benefit from increased sales prices, which were not entirely offset by the increase in raw material costs. This benefit is expected to rebalance in 2023, with EBITDA forecasts in line with the 2022-2024 plan announced to the market at IPO (EBITDA Margin approx. 20.0%).

**EBIT** in 2022 was Euro 31.6 million, with a 25.0% margin, compared to Euro 10.1 million in the previous year (19.7% margin).

The Company's **profit before taxes** - up 211% in 2022 on the previous year - was Euro 30.9 million (Euro 9.9 million in 2021).

Finally, the **net profit** reached Euro 22.6 million, up 207% on Euro 7.4 million in 2021.

## Economic and financial performance

The Company's **fixed assets** in 2022 rose significantly on the previous year (up for Euro 6.0 million). This increase is mainly due for Euro 4,3 million to investments in **intangible assets**, which at year-end totalled Euro 4.3 million, and for Euro 1.6 million to investments in **tangible assets**.

The increase in intangible assets includes the capitalised listing costs for Euro 3.1 million, capitalised development costs for Euro 0,4 million for the launch of new products, and improvement costs on the new building in Sant'Angelo di Piove di Sacco (PD) for Euro 0.5 million.

The increase in property, plant and equipment includes the capex to acquire the new building in Sant'Angelo di Piove di Sacco (PD), adjacent to the building in which the Company's headquarter is located, and the demolition works needed to prepare adequate space for the Company's production operations.

**Financial assets** at the end of 2022 totalled Euro 0.2 million, including receivables for security deposits relating to the opening of the new operating offices.

**Net working capital** at December 31, 2022 increased significantly to Euro 62.3 million (Euro 12.4 million at December 31, 2021).

**Commercial working capital** at December 31, 2022 was Euro 68.8 million (Euro 14.7 million at December 31, 2021), comprising for Euro 61.3 million **inventories** (Euro 6.7 million at December 31, 2021), for Euro 23.1 million **trade receivables** (Euro 9.7 million at December 31, 2021) and for Euro 15.6 million **trade payables** (Euro 1.7 million at December 31, 2021).

The total value of inventories was Eur 61.3 million and increased considerably compared to the end of 2021 (Euro 6.7 million). This increase stems from significant purchases of raw materials, totalling Euro 137.5 million, in order to minimise the risk of shortage on the supply chain, while also protecting

the Company against the further costs increases expected in 2023. These goods were delivered in the final months of the year.

The increase in trade receivables at December 31, 2022 follows the expansion of the business, in addition to increased sales to larger customers to whom longer payment terms than the 2021 average were granted.

**Capital employed** totalled Euro 68.1 million, compared to Euro 12.7 million on December 31, 2021. This movement is mainly due to the growth in current assets and fixed asset investment.

The **Net Financial Position** at December 31, 2022 was Euro 8.2 million, compared to Euro 2.9 million at December 31, 2021. This movement reflects the cash flow absorbed from operating activities, net of the IPO proceeds.

(Euro millions)	31/12/2022	31/12/2021	cge.	cge. %
(Cash and cash equivalents)	(16.0)	(2.0)	(14.0)	700%
Short-term loans and borrowings	18.6	2.5	16.1	657%
Current payables to other lenders	-	-	-	0%
<i>Current financial debt</i>	<i>2.6</i>	<i>0.5</i>	<i>2.1</i>	<i>471%</i>
Medium/long-term loans and borrowings	5.6	2.4	3.2	131%
Non-current payables to other lenders	-	-	-	-
<b>Net financial position</b>	<b>8.2</b>	<b>2.9</b>	<b>5.3</b>	<b>187%</b>

The Company funded growth both through operating cash flows and bank debt, extending overdraft facilities and drawing down new loans with banks with which it has consolidated relations. Bank payables totalled Euro 24.2 million, comprising Euro 18.6 million of current bank payables, such as self-liquidating lines and “finimport” loans (foreign use loans), with the medium and long-term bank debt amounting to Euro 5.6 million.

The increased use of debt and the temporary use of a portion of the listing proceeds were allocated to financing working capital. Advanced contacts with leading banks are underway to put in place the credit lines required to fund operating cash requirements. A portion of the proceeds from the IPO (of Euro 27.3 million) was used to pursue the strategic development objectives stated on IPO.

## Cash Flow

Net cash flow was positive for Euro 14.0 million and reflects: cash flow from operating activities, negative for Euro 26.1 million due to the above-described dynamics of working capital, cash flow for investments, negative for Euro 6.0 million, net of cash flow from the drawdown of loan, positive for about Euro 19.3 million, cash flow for financial expenses, negative for Euro 0.6 million and the proceeds from the Euronext Growth Milan listing raising Euro 27.3 million.



## Backlog

The backlog at December 31, 2022 was Euro 26.0 million (unaudited figure) following the uptick in order fulfilment operations in the final part of the year. The Company's commercial operations continued in line with its strategy in the initial part of 2023.

