



A Trader-Optimizer View on Storage Prospects in the Italian Market

Battery Asset Management Summit Rome
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ENCAVIS



Beyond Trading

OUR CORE



AI-powered trading

- Market access services as BRP and BSP
- Asset-specific trading solution
- Market-leading performance

OUR SERVICE



End-to-end support

- Support in securing fixed revenues
- Asset registration & market operations
- 24/7 monitoring & support

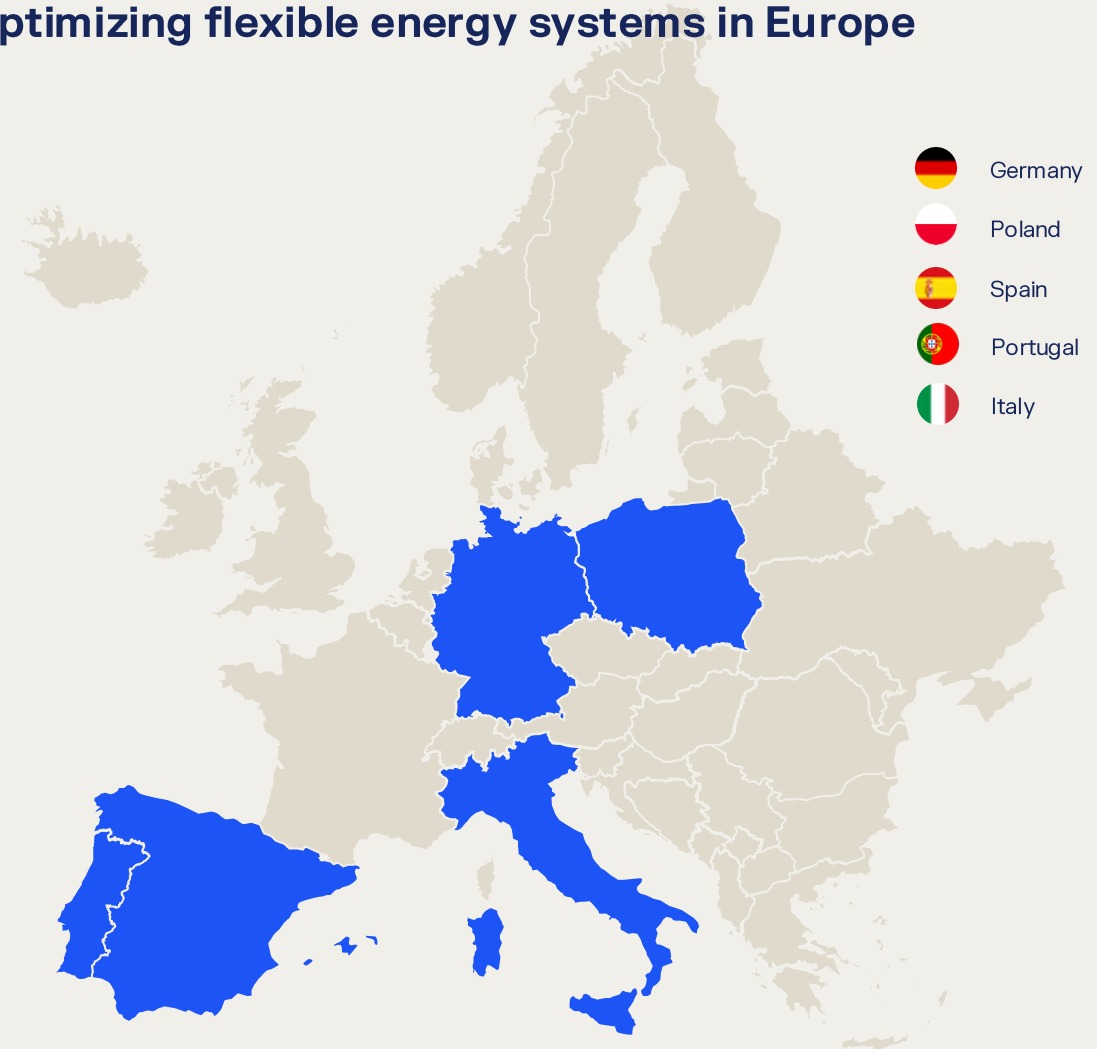
OUR NETWORK



Network & support

- Access to banks and data providers
- Shaping regulation and energy transition
- Supporting in M&A processes

