

## ATON GREEN STORAGE

Sector: Industrial

### FY24 slump, pipeline could turn tide in 2025

*FY24 results confirmed a sharp revenue decline, still impacted by the phase-out of the Superbonus, delayed rollout of new incentives (Industry 5.0, RECs), and subdued utility demand amid ongoing regulatory uncertainty. Revenues dropped to Eu13.6mn, well below FY23 levels and our expectations, while profitability turned negative due to cost inflation and volume deleverage. Although visibility remains limited, Aton is pivoting towards exports, B2B channels, and REC-linked growth. We have revised our estimates downward; our new TP of Eu2.7/share implies over 60% upside. Rating upgraded to BUY. Notably, should a few key contracts currently under negotiation materialize in FY25, none of which are fully reflected in our forecasts, a solid stock rerating would be justified.*

- FY24 revenue still hit by post-bonus slump** - As already reported in the first half of 2024, the group's performance in 2H24 reflected a sector-wide deceleration, still triggered by the phase-out of the Superbonus 110% incentive, delays in the deployment of new subsidies (Industry 5.0 and Renewable Energy Communities), and muted purchasing activity by multi-utilities due to still regulatory uncertainty in Italy. Aton closed FY24 with net revenues of Eu13.6mn, marking a sharp decline from Eu41.9mn in FY23 and falling short of our Eu15.5mn estimate. The core Storage segment remained the primary revenue contributor in FY24 (89% of total), but turnover dropped sharply to Eu12.2mn (-65% YoY), reflecting the weak residential demand environment. Industrial revenues were broadly stable at Eu1.1mn (-29% YoY), while Energy Efficiency collapsed to Eu0.4mn (-93% YoY), following the end of incentive-driven demand.
- Cost inflation and weak volumes drive FY24 loss** - The cost structure deteriorated sharply. The incidence of raw material costs on the value of production surged from 50% in FY23 to 68% in FY24, driven by inventory build-up tied to overestimated sales expectations and sourcing of new components for recently launched products. Despite an 8% YoY reduction in personnel costs to Eu2.3mn thanks to headcount optimization, the overall cost containment was insufficient to offset volume deleverage. EBITDA swung to Eu2.7mn loss in FY24 (Eu8.2mn positive in FY23), vs. our Eu0.6mn positive projection. EBIT loss reached Eu4.2mn vs a Eu6.7mn profit in FY23, reflecting both top-line erosion and higher cost base. FY24 net loss widened to Eu6.0mn (Eu3.8mn positive in FY23), further pressured by higher financial charges. NFP increased to Eu20.5mn (Eu13.5mn at FY23 and our Eu16.4mn estimate), mainly due to cash burn from operating losses, Eu5.0mn capex, and WC absorption, particularly in inventories.
- Recent developments, new B2B solutions to possibly reignite growth path** - FY24 results fell short due to adverse regulatory and macro headwinds. Aton is repositioning toward exports, new products, and upcoming policy tailwinds like CER incentives and Conto Termico 3.0, which may boost demand from 2H25. Two key launches in FY24—Share Power, a modular storage system (9.6–110 kWh), and Battery Rent, a leasing model with bundled services—support the shift to export and B2B markets. These innovations address affordability and scale, positioning Aton to capture decentralized energy demand and benefit from incoming incentives.
- Muted demand makes FY25 pivotal** - Execution in FY25 remains critical to stabilizing a cost base pressured by declining volumes and rising input costs, and to potentially reigniting both growth and profitability, supported by recent product launches. The core market has largely vanished, weighing on 1H25 performance and making revenue targets challenging. Despite a solid proposition and scalable products, private demand remains muted. Aton appears to be working to finalize a few key contracts, not fully reflected in our estimates, which could help restore confidence and accelerate its growth trajectory. To reflect this scenario, we revised our 2025E–26E estimates, carving Sales and EBITDA by 4% and 9% on average, and introduced 2027E.
- Upgraded to BUY, new TP of Eu2.7/s (4.3)** - Following the estimate trim, we have revised our TP to Eu2.7/share (from Eu4.3). ATON remains a leading player in Italy, supported by its flexible and scalable storage systems, while RBESS is well positioned to play a pivotal role in the country's energy transition. The share price has declined by over 60% since our last publication in Sep24, a correction that now leaves the stock at appealing levels relative to its fundamentals. We see upside potential and scope for a price rerating should any significant contract materialize in 2025. Rating upgraded to BUY (from Hold).

## BUY

From HOLD

### TP 2.7

From 4.3

Target price upside 67%

|                    | FY25E | FY26E  |
|--------------------|-------|--------|
| Change in EPS est. | nm    | -79.0% |

| Ticker (BBG, Reut)              | ATON IM | ATON MI |
|---------------------------------|---------|---------|
| Share price Ord. (Eu)           |         | 1.6     |
| N. of Ord. shares (mn)          |         | 7.5     |
| Total N. of shares (mn)         |         | 7.5     |
| Market cap (Eu mn)              |         | 12      |
| Total Market Cap (EU mn)        |         | 12      |
| Free Float Ord. (%)             |         | 33%     |
| Free Float Ord. (Eu mn)         |         | 4       |
| Daily AVG liquidity Ord. (Eu k) |         | 73      |

|                   | 1M     | 3M     | 12M    |
|-------------------|--------|--------|--------|
| Absolute Perf.    | -18.6% | -27.0% | -71.8% |
| Rel.to FTSEMIDCap | -14.2% | -26.2% | -75.9% |
| 52 weeks range    |        | 1.5    | 6.9    |



|                     | FY24A   | FY25E   | FY26E |
|---------------------|---------|---------|-------|
| Sales               | 16      | 19      | 24    |
| EBITDA adj.         | (2.7)   | 1.5     | 2.6   |
| Net profit adj.     | (5.7)   | (0.7)   | 0.1   |
| EPS adj.            | (0.764) | (0.098) | 0.018 |
| DPS - Ord.          | nm      | 0.000   | 0.000 |
| EV/EBITDA adj.      | -21.2x  | 21.5x   | 11.3x |
| P/E adj.            | -10.0x  | -42.8x  | nm    |
| Dividend yield      | 0.0%    | 0.0%    | 0.0%  |
| FCF yield           | -21.3%  | 9.2%    | 20.9% |
| Net debt/(Net cash) | 20.5    | 19.4    | 16.8  |
| Net debt/EBITDA     | nm      | 12.9x   | 6.4x  |

