



# Consolidated Financial Statements

2023

## CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2023

---

Corporate Bodies of the Parent Company	4
Consolidated Report on Operations	6
Consolidated Statement of Financial Position	29
Consolidated Income Statement	31
Changes in Equity	32
Consolidated Statement of Cash Flows	33
Notes to the Consolidated Financial Statements	36
Report on the transition to IAS/IFRS international accounting standards	81
Independent Auditors' Report	108

---

### ALTEA GREEN POWER S.P.A.

Share capital: € 865,650 fully paid up  
Registered office: Corso Re Umberto 8 - 10121 Turin  
REA Turin no. 939243  
VAT Number and Tax Code: 08013190015

Legal status: joint stock company  
Main activity code (ATECO): 432101  
Company in liquidation: no  
Company with sole shareholder: no  
Company subject to the direction and coordination  
of others: no  
Part of a group: yes



# 1

## Corporate bodies of the Parent Company



**Chairman of the Board of Directors**

Giovanni Di Pascale

**Directors**

Cecilia Martucci

Luca de Zen

Laura Guazzoni (independent)

Marco Di Miceli (independent)



**Chairman of the Board of Statutory Auditors**

Fabrizio Morra

**Standing Auditors**

Franco Cattaneo

Rosa Chirico

**Alternate Auditors**

Jolanda Fumia

Roberto Nicola



**BDO Italia S.p.A.**



2

**Consolidated Report  
on Operations  
at December 31, 2023**

## Information on the Company and on significant events in 2023

Directors,

this Annual Report at 31/12/2023 of the Altea Green Power S.p.A. Group was prepared in accordance with the EURONEXT Growth Milan Issuer Regulation, and was prepared in compliance with the IFRS issued by the International Accounting Standards Board and approved by the European Union, as well as with the laws and regulations in force in Italy.

The financial statements for the year ended 31/12/2023 are the first to be prepared in accordance with IAS/IFRS. The Altea Green Power S.p.A. Group, in compliance with IFRS 1, which governs the rules for the first-time adoption of IFRS, has restated, in accordance with the newly-adopted accounting standards, the statement of financial position as of the transition date - 01/01/2022 - which corresponds to the beginning of the first period being compared, and the statement of financial position, income statement and statement of cash flows for the year ended 31/12/2022 - the period presented for comparative purposes as of the date of the first IAS/IFRS financial statements.

Details of the results of the changes in the accounting standards adopted are analyzed at the end of this report.

The consolidated financial statements at 31/12/2023 show a pre-tax profit for the year of € 6,870,432 and tax of € 1,950,770, which includes deferred tax of € 39,094, and benefits from tax consolidation income of € 69,125.

The updated list of the Company's investments is summarized below:

### List of Investments Altea Green Power S.p.A.

	Registered office	Tax code	Currency	Share Cap. in Euro	Investment	% Share held	Interest
Brindisi Solar Energy S.r.l.	P.zza A. Diaz 7 - MI	10812770963	Euro	10,000	Direct	100%	100%
IBE Guglionesi Wind S.r.l.	C.so Re Umberto 8 - TO	12291540016	Euro	10,000	Direct	100%	100%
Yellow BESS S.r.l. (ex IBE Campolieto S.r.l.)	C.so Re Umberto 8 - TO	12291490014	Euro	10,000	Direct	100%	100%
IBE Genzano S.r.l.	C.so Re Umberto 8 - TO	12291460017	Euro	10,000	Direct	100%	100%
IBE Manieri S.r.l.	C.so Re Umberto 8 - TO	12291520018	Euro	10,000	Direct	100%	100%
IBE Montecilfone S.r.l.	C.so Re Umberto 8 - TO	12291530017	Euro	10,000	Direct	100%	100%
IBE Alessandria S.r.l.	C.so Re Umberto 8 - TO	12291500010	Euro	10,000	Direct	100%	100%
IBE Venosa S.r.l.	C.so Re Umberto 8 - TO	12291480015	Euro	10,000	Direct	100%	100%
Montenero Green Energy S.r.l.	C.so Re Umberto 8 - TO	12692000016	Euro	10,000	Direct	100%	100%
Padula Green Energy S.r.l.	C.so Re Umberto 8 - TO	12710550018	Euro	10,000	Direct	100%	100%
Black BESS S.r.l. (ex Zefiro Sea Wind S.r.l.)	C.so Re Umberto 8 - TO	12752950019	Euro	10,000	Direct	100%	100%
Green BESS S.r.l.	C.so Re Umberto 8 - TO	12731150012	Euro	10,000	Direct	100%	100%
Blue BESS S.r.l.	C.so Re Umberto 8 - TO	12786310016	Euro	10,000	Direct	100%	100%
A Mesagne S.r.l.	C.so Re Umberto 8 - TO	12677100963	Euro	10,000	Direct	100%	100%
Crumiere Energia S.r.l.	C.so Re Umberto 8 - TO	03505520043	Euro	110,000	Direct	100%	100%

*continued on next page*

	Registered office	Tax code	Currency	Share Cap. in Euro	Investment	% Share held	Interest
Altea Green Power US Corp.	Delaware - USA	n/a	U.S. \$	n/a	Direct	100%	100%
Cuyler Green Energy LLC	Delaware - USA	n/a	U.S. \$	n/a	Indirect	100%	100%
Quitman Green Energy LLC	Delaware - USA	n/a	U.S. \$	n/a	Indirect	100%	100%
RAL Green Energy Corp.	Delaware - USA	n/a	U.S. \$	n/a	Indirect	50%	50%
BESS Power Corp.	Delaware - USA	n/a	U.S. \$	n/a	Indirect	50%	25%
<b>Società costituite nel 2023</b>							
IBE Orbetello S.r.l.	C.so Re Umberto 8 - TO	12888870016	Euro	10,000	Direct	100%	100%
<b>Società acquistate da terzi nel 2023</b>							
Altea Independent Power Producer S.r.l.	C.so Re Umberto 8 - TO	12268350969	Euro	10,000	Direct	100%	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.

Subsidiaries include Altea Green Power US Corp., a U.S.-registered company, as a vehicle for developing AGP'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.

