Altea Green Power

Consolidated Half-YearReport

at 30 June 2024

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1

Consolidated Report on Operations

at 30 June 2024

Giovanni Di Pascale

Chairman of Altea Green Power S.p.A.

We are highly confident in **our potential.** This confidence is bolstered by ongoing discussions around future collaborations and with this mindset, **we will continue to steer the AGP Group toward increasingly ambitious goals.**

Chairman's letter to Shareholders

Shareholders,

the path that the AGP Group charted during the first half of the year was marked by satisfaction, with continued growth across all income metrics. The economic and geopolitical landscape once again presented several elements of instability. Indeed, the prolonged conflict between Russia and Ukraine, along with escalating tensions in the Middle East, has contributed to a climate of uncertainty in international markets. This is further compounded by inflation, which, although it has slowed significantly since 2022 (driven by deflation in the energy sector), remains higher than the overall index, greatly reducing consumer purchasing power. The combination of these and other factors has created an extremely multifaceted and evolving landscape. It is clear that the ability to adapt and respond to these challenges will remain a crucial factor in shaping the future of our economies and businesses. Looking specifically at the AGP Group, I am pleased to confirm that our business model has proven to be robust and is experiencing strong growth. The actions we have taken, combined with our team's unwavering commitment, have helped maintain strong competitiveness, resulting in a 45% increase in our Group's turnover to € 14.5 million in first six months 2024. In detail, this strong growth is the result of our intense Co-Development activity, driven by major advancements in new photovoltaic projects and significant progress in the permitting process, as well as new contracted projects in the Battery Energy Storage System segment, which are crucial for stabilizing the grid as the penetration of non-programmable renewables increases. The progress in storage systems has also been supported by evolving technologies and the introduction of new incentive plans, including the Transition 5.0 Plan and the Agrivoltaic Decree. The Group's total order backlog further supports a confident outlook for the future; at 30 June 2024, the backlog exceeds € 150 million. EBITDA came to € 8.1 million versus € 5.2 million in first half 2023, with an EBITDA margin of 56% versus 52% in first half 2023. The period ended with a net profit of € 5.3 million.

This positive trend, which has accompanied us for some time now,

has been a key factor in our decision to consider transitioning to the regulated market and thus embarking on the process of translisting, submitting the relevant applications to Borsa Italiana S.p.A. and CONSOB for the admission to listing of the ordinary shares and Warrants Altea Green Power 2022-2024 on Euronext Milan, if the conditions are met, the Euronext STAR Milan segment. This step will allow us to continue in our accreditation efforts with both domestic and international investors who have believed in Altea Green Power's project from its inception and have supported us so far.

Equally important are the two initiatives undertaken in first half 2024, which we believe will further consolidate the existing positive trend and enhance the efforts of the AGP team. Specifically, a multi-year bonus policy (retention bonus and phantom stock options) was introduced for employees who hold key positions and/or have demonstrated outstanding performance, and the development of an IT project involving the adoption of a state-of-the-art cloud ERP system was initiated.

In terms of future prospects, given the current foundations, we are highly confident in our potential. This confidence is bolstered by ongoing discussions around future collaborations, particularly in the United States, where we see significant opportunities to capitalize on. With this mindset, we will continue to steer the AGP Group toward increasingly ambitious goals.

Thank you,

Giovanni Di Pascale

Chairman of Altea Green Power S.p.A.

Corporate bodies and information

ALTEA GREEN POWER S.p.A.

Registered office
Corso Re Umberto, 8 - 10121 Turin, Italy

Operational headquarters
Via Chivasso, 15/A - 10098 Rivoli (TO) - Italy

Share capital: € 865,650 fully paid up
VAT and Tax Code 08013190015

info@alteagreenpower.com
www.alteagreenpower.com

Board of Directors

Chairman of the Board of Directors
Giovanni Di Pascale

Directors
Donatella De Lieto Vollaro
Luca De Zen
Fabio Lenzini
Francesco Bavagnoli (indipendenti)
Laura Guazzoni (indipendenti)
Anna Chiara Invernizzi (indipendenti)

The Board of Directors will end its term of office with the approval of the financial statements for the year ending 31 December 2026.

Board of Statutory Auditors

Chairman of the Board of Statutory Auditors
Fabrizio Morra

Statutory Auditors
Fabrizio Bava
Chiara Grandi

Alternate Auditors
Franco Cattaneo
Rosa Chirico

The Board of Statutory Auditors will end its term of office with the approval of the financial statements for the year ending 31 December 2026.

Independent Auditors

BDO Italia S.p.A.

The Independent Auditors serve until the year ending 31 December 2026. The Company's Shareholders' Meeting held on 17 July 2024 also appointed the same Independent Auditors pursuant to Article 13 of Legislative Decree 39/2010 and Article 16 of Regulation (EU) 537/2014, with their term extending until the financial statements ending on 31 December 2032. This appointment is subject to the condition precedent of completing the Translisting process to the Euronext Milan market.

Supervisory Board

Eleonora Pradal

Foreword

This Consolidated Report on Operations is part of the Consolidated Half-Year Report that includes the Consolidated Financial Statements at 30 June 2024, prepared in accordance with IFRS, meaning all International Financial Reporting Standards, all International Accounting Standards (IAS), all interpretations of the International Reporting Interpretations Committee (IFRIC), formerly known as the Standing Interpretations Committee (SIC), applicable to the Group which, at the closing date of the Consolidated Financial Statements, were endorsed by the European Union in accordance with the procedure set forth in Regulation (EC) no. 1606/2002 by the European Parliament and the European Council of 19 July 2002.

Overview

The parent company, Altea Green Power S.p.A., is listed on the Euronext Growth Milan market, with its operational headquarters in Rivoli (TO). Established in 2008, its mission is to supply and manage renewable energy plants with maximum efficiency and guaranteed operation, all while fully respecting the environment.

Leveraging its expertise for companies, funds, and investors, the company develops and builds industrial-scale rooftop and ground-mounted photovoltaic systems, wind power plants, and storage systems. It also operates as an Independent Power Producer (IPP) exclusively from renewable sources.

The Group's business areas are:

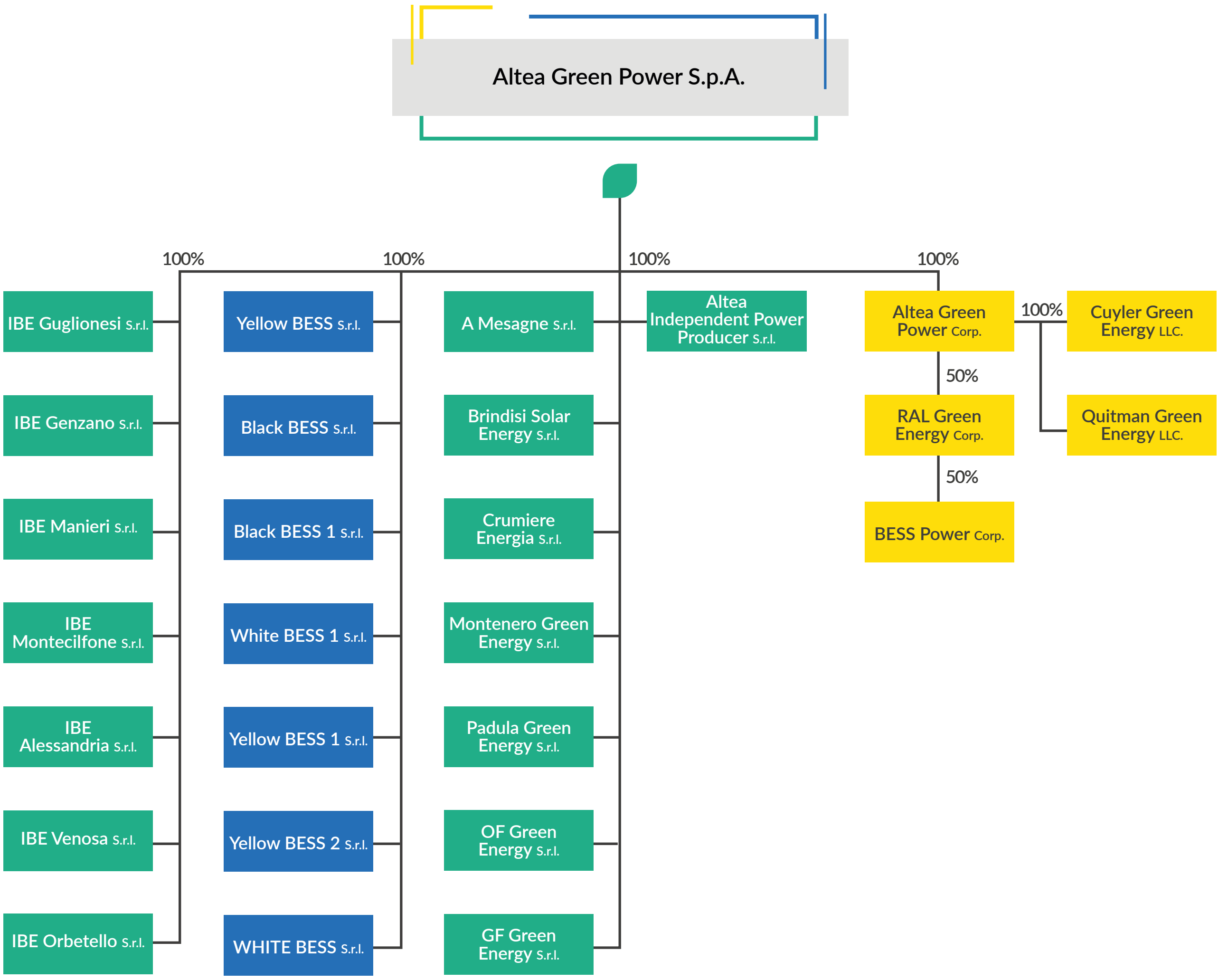
- **Co-Development**: the Co-Development division represents the Group's core business, primarily focusing on the process from originating suitable sites for plant construction to obtaining the necessary permits for the plant's development. This process is aimed at building large-scale renewable energy and storage facilities. Specifically, under Co-Development, the Group is involved in:
  - the identification of suitable sites for the construction of photovoltaic plants, wind farms and Battery Energy Storage Systems (BESS),
  - the application for grid connection permits and the completion of administrative procedures necessary to obtain the functional permits for the implementation of the plants; and

- the preliminary and final planning and engineering work for the construction of the plants.

- **EPC and Energy Efficiency**: the EPC (Engineering, Procurement, Construction) division specializes in the planning and construction of industrial-scale rooftop and ground-mounted photovoltaic systems, medium-sized wind farms, and energy storage systems. It manages all stages of the process, providing "turnkey solutions". Through this division, the Group primarily offers small and medium-sized enterprises consulting services aimed at improving the efficiency of existing renewable energy plants, specifically by conducting energy diagnoses of sites and plants.
- **IPP**: the Independent Power Production division is active in the planning and construction in Italy of proprietary photovoltaic plants with a capacity of at least 90 MW by 2028 in the photovoltaic sector, with plans to expand to 150 MW in subsequent years. This division is currently marginal and is expected to start delivering its first results in the coming years.

AGP Group Structure

The Group's corporate organizational chart at 30 June 2024 is shown below:



Consolidation scope

At 30 June 2024, the consolidation scope includes the following companies directly or indirectly controlled by Altea Green Power S.p.A.:

SUBSIDIARIES	Registered office	Tax code	Currency	Share capital in Euro	Investment	Consolidatio method	% share held
Brindisi Solar Energy S.r.l.	P.zza A. Diaz 7 - MI	10812770963	Euro	10.000	Direct	Full	100%
IBE Guglionesi Wind S.r.l.	C.so Re Umberto 8 - TO	12291540016	Euro	10.000	Direct	Full	100%
Yellow BESS S.r.l.	C.so Re Umberto 8 - TO	12291490014	Euro	10.000	Direct	Full	100%
IBE Genzano S.r.l.	C.so Re Umberto 8 - TO	12291460017	Euro	10.000	Direct	Full	100%
IBE Manieri S.r.l.	C.so Re Umberto 8 - TO	12291520018	Euro	10.000	Direct	Full	100%
IBE Montecilfone S.r.l.	C.so Re Umberto 8 - TO	12291530017	Euro	10.000	Direct	Full	100%
IBE Alessandria S.r.l.	C.so Re Umberto 8 - TO	12291500010	Euro	10.000	Direct	Full	100%
IBE Venosa S.r.l.	C.so Re Umberto 8 - TO	12291480015	Euro	10.000	Direct	Full	100%
Montenero Green Energy S.r.l.	C.so Re Umberto 8 - TO	12692000016	Euro	10.000	Direct	Full	100%
Padula Green Energy S.r.l.	C.so Re Umberto 8 - TO	12710550018	Euro	10.000	Direct	Full	100%
Black BESS S.r.l.	C.so Re Umberto 8 - TO	12752950019	Euro	10.000	Direct	Full	100%
A Mesagne S.r.l.	C.so Re Umberto 8 - TO	12677100963	Euro	10.000	Direct	Full	100%
Crumiere Energia S.r.l.	C.so Re Umberto 8 - TO	3505520043	Euro	110.000	Direct	Full	100%
IBE Orbetello S.r.l.	C.so Re Umberto 8 - TO	12888870016	Euro	10.000	Diretta	Full	100%
Altea Independent Power Producer S.r.l.	C.so Re Umberto 8 - TO	12268350969	Euro	10.000	Direct	Full	100%
Altea Green Power US Corp.	Delaware - USA	n/a	U.S. $	n/a	Direct	Full	100%
Cuyler Green Energy LLC	Delaware - USA	n/a	U.S. $	n/a	Indirect	Full	100%
Quitman Green Energy LLC	Delaware - USA	n/a	U.S. $	n/a	Indirect	Full	100%
RAL Green Energy Corp.	Delaware - USA	n/a	U.S. $	n/a	Indirect	Cost	50%
BESS Power Corp.	Delaware - USA	n/a	U.S. $	n/a	Indirect	Cost	25%
Companies established in 2024							
Black BESS 1 S.r.l.	C.so Re Umberto 8 - TO	13053140011	Euro	10.000	Direct	Full	100%
White BESS S.r.l.	C.so Re Umberto 8 - TO	13053120013	Euro	10.000	Direct	Full	100%
White BESS 1 S.r.l.	C.so Re Umberto 8 - TO	13053110014	Euro	10.000	Direct	Full	100%
Yellow BESS 1 S.r.l.	C.so Re Umberto 8 - TO	13053100015	Euro	10.000	Direct	Full	100%
Yellow BESS 2 S.r.l.	C.so Re Umberto 8 - TO	13053130012	Euro	10.000	Direct	Full	100%
Companies acquired from third parties in 2024							
OF Green Energy UNO S.r.l.	Via Vinadio 20 - TO	12291470016	Euro	10.000	Direct	Full	100%
GF Green Energy UNO S.r.l.	Via San Vittore 45 - TO	12268360968	Euro	10.000	Direct	Full	100%
Companies sold to third parties in 2024							
Green BESS S.r.l.	C.so Re Umberto 8 - TO	12731150012	Euro	10.000	Direct	Full	100%
Blue BESS S.r.l.	C.so Re Umberto 8 - TO	12786310016	Euro	10.000	Direct	Full	100%

The investees shown are almost all Special Purpose Vehicles (SPVs) used to support Co-Development projects: each company represents an ongoing project to which all contractual costs are reversed.

During the first half, the Group acquired 100% of the shares of OF Green Energy UNO S.r.l. and GF Green Energy UNO S.r.l., with the goal of expanding its portfolio and developing new Co-Development projects.
On 21 March 2024, the Group finalized the closing of the Co-Development contract for 9 BESS Storage plants in Italy with a North American investment fund, concurrently selling the shares of the subsidiaries Green BESS S.r.l. and Blue BESS S.r.l. for a consideration of € 5.7 million.
Subsidiaries include Altea Green Power US Corp., a U.S.-registered company, as a vehicle for developing the Group's business in U.S. markets, and BESS Power Corp., a company operating in the acquisition of stand-alone Battery Energy Storage System projects. With the exception of these companies, the other U.S. companies remain insignificant as they are still in the start-up phase.

The Italian renewable energy target market in which the Group operates

Wind and photovoltaic plants

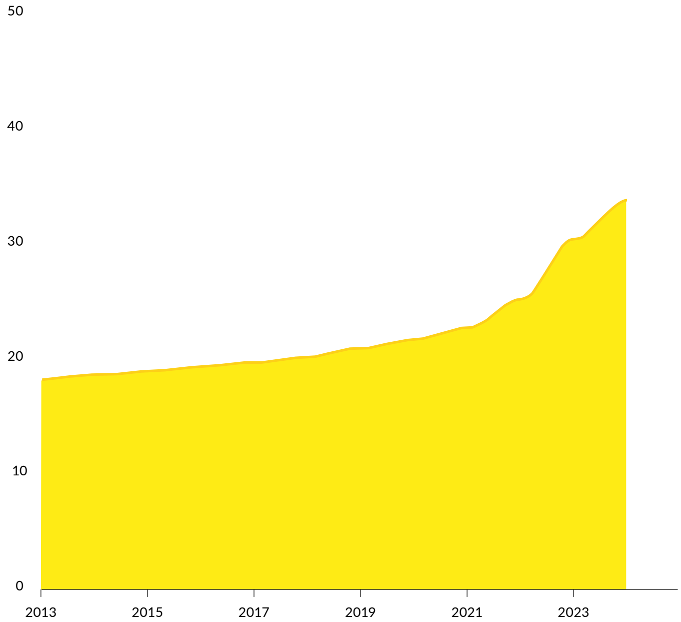
On 30 June 2024, the Ministries of Environment and Energy Security (MASE) and Infrastructure and Transport (MIT) submitted the final text of the 2024 National Integrated Energy and Climate Plan (PNIEC) to the EU Commission. Italy's PNIEC sets national targets for 2030 on energy efficiency, renewable energy, and CO2 emissions reduction, as well as goals for energy security, interconnections, the single energy market, competitiveness, development, and sustainable mobility.
Under the plan, a target of 138 GW of generating capacity from renewable plants by 2030 is outlined, including 80 GW from photovoltaic (PV) and 28 GW from wind power.
In first half 2024, total installed capacity exceeded 45 GW, of which more than 33 GW photovoltaic and approximately 12 GW wind power. The growth rate versus 2023 of projects that have entered operation is over 10%; the charts on the pages below highlight the strong growth over the period *(source TERNA):*

PHOTOVOLTAICS 2013-2024 (GW)

>2.500 MW

1.000 MW - 2.500 MW

0 MW - 1.000 MW

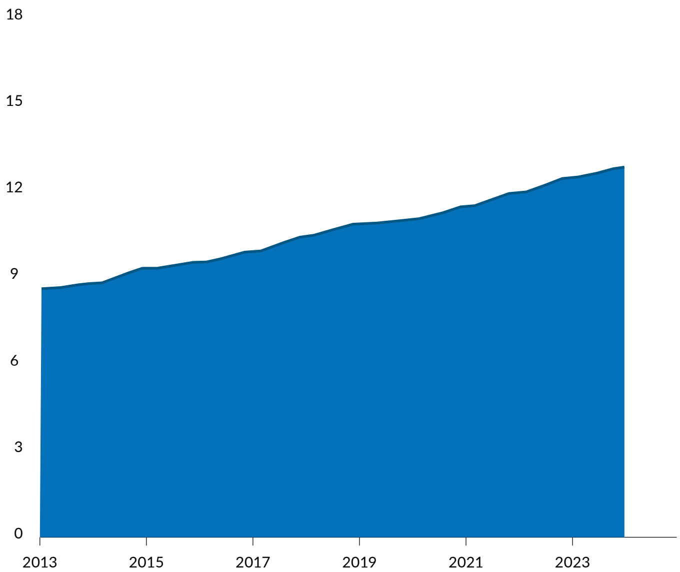


WIND POWER 2013-2024 (GW)

>2.500 MW

1.000 MW - 2.500 MW

0 MW - 1.000 MW

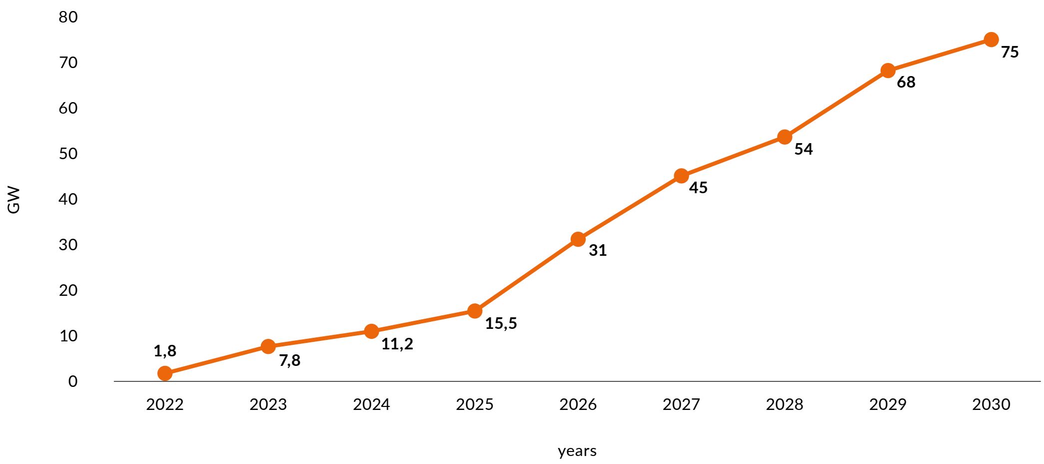


The AGP Group has secured contracts for more than 1.1 GW in both photovoltaic and wind power sectors, with an additional 350 MW under commercial negotiation. It is anticipated that this capacity will be contracted by 2025.

