



NHOA

## Q3 2022 Trading and Operational Update

TRANSCRIPT

### Investor Call held on 14 October 2022, h9:00am CET

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**Chiara Cerri:** Good morning, ladies and gentlemen, and welcome to our investor call regarding our Q3 2022 Trading and Operational Update in the context of Masterplan10x.

The investor call will be opened by Mr. Carlalberto Guglielminotti, CEO of NHOA Group, and with him to explain all details about the Q3 2022 Trading and Operational Update, will be Mr. Giuseppe Artizzu, CEO of NHOA Energy and NHOA Group General Manager, Mr. Roberto Di Stefano, CEO of Free2move eSolutions, Mr. Stefano Terranova, CEO Atlante, Mr. Gabriele Tuccillo, Chief of Strategy, Staff & Investor Relations and Mr. Alessio Caruso, Deputy CFO of NHOA Group.

Mr Guglielminotti will open the call and then will leave the floor to Mr. Artizzu for the GBL Storage, Mr. Di Stefano for the GBL e-Mobility and Mr. Terranova for Atlante, the GBL EV Fastcharging Infrastructure.

At the end of the call the management team will be available to answer all questions you may have.

Please note that this investor call will be recorded, if you cannot attend the whole call, the webcast and the presentation will soon be available on our corporate website on the dedicated page.

Please note that all participants will be in listen mode. If you wish to ask a question, you may raise your hand or write in the Q&A chat - if you are connected via Zoom or, if you are connected via call, enter the queue by pressing "\*"1 on your telephone keypad.

Before we begin, I just want to point out that any forward-looking statements made during today's call are subject to the risks and uncertainties mentioned in the "Safe Harbor Statement", which is included on page 2 of today's presentation. This also includes the risk that the transactions discussed during today's call remain subject to standard conditions for this type of transactions, as well as any other risks and uncertainties associated with the execution of transactions of this type.

And as customary, the call will be governed by that language.  
So, with that, I will leave the floor to Mr. Carlalberto Guglielminotti.

**Carlalberto Guglielminotti:** Thank you very much Chiara, and if I may..Congratulations for your new role of Head of Institutional Relations and Financial Communication and Good Morning ladies and gentlemen, thank you for being with us today.

We are here today to present to you, as customary in the context of our Masterplan10x, our Q3 2022 Trading and Operational Update.

I will now give you the usual general overview of the main results that my colleagues will deep dive later on, more in details obviously.

Our third quarter was another record quarter for NHOA. It was actually driven, again and again if I may, by energy storage, as to say NHOA Energy, coupled with a booming roll-out in Atlante EV fastcharging network.

So revenues as at September 30 reached 100 million euros at group level for the first time, and this is a record for NHOA! I mean, from the one hand, this is mainly thanks to an impressive 28x growth year-on-year in Energy Storage. But this is also the confirmation of our vision.

You would all remember that 100m revenues was a target we set, back in 2017 for our 2020 results. Then in 2020 this target turned to be unachievable even if the backlog was almost there, because of the travel restrictions related to the Covid 19 pandemic. Then eventually we achieved exactly the same result, 100m revenues, essentially 1 year and a half later, and I will never be grateful enough to Giuseppe Artizzu and the whole NHOA Energy teams for having achieved this amazing goal today, after 15 years of technology investments, sacrifices and commitment. Because this target has been essentially achieved thanks to NHOA Energy, our energy storage division, the tech heritage of our group, and this is before the potential we have for and we still believe in - F2M eSolutions, and before the successful roll-out of Atlante.

Anyway, this is a growth that sees over 200MW online and 800MWh under construction, with now a full visibility towards over 1GW online in the coming months, therefore sealing our positioning in the top 5 energy storage system integrators worldwide.

Again, thanks to Giuseppe Artizzu, Lucie Kanius du Jardin and most importantly our CTO Daniele Rosati together with Lorenzo Meraldi for that, that along with your amazing teams, I mean you turned a target set in 2017 into reality.

Having said that, on its turn, Atlante keeps accelerating further, with now 1,300 fast and ultra-fast points of charge online and under construction in Southern Europe, mainly in France and Italy, coupled with almost 2,000 sites in pipeline. You all would easily understand that this is well beyond the pace envisaged 1 year ago in the masterplan, this is in the most conservative view 2 to 3 times faster than expected.

And this is again thanks to a world class management team led by Stefano Terranova that together with Giovanni Ravina and Jacques Galvani and their respective teams are accelerating the Atlante network rollout at a pace that nobody would have ever imagined.

Well, Finally, generally speaking this has not happened out of the blue, I mean the execution of our project portfolio in this third quarter has run according to schedule in all 4 continents, irrespective of the macro headwinds, the increasingly complex geopolitical scenario and not to mention the supply chain global constraints.

And all this gives us an increased visibility towards our 2022 revenues... I mean with our H1 results we revised upward our guidance to 140-160 million euros, and what I can now say to you is that we have now full visibility towards the high-end of the 140-160 million guidance and this despite the slower than expected ramp-up in e-Mobility.

Ramp-up in eMobility that yes, is a bit disappointing and can disappoint many of you, but the reality is that fundamentals did not change, our commitment and the Stellantis commitment did not change, and even if real volumes are not yet there we still are committed and confident towards a step change in revenues generation starting from Q1 next year, with a first concrete signal in Q4 this year, but Roberto Di Stefano will elaborate on that in a few minutes.