## Summary of significant events in the year



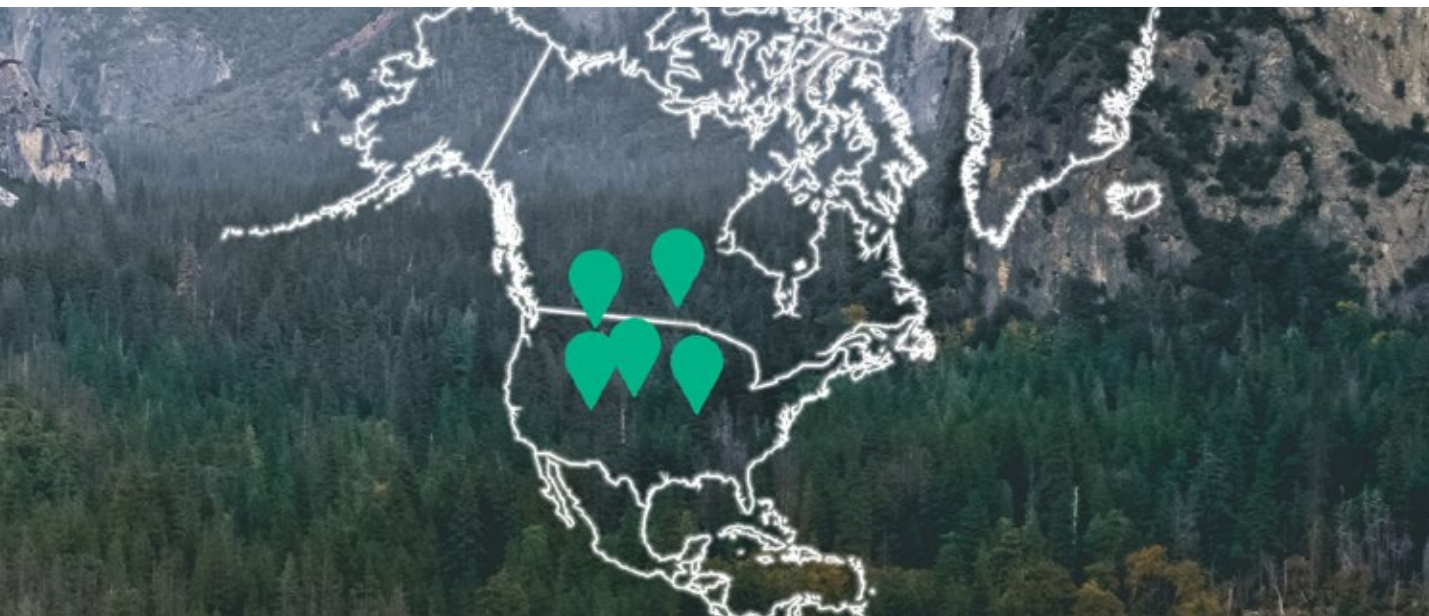
In 2023, Altea Green Power (AGP) continued its development process in its sectors of operation.

Development activities in traditional photovoltaic/wind renewable energy sectors coincided with the development of "Storage BESS" projects catering to the energy modulation needs of the national power grid. During the year, the company complemented the first 510 MW portfolio, already contracted in 2022 with Aer Soléir, with the development of new pipelines



for a total capacity in excess of 2.2 GW. The projects were developed in three special purpose vehicles named: Green BESS S.r.l., Blue BESS S.r.l. and Yellow BESS. Development sites are located in various regions across Italy. Simultaneously, the company began the search for business partners, facilitated by international brokers and leveraging an international brokerage platform. The feedback from this activity is overwhelmingly positive, with more than 20 expressions of interest received.

Regarding the contract already signed in July 2022 with the Irish company Aer Soléir for Co-Development management of projects totaling 510 MW and worth over € 40 million, the authorization process is ongoing. It is anticipated that the first of these projects could receive authorization as early as the first half of 2024, well in advance of the timeline outlined in the business plan. It is important to note that upon completion of the permitting process, slated for 3<sup>o</sup> quarter 2024, AGP will receive a final tranche of the agreed price totaling € 4.2 million, plus VAT. Additionally, the company holds a contractual option for potential construction of the plant itself.



Another highly intriguing aspect to which the company is dedicated is the development of the U.S. market, which remains a promising avenue with substantial potential. This is partly due to an exceptionally favourable market dynamic propelled by advantageous tax regulations. The subsidiary Altea Green Power US Corp. holds 50% of RAL Green Energy Corp., which in turn holds 50% of BESS Power Corp. The latter is a development company that, thanks to the presence of U.S. partners (Elio Group LLC) boasting many years of experience, has set an ambitious goal of achieving a pipeline of between 1.5 and 2 GW of projects over a 4 to 5-year time horizon. As of the closing date of this document, an initial project of approximately 0.5 GW (referred to as Lund Storage) is at an advanced stage of development, having secured a preliminary connection agreement with the local Texas grid operator, ERCOT. It is anticipated that the ongoing commercial sales activities for the project could conclude as early as the second half of 2024. This strategy aims to capitalize on the potential of the U.S. market, which offers higher market unit values and reference margins compared to the Italian market.

The second line of business, focused on energy efficiency, recorded a strong recovery during the first half of the year. The company has focused its attention on activities targeting individuals (condominium photovoltaic systems), both in the civil and industrial sectors, this also thanks to a

commercial agreement with active utilities, through which the company operates in partnership. The last line of business, referring to E.P.C. activities, focuses on photovoltaic systems for SMEs or farms. As part of the company's strategic vision, this activity will regain momentum in the upcoming year 2024, with a primary focus on building own production facilities.

The above Business Units cannot be categorized as distinct operating segments; instead, they function as divisions operating within the same line of business.

On the organizational front, the company pursued its internal expansion, strengthening the management of processes essential to the core business, while also outsourcing non-core activities. Lastly, the Governance model saw the completion of the Organizational Model under Legislative Decree 231/2001, which is continually being implemented and updated.

For completeness of information, it should be noted that the company does not anticipate experiencing any direct or indirect effects from the ongoing conflicts.

Additionally, it has no dealings with Russian counterparts.

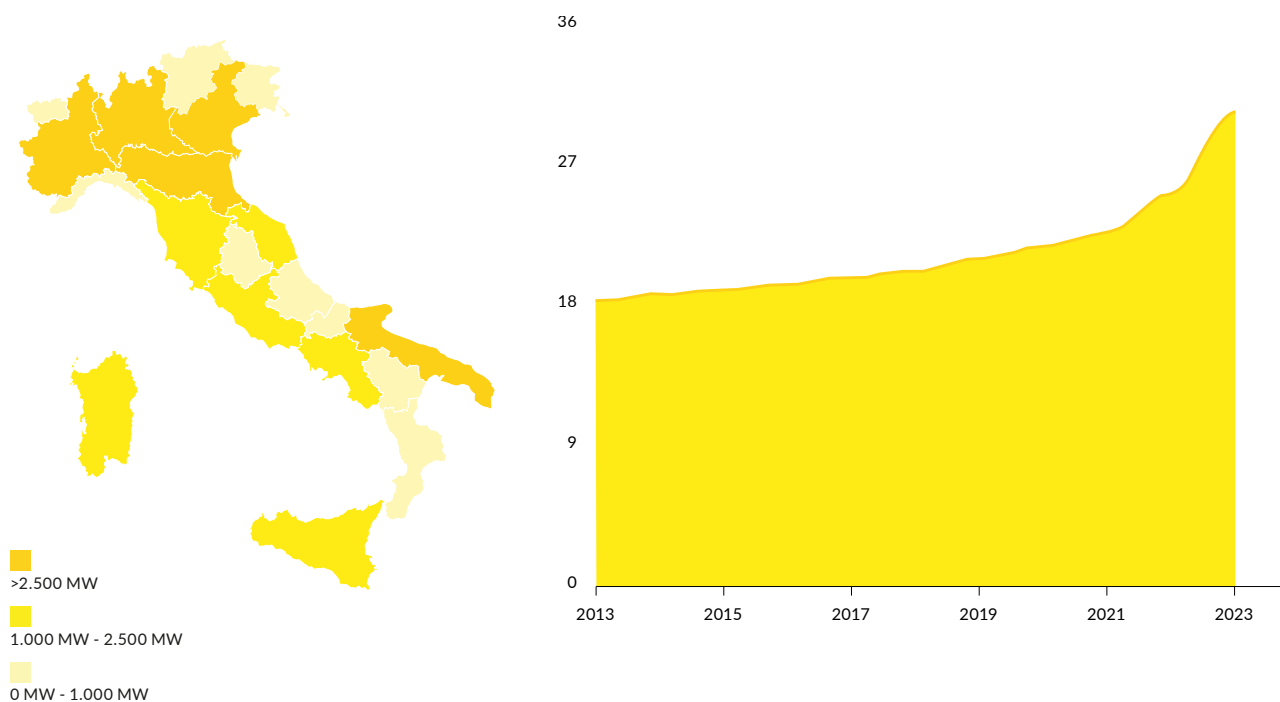
**Order Book:** at December 2023, the company's order book stands at over 80M€.