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## Summary Financials

| P&L account (Eu mn)        | FY23A      | FY24A        | FY25E        | FY26E      | FY27E      |
|----------------------------|------------|--------------|--------------|------------|------------|
| Value of Production        | 39.5       | 16.1         | 19.3         | 23.9       | 30.1       |
| Gross margin               | na         | na           | na           | na         | na         |
| EBITDA reported            | 8.2        | (2.7)        | 1.5          | 2.6        | 4.2        |
| D&A                        | (1.5)      | (1.4)        | (1.2)        | (1.1)      | (1.2)      |
| EBIT reported              | 6.7        | (4.2)        | 0.3          | 1.5        | 3.0        |
| Net financial charges      | (1.5)      | (1.8)        | (1.3)        | (1.3)      | (1.3)      |
| Associates                 | 0.0        | 0.0          | 0.0          | 0.0        | 0.0        |
| Extraordinary items        | 0.0        | 0.0          | 0.0          | 0.0        | 0.0        |
| Pre-tax profit             | 5.2        | (6.0)        | (1.0)        | 0.2        | 1.7        |
| Taxes                      | (1.4)      | 0.0          | 0.0          | (0.1)      | (0.5)      |
| Minorities                 | 0.0        | 0.0          | 0.0          | 0.0        | 0.0        |
| Discontinued activities    | 0.0        | 0.0          | 0.0          | 0.0        | 0.0        |
| Net profit reported        | 3.8        | (6.0)        | (1.0)        | 0.1        | 1.2        |
| <b>EBITDA adjusted</b>     | <b>8.2</b> | <b>(2.7)</b> | <b>1.5</b>   | <b>2.6</b> | <b>4.2</b> |
| <b>EBIT adjusted</b>       | <b>7.0</b> | <b>(3.9)</b> | <b>0.6</b>   | <b>1.5</b> | <b>3.0</b> |
| <b>Net profit adjusted</b> | <b>3.9</b> | <b>(5.7)</b> | <b>(0.7)</b> | <b>0.1</b> | <b>1.2</b> |

| Margins (%)             | FY23A | FY24A  | FY25E | FY26E | FY27E |
|-------------------------|-------|--------|-------|-------|-------|
| Gross margin            | na    | na     | na    | na    | na    |
| EBITDA margin (adj)     | 20.7% | -17.0% | 7.8%  | 11.0% | 13.9% |
| EBIT margin (adj)       | 17.6% | -24.4% | 2.9%  | 6.2%  | 10.0% |
| Pre-tax margin          | 13.1% | -37.3% | -5.1% | 0.8%  | 5.6%  |
| Net profit margin (adj) | 10.0% | -35.6% | -3.8% | 0.6%  | 4.1%  |

| Growth rates (%)    | FY23A  | FY24A  | FY25E | FY26E  | FY27E  |
|---------------------|--------|--------|-------|--------|--------|
| Value of Production | -29.1% | -59.3% | 19.7% | 23.9%  | 25.9%  |
| EBITDA              | nm     | nm     | nm    | 74.9%  | 59.6%  |
| EBITDA adjusted     | nm     | nm     | nm    | 74.9%  | 59.6%  |
| EBIT                | nm     | nm     | nm    | 371.2% | 101.2% |
| EBIT adjusted       | nm     | nm     | nm    | 167.7% | 101.2% |
| Pre-tax             | nm     | nm     | nm    | nm     | 800.8% |
| Net profit          | nm     | nm     | nm    | nm     | 800.8% |
| Net profit adjusted | nm     | nm     | nm    | nm     | 800.8% |

| Per share data           | FY23A        | FY24A          | FY25E          | FY26E        | FY27E        |
|--------------------------|--------------|----------------|----------------|--------------|--------------|
| Shares                   | 7.500        | 7.500          | 7.500          | 7.500        | 7.500        |
| N. of shares AVG         | 7.500        | 7.500          | 7.500          | 7.500        | 7.500        |
| N. of shares diluted AVG | 7.500        | 7.500          | 7.500          | 7.500        | 7.500        |
| <b>EPS</b>               | <b>0.503</b> | <b>(0.796)</b> | <b>(0.130)</b> | <b>0.018</b> | <b>0.163</b> |
| <b>EPS adjusted</b>      | <b>0.527</b> | <b>(0.764)</b> | <b>(0.098)</b> | <b>0.018</b> | <b>0.163</b> |
| <b>DPS - Ord.</b>        | <b>0.000</b> | <b>0.000</b>   | <b>0.000</b>   | <b>0.000</b> | <b>0.000</b> |
| DPS - Sav.               | 0.000        | 0.000          | 0.000          | 0.000        | 0.000        |
| BVPS                     | 3.359        | 2.561          | 2.380          | 2.399        | 2.561        |

| Enterprise value (Eu mn) | FY23A | FY24A | FY25E | FY26E | FY27E |
|--------------------------|-------|-------|-------|-------|-------|
| Share price Ord. (Eu)    | 6.1   | 4.9   | 2.1   | 2.1   | 2.1   |
| Market cap               | 45.6  | 37.1  | 12.2  | 12.2  | 12.2  |
| Net debt/(Net cash)      | 13.5  | 20.5  | 19.4  | 16.8  | 14.2  |
| Adjustments              | 0.6   | 0.6   | 0.7   | 0.7   | 0.8   |
| Enterprise value         | 59.6  | 58.2  | 32.2  | 29.7  | 27.1  |

Source: Company data

### Share price performance

Weak FY24 results may trigger market volatility as expectations shift



| Cash flow (Eu mn)          | FY23A         | FY24A        | FY25E      | FY26E      | FY27E      |
|----------------------------|---------------|--------------|------------|------------|------------|
| EBITDA reported            | 8.2           | (2.7)        | 1.5        | 2.6        | 4.2        |
| Net financial charges      | (1.7)         | (1.9)        | (1.3)      | (1.3)      | (1.3)      |
| Cash taxes                 | (3.2)         | 0.0          | 0.0        | (0.1)      | (0.5)      |
| Ch. in Working Capital     | (3.2)         | (0.8)        | 2.2        | 3.3        | 2.5        |
| Other operating items      | (1.5)         | 2.6          | 0.1        | 0.0        | 0.0        |
| <b>Operating cash flow</b> | <b>(1.4)</b>  | <b>(2.9)</b> | <b>2.5</b> | <b>4.6</b> | <b>4.9</b> |
| Capex                      | (10.0)        | (5.0)        | (1.4)      | (2.1)      | (2.3)      |
| <b>FCF</b>                 | <b>(11.3)</b> | <b>(7.9)</b> | <b>1.1</b> | <b>2.5</b> | <b>2.7</b> |
| Disposals/Acquisitions     | 0.0           | 0.0          | 0.0        | 0.0        | 0.0        |
| Changes in Equity          | 0.0           | 0.0          | 0.0        | 0.0        | 0.0        |
| Others                     | 10.2          | 0.0          | 0.0        | 0.0        | 0.0        |
| Dividends                  | 0.0           | 0.0          | 0.0        | 0.0        | 0.0        |
| <b>Ch. in NFP</b>          | <b>(1.1)</b>  | <b>(7.9)</b> | <b>1.1</b> | <b>2.5</b> | <b>2.7</b> |