Anyway, conclusion is that group topline results are driven by our stationary storage business line, where the continuous increase in backlog and order intake for NHOA Energy coupled with a stable pipeline of around 1 billion gives us full visibility on the growth NHOA will have in 2023 despite as I said the global macro scenario... and even more importantly this confirms our stationary Energy Storage business line, NHOA Energy, as the growth engine of the Group.

But anyhow I would like to thank all our extraordinary people for the amazing job they have done, and they are doing, whether they work in NHOA Energy, Atlante or Free2move eSolutions. Having said that, as usual, I do not want to spoiler too much our results, and therefore I will now leave the floor to Giuseppe Artizzu, Group General manager and CEO of NHOA Energy, to give us his insights around the results of NHOA Energy, our Storage Global Business Line. Giuseppe floor is yours.

**Giuseppe Artizzu:** Thank you, Carlalberto. Good morning, everybody. In the third quarter, we have recorded revenues of €15 million which in our new world, it sounds like a low number, in reality is as much as we did throughout 2021. The reason by now you are familiar a little bit with our revenue accrual on a working progress basis. So simply we did not have major battery deliveries for the large projects and therefore, this is the result, but the projects are all progressing on schedule. This is exactly what we were expecting. We have more than replaced the backlog converted into sales, so the backlog has increased. Overall, on a trading basis also, our order intake over the last 12 months is well over €200 million and has also increased. Our objective, from a commercial perspective, in the fourth quarter is to preserve this trend. We expect a good quarter, a very strong quarter from a revenue generation perspective. Our objective is to expect that with a new order so that to maintain strong visibility as we get into 2023 with a lot of trust in continuing this exceptional growth path that we have undertaken approximately one year and a half ago. Capacity online has moved to over 200 MW. This is given by the commissioning of the first phase of our HoPing project in Taiwan. It's 13 MW project that has been commissioned and has been authorized to provide frequency regulation services on the Taiwan high voltage grid by Taiwan power corporation. This occurred over the last weeks of October. We are now entering from an execution perspective into a wave of commissioning. We have three or four commissioning that are occurring over the next two to three months, including the startup of the commissioning of Synergy project in Australia, where installation is essentially completed. It's going to be a long commissioning process, commissioning and pre-commissioning. We have a substation to commission. It's quite a longer commission in progress, but installation activities are substantially completed. We have commissioned three or four other projects, but we have a wave of commissioning between now and the first quarter of next year. We no longer are under construction, the HoPing project, that has been moved to online capacity. Our pipeline is stable at around one billion. We are working a lot on the quality of the pipeline. We are being extremely selective, so we are not increasing disproportionately the pipeline in order to target projects that are sufficiently large to justify rational allocation of resources. On the other hand, they are not too large to challenge our financial capacity. We are striking the right balance to have an ambitious but disciplined growth profile. So again, another great quarter and I congratulate my team, and I'm grateful to our shareholders for the support that are providing. So far so good. We'll continue on this track.

**Carlalberto Guglielminotti:** Thank you, Giuseppe. Let's now move to comment on Free2move eSolutions results. I hand over to Roberto Di Stefano for a comment on our figures and thus the challenges behind the challenges that as I anticipated, and please let me reiterate, do not change fundamentals of the project, do not change our commitment, do not change the Stellantis' commitment and vision. Sometimes some projects need just some patience to happen, and we are convinced and we still are convinced that this project will be successful. Roberto, feel free to elaborate. Floor is yours.

**Roberto Di Stefano:** Thank you. Thank you, Carlalberto. Using your comments clearly, I can confirm that I'm personally disappointed with the result, but there are reasons, and we fully trust that the execution that we are in these last two quarters implemented will give us what we were expecting from time now. Let's first comment on the numbers. You can see that we did a growth of 23% versus first half this year and +31% versus the second quarter of last year, but what I want to comment on is the conversion rate on Stellantis that you can see is 16%. Remember in our comments that we spent during last trading update, quarter two trading update, I was commenting that the expectation was for quarter three to have a rebound starting from September because clearly, July and August, we all know that at least in Europe, in the automotive market are not the most important months as weight of sales. Our products and services are clearly paired with the sales of vehicles. Remembering that I was forecasting a rebound in September, I can confirm that just looking at September, the conversion rate result on Stellantis perimeter is about 30%. That means we are achieving... We are more or less achieving what we were forecasting in quarter three starting from 1st September to be back in a decent number. If I comment my expectation, the expectation of the company, as Carlalberto said, thanks even to the support of the two shareholders, my expectation for quarter four, will be to achieve conversion rate again, on Stellantis perimeter in a range between 20-30% with a certain stability during the quarter four. Clearly, this is not just because of a rebound. We did in quarters one, two, and three, a lot of activity jointly with clearly all Stellantis brands and Stellantis customer experience to completely redesign a new seamless customer journey. Both for the main two channels that we are using to distribute and sell the market our product and services that are the dealer channels and for the sales online. This starts to give us results of how we are feeling in... we are already seeing in September. Last but not least, the important, one important information we commented also in the last two trading update, the problems that all the automotive industry, not only the automotive industry, but the overall industry is also having in terms of disruption of supply chain for electronics mainly that was impacting even us and I can confirm that this is for us now out of the table. We are fully allocated for the following months. That means our... my task to the activity done by the team, we are in a safe situation for such type of problem. Some additional comments that I would like to spend on other achievement that we got during quarter three that are clearly they start to sale in U.S. because as we commented, we are in parallel executing the activities in U.S. And I can confirm you that we have already got relevant backlog and we'll start officially to the first sales in U.S. field in quarter two 2022. Clearly, we got order, and that means backlog both for the dealer electrification where we need to electrify in U.S. and Canada more than 2,500 point of sales, dealer point of sales. We are already filling the pipe for the retail customer in U.S. The second important achievement was an activity, not a simple activity in September. During September, in 30 days, we did and we completed the migration for the whole Stellantis customer from the previous digital MSP, the mobility service provider, to our eSolution charging MSP. That means that now from September onwards, from 1st of October, all Stellantis customers in Europe are using our MSP. The third one that is another important fact for September onward with all Stellantis brands, we are executing by market, by brand, dedicated call to action paying vehicles with our charging solutions. Finally, that is an achievement that is really was not so easy to meet with the team of Free2move eSolution, our eProWallbox in August got the official certification for safety, conformity and quality from TÜV Rheinland on top of the clearly official full validation from the automotive industry. This is the reason why we are confirming our commitment to the plan. We keep executing even more than before because we are seeing that the growth will be achievable. As Carlalberto said, the achievement of all the actions, so the first results of all the actions that we are executing to be ready from quarter one 2023 to have a stable growth for the future step of the company. Carlalberto, back to you.