## Italian renewable energy market

The Italian market for both wind and photovoltaic renewable energy continues to boast a significant growth trend, as seen in the graphs, albeit hindered by slow permitting processes.

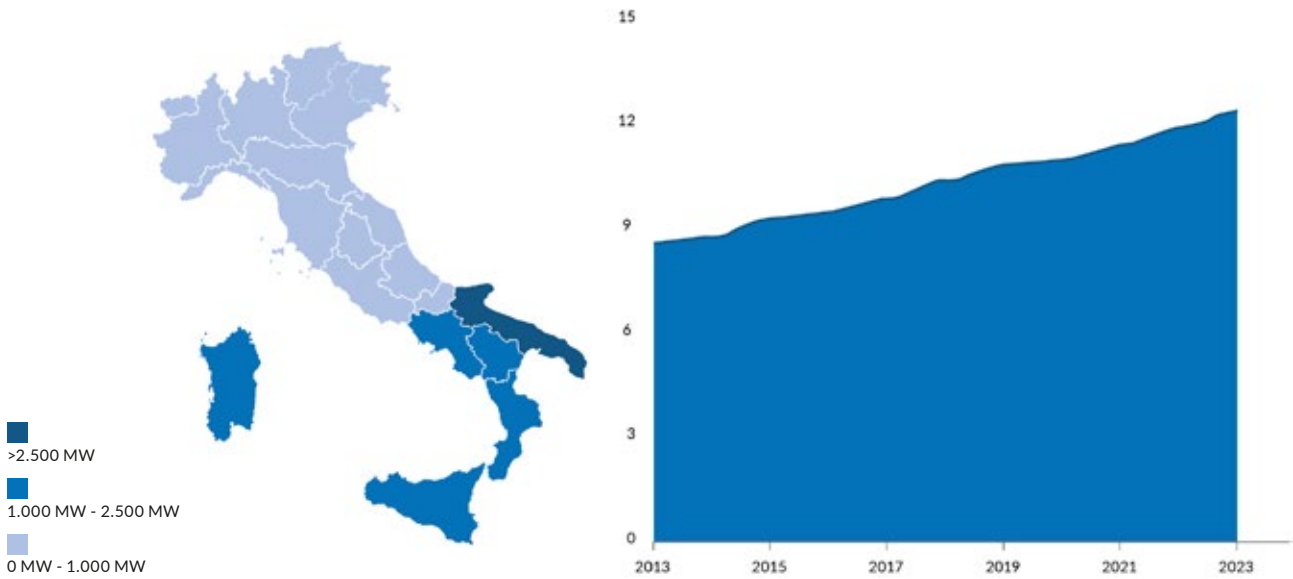
In 2024, total installed capacity exceeds 40 GW, of which more than 30 GW photovoltaic and approximately 10 GW wind power. The growth rate versus 2022 of projects that have entered operation is more than 30%. The graphs below show the strong growth during the period.

### PHOTOVOLTAICS 2013-2023 (GW)\*



\* source TERNA

## WIND POWER 2013-2023 (GW)\*



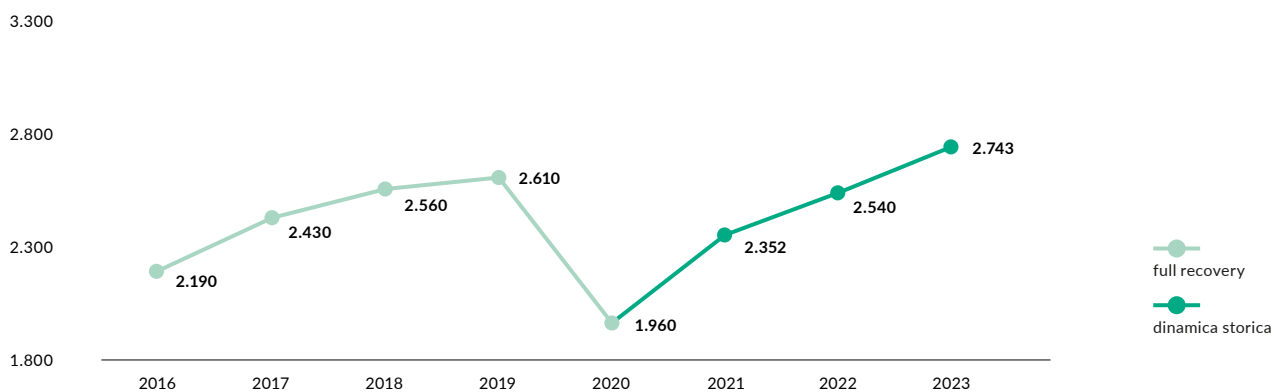
The growth of the market is driven by both stringent regulatory requirements on European CO<sub>2</sub> emission reduction targets, and the need to revitalize the economy, which has been sluggish since the pandemic crisis. The financial plan introduced by the European Union, known as the Recovery Fund, amounts to a total of € 750 billion. These financial resources are prioritized for digital transformation and ecological transition, with a minimum expenditure cap of at least 20% and 37% within national plans.

AGP has currently 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 FY 2025.

## Energy efficiency

The energy efficiency segment also has highly promising growth prospects, as the attached chart shows.