| Ratios (%)              | FY23A        | FY24A        | FY25E       | FY26E       | FY27E       |
|-------------------------|--------------|--------------|-------------|-------------|-------------|
| <b>Capex/VoP</b>        | <b>25.2%</b> | <b>31.2%</b> | <b>7.3%</b> | <b>8.8%</b> | <b>7.5%</b> |
| Capex/D&A               | 6.8x         | 3.5x         | 1.2x        | 1.9x        | 1.9x        |
| FCF/EBITDA              | -138.3%      | 288.5%       | 74.6%       | 97.1%       | 64.0%       |
| FCF/Net profit          | -300.0%      | 132.5%       | -114.6%     | 1879.9%     | 219.7%      |
| <b>Dividend pay-out</b> | <b>0.0%</b>  | <b>0.0%</b>  | <b>0.0%</b> | <b>0.0%</b> | <b>0.0%</b> |

| Balance sheet (Eu mn)       | FY23A       | FY24A       | FY25E       | FY26E       | FY27E       |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|
| Working capital             | 34.8        | 35.6        | 33.3        | 30.0        | 27.5        |
| Fixed assets                | 4.4         | 4.8         | 4.6         | 5.6         | 6.6         |
| Provisions & others         | (0.6)       | (0.6)       | (0.7)       | (0.7)       | (0.8)       |
| <b>Net capital employed</b> | <b>38.6</b> | <b>39.7</b> | <b>37.2</b> | <b>34.8</b> | <b>33.4</b> |
| <b>Net debt/(Net cash)</b>  | <b>13.5</b> | <b>20.5</b> | <b>19.4</b> | <b>16.8</b> | <b>14.2</b> |
| Equity                      | 25.2        | 19.2        | 17.9        | 18.0        | 19.2        |
| Minority interests          | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |

| Ratios (%)                 | FY23A        | FY24A         | FY25E         | FY26E         | FY27E        |
|----------------------------|--------------|---------------|---------------|---------------|--------------|
| <b>Working capital/VoP</b> | <b>88.0%</b> | <b>221.0%</b> | <b>172.9%</b> | <b>125.5%</b> | <b>91.5%</b> |
| <b>Net debt/Equity</b>     | <b>53.4%</b> | <b>106.7%</b> | <b>108.6%</b> | <b>93.6%</b>  | <b>73.7%</b> |
| <b>Net debt/EBITDA</b>     | <b>1.6x</b>  | <b>nm</b>     | <b>12.9x</b>  | <b>6.4x</b>   | <b>3.4x</b>  |

| Valuation                 | FY23A         | FY24A         | FY25E         | FY26E        | FY27E        |
|---------------------------|---------------|---------------|---------------|--------------|--------------|
| <b>EV/CE</b>              | <b>1.5x</b>   | <b>1.4x</b>   | <b>0.8x</b>   | <b>0.8x</b>  | <b>0.8x</b>  |
| P/BV                      | 1.8x          | 1.9x          | 0.7x          | 0.7x         | 0.6x         |
| EV/Sales                  | 1.5x          | 3.6x          | 1.7x          | 1.2x         | 0.9x         |
| EV/EBITDA                 | 7.3x          | -21.2x        | 21.5x         | 11.3x        | 6.5x         |
| <b>EV/EBITDA adjusted</b> | <b>7.3x</b>   | <b>-21.2x</b> | <b>21.5x</b>  | <b>11.3x</b> | <b>6.5x</b>  |
| EV/EBIT                   | 8.9x          | -14.0x        | 102.0x        | 20.0x        | 9.0x         |
| <b>EV/EBIT adjusted</b>   | <b>8.6x</b>   | <b>-14.8x</b> | <b>58.0x</b>  | <b>20.0x</b> | <b>9.0x</b>  |
| P/E                       | 15.6x         | -9.6x         | -32.4x        | 214.2x       | 21.6x        |
| <b>P/E adjusted</b>       | <b>15.0x</b>  | <b>-10.0x</b> | <b>-42.8x</b> | <b>nm</b>    | <b>21.6x</b> |
| ROCE pre-tax              | 18.9%         | -9.9%         | 1.4%          | 4.1%         | 8.6%         |
| <b>ROE</b>                | <b>15.7%</b>  | <b>-29.8%</b> | <b>-4.1%</b>  | <b>0.8%</b>  | <b>6.3%</b>  |
| EV/FCF                    | -5.3x         | -7.4x         | 28.8x         | 11.7x        | 10.1x        |
| <b>FCF yield</b>          | <b>-24.8%</b> | <b>-21.3%</b> | <b>9.2%</b>   | <b>20.9%</b> | <b>22.0%</b> |
| <b>Dividend yield</b>     | <b>0.0%</b>   | <b>0.0%</b>   | <b>0.0%</b>   | <b>0.0%</b>  | <b>0.0%</b>  |

### Valuation

The estimates downgrade makes the stock appealing on long term



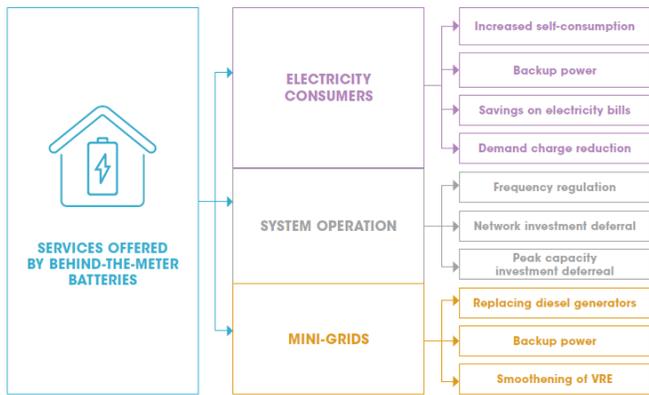
# ALANTRA

Italian Equity Research

## Key Charts

### Benefits of Residential Battery Energy Storage Systems

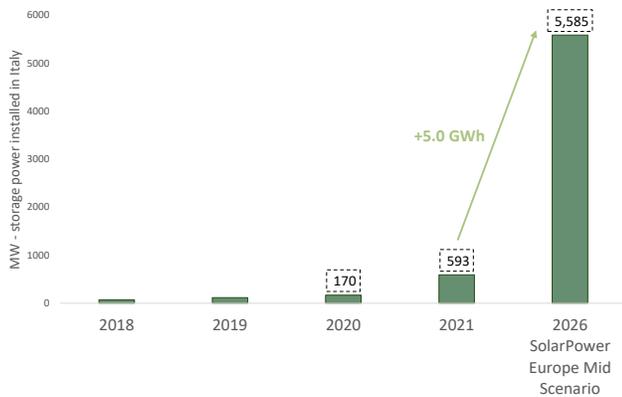
RBESS provide different benefits to consumers and system operations