BESS Storage Plants

The Italian energy storage market is evolving and experiencing significant growth, which will need to continue in the future for the Country to meet its renewable energy targets. Forecasts indicate that 70 to 75 GW of installed power should be reached by 2030. In this market, the AGP Group has an extremely significant pipeline within its portfolio, positioning itself as one of the top players in the sector.

BESS STORAGE



Energy efficiency

The European regulatory framework is increasingly focused on energy efficiency, not only in relation to industry and business, but also with particular attention to public administrations, individuals, and the service and tertiary sectors. The Energy Efficiency Directive (EED) sets the course, raising targets for reductions in final and primary energy consumption at both the community and national levels. It also identifies minimum annual savings to be achieved nationally, proportionate to accomplishments in recent years. The Energy Performance of Buildings Directive (EPBD), approved in March 2024 after a lengthy review process, sets out requirements and targets for both residential and non-residential buildings, covering new constructions as well as renovations. The PNIEC, in alignment with EED III, has revised upward the targets for reducing annual final energy consumption by 2030, along with increased annual savings obligations.

In May 2024, the publication of the Superbonus LD officially marked the end of the incentive. However, the PNRR, through its December 2023 revision, allocated an additional € 7.681 billion for energy efficiency, primarily linked to the Transition 5.0 Plan.

Thanks to the importance of steady incentives supporting investment and the growing awareness of the need to reduce consumption, the energy efficiency sector holds very promising development prospects.

The AGP Group's energy efficiency activities are positioned toward industrial plants with power capacities exceeding 100 kW.

Significant events

In 2024

Co-Development

In 2024, the AGP Group continued its development activities in the traditional photovoltaic and wind renewable energy sectors, while increasingly focusing on the development of BESS Storage projects to meet the energy modulation needs of the national power grid.

On 21 March 2024, the Group signed a Co-Development contract for 9 BESS Storage plants in Italy, with a total value exceeding € 68 million (plus a success fee of up to € 15 million), with a North American investment fund. Part of this consideration, amounting to € 5.7 million, represents the value of the sale of the special purpose vehicles Green BESS S.r.l. and Blue BESS S.r.l..

Regarding the contract signed in July 2022 with the Irish company Aer Soléir for the Co-Development management of projects with a total capacity of 510 MW and a value exceeding € 40 million, the development of authorization procedures is ongoing. These procedures are expected to be completed starting in third quarter 2024, alongside the collection of the final tranches of the agreed consideration, for a total value of € 4.2 million.

It should be noted that during the first half, the Group developed new BESS Storage projects exceeding 500 MW, incremental to what was originally planned in the 2024-2028 Business Plan. For these new projects, business contacts are currently underway to finalize one or more Co-Development contracts.

Lastly, the AGP Group has started the permitting process for a number of Storage projects exceeding 1.8 GW. This activity aligns with the AGP Group's strategy to offer investors higher value-added projects that are more attractive as "mature projects”. It also enables the Group to secure more lucrative contracts compared to those in the greenfield project segment.

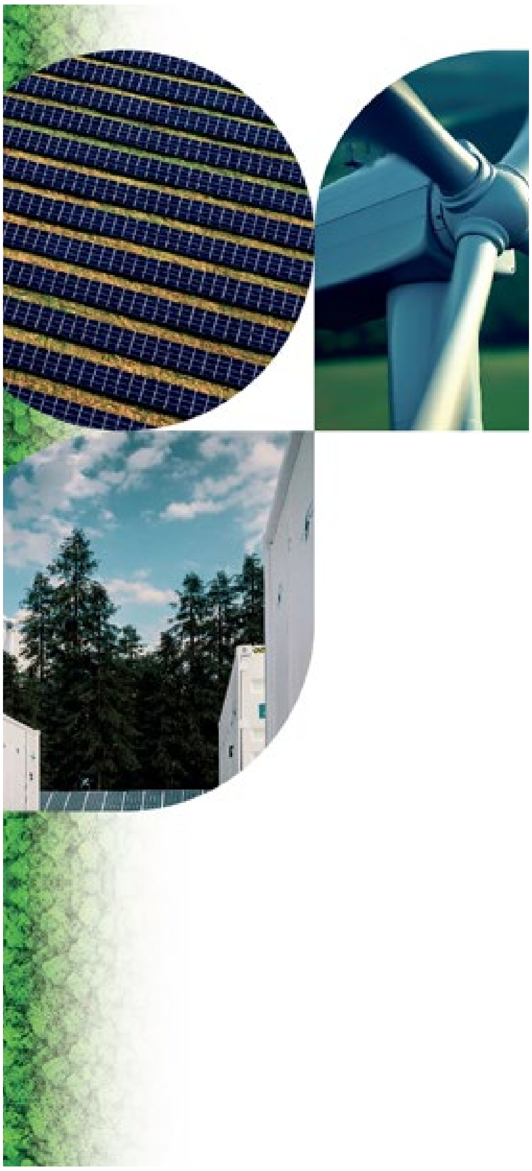
On the U.S. market front, through its subsidiary Altea Green Power US Corp., which holds a 25% stake in BESS Power Corp., the Group continues to pursue its goal of developing a pipeline of between 1.5 and 2 GW of projects over a 4 to 5-year time horizon. At 30 June 2024, the first project, approximately 0.5 GW in size (called "Lund Storage"), is at an advanced stage of development, having obtained a preliminary connection agreement with local Texas grid operator Ercot. Based on current talks, it is anticipated that business activities can be concluded by last quarter 2024.

Thanks to the commercial agreements signed in first half 2024, the Group now boasts an order backlog exceeding € 150 million and new pipeline developments with a total capacity of more than 3 GW.

Start of the translisting process on Euronext Milan

The Board of Directors met on 30 May 2024 and resolved to initiate the translisting process aimed at listing Altea Green Power S.p.A. on the regulated market Euronext Milan, and potentially, upon meeting the necessary criteria, on the Euronext STAR Milan segment, which is dedicated to the enhancement of SMEs demonstrating excellence.
Through translisting, the Directors believe they can enable the AGP Group to acquire significant benefits, including growth support, heightened visibility in both domestic and international target markets, and increased demand from domestic and foreign institutional investors, resulting in improved share liquidity. Transitioning to the regulated market, the Group also intends to fortify relationships with its strategic partners and, importantly, enhance its credit standing.

Approval of the new 2024-2028 business plan



On 15 January 2024, the Board of Directors approved the new 2024-2028 Business Plan, setting medium- to long-term goals that envision further accelerated growth and an increase in the already remarkable margins versus the previous targets set in the 2023-2025 Plan.
The Plan's growth strategy will focus on three key areas of development: consolidating its position as a leading player in the implementation of Storage BESS projects in Italy, entering a purely industrial business sector involving the development, construction, and operation of proprietary solar power plants in Italy.
Lastly, development activities in the U.S. will be continued in both the Storage and Mixed Solar sectors, including through new joint ventures where the Group has a majority stake. Following the transition to international accounting standards and advancements in the translisting process, the current Business Plan is being harmonized and will be approved concurrently with this Report.

After 30 June 2024

Renewal of corporate offices

The Shareholders' Meeting of Altea Green Power S.p.A., which met on 17 July 2024, among other items:

- set the number of members of the Board of Directors at seven, fixing the term of office of the new Board at three years, thus until the Shareholders' Meeting called to approve the financial statements at 31 December 2026. The appointed members of the Board of Directors were: Giovanni Di Pascale, Fabio Lenzini, Luca De Zen, Laura Guazzoni, Francesco Bavagnoli, Donatella De Lieto Vollaro, Anna Chiara Invernizzi. The Shareholders' Meeting also appointed Giovanni Di Pascale as Chairman of the Board of Directors;
- appointed the Board of Statutory Auditors, which will remain in office until the Shareholders' Meeting called to approve the financial statements at 31 December 2026, in the persons of: Fabrizio Morra (Chairman), Chiara Grandi (Standing Auditor), Fabrizio Bava (Standing Auditor), Franco Cattaneo (Alternate Auditor), and Rosa Chirico (Alternate Auditor).

New loans taken out with third parties

On 30 July 2024, the Group secured a medium- to long-term loan of € 1.5 million from Intesa SanPaolo, to be repaid in 36 monthly installments at a floating rate (1-month EURIBOR + 1.95% spread). A guarantee covering 80% of the amount disbursed was obtained on this loan from Fondo Centrale di Garanzia ("CCM").

Loan signed with Parent Company Dxor Investments S.r.l.

On 31 July 2024, the parent company Dxor Investments S.r.l. disbursed a short-term loan of € 2.5 million to Altea Green Power S.p.A., to be repaid in one or more installments by no later than 31 December 2024, at a floating rate (3-month EURIBOR + 2% spread). The transaction was settled at arm's length, that is, on the terms that are or would have been applied between independent parties.

Settlement of tax positions from prior years

The AGP Group filed a petition in 2023 with the tax authorities seeking the possibility of allocating the tax period differently for positive income components arising from long-term

contracts for the construction of plants on order, which represent the Group's core business. Pending the response to the petition, the Group also suspended payments of main tax (IRES and IRAP) for 2023, which was duly accounted for in the financial statements at 31 December 2023. At 30 June 2024, therefore, tax related to years up to 2023 in the amount of approximately € 4 million (including penalties and interest) had been accounted for but not paid.
For further relevant details, a table restating the net financial debt was included in the financial statement disclosures at 30 June 2024. Under "E. Current financial payables", it includes the amount of € 4 million related to this case. It should be noted that the schedule of Net Financial Debt, as required by CONSOB Communication no. 6064293 of 28 July 2006, and subsequently supplemented by ESMA Recommendations 32-382-1138 of 4 March 2021, does not specifically provide for the inclusion of this item. Therefore, the following table is provided for the sake of clarity.

NET FINANCIAL DEBT *(Figures in Euro)*	30/06/2024	30/06/2024 adjusted	Change	% change
A. Cash funds	(4,173,424)	(4,173,424)	-	n,a
B. Cash and cash equivalents	-	-	-	n,a
C. Other current financial assets	-	-	-	n,a
D. Liquid assets (A + B + C)	**(4,173,424)**	**(4,173,424)**	**-**	**n,a**
E. Current financial debt (including debt instruments, but excluding the current portion of non- current financial debt)	508,854	4,495,351	3,986,498	89%
F. Current portion of non-current debt	1,820,836	1,820,836	-	n,a
G. Current financial debt (E+F)	**2,329,690**	**6,316,187**	**3,986,498**	**63%**
H. Net current financial debt (G+D)	**(1,843,734)**	**2,142,763**	**3,986,498**	**186%**
I. Non-current financial debt (excluding current portion and debt instruments)	3,178,008	3,178,008	-	n,a
J. Debt instruments	-	-	-	n,a
K. Trade and other non-current payables	4,014	4,014	-	n,a
L. Non-current financial debt (I+J+K)	**3,182,022**	**3,182,022**	**-**	**-**
M. Total financial debt (H+L)	**1,338,288**	**5,324,786**	**3,986,498**	**75%**

However, following the negative outcome of the petition to the tax authorities in first half 2024, the AGP Group took steps on 31 July 2024 to settle its tax positions related to prior years, excluding amounts already subject to installment payments, by paying a total of approximately € 4 million.

Obtaining the Letter of Intent for the "Lund Storage" project

On 30 July 2024, the Board of Directors of the associate BESS Power Corp. signed and accepted a Letter of Intent for the purchase of the "Lund Storage" project, with a value in line with the expected valuation. It should be noted that the AGP Group will be entitled to 25% of the amount, based on past investments of US$1.5 million, and that the expected returns from the aforementioned sale are in line with current market values.

AGP Group performance

Income statement

Below are the reclassified consolidated income statements at 30 June 2024 and 30 June 2023.

RECLASSIFIED INCOME STATEMENT *(Figures in Euro)*	30/06/2024	%	30/06/2023	%
Revenue	14,424,363	99%	9,662,129	96%
Other revenue	104,105	1%	350,698	4%
Total revenue	**14,528,468**	**100%**	**10,012,826**	**100%**
Purchases, services and other operating costs	(4,717,932)	(32%)	(4,130,131)	(41%)
Personnel expense	(1,701,113)	(12%)	(716,731)	(7%)
Operating costs	**(6,419,045)**	**(44%)**	**(4,846,862)**	**(48%)**
EBITDA	**8,109,423**	**56%**	**5,165,964**	**52%**
Amortization, depreciation and write-downs	(67,624)	-	(57,240)	(1%)
EBIT	**8,041,800**	**55%**	**5,108,725**	**51%**
Financial income/(expense)	(256,811)	(2%)	(128,253)	(1%)
EBT	**7,784,989**	**54%**	**4,980,471**	**50%**
Income tax	(2,462,165)	(17%)	(1,508,921)	(15%)
Consolidated Net Profit	**5,322,824**	**37%**	**3,471,550**	**35%**

The Group's consolidated income statement at 30 June 2024 shows revenue of € 14.5 million, an increase of € 4.5 million versus € 10 million at 30 June 2023 (up by 45% versus the prior period). The strong increase versus the prior year is related mainly to the closing of the Co-Development contract for the 9 BESS Storage plants in Italy for the sale of the subsidiaries Green BESS S.r.l. and Blue BESS S.r.l..

Consolidated EBITDA at 30 June 2024 came to € 8.1 million, up by 57% versus € 5.2 million at 30 June 2023. The EBITDA margin also increased, rising to 56% from 52% in first half 2023, despite higher personnel expense due to multi-year bonuses recognized and accounted for in accordance with international accounting standards in first half 2024 (€ 578 thousand).

To facilitate comparison with the prior period, the adjusted EBITDA, adjusted for the extra costs related to target-based remuneration plans, is shown below:

EBITDA ADJUSTED *(Figures in Euro)*	30/06/2024	%	30/06/2023	%
Total revenue	**14,528,468**	**100%**	**10,012,826**	**100%**
Adjusted EBITDA	8,687,814	60%	5,165,964	52%

Statement of financial position

Below is the reclassified statement of financial position at 30 June 2024 and 31 December 2023.

RECLASSIFIED STATEMENT OF FINANCIAL POSITION - ASSETS *(Figures in Euro)*	30/06/2024	31/12/2023
Non-current assets		
Intangible assets	3,765	5,013
Tangible assets	969,207	1,016,232
Deferred tax assets	113,086	133,781
Other non-current assets	1,544,977	1,544,223
Total non-current assets	**2,631,035**	**2,699,248**
Current assets		
Current assets	40,668,703	32,400,296
Other current assets	2,511,890	2,613,334
Cash and cash equivalents	*4,173,424*	*502,486*
Total current assets	**47,354,016**	**35,516,115**
Total assets	**49,985,051**	**38,215,363**

RECLASSIFIED STATEMENT OF FINANCIAL POSITION - LIABILITIES AND EQUITY *(Figures in Euro)*	30/06/2024	31/12/2023
Equity	22,714,973	17,443,983
Non-current liabilities	4,406,348	3,724,543
Current liabilities	22,863,730	17,046,837
Total liabilities and equity	**49,985,051**	**38,215,363**

Non-current assets decreased versus 31 December 2023 due to ordinary amortization/ depreciation for the period.

Current assets increased sharply versus the comparison period (€ +8.3 million), due to the development of the long-term orders of the Co-Development division, and in particular the Battery Energy Storage System segment. In line with the Reclassified Income Statement, the increase in cash funds (€ +3.7 million) is attributable to the proceeds from the sale of the subsidiaries Green BESS S.r.l. and Blue BESS S.r.l..

Equity amounted to € 22.7 million at 30 June 2024 versus € 17.4 million at 31 December 2023. The change is attributable mainly to the result for the period and the change in translation reserves.

Non-current liabilities and current liabilities increased by € 0.7 million and € 5.8 million, respectively, versus 31 December 2023; non-current liabilities are affected by accruals for target-based remuneration plans accounted for from 2024 (€ +0.6 million) recorded in line with IFRS 2, while current liabilities increased as a result of advance payments received from customers upon achievement of expected milestones on existing contracts.

Net financial debt

The net financial debt at 30 June 2024 and 31 December 2023, as defined by the ESMA Guidelines of 4 March 2021 (see CONSOB Warning Notice no. 5/21 of 29 April 2021), is composed as follows.

NET FINANCIAL DEBT *(Figures in Euro)*	30/06/2024	31/12/2023
A. Cash funds	(4,173,424)	(502,485)
B. Cash and cash equivalents	-	-
C. Other current financial assets	-	-
D. Liquid assets (A + B + C)	**(4,173,424)**	**(502,485)**
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	508,854	881,350
F. Current portion of non-current debt	1,820,836	1,058,656
G. Current financial debt (E+F)	**2,329,690**	**1,940,006**
H. Net current financial debt (G+D)	**(1,843,734)**	**1,437,520**
I. Non-current financial debt (excluding current portion and debt instruments)	3,178,008	2,931,819
J. Debt instruments	-	-
K. Trade and other non-current payables	4,014	9,078
L. Non-current financial debt (I+J+K)	**3,182,022**	**2,940,897**
M. Total financial debt (H+L)	**1,338,288**	**4,378,417**

Without the application of IFRS 16, net financial debt at 30 June 2024 would have been € 0.6 million and € 3.6 million at 31 December 2023. The change from the prior year is related mostly to the proceeds from the sale of shares in the subsidiaries Green BESS S.r.l. and Blue BESS S.r.l.. Additionally, by adopting a net financial debt schedule in accordance with ESMA Guidelines, total financial debt differs from what was presented in the Consolidated Report on Operations at 31 December 2023, due to the inclusion of the portion of trade payables past due by more than 365 days (€ 9 thousand at 31 December 2023).
Below shows the Reclassified Consolidated Statement of Cash Flows at 30 June 2024 and 30 June 2023.

RECLASSIFIED CONSOLIDATED STATEMENT OF CASH FLOWS *(FIGURES in Euro)*	30/06/2024	30/06/2023
Cash flow from operations	3,162,932	(1,250,149)
Cash flows from investing activities	(115,557)	(883,475)
Free Cash Flow	**3,047,375**	**(2,133,624)**
Cash flow from financing activities	623,563	2,700,013
Cash flow for the period	**3,670,938**	**566,389**
Cash funds, beginning of period	**502,486**	**1,660,615**
Cash funds, end of period	**4,173,424**	**2,227,004**

Cash flow from operations amounted to € 3.2 million and is attributable mainly to the increase in margins during the year.
Cash used for investing activities amounted to € 0.1 million and refers to expenditure in company equipment (electronic equipment and furniture and fittings) as well as the outlays (net of cash acquired) for the acquisition of OF Green Energy S.r.l. and of GF Green Energy S.r.l..
Cash flow from financing activities amounted to a positive € 0.6 million, due primarily to the effect of new medium- to long-term loans and lines of credit (€ 2 million), net of repayments on existing debt.

Stock market and share performance

On 28 January 2022, the company, assisted by Euronext Growth Advisor Integrae SIM, was admitted to listing on the EURONEXT Growth Milan market of Borsa Italiana: trading began on 1 February.
The structure of the offering involved:

1. a share capital increase of up to € 7 million;
2. a greenshoe option included in the share capital increase up to 15%;
3. free warrants allocated to the market at a ratio of 1:1 exercisable in three time windows at a ratio of 1:2.