### ENERGY EFFICIENCY INVESTMENTS MNE\*\*



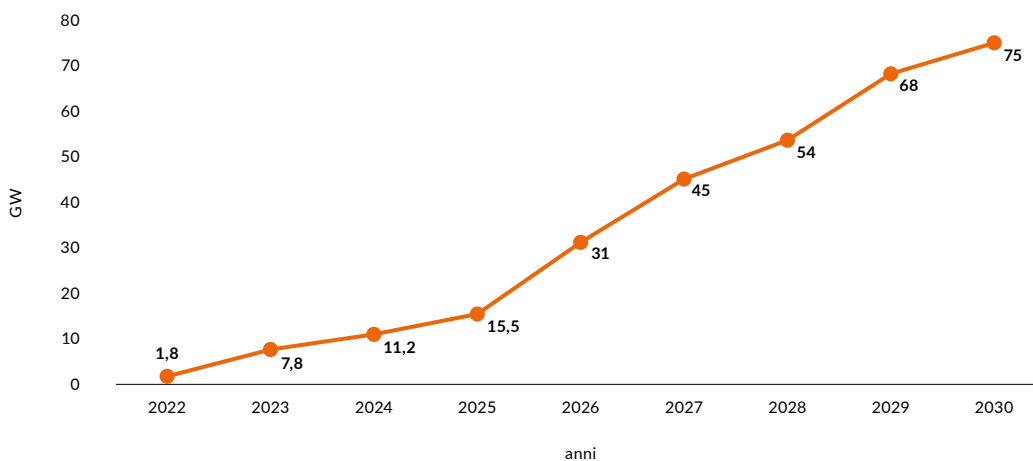
\* source TERNA  
\*\* source PoliMI

Altea Green Power's energy efficiency business is progressively shifting its focus towards industrial plants with power capacities exceeding 100 kW.

## BESS Storage

The Storage market in Italy is in its early stages of development, yet it holds substantial potential for growth. In this market, as illustrated in the chart, AGP holds an exceptionally significant pipeline, constituting approximately 50% of its total portfolio to date. Forecasts indicate that 70 to 75 GW of installed power should be reached by 2030.

### BESS STORAGE MARKET TREND IN ITALY\*\*



## Performance

### Business Development Renewables

#### Photovoltaic Development

In 2023, the operational structure was focused on executing projects: to date, the company is developing activities related to customer contracts for approximately 1.1 GW in the wind and photovoltaic segments.

A J.D.A. (Joint Development Agreement) was signed on June 30, 2023 with a leading international client and related order for a 9.9 MW Photovoltaic Project in Orbetello worth € 45,000 per MW.

On 25 August 2023, a second J.D.A. was signed with the same international client regarding the Montenero Green Energy order of 9.6 MW worth € 150,000 per MW. The transfer value is notably higher in this case, as it involves a project under PAS (Simplified Authorization Procedure) that has already received authorization.

For these projects, the anticipated development period is 48 months for the former and 12 months for the latter, with average expected profitability in excess of 30%.

\* source TERNA



## Development Storage in Italy

As mentioned in the earlier sections of the document, the company currently has project availability of 2.5 GW in Italy. Additionally, another line of projects totaling 580 MW, consolidated under Black BESS S.r.l., is nearing completion, with commercial activities set to commence by the first half of 2024.



## Engineering, Procurement & Construction (E.P.C.)

E.P.C. activities slowed down during the year, given the company's increased commitment to Co-Development, with a focus on Storage. Given the current market conditions, there is a belief that significant developments can occur in the agrisolar and industrial sectors.

## Energy efficiency

Unclear regulations on the conversion by banks of tax receivables linked to energy efficiency activities into cash has prompted Altea Green Power to approach both civil and industrial private markets.

The activity involves conducting an energy diagnosis of the industrial site by the engineering department, identifying the required interventions classified by payback period.

The main activities on which the company is focused are:

- rooftop or functional photovoltaics at industrial sites;
- cogeneration;
- revamping/relamping;
- power quality;
- consumption monitoring systems;
- energy recovery.

The Efficiency BU has also moved toward working with a major utility to install photovoltaic systems on apartment buildings and businesses. During the year, work contracted exceeded 1 MW.

Lastly, the company is exploring potential acquisition opportunities of businesses in this sector to strengthen its territorial presence in this business area with substantial growth potential.

## Safety

AGP 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 Altea Green Power employees are trained and informed about safety risks and responsibilities. Given that activities on various sites are however subcontracted to external contractors and/or craftsmen, effective control by Altea Green Power becomes essential. Altea Green Power has engaged an external RSPP (a legally-mandated expert in workplace safety) who collaborates with the internal ASPP, the safety manager, and the employer; this team meets regularly to analyze and address any issues that may arise in relation to the construction sites. From a procedural standpoint, the company has activated and maintains all the necessary procedural, documentary, and substantive systems as required by relevant regulations.

## Income and Financial Summary of Activities

Below are the main consolidated income figures at December 31, 2023 compared with the prior period; it is important to note that the amounts are presented in accordance with IAS/IFRS standards, and that the 2022 amounts have been reclassified to align with these guidelines:

### INCOME STATEMENT\*

(Figures in Euro/000)

	31/12/2023	%	31/12/2022	%	Chg.	% chg.
Valore della produzione	17,328	100%	16,778	100%	550	3%
EBITDA	7,256	42%	6,181	37%	1,075	18%
EBIT	7,103	41%	6,093	36%	1,010	17%

The value of production reflects a slightly higher trend (+3%) with the comparison period, as the Company prioritized the development of new projects on Storage sites to be made marketable. This resulted in a capacity of 2.5 GW.

The total EBITDA value of 7.3 MN€ increased by 18% versus 2022, while the EBITDA Margin came to 42% versus 37% in 2022, thanks to the growing weight of BESS projects compared to photovoltaic and wind projects.

The Net Financial Position at end 2023 stood at 4.4 MN€ cash negative and is broken down as follows (see next page):

(\*) The amounts for the comparison periods have been reclassified in accordance with IAS/IFRS



**NET FINANCIAL POSITION***(Figures in Euro/000)*

	31/12/2023	31/12/2022
Cash and cash equivalents	(502)	(1,661)
Derivatives (Exchange rate hedging)	11	-
Current financial liabilities arising from the application of IFRS16	123	78
Current financial liabilities	1,806	262
<b>Current financial debt</b>	<b>1,438</b>	<b>(1,321)</b>
Non-current financial liabilities arising from the application of IFRS16	658	609
Non-current financial liabilities	2,274	604
<b>Non-current financial debt</b>	<b>2,932</b>	<b>1,214</b>
<b>Net debt</b>	<b>4,369</b>	<b>(108)</b>

Without the application of IFRS 16, net debt at 31/12/23 would have been 3.6 MN€ and net cash 0.9 MN€ at 31/12/22.

The change versus the prior year is related mainly to the increased size of the pipeline for both the photovoltaic sector and costs associated with the 2 GW pipeline in Storage in Italy and Storage development in the US.

## Stock market and share performance

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

The structure of the offering involved:

1. share capital increase of up to 7 MN€;
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:

- December 1-15, 2022 (First Exercise Period);
- December 1-15, 2023 (Second Exercise Period);
- December 1-15, 2024 (Third Exercise Period).