We are an energy trader and market leader for optimizing flexible energy systems in Europe



2.5 GW / 7 GWh

BESS assets
contracted

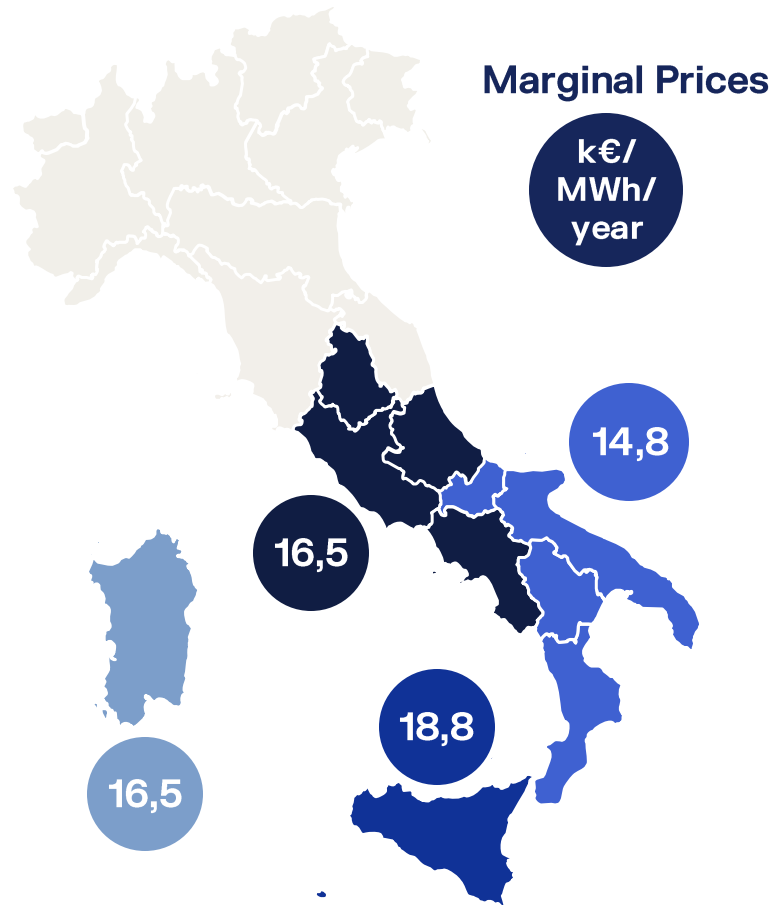
52

grid-scale
assets

Offices in

Munich, Milan,
Madrid, Warsaw

MACSE auction



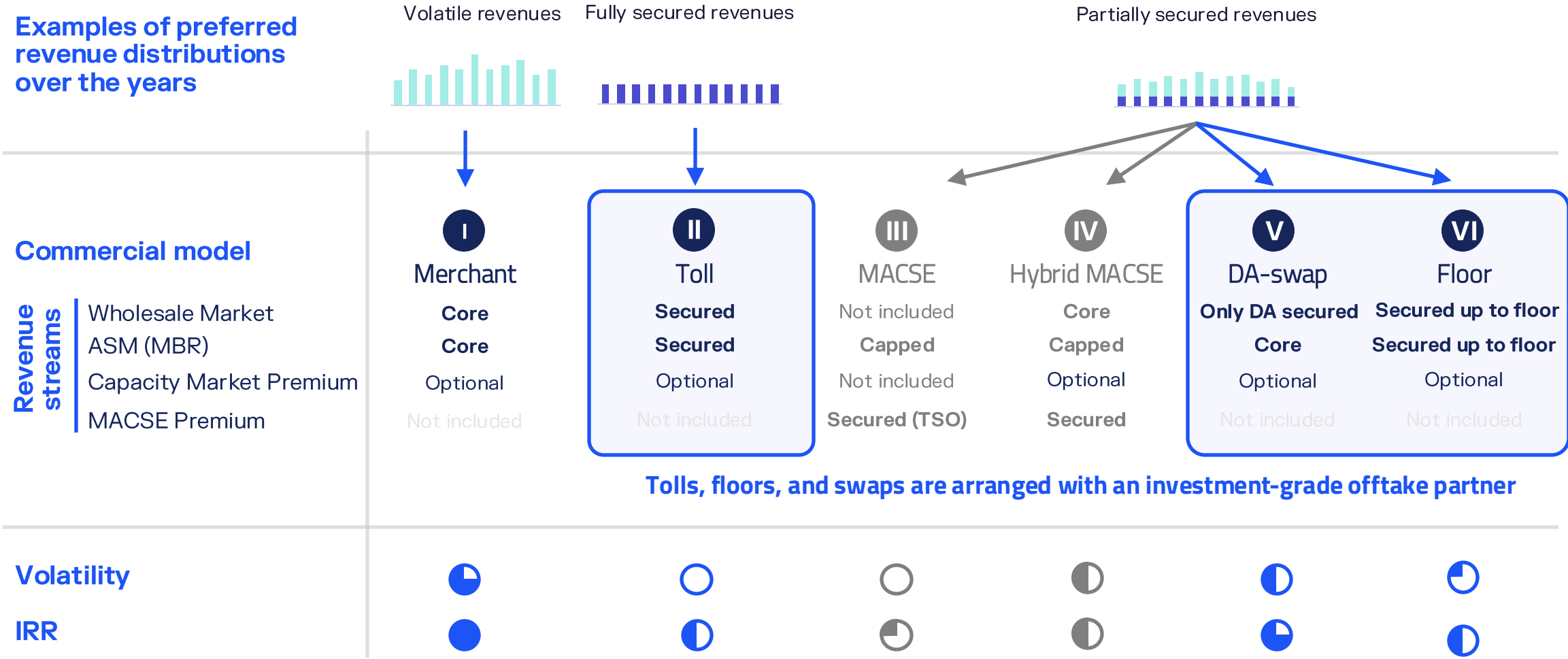
➤ Key aspects of MACSE auction results