The number of warrants issued was 4,161,000 exercisable in three time windows:

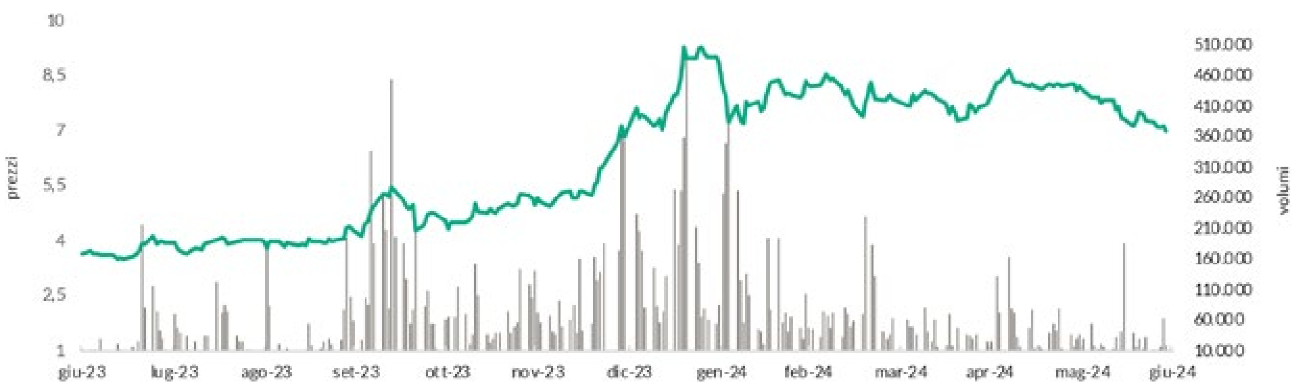
- 1-15 December 2022 (First Exercise Period);
- 1-15 December 2023 (second period);
- 1-15 December 2024 (third period).

Warrant exercise prices:

- € 1.32 (First Exercise Period price);
- € 1.45 (Second Exercise Period price);
- € 1.60 (Third Exercise Period price).

The major shareholder committed to a 24-month lockdown period.

The number of warrants available for the third conversion exercise is 1,856,988.



Over the past 12 months, the performance of the AGP share showed a strongly positive trend, with a steady upward trajectory and significantly outperforming the stock market index.

Admission to listing on the Euronext Milan regulated market

To meet one of the requirements for access to this market, the Majority Shareholder completed the sale of 750,000 ordinary shares, representing 4.33% of the share capital, in June. The sale was conducted through an accelerated bookbuilding process reserved for qualified investors in Italy and institutional investors abroad, for a total value of € 5 million. Through this procedure, the free float exceeded the threshold of 35% of the share capital, thus supplementing one of the requirements for market access to the Euronext Milan STAR segment organized and managed by Borsa Italiana S.p.A..

Environmental and personnel disclosure

The Company, recognizing the need to oversee new areas of development with competence and professionalism, has bolstered its organization by recruiting specialists from the market. The major focus areas were: administrative, and business development.
The following is a summary table on headcount trends during the period.

HEADCOUNT

	Average number			Number at year end		
	2024	2023	Chg.	2024	2023	Chg.
Executives	-	-	-	-	-	-
of which part time	-	-	-	-	-	-
Managers	5	5	-	5	5	-
of which part time	-	-	-	-	-	-
Employees	23	20	3	25	23	2
of which part time	*1*	*1*	-	*1*	-	*1*
Workers	1	1	-	1	1	-
of which part time	-	*1*	*(1)*	-	-	-
Total	**29**	**26**	**3**	**31**	**29**	**2**

In first half 2024, 4 resources were hired and two resignations were submitted. The AGP Group anticipates continuing this investment in human resources in the future, both through recruitment from the labour market and through the growth of internal staff. The Group is committed to enhancing its resources through technical and managerial training programs that promote the increasing adoption of managerial autonomy and accountability for achieving company objectives.
As proof of its commitment to enhancing the value of its resources, the Group AGP maintains an active remuneration policy for its employees, which aims to reward both the achievement of agreed goals and overall company performance on a variable basis (above 15%).
To complement this policy, the Group introduced, starting in 2024, a multi-year bonus policy (retention bonus and phantom stock options) to encourage employees in key positions and/or those who have demonstrated outstanding performance to remain with the Group and support its growth.

Safety

The AGP Group has maintained a strong focus on safety. The management and coordination of worker safety always remains a key issue both in the phase prior to the opening of a construction site and after the start of work. From an internal perspective, all of the Group employees are trained and informed about safety risks and responsibilities. Given that activities at the various construction sites are often subcontracted to external companies and/or craftsmen, it has become necessary to appoint an external RSPP (a legally-mandated expert in workplace safety), who collaborates with the safety manager and the employer and meets periodically to analyze and address any issues related to the construction sites.

To ensure more efficient qualification and monitoring of suppliers, as well as greater control over compliance with internal procedures, a dedicated Corporate Management Systems role was introduced in first half 2024.

Organizational and Management Model 231/01

As of June 2024, the AGP Group is working on updating the Code of Ethics to align its principles, policies, procedures, and behavioural practices with the internal control system. The Code of Ethics will be enhanced with a focus on promoting respect for Diversity & Inclusion, fostering a corporate culture that embraces "zero tolerance" for all forms of discrimination and non-inclusion.

MOG implementation activities also began in the same month. The ongoing work aims to implement the Organizational Management and Control Model by incorporating Environmental Crimes into its special section.

The new updated Code of Ethics and MOG will be posted on the Company website.

Additionally, three meetings with the Supervisory Board were held in 2024.

Sustainability Report and ESG Policies

In 2024, the AGP Group prepared its second Sustainability Report (ESG). The Sustainability Report, at 31 December 2023, was prepared on a voluntary basis with the support of the relevant corporate departments, and already includes some of the requirements outlined by the new regulations. These regulations, under current conditions, will become mandatory for the Group starting in 2025.

The 2023 Sustainability Report reflects a journey where development, sustainability, and environmental impact are deeply interconnected. It serves as a crucial platform not only for presenting economic, social, and environmental results, but also for emphasizing the medium-to long-term strategic directions and their alignment with sustainable development goals. Consistent with the previous report, the 2023 Sustainability Report provides comprehensive information on economic, environmental, and social aspects, essential for understanding the AGP Group's activities, performance, results, and their impact. It was prepared in accordance with the "GRI Standards" of the relevant Global Reporting Initiative (GRI). These performance indicators are based on general principles that assess relevance, inclusiveness, sustainability context, comprehensiveness, balance between positive and negative aspects, comparability, accuracy, timeliness, reliability, and clarity. The indicators were selected based on an analysis of their relevance. Additionally, quantitative information, for which estimates were utilized, is shown in various sections of the 2023 Sustainability Report.

The preparation of the Sustainability Report marks an initial formal step towards adopting a tangible sustainable approach, which involves progressively integrating the Sustainable Development Goals (SDGs) outlined in the 2030 Agenda by the United Nations. In this context,

AGP conducted an analysis to assess the alignment of its business model and strategic objectives with the 17 Sustainable Development Goals - SDGs, including with the assistance of BLab-Global Compact's SDGs Action Manager platform. The SDGs Action Manager is a tool that can assess a company's contribution to the achievement of each individual goal relative to its potential.
As part of its commitment to enhance its management of relevant ESG (Environmental, Social & Governance) topics, the Group has embarked on a long-term project to advance its sustainability reporting process. This initiative is particularly focused on aligning with regulatory developments outlined in the new Corporate Sustainability Reporting Directive (CSRD).
The CSRD introduces more comprehensive non-financial reporting requirements, enhancing transparency regarding corporate performance. The AGP Group has also prepared a three-year ESG Plan, which consists of a structured set of goals and actions, associated with measurable KPIs to measure the results achieved. AGP aims to consolidate a Sustainable Business Model that, by integrating ESG topics into the company's management and reporting system, creates shared value for all stakeholders.

Quality, Environment and Safety

The Group Companies have the following certifications:

- UNI CEI 11339:2014
- UNI CEI 11352:2014
- UNI EN ISO 9001:2015
- UNI ISO 45001-2003
- UNI ISO 37001-2016

In 2024, the company oversaw functional activities related to the UNI EN ISO 45001-2003 and UNI ISO 37001-2016 certifications, obtained in September 2022; these certifications necessitated significant interventions in the company's procedural and management systems. The UNI ISO 45001-2003 certification serves to enhance the company's measures for worker safety and environmental protection. On the other hand, the UNI ISO 37001-2016 certification helps mitigate potential instances of corruption, complementing the provisions outlined in Law 231/01.

In July 2024, the company obtained the ISO 14001 certification (Environmental Management System Certification). ISO 14001 applies to environmental aspects that the organization identifies as within its control and influence.

The resulting opportunities are diverse:

- improved image towards stakeholders for its commitment to environmental protection;
- tool for managing Supply Chain Risk. Failure to comply with environmental obligations may in fact result in a halt to supply due to the authorities' enforcement actions against the risk of environmental crimes;
- satisfaction of customer requirements, as supplier qualification often requires demonstration of UNI EN ISO 14001 certification;
- reduction in insurance premiums;
- environmental protection and conscious use of resources;
- evidence that tools have been implemented to prevent potential misconduct.

The Environmental Management System can indeed be a valuable tool when linked with the Organizational Model established by Leg. Decr. 231/01, which provides for the extension of corporate administrative liability to certain types of environmental crimes.

Model 231 is an interconnected model that will interact with the quality and environmental management system (ISO 9001, ISO 14001), as well as the safety control and management system (Leg. Decr. 81/2008) health and safety in the workplace (ISO 45001), the Privacy system (GDPR 2016/679), the system for the prevention of corruption (ISO 37001).

Additionally, the Group plans to obtain the ISO 30415:2021 - Human Resources Management - Diversity and Inclusion certification in 2024, thereby implementing a model aimed at initiating a process of ongoing improvement in inclusive capabilities and the enhancement of diversity. The standard concentrates on human resource management processes within the company, facilitating compliance and certification of key HR processes including personnel planning, selection, training, performance management, development plans, and remuneration policies. By obtaining ISO 30415, the Group also aims to instil a culture of inclusivity throughout the business, developing greater economic value and enhanced appeal to stakeholders.

Other information

Research & Development

During the year, the AGP Group did not undertake any Research and Development projects.

Group Control

At 30 June 2024, Dxor Investments S.r.l., wholly owned by the Chairman of the Board of Directors Giovanni Di Pascale, directly controls 58.74% of the share capital of Altea Green Power S.p.A., equal to 10,170,000 shares.

At the date of publication of this document, Dxor Investments S.r.l. directly and indirectly controls 64.98% of the share capital of Altea Green Power S.p.A. through its subsidiary Dxor Investments 1 S.r.l., amounting to a total of 11,250,000 shares.

Treasury shares

Altea Green Power S.p.A. held no treasury shares at 30 June 2024.

Transactions with associates and parent companies subject to the control of parents

In first half 2024, the AGP Group did not engage in any commercial or financial transactions with parent companies and/or companies under their control. For details regarding the credit/debit exposure at 30 June 2024, as well as the income and expense accrued with related parties in first half 2024, please refer to the relevant section in the notes to the Consolidated Financial Statements.

Atypical or unusual transactions

During the year, the Group did not carry out any atypical and/or unusual transactions.

Major risks and uncertainties

The Board of Directors reviews and agrees on policies to manage the main types of financial risks, as outlined below.

Credit risk

Credit risk refers to the Group's potential exposure to counterparties failing to fulfil their obligations. The Group is not particularly exposed to the risk of customers delaying or failing to meet their payment obligations according to the agreed terms and manner, due in part to its operations with leading players of unquestionable creditworthiness. For business purposes, policies are also adopted to ensure customer creditworthiness and limit exposure to credit risk through principal assessment and monitoring activities. Lastly, all receivables are regularly subject to a detailed evaluation on a customer-by-customer basis, with write-downs applied in cases where impairment is anticipated.

Market risk

Market risk refers to the variability in the value of assets and liabilities due to changes in market prices (primarily exchange rates and interest rates), which, in addition to affecting expected cash flows, can lead to unexpected increases in financial costs and expense.

Exchange risk

The Group is exposed to exchange rate fluctuation risks, due primarily to balance sheet items denominated in currencies other than the Euro. However, the current limited operations of the U.S. subsidiary do not expose the Group to "translational" exchange rate risks (related to fluctuations in exchange rates used to convert financial statement figures of subsidiaries) or "transactional" risks, as the Group primarily conducts its business in Eurozone countries.

Interest rate risk

Interest rate fluctuation risk is related mainly to medium/long-term loans negotiated at variable rates. Any fluctuations in exchange rates could potentially have negative effects on the Group's income and financial position. Interest rate risk management to date has been aimed primarily at minimizing financing costs and stabilizing cash flows. The Group also converted part of its floating-rate loans into fixed-rate loans by entering into financial derivatives for hedging purposes. For this reason, at the balance sheet date, the potential effect on the Income Statement from fluctuations in rising and falling rates (sensitivity analysis) is not considered significant.

Liquidity risk

Liquidity risk represents the potential difficulty that the Group may encounter in meeting its obligations associated with financial liabilities. The Group currently believes that its ability to generate cash - thanks in part to payment of services on a progress basis with chargeback of incurred costs - and the containment of bank exposure represent stable elements, sufficient to guarantee the necessary resources to continue its operations.

Risks associated with the global macroeconomic context

In recent years, the macroeconomic context has been marked by great uncertainty. Geopolitical instability, particularly the Russian-Ukrainian conflict that erupted in February 2022 and the more recent Israeli-Palestinian conflict, has created an extremely complex and unpredictable scenario marked by inflationary pressures and highly speculative dynamics. These phenomena, in particular, have impacted energy and commodity prices, disrupted supply continuity, and, more generally, led to a sharp rise in global inflation. This has resulted in a tightening of central bank monetary policies. While the Group has no significant direct or indirect business interests in the conflict-affected areas, it continues to closely monitor the developments in the macroeconomic environment and its impact on business operations.

Cyber security risk

The increasing reliance on IT systems and the spread of digitization processes heighten the Group's exposure to this type of risk, which could lead to data loss, business disruption, or privacy violations. Although not particularly exposed to this risk, the Group is actively engaged in continuous efforts to enhance protection systems and procedures, train personnel, and strengthen IT infrastructure with dedicated safeguards.

Business outlook

As demonstrated by the results recorded in first half 2024, the strategic assessments underpinning the Group's plan are delivering the expected results. The focus and efforts directed toward the development of the Storage segment have enabled the Group, well ahead of market competitors, to secure a significant long-term income-financial result, while also creating an advantage in terms of know-how. The continued development and creation of new BESS project pipelines further strengthen the AGP Group's market position in this specific segment, laying the groundwork for growth that exceeds expectations.

To conclude, considering potential business developments in Italy, and especially in the United States, the Group plans to further consolidate its position and growth trajectory in second half 2024.

2

Consolidated Financial Statements at 30 June 2024

Consolidated Statement of Financial Position

ASSETS *(Figures in Euro)*	Notes	30/06/2024	31/12/2023
Non-current assets			
Intangible assets	1		
Industrial patent and intellectual property rights		3,765	5,013
Tangible assets	2		
Rights of use: property		473,247	530,874
Rights of use: other		225,748	220,588
Industrial plant, machinery and equipment		95,851	90,410
Tangible fixed assets under construction and other		174,360	174,360
Deferred tax assets	3	**113,086**	**133,781**
Other non-current assets	4		
Investments		1,544,223	1,544,223
Financial derivatives		754	-
Total non-current assets		**2,631,035**	**2,699,248**
Current assets			
Inventory	5	1,129,747	1,219,608
Contract work in progress	5	36,038,794	27,382,139
Trade receivables	6	717,653	736,884
Tax receivables	6	2,782,509	3,061,664
Other current assets	6		
Receivables from others		2,367,813	2,553,024
Accrued income and deferred expense		144,077	60,310
Cash and cash equivalents	7	4,173,424	502,486
Total current assets		**47,354,016**	**35,516,115**
Assets held for sale		-	-
Total assets		**49,985,051**	**38,215,363**

STATEMENT OF FINANCIAL POSITION - LIABILITIES AND EQUITY *(Figures in Euro)*	Notes	30/06/2024	31/12/2023
Equity	8		
Share capital		865,650	865,650
Share premium reserve		6,142,911	6,142,911
Legal reserve		173,130	166,603
Extraordinary reserve		59,832	59,832
FTA reserve		(15,243)	(15,243)
OCI reserve		4,250	(4,316)
Other reserves and retained earnings		10,161,619	5,308,885
Profit (loss) for the period		5,322,824	4,919,662
Share capital and reserves attributable to non-controlling interests		-	-
Total equity		**22,714,973**	**17,443,983**
Non-current liabilities			
Employee benefits	9	657,993	61,252
Non-current financial liabilities	11	3,178,008	2,931,819
NC tax payables	11	527,137	688,844
Deferred tax provision	11	871	290
Other non-current liabilities	11	42,338	42,338
Total non-current liabilities		**4,406,348**	**3,724,543**
Current liabilities			
Trade payables	11	2,064,654	2,332,778
Current financial liabilities	11	2,329,690	1,940,006
Tax payables	11	6,861,932	3,852,288
Other current liabilities	11		
Advances from customers		10,880,788	8,476,205
Other payables		726,118	441,844
Accrued expense and deferred income		548	3,717
Total current liabilities		**22,863,730**	**17,046,837**
Liabilities held for sale		-	-
Total liabilities and equity		**49,985,051**	**38,215,363**

Consolidated Income Statement

INCOME STATEMENT *(Figures in Euro)*	Notes	30/06/2024	30/06/2023
Revenue			
Revenue		14,424,363	9,662,129
Other revenue and income		104,105	350,698
Total revenue	12	**14,528,468**	**10,012,826**
Operating costs			
Purchase costs		211,445	270,255
Service costs		3,519,811	3,164,667
Costs for rentals and leases		61,564	23,720
Personnel expense		1,701,113	716,731
Amortization and depreciation		74,849	57,240
Changes in allowances for inventory and trade receivables		(7,225)	-
Change in inventory		89,861	-
Other operating costs		835,251	671,489
Total operating costs	13	**6,486,669**	**4,904,102**
Operating profit/(loss)		**8,041,800**	**5,108,725**
Financial income		144,350	48,498
Financial expense		(401,161)	(176,751)
Income (expense) from investments		-	-
Financials	14	**(256,811)**	**(128,253)**
Profit/(Loss) before tax		**7,784,989**	**4,980,471**
Income tax	15	2,462,165	1,508,921
Profit/(Loss) for the year		**5,322,824**	**3,471,550**
Other items of comprehensive income			
Items reclassifiable to income statement		(10,304)	863
Items not reclassifiable to income statement		-	-
Actuarial gains/losses from employee plans		1,738	(961)
Total Other Comprehensive Income	16	**(8,566)**	**(98)**
Comprehensive income/(loss) for the year		**5,314,258**	**3,471,453**

Consolidated Statement of Changes in Equity

CHANGES IN EQUITY IN THE YEAR 31/12/2023 *(Figures in Euro)*	Share capital	Share premium reserve	Legal reserve	Other extraord	FTA Reserve	OCI Reserve	Other reserves and retained earnings	Profit (loss) for the year	Total
Balance at 01/01/2023	830,663	5,163,254	104,891	59,832	(15,243)	8,588	1,233,968	4,166,918	11,552,871
Allocation of prior-year's profit/loss	-	-	61,712	-	-	-	4,105,206	(4,166,918)	-
Other changes	34,987	979,657	-	-	-	(12,903)	(30,289)	-	971,451
Profit (loss) for the year					-	-	-	4,919,661	4,919,661
Total equity attributable to the owners of the parent	865,650	6,142,911	166,603	59,832	(15,243)	(4,315)	5,308,885	4,919,661	17,443,983
Total equity attributable to non-controlling interests	-	-	-	-	-	-	-	-	-
Balance at 31/12/2023	865,650	6,142,911	166,603	59,832	(15,243)	(4,315)	5,308,885	4,919,661	17,443,983

CHANGES IN EQUITY IN THE YEAR 30/06/2024 *(Figures in Euro)*	Share capital	Share premium reserve	Legal reserve	Other extraord	FTA Reserve	OCI Reserve	Other reserves and retained earnings	Profit (loss) for the year	Total
Balance at 01/01/2024	865,650	6,142,911	166,603	59,832	(15,243)	(4,315)	5,308,885	4,919,661	17,443,983
Allocation of prior-year's profit/loss	-	-	6,527	-	-	-	4,913,134	(4,919,661)	-
Other changes	-	-	-	-	-	8,565	(60,399)	-	(51,834)
Profit (loss) for the year	-	-	-	-	-	-	-	5,322,824	5,322,824
Total equity attributable to the owners of the parent	865,650	6,142,911	173,130	59,832	(15,243)	4,250	10,161,619	5,322,824	22,714,973
Total equity attributable to non-controlling interests	-	-	-	-	-	-	-	-	-
Balance at 30/06/2024	865,650	6,142,911	173,130	59,832	(15,243)	4,250	10,161,619	5,322,824	22,714,973