Warrant exercise prices:

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

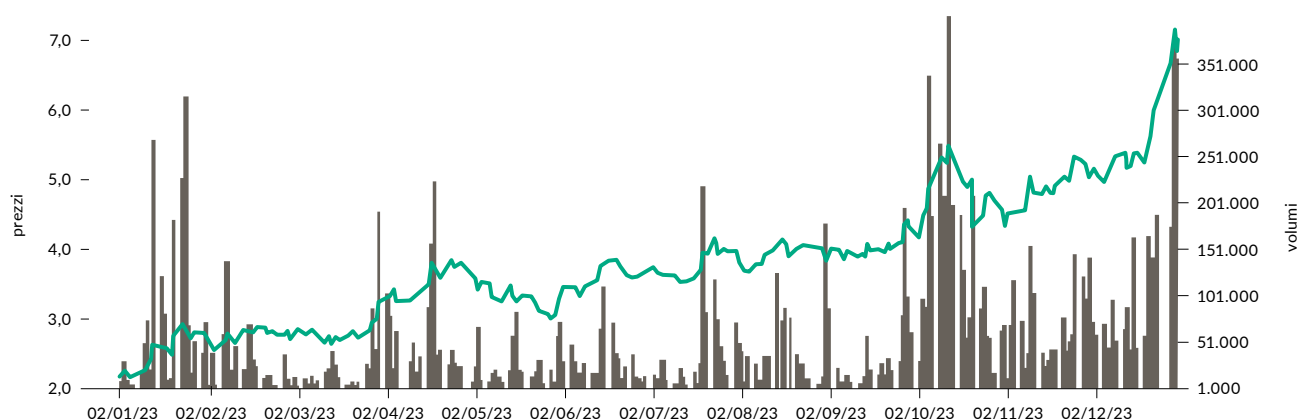
The major shareholder committed to a 24-month lockdown period.

On December 15, 2023, the window for the second exercise period related to the conversion of the Warrants closed. A total of 1,399,510 securities worth € 1,013,645 were converted.

The share capital at December 31 stood at 865,650.

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

## Andamento del titolo di Altea Green Power\*



The performance of the AGP share showed a strongly positive trend also during 2023, with a steady upward trajectory and significantly outperforming the stock market index.

## Personnel and organization

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: legal, administrative, and business development.

The following is a summary table on staffing trends during the year.

### HEADCOUNT

	Average number			Number at end of period		
	2023	2022	Change	2023	2022	Change
Employees	25	22	3	28	22	6
<i>of which part time</i>	1	-	1	-	1	(1)
Workers	1	1	-	1	1	-
<i>of which part time</i>	1	-	1	-	1	(1)
<b>Total</b>	<b>26</b>	<b>23</b>	<b>3</b>	<b>29</b>	<b>23</b>	<b>6</b>

A total of eleven resources were hired, with four resignations and one retirement. The company anticipates continuing this investment in human resources in the future, both through recruitment from the labor market and through the growth of existing staff. The company 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.

## Compensation policy and benefits

Altea Green Power has renewed an individual health insurance policy for its employees with a leading insurance company, offering better coverage than the previous policy.

The company also maintains an active compensation policy for its employees, which aims to reward both the achievement of agreed goals and overall company performance on a variable

\* source Connect (euronext.com)





basis. The merit-based pay component averages over 15% of individual pay.

## Corporate climate

The company is experiencing a highly favorable corporate climate. There are no reported disciplinary actions or any form of abstention from work.

## Organizational and Management Model 231/01

In January 2023, AGP implemented its Organizational Model and Code of Ethics ("MOG") to further advance the fundamental goal of articulating principles, policies, procedures, and behavioral practices that complement the internal control system. The MOG has been implemented in the Special Sections, incorporating "Tax Crimes" and "Crimes related to health and safety in the workplace." Additionally, the internal procedure for "Whistleblowing" has been updated to align with legislative changes made in April 2023.

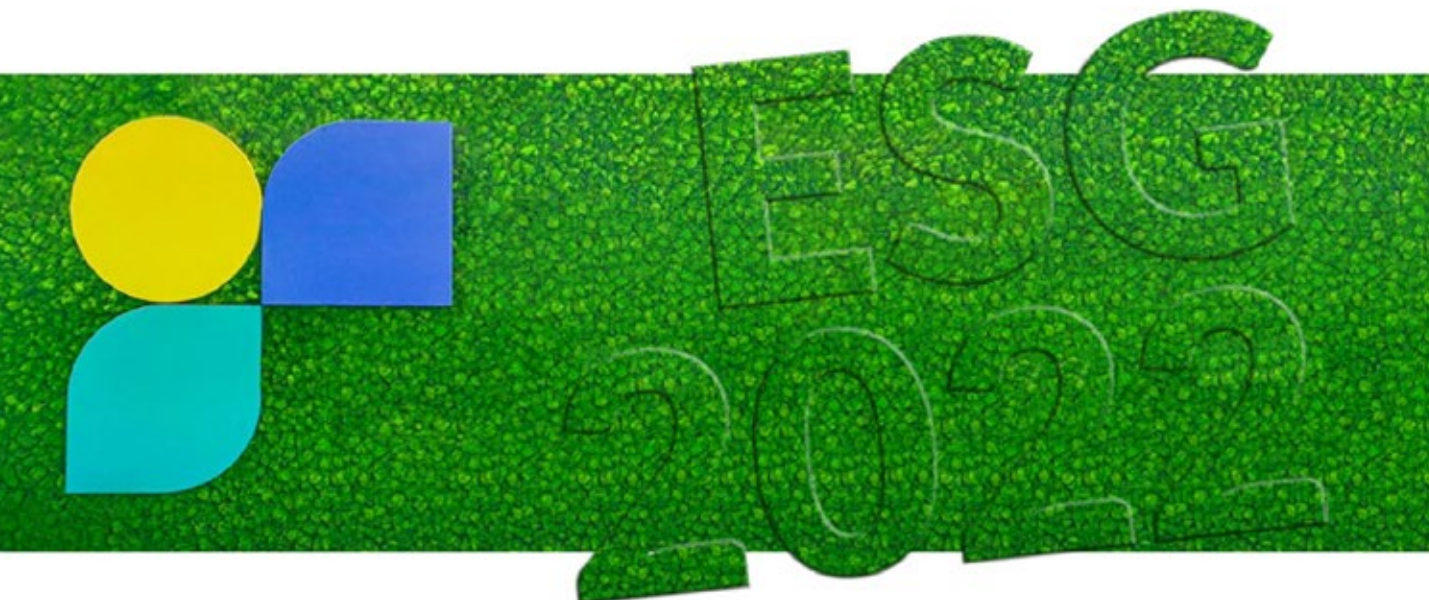
The new MOG, encompassing the General Section and the Code of Ethics, has been published on the new company website.

Three meetings with the Supervisory Board were also held in 2023, as well as specific training for all employees.

## Sustainability Report and ESG Policies

In 2023, the first Sustainability Report (ESG) of Altea Green Power Group was prepared and approved (on July 28). The Sustainability Report, referring to December 31, 2022, was prepared on a voluntary basis with the support of the relevant corporate departments.

The 2022 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. The 2022 Sustainability Report provides comprehensive information on economic, environmental, and social aspects, essential for understanding AGP'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 2022 Sustainability Report. The preparation of the 2022 Sustainability Report marked the 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 initial analysis to assess the alignment of its business model and strategic objectives with the 17 Sustainable Development Goals - SDGs, including assisted by the 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, AGP has embarked on a multi-year 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. AGP 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 has already commenced preparations for the 2023 Sustainability Report, incorporating certain aspects mandated by the new regulations.