- MACSE auction ended up in an extremely competitive bid:
 - **4x Participation:** 40GWh registered vs 10MWh awarded
 - **80% Utility/State controlled** projects
- Re-shaping the MACSE marginal prices on a **4-hour BESS** results in an **expected regulated revenue range of 60-75 k€/MW-year over a 15-year period** (+upside from ASM)

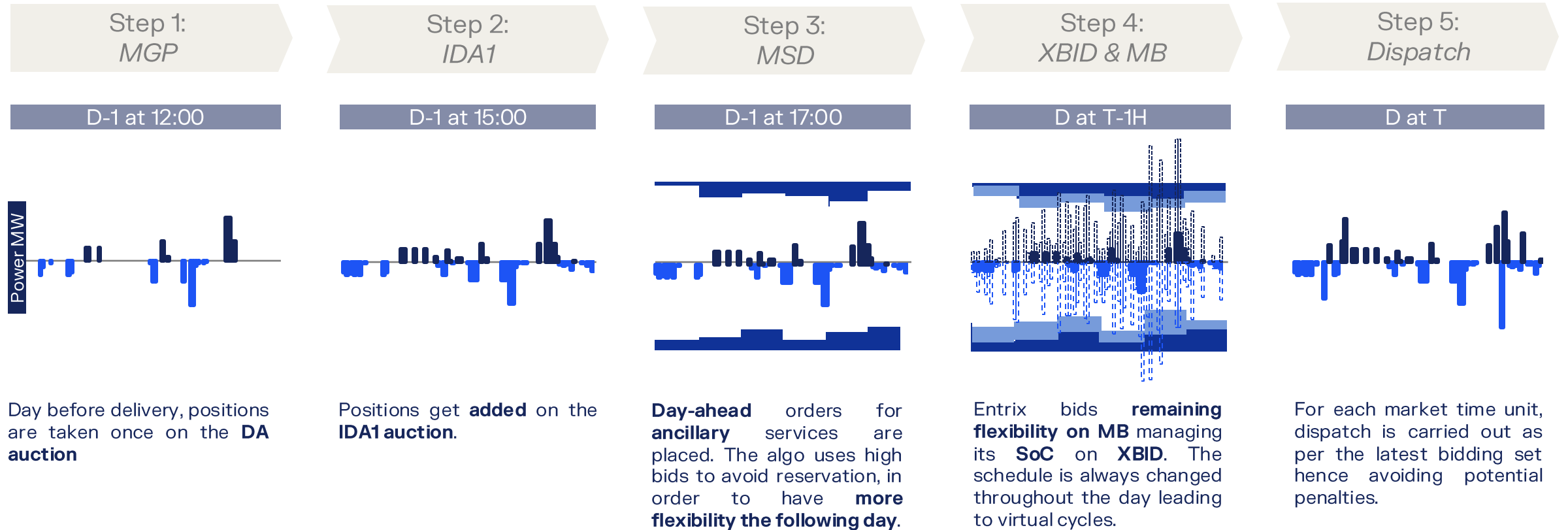
➤ Beyond MACSE:

- Can we find opportunities in the market that can **match or exceed the above revenue figures**?
- To what extent does the **risk-return profile need to be adjusted to capture higher market profitability**?
- Would the resulting **merchant vs. regulated profiles** be considered **bankable**?

Other market opportunities can deliver higher profitability while maintaining bankable risk-return profiles



Entrix utilizes an advanced AI algorithm to continuously improve bidding positions on all markets in real time, while maintaining SoC in bounds



■ Power bought with delivery

■ Power sold with physical delivery

■ Power reserved for MSD ex-ante

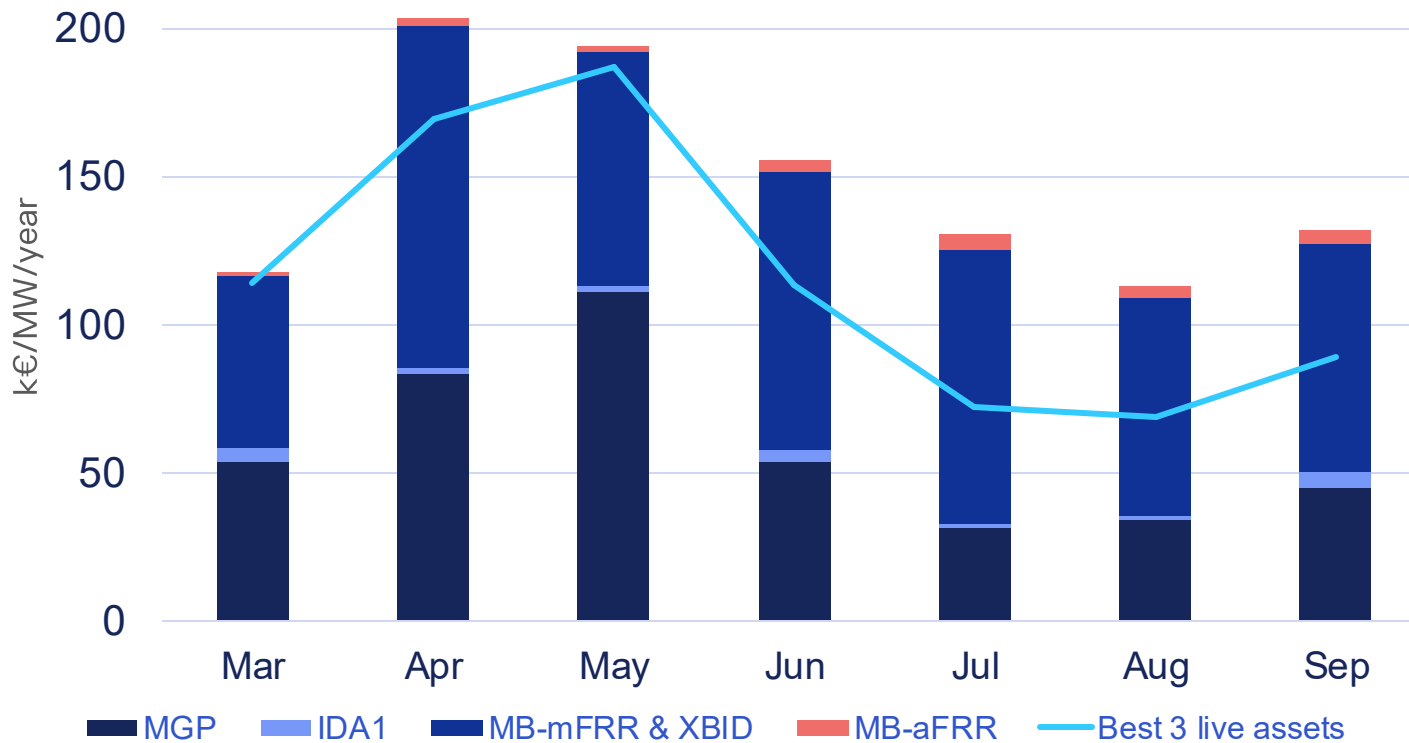
■ Power activated in MB

■ Power bought without delivery

■ Power sold without delivery

Entrix's advanced algorithm beats the market, ensuring high margins even with low DA spreads

Entrix Algorithm vs 3 best-performing assets, North, 4h
Annualized cumulative monthly revenues at optimal cycling



- In North, Entrix's advanced algorithm achieved **+30% revenues** with respect to the 3 top-performing assets in the period considered at **150 k€/MW-y**.
- In North, optimal physical cycling for a **2h BESS** was around **1.5 cycle/day**, while for a **4h BESS** **~1 cycle/day**.
- **Intraday flexibility (MB, XBID)** was the **biggest component** of Entrix's revenue stack, registering 60% of the total.
- **Day-ahead spreads** are a very **volatile** component across the year: max monthly DA revenues were **>3x** the minimum ones.
- **Entrix acts as a hedge** against DA revenue drops, extracting high value on intraday markets even when DA spreads are limited.

Offtake solutions and Capacity Market - and how does it all stack together

OFFTAKE SOLUTIONS

- **DA Swap** - *Fixed payment in exchange of the daily spread on MGP*
 - Price range: **45-50 k€/MW-year** (+ full value of ASM)
 - Tenors 7-10 years
- **Full or Partial Tolls** - *Fixed payment in exchange of the value generated from all markets*
 - Price range: **60- 65 k€/MW-year**
 - Tenors up to 10 years
- **Floors** - *benefit share scheme with minimum guaranteed price*