Consolidated Statement of Cash Flows

STATEMENT OF CASH FLOWS *(Figures in Euro)*	30/06/2024	30/06/2023
A. Cash flow from operations (indirect method)		
Profit (loss) for the year	5,322,824	3,471,550
Income tax	2,462,165	1,508,921
Interest expense/(interest income)	256,811	128,253
1. Profit (loss) for the year before income tax, interest, dividends and gains/losses from disposals	**8,041,800**	**5,108,725**
Adjustments for non-monetary items that did not have a balancing item in the net working capital		
Amortization and depreciation of fixed assets	*74,849*	*57,240*
Allocations/(releases) provisions	*6,586*	*35,914*
Other adjustments for non-monetary items	*578,390*	*(963)*
Total adjustments non-monetary items	659,825	92,191
2. Cash flow before changes in NWC	**8,701,625**	**5,200,915**
Changes in net working capital		
Decrease/(increase) in inventory net of advances from customers	*(6,162,210)*	*(7,605,175)*
Decrease/(increase) in trade receivables from customers	*19,231*	*2,524,380*
Increase/(decrease) in payables to third-party suppliers	*(268,124)*	*472,448*
Decrease/(increase) in accrued income and deferred expense	*(83,767)*	*(28,384)*
Increase/(decrease) in accrued expense and deferred income	*(3,170)*	*190*
Other changes in net working capital	*3,580,197*	*(156,883)*
Total changes in net working capital	(2,917,843)	(4,793,424)
3. Cash flow after changes in NWC	**5,783,782**	**407,492**
Other adjustments		
Interest received/(paid)	*(158,685)*	*(119,997)*
Income tax paid/(payable/offset)	*(2,462,165)*	*(1,508,921)*
(Utilization of provisions)	-	*(28,723)*
Total other adjustments	(2,620,850)	(1,657,641)
Cash flow from operations (A)	**3,162,932**	**(1,250,149)**
B. Cash flow from investing activities		
Tangible fixed assets		
(Purchases)	*(58,415)*	*(14,228)*
Disposals	-	-
Intangible fixed assets		
(Purchases)	-	-
Disposals	-	-
Financial fixed assets		
(Purchases)	-	*(937,737)*
Disposals or repayments	-	*68,490*
Current financial assets		
(Purchases)	-	-
Disposals or repayments	-	-
Acquisition/disposal of companies/business units net of cash funds	(57,142)	-
Cash flow from investing activities (B)	**(115,557)**	**(883,475)**
C) Cash flow from financing activities		
Loan capital		
Increase/(Decrease) in short-term payables to banks	*387,316*	*592,076*
New/(Repayment) loans	*307,163*	*2,161,783*
Payments of lease liabilities	*(70,917)*	*(53,846)*
Equity		
Share capital increase against payment	-	-
Other share capital increases (decreases)	-	-
Cash flow from financing activities (C)	**623,563**	**2,700,013**

STATEMENT OF CASH FLOWS *(Figures in Euro)*	30/06/2024	30/06/2023
D. Cash flow from extraordinary transactions (merger/demerger)		
Cash flow from extraordinary transactions (D)	-	-
Increase (decrease) in cash funds (A ± B ± C ± D)	**3,670,938**	**566,389**
Cash funds at 1 January	**502,486**	**1,660,615**
Bank and postal deposits	502,437	1,660,567
Cash and valuables on hand	48	48
Cash funds at 30 June	**4,173,424**	**2,227,004**
Bank and postal deposits	4,173,376	2,226,931
Cash and valuables on hand	48	73

3

Notes to the Consolidated Financial Statements

at 30 June 2024

Overview

The AGP Group is active in the project development and construction of industrial-scale rooftop and ground-mounted photovoltaic systems, wind power plants, and storage systems. It also operates as an Independent Power Producer (IPP) exclusively from renewable sources.
The Parent Company Altea Green Power S.p.A. has its registered office in Corso Re Umberto 8, Turin (TO) and is domiciled in Via Chivasso 15/A, Rivoli (TO). It has been listed on the Euronext Growth Milan (EGM) market of Borsa Italiana since 1 February 2022.
The Board of Directors authorized the publication of these Consolidated Financial Statements on 25 September 2024.

Preparation criteria

The Consolidated Financial Statements were prepared in accordance with IFRS, meaning all International Financial Reporting Standards, all International Accounting Standards (IAS), all interpretations of the International Reporting Interpretations Committee (IFRIC), formerly known as the Standing Interpretations Committee (SIC), which, at the closing date of the Consolidated Financial Statements, were endorsed by the European Union in accordance with the procedure set forth in Regulation (EC) no. 1606/2002 by the European Parliament and the European Council of 19 July 2002.
The Consolidated Financial Statements were prepared on a going concern basis, as the Directors have assessed that there are no financial, operational, or other indicators that may cast significant doubts on the Group’s ability to meet its obligations in the foreseeable future and in particular in the next 12 months.
The Consolidated Financial Statements consist of:

- a Consolidated Statement of Financial Position, broken down into current and non-current assets and liabilities, based on their realization or settlement within the company's normal operating cycle or within twelve months after the balance sheet date;
- a Statement of Profit (Loss) for the Period and other items of the Consolidated Statement of Comprehensive Income, which presents expense and revenue classified by nature, a method considered more representative of the business sector in which the Group operates;
- a Consolidated Statement of Changes in Equity;
- a Consolidated Statement of Cash Flows prepared according to the indirect method;
- these Explanatory Notes containing the information required by current regulations and international accounting standards, appropriately set out with regard to the reporting formats used.

The Consolidated Financial Statements are prepared on the basis of the historical cost principle, with the exception of financial instruments, measured at fair value. The Group has applied accounting standards consistent with those of the prior year.
Please refer to the Report on Operations for further details regarding the Group's situation, performance, and results of operations, particularly concerning costs, revenue, and capital expenditure. The Report also provides information on the key events in first half 2024 and the business outlook.

Consolidation scope and criteria

The Consolidated Financial Statements include the financial statements of the Parent Company Altea Green Power S.p.A. at 30 June 2024 and the financial statements, as of the same date, of the following direct or indirect subsidiaries:

SUBSIDIARIES	Registered office	Tax code	Currency	Share capital in Euro	Investment	Consolidatio method	% share held
Brindisi Solar Energy S.r.l.	P.zza A. Diaz 7 - MI	10812770963	Euro	10.000	Direct	Full	100%
IBE Guglionesi Wind S.r.l.	C.so Re Umberto 8 - TO	12291540016	Euro	10.000	Direct	Full	100%
Yellow BESS S.r.l.	C.so Re Umberto 8 - TO	12291490014	Euro	10.000	Direct	Full	100%
IBE Genzano S.r.l.	C.so Re Umberto 8 - TO	12291460017	Euro	10.000	Direct	Full	100%
IBE Manieri S.r.l.	C.so Re Umberto 8 - TO	12291520018	Euro	10.000	Direct	Full	100%
IBE Montecilfone S.r.l.	C.so Re Umberto 8 - TO	12291530017	Euro	10.000	Direct	Full	100%
IBE Alessandria S.r.l.	C.so Re Umberto 8 - TO	12291500010	Euro	10.000	Direct	Full	100%
IBE Venosa S.r.l.	C.so Re Umberto 8 - TO	12291480015	Euro	10.000	Direct	Full	100%
Montenero Green Energy S.r.l.	C.so Re Umberto 8 - TO	12692000016	Euro	10.000	Direct	Full	100%
Padula Green Energy S.r.l.	C.so Re Umberto 8 - TO	12710550018	Euro	10.000	Direct	Full	100%
Black BESS S.r.l.	C.so Re Umberto 8 - TO	12752950019	Euro	10.000	Direct	Full	100%
A Mesagne S.r.l.	C.so Re Umberto 8 - TO	12677100963	Euro	10.000	Direct	Full	100%
Crumiere Energia S.r.l.	C.so Re Umberto 8 - TO	3505520043	Euro	110.000	Direct	Full	100%
IBE Orbetello S.r.l.	C.so Re Umberto 8 - TO	12888870016	Euro	10.000	Diretta	Full	100%
Altea Independent Power Producer S.r.l.	C.so Re Umberto 8 - TO	12268350969	Euro	10.000	Direct	Full	100%
Altea Green Power US Corp.	Delaware - USA	n/a	U.S. $	n/a	Direct	Full	100%
Cuyler Green Energy LLC	Delaware - USA	n/a	U.S. $	n/a	Indirect	Full	100%
Quitman Green Energy LLC	Delaware - USA	n/a	U.S. $	n/a	Indirect	Full	100%
RAL Green Energy Corp.	Delaware - USA	n/a	U.S. $	n/a	Indirect	Cost	50%
BESS Power Corp.	Delaware - USA	n/a	U.S. $	n/a	Indirect	Cost	25%
Companies established in 2024							
Black BESS 1 S.r.l.	C.so Re Umberto 8 - TO	13053140011	Euro	10.000	Direct	Full	100%
White BESS S.r.l.	C.so Re Umberto 8 - TO	13053120013	Euro	10.000	Direct	Full	100%
White BESS 1 S.r.l.	C.so Re Umberto 8 - TO	13053110014	Euro	10.000	Direct	Full	100%
Yellow BESS 1 S.r.l.	C.so Re Umberto 8 - TO	13053100015	Euro	10.000	Direct	Full	100%
Yellow BESS 2 S.r.l.	C.so Re Umberto 8 - TO	13053130012	Euro	10.000	Direct	Full	100%
Companies acquired from third parties in 2024							
OF Green Energy UNO S.r.l.	Via Vinadio 20 - TO	12291470016	Euro	10.000	Direct	Full	100%
GF Green Energy UNO S.r.l.	Via San Vittore 45 - TO	12268360968	Euro	10.000	Direct	Full	100%
Companies sold to third parties in 2024							
Green BESS S.r.l.	C.so Re Umberto 8 - TO	12731150012	Euro	10.000	Direct	Full	100%
Blue BESS S.r.l.	C.so Re Umberto 8 - TO	12786310016	Euro	10.000	Direct	Full	100%

It should be noted that:

- companies incorporated and acquired in first half 2024 were consolidated on a line-by-line basis for the first time in these financial statements;
- the US companies were not consolidated on a line-by-line basis due to their immaterial amounts, since they are still in the start-up phase, except for the figures of Altea Green Power US Corp..

Acquisition of OF Green Energy UNO S.r.l. and GF Green Energy UNO S.r.l.

During the first half, the Group acquired 100% of the shares of OF Green Energy UNO S.r.l. and GF Green Energy UNO S.r.l., with the goal of expanding its portfolio and developing new Co-Development projects. Under IFRS 3, the Directors compared the consideration transferred and the identifiable net assets acquired recognized at fair value at the acquisition date. Based on the above considerations, the Group recognized a negative difference between the acquisition cost and the current value of the assets and liabilities acquired, recording this result (€ 13 thousand) in the Income Statement as income.

Disposal of Green BESS S.r.l. and Blue BESS S.r.l.

On 21 March 2024, the Group finalized the closing of the Co-Development contract for 9 BESS Storage plants in Italy with a North American investment fund for a total of € 68.4 million, plus a potential success fee of € 15 million, concurrently selling the shares of the subsidiaries Green BESS S.r.l. and Blue BESS S.r.l. for a consideration of € 5.7 million; against this transaction, the Group recorded revenue of € 4.7 million (consideration received net of net contributed assets transferred at the date of sale).

Consolidation methods

The most significant consolidation methods used in the preparation of the Consolidated Financial Statements are as follows:

- subsidiaries are consolidated line by line from the acquisition date, i.e., when the Group gains control, and cease to be consolidated on the date when control is transferred outside the Group. This method involves recognizing the full amount of assets, liabilities, costs, and revenue, regardless of the size of the investment held. Any portion of equity and the result for the year attributable to non-controlling interests is allocated to the appropriate items in the Consolidated Financial Statements;
- the financial statements of subsidiaries were appropriately homogenized and reclassified to ensure consistency with the Group's accounting standards and valuation criteria, in accordance with the provisions of the IFRS currently in force;
- the carrying amount of investments in subsidiaries is eliminated against the corresponding equity by recognizing the subsidiaries' assets and liabilities through the full consolidation method;
- intra-group transaction balances and unrealized intra-group income and expense are eliminated. Unsupported losses are eliminated in the same way as unrealized gains, to the extent that there are no indicators that would give evidence of impairment.

Translation of individual financial statements expressed in currencies other than the Euro

At the balance sheet date, assets and liabilities of subsidiaries denominated in currencies other than the AGP Group's presentation currency (Euro) are translated as follows:

- at the spot exchange rate at the balance sheet date for balance sheet assets and liabilities;
- at the average exchange rate for the period for positive and negative income items in the Income Statement;
- at the historical exchange rate at the time of their formation for equity reserves.

Differences resulting from the application of this method are classified in the equity item “translation reserve" until the investment is sold.
The exchange rates used to determine the Euro equivalents of the foreign currency denominated figures of Altea Green Power Corp., Cuyler Green Energy LLC, Quitman Green Energy LLC, RAL Green Energy Corp., and BESS Power Corp. are shown in the tables below:

YEAR-END EXCHANGE RATES/CURRENCY	30/06/2024	31/12/2023
U.S. dollar	1.0705	1.1050

YEAR-END EXCHANGE RATES/CURRENCY	30/06/2024	30/06/2023
U.S. dollar	1.0813	1.0811

Business combinations

Business combinations in which control of an entity is acquired are recognized, in accordance with the provisions of IFRS 3, using the Acquisition Method. Acquisition cost is the fair value at the acquisition date of the assets sold, liabilities assumed, and equity instruments issued. The identifiable assets acquired, along with liabilities and contingent liabilities assumed, are recorded at their fair value at the acquisition date, except for deferred tax assets and liabilities, employee benefit assets and liabilities, and assets held for sale, which are recorded in accordance with the relevant accounting standards. The difference between the acquisition cost and the current value of the assets and liabilities acquired, if positive, is recorded in intangible assets as goodwill, or, if negative, after assessing the correct measurement of the current values of the assets and liabilities acquired and the acquisition cost, directly in the Income Statement, as income. Acquisition-related costs are recognized in the Income Statement at the moment they are incurred.
Under IFRS 3, the acquisition of a business takes place when it includes a substantial input and process that, together, contribute significantly to the ability to generate output. The definition of the term "output" refers to goods and services provided to customers, which generate flows from investments and other flows, and excludes returns in the form of lower costs and other economic benefits. In the case of partial control, the share of equity attributable to non-controlling interests is determined based on their proportionate share of the current values assigned to assets and liabilities at the date when control is gained, excluding any goodwill attributable to them (so-called partial goodwill method). Alternatively, the full amount of goodwill generated by the acquisition is recognized, including the portion attributable to non-

controlling interests (so-called full goodwill method). In this case, non-controlling interests are presented at their full fair value, including their share of goodwill. The choice of how to determine goodwill (partial goodwill method or full goodwill method) is made selectively for each business combination transaction. The acquisition cost also includes contingent consideration, if any, which is recognized at fair value at the date when control is gained. Subsequent changes in fair value are recognized in the Income Statement or Comprehensive Income Statement if the contingent consideration is a financial asset or liability. Contingent consideration classified as equity is not recalculated and the subsequent settlement is accounted for directly in equity.
If the combination transactions through which control is gained occur in various steps, the Group recalculates the interest it previously held in the acquiree at the respective fair value at the acquisition date and recognizes any resulting gain or loss in the Income Statement.
In the event of loss of control, the Group eliminates the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to subsidiaries. Any gain or loss resulting from the loss of control is recognized in Profit/(Loss) for the year. Any investment retained in the former subsidiary is measured at fair value at the date of loss of control.

Accounting standards, amendments and interpretations applicable as of 1 January 2024

The following is a list of IFRS accounting standards, amendments and interpretations that became effective on 1 January 2024, the adoption of which did not materially affect the Group's financial statements.

IFRS	IASB Effective Date	Status of EU approval
Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7)	1 January 2024	Endorsed
Lease liabilities in a sale and leaseback transaction (Amendments to IFRS 16)	1 January 2024	Endorsed
Classification of liabilities between current and non-current (amendments to IAS 1)	1 January 2024	Endorsed

Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7)

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Supplementary Information, to clarify the characteristics of reverse factoring arrangements and request to give further disclosure of such arrangements. The disclosure requirements included in the amendments are intended to assist financial statement users in understanding the effects on an entity's liabilities, cash flows, and exposure to liquidity risk of reverse factoring arrangements.

Lease liabilities in a sale and leaseback transaction (Amendments to IFRS 16)

In September 2022, the IASB issued an amendment to IFRS 16 to specify the requirements that a selling lessor uses in measuring the lease liability arising from a sale and leaseback transaction, to ensure that the selling lessor does not recognize gain or loss by reference to the right of use retained by the lessor.

Classification of liabilities between current and non-current (amendments to IAS 1)

In January 2020 and October 2022, the IASB published amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or noncurrent. The amendments clarify:

- what is meant by right of subordination of the due date;
- that the right of subordination must exist at year end;
- classification is not impacted by the probability that the entity may exercise its right of subordination;
- only if a derivative embedded in a convertible liability is itself an equity instrument would the due date of the liability not impact its classification.

Additionally, a requirement was introduced to give disclosures when a liability arising from a loan agreement is classified as noncurrent and the entity's right of subordination is subject to compliance with covenants within twelve months.

Accounting standards, amendments and interpretations not yet mandatorily applicable, and not adopted in advance by the Company

The following is a list of IFRS accounting standards, amendments and interpretations that are not yet mandatorily applicable and/or adopted in advance by the AGP Group.

Mandatorily effective for financial periods beginning on or after 1 January 2025	Mandatorily effective for financial periods beginning on or after 1 January 2026
Lack of convertibility (amendments to IAS 21 Effects of Changes in Foreign Exchange Rates)	Classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7)
	Subsidiaries without public accountability (IFRS 19)
	Presentation and disclosure in financial statements (IFRS 18)

Lack of convertibility (amendments to IAS 21 Effects of Changes in Foreign Exchange Rates)

On 15 August 2023, the IASB published "Lack of Convertibility”, which amends IAS 21 - Effects of Changes in Foreign Exchange Rates (the Amendments). The amendments were introduced following a request submitted to the IFRS Interpretations Committee regarding the determination of the exchange rate when one currency is not convertible into another, which had resulted in varying practices. The Committee recommended that the IASB develop limited amendments to IAS 21 to address this issue. After further resolutions, the IASB published an Exposure Draft of the proposed amendments to IAS 21 in April 2021, and the Final Amendments were published in August 2023. The amendments introduce requirements for determining when a currency is convertible into another currency and when it is not, and require an entity to estimate the spot exchange rate when determining that a currency is not convertible into another currency.
The amendments will be effective for financial periods beginning on or after 1 January 2025.

Classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7)

On 30 May 2024, the IASB published "Amendment to the Classification and Measurement of Financial Instruments", which amends IFRS 9 and IFRS 7, and in particular introduces new requirements regarding:

- the derecognition of financial liabilities settled by electronic transfer; and
- the classification of financial assets with environmental, social, and corporate governance (ESG) and similar characteristics: the amendments clarify how contractual cash flows on loans accounted for at amortized cost or fair value should be measured.

The amendments will be effective for financial periods beginning on or after 1 January 2026.

Subsidiaries without public accountability (IFRS 19)

On 9 May 2024, the IASB issued the new IFRS 19 Subsidiaries without Public Accountability. Disclosure allows eligible subsidiaries to use IFRS accounting standards with reduced disclosure. The new standard will allow subsidiaries to keep only one set of accounting records to meet the needs of both the parent company and the users of their financial statements and will require a reduction in disclosure requirements as it will allow reduced disclosures more suited to the needs of the users of their financial statements. The new standard will be effective for financial periods beginning on or after 1 January 2027.

Presentation and disclosure in financial statements (IFRS 18)

On 9 April 2024, the IASB issued the new IFRS 18, which will provide investors with more transparent and comparable information about companies' financial performance. IFRS 18 introduces three sets of new requirements to improve the reporting of companies' financial performance and provide investors with a better basis for analyzing and comparing companies:

- improved comparability in the Income Statement;
- greater transparency of performance measures defined by Management;
- more useful grouping of information in the financial statements.

IFRS 18 supersedes IAS 1 Presentation of Financial Statements and will be effective for financial periods beginning on or after 1 January 2027; early application is permitted.

Discretionary evaluations and significant accounting estimates

The preparation of the financial statements requires the Directors to make discretionary judgments, estimates, and assumptions that impact the values of revenue, expense, assets, liabilities, and their related disclosures, as well as the disclosure of contingent liabilities. Uncertainty regarding these assumptions and estimates could lead to outcomes that may require significant adjustments to the carrying amount of assets and/or liabilities in the future. Briefly described below are the categories most impacted by the use of estimates and valuations, where changes in the conditions underlying the assumptions could significantly affect the financial figures.

Revenue from contracts with customers

With regard to revenue from contracts with customers for contract work and assets and liabilities in progress from contracts, the application of the incurred cost method (cost-to-cost) requires prior estimation of the total lifetime costs of individual projects, which are updated at each balance sheet date based on assumptions made by the Directors. The margins expected to be recognized on the entire project upon completion are recorded in the income statements of the relevant years according to the project's progress. Therefore, the proper recognition of work in progress and margins related to incomplete projects relies on accurate estimates by Management of the costs to completion, assumed increases, as well as potential delays, extra costs, and penalties that could reduce the expected margin. To better support the estimates, Management adopts contract risk management and analysis frameworks designed to monitor and quantify risks associated with the execution of these contracts. The amounts booked represent the best estimate made by Management at the time, supported by the use of these procedural aids. These facts and circumstances make it challenging to estimate the costs of completing projects and, consequently, to determine the value of contract assets or ongoing liabilities at the balance sheet date.