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, Safety and Environment

Your company has the following certifications:

- UNI CEI 11339:2014
- UNI ISO 9001:2015
- UNI ISO 45001-2018
- UNI ISO 37001-2016

In 2023, the company oversaw functional activities related to the UNI ISO 45001-2018 and UNI ISO 37001-2016 certifications, which were obtained in September 2022; these certifications necessitated significant interventions in the company's procedural and management systems. The UNI ISO 45001:2018 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.

The acquisition of ISO 14001 certification (Environmental Management System Certification) is scheduled for the first half of 2024. 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.

Indeed, 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).

Plans also include the obtainment in 2024 of ISO 30415:2021 - Human Resources Management

- Diversity and Inclusion. Indeed, AGP aims to implement a model that facilitates the initiation of a continuous improvement process 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 compensation policies. By obtaining ISO 30415, AGP aims to instill a culture of inclusivity throughout the business, developing greater economic value and enhanced appeal to stakeholders.

## Litigation

In January 2023, Tecnosolar-Di Palma (developers of initiatives located in Abruzzo) served AGP with two injunctions totaling € 45,000, alleging the development of wind and photovoltaic projects, which AGP never accepted.

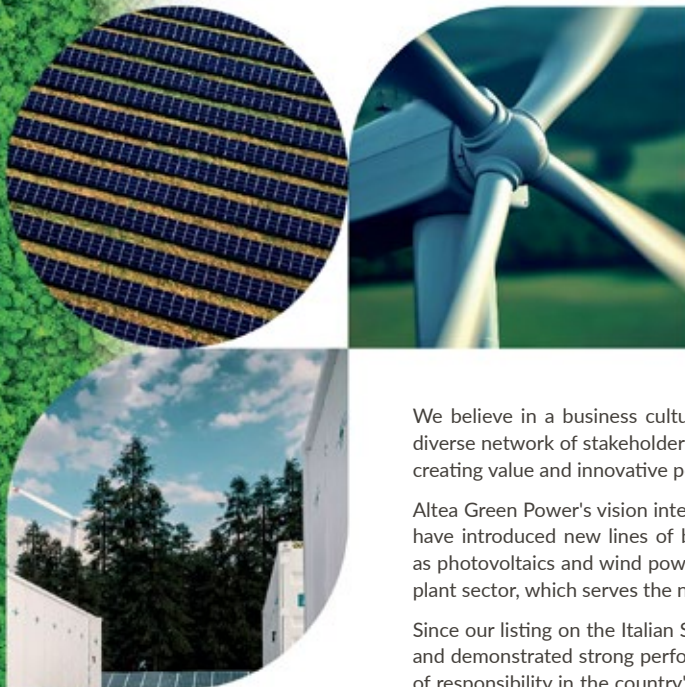
AGP promptly contested these decrees, filing a counterclaim for approximately € 450,000 to reclaim undue sums and seek compensatory damages for projects that were later revealed to be "fictitious" and were never accepted by AGP.

Currently, the case is in the hearing stage, and the verdict is scheduled for January 2025.

For this reason, AGP, to the best of its knowledge to date, does not believe that any provision for risks should be shown in the financial statements.

## Significant events after year end

### Strategic Plan



**We are the future  
we envision.**

We believe in a business culture that fosters connection and collaboration among a diverse network of stakeholders and partners, all working towards the common goal of creating value and innovative perspectives.

Altea Green Power's vision integrates development and sustainability, which is why we have introduced new lines of business alongside traditional renewable energies such as photovoltaics and wind power. This includes diversification into the "Storage BESS" plant sector, which serves the needs of the national power grid.

Since our listing on the Italian Stock Exchange, we have reached significant milestones and demonstrated strong performance. This however brings with it an increased sense of responsibility in the country's energy transition. In the coming days, we will present our 2024-2028 Business Plan, where we will delve into all the pertinent aspects that are important to us.

I extend my heartfelt gratitude to all the women and men who are part of the Altea Green Power Team for their expertise, dedication, and commitment that they demonstrate in their work every day. I also extend my sincere thanks to our Shareholders and Stakeholders for the continuous support and motivation they provide.

**Together we can really make a difference for a more sustainable future.**

*Giovanni Di Pascale, CEO Altea Green Power*



On January 16, 2024, the company presented its 2024-2028 Development Plan to its stakeholders, outlining the strategic development lines, which can be summarized as:

- growth in the Storage BESS sector with projects aimed at achieving a cumulative power capacity of at least 5 GW, positioning the company as one of the leading players in the sector in the medium term;
- growth in the renewable energy market in the U.S. either through development activity with current partners or on a stand-alone basis;
- construction in Italy of proprietary plants in Italy with a capacity of at least 90 MW in the photovoltaic sector, with plans to expand to at least 150 MW in subsequent years.

The plan reflects, in operating and financial terms, the company's robust capacity to maintain exceptionally high margin ratios and strong cash generation, allowing it to support planned investments without the need for bank credit.

Overall, the company will demonstrate a robust growth rate accompanied by high margins and cash flows capable of supporting its development.

## Storage Italy

On March 20, 2023, the company entered into a Co-Development Agreement with a North American investor regarding 9 projects with a total capacity of 1.1 GW.

Activity is expected to develop over the next 36 months.

The value of the signed contract comprises a fixed component, expressed in €/MW, totaling approximately 68 MN€, and a variable component that could amount to up to 15 MN€, contingent upon achieving specific performance indices.

The significance of this agreement cannot be overstated, as it surpasses the envisioned value in the company's business plan and marks a significant milestone in the consolidation of AGP's strategy.

## Storage USA

The U.S. renewable energy market has seen notable innovations focused on incentivizing "upstream" concentration, addressing the significant uncertainty surrounding project development timing due to long waiting lists for obtaining connections.

To mitigate the volume of connection requests from companies lacking solid financial foundations, U.S. network operators have implemented a requirement for "escrow deposits" for each request. In general, these amounts have a considerable financial impact.

The practical consequence of these decisions will be, in the medium term, a decrease in the number of projects under development and an increase in the profitability of those projects. These changes will result in an increased financial commitment of between \$ 8 million and \$ 9 million for BESS projects in which AGP holds a 25% share.

Industry studies estimate that the average profitability of the projects themselves could increase by approximately 30%. Due to this, BESS Energy's Board of Directors decided on March 20 to reinstate the development pipeline to its original capacity of 1.4 GW. Improved estimates of expected profitability lead to only a slight downward revision in expected returns on investment.

## Photovoltaics Italy

AGP continues its site-finding activities, both on behalf of its clients and for its own purposes. The research focused on sites with "short" permit processes, with particular attention paid to so-called "agrivoltaic" sites. In this segment, AGP has submitted 13 projects to date, and significant developments are anticipated by 2024.