**Carlalberto Guglielminotti:** Thank you, Roberto. We can now move to comment and investigate more on Atlante booming results. Then I will leave the floor to Stefano. Stefano, floor is yours.

**Stefano Terranova:** Yes. Good morning, everyone. Thank you very much for the attention, and thank you, Carlalberto, for the introduction. Just a few days ago, we completed our festival of operations in Atlante. I can probably say that this has been a festival of operations full of satisfactory results. First of all, there are many things that went on behind the scenes that you cannot see clearly, that do not show up in the numbers that you see, but they were absolutely essential for the results. For the results that you see today and even more so for what you will see, the results that we will be posting tomorrow. When I say tomorrow, I mean a very near future. The first measure of our success has been on the people's front. We have onboarded 80 professionals who are now 80 Atlanters as we like to call ourselves. Highly qualified and highly motivated professionals, they have joined us in those last 12 months when we started with the initial enrollment of only five people from NHOA. 40% female to male ratio, which I'm very proud of. Having onboarded both very experienced people from renowned companies around the four countries we operate in, as well as young talents, including the onboarding of people coming straight from university, which is another point of pride, I would say. Of course, while hiring people, we have set up the organization. This was only possible at the speed in which we had done, thanks to the full support of NHOA. I want to thank a few colleagues in particular. Ilaria Scarinci, first of all, while congratulating her again and complementing her for the birth of her first child. She was essential for all the financial process, so her support and her team support. Ludovica Solera supported all the human talent processes, Roberta Romano for the legal and compliance, Chiara Cerri and Teresa Pogliani on the communication pillars. By the way, all female colleagues. It may be just a coincidence, but I don't believe in coincidences. Without them and without their leadership, under the leadership of Carlalberto, which has always been inspiring, challenging, of course, but inspiring, and with the stellar support of Giuseppe and Daniele Rosati, this will not have been possible. This is another element of success that NHOA incubated successfully the second company after having incubated Free2move eSolution, albeit Free2move eSolution, obviously, with the support of Stellantis as well. Then another key factor of the speed at which we operated is the fact that we have a very close-knit management team. It's only four of us. I decided early on to have a small senior management team, myself, Giovanni Ravina and Francesco Lamberti, who were there at the inception, and then Jacques, who joined us from the first of January. The four of us worked very, very closely together. I think this formula was essential for us to move at this speed. Of course, we will expand the senior management team, but for the first year, I think this was a very, very good decision. Then, besides the people and organization, of course, we had to set up the development platforms. The most obvious to showcase is the business and project development platform. These are the results. You see the numbers you see on the slide, but what you don't see is the other platforms which are equally important for our core processes and especially for the future of Atlante. Let me mention, for example, the digital and the technological platforms, both led by our CTO, Francesco. On the digital front, we have set up the Atlante Cloud, which is an ecosystem, let's say an edifice, inside which we will be housing, we already house and we will be housing all of the cooperation platforms, the digital platforms. For example, the energy management system, which has been developed, will be housed inside the Atlante Cloud and will allow us to link all of our stations and transform them into energy assets standalone and also which of our plans when linked together. Then on the technology side, Francesco has worked on our tech roadmap, especially closely with Roberto Di Stefano and his team in Free2move eSolution. They are, obviously, as you know, developing the platform for our e-station. The first one of which with storage will be tested and installed in Q4, just a few weeks from now, basically. Then we have an exciting massive rollout plan for 2023. This is on top of the Drosso, the Drosso project, a unique world-class asset being developed, being built as we speak, finalized as we speak by Free2move eSolution again with their own proprietary V2G fastcharging technology, a platform upon which the e-station is based, by the way, and which Atlante will acquire as soon as completed. Again, it's such a unique measure of the synergies that we create within the NHOA Group. The roadmap obviously also includes working with the supplier outside the group, other