Allocations to provisions for risks and charges

Directors make estimates for risk and expense assessments. Specifically, the Directors have used estimates and assumptions to assess the likelihood of an actual liability arising. If the risk is deemed probable, they have determined the appropriate amount to be set aside to cover the identified risks.

Deferred tax assets

Deferred tax assets are accounted for based on expectations of taxable income in future years. The assessment of expected taxable income for the purpose of accounting for deferred tax assets depends on factors that may vary over time and result in significant effects on the recoverability of deferred tax assets.

Estimate of the marginal borrowing rate on leases

Directors cannot easily determine the implicit interest rate of the lease and therefore use the marginal lending rate to measure the lease liability. The marginal borrowing rate is the interest rate that the lessee would have to pay for a loan, with a similar term and similar collateral, in order to acquire an asset of comparable value to the right-of-use asset in a similar economic environment. The marginal borrowing rate reflects the rate the Group would have had to pay, and this requires estimating when data do not exist or when rates need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the marginal borrowing rate using observable data (such as market interest rates) if available, as well as making specific considerations about creditworthiness conditions.

Significant judgment in determining the lease term of contracts containing an extension option

The Directors estimated the lease term of the contracts in which it acts as a lessee and which have renewal options. The assessment as to whether or not there is reasonable certainty of exercising the option affects the estimated lease term, significantly impacting the amount of the lease liability and assets from right of use recognized. The Group has reviewed all the lease contracts, defining the lease term for each one, given by the "not cancellable" period together with the effects of any extension or early termination clauses, the exercise of which was considered reasonably certain. Specifically, in the case of properties, the analysis took into account the specific circumstances of each asset. With regard to other categories of assets, mainly company cars, the Directors considered it unlikely that any extension or early termination clauses would be exercised in view of the Group's customary practice.

Determination of the useful life of assets

The Group determines the useful life of assets recorded under Property, Plant and Equipment, Intangible Fixed Assets with definite useful life, as well as Rights of Use. Estimated useful lives are estimated by the Directors based on generally applicable valuation practices, industry experience and knowledge, and are critically reviewed at each period end.

Impairment of non-financial assets

The Group's tangible and intangible assets are subject to impairment on at least an annual basis if they have indefinite lives or more often when events occur that indicate that the carrying amount is not recoverable. The identification of Cash Generating Units (CGUs) is also affected by the Directors' assessments, which may equally affect the recoverability of the amounts recorded in the assets. Further details are provided in Note 2.7.

Employee benefits

The carrying amount of defined benefit plans is determined using actuarial valuations that require the development of assumptions about discount rates, the expected rate of return on investments, future salary increases, mortality rates and future pension increases. The Group considers the rates estimated by the actuaries for the valuations at the balance sheet date to be reasonable. However, it cannot be ruled out that significant future changes in these rates could have a material impact on the liability recorded.

Cash-settled share-based payments - medium-long term incentive plan

The determination of the fair value of the shares awardable through the incentive plan as well as the measurement of vesting rights are subject to estimates on the expectation of the Group's results and the achievement of the targets assigned to the beneficiaries. The Group estimates the likelihood of achieving results consistent with the forecasts contained in the long-term plan adopted by the Board of Directors.

Valuation criteria

The valuation criteria applied or applicable are given below. It may therefore be the case that some of these criteria have not been applied at the reporting date.

1. Statement of Financial Position

1.1. Non-current assets

1.1.1. Property, plant and equipment

Recognition and measurement

An item of property, plant and equipment is measured at cost, including capitalized borrowing costs, less accumulated depreciation and impairment losses.
If an item of property, plant and equipment is composed of several components having different useful lives, these components are accounted for separately (significant components).
The gain or loss generated by the disposal of an item of property, plant and equipment is recognized in profit/(loss) for the year.

Subsequent Costs

Subsequent costs are capitalized only when it is probable that the related future economic benefits will flow to the Group.

Depreciation

Depreciation of an item of property, plant and equipment is calculated to reduce the cost of that item by a straight-line basis, net of its estimated residual value, over the useful life of the item. Depreciation is generally recognized in profit/(loss) for the year. Leased assets are depreciated over the shorter of the lease term and their useful life unless there is reasonable certainty that the Group will obtain ownership at the end of the lease term. Land is not depreciated.
The estimated useful lives of the current and comparative years are as follows:

- equipment consisting of lightweight constructions: 5 years;
- furniture and fittings: 8-9 years;
- electronic office machines: 5 years.

Depreciation methods, useful lives and residual values are checked at the end of the year and adjusted where necessary.

1.1.2. Assets from rights of use

Recognition and measurement

The Group recognizes assets from right of use on the lease commencement date (i.e., the date on which the underlying asset is available for use). Assets from rights of use are measured at cost, net of accumulated amortization/depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Amortization/depreciation

Assets from rights of use are amortized/depreciated on a straight-line basis from the effective date to the end of the useful life of the asset consisting of the right of use. Assets from rights of use are subject to impairment.

1.1.3. Intangible fixed assets with indefinite useful life

Recognition and measurement

Goodwill: goodwill arising from business combinations represents the positive excess of the acquisition cost over the Group's share of the current values, fair value, of identifiable assets, liabilities and contingent liabilities at the acquisition date. Goodwill is recognized as an asset with an indefinite useful life and is not amortized; rather, it is tested annually even in the absence of indicators of impairment, or more frequently if necessary, for impairment. Impairment losses are recognized directly in the Income Statement and are not subsequently reversed. After initial recognition, goodwill is measured at cost net of any accumulated impairment losses. When a subsidiary is sold, the net value of its goodwill is included in determining the gain or loss on disposal. For the purpose of impairment testing, goodwill is allocated to cash generating units or CGUs.

Other fixed assets with indefinite useful lives: an intangible asset is considered to have an indefinite useful life when, based on an analysis of relevant factors, there is no foreseeable limit to the period until which the asset is expected to generate net cash inflows for the entity. For the purpose of impairment testing, assets with indefinite useful lives are tested for recoverability within the cash generating units or CGUs to which they are allocated.

1.1.4. Intangible fixed assets with finite useful life

Recognition and measurement

Research and development: Iexpense for research activities is recognized in the Income Statement for the year in which it is incurred. Development expense is capitalized only if the cost attributable to the asset during its development can be reliably estimated, the product or process is feasible in technical and commercial terms, future economic benefits are likely, and the Group intends and has sufficient resources to complete its development and use or sell the asset. Other development expense is recognized in the Income Statement for the year as it is incurred. Capitalized development expense is recorded at cost less accumulated amortization and any accumulated impairment losses.

Other intangible assets: other intangible assets with finite useful life are carried at cost less accumulated amortization and any accumulated impairment losses.

Subsequent costs

Subsequent costs are capitalized only when they increase the expected future economic benefits attributable to the asset to which they relate. All other subsequent costs, including internally generated trademarks, are charged to the Income Statement for the year in which they are incurred.

Amortization

Amortization is recognized in the Income Statement for the year on a straight-line basis over the estimated useful life of intangible assets from the time the asset is available for use. The estimated useful lives of the current and comparative years are as follows:

- long-term financial expense: 5 years;
- software: 5 years;
- patents: 5 years;
- maintenance on third-party assets: based on the duration of the contract or the life of the asset, whichever is shorter.

Amortization methods, useful lives, and residual values are reviewed at each year-end and modified as necessary.

1.1.5. Investments

Recognition and measurement

Investments in associates and joint ventures: associates refer to those enterprises over which the Group or the Company exercises significant influence. Significant influence is when an entity owns directly or indirectly (e.g., through subsidiaries), 20% or more of the votes exercisable at the investee's shareholders' meeting, unless it can be clearly demonstrated otherwise.

The existence of significant influence by an entity is usually evidenced in one or more of the following ways:

a. representation on the board of directors or equivalent governing body of the investee;
b. participation in policy-making processes, including participation in decisions about dividends or other profit distributions;
c. material transactions between the entity and its investee;
d. interchange of managerial personnel;
e. provision of essential technical information.

A joint venture is defined as a situation in which the Group or the Company has an arrangement under which two or more parties have joint control of the economic activity covered by the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Associates are accounted for at cost, while joint ventures are accounted for under the equity method and initially recognized at cost. Under the equity method, on initial recognition the investment in a joint venture is recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition.
The investor's share of the investee's profit or loss is recognized in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investee arising from changes in the investee's other comprehensive income. These changes include changes resulting from the restatement of property, plant and equipment and from the translation differences of foreign currency items. The investor's share of these changes is recognized in other comprehensive income.

Other investments: investments in other companies are initially accounted for at acquisition cost including transaction costs. Their value undergoes regular impairment tests to compare the recoverable value with the carrying amount annually and whenever an impairment indication arises.

1.1.6. Financial instruments

Recognition and measurement

Trade receivables and debt securities issued are recognized when they are originated. All other financial assets and liabilities are initially recognized on the trade date, which is when the Group becomes a contractual party to the financial instrument. Except for trade receivables that do not contain a significant financing component, financial assets are initially measured at fair value plus or minus, in the case of financial assets or liabilities not measured at FVTPL, the transaction costs directly attributable to the acquisition or issuance of the financial asset. Upon initial recognition, trade receivables that do not have a significant financing component are measured at their transaction price.

Classification and subsequent valuation - Financial assets

Upon initial recognition, a financial asset is classified according to its valuation:

- amortized cost;
- fair value recognized in other comprehensive income (FVOCI);
- fair value recognized in profit/(loss) for the year (FVTPL).

The Group determines their classification based on the business model pursued in the management of financial assets and the characteristics related to the contractual cash flows of financing activities.

Financial assets are not reclassified after their initial recognition unless the Group changes its business model for managing financial assets. In such a case, all affected financial assets are reclassified on the first day of the first year following the change in business model.

A financial asset should be measured at amortized cost if both of the following conditions are met and it is not designated at FVTPL:

- the financial asset is held as part of a business model whose objective is to hold financial assets for the purpose of collecting the relating contractual cash flows;
- the contractual terms of the financial asset provide for cash flows at certain dates represented solely by payments of principal and interest on the amount of principal to be repaid.

A financial asset should be measured at FVOCI if both of the following conditions are met and it is not designated at FVTPL:

- the financial asset is held as part of a business model whose objective is achieved by collecting contractual cash flows and selling financial assets and;
- the contractual terms of the financial asset provide for cash flows at certain dates represented solely by payments of principal and interest on the amount of principal to be repaid.

Upon initial recognition of an equity security not held for trading purposes, the Group may make an irrevocable election to present subsequent changes in fair value in other comprehensive income. This choice is made for each asset.

All financial assets not classified as measured at amortized cost or FVOCI, as indicated above, are measured at FVTPL. This includes all financial derivatives. Upon initial recognition, the Group may irrevocably designate the financial asset as measured at fair value through profit or loss for the year if doing so eliminates or significantly reduces an accounting mismatch that would otherwise result from measuring the financial asset at amortized cost or FVOCI.

Financial assets - Evaluation of the business model

The Group evaluates the objective of the business model under which the financial asset is held at the portfolio level as best reflecting how the asset is managed and the information reported to Management.

Financial assets: assessment of whether contractual cash flows are represented solely by payments of principal and interest.

For valuation purposes, "principal" is the fair value of the financial asset upon initial recognition, while "interest" is the consideration for the time value of money, for the credit risk associated with the amount of principal to be repaid during a given period of time, and for other basic risks and costs associated with the loan (e.g., liquidity risk and administrative costs), as well as for the profit margin.

In assessing whether contractual cash flows are represented solely by payments of principal and interest, the Group considers the contractual terms of the instrument. Therefore, it assesses, among others, whether the financial asset contains a contractual clause that changes the timing or amount of contractual cash flows such that the following condition is not met. For evaluation purposes, the Group considers:

- contingent events that would change the timing or amount of cash flows;
- clauses that could adjust the contractual coupon rate, including variable-rate elements;
- prepayment and extension elements;
- clauses limiting the Group's requests for cash flows from specific assets.

Financial assets - Subsequent valuation and gains and losses

Financial assets measured at FVTPL: these assets are subsequently measured at fair value. Net gains and losses, including dividends or interest received, are recognized in the Income Statement for the year.

Financial assets measured at amortized cost: these assets are subsequently measured at amortized cost in accordance with the effective interest method. Amortized cost is decreased by impairment losses. Interest income, exchange gains and losses, and impairment losses are recognized in the Income Statement for the year as are any gains or losses from derecognition.

Debt securities measured at FVOCI: these assets are subsequently measured at fair value. Interest income calculated in accordance with the effective interest method, exchange gains and losses, and impairment losses are recognized in the Income Statement for the year. Other net gains and losses are recognized in other comprehensive income. Upon derecognition, accumulated gains or losses in other components of the Comprehensive Income Statement are reclassified to the Income Statement for the year.

Equity securities measured at FVOCI: these assets are subsequently measured at fair value. Dividends are recognized in the Income Statement for the year unless they clearly represent a recovery of a portion of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to net profit/(loss) for the year.

Derecognition - Financial assets

Financial assets are derecognized when the contractual rights to the cash flows from them expire, when the contractual rights to receive the cash flows under a transaction in which substantially all risks and rewards of ownership of the financial asset are transferred, or when the Group neither transfers nor retains substantially all risks and rewards of ownership of the financial asset and does not retain control of the financial asset.

Financial liabilities

The Group derecognizes a financial liability when the obligation specified in the contract has been fulfilled or cancelled or has expired. The Group also derecognizes a financial liability if the relevant contractual terms are changed, and the cash flows of the changed liability are substantially different. In this case, a new financial liability is recognized at fair value based on the amended contractual terms.

The difference between the carrying amount of the financial liability settled and the consideration paid (including assets not represented by cash transferred or liabilities assumed) is recognized in the Income Statement for the year.

Offsetting

Financial assets and financial liabilities may be offset and the amount resulting from the offset is presented in the statement of financial position if, and only if, the Group currently has the legal right to offset such amounts and intends to settle the balance on a net basis or realize the asset and settle the liability simultaneously.

Financial derivatives, including hedge accounting

The Group uses financial derivatives to hedge its exposure to exchange and interest rate risks. Derivative instruments are always measured at fair value with a balancing entry in the Income Statement, unless they are effective hedging instruments of a given risk related to underlying assets or liabilities or commitments undertaken by the Group.

At the beginning of the designated hedging relationship, the Group documents its risk management objectives and hedging strategy, as well as the economic relationship between hedged item and hedging instrument and whether it is expected that changes in the cash flows of the hedged item and hedging instrument will offset each other.

Cash flow hedging

When a financial derivative is designated as a hedge for exposure to cash flow variability, the effective portion of changes in the fair value of the financial derivative is recognized in other comprehensive income and presented in the cash flow hedge reserve. The effective portion of changes in the fair value of the derivative financial instrument that is recognized in other comprehensive income is limited to the cumulative change in the fair value of the hedged instrument (at present value) since the beginning of the hedge. The ineffective portion of changes in the fair value of the derivative financial instrument is immediately recognized in the Income Statement for the year.

In a hedging relationship, the Group designates only the change in the fair value of the spot element of the forward contract as the hedging instrument. The change in the fair value of the forward element of the exchange forward contract (forward points) is accounted for separately as a hedging cost and recognized in equity, in the hedging cost reserve.

If a planned hedged transaction subsequently results in the recognition of a non-financial asset or liability, for example, inventory, the amount accumulated in the cash flow hedge reserve and hedging cost reserve is included directly in the initial cost of the asset or liability upon recognition. For all other hedged planned transactions, the amount should be reclassified from the cash flow hedge reserve and hedge cost reserve into the profit/(loss) in the same year(s) in which the hedged expected future cash flows affect profit/(loss) for the year.

If the hedge ceases to meet the eligibility criteria or the hedging instrument is sold, matures or is exercised, hedge accounting ceases prospectively. When hedge accounting for cash flow hedges ceases, the amount accumulated in the cash flow hedge reserve remains in equity until, in the case of a hedge of a transaction involving the recognition of a non-financial asset or non-financial liability it is included in the cost of the non-financial asset or non-financial liability upon initial recognition or, in the case of other cash flow hedges, it is reclassified to net profit/(loss) for the period in the same period(s) in which the hedged expected future cash flows affect net profit/(loss) for the period. If future hedged cash flows are no longer expected, the amount should be reclassified immediately from the cash flow hedge reserve and the hedge cost reserve into the profit/(loss) for the year.

1.1.7. Non-financial assets

At each balance sheet date, the Group tests whether there is objective evidence of impairment concerning the carrying amounts of its non-financial assets, excluding inventory and deferred tax assets. If on the basis of this test, it appears that the assets are indeed impaired, the Group estimates their recoverable value. The recoverable value of goodwill, on the other hand, is estimated annually. For the purpose of identifying impairment losses, assets are grouped into the smallest identifiable group of assets that generates cash flows largely independent of cash flows generated by other assets or groups of assets (the "cash-generating units" or "CGUs"). Goodwill acquired through a business combination is allocated to the group of CGUs expected to benefit from synergies.

The recoverable amount of an asset or CGU is the higher of its value in use and its fair value less costs of disposal. To determine value in use, estimated expected cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset or CGU. When the carrying amount of an asset or CGU exceeds its recoverable value, an impairment loss is recognized.

Impairment losses are recognized in profit/(loss) for the year. Those related to the CGU are first charged against the carrying amount of any goodwill allocated to the CGU, then proportionately charged against the other assets comprising the CGU. Goodwill impairment losses cannot be reversed. For other assets, impairment losses recognized in prior years are reversed up to the carrying amount that would have been determined (net of amortization) if the asset impairment loss had never been recognized.

1.1.8. Deferred tax

Deferred tax is recognized with regard to temporary differences between the carrying amounts of assets and liabilities recorded in the financial statements and the corresponding amounts recognized for tax purposes. Deferred tax is not recognized for:

- temporary differences related to the initial recognition of assets or liabilities in a transaction other than a business combination that affects neither accounting profit (or loss) nor taxable income (or tax loss);
- temporary differences related to investments in subsidiaries, associates, and joint ventures to the extent that the Group is able to control the timing of the reversal of temporary differences and it is probable that, in the foreseeable future, the temporary difference will not reverse;
- taxable temporary differences related to the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses and tax receivables, as well as deductible temporary differences, to the extent that it is probable that future taxable income will be available against which these assets can be used. Future taxable income is defined on the basis of the reversal of related deductible temporary differences.

If the amount of taxable temporary differences is not sufficient to fully recognize a deferred tax asset, future taxable income, adjusted for the cancellations of outstanding temporary differences, provided for in the business plans of individual Group subsidiaries, is taken into account. The value of deferred tax assets is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that the related tax benefit will be realized. These reductions should be restored when the probability of achieving future taxable income increases. Unrecognized deferred tax assets are reviewed at the end of each reporting period and are recognized to the extent that it has become probable that the Group will earn sufficient taxable profit in the future to utilize them.

Deferred tax is measured using the tax rates that are expected to be applicable to temporary differences in the year in which they reverse based on tax rates established by measures in effect or substantially in effect at the end of the year. The valuation of deferred tax reflects the tax effects arising from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of assets and liabilities.

Deferred tax assets and liabilities are offset only when certain criteria are met.

1.2. Current assets

1.2.1. Inventory

Inventory is carried at the lower of purchase cost, including all directly attributable ancillary costs and expense and indirect costs relating to internal production, and the presumed realizable value based on market trends.

Contract work in progress (for which there is an order in progress at the close of the year), related to future and potential photovoltaic, wind, and energy storage projects under construction at the close of the year, were quantified by adopting the percentage-of-completion method. Therefore, the valuation of this inventory is carried out in an amount corresponding to the revenue accrued at the end of each year, determined with regard to the progress of the work, which is determined by the incurred cost method. Finished products and goods, if any, are

measured at production cost.
Any advance payments from customers are recorded under other current payables until the relevant revenue is recognized.
Allowances are made for any materials, finished products, spare parts and other supplies considered obsolete or slow-moving, taking into account their expected future use and realizable value. It should be noted that to date there are no such funds allocated in the financial statements. In accordance with IFRS 15, revenue from sales is recognized only when the performance obligation is fulfilled. Since the only performance obligation recognized for IFRS 15 within the sales contracts is the authorization for the construction of the plant (at least unless otherwise indicated), prior to the settlement of this obligation, the activities performed are shown under "Contract work in progress" and recognized using the cost-to-cost method including the contract margin allocated to the work progress.