Source: Alantra

### Evolution of RBESS capacity in Italy

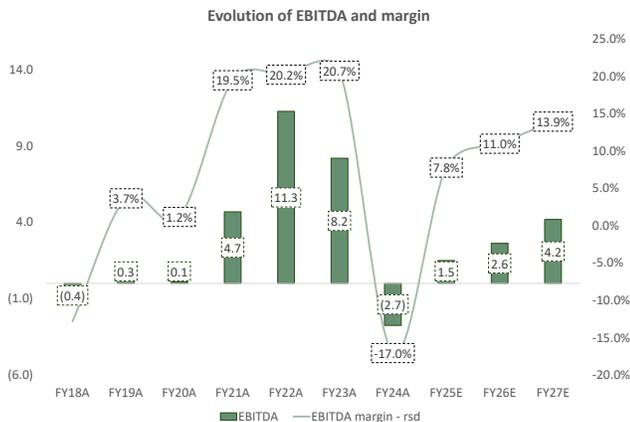
The reference market should experience a strong growth



Source: SolarPower Europe

### Evolution of EBITDA and margin

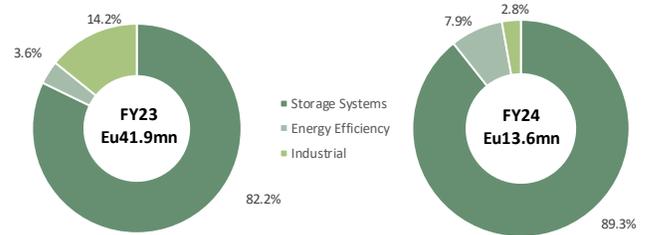
Margin improvement as of FY25



Source: Alantra estimate

### Business mix

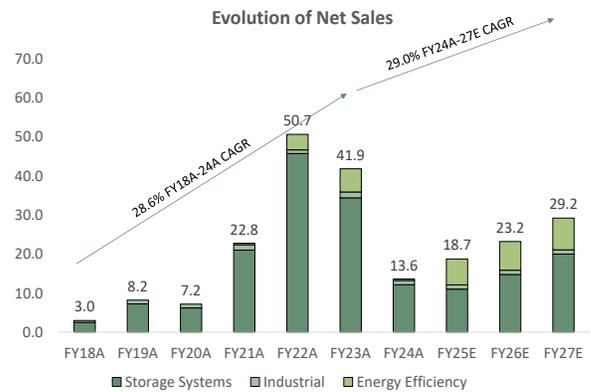
>80% of net sales were generated from the Storage Systems division in 2024



Source: Company

### Evolution of net consolidated sales

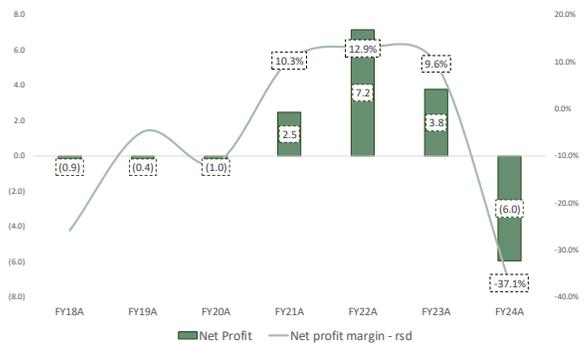
Strong historical and expected top line growth as of 2025



Source: Alantra estimate

### 18-24 bottom line evolution

Growth should be led by RBESS



Source: Alantra estimate

## Profile

|                    |  |
|--------------------|--|
| <b>Background</b>  | <p>ATON is the Italian first mover in the design and production of Residential Battery Energy Storage Systems (RBESS) and a leading player with 11% share in Italy. Leveraging on a strong know-how in its legacy industrial business (now only 3% of 2024 sales), the company launched its first RBESS in 2014. Following the same path of global leaders (e.g. Sonnen, Tesla), ATON developed a full range of “all-in-one” fully-integrated solutions made up of battery modules and inverters sourced from large manufacturers and integrated by in-house developed hardware and software (the so-called Energy Management System - EMS). Integrated storage solutions with performance and functionalities comparable to those of renowned brands, but with higher flexibility, customization and better pricing allowed ATON to be chosen as preferred supplier by large Italian and international multiutilities. In 2021, ATON has launched a new business line (general contracting on turn-key domestic energy efficiency projects)</p> |
| <b>Positioning</b> | <p>We estimate a market share around 15% in the residential storage system market in Italy. ATON competes with the two global pioneers in RBESS: the German Sonnen (100% owned by Shell group from 2019) and Tesla. In addition, other national and international groups active in the production of batteries and inverters are developing all-in-one storage systems. ATON’s products are competitive in terms of quality and functionalities, but we believe that the real advantage in the Italian market is represented by: 1) flexibility/customization, which has favored the business with multiutilities. ATON sells white label products to ENEL X under specifications defined by the utility; 2) value proposition with installation companies: quality “made in Italy” products with strong references with national and international utilities; 3) local presence and network, which allows the anticipation of local regulatory changes</p>  |
| <b>Growth</b>      | <p>ATON’s top line was down by 59% in FY24 versus FY23, as a result of the phasing out of the fiscal incentives in Italy (“Bonus 110” and “Sconto in Fattura”). We expect that the ambitious targets set by the EU agenda (net-zero greenhouse gas emissions by 2050, and 600GWp of Solar PV Capacity in 2030 from 158GWp in 2021) and in Italy (small-scale solar PV to reach 22GWp in 2030 vs ca. 10GWp in 2021) should stimulate further growth in the years to come. As a matter of fact, according to SolarPower Europe, Italian RBESS capacity should grow to 5.6 GWh in 2026 (from 0.6 GWh in 2021). After a transitional year in 2024, growth should restart as of 2025 (expected 23% Net revenues CAGR over FY24-27). We expect EBITDA margin to start again to grow in FY25 and then expand to 13.9% in FY27, with EBITDA at Eu4.2mn in 2027 (Eu8.2mn in 2023).</p>  |
| <b>Strategy</b>    | <p>ATON aims to consolidate its leadership in domestic energy storage systems in Italy, continuing to invest in R&amp;D and enlarging its installed base. Energy storage system should contribute to the bulk of revenues expansion over FY24-27E period with the other two business lines (Industrial and B2C Energy Efficiency) shrinking vs 2024. We expect R&amp;D efforts to continue and further accelerate over the coming years, as the company is planning to improve its product offering, addressing large scale-residential users to catch the opportunities offered by the so called “energy communities”. ATON is also actively working on new products development which should be launched over the coming years. Finally, we believe that ATON could be able to exploit the data collected from its growing installed base of BESS to improve its algorithms and potentially offer value added services (to both B2B and B2C clients).</p>  |