than Free2move eSolution, I mean. We have TechWatch, that covers pretty much all of the relevant hardware and software providers around the globe. Execution was frankly the big test that we had to pass in Atlante. Last year, when we launched Atlante with no real estate assets, no real estate or retail background in the NHOA Group, this was a big challenge and that was something that we had to prove to you all, to our investors and our shareholders first of all. A challenge that we had to prove on four countries, by the way. Well, the numbers, again, this allows me to go back to the slide. These numbers, I think, and the map you see underneath clearly shows that we have passed the test. We have passed this also thanks to Giovanni and Jacques efforts in the respective geographies, not at all to be taken for granted because we had said we would start from Italy and slowly move westwards, but we accelerated then. We decided to accelerate at the time when we were still learning. We met with lots of disappointments, of course, in the development phase, especially again for the lack of strong background in that field. But the disappointment is that we always use them as learning exercises, learning opportunities. This learning process will be a continuous one. This is in the DNA of Atlante, is in the DNA of the NHOA Group. Meanwhile, I can say that we have found the right formulas, the right partners to work with, and therefore, we have secured enough sites to build out our network in 2022-2023. It's very much if not all secured, very much advanced for our 2023 rollout. In fact, we are developing the sites at a pace which is outstripping our initial plan. I'm very happy to report that the biggest challenge we were facing is past, not to be... I don't want to obviously rest on the low ends and think it's over. As I explained, this will be a continuous learning exercise, and we will continue to put lots of efforts in the development and build out. Talking about building in particular, building and putting stations online, is also an area where we had to learn a lot. Although, of course, we have a strong know-how and a strong support for NHOA in terms of building out energy assets, but this was a different scale. Many small assets are distributed in four countries rather than big storage systems. We had to learn, and we have to face challenges such as supply chain delays or the very long lead times that we have to embed in our processes in terms of connecting the stations with local grids once they are constructed. However, these factors I would say have a one-off effect in the sense that, of course, after the first year of operations, the opening up and putting stations online will be on a rolling basis and therefore the initial delays will be forgotten soon. Finally, I would like to mention one particular achievement, one achievement that I am particularly proud of. The fact that we have been selected and awarded with approximately €23 million of funding under the Connecting Europe Facility program. This is a very important program that the European Union has launched to fast track, to accelerate the electrification of the mobility sector to facilitate the installation of charge infrastructure. Of course, we had to prepare the file at the same time as we were growing the organization, so you can imagine how challenging the exercise was. The final application went in early June, just to give you an idea. Well, receiving those funds will, first of all, accelerate the rollout in all four countries because we presented a program covering four countries. Even more importantly, it's a sign, a very important sign of recognition at EU level that Atlante is already a key player for the electrification of Southern Europe. So that to me was a very nice way to conclude my short speech is to say also thank you to my teams that worked on this important achievement as well as everything else that we've done in the past one year. Of course, again, to say thank you to the European authorities that have recognized the value of what we're trying to do. Then I think the numbers speak for themselves. What I like very much is the map that we are showing for the first time underneath the stations in the various stages of development. You see in red, the ones which are online and under construction. Of course, we do not have online any station yet in France, Spain, or Portugal, but you can see that we have pretty much covered the four geographies already in a quite nice way that shows that our customers will be able to travel freely. This is just the start. The map will soon be more and more densely populated with dots, and that's it. I would like just once again to thank all of the amazing people that decided to join Atlante, to join the mission of Atlante, which is an extension of the NHOA mission, fostering the fast-paced change towards an energy world at zero emission, in

our case, the mobility part of the energy equation and be prepared for more excitement to come. Thank you very much.

**Carlalberto Guglielminotti:** Thank you, Stefano. I think we can now move to our Q&A session and together with Giuseppe, Roberto, Stefano, and together with Alessio for all financial aspects. We are now ready to answer any question you may have. Chiara, the floor is yours to open the Q&A session. Thank you.

**Chiara Cerri:** Thank you very much. We are now ready to open our Q&A session. Just remember that if you wish to ask a question, you may raise your hand or write in the Q&A chat. If you're connected via Zoom or if you're connected via call, enter the queue by pressing \*1 on your telephone keypad. We already have questions coming. The first one will be told by Mr. Mr. Pozzi from Mediobanca. I will just ask him to open his mic.

**Alessandro Pozzi, Mediobanca:** Hello. Can you hear me?

**Carlalberto Guglielminotti:** Yeah. Perfectly.

**Alessandro Pozzi, Mediobanca:** Yeah, thank you. Thank you for taking my questions. I have three. First of all, I think in your opening remarks you mentioned that you have made a strong progression in terms of revenues year on year, but in Q3, as you pointed out, they were down versus Q2. If I look at the midpoint of the guidance, you probably still need to make €50 million in Q4 to get there. You sound very confident you can achieve that, and I was wondering if you can give us more color why you're confident. Is it because you have already the delivery schedule for the batteries firmed up? Or is it because projects in the energy storage are moving through the commissioning phase so you have more visibility on the milestone there and revenue recognitions? Or anything that can give us more confidence to us for the full year guidance, that will be appreciated. As a follow on this one, maybe in e-mobility. There's a lot of things going on, as you mentioned in the presentation. I was wondering what the main driver of growth in is the next few quarters? Is it the conversion rate of Stellantis? Is it electrification of the dealerships in North America or the launch of the new product ePro as well, the potentially it could support the revenues there? Also lastly, the third question, just a curiosity, how many charging points you have at the moment online, and whether you can give us a sense of the economics there? What I mean by that is, do you have an estimation of what utilization rates could be or where they can go on your charging points and how many customers you have per day going through your charging points. That would be helpful. Thank you very much.