1.2.2. Trade receivables

Trade receivables, arising from the sale of goods or services produced or marketed by the Group, are included in current assets. They are recognized at the nominal amount shown on the invoice net of the allowance for doubtful accounts, which is set aside based on estimates of the risk of uncollectibility of receivables outstanding at the end of the period.
Trade receivables are subsequently measured at amortized cost, which represents the value at which they were measured at initial recognition less principal repayments, increased or decreased by aggregate amortization using the effective interest method on any difference between the initial value and the value at maturity, and less any reduction (made directly or through the use of an allowance) as a result of an impairment or assessment of uncollectibility.
Upon initial recognition, trade receivables that do not have a significant financing component are measured at their transaction price.
Impairment losses are recognized in the financial statements when there is objective evidence that the Group will not be able to recover the amount due from the counterparty based on the contractual terms.
Objective evidence includes such events as:

a. significant financial difficulties of the debtor;
b. open legal disputes with the debtor regarding the collectibility of the claim;
c. likelihood that the debtor will declare bankruptcy or other financial restructuring procedures will be opened.

The amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of expected future cash flows and recognized in the Income Statement. Unrecoverable receivables are removed from the statement of financial position with an offset in the allowance for doubtful accounts. If, in subsequent periods, the reasons for the previous impairment losses cease to apply, the value of the assets is restored up to the value that would have resulted from valuation at amortized cost.

1.2.3. Cash and cash equivalents

These include cash, deposits with banks or other lending institutions available for current operations, postal accounts and other equivalent securities, as well as investments maturing within three months from the date of purchase. Cash and cash equivalents are recorded at fair value, which normally coincides with the nominal value.

1.3. Liabilities

1.3.1. Share capital

Ordinary shares

Incremental costs directly attributable to the issuance of ordinary shares are recognized as a decrease in equity. Income tax related to the transaction costs of an equity transaction is recognized in accordance with IAS 12.

Buyback and reissue of ordinary shares (treasury shares)

In case of share buyback recognized in equity, the consideration paid, including costs directly attributable to the transaction are recognized as a reduction of equity. Shares thus bought back are classified as treasury shares and recognized in the treasury shares reserve. The consideration received from the subsequent sale or reissue of treasury shares is recognized as an increase in equity. Any positive or negative difference arising from the transaction is recognized in the share premium reserve.

FTA reserve and FVOCI reserve

The FTA reserve includes all pre-IFRS changes to adjust opening balances to IFRS.
The FVOCI reserve holds changes in the fair value of financial instruments and assets following their valuation at fair value. Valuation differences are also recognized in other components of the statement of comprehensive income.

1.3.2. Loans payable

Loans are recorded at the fair value of the consideration received net of ancillary expense directly attributable to the financial asset. After initial recognition, loans are measured at amortized cost using the effective interest rate method.

1.3.3. Employee benefits

Short-term employee benefits

Short-term employee benefits are recognized as an expense when the service giving rise to such benefits is provided. The Group recognizes a liability for the amount expected to be paid when it has a present, legal, or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

Share-based payment transactions

Group companies provide additional benefits to the Group's top executives through cash-settled share-based payment plans (phantom stock options). Under IFRS 2 ("Share-based payments"), employee phantom stock options are measured at fair value at the grant date according to models that take account of factors and elements (option exercise price, option term, current price of the underlying shares, expected volatility of the share price, expected dividends, and interest rate for a risk-free investment over the life of the option) in effect at the grant date. If the right becomes exercisable after a certain period and/or upon occurrence of certain performance conditions (vesting period), the total value of the options is allocated pro rata temporis over the aforementioned period and recorded in the Income Statement with an offsetting entry in a non-current liability item. At each year end, under IFRS 2, the estimated number of options that are estimated to vest (and thus the number of employees who will be eligible to exercise options) is updated. The change in estimate is recorded as an increase or decrease in the above non-current liability item with a balancing entry in the Income Statement. At the end of the exercise period, exercised options are settled in cash for the portion corresponding to the product of the number of shares issued and the par value of each share.

Defined contribution plans

Contributions payable to defined contribution plans are recognized as a cost in the Income Statement over the period in which employees serve; contributions paid in advance are recognized as an asset to the extent that the prepayment will result in a reduction in future payments or a refund.

Defined benefit plans

The Group's net obligation arising from defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have accrued in exchange for their service in the current and prior years; this benefit is discounted and the fair value of any plan assets is deducted from liabilities. The calculation is performed by an independent actuary using the projected unit credit method. If the calculation generates a benefit to the Group, the amount of the asset recognized is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future plan contributions.

Actuarial gains and losses, returns from any plan assets (excluding interest), and the effect of the asset ceiling (excluding any interest) arising from revaluations of the net defined benefit plan liability are recognized immediately in other comprehensive income. Net interest for the year on the net defined benefit liability/(asset) is calculated by applying to the net defined benefit liability/(asset), the discount rate used to discount the defined benefit obligation, determined at the beginning of the year, considering any changes in the net defined benefit liability/(asset) that occurred during the year as a result of contributions received and benefits paid.

Conversely, net interest and other costs related to defined benefit plans are recognized in net profit/(loss) for the year.

When changes are made to the benefits of a plan or when a plan is reduced, the portion of the economic benefit relating to past service or the gain or loss resulting from the reduction of the plan is recognized in net profit/(loss) for the year when the adjustment or reduction occurs.

Other long-term employee benefits

The Group's net obligation as a result of long-term employee benefits is the amount of future benefit that employees have accrued for employment benefits in the current and prior years. This benefit is discounted. Revaluations are recognized in profit/(loss) for the year when they arise.

Benefits due to employees for termination of employment

Benefits due to employees for termination of employment are recognized as an expense when the Group has committed itself without the possibility of withdrawal in offering such benefits or when the Group recognizes restructuring costs, whichever is earlier. Benefits fully payable more than twelve months after the end of the year are discounted.

1.3.4. Provisions for risks and charges

Provisions for risks and charges are recognized when at the reporting date, in the presence of a legal or implied obligation to third parties arising from a past event, it is probable that an outlay of resources, the amount of which can be reliably estimated, will be required to satisfy the obligation.

This amount represents the best discounted estimate of the expense required to settle the obligation.

The rate used in determining the present value of the liability reflects current market values and includes additional effects related to the specific risk associated with each liability. Changes in estimates are reflected in the Income Statement for the year in which the change occurs. For certain disputes, the information required by IAS 37 - Provisions, Contingent Liabilities and

Contingent Assets is not reported in order not to harm the Group's position in such disputes or negotiations.
Risks for which the onset of a liability is merely a possibility are disclosed in the appropriate disclosure section on commitments and risks, and no allocation is made.
With regard to assets and liabilities arising from contracts, in the event that the revisiting of business plans (full-life estimates) during the progress of a contract shows the presence of elements that make them onerous, the portion of costs deemed "unavoidable" in excess of the economic benefits arising from the contract is recognized in its entirety in the year in which it becomes reasonably foreseeable and set aside in an "Onerous Contracts Provision", which is recorded under current provisions for risks and charges. The reversal of these provisions is recognized as absorption under "Other operating revenue".

1.3.5. Lease liabilities

On the effective date of the lease, the Group recognizes lease liabilities by measuring them at the present value of lease payments due but not yet paid at that date. Payments due include fixed payments (including in-substance fixed payments), net of any lease incentives to be received, variable lease payments dependent on an index or rate, and amounts expected to be payable under residual value guarantees.
Lease payments also include the exercise price of a purchase option if it is reasonably certain that such an option will be exercised by the Group and lease termination penalty payments if the lease term takes account of the Group's exercise of its lease termination option.
Variable lease payments that do not depend on an index or rate are recognized as costs in the period in which the event or condition that generated the payment occurs. When calculating the present value of payments due, the Group adopts the marginal borrowing rate at the start date. After the effective date, the amount of the lease liability increases to account for interest on the lease liability and decreases to account for payments made. Additionally, the carrying amount of lease payables is restated in the event of any changes in the lease or for a review of the contractual terms for the change in payments; it is also restated when there are changes regarding the valuation of the option to purchase the underlying asset or for changes in future payments that results from a change in the index or rate used to determine such payments. Lease liabilities are presented together with financial liabilities, distinguishing between current and non-current.

1.3.5.1. Short-term leases and low-value asset leases

The Group applies the exemption under IFRS 16 for the recognition of short-term (12-month) and low-value asset leases. For such contracts, payments of related expense are recognized as costs in the Income Statement on a straight-line basis spread over the term of the contract.

2. Income Statement

2.1. Revenue from contracts with customers

Based on the provisions of IFRS 15, revenue from contracts with customers is recognized when the transfer of control of the good or service to the customer takes place, which can occur over time or at a specific point in time.
Contracts related to the sale of projects referring to new production plants (whether photovoltaic, wind or Storage), which meet the requirements for over time revenue recognition, are classified under "Assets arising from contracts".
Specifically, "Assets arising from contracts" represent the right to consideration for goods or

services that have already been transferred to the customer.
The standard is applied using a model consisting of the following five basic steps:

1. identification of customer contract: occurs when the parties approve the contract, having commercial substance, and identify their respective rights and obligations. The contract must be legally binding, identify the right to receive goods and/or services, the consideration, and the terms of payment;
2. identification of the contractual obligations (performance obligations) therein, i.e., promises to transfer distinct goods and services;
3. determination of transaction consideration (transaction price): this is the total amount contracted with the counterparty over the contract term;
4. price allocation to the different contractual obligations in proportion to their respective stand alone selling prices determined from list prices;
5. revenue recognition upon fulfilment of contractual obligations.

Where there is more than one performance obligation within a contract, representing a contractual promise to transfer to the customer a distinct good or service (or a series of distinct goods or services that are essentially the same and are transferred in the same manner), classification among assets is done at the aggregate level and not at the individual performance obligation level.
Assets arising from contracts with customers for which revenue recognition takes place over time are recognized using an input-based ("cost-to-cost") methodology for measuring progress; under this methodology, costs, revenue, and margin are recognized based on the progress of production activity, determined with regard to the ratio of costs incurred at the measurement date to total costs expected for performance obligation fulfilments.
Conversely, in cases where the requirements for recognition over a period of time are not met, revenue is recognized at a specific point in time; in such cases, production progress under contracts with customers is recognized under the item of assets arising from point-in-time contracts, under “inventory”.
Assets from contracts are shown net of any allowances for impairment. Updates to estimates are made periodically, and any economic effects are accounted for in the year in which the updates are made. In the event that a contract qualifies as "onerous”, the method of accounting is set out later in this note.
Contracts with consideration denominated in currencies other than the functional currency are valued by converting the accrued portion of consideration, determined on the basis of the percentage-of-completion method, at the closing exchange rate for the period. The Group's foreign exchange risk policy requires that all contracts with cash flow exposures to changes in foreign exchange rates be hedged on a timely basis.
Revenue related to maintenance activities, sales of spare parts and provision of services is handled through customer spot orders and is recognized on an accrual basis. Revenue from services are accounted for on a progress basis in the year in which they are rendered.

2.2. Government grants

Government grants related to costs incurred during the year are recognized in the Income Statement for that year as other income when the government grant becomes receivable. Other government grants related to assets recorded in the Statement of Financial Position are initially recognized at fair value as deferred revenue if there is reasonable certainty that they will be received and that the Group will comply with the conditions attached to their receipt, and are then recognized in the Income Statement for the year as other income on a systematic basis over the useful life of the asset to which they relate.

2.3. Cost recognition

Costs are recognized when they relate to goods and services purchased or consumed during the period or by systematic allocation on an accrual basis.

2.4. Financial income and expense

Interest income and expense are recognized in the Income Statement for the year on an accrual basis using the effective interest method. Dividend income is recognized when the Group's right to receive payment is established.
The "effective interest rate" is the rate that exactly discounts estimated future payments or receipts over the expected life of the financial asset:

- at the gross carrying amount of the financial asset or
- at the amortized cost of the financial liability.

When calculating interest income and interest expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not impaired) or the amortized cost of the liability. However, in the case of financial assets that have impaired after initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset ceases to be impaired, interest income reverts to a gross basis.

2.5. Income tax

Tax expense for the year includes current and deferred tax recognized in the Income Statement for the year, except for tax related to business combinations or items recognized directly in equity or among other components of the Comprehensive Income Statement. The Group has determined that interest and penalties related to income tax, including accounting treatments to be applied to income tax of an uncertain nature, are accounted for in accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets because they do not meet the definition of income tax.

2.6. Current tax

Current tax includes the estimated amount of income tax due or receivable, calculated on taxable income or tax loss for the year as well as any adjustments to tax from prior years. The amount of tax payable or receivable, determined on the basis of tax rates in effect or substantially in effect at the end of the year, also includes the best estimate of any amount payable or receivable that is subject to uncertainty factors. Current tax also includes any tax related to dividends. Current tax assets and liabilities are offset only when certain criteria are met.

2.7. Impairment losses

Non-financial derivatives

Financial instruments and assets arising from contracts

The Group recognizes allowances for expected credit losses related to:

- financial assets measured at amortized cost;
- debt securities measured at FVOCI;
- assets arising from contracts.

The Group assesses allowances for impairment at an amount equal to the expected losses over the life of the loan, except as noted below, for the following twelve months:

- debt securities with low credit risk as of the balance sheet date;
- other debt securities and bank accounts whose credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not significantly increased after initial recognition.

Allowances for impairment of trade receivables and assets arising from contracts are always valued at an amount equal to the expected losses over the life of the receivable.
To determine whether credit risk related to a financial asset has increased significantly since initial recognition for the purpose of estimating expected credit losses, the Group considers reasonable and demonstrable information that is relevant and available without undue cost or effort. Included is quantitative and qualitative information and analysis, based on the Group's historical experience, credit rating as well as information indicative of expected developments ("forward-looking information").
For the Group, the credit risk of a financial asset increases significantly when contractual payments are more than 30 days past due. Lifetime expected credit losses are the expected credit losses arising from all possible defaults over the expected life of a financial instrument. Expected credit losses at 12 months are expected credit losses arising from possible defaults within twelve months of the balance sheet date (or within a shorter period if the expected life of a financial instrument is less than 12 months). The maximum period to be considered in assessing expected credit losses is the maximum contractual period during which the Group is exposed to credit risk.

Evaluation of expected credit losses

Expected Credit Losses (or "ECL") are a probability-weighted estimate of credit losses. Bad debt losses are the present value of all uncollectibles (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows the Group expects to receive). ECLs are discounted using the effective interest criterion of the financial asset.

Impaired financial assets

At each reporting date, the Group assesses whether financial assets measured at amortized cost and debt securities at FVOCI are impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.
Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event that has not been met for more than 90 days;
- debt restructuring by the Group or an advance on terms that the Group would not otherwise have considered;
- there is a likelihood that the borrower will file for bankruptcy or other financial restructuring procedures;
- the disappearance of an active market for that financial asset because of financial difficulties.

Presentation of the allowance for expected loan losses in the statement of financial position

Allowances for impairment of financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the allowance for impairment is accrued in the Income Statement for the year and recognized in other comprehensive income.

Write-down

The gross carrying amount of a financial asset is written down (in part or in full) to the extent

that there is no real prospect of recovery.
For private customers, the Group's policy is to write down the gross carrying amount when the financial asset is more than 180 days past due based on historical experience in recovering similar assets. For corporate customers, the Group individually assesses the timing and amount of impairment based on the actual prospect of recovery. The Group does not expect any significant recovery of the written-down amount. However, the written-down financial assets may still be subject to enforcement in order to comply with the Group's debt collection procedures.

2.8. Fair value measurement

Fair value is the price that would be received on the valuation date for the sale of an asset or that would be paid for the transfer of a liability in a regular transaction between market participants in the principal (or most advantageous) market to which the Group has access at that time. The fair value of a liability reflects the effect of a default risk. Several accounting standards and disclosure requirements require the Group to measure the fair value of financial and non-financial assets and liabilities. Fair values are divided into various hierarchical levels based on the inputs used in the measurement techniques, as shown below.

Level 1: where available, the Group assesses the fair value of an instrument using the quoted price of that instrument in an active market. A market is active when transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: in the absence of a quoted price in an active market, input data are used that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).

Level 3: in the absence of data in Levels 1 and 2, input data related to the asset or liability that are not based on observable market data are used.

The Group uses valuation techniques by maximizing the use of observable input data and minimizing the use of unobservable input data. The chosen valuation technique includes all factors that market participants would consider in estimating the transaction price. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, the entire valuation is placed in the same level of the hierarchy as the lowest level input that is significant to the entire valuation.
The Group recognizes transfers between levels of the fair value hierarchy at the end of the period in which the transfer took place. If an asset or liability measured at fair value has a bid and an ask price, the Group values the asset and long positions at the bid price and the liability and short positions at the ask price. The best evidence of the fair value of a financial instrument at initial recognition is usually the transaction price (i.e., the fair value of the consideration given or received). If the Group notices a difference between the fair value at initial recognition and the transaction price, and the fair value is not determined either by using a quoted price in an active market for identical assets or liabilities, or by means of a valuation technique whose unobservable inputs are considered insignificant, the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Thereafter, this difference is recognized in profit/(loss) for the year over the life of the instrument by an appropriate method, but no later than when the valuation is fully supported by observable market data or the transaction is concluded.

Notes to the Consolidated Financial Statements at 31/12/2024

Assets

Non-current assets

1. Intangible assets

Changes in the item were as follows:

INTANGIBLE FIXED ASSETS *(Figures in Euro'000)*	Industrial patent and intellectual property rights	Total intangible assets
Net amount at 01/01/2023	**7,522**	**7,522**
Increases/(Decreases/Divestments)	-	-
Amortization	(2,509)	(2,509)
Net amount at 31/12/2023	**5,013**	**5,013**
Increases/(Decreases/Divestments)	-	-
Amortization	(1,248)	(1,248)
Net amount at 30/06/2024	**3,765**	**3,765**

"Industrial patent and intellectual property rights" includes proprietary software capitalized in prior years.
The change in intangible fixed assets versus the prior year related only to the amortization charge for the period.

2. Tangible assets

The changes in the item are shown below *(see next page):*

TANGIBLE FIXED ASSETS *(Figures in Euro'000)*	Property	Plant and machinery	Ind. and comm. equipment	Furniture and fittings	Electr. off. mach.	Vehicles	Fixed ass. in progress	Total tangible assets
Net amount at 1/1/2023	**544,077**	**1,542**	**1,119**	**31,118**	**26,776**	**130,345**	**21,000**	**755,977**
of which Rights of Use IFRS16	*544,077*	-	-	-	-	*130,345*	-	*674,422*
Increases/(Decreases/Divestments)	35,542	-	900	25,007	18,979	152,354	153,360	386,142
Reclassifications -	-		-	-	-	-	-	-
Write-backs/(Write-downs) -	-		-	-	-	-	-	-
Depreciation	(48,745)	(430)	(320)	(5,782)	(8,499)	(62,111)	-	(125,887)
Net amount at 31/12/2023	**530,874**	**1,112**	**1,699**	**50,343**	**37,256**	**220,588**	**174,360**	**1,016,232**
Increases/(Decreases/Divestments)	(32,626)	-	1,090	7,273	6,787	43,264	-	25,788
Reclassifications	-	-	-	-	-	-	-	-
Write-backs/(Write-downs)	-	-	-	-	-	-	-	-
Depreciation	(25,000)	(260)	(200)	(3,838)	(5,411)	(38,105)	-	(72,814)
Net amount at 30/06/2024	**473,247**	**852**	**2,589**	**53,777**	**38,632**	**225,748**	**174,360**	**969,206**
of which Rights of Use IFRS16								
Net amount at 31/12/2023	*530,874*	-	-	-	-	*220,588*	-	*751,462*
Increases/(Decreases/Divestments)	*(32,626)*	-	-	-	-	*43,264*	-	*10,638*
Depreciation	*(25,000)*	-	-	-	-	*(38,105)*	-	*(63,105)*
Net amount at 30/06/2024	***473,247***	-	-	-	-	***225,748***	-	***698,995***

Increases over the period refer mainly to the signing of new rental contracts for cars for company use (€ 43,264), electronic equipment (computers, cell phones, etc.), and furniture and fittings (desks, tables for meeting rooms, etc.).
Decreases over the period refer to the ISTAT adjustment for 2024 of the Rights of Use on the property as envisaged in the lease agreement and in IFRS 16.
No disposals, divestments, scrapping of any kind were carried out during the period.

3. Deferred tax assets

The value of Deferred Tax Assets is composed mainly of the tax effect calculated as a result of adjustments made at first time adoption (1 January 2022). In detail, the outstanding value at 30 June 2024, amounting to € 113 thousand, refers for € 103 thousand to the previously capitalized listing expense according to the OIC rules released over a period of 5 years.