### Strengths

Pioneer in the Italian market of all-in-one RBESS  
 Strong references with national and multinational utilities  
 Quality "made in Italy" value proposition with installation companies

### Weaknesses

Low scale compared to international leaders  
 Relatively high concentration of clients and suppliers  
 High net working capital requirements

### Opportunities

Development of a B2C energy efficiency offer  
 Development of products and services dedicated to energy communities  
 Enlargement of the product portfolio (charger stations and Plug&Play PV systems)

### Threats

Stronger competition in Italy from large international players  
 Disruption of the supply chain and price pressure from large clients  
 Uncertain regulatory framework might hamper short-term business evolution

### Key shareholders

Vasco Energia S.r.l. 51.34%  
 Fondo H 15.33%  
 Free Float 33.33%

### Management

Ettore Uguzzoni - Chairman and CEO  
 Mauro Nervosi - Executive Director & CTO

### Next events

AGM - 29 April 2025  
 1H25 - 24 September 2025

## 2H/FY24 Results

### ATON – 2H/FY24 Results

The sharp drop in turnover prevented coverage of fixed costs, turning EBITDA negative

| Eu mn                        | 2H23A  | 2H24A  | YoY %  | Alantra<br>2H24E | A vs E | FY23A  | FY24A  | YoY %  | Alantra<br>FY24E | A vs E |
|------------------------------|--------|--------|--------|------------------|--------|--------|--------|--------|------------------|--------|
| <b>VoP</b>                   | 20.3   | 5.9    | -71.1% | 5.6              | -4.0%  | 39.5   | 16.1   | -59.3% | 15.9             | -1.5%  |
| <i>on sales %</i>            | 100.0% | 100.0% |        | 100.0%           |        | 100.0% | 100.0% |        | 100.0%           |        |
| <b>EBITDA</b>                | 4.1    | (2.5)  | nm     | 0.8              | nm     | 8.2    | (2.7)  | nm     | 0.6              | nm     |
| <i>Ebitda Margin %</i>       | 20.4%  | -42.2% |        | 14.0%            |        | 20.7%  | -16.8% |        | 3.5%             |        |
| <b>EBIT</b>                  | 3.4    | (3.3)  | nm     | 0.1              | nm     | 6.7    | (4.2)  | nm     | (0.8)            | nm     |
| <i>Ebit Margin %</i>         | 16.6%  | -56.9% |        | 1.4%             |        | 17.0%  | -26.1% |        | -4.9%            |        |
| <b>Pretax Profit</b>         | 2.3    | (3.5)  | nm     | 1.0              | nm     | 5.2    | (6.0)  | nm     | (1.5)            | nm     |
| <i>Pretax Margin %</i>       | 11.3%  | -59.2% |        | 18.2%            |        | 13.1%  | -37.3% |        | -9.5%            |        |
| <b>Net Profit</b>            | 1.7    | (4.0)  | nm     | 0.9              | nm     | 3.8    | (6.0)  | nm     | (1.1)            | nm     |
| <i>Net Profit Margin %</i>   | 8.2%   | -68.5% |        | 15.4%            |        | 9.6%   | -37.1% |        | -6.8%            |        |
| <b>NFP at YE (debt)/cash</b> | (13.5) | (20.5) |        | (16.4)           |        | (13.5) | (20.5) |        | (16.4)           |        |

Source: Company data and Alantra estimates

### Net versus Old estimates

Downwards revision in estimates reflects the current still uncertain regulatory framework, 2025 is set to be a transitional year

| (Eu mn)                              | NEW estimates |        |        | Difference |        |       | OLD estimates |        |       |
|--------------------------------------|---------------|--------|--------|------------|--------|-------|---------------|--------|-------|
|                                      | FY25E         | FY26E  | FY27E  | FY25E      | FY26E  | FY27E | FY25E         | FY26E  | FY27E |
| Total Revenues / Value of Production | 19.3          | 23.9   | 30.1   | -3.7%      | -4.0%  | -     | 20.0          | 24.9   | -     |
| EBITDA Reported                      | 1.5           | 2.6    | 4.2    | -9.2%      | -8.3%  | -     | 1.6           | 2.9    | -     |
| EBIT Reported                        | 0.3           | 1.5    | 3.0    | -23.2%     | -7.9%  | -     | 0.4           | 1.6    | -     |
| Pretax Profit                        | (1.0)         | 0.2    | 1.7    | nm         | -79.0% | -     | (0.3)         | 0.9    | -     |
| Net profit                           | (1.0)         | 0.1    | 1.2    | nm         | -79.0% | -     | (0.2)         | 0.6    | -     |
| EPS                                  | (0.1)         | 0.0    | 0.2    | nm         | -79.0% | -     | (0.0)         | 0.1    | -     |
| Net financial position               | (19.4)        | (16.8) | (14.2) | 4.5        | 6.2    | -     | (14.9)        | (10.6) | -     |