**Carlalberto Guglielminotti:** Thank you. Thank you, Alessandro. Let me introduce the answer and then I hand it over to the teams for a more detailed analysis. On the first one, revenue progression, you're looking to the Q3 that is down compared to Q2. Yes, you're right. You're right also when you say that we do expect approximately €50 million revenues in Q4 and you're right also when you say that we are absolutely confident in achieving that. The question is why? I can anticipate that everything is simply according to the schedule. Yes, obviously, battery delivery is essential. I'm handing it over to Giuseppe to elaborate on that but let me say that we do have a project and we are delivering at an execution speed that goes beyond the concept of a quarter. Okay? The reason why we share on a quarterly basis our trading and operational update and we have always been clear in saying, okay, please do expect volatilities because we want to lead in the market for the level of transparency and for the level of financial communication. We are prepared for that, but please do not focus too much on that. That's a legitimate question because the level of backlog we had, the level of pipeline we had really goes beyond the concept of quarter volatility. Anyway, I will leave to Giuseppe to elaborate a bit on the level of confidence we have for Q4. Giuseppe, I hand it over to you.

**Giuseppe Artizzu:** Thank you. Yes, the answer is quite obvious. We are in the mid-October so we have a very high degree of visibility on the delivery and schedule of equipment that we're

receiving and on the actual other milestone progress including the commissioning of projects. On a two-month basis, we have a high degree of visibility and potential, so there are some deliveries that are scheduled in the second half of December, but the magnitude of those is relatively limited compared to what is instead well inside this year. We have a very high degree of visibility. As I said before, we are focusing, in this quarter, we're focusing in particular around on commercial effort, so the machine is growing. Given that the battery environment stabilized, we are putting a lot of effort on riding the wave in this period from commercializing that lithium price has stabilized, and the other commodities that are actually going down. We are trying to capture that opportunity.

**Carlaberto Guglielminotti:** Then on your second question, our stand on e-mobility. What is the trigger between the conversion rate if it says North America, and deeper launch? I mean, all that, all of them are contributing. I will leave it to Roberto to elaborate on that, but yes, any single point you mentioned is crucial. So maybe it's slightly less in the short-term in North America because of the maturity of the market, if you look to short term, okay, but in principle, conversion rate globally, EV sales, Stellantis EV sales and the stability of the ePro and launch of the ePro are essential, then there's some mix all those free KPIs but, Roberto, feel free will integrate.

**Roberto Di Stefano:** No. Like you said, in the question there was already almost the answer because clearly, the composition of these three factors is giving us the confidence that what we did so far will give us result and growth. There is another factor that I was commenting, I don't remember if in quarter one or quarter two, that here in Europe, we have been created whereas in Stellantis there was already in some market relationship with other partner, supplier, and for sure, at this period of time, we even use with Stellantis, let's say, to migrate from them to us. That means the composition or the growth of the automotive market in electrification, our product readiness, the dealer electrification in U.S. and the start of sales in U.S. where the situation is totally different because there was no any partnership, precedent partnership or something so small that we start really from ground zero with us. All the composition of this path is giving us the confidence that our plan is consistent and solid enough to confirm our commitment on the go.

**Alessandro Pozzi, Mediobanca:** On the supply chain, can you give us maybe any indication whether the bottlenecks that you had experienced have now been sorted out and we will see a more seamless, let's say, supply chain in Q4?

**Roberto Di Stefano:** Yeah. It's pretty simple the answer. Thanks to the support of my two shareholders, clearly, when we were born, that was May 2021, clearly there was already a bit of swing I can say, on the electronic and microchip market industry. There were companies, big corporations that were asking, let's say, orders with more than 13, 14 months ahead. At that moment, we were not present in the market and we were not in allocation. Now thanks again to the support of our two shareholders, we fixed the discussion and now we are in allocation with this big corporation. That means that now we are monthly allocated by them, and we are monitoring monthly with all these companies everything according with the schedule. Clearly, like I said last time, we are even increasing a bit our stock because this is normal in this period of time to ensure us continuity in production. This was not possible, right, the previous month, the previous quarter because, again, we were entering a period of time that was already critical. Now this has been fixed. We are in allocation. We are receiving confirmation monthly of our allocation and now the stability of the supply chain for us is really in good shape. It was only electronics, our issue.

**Alessandro Pozzi, Mediobanca:** Thank you.

**Carlalberto Guglielminotti:** Okay. Then on your third question, when online utilization rate. I hand over to Stefano for some detail, but really, again, we don't feel even if that's important, it's obviously from your perspective, we don't feel the pressure of monitoring the utilization rate and so on. For the simple reason that what we are doing in Atlante, it's not to show that we have the highest utilization rate of the market or the lowest. Obviously, you see how iconic are the locations that we have secured. Stefano will comment on that, so that's an obvious conclusion. My point is that we are rolling out an infrastructure that will be essential in the next coming years to drive for all mobility and e-mobility drivers. Okay? The important aspect is not how much conversion rate we have because the conversion rate, obviously, would be in line, most likely or tremendously higher than the address, but really the point is that and more in Italy, we have 600, 800 fast chargers online. We have over 1,300 under construction. I mean, utilization rate depends on EV penetration, depending from various factors. It might be sooner or later, the achievement of the target utilization rate we have in mind, but eventually, what really matters is how many charges we will have and then which location. Utilization rate will follow, and the economics will follow automatically. That's my view but, Stefano, feel free to integrate and to give some color on such aspects.