## Price Adjustment Shares (PAS)

In view of the 2022 results and of the EBITDA, it can be confirmed that the initial tranche of the PAS 2022 (3,792,000 shares) will be converted into ordinary shares (3,792,000 shares) in favour of Energy S.p.A.'s pre-IPO shareholders. In accordance with the By-Laws and subsequent to the approval of the draft of financial statements by the Shareholders' AGM, the Company shall execute the procedures established in the By-Laws for the conversion of the PAS shares into Ordinary Shares.

## Events after year 2022 end

The Company continues to invest in human capital so as to strengthen all organisational areas. The workforce at December 31, 2022 numbered 47, increasing by 23 on the previous year, with the new hires mainly joining in the second half of 2022.

In the initial months of the year, the Company continued to expand production capacity as declared at the time of the IPO, bringing the Extra Large production lines into service and continuing works on the cell battery assembly unit. Works have begun on the new building in the area acquired in the second half of 2022 covering an additional 11,000 sq.m., adjacent to the current headquarters to further expand available space.

On February 28, 2023, Energy announced the signing of a joint venture with Pylon Technologies Europe Holding B.V., a Dutch-based company wholly-owned by Pylon Technologies Co. Ltd, to develop lithium-cobalt-free battery production and marketing activities in Europe, with an initial investment agreed of Euro 3 million for Energy (30% of the total investment in the joint venture).

## Outlook

In view of market developments, an expected sharpening of competition and the particular nature of the sector's supply chain, the Company seeks - also thanks to the raising of capital - to pursue the strategies outlined in the 2022-2024 Business Plan: (a) boost overseas expansion; (b) develop the Extra Large ESS business, while maintaining Small&Large ESS market share; (c) insource and industrialise production phases to increase added value and consolidate know-how and innovation; (d) improve brand visibility; (e) pursue strategic acquisitions. The execution of the above strategies continues, together with the general organisational structuring of the Company.

Strategy execution however must remain cognisant of the market dynamics. In the initial months of 2023, materials were readily available throughout the supply chain in Europe, following significant procurement activity by many other operators and a gradual adjustment of production and logistical capacity among the Asian supply chain.

Against this backdrop, Energy's working capital management policy shall focus on rebalancing inventories. The absorption of operating cash flows from the second half of the year may thus be of benefit.

In addition, specifically for Italy, the ongoing block to the transfer of tax credits and of discounts introduced by Legs. Decree No. 11/2023 may lead to a temporary market slowdown in the residential segment and which Energy is preparing to manage.

In terms of acquisition-led growth, contacts and scouting with potential targets continue, according to the strategies stated on IPO.

In accordance with the developments and considerations outlined above, the revenue and EBITDA margin objectives presented in the 2022-2024 guidance stated on IPO are expected to be confirmed.

### **Stock Option Plan**

The Board of Directors also noted the achievement of the targets of the 2022-2024 Stock Option Plan approved on June 24, 2022 with regards to the first tranche of options for 2022. Options may be exercised according to the terms and conditions set out in the incentive plan.

### **Other Board of Directors' motions**

The Board of Directors confirmed the calling of the Shareholders' AGM for April 28, 2023 in first call and for May 2, 2023 in second call.

### **Allocation of the Issuer's net profit**

With regards to the allocation of the net profit, the Board of Directors has approved to propose to the Shareholders' Meeting to carry forward for Euro 22,489,774 and to the legal reserve for Euro 117,876 the net profit for 2022 of Euro 22,607,650.

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### **Presentation of the 2022 results to the financial community**

The 2022 results shall be presented to the financial community on March 29, 2023 at 10AM CET during a conference call. You may participate through the following link:

<https://meet.google.com/igo-qggy-buz>

Or at (IT) +39 02 3046 1272 PIN: 259 561 111#

For further information, please get in touch with the contacts indicated at the end of this press release.

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

The financial statements at December 31, 2022 (audited) shall be made available to the public in accordance with law and the terms and means established by the Issuers' Regulation, and also on the website of Energy S.p.A. ([www.energysynt.com](http://www.energysynt.com)) in the "Investor Relations" section.

## INCOME STATEMENT

(Euro thousands)	31/12/2022	%	31/12/2021	%	cge.
Revenue from sales and services	126,450	100.0%	51,514	100.0%	74,936
Capitalisation of internal works	441	0.3%	39	0.1%	402
Other revenues	375	0.3%	189	0.4%	185
Material costs <sup>1</sup>	87,090	68.9%	38,203	74.2%	48,888
Service costs	5,826	4.6%	1,868	3.6%	3,958
Personnel expense	1,869	1.5%	1,064	2.1%	805
Other costs <sup>2</sup>	307	0.2%	176	0.3%	131
EBITDA	32,174	25.4%	10,431	20.2%	21,742
Amortisation & depreciation	595	0.5%	279	0.5%	315
Write-downs	4	0.0%	20	0.0%	-16
EBIT	31,575	25.0%	10,132	19.7%	21,443
Financial income/(expenses)	587	0.5%	173	0.3%	413
Profit before taxes	30,989	24.5%	9,959	19.3%	21,030
Income taxes	8,381	6.6%	2,592	5.0%	5,789
Net Profit	22,608	17.9%	7,367	14.3%	15,241