4. Other non-current assets

Investments in associates and joint ventures

Details at 30 June 2024 are as follows *(see next page)*:

INVESTMENTS IN ASSOCIATES	Registered office (Country)	Currency	Equity (with profit/ loss) in currency	Result last year in currency	Equity (with profit/loss) in Euro	% share held	Portion of Equity in Euro	Amount entered in the Financial Statements
Cuyler Green Energy LLC	Delaware (USA)	USD	-	-	-	100%	-	-
Quitman Green Energy LLC	Delaware (USA)	USD	-	-	-	100%	-	-
RAL Green Energy Corp.	Delaware (USA)	USD	-	-	-	50%	-	-
BESS Power Corp.	Delaware (USA)	USD	2,889,202	(416,802)	2,310,790	25%	577,697	1,544,223
Total			**2,889,202**	**(416,802)**	**2,310,790**		**577,697**	**1,544,223**

The U.S.-registered companies CUYLER Green Energy LLC and QUITMAN Green Energy LLC, both wholly owned by Altea Green Power USA Corp., are not operational to date.
The value of the investment in the associate BESS Power Corp., measured at cost, was not written down as the interim situation is not representative of the company's operating performance. As explained in the Report on Operations, the sale process of the "Lund" project began in 2024 and is expected to

Financial derivative assets

The current item includes the positive Mark to Market value of the following derivative at 30 June 2024 (€ 754).

FINANCIAL DERIVATIVES *(Figures in Euro)*	Balance at 30/06/2024		
	Outstanding capital	*Positive fair value*	*Negative fair value*
Derivative hedging instruments			
IRS Collar - 98592731 (Reference capital € 800K)	511,111	754	-
Fair Value Financial Instrument Assets on the Balance Sheet		**754**	**-**

The financial derivative matures within 5 years.

Current assets

5. Inventory and contract work in progress

“Inventory" includes Business Opportunities, which include costs incurred by the Group on Co-Development projects for which contracting with the end customer is still pending completion.

INVENTORY *(Figures in Euro)*	Balance at 30/06/2024			Balance at 31/12/2023		
	Gross stock value	(Prov. for stock write-down)	Total net stock	Gross stock value	(Prov. for stock write-down)	Total net stock
Business Opportunities	1,129,747	-	1,129,747	1,219,608	-	1,219,608
Total	**1,129,747**	**-**	**1,129,747**	**1,219,608**	**-**	**1,219,608**

Assets in progress from contracts refer generally to long-term contracts, related to the Co-Development business, and to short-term contracts related to the Energy Efficiency business, in progress at the end of the period. Progress is determined by the costs incurred added to the recognized margins and net of any expected losses.

CONTRACT WORK IN PROGRESS
(Figures in Euro)

	Balance at 30/06/2024			Balance at 31/12/2023		
	Gross amount	(Allowance for impairm.)	Net total	Gross amount	(Allowance for impairm.)	Net total
Short-term orders	935,274	-	935,274	788,705	-	788,705
Long-term orders	35,109,261	(5,742)	35,103,520	26,612,968	(19,534)	26,593,434
Total	**36,044,535**	**(5,742)**	**36,038,794**	**27,401,673**	**(19,534)**	**27,382,139**

Within the Energy Efficiency business, EPC activities related to the installation of photovoltaic systems on apartment buildings, as well as on industrial or agricultural enterprise facilities, are ongoing.
Within the Co-Development business, activities related to the Battery Energy Storage System (BESS) segment are the primary drivers of the significant increase in long-term orders. Details of the activities of the long-term orders are shown in the table below:

LONG-TERM ORDERS
(Figures in Euro)

	Balance at 30/06/2024	Balance at 31/12/2023	Change
Storage	24,055,605	17,407,540	6,648,065
Photovoltaic	9,951,864	8,205,332	1,746,532
Wind power	1,101,792	1,000,096	101,696
Total	**35,109,261**	**26,612,968**	**8,496,293**

The allowance for impairment on assets in progress from contracts changed as follows:

ALLOWANCE FOR IMPAIRMENT ON ASSETS IN PROGRESS FROM CONTRACTS
(Figures in Euro)

	Balance at 30/06/2024
Balance at 01/01/2024	**19,534**
Provisions	5,742
Utilizations	-
Releases	(19,534)
Balance at 30/06/2024	**5,742**

6. Trade receivables, Tax receivables and Other current assets

Details of receivables by type and maturity are shown in the table below:

RECEIVABLES UNDER CURRENT ASSETS *(Figures in Euro)*	Balance for the Year					
		Amounts due beyond one year				
	Amounts due within one year	Remaining duration less than or equal to five years	Remaining duration beyond five years	Balance at 30/06/2024	Balance at 31/12/2023	Change
Receivables from customers	717,653	-	-	717,653	736,884	(19,231)
Tax receivables	1,386,607	992,665	403,236	2,782,509	3,061,664	(279,155)
Receivables from others	2,367,813	-	-	2,367,813	2,553,024	(185,211)

Receivables from customers are recorded net of the allowance for impairment (€ 35,797), which includes mainly provisions made in prior years for receivables from two customers. Injunctions were requested and obtained for these receivables during the first months of 2024, and the outcome is currently unknown. The change in the period (€ 6,567), on the other hand, is the result of the accounting adjustment required by IFRS 9 (Expected Credit Losses).

TRADE RECEIVABLES *(Figures in Euro)*	Balance at 30/06/2024	Balance at 31/12/2023	Change
Trade receivables - gross amount	753,450	766,113	(12,663)
(Allowance for doubtful trade receivables)	(35,797)	(29,230)	(6,567)
Total - net amount	**717,653**	**736,884**	**(19,231)**

The table below shows the details of overdue by band of receivables from customers:

TRADE RECEIVABLES SCHEDULE *(Figures in Euro)*	Balance at 30/06/2024	Falling due	Past due up to 30 days	Past due 31-180 days	Past due 181-270 days	Past due 271-360 days	Past due over 360 days
Trade receivables - gross amount	753,450	52,471	335,941	209,926	1,327	7,232	146,552
(Allowance for doubtful trade receivables)	(35,797)	-	-	(10,685)	(1,327)	(7,232)	(16,552)
Total - net amount	**717,653**	**52,471**	**335,941**	**199,242**	**-**	**-**	**130,000**

The amount of past due over 360 days refers to a single lot subject of a broader business negotiation that the AGP Group expects to finalize, with the related receivable settlement, by the end of the year.

Tax receivables are broken down as follows:

TRADE RECEIVABLES *(Figures in Euro)*	Balance at 30/06/2024	Balance at 31/12/2023	Change
Tax receivables from Superbonus and other construction bonuses	1,831,449	2,022,651	(191,202)
Revenue Agency VAT a/c	868,488	956,598	(88,110)
Other tax receivables	82,572	82,415	157
Total	**2,782,509**	**3,061,664**	**(279,155)**

The decrease in "Tax receivables from Superbonus and other construction bonuses" refers to the offsetting of the paperwork, submitted to the tax authorities in 2023, related to the "invoice discount" as established by Law Decree 34/2020 and subsequent legislative measures, notably those associated with the 110% Superbonus on activities initiated in 2022.
Other receivables include mainly withholdings incurred by banking institutions on “traditional" building renovation transfers.
The Group has commenced participation in the "Group VAT settlement procedure” as of 1 January 2024.
Receivables from others include:

RECEIVABLES FROM OTHERS *(Figures in Euro)*	Balance at 30/06/2024	Balance at 31/12/2023	Change
Advances for surface rights (DDS)	989,067	1,246,533	(257,466)
Advances to suppliers	1,347,203	1,153,822	193,381
Security deposits - other	11,016	119,108	(108,092)
Sundry receivables	20,526	33,561	(13,035)
Total	**2,367,813**	**2,553,024**	**(185,211)**

Total receivables are due entirely from entities or subjects residing within the territory of Italy.
Accrued income and deferred expense is broken down as follows:

ACCRUED INCOME AND DEFERRED EXPENSE *(Figures in Euro)*	Balance at 30/06/2024	Balance at 31/12/2023	Change
Total accrued income	-	-	-
Trade	144,077	60,310	83,523
Total deferred expense	**144,077**	**60,310**	**83,523**
Total	**144,077**	**60,310**	**83,523**

The increase in deferred expense is attributable to the higher costs incurred in advance for implementation of a new ERP system that the Group plans to adopt starting in first quarter 2025.
There is no deferred expense with a duration of more than 5 years.

7. Cash and cash equivalents

The item is broken down as follows:

CASH *(Figures in Euro)*	**Balance at 30/06/2024**	**Balance at 31/12/2023**	**Change**
Bank and postal deposits	4,173,376	502,437	3,671,099
Cash and valuables on hand	48	48	-
Total	**4,173,424**	**502,486**	**3,671,099**

Cash and cash equivalents include no escrow accounts.
Please refer to the Statement of Cash Flows for a quantitative analysis of the cash flows that originated the change for the year.

Liabilities

Equity

8. Equity

Details of this item are as follows:

EQUITY *(Figures in Euro)*	**Balance at 30/06/2024**	**Balance at 31/12/2023**
Share capital	865,650	865,650
Share premium reserve	6,142,911	6,142,911
Legal reserve	173,130	166,603
Extraordinary reserve	59,832	59,832
FTA reserve	(15,243)	(15,243)
OCI reserve	4,250	(4,316)
Other reserves and retained earnings	10,161,619	5,308,885
Profit (loss) for the period	5,322,824	4,919,662
Total	**22,714,973**	**17,443,983**

At 30 June 2024, the fully subscribed and paid-up share capital of the Parent Company Altea Green Power S.p.A. stood at € 865,650, divided into 17,313,006 ordinary shares with no indication of their par value.
The Share Premium Reserve is recorded as a result of the share capital increase that took place when the company was listed on the Euronext Growth Milan Market (EGM) in February 2022.
"Other reserves and retained earnings", in addition to retained earnings from prior years, includes a translation reserve with a negative balance of € 49,792, related to foreign exchange differences from the translation of financial statements of Group companies operating in areas other than the Euro into Euro.

Reconciliation Statement between the Parent Company Separate Financial Statements and the Consolidated Financial Statements

The reconciliation between Equity of the Parent Company Altea Green Power S.p.A. and Consolidated Equity is shown below:

RECONCILIATION STATEMENT *(Figures in Euro)*	Equity at 30/06/2024	Profit (loss) 2024	Equity at 31/12/2023	Profit (loss) 2023
Equity and profit (loss) of the parent company	**17,480,089**	**5,606,866**	**12,602,257**	**4,878,794**
Share of equity and net profit/loss of consolidated companies, net of the carrying amount of the related investments	(42,795)	(297,260)	(47,871)	40,868
Adjustments made on consolidation for:				
change in consolidation scope	4,647	13,218	-	-
difference in translation	(49,792)	-	(30,064)	-
Total	**17,392,149**	**5,322,824**	**12,524,322**	**4,919,662**

9. Employee benefits

“Employee benefits” refers to post-employment benefits and to multi-year bonuses recognized by the Group to its employees.
Details of "Employee benefits" are as follows:

EMPLOYEE BENEFITS *(Figures in Euro)*	30/06/2024	31/12/2023
Post-employment benefits	79,603	61,252
Multi-year bonuses	578,390	-
Total	**657,993**	**61,252**

Post-employment benefits

The actuarial valuation of post-employment benefits was performed based on the "accrued benefits" method using the Projected Unit Credit (PUC) criterion as provided in paragraphs 67-69 of IAS 19.
The economic technical bases used are shown below:

SUMMARY OF ECONOMIC TECHNICAL BASES	30/06/2024	31/12/2023	31/12/2022
Annual discount rate	3.61%	3.17%	3.77%
Annual inflation rate	2.00%	2.00%	2.30%
Annual increase rate in post-employment benefits	3.00%	3.00%	3.23%
Annual wage increase rate	Executives: 2.50% Middle managers: 1.00% Employees: 1.00% Workers: 1.00%	Executives: 2.50% Middle managers: 1.00% Employees: 1.00% Workers: 1.00%	Executives: 2.50% Middle managers: 1.00% Employees: 1.00% Workers: 1.00%

Specifically:

- the annual discount rate used to determine the present value of the obligation was derived, consistent with paragraph 83 of IAS 19, from the Iboxx Corporate AA index with duration 10+ recognized as of the valuation date. For this purpose, a yield with a duration comparable to that of the collective of workers being evaluated was chosen;

- the annual increase rate in post-employment benefits, under Article 2120 of the Italian Civil Code, is 75% of inflation plus 1.5 percentage points;
- the annual wage increase rate applied exclusively for Companies with an average of less than 50 employees in 2006 was determined based on the Group's historical experience.

The annual advance and turnover frequencies of 0.50% and 7.00%, respectively, stem from the Group's historical experience and frequencies derived from the Actuarial Company's experience on a relevant number of comparables.
The tables below show the reconciliations between the IAS 19 measurement of the post-employment benefits provision for 2023 and the IAS 19 measurement and the statutory post-employment benefits provision at 31 December 2023:

RECONCILIATION IAS 19 VALUATIONS FOR THE PERIOD 01/01/2023-31/12/2023
(Figures in Euro)

	AGP Group
Defined Benefit Obligation at 01/01/2023	49,121
Service cost	13,811
Interest cost	1,804
Benefits paid	(5,973)
Transfers in / (out)	-
Expected DBO at 31/12/2023	58,762
Actuarial (Gains)/Losses from experience	497
Actuarial (Gains)/Losses from change in demographic assumptions	-
Actuarial (Gains)/Losses from change in financial assumptions	1,993
Defined Benefit Obligation at 31/12/2023	**61,252**

RECONCILIATION OF IAS 19 VALUATIONS AND POST-EMPLOYMEMENT BENEFITS PROVISION AT 31/12/2023
(Figures in Euro)

	AGP Group
Defined Benefit Obligation at 31/12/2023	61,252
Post-employment benefits at 31/12/2023	62,188
Surplus/(Deficit)	935

The tables below show the reconciliations between the IAS 19 measurement of the post-employment benefits provision for 2024 and the IAS 19 measurement and the statutory post-employment benefits provision at 30 June 2024:

RECONCILIATION IAS 19 VALUATIONS FOR THE PERIOD 01/01/2024-30/06/2024
(Figures in Euro)

	AGP Group
Defined Benefit Obligation at 01/01/2024	61,252
Adjustment	6,298
Service cost	9,528
Interest cost	963
Benefits paid	(835)
Transfers in / (out)	-
Expected DBO at 30/06/2024	77,205
Actuarial (Gains)/Losses from experience	5,260
Actuarial (Gains)/Losses from change in demographic assumptions	19
Actuarial (Gains)/Losses from change in financial assumptions	(2,882)
Defined Benefit Obligation at 30/06/2024	**79,603**

RECONCILIATION OF IAS 19 VALUATIONS AND POST-EMPLOYMEMENT BENEFITS PROVISION AT 30/06/2024
(Figures in Euro)

	AGP Group
Defined Benefit Obligation at 30/06/2024	79,603
Post-employment benefits at 30/06/2024	82,692
Surplus/(Deficit)	3,089

Multi-year bonuses

During the year, the Group introduced a series of multi-year bonuses in the form of Phantom Stock Options and retention bonuses to be paid to employees who hold key positions and/or who have demonstrated outstanding performance during the plan evaluation period, in order to encourage their retention and support for the Group's growth.
Details of the item "Multi-year bonuses" are as follows:

EMPLOYEE BENEFITS MULTI-YEAR BONUSES
(Figures in Euro)

	30/06/2024	31/12/2023
Phantom Stock Options	380,835	-
Retention Bonus	197,555	-
Total	**578,390**	**-**

The Phantom Stock Option plan falls under cash-settled share-based payment transactions and therefore does not generate the granting of new shares at the end of the vesting period as outlined by IFRS 2. Regarding the measurement of Altea Green Power's performance in terms of Total Shareholder Return, this was estimated using stochastic simulation with the "Monte Carlo Method”. This approach, based on appropriate assumptions, allowed for the generation of a substantial number of alternative scenarios through the end of the performance period. The actuarial valuation of the retention bonus plan, on the other hand, was performed based on the "accrued benefits" method using the Projected Unit Credit (PUC) criterion as provided in paragraphs 67-69 of IAS 19.

9. Non-current and current liabilities

Consolidated non-current and current liabilities are broken down by maturity as follows:

PAYABLES
(Figures in Euro)

	Balance for the Year					
		Amounts due beyond one year				
	Amounts due within one year	Due beyond one year and within five years	Due beyond five years	Balance at 30/06/2024	Balance at 31/12/2023	Change
Payables to banks	2,193,173	2,581,249	-	4,774,423	4,079,943	694,480
Financial derivatives	1,558	-	-	1,558	11,108	(9,550)
Tax payables	6,861,932	527,137	-	7,389,069	4,541,132	2,847,937
Advances from customers	10,880,788			10,880,788	8,476,205	2,404,583
Payables to suppliers	2,064,654	-	-	2,064,654	2,332,778	(268,124)
Other payables	726,118	42,338	-	768,456	484,182	284,273
Deferred tax provision	871	-	-	871	290	581
Accrued expense and deferred income	548	-	-	548	3,717	(3,169)
Financial liabilities arising from the application of IFRS 16	134,958	342,138	254,621	731,717	780,775	(49,058)
Total	**22,864,602**	**3,492,862**	**254,621**	**26,612,085**	**20,710,130**	**5,901,954**

Payables to banks

“Payables to banks" consists of bank loans.
In first half 2024, the Group obtained additional credit lines, as well as a new medium- to long-term loan, required to support the development of the business related mainly to the Battery Energy Storage System segment.
Details of outstanding loans are as follows *(see next page):*

PAYABLES TO BANKS
(Figures in Euro)

	Type of loan	Interest rate	Disbursement date	Maturity date	Amount disbursed	Outstanding debt at 30/06/24	of which current portion	of which long-term portion
Banks								
Banca FinInt	Unsecured	Eur3M +5.50%	mag-17	nov-24	90,000	10,049	10,049	-
Banca Progetto	Unsecured	Eur1M +4.75%	apr-22	apr-26	600,000	301,705	167,155	134,551
Intesa Sanpaolo	Unsecured	Eur1M +3.15%	giu-22	giu-27	315,000	189,000	63,000	126,000
Banca Sella	Unsecured	Eur3M +1.75%	apr-23	apr-28	1,500,000	1,180,787	287,866	892,921
Intesa Sanpaolo	Unsecured	Eur1M +1.80%	mag-23	mag-26	800,000	533,333	288,889	244,445
Intesa Sanpaolo	Unsecured	Eur1M +5.21%	giu-23	giu-29	650,000	550,694	117,361	433,333
Banca Sella	Unsecured	Eur3M +1%	dic-23	lug-24	72,000	-	-	-
Intesa Sanpaolo	Advance contract	7.25%	feb-24	lug-24	500,000	499,783	499,783	-
BNL	Unsecured	Eur3M +1.90%	apr-24	ott-25	1,500,000	1,500,000	750,000	750,000
Total payables to banks for loans						4,765,352	2,184,103	2,581,249
Payables for use of credit cards						9,071	9,071	-
Total						**4,774,423**	**2,193,173**	**2,581,249**

The Parent Company obtained the SACE / Mediocredito guarantee envisaged in the COVID-19 emergency response regulations under Section 3.2 of the Temporary Aid Framework on the following loans:

- Unsecured loan number PF/1/382/64006 concluded on 22 November 2018 with Banca Creval S.p.A.
- Unsecured loan number 10000173 concluded on 1 March 2017 with Banca Finanziaria Internazionale S.p.A.
- Loan number 0L85010831898 concluded on 20 November 2020 with Banca Intesa Sanpaolo S.p.A.
- Loan number 06/100/27706 concluded on 27 April 2022 with Banca Progetto S.p.A.
- Loan number 0IC1017191315 concluded on 21 June 2022 with Banca Intesa Sanpaolo S.p.A..
- Loan number 0UC2015428553 concluded on 29 June 2023 with Banca Intesa Sanpaolo S.p.A..

Financial derivative liabilities

The current item includes the negative Mark to Market value of the following derivative at 30 June 2024 (€ 1,558).

FINANCIAL INSTRUMENTS *(Figures in Euro)*	Balance at 30/06/2024		
	Outstanding capital	*Positive fair value*	*Negative fair value*
Derivative hedging instruments			
IRS Dynamic Rate - 98983526 (Reference capital € 650K)	541,666	-	1,558
Fair Value Financial Instruments recorded in the Financial Statement		-	**1,558**

The financial derivative matures within 5 years.

Tax payables

The details of "Tax payables" are as follows:

TAX PAYABLES *(Figures in Euro)*	Balance at 30/06/2024	Balance at 31/12/2023	Change
Payables for IRES/IRAP	7,317,355	4,411,744	2,905,611
Payables for withholding tax	71,715	120,428	(48,713)
Other payables	-	8,960	(8,960)
Total	**7,389,069**	**4,541,132**	**2,847,937**

Payables to suppliers and other payables

“Payables to suppliers" includes payables arisen for the purchase of services and goods intended directly for the production of finished products and services. The amount of trade payables overdue for over 365 days was € 4 thousand at 30 June 2024.

"Other payables”, amounting to € 768,456 at 30 June 2024, includes mainly current salaries and annual bonuses of employees and fees to directors (€ 507,987), payables to INPS and supplementary pension funds (€ 159,390) and miscellaneous payables (€ 58,740).