**Stefano Terranova:** Yes. Yes. In terms of precise numbers, you'll have to be patient because we always said we will not be giving out numbers until we have a solid portfolio of stations in operation for a relatively long period of time so that the numbers make sense. Especially, just to give you an example, over the summer in Italy, there's been a spike in utilization thanks to many foreigners, tourists especially from northern countries that come visit Italy and they have caused that boost in the utilization rates of our stations. Again, if you report those numbers, they were slightly misleading because it's just that there's a seasonality effect that needs to be captured within a relatively long period of time. So please be patient for precise numbers, but what I can say to add color to what Carlalberto said is that indeed, remember that in our plans, what we said before we started the rollout plans, was that we expected very conservative utilization rate or realistic, i.e., starting from low single digit percentages going up to 15% towards 2030. There is a long road to build in terms of enough electrical vehicles being there to utilize fully the stations. On the other hand, don't forget our technological approach, which means that I don't want to give out too many spoilers, but at a certain point, you may see a different type of KPIs that are more relevant to our business model in a sense that, for example, again, I'll try to say something that is useful to you without spoilers. You can imagine that with storage, the concept of utilization factor needs to be adapted to how big is the connection that you require vis-a-vis standard operator without storage, right? That's an example. In a nutshell, we had set out this plan with being very realistic in the fact that especially in the four countries where we operate, where we decided to launch, the EV penetration rates are very low and therefore, we should expect low utilization rates, single digit, even low single digit at beginning and then growing up to double digit with time. Italy, in particular, is going even worse in a sense in terms of the EV penetration rates because the EV sales have gone down shockingly between this year and last year. Nonetheless, what I can say is that whenever we open stations, we see clients that come, we see customers, and we see them being utilized very nicely. I'm positively surprised by the numbers, even in a situation where, as I said, in Italy, the number of vehicles right now is almost miniscule. The point is, I think the trend shows what we have in our mission, build the stations and people will be reassured that they can make the switch to electric mobility. Yes. Then the other part is that, of course, as we matured, we developed, and before I mentioned the digital platforms. One of the operational tools that we have developed is, of course, geolocalization tools, several, because we have tested several different tools that allow us to select stations that have a better future ahead, right? The locations where we can predict, of course, based on a lot of data and a lot of data analytics where we can predict that there would be more EV penetration and more usage. Finally, another aspect which goes the other way around is the CEF program that I mentioned before. In that case, the European Union says, I

give you some money to invest in stations along the most important mobility corridors, right? That goes very well with our concept on the go. However, of course, those corridors right now are full of cars, but full of internal combustion engine cars, right? We are building stations there with the support of the European Union, accelerate the plan, so building them before that would make sense without the funding of the European Union. Therefore, when those stations will come online, which is from late 2023, '24 and '25, on those stations in the first few years, the utilization rates will be low, but that's by design in a sense because we have selected sites which have a huge potential in the coming few years, but not immediate. We can do that thanks to the support of the European Union that says, please build the stations because people have to be able to move across Europe and across the high traffic routes.

**Alessandro Pozzi, Mediobanca:** Thank you.

**Carlalberto Guglielminotti:** Thank you. Also, because, Alessandro, utilization right now really, I reiterate that we have to focus to our projections that were in the MasterPlan from 4-15% because now utilization rate would be extremely misleading. I'll give you an example. In Rome there is just one high power charging station, right? Now, obviously, in the city center, the utilization rate there I would expect 20%, 30%, but that is totally misleading because then once you install a further station, this will decrease. The question is, is our business model sustainable with 4-15% utilization rate? Yes, it is. Why? Because we do have a utilization rate that is higher than the other. Certainly, having installed in an iconic location, it helps, okay, because we have the airports, we have the major corridors within the European Union. I do expect a slightly higher utilization rate compared to the others, but it doesn't really change the picture. What does change the picture is the fact that we're going to install storage, that we're going to do energy management, and for that reason, our financials will be dramatically better than our competitors, than other GPOs. Not because we have highest utilization rates. Utilization rate really depends from the location and it depends from EV penetration and depend from EV progression on the road and would be exactly the same for anyone else. It's not a real distinctive factor. It's just a way to let me say, convince ourselves that e-mobility is there, but e-mobility will be there even without immediate higher or lower utilization rates.

**Alessandro Pozzi, Mediobanca:** Thank you. Very clear. Thank you.

**Carlalberto Guglielminotti:** Thank you, Alessandro. Chiara, we can move to the next one.

**Chiara Cerri:** Yes, sure. We have a question coming from Mr. Paternoster from Kepler. I will just now ask him to open his microphone. Mr. Paternoster, floor is yours.

**Hugo Paternoster, Kepler Cheuvreux:** Good morning, everyone. Can you hear me?

**Chiara Cerri:** Yes.

**Hugo Paternoster, Kepler Cheuvreux:** Okay. Thanks. Thanks a lot. My first question is kind of follow-up on the sales for the full year and mainly the sale for e-mobility segment, Free2move eSolutions. What kind of growth do you expect in Q4 the magnitude of rebound for the sales? It would be my first question. The second one would be more a vague question on Atlante. In terms of the number of location pipeline of new site and under assessment, what is your expected win rate or transformation rate out of those sites, how many do you expect to convert into online or under construction by one year horizon? Also, what kind of location do you particularly target in France, Spain, and Portugal? Is that mainly iconic location as you have done so in Italy or mainly you count on the PSA of Stellantis concession? My third question would be on the guidance. I know this is mostly a call for revenue, but would it be possible to have some color on the profitability guidance, the breakeven or any color on that would be helpful? Thanks.