 - Price range: **45-55 k€/MW-year** + upside on merchant share.
 - Tenors up to 10 years

CAPACITY MARKET

- *TSO-held yearly auctions providing fixed payments to awarded projects, with an obligation for the asset to participate (under specified conditions) in the Energy and Ancillary Services markets.*
- **Fixed payment duration:** 15 years (for new assets)
- **De-rating:** 70% for a 4-hour battery (could be reviewed)
- **Clearing Price assumptions:** 30-47k€/MW-year – varying for each market zone
- **Revenue assumptions** (considering derating factor for a 4-hour battery): 20-33 k€/MW-year

FULL STACKING

- **Merchant + Capacity Market**
 - Merchant revenues: 100-150 k€/MW-y
 - Merchant + CM: **120-180 k€/MW-year**
 - **10% to 25% of regulated revenues** for first 15 years.
- **Toll + Capacity Market**
 - Offtake revenues: 60-65 k€/MW-y
 - Offtake + CM: **80–100 k€/MW-year**
 - **100% of regulated revenues for first 10 years** + 10-25% for the remaining 5 years.

Floors, Swaps and partial tolls can shape different risk-return profiles between the two approaches outlined above.

Wrapping up and looking ahead



- The Italian BESS market is already showing **promising numbers** with revenues potentials can reach **150 k€/MW-year**.
- Entrix can already **outperform the market** thanks to its advanced algo-trading technology and reach much higher values.
- Further potential will be offered by the opening of **new ancillary services markets** (FCR, PICASSO, MARI) and trading volumes moving towards continuous markets.



- Various **offtake solutions** and the **Capacity Market program** can enhance **profitability** while **aligning with the desired risk-return profiles**, offering an alternative to MACSE.
- By delivering **top-tier market trading performance** and a **portfolio of reliable offtake partners**, Entrix aims to unlock the full potential of storage investment opportunities in Italy



We look forward to hearing from you



Michele Pissarello
Country Manager Italy

E michele.pissarello@entrinxenergy.com

Entrix Italy srl
Via Copernico 38
20125 Milano
Italy

hello@entrinxenergy.com

entrinxenergy.com