Total payables are due entirely to entities or subjects residing within the territory of Italy. There are no payables secured by collateral on corporate assets.

Income Statement

12. Revenue

The item of Revenue recorded in the Financial Statements is broken down as follows:

BREAKDOWN BY BUSINESS CATEGORY *(Figures in Euro)*	Balance at 30/06/2024	% of Total Revenue and services	Balance at 30/06/2023	% of Total Revenue and services	Change
Revenue					
Invoiced revenue	5,767,709	40%	2,137,577	22%	3,630,132
Revenue from contract work in progress	8,656,655	60%	7,524,552	78%	1,132,103
Total	14,424,363	100%	9,662,129	100%	4,762,235

Invoiced revenue

The breakdown of “Invoiced revenue" by business category is as follows:

BREAKDOWN BY BUSINESS CATEGORY *(Figures in Euro)*	**Balance at 30/06/2024**	**% of Total revenue and services**	**Balance at 30/06/2023**	**% of Total revenue and services**	**Change**
Revenue from sales					
Sale of PV systems	924,326	16%	737,530	35%	186,796
Other revenue from sales	-	0%	53,100	2%	(53,100)
Total	**924,326**	**16%**	**790,630**	**37%**	**133,696**
Revenue from services	4,843,382	84%	1,346,947	63%	3,496,435
Total revenue from services	**4,843,382**	**84%**	**1,346,947**	**63%**	**3,496,435**
Total Invoiced Revenue	**5,767,709**	**100%**	**2,137,577**	**100%**	**3,630,132**

"Sale of PV systems" includes revenue generated from the sale of turnkey plants built in the photovoltaic segment related to contracts that have reached completion.
"Revenue from services" increased significantly versus the prior year, due to the closing of the Co-Development contract for 9 BESS Storage plants in Italy, signed in March, for the sale of the subsidiaries Green BESS S.r.l. and Blue BESS S.r.l. (€ 5.7 million net of transferred assets and liabilities amounting to € 1 million).
Net of the above revenue (non-EU), revenue from sales and services was generated entirely in Italy.

Revenue from contract work in progress

Revenue from contract work in progress is recognized over time, in line with the gradual progress of activities. This percentage of completion is then applied to the total contract value agreed with the customer to determine the amount to be recorded as income in the Income Statement. The increase in the year is largely justified by development in the “Storage” segment.

Other revenue and income

“Other revenue and income”, amounting to € 104 thousand, refers mainly to revenue from reimbursements of anticipated expense incurred on behalf of SPVs no longer part of the AGP Group. This item also includes the income from the acquisition of OF Green Energy S.r.l. and GF Green Energy S.r.l. (€ 13 thousand) as explained earlier.

13. Operating costs

Operating costs are all inherent and related to revenue generation and accrued during the period.

Costs for raw and ancillary materials, consumables and goods

Details of this item are shown on the next page:

COSTS FOR RAW AND ANCILLARY MATERIALS, CONSUMABLES AND GOODS *(Figures in Euro)*	Balance at 30/06/2024	Balance at 30/06/2023	Change
Purchase of tangible goods for production of services	134,687	208,775	(74,088)
Purchase of finished goods panels, inverters, batteries	19,550	7,904	11,646
Purchase of fuels and lubricants	18,171	16,144	2,027
Purchase of electrical and consumable materials	14,700	23,082	(8,382)
Purchase of capital goods <516.46	14,105	8,243	5,862
Purchase of miscellaneous and consumable materials	10,231	6,106	4,124
Total	**211,445**	**270,255**	**(58,810)**

Purchases of tangible goods refer mainly to the supply of materials used on turnkey contracts.

Service costs

Changes in the various items that make up "Service costs" are directly related to changes in the Value of Production in the Income Statement.
Details of this item are as follows:

SERVICE COSTS *(Figures in Euro)*	Balance at 30/06/2024	Balance at 30/06/2023	Change
Co-Development consulting	1,239,734	1,214,288	25,446
Assembly of finished plant	656,699	198,013	458,686
Directors' fees	532,776	276,130	256,646
Administrative and tax consulting	241,314	75,413	165,901
Financial consulting	118,979	101,639	17,340
Expense advanced on behalf of SPVs	83,191	13,216	69,975
Advertising, advertisements and billboards	81,460	144,881	(63,421)
Legal consulting	75,052	85,093	(10,041)
Travel expense	71,710	56,826	14,884
Self-employment social security fund contributions	54,364	28,630	25,734
Optional insurance prem.	51,312	24,907	26,405
STMG request and acceptance fee	31,525	223,805	(192,280)
Land rents (DDS)	1,000	89,445	(88,445)
Third-party services on activities from construction bonuses	40,212	335,228	(295,016)
Other minor, individually negligible items	240,484	297,153	(56,669)
Total	**3,519,811**	**3,164,667**	**355,144**

Costs for administrative and financial consulting include consulting services for the project of translisting ordinary shares and warrants on Euronext Milan, if the conditions are met, the Euronext STAR Milan segment.
Third-party services on activities from construction bonuses included costs incurred by third-party companies on incentive renovation projects (including the 110% Superbonus).

Costs for rentals and leases

Costs for rentals and leases are related mainly to rental fees for the company's IT infrastructure (servers and licenses).

COSTS FOR RENTALS AND LEASES *(Figures in Euro)*	Balance at 30/06/2024	Balance at 30/06/2023	Change
Fees for use of software licenses	55,353	15,194	40,159
Equipment rental	4,015	4,161	(147)
Other fees	1,454	3,997	(2,543)
Electronic machine rental fees	742	367	375
Total	**61,564**	**23,720**	**37,844**

The increase versus the prior period refers to fees for the new ERP system that the Group is implementing and for which go-live is expected in first quarter 2025.

Personnel expense

The item includes all employee-related expense, including performance increases, promotions, cost-of-living increases, untaken vacation and leave and other accruals made pursuant to the law and collective labour agreements.
The increase versus the prior year is due mainly to the accrual for the period concerning the new multi-year bonuses awarded to employees starting in 2024 (see Note 9 for more details), and residually to the higher number of staff currently employed by the Group.

Amortization and depreciation

It is important to note that amortization/depreciation was calculated based on the useful life of the assets and their participation in the production process. Please refer to the notes on Intangible and Tangible Fixed Assets.

Changes in allowances for inventory and trade receivables

During the first half of the year, the Group made the following recordings:

- provision of € 12,309, of which € 6,567 set aside as allowance for doubtful trade receivables based on expected future losses (ECL) under IFRS 9, and € 5,742 as allowance for impairment of assets from work on contracts;
- release of the provision for impairment of assets from work on contracts for € 19,534, following the positive outcome of the situation that had generated the provision in prior years.

During the period, the Directors did not deem it reasonable to recognize any risk provisions in the financial statements. In the ongoing litigation with Tecnosolar-Di Palma (developers of projects in Abruzzo), who served two injunctions totalling € 45,000 related to the alleged development of wind and photovoltaic projects, the AGP Group opposed these decrees and filed a counterclaim for a sum of approximately € 450,000 to reclaim undue sums and seek compensatory damages for projects that were later revealed to be “fictitious" and were never accepted by the Group.
Currently, the case remains in the hearing stage, and the verdict is scheduled for January 2025.

Sundry operating expense

Details of this item are shown below:

SUNDRY OPERATING EXPENSE *(Figures in Euro)*	**Balance at 30/06/2024**	**Balance at 30/06/2023**	**Change**
Contingent liabilities	484,944	375,121	109,823
Sanctions, penalties and fines	227,575	21,173	206,402
Unrecoverable Co-Development costs	96,127	223,856	(127,729)
Miscellaneous tax	16,599	27,901	(11,302)
Other expense	10,007	23,438	(13,431)
Total	**835,251**	**671,489**	**163,762**

Contingent liabilities include mainly reversal of invoices issued in prior years for renegotiation and settlement of items.
The increase in penalties versus the prior year refers to the recognition of higher penalties on tax from prior years; as explained in the Consolidated Report on Operations, in July 2024, the outstanding tax positions were settled in full.
Unrecoverable Co-Development costs regard start-up projects ("business opportunities") that have been deemed technically and economically unfeasible.

14) Financial income and expense

Net financial expense, amounting to € 256,811, is broken down as follows:

NET FINANCIAL EXPENSE *(Figures in Euro)*	**Balance at 30/06/2024**	**Balance at 30/06/2023**	**Change**
Financial income	(144,350)	(48,498)	(95,852)
Interest expense on arrears	272,790	9,300	263,490
Bank interest expense	116,389	55,322	61,067
Interest expense from application of IFRS 16	11,095	10,917	178
Sundry financial expense	886	101,212	(100,326)
Total	**256,811**	**128,253**	**128,558**

"Financial income" refers mainly to the reversal of financial expense, recorded in prior years under "other financial expense", as a result of offsetting multi-year tax receivables and/or transferring them to third parties. The increase in interest on arrears versus the prior year refers to the recognition of higher interest on tax from prior years; as explained in the Consolidated Report on Operations, in July 2024, the outstanding tax positions were settled in full. All interest expense and other financial expense were fully expensed in the year.

15) Income tax for the year, current, deferred and prepaid tax

Details of current, deferred and prepaid tax are shown below:

INCOME TAX *(Figures in Euro)*	Balance at 30/06/2024	Balance at 30/06/2023	Change
IRES	2,059,379	1,286,949	772,430
IRAP	380,851	213,052	167,799
Total current tax	**2,440,230**	**1,500,001**	**940,229**
IRES	21,935	8,920	13,015
Total deferred and prepaid tax	**21,935**	**8,920**	**13,015**
Total income tax for the year	**2,462,165**	**1,508,921**	**953,244**

Deferred tax assets for the period refer mainly to the pro-rata release (€ 21 thousand) of deferred tax assets recorded on the elimination, upon first time adoption, of capitalized listing expense under OIC.
Below is a reconciliation of the theoretical tax burden with the actual tax burden at 30 June 2024 and 30 June 2023:

RECONCILIATION OF THE TAX BURDEN *(Figures in Euro)*	Balance at 30/06/2024	Balance at 30/06/2023
Theoretical IRES rate	**24%**	**24%**
Profit before tax	7,784,989	4,980,471
Theoretical IRES	**1,868,397**	**1,195,313**
Increasing changes	499,775	192,967
Decreasing changes	(21,200)	(13,586)
Taxable income	**8,263,564**	**5,159,853**
Tax loss effect	317,182	202,435
Net taxable income	8,580,746	5,362,288
IRES 24%	2,059,379	1,286,949
IRAP 3.9%	380,851	213,052
Total current tax	**2,440,230**	**1,500,001**
Deferred tax assets and liabilities	21,935	8,920
Total income tax for the year	**2,462,165**	**1,508,921**

16) Earnings per share

Earnings per share are calculated by dividing the net result for the period attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the period, excluding treasury shares.
Diluted earnings per share are calculated by dividing the net result for the period attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary

shares outstanding during the period, excluding treasury shares, taking account of the effects of all potential ordinary shares with dilutive effect.
The result and number of ordinary shares used for the purpose of calculating basic and diluted earnings per share, determined in accordance with the methodology adopted by IAS 33, are shown below.

EARNINGS PER SHARE *(Figures in Euro)*	30/06/2024	30/06/2023
Earnings/(Loss) per share	0.31	0.21
Earnings/(Loss) per diluted shares	0.31	0.21
Weighted average number of shares outstanding		
basic	17,274,558	16,480,824
diluted	17,274,558	16,480,824

17) Fees paid to the Independent Auditors

Pursuant to Article 149-duodecies of the CONSOB Issuer Regulation, the fees for the current year for audit, certification and other services provided by the Independent Auditors BDO Italia S.p.A., for the Parent Company and its subsidiaries, are broken down as follows:

FEES TO THE INDEPENDENT AUDITORS *(Figures in Euro)*	2024 fees
Audit	32,500
Audit-related services	2,500
Services related to the translisting process	370,000
Other fees	16,300

Other mandatory information

Disclosure by operating segment

IFRS 8 requires that, in the consolidated financial statements of a Group where the Parent Company has debt or equity instruments traded in a public market, information must be disclosed by operating segment.
“Operating segment” refers to a component of an entity that:

- engages in entrepreneurial activities generating revenue and costs (including revenue and costs from transactions with other components of the same entity);
- has its operational performance reviewed periodically by the entity's highest decision-making level to allocate resources and assess performance; and
- has separate financial statement information available for reporting.

Based on the provisions of IFRS 8, the Directors did not consider it reasonable to provide disclosure by operating segments, as the different business units within the Group are configured as part of a single operating segment. For more information regarding the performance and composition of the Group's business units, please refer to the Report on Operations.

Financial risk management: targets and criteria

The Board of Directors reviews and agrees on policies to manage the main types of financial risks, as outlined below.

Credit risk

Credit risk refers to the Group's potential exposure to counterparties failing to fulfil their obligations. The Group is not particularly exposed to the risk of customers delaying or failing to meet their payment obligations according to the agreed terms and manner, due in part to its operations with leading players of unquestionable creditworthiness.
For business purposes, policies are also adopted to ensure customer creditworthiness and limit exposure to credit risk through principal assessment and monitoring activities. Lastly, all receivables are regularly subject to a detailed evaluation on a customer-by-customer basis, with write-downs applied in cases where impairment is anticipated.

Market risk

Market risk refers to the variability in the value of assets and liabilities due to changes in market prices (primarily exchange rates and interest rates), which, in addition to affecting expected cash flows, can lead to unexpected increases in financial costs and expense.

Exchange risk

The Group is exposed to exchange rate fluctuation risks, due primarily to balance sheet items denominated in currencies other than the Euro. However, the current limited operations of the U.S. subsidiary do not expose the Group to "translational" exchange rate risks (related to fluctuations in exchange rates used to convert financial statement figures of subsidiaries) or "transactional" risks, as the Group primarily conducts its business in Eurozone countries.

Interest rate risk

Interest rate fluctuation risk is related mainly to medium/long-term loans negotiated at variable rates. Any fluctuations in exchange rates could potentially have negative effects on the Group's income and financial position. Interest rate risk management to date has been aimed primarily at minimizing financing costs and stabilizing cash flows. The Group also converted part of its floating-rate loans into fixed-rate loans by entering into financial derivatives for hedging purposes. For this reason, at the balance sheet date, the potential effect on the Income Statement from fluctuations in rising and falling rates (sensitivity analysis) is not considered significant.

Liquidity risk

Liquidity risk represents the potential difficulty that the Group may encounter in meeting its obligations associated with financial liabilities. The Group currently believes that its ability to generate cash, thanks in part to the payment of services on a progress basis with chargeback of costs incurred, and the containment of bank exposure represent stable elements, sufficient to guarantee the necessary resources to continue its operations.

Risks associated with the global macroeconomic context

In recent years, the macroeconomic context has been marked by great uncertainty. Geopolitical instability, particularly the Russian-Ukrainian conflict that erupted in February 2022 and the more recent Israeli-Palestinian conflict, has created an extremely complex and unpredictable scenario marked by inflationary pressures and highly speculative dynamics. These phenomena, in particular, have impacted energy and commodity prices, disrupted supply continuity, and, more generally, led to a sharp rise in global inflation. This has resulted in a tightening of central bank monetary policies. While the Group has no significant direct or indirect business interests in the conflict-affected areas, it continues to closely monitor the developments in the macroeconomic context and its impact on business operations.

Cyber security risk

The increasing reliance on IT systems and the spread of digitization processes heighten the Group's exposure to this type of risk, which could lead to data loss, business disruption, or privacy violations. Although not particularly exposed to this risk, the Group is actively engaged in continuous efforts to enhance protection systems and procedures, train personnel, and strengthen IT infrastructure with dedicated safeguards.

Fair value measurement and related hierarchical levels of measurement

The Directors have confirmed that the fair value of cash funds, trade receivables and payables, current financial assets and liabilities, and other current liabilities approximates their carrying amount, due to the short-term maturities of these instruments. As explained in Note 2.8, with regard to financial instruments recognized in the statement of financial position at fair value, IFRS 7 requires that these values be classified based on a hierarchy of levels that reflects the significance of the inputs used in determining fair value. All assets and liabilities measured at fair value at 30 June 2024 can be classified in hierarchical level number 2. Lastly, it should be noted that there were no transfers between different levels of measurement during the year.

Related party transactions

Under IAS 24, the following are defined as related parties of the Group: associates, members of the Board of Directors, Statutory Auditors and key management personnel of the Parent Company and their family members, and certain members of the Board of Directors and key management personnel of other Group companies and their family members.

The Group has no transactions with the parent company Dxor S.r.l. and associates. Transactions with related parties consist of fees paid to the Board of Directors, the Board of Statutory Auditors, and key management personnel of the Parent Company for the performance of their duties.

The page below shows the fees paid to the members of the management and supervisory bodies and key management personnel in first half 2024.

STATEMENT OF FINANCIAL POSITION *(Figures in Euro)*	30/06/2024		31/12/2023	
	Receivables	Payables	Receivables	Payables
Board of Directors of the Parent Company	-	103,150	-	10,195
Board of Statutory Auditors of the Parent Company	-	-	-	-
Key management personnel	-	14,058	-	6,887

STATEMENT OF FINANCIAL POSITION *(Figures in Euro)*	30/06/2024		31/12/2023	
	Costs	Revenue	Costs	Revenue
Board of Directors of the Parent Company	446,410	-	135,508	-
Board of Statutory Auditors of the Parent Company	17,500	-	17,500	-
Key management personnel	69,303	-	41,321	-

Significant events after 30 June 2024

Please refer to the Consolidated Report on Operations for further information on significant events after 30 June 2024.

Rivoli (Turin), 25 September 2024

For the Board of Directors
Chairman
Giovanni Di Pascale

4

Independent Auditors’ Report

ALTEA GREEN POWER S.P.A.

Independent auditor’s report

Consolidated half-yearly financial statements
as at 30 June 2024

This report has been translated into English from the original, which was prepared in Italian and represents the only authentic copy, solely for the convenience of international readers.

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Independent auditor's report
pursuant to article 14 of Legislative Decree n. 39

To the Board of Directors of
Altea Green Power S.p.A.

Report on the consolidated half-yearly financial statements

Opinion

We have audited the consolidated half-yearly financial statements of Altea Green Power S.p.A. and its subsidiaries (the Group), which comprise the consolidated balance sheet, the consolidated income statement, the consolidated statement of changes in equity, the consolidated cash flow statement and the notes to the consolidated financial statements regarding the period of six months ended as at 30 June 2024, prepared for the inclusion in the "Prospetto Informativo" relating to the translisting operation of the shares and warrants of Altea Green Power S.p.A. on the Euronext Milan market and, if the conditions are met, on the Euronext STAR Milan segment, organized and managed by Borsa Italiana S.p.A.

In our opinion, the consolidated half-yearly financial statements of the Group regarding the period of six months ended as at 30 June 2024, has been prepared, in all material respects, in accordance with the International Financial Reporting Standards adopted by the European Union.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's responsibilities regarding the audit of the consolidated half-yearly financial statements as at 30 June 2024* section of this report.

We are independent of the Company in accordance with ethical and independence requirements and standards applicable in Italy that are relevant to the audit of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other aspects

The consolidated income statement and the consolidated cash flow statement of the consolidated half-yearly financial statements present, for comparative purposes, the data relating to the period ended as at 30 June 2023, which have been reviewed by us to the extent necessary for the purposes of issuing our opinion on the consolidated half-yearly financial statements as at 30 June 2024.

Responsibilities of the Directors and the Board of Statutory Auditors regarding the consolidated half-yearly financial statements as at 30 June 2024

The Directors are responsible for the preparation of the consolidated half-yearly financial statements in accordance with the International Financial Reporting Standards adopted by the European Union and, within the limits of the law, for such internal control as they determine is necessary to enable the preparation of consolidated half-yearly financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated half-yearly financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's responsibilities regarding the audit of the consolidated half-yearly financial statements as at 30 June 2024

Our objectives are to obtain reasonable assurance about whether the consolidated half-yearly financial statements as at 30 June 2024 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated half-yearly financial statements.

As part of the audit in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgment and maintained professional skepticism throughout the audit. We also:

- Identified and assessed the risk of material misstatement of the consolidated half-yearly financial statements, whether due to fraud or error, designed and performed audit procedures in response to those risks; obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of non-detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluated the appropriateness of accounting principles used and the reasonableness of accounting estimates and related disclosures made by the Directors; concluded on the appropriateness of Directors' use of the going concern and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We have communicated with those charged with governance, identified at the appropriate level as required by the ISA Italia, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Turin, 26 September 2024

BDO Italia S.p.A.

Massimo Siccardi
Partner

Printed on FSC® paper.
The FSC® logo identifies products containing paper sourced from forests managed in accordance with the Forest Stewardship Council's stringent environmental, economic, and social standards.

Graphic design by: SIX Bianchetti

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