Source: Company data and Alantra estimates

## Financials – ATON versus selected peers

Higher top line growth trajectory than Italian peers

| Company  | Country        | Mkt Cap (Eu mn) | FY25E - FY27E average margins |              |                   |               |                 | CAGR FY24A - FY27E |               |              |               |
|--|----------------|-----------------|-------------------------------|--------------|-------------------|---------------|-----------------|--------------------|---------------|--------------|---------------|
|  |                |                 | EBITDA Margin                 | EBIT Margin  | Net Income Margin | Capex / Sales | Dividend Payout | Sales              | EBITDA        | EBIT         | Net Profit    |
| ATON   | ITALY          | 12              | 10.9%                         | 5.9%         | -0.1%             | 7.8%          | 0.0%            | 23.1%              | -215.1%       | -191.3%      | -158.9%       |
| Carel Industries SpA                                 | ITALY          | 1,915           | 20.0%                         | 15.4%        | 10.3%             | 4.9%          | 27.9%           | 8.9%               | 13.1%         | 16.7%        | 16.0%         |
| Seri Industrial S.p.A.                               | ITALY          | 112             | na                            | na           | na                | na            | na              | na                 | na            | nm           | nm            |
| Energy SpA   | ITALY          | 39              | 6.8%                          | 3.6%         | 2.9%              | 8.6%          | 0.0%            | -6.3%              | -25.2%        | -31.0%       | na            |
| LU-VE S.p.A.   | ITALY          | 621             | 14.4%                         | 9.6%         | 6.4%              | 4.6%          | 23.2%           | na                 | na            | na           | na            |
| Zignago Vetro SpA                                    | ITALY          | 766             | 25.2%                         | 14.4%        | 10.2%             | 9.7%          | 70.2%           | 3.0%               | 9.0%          | 16.0%        | 12.9%         |
| <b>Italian Peers</b>                                 | <b>Average</b> |                 | <b>13.7%</b>                  | <b>9.5%</b>  | <b>6.6%</b>       | <b>6.0%</b>   | <b>17.0%</b>    | <b>1.3%</b>        | <b>-6.0%</b>  | <b>-7.2%</b> | <b>16.0%</b>  |
|  | <b>Median</b>  |                 | <b>14.4%</b>                  | <b>9.6%</b>  | <b>6.4%</b>       | <b>4.9%</b>   | <b>23.2%</b>    | <b>1.3%</b>        | <b>-6.0%</b>  | <b>-7.2%</b> | <b>16.0%</b>  |
| Ferroamp AB  | SWEDEN         | 11              | na                            | na           | na                | na            | na              | na                 | na            | nm           | nm            |
| Eguana Technologies Inc                              | CANADA         | 2               | na                            | na           | na                | na            | na              | na                 | na            | na           | na            |
| Contemporary Amperex Technology Co., Limited Class A | CHINA          | 124,079         | 22.6%                         | 18.1%        | 15.1%             | 6.2%          | 47.3%           | 19.6%              | 20.2%         | 20.7%        | 22.9%         |
| Invinity Energy Systems PLC                          | UNITED KINGDOM | 63              | -15.8%                        | -20.7%       | -18.7%            | 20.1%         | 0.0%            | 208.1%             | nm            | nm           | nm            |
| <b>Storage Systems Producers</b>                     | <b>Average</b> |                 | <b>3.4%</b>                   | <b>-1.3%</b> | <b>-1.8%</b>      | <b>13.1%</b>  | <b>23.6%</b>    | <b>113.8%</b>      | <b>20.2%</b>  | <b>20.7%</b> | <b>22.9%</b>  |
|  | <b>Median</b>  |                 | <b>3.4%</b>                   | <b>-1.3%</b> | <b>-1.8%</b>      | <b>13.1%</b>  | <b>23.6%</b>    | <b>113.8%</b>      | <b>20.2%</b>  | <b>20.7%</b> | <b>22.9%</b>  |
| Sungrow Power Supply Co., Ltd. Class A               | CHINA          | 11,111          | 15.3%                         | 14.3%        | 11.5%             | 1.7%          | 13.5%           | 12.9%              | na            | na           | na            |
| Pylon Technologies Co., Ltd. Class A                 | CHINA          | 1,134           | 19.8%                         | 13.1%        | 11.3%             | 8.1%          | 60.4%           | 39.2%              | na            | 137.2%       | 149.8%        |
| LG Chem Ltd.   | SOUTH KOREA    | 10,330          | 17.3%                         | 7.4%         | 3.3%              | 17.1%         | 14.6%           | 10.1%              | 29.4%         | 91.9%        | -250.7%       |
| EVE Energy Co. Ltd. Class A                          | CHINA          | 9,020           | 15.1%                         | 10.1%        | 8.9%              | 6.8%          | 25.0%           | 20.1%              | 20.7%         | 24.4%        | 25.1%         |
| BYD Company Limited Class H                          | HONG KONG      | 106,644         | 13.2%                         | 7.1%         | 5.8%              | 8.3%          | 28.3%           | 19.3%              | 13.9%         | 23.7%        | 23.5%         |
| Goodwe Technologies Co., Ltd. Class A                | CHINA          | 786             | 7.2%                          | 5.7%         | 4.9%              | 8.8%          | na              | na                 | na            | na           | na            |
| SMA Solar Technology AG                              | GERMANY        | 519             | 7.7%                          | 3.6%         | 2.7%              | 4.6%          | 0.0%            | 2.8%               | -309.9%       | -196.7%      | -179.2%       |
| Enphase Energy, Inc.                                 | UNITED STATES  | 5,210           | 30.6%                         | 13.4%        | 12.8%             | 3.7%          | 0.0%            | 11.4%              | 14.3%         | 69.4%        | 19.0%         |
| SolarEdge Technologies, Inc.                         | UNITED STATES  | 620             | -1.7%                         | -10.7%       | -11.3%            | 4.7%          | 0.0%            | 22.7%              | -148.1%       | -93.1%       | -143.0%       |
| <b>Batteries and Inverters Producers</b>             | <b>Average</b> |                 | <b>13.8%</b>                  | <b>7.1%</b>  | <b>5.5%</b>       | <b>7.1%</b>   | <b>17.7%</b>    | <b>17.3%</b>       | <b>-63.3%</b> | <b>8.1%</b>  | <b>-50.8%</b> |
|  | <b>Median</b>  |                 | <b>15.1%</b>                  | <b>7.4%</b>  | <b>5.8%</b>       | <b>6.8%</b>   | <b>14.0%</b>    | <b>16.1%</b>       | <b>14.1%</b>  | <b>24.4%</b> | <b>19.0%</b>  |