## Quality Environment and Workplace Safety

In April 2024, the Company will obtain 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 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).

AGP will obtain ISO 30415:2021 - Human Resources Management - Diversity and Inclusion ISO 30415 certification later this year. The company aims to implement a model that facilitates the initiation of a continuous improvement process 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, recruiting, selection, training, development and performance management, development plans, and compensation policies. By obtaining ISO 30415, AGP aims to instill a culture of inclusivity throughout the business, developing greater economic value and enhanced appeal to investors.



## Cybersecurity

AGP will implement the most suitable measures to prevent and mitigate cybersecurity risks by adopting best practices outlined in NIST (guidelines and best practices in information security and cybersecurity risk management). This includes utilizing active endpoint security monitoring tools for computing devices. Dedicated monthly cybersecurity training will be implemented. Other activities include the redesign of the corporate website in September 2023, aimed at making the company's vision more understandable and accessible to both Italian and foreign stakeholders.



## Information on the risks and uncertainties to which the Group is exposed

(Ref. Article 2426, paragraph 2)

### Credit risk

Credit risk refers to the Group's potential exposure to counterparties failing to fulfill their obligations. Due to the size of the counterparties involved in contractual payment arrangements, the nature of the business itself makes the risk of non-performance by counterparties negligible.

### Liquidity risk

Due to the structure of its contracts with customers, which envisage in Co-Development the payment of services on a progress basis with chargeback of costs incurred, and the high margin levels of its business, liquidity risk is considered marginal. AGP has limited bank exposure related mainly to cash flexibility needs. Investment activities related to the company's core business yield ample returns, particularly when sites are allocated to customers.

### Exchange risk

The limited operations of the U.S. subsidiary to date imply that the company has not undertaken significant risks. As the volume of business in that market grows, the company will implement the most suitable hedging strategies to manage risks.

Below are the main consolidated statements for the results at December 31, specifically:

- Statement of Financial Position at 31/12/2023(\*);
- Income Statement at 31/12/2023(\*);
- Statement of Cash Flows at 31/12/2023(\*)

#### INCOME STATEMENT

(Figures in Euro)

	31/12/2023	31/12/2022
Revenue	17,328,221	16,778,307
Operating costs	10,225,272	10,685,458
Operating profit/(loss)	7,102,948	6,092,849
Financials	(232,516)	(92,387)
Profit/(loss) before tax	6,870,432	6,000,462
Profit/(loss) for the year	4,919,662	4,166,918

#### STATEMENT OF FINANCIAL POSITION - ASSETS

(Figures in Euro)

	31/12/2023	31/12/2022
<b>Non-current assets</b>		
Intangible assets	5,013	7,522
Tangible assets	1,016,232	755,977
Deferred tax assets	133,781	172,950
Other non-current assets	1,544,223	20,000
<b>Total non-current assets</b>	<b>2,699,248</b>	<b>956,450</b>
<b>Current assets</b>		
Current assets	32,400,296	20,966,261
Other current assets	2,613,334	1,258,258
Cash and cash equivalents	502,486	1,660,614
<b>Total current assets</b>	<b>35,516,115</b>	<b>23,885,133</b>
<b>Total assets</b>	<b>38,215,363</b>	<b>24,841,583</b>

#### STATEMENT OF FINANCIAL POSITION - LIABILITIES AND EQUITY

(Figures in Euro)

	31/12/2023	31/12/2022
Equity	17,443,983	11,552,871
Non-current liabilities	3,735,651	2,016,048
Current liabilities	17,035,728	11,272,665
<b>Total liabilities and equity</b>	<b>38,215,363</b>	<b>24,841,583</b>

(\*) The amounts for the comparison periods have been reclassified in accordance with IAS/IFRS





**STATEMENT OF CASH FLOWS***(Figures in Euro)*

	31/12/2023	31/12/2022
<b>A. Cash flow from operations (indirect method)</b>		
Profit (loss) for the year (IAS/IFRS amounts)	4,919,661	4,166,917
IAS/IFRS adjustments (non-cash)	(24,262)	(49,197)
1. Profit (loss) for the year before income tax, interest, dividends and gains/losses from disposals	7,017,872	5,996,999
2. Cash flow before changes in NWC	7,197,923	6,256,332
3. Cash flow after changes in NWC	(1,598,160)	(2,706,991)
Other adjustments	(2,134,695)	(175,978)
Cash flow from operations (A)	(3,732,855)	(2,882,969)
Cash flow from investing activities (B)	(1,653,982)	(710,108)
Cash flow from financing activities (C)	4,228,707	5,249,765
Cash flow from financing activities (D)	-	-
Increase (decrease) in cash funds (A ± B ± C ± D)	(1,158,129)	1,656,688
Cash funds at January 1	1,660,615	3,927
Cash funds at December 31	502,486	1,660,615

## Business outlook

Directors,

the AGP Group continues to consolidate its growth path. The strategic assessments underlying the Group's plan are yielding the expected results; specifically, the emphasis on the development of high-power Storage has enabled it to consolidate a significant long-term financial performance, well ahead of other market competitors. The creation of new pipelines of BESS projects strengthens AGP's market position in this specific segment, while also paving the way for higher-than-expected growth. The expedited authorization process for projects dedicated to Aer Soléir is advantageous not only because it allows for early collection of the final balance, greatly enhancing available financial resources, but also because it underscores the company's ability to meet the agreed projected deadlines.

In 2023, Energy Efficiency activities experienced a revitalization, and in 2024, we anticipate a robust consolidation of this trend.

## Conclusions

Directors,

We invite you to take note of the Consolidated Financial Statements as prepared, which close with a Profit for the Year of € 4,919,662.

Finally, we would like to inform you that, following the allocation of profit for the year carried out upon approval of the Separate Financial Statements of Altea Green Power S.p.A., the Legal Reserve has reached the limit of one-fifth of the current share capital, which, to date, is determined as follows:

- Paid: € 865,650

*Rivoli (Turin), March 27, 2024*

For the Board of Directors  
Chairman  
Giovanni Di Pascale



# 3

## Consolidated Financial Statements

at December 31, 2023



# Consolidated Statement of Financial Position

ASSETS (Figures in Euro)	Notes	31/12/2023	31/12/2022
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Patent rights	1	5,013	7,522
Other		-	-
<b>Tangible assets</b>			
<i>Rights of use: property</i>	2	530,874	544,077
<i>Rights of use: other</i>		220,588	130,345
Plant, machinery, etc.		264,770	81,555
Other		-	-
Deferred tax assets	3	133,781	172,950
<b>Other non-current assets</b>			
Investments	4	1,544,223	20,000
Receivables from related parties		-	-
Security deposits		-	-
<b>Total non-current assets</b>		<b>2,699,248</b>	<b>956,450</b>
<b>Current assets</b>			
Inventory	5	1,219,608	154,009
Contract work in progress	5	27,382,139	14,913,904
Trade receivables	6	736,884	3,992,559
Receivables from subsidiaries	6	-	-
Receivables from related parties	6	-	74,006
Tax receivables	6	3,061,664	1,831,783
<b>Other current assets</b>			
Receivables from others	6	2,553,024	1,176,883
Accrued income and deferred expense		60,310	81,375
Cash and cash equivalents	7	502,486	1,660,614
<b>Total current assets</b>		<b>35,516,115</b>	<b>23,885,133</b>
<b>Assets held for sale</b>		<b>-</b>	<b>-</b>
<b>Total assets</b>		<b>38,215,363</b>	<b>24,841,583</b>