<sup>1</sup> Material purchase cost and inventory changes

<sup>2</sup> Rent, leases and similar, miscellaneous operating expenses and other provisions

## BALANCE SHEET

<b>(Euro thousands)</b>	<b>31/12/2022</b>	<b>31/12/2021</b>	<b>cge.</b>	<b>cge. %</b>
Intangible assets	4,315	549	3,766	686%
Property, plant and equipment	1,608	39	1,570	4,061%
Financial assets	156	58	98	168%
<b>Total fixed assets</b>	<b>6,079</b>	<b>646</b>	<b>5,433</b>	<b>841%</b>
Inventories	61,337	6,662	54,675	821%
Trade receivables	23,052	9,729	13,323	137%
Trade payables and advances	(15,609)	(1,708)	(13,901)	(814%)
Commercial working capital	68,780	14,683	54,097	368%
Other receivables and prepayments/accrued income	296	1,639	(1,343)	(82%)
Other payables and accrued liabilities/deferred income	(6,808)	(3,931)	(2,877)	(73%)
<b>Net working capital</b>	<b>62,268</b>	<b>12,391</b>	<b>49,877</b>	<b>403%</b>
Post-employment benefits and other provisions	(265)	(305)	40	13%
Capital employed	68,082	12,732	55,350	435%
Equity	59,897	9,878	50,019	506%
Net financial Position	8,185	2,854	5,331	187%
<b>Total sources</b>	<b>68,082</b>	<b>12,732</b>	<b>55,350</b>	<b>435%</b>

## NET FINANCIAL POSITION

<b>(Euro thousands)</b>	<b>31/12/2022</b>	<b>31/12/2021</b>	<b>cge.</b>	<b>cge. %</b>
(Cash and cash equivalents)	(15,963)	(1,995)	(13,968)	700%
Short-term loans and borrowings	18,649	2,465	16,184	657%
Current payables to other lenders	-	-	0.00 €	0%
<b>Current financial debt</b>	<b>2,686</b>	<b>470</b>	<b>2,216</b>	<b>471%</b>
Medium/long-term loans and borrowings	5,499	2,384	3,115	131%
Non-current payables to other lenders	-	-	-	0%
<b>Net financial Position</b>	<b>8,185</b>	<b>2,854</b>	<b>5,331</b>	<b>187%</b>

## CASH FLOW

(Euro thousands)	31/12/2022	31/12/2021	cge.	cge. %
Operating Result	31,575	10,132	21,443	68%
Income taxes	(8,381)	(2,592)	(5,789)	69%
Amortisation, depreciation, and write-downs	599	299	299	50%
Change in commercial working capital	(54,097)	(7,128)	(48,374)	87%
Change in other receivables/(other payables), post-employment & other provisions <sup>3</sup>	4,176	343	5,242	94%
Cash flow from operating activities	(26,124)	1,054	(27,178)	104%
Investments in tangible, intangible & financial assets	(6,032)	(229)	(5,803)	96%
Cash flow before financing activities	(32,156)	825	(32,981)	103%
Change in bank payables and other lenders	19,299	602	18,697	97%
Financial interest/(charges)	(587)	(173)	(413)	70%
Change in equity	27,411	(42)	27,453	100%
Net cash flow	13,968	1,212	12,756	91%
Opening cash and cash equivalents	1,995	782		
Net cash flow	13,968	1,212		
Closing cash and cash equivalents	15,963	1,995		

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**Energy S.p.A.**, founded in 2013 by Davide Tinazzi, Andrea Taffurelli and Massimiliano Ghirlanda, is headquartered in the province of Padua (Italy) and is an energy storage systems for both residential and large-scale applications sector leader. Our systems allow energy to be stored and released according to customers' energy needs. Energy has to date sold and installed more than 53,000 systems across the country, with a focus on the residential, commercial, industrial, Utilities and electric mobility markets. The biggest projects executed include the large-scale plant in Comiso (Sicily), consisting of an agrivoltaic plant and a photovoltaic field, the large-scale plant at the CAAB Centre in Bologna, the Smart Grids at numerous municipalities in Sardinia and Lombardy and a Condominium Energy Community in Switzerland where individual hubs exchange energy as needed. Energy's sales channels include both general electrical distributors and PV specialists, while the Company also works with large European EPCs. The proximity of Energy's logistics to

<sup>3</sup> Other receivables and prepayments/accrued income. Other payables and accrued liabilities/deferred income, post-employment & other provisions

*the headquarters of major distributors has allowed the Company to establish strong partnerships with the Italian and European market players. The Company purchases components from major international suppliers and combines them with its "Zero Co2" proprietary software to build EU standard compliant systems.*

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Fine Comunicato n.20263-12

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