Source: Factset

## Trading multiples

| Company  | Country        | Mkt Cap (Eu mn) | EV/Sales     |              |              | EV/EBITDA     |              |              | EV/EBIT       |               |              | PE            |               |               |
|--|----------------|-----------------|--------------|--------------|--------------|---------------|--------------|--------------|---------------|---------------|--------------|---------------|---------------|---------------|
|  |                |                 | FY25E        | FY26E        | FY27E        | FY25E         | FY26E        | FY27E        | FY25E         | FY26E         | FY27E        | FY25E         | FY26E         | FY27E         |
| ATON   | ITALY          | 12              | 1.7 x        | 1.2 x        | 0.9 x        | 21.5 x        | 11.3 x       | 6.5 x        | 102.0 x       | 20.0 x        | 9.0 x        | -32.4 x       | 214.2 x       | 21.6 x        |
| <b>Premium (discount) to Peers' Median</b>           |                |                 | <b>14%</b>   | <b>-1%</b>   | <b>-20%</b>  | <b>64%</b>    | <b>53%</b>   | <b>9%</b>    | <b>415%</b>   | <b>66%</b>    | <b>0%</b>    | <b>-262%</b>  | <b>1194%</b>  | <b>95%</b>    |
| <b>PEERS</b>   | <b>Average</b> |                 | <b>1.5 x</b> | <b>1.3 x</b> | <b>1.1 x</b> | <b>13.2 x</b> | <b>7.4 x</b> | <b>5.9 x</b> | <b>19.8 x</b> | <b>12.0 x</b> | <b>9.0 x</b> | <b>20.0 x</b> | <b>16.6 x</b> | <b>11.0 x</b> |
|  | <b>Median</b>  |                 | <b>1.1 x</b> | <b>1.0 x</b> | <b>1.1 x</b> | <b>8.5 x</b>  | <b>7.4 x</b> | <b>5.5 x</b> | <b>15.6 x</b> | <b>11.0 x</b> | <b>9.0 x</b> | <b>18.1 x</b> | <b>13.7 x</b> | <b>10.8 x</b> |
| Carel Industries SpA                                 | ITALY          | 1,915           | 3.1 x        | 2.7 x        | 2.5 x        | 16.0 x        | 13.5 x       | 12.2 x       | 21.6 x        | 18.5 x        | 15.5 x       | 29.2 x        | 24.2 x        | 21.6 x        |
| Seri Industrial S.p.A.                               | ITALY          | 112             | na           | na           | na           | na            | na           | na           | na            | na            | na           | na            | na            | na            |
| Energy SpA   | ITALY          | 39              | 0.6 x        | 0.5 x        | 0.3 x        | 55.3 x        | 7.1 x        | 2.5 x        | na            | 13.6 x        | 3.3 x        | na            | 26.1 x        | na            |
| LU-VE S.p.A.   | ITALY          | 621             | 1.2 x        | 1.1 x        | 1.1 x        | 8.5 x         | 7.7 x        | 7.3 x        | 13.0 x        | 11.7 x        | 10.5 x       | 15.9 x        | 14.2 x        | 12.6 x        |
| Zignago Vetro SpA                                    | ITALY          | 766             | 1.5 x        | 1.5 x        | 1.4 x        | 6.4 x         | 5.8 x        | 5.5 x        | 11.9 x        | 9.9 x         | 9.3 x        | 13.1 x        | 11.2 x        | 10.2 x        |
| <b>Italian Peers</b>                                 | <b>Average</b> |                 | <b>1.6 x</b> | <b>1.4 x</b> | <b>1.3 x</b> | <b>21.5 x</b> | <b>8.5 x</b> | <b>6.9 x</b> | <b>15.5 x</b> | <b>13.4 x</b> | <b>9.6 x</b> | <b>19.4 x</b> | <b>18.9 x</b> | <b>14.8 x</b> |
|  | <b>Median</b>  |                 | <b>1.4 x</b> | <b>1.3 x</b> | <b>1.3 x</b> | <b>12.2 x</b> | <b>7.4 x</b> | <b>6.4 x</b> | <b>13.0 x</b> | <b>12.7 x</b> | <b>9.9 x</b> | <b>15.9 x</b> | <b>19.2 x</b> | <b>12.6 x</b> |
| Ferroamp AB  | SWEDEN         | 11              | na           | na           | na           | na            | na           | na           | na            | na            | na           | na            | na            | na            |
| Eguana Technologies Inc                              | CANADA         | 2               | na           | na           | na           | na            | na           | na           | na            | na            | na           | na            | na            | na            |
| Contemporary Amperex Technology Co., Limited Class A | CHINA          | 124,079         | 2.2 x        | 1.8 x        | 1.5 x        | 9.6 x         | 7.9 x        | 6.7 x        | 11.9 x        | 9.9 x         | 8.4 x        | 16.0 x        | 13.2 x        | 11.1 x        |
| Invinity Energy Systems PLC                          | UNITED KINGDOM | 63              | nm           | nm           | nm           | na            | nm           | nm           | na            | na            | nm           | na            | na            | 4.1 x         |
| <b>Storage Systems Producers</b>                     | <b>Average</b> |                 | <b>2.2 x</b> | <b>1.8 x</b> | <b>1.5 x</b> | <b>9.6 x</b>  | <b>7.9 x</b> | <b>6.7 x</b> | <b>11.9 x</b> | <b>9.9 x</b>  | <b>8.4 x</b> | <b>16.0 x</b> | <b>13.2 x</b> | <b>7.6 x</b>  |
|  | <b>Median</b>  |                 | <b>2.2 x</b> | <b>1.8 x</b> | <b>1.5 x</b> | <b>9.6 x</b>  | <b>7.9 x</b> | <b>6.7 x</b> | <b>11.9 x</b> | <b>9.9 x</b>  | <b>8.4 x</b> | <b>16.0 x</b> | <b>13.2 x</b> | <b>7.6 x</b>  |
| Sungrow Power Supply Co., Ltd. Class A               | CHINA          | 11,111          | 1.0 x        | 0.9 x        | na           | 6.6 x         | 5.7 x        | na           | 7.1 x         | 6.1 x         | na           | 9.5 x         | 8.6 x         | na            |
| Pylon Technologies Co., Ltd. Class A                 | CHINA          | 1,134           | na           | na           | na           | na            | na           | na           | na            | na            | na           | 30.3 x        | 20.6 x        | 14.4 x        |
| LG Chem Ltd.   | SOUTH KOREA    | 10,330          | 0.8 x        | 0.7 x        | 0.6 x        | 5.2 x         | 3.8 x        | 3.3 x        | 19.0 x        | 8.3 x         | 6.1 x        | 26.0 x        | 7.5 x         | 7.0 x         |
| EVE Energy Co. Ltd. Class A                          | CHINA          | 9,020           | 1.6 x        | 1.2 x        | 1.2 x        | 11.0 x        | 8.1 x        | 7.7 x        | 16.9 x        | 12.3 x        | 11.0 x       | 16.3 x        | 12.3 x        | 10.5 x        |
| BYD Company Limited Class H                          | HONG KONG      | 106,644         | 1.0 x        | 0.8 x        | 0.6 x        | 7.3 x         | 5.9 x        | 4.8 x        | 14.3 x        | 11.0 x        | 8.7 x        | 20.2 x        | 16.4 x        | 14.0 x        |
| Goodwe Technologies Co., Ltd. Class A                | CHINA          | 786             | na           | na           | na           | na            | na           | na           | na            | na            | na           | 17.8 x        | 12.9 x        | na            |
| SMA Solar Technology AG                              | GERMANY        | 519             | 0.3 x        | 0.3 x        | 0.2 x        | 4.7 x         | 3.2 x        | 2.5 x        | 17.6 x        | 6.2 x         | 4.5 x        | 27.4 x        | 10.1 x        | 8.9 x         |
| Enphase Energy, Inc.                                 | UNITED STATES  | 5,210           | 3.9 x        | 3.4 x        | 2.6 x        | 14.1 x        | 10.6 x       | 8.2 x        | 64.9 x        | 24.6 x        | 12.9 x       | 18.4 x        | 14.2 x        | 11.6 x        |
| SolarEdge Technologies, Inc.                         | UNITED STATES  | 620             | 0.5 x        | 0.3 x        | 0.3 x        | na            | 9.8 x        | 4.3 x        | na            | na            | na           | na            | 40.3 x        | 6.6 x         |
| <b>Batteries and Inverters Producers</b>             | <b>Average</b> |                 | <b>1.3 x</b> | <b>1.1 x</b> | <b>0.9 x</b> | <b>8.2 x</b>  | <b>6.7 x</b> | <b>5.1 x</b> | <b>23.3 x</b> | <b>11.4 x</b> | <b>8.6 x</b> | <b>20.7 x</b> | <b>15.9 x</b> | <b>10.4 x</b> |
|  | <b>Median</b>  |                 | <b>1.0 x</b> | <b>0.8 x</b> | <b>0.6 x</b> | <b>7.0 x</b>  | <b>5.9 x</b> | <b>4.5 x</b> | <b>17.2 x</b> | <b>9.7 x</b>  | <b>8.7 x</b> | <b>19.3 x</b> | <b>12.9 x</b> | <b>10.5 x</b> |