**Carlalberto Guglielminotti:** Okay. Thank you. So let me take very quickly the first one in Q4. We do not communicate on any specific progression on the single business line. Obviously, you

see the picture and you've seen how much revenue was made at the level of Free2move eSolutions. Roberto has been very clear in saying we do expect the real pressure coming in nearly 2024 in terms of volumes expecting the XXX... sorry, starting from Q1 next year. In Q4, we will have the first signal. The first signal means that best-case scenario we're going to do in Q4 essentially, certainly more than the revenues that we've made in the last three quarters. Yes, this is a scenario. Certainly, it's not going to change the overall picture of the guidance, so we will see. I would say, as Roberto said, real growth is expected in 2023. Please be patient. You will see the first signals in Q4 and this will contribute marginally to the group level revenues. Then on Atlante conversion rate of the pipeline, I hand it over to Stefano. What kind of locations? What I can tell you is that you already have public information on that because we got €23 million from the European Union in order to install within the major corridors, right? This is obviously the most important aspect. Stefano has been very clear in saying that we have geolocalization tools, AI, data analytics set to map everything. There is specific analysis around each single site. On the conversion rate, I leave it to you, Stefano, to comment on the expected conversion rate of the pipeline.

**Stefano Terranova:** Yes. We started with a very, I would say, traditional view on low conversion rates, right? Having to build up large number of leads with a high death rate and therefore, a very low corresponding survival rate. That was the initial plan. Let's bring in sites by the tens of dozens, even hundreds, and then only a few will survive. Now one year after, as I said, we have learned so much. We have refined and fine-tuned our formulas, and now we are focusing more on going to sites where we have a very high possibility of success. We still have, so for example, we have... we tend to focus on accounts that would sign up to the Atlante network beforehand and only after we would do the feasibility studies. Therefore, I would expect now if initially from the origination to execution, we would have had maybe a conversion rate of 10%, now we would expect that to be very much higher and much in the 30-40%. You will see some evolution in our pipeline in the year to come. What is important is that we can plan ahead. We have a plan which goes, of course, to 2025 first of all. That's the first target that we're coming into the market, but we break it down by a year ahead and then, of course, on a rolling basis, a quarter ahead. Therefore, we can plan very much the number of sites we need according to the ramp up that we have required. What I've said before is that in essence for 2023, we have a very reassuring pipeline that allows us to say that, okay, it's not all done, but a great part of the job for 2023 is already in the pipeline, literally.

**Carlalberto Guglielminotti:** Okay. Thank you, Stefano. The answer was clear, 30-40%, but it's not really telling. In any event, you remember our targets, right? It was 5,000 points of charge by 2025 in 1,500 sites, then maybe the ratio between sites and points of charge might change, but we already secured 30%, approximately 30% of this target with sites that are already online or under construction. The pipeline of sites we have is already well beyond the target we have by 2025. As I said, we are two to three times faster than expected in terms of delivery. Then on the third question on the guidance, given profitability. Again, I reiterate that the targets are the targets. Sometimes we revise the targets typically upwards, as has been the case for revenues. This has not been the case for EBITDA, but we are anticipating in H1 for NHOA Energy, the profitability at the EBITDA levels, so essentially the EBITDA breakeven. We made a couple of million EBITDA in H1. We have confirmed the EBITDA breakeven, therefore positive EBITDA at the end of the year for NHOA Energy. We will see at the level of Free2move eSolutions if still is possible. That's the reason why we have not yet revised the guidance. We will see. This will depend from volumes obviously and from revenues, Atlante is another story. The target was the EBITDA, still is EBITDA. The target has been achieved for NHOA Energy, we are committed to achieve it at the level of Free2move eSolutions by the year end. In any event, if we're not going to achieve for any reason because volumes will turn to be not enough to sustain with the current margins the EBITDA breakeven, then eventually we'd be very close to it. So that's the picture. Then profitability is another chapter, but it has never been a real target for the simple reason

that this depends also from the investments we are making in Atlante. In Atlante, we are accelerating the investment and therefore we are absorbing more resources than expected on the single year, okay, even if this is absolutely according to the plan in terms of CapEx. That's the reason why when you will look at EBITDA, EBITDA is confirmed certainly at the level of NHOA Energy, let's see for Free2move eSolutions, but in any event, it doesn't change the fundamentals because the targets are there, and we are delivering according to our plan. I think we have another question, Chiara, even if we are out of time, but we can take the last one.

**Chiara Cerri:** Yeah. Exactly. We have one question coming from Mr. Muros from Société Générale. I will now ask him to activate his microphone.

**Guillaume Muros, Société Générale:** Hello. Can you hear me?

**Chiara Cerri:** Yes.

**Guillaume Muros, Société Générale:** Hello. Well, thanks for taking my questions. I have a couple. One, just to reiterate here on the guidance, perhaps moving on to 2023. I know you haven't issued any guidance yet, but I'm going to play a bit of devil's advocate here. Given the lack of visibility that financial markets are in plan for 2023, also given the current high commissioning rate that you have on the storage division, and current backlog as well that you have, also considering Tavares' comments regarding supply chains lasting until end 2023. How much visibility do we have going on into fiscal year 2023 in terms of sales at group level? Then I have perhaps one question. I'll ask just the question on Atlante, and then I'll come back to storage. On Atlante, can you please...? Because we, the analyst consensus, might have perhaps overestimated a bit your cost regarding fast chargers and point of charge. There might be some misunderstanding there from our side. If you can just remind us the average cost for the deployment of your Atlante network in term of fast-charging blocks, points of charge or stations. It's a little unclear for everyone. Thanks.

**Carlalberto Guglielminotti:** Thank you very much. Let me choose the first one and then I leave it to Giuseppe to comment. The guidance 2023. When? I would say we are showing now the confidence on the growth at group level in 2023. Growth will be there even if this year, we have a level of revenues that would be very, very high. We are confident continuing on a continuous growth in 2023. The question is when we are going to release the guidance. I would say when we release the next quarter, quarterly trading and operational update. It will be the Q4, so it will be the end of January, beginning of February at the very latest. This is the time which we will have enough visibility, enough visibility to communicate and to take commitment on that. We've arranged obviously that in line with last year. This will be the time. You should be patient. It's just another quarter and then we will give full visibility, but we pass the message that we see growth, we see continuous growth and we see feasibility and sustainability of that growth even in 2023 irrespective of the macro headwinds. Giuseppe, feel free to give more color on that, on why we are confident on that.

**Giuseppe Artizzu:** The degree of confidence is based on the fact that we know where we are from a commercial level... from an origination perspective and the combination of stabilizing battery markets and growth in demand associated, in particular in Europe, associated to the macro situation in the energy market. It's extremely confident in origination activities over the next 3 to 6 months. As I said, we are targeting to enter the New Year with a level of backlog comparable to what we have today, of course, in lots of minds. And strong confidence in the momentum of the commercial activities as we enter the New Year. This is essentially the basis upon which we foresee very satisfactory growth rates in 2023. Whether they are going to be very satisfactory or exact amount, that will depend on our ability to ride the rising wave, and of course, also on macro conditions, etc. I think this is a discussion that we're going to have a few months down the road.

**Carlalberto Guglielminotti:** Thank you for that. Just a quick comment on the cost for a fastcharger per points of charge. Again, as we said I think also last quarter, there was a bit of confusion. There's a confusion but it's a confusion that is still in the market, even in the European Union level. When we talk about chargers and points of charge, there is a lot of confusion, therefore what I can tell you is that we do have a target that has been communicated in terms of CAPEX and has been communicated in the context of the MasterPlan a year ago. The reference is 100-240k, so essentially, €140,000 per fastcharger. The number usually sometimes we refer to points of charge like the market, but if you look specifically at the CAPEX, so if you want to analyze the CAPEX, the fast charger is the reference, okay, because it depends on the fast charger when installed how many points of charge we have. That's the most important aspect. There are fast chargers we install with one point of charge, others with two, others with three. Essentially, we can serve three parking lots with the same fast charger. The CAPEX per fast charger is essentially the same. The reference you may take for that cost is as we indicated in the Masterplan and then even including storage and canopy this is, this is the reference point. Then if you look to what we're doing, obviously, we are optimizing IRR and optimizing CAPEX, which means that for the first stations, we are going to install just a fast charging, then points of charge will depend from the technology we installed, from the kind of e-station, and then progressively, we integrate the fast chargers with storage. We add new fast chargers, so new points of charge to new parking lots. This would be a progressive rollout. The first fast chargers with storage, one is already online, the other will become online in Q1, but that's a progression. Therefore, this CAPEX is extremely, for your purpose is extremely difficult to model the very beginning of the plan with that amount of money. If you want to plan in next six months, and you want to have one single number, is not easy. While through 2025 is absolutely the right reference to refer from 100-140 per charger, meaning that per, let me say, machine. While the number of points of charge depends from multiple considerations depending on the location. If you want to simplify for modeling purposes, you can use as a reference 100, 230 to 240 per fast charger, and assume two points of charge for each single fast charger. That's a good way to model, but yes, not for cash planning in the next six months, but for modeling purposes through 2025 and through 2030. If you want to add a bit more color in respect of the Masterplan range, okay, we do see the lower end of this range as absolutely feasible because of the huge investments we have made in engineering, in technology optimization, and therefore using the lower end for modeling purposes is something that we could suggest easily. So, using the 100k as a reference for a CAPEX deployment on a number of charger that is again, one EVSE, so one charger, two points of charge and the cost, the average cost of this electrical vehicle supply equipment coupled with storage and solar canopy might be easily in the low end of this range. Is it clear?

**Chiara Cerri:** Yes. Thank you very much for your answer. I think we've run out of time, and we have no more questions right now. Carlalberto, back to you.

**Carlalberto Guglielminotti:** Thank you, Chiara. Thank you, Giuseppe, thank you, Stefano, thank you, Roberto, and thank you, Alessio. Thank you all for your time. Thank you all, ladies and gentlemen, for attending. Next chapter will be the Q4 trading and operational update in which obviously we will release the full year key KPIs including sales. I look forward to seeing you at the end of January, beginning of February, at the very latest. Thank you very much. Have a nice day.