Source: Factset

## Market performances

ATON has heavily underperformed its peers across the board

| Company  | Country        | Mkt Cap (Eu mn) | Performance   |               |               |               |               |               |
|--|----------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  |                |                 | 1M            | 3M            | 6M            | 1YR           | 3YR           | 5YR           |
| ATON   | ITALY          | 12              | -18.6%        | -27.0%        | -39.1%        | -71.8%        | -78.9%        | na            |
| <b>PEERS</b>   |                | <b>Average</b>  | <b>-11.8%</b> | <b>-11.9%</b> | <b>-17.4%</b> | <b>-25.2%</b> | <b>-41.7%</b> | <b>100.3%</b> |
|  |                | <b>Median</b>   | <b>-12.3%</b> | <b>-10.8%</b> | <b>-20.1%</b> | <b>-35.2%</b> | <b>-53.9%</b> | <b>-26.3%</b> |
| Carel Industries SpA                                 | ITALY          | 1,915           | -8.2%         | -11.0%        | -10.4%        | -8.3%         | -24.1%        | 38.0%         |
| Seri Industrial S.p.A.                               | ITALY          | 112             | 18.0%         | -13.5%        | -25.6%        | -41.9%        | -72.7%        | -39.5%        |
| Energy SpA   | ITALY          | 39              | -21.7%        | -26.6%        | -6.2%         | -51.7%        | na            | na            |
| LU-VE S.p.A.   | ITALY          | 621             | -2.4%         | -4.0%         | 1.5%          | 29.7%         | 29.4%         | 154.1%        |
| Zignago Vetro SpA                                    | ITALY          | 766             | -6.9%         | -10.5%        | -24.1%        | -30.6%        | -27.2%        | -26.3%        |
| Ferroamp AB  | SWEDEN         | 11              | -18.4%        | -49.2%        | -64.0%        | -85.4%        | -96.6%        | -95.2%        |
| Eguana Technologies Inc                              | CANADA         | 2               | -46.7%        | -46.7%        | -20.0%        | -20.0%        | -97.7%        | -85.5%        |
| Contemporary Amperex Technology Co., Limited Class A | CHINA          | 124,079         | -8.8%         | -9.4%         | -6.4%         | 22.9%         | 1.1%          | 223.3%        |
| Invinity Energy Systems PLC                          | UNITED KINGDOM | 63              | 36.1%         | -14.0%        | 6.5%          | -50.3%        | -87.1%        | -68.9%        |
| Sungrow Power Supply Co., Ltd. Class A               | CHINA          | 11,111          | -13.9%        | -21.4%        | -40.8%        | -16.0%        | 25.1%         | 741.2%        |
| Pylon Technologies Co., Ltd. Class A                 | CHINA          | 1,134           | -7.8%         | 0.1%          | -21.7%        | -27.6%        | -62.8%        | na            |
| LG Chem Ltd.   | SOUTH KOREA    | 10,330          | -14.3%        | -6.9%         | -31.0%        | -39.8%        | -53.9%        | -38.0%        |
| EVE Energy Co. Ltd. Class A                          | CHINA          | 9,020           | -20.7%        | -5.4%         | -14.6%        | 15.5%         | -35.0%        | 21.9%         |
| BYD Company Limited Class H                          | HONG KONG      | 106,644         | -0.3%         | 44.3%         | 35.0%         | 97.7%         | 68.6%         | 802.7%        |
| Goodwe Technologies Co., Ltd. Class A                | CHINA          | 786             | -10.8%        | 0.2%          | -28.9%        | -39.8%        | -46.2%        | na            |
| SMA Solar Technology AG                              | GERMANY        | 519             | -28.6%        | 2.0%          | 0.3%          | -69.3%        | -63.3%        | -50.1%        |
| Enphase Energy, Inc.                                 | UNITED STATES  | 5,210           | -26.8%        | -29.9%        | -42.6%        | -60.3%        | -70.7%        | 14.2%         |
| SolarEdge Technologies, Inc.                         | UNITED STATES  | 620             | -30.0%        | -12.2%        | -20.2%        | -79.0%        | -95.3%        | -88.2%        |

Source: Factset

## Disclaimer

**Explanation of Ratings:** Alantra Capital Markets Sociedad de Valores SAU (Italian Branch) ("Alantra CM (Italian Branch)") Research Department provides six core ratings: BUY, HOLD, SELL, NOT RATED, UNDER REVIEW and SUSPENDED, based on the expected performance over the next 12 months.

**BUY:** The stock is expected to generate returns of over 10% during the next 12 months.

**HOLD:** The stock is expected to generate returns of 0-10% during the next 12 months.

**SELL:** The stock is expected to generate negative returns during the next 12 months.

**NOT RATED:** The stock is not covered.

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