**STATEMENT OF FINANCIAL POSITION - LIABILITIES AND EQUITY***(Figures in Euro)*

	Notes	31/12/2023	31/12/2022
<b>Equity</b>	<b>8</b>		
Share capital		865,650	830,663
Other reserves		5,613,254	1,401,839
Share premium reserve		6,142,911	5,163,254
FTA reserve		(15,243)	(15,243)
OCI reserve 1-1-2023		8,588	-
OCI reserve - change in the year		(12,903)	8,588
Retained earnings		-	-
Profit (loss) for the year		4,919,662	4,166,918
Exchange translation reserve		(30,064)	225
Consolidation reserve		(47,870)	(3,372)
Share capital and reserves attributable to non-controlling interests		-	-
<b>Total equity</b>		<b>17,443,983</b>	<b>11,552,871</b>
<b>Non-current liabilities</b>			
Employee benefits	9	61,252	49,017
Provisions for risks and charges	10	11,108	-
Non-current financial liabilities	11	2,931,819	1,213,567
NC tax payables	11	688,844	710,065
Deferred tax provision	11	290	1,061
Other non-current liabilities	11	42,338	42,338
<b>Total non-current liabilities</b>		<b>3,735,651</b>	<b>2,016,048</b>
<b>Current liabilities</b>			
Trade payables	11	2,332,778	1,594,810
Liabilities to related parties	11	-	-
Current financial liabilities	11	1,928,898	339,512
Tax payables	11	3,852,288	2,197,799
Other current liabilities	11	-	-
Advances from customers		8,476,205	6,697,760
Other payables		441,844	440,851
Accrued expense and deferred income		3,717	1,932
<b>Total current liabilities</b>		<b>17,035,728</b>	<b>11,272,665</b>
Liabilities held for sale		-	-
<b>Total liabilities and equity</b>		<b>38,215,363</b>	<b>24,841,583</b>



# Consolidated Income Statement

## INCOME STATEMENT

(Figures in Euro)

	Notes	31/12/2023	31/12/2022
<b>Revenue</b>			
Revenue		15,475,853	15,871,500
Change in work in progress		1,065,599	154,009
Other revenue and income		786,769	752,797
<b>Total revenue</b>	<b>12</b>	<b>17,328,221</b>	<b>16,778,307</b>
<b>Operating costs</b>			
Purchase costs		487,513	670,892
Service costs		7,135,506	7,184,399
Costs for rentals and leases		49,328	71,832
Personnel expense		1,499,519	1,171,754
Amortization and depreciation		133,798	87,802
Write-down of fixed assets and receivables		19,534	-
Provisions for risks		-	-
Change in inventory		-	129,757
Other operating costs		900,073	1,369,021
<b>Total operating costs</b>	<b>13</b>	<b>10,225,272</b>	<b>10,685,458</b>
<b>Operating profit/(loss)</b>		<b>7,102,948</b>	<b>6,092,849</b>
Financial income		59,737	155,486
Financial expense		(292,253)	(247,873)
Income (expense) from investments		-	-
<b>Financials</b>	<b>14</b>	<b>(232,516)</b>	<b>(92,387)</b>
<b>Profit/(Loss) before tax</b>		<b>6,870,432</b>	<b>6,000,462</b>
Income tax	<b>15</b>	1,950,770	1,833,544
<b>Profit/(Loss) for the year</b>		<b>4,919,662</b>	<b>4,166,918</b>
<b>Other items of comprehensive income</b>			
Items reclassifiable to income statement		(11,108)	-
Items reclassifiable to income statement		-	-
Utili/Perdite attuariali di piani per i dipendenti		(1,795)	8,588
<b>Total Other Comprehensive Income</b>	<b>16</b>	<b>(12,903)</b>	<b>8,588</b>
<b>Comprehensive income/(loss) for the year</b>		<b>4,906,758</b>	<b>4,175,506</b>

## Statement of Changes in Consolidated Equity

<b>CHANGES IN EQUITY IN THE YEAR 31/12/2022</b> <i>(Figures in Euro)</i>	Share capital	Share Premium reserve	Legal reserve	Other reserve	FTA reserve	OCI reserve	Profit (losses) carried forward	Profit/ (loss) for the year	Total
Balance at 01/01/2022	600,000	(32,061)	45,754	61,125	(15,243)	-	112,217	1,157,1220	1,928,911
Allocation of prior-year's profit/loss	-	-	59,137	(25,623)	-	-	1,123,606	(1,157,120)	-
Other changes	230,663	5,195,315	-	22,476	-	8,588	-	-	5,457,042
Profit (loss) for the year	-	-	-	-	-	-	-	4,166,918	4,166,918
<b>Total equity attributable to the owners of the parent</b>	<b>830,663</b>	<b>5,163,254</b>	<b>104,891</b>	<b>57,978</b>	<b>(15,243)</b>	<b>8,588</b>	<b>1,235,823</b>	<b>4,166,918</b>	<b>11,552,871</b>
Total equity attributable to non- controlling interests	-	-	-	-	-	-	-	-	-
<b>Balance at 31/12/2022</b>	<b>830,663</b>	<b>5,163,254</b>	<b>104,891</b>	<b>57,978</b>	<b>(15,243)</b>	<b>8,588</b>	<b>1,235,823</b>	<b>4,166,918</b>	<b>11,552,871</b>

<b>CHANGES IN EQUITY IN THE YEAR 31/12/2023</b> <i>(Figures in Euro)</i>	Share capital	Share Premium reserve	Legal reserve	Other reserve	FTA reserve	OCI reserve	Profit (losses) carried forward	Profit/ (loss) for the year	Total
Balance at 01/01/2022	830,663	5,163,254	104,891	57,978	(15,243)	8,588	1,235,823	4,166,918	11,552,871
Allocation of prior-year's profit/loss	-	-	61,712	(44,497)	-	-	4,149,703	(4,166,918)	-
Other changes	34,987	979,657	-	(30,289)	-	(12,903)	-	-	971,452
Profit (loss) for the year	-	-	-	-	-	-	-	4,919,661	4,919,661
<b>Total equity attributable to the owners of the parent</b>	<b>865,650</b>	<b>6,142,912</b>	<b>166,603</b>	<b>(16,809)</b>	<b>(15,243)</b>	<b>(4,316)</b>	<b>5,385,526</b>	<b>4,919,661</b>	<b>17,443,983</b>
Total equity attributable to non- controlling interests	-	-	-	-	-	-	-	-	-
<b>Balance at 31/12/2023</b>	<b>865,650</b>	<b>6,142,912</b>	<b>166,603</b>	<b>(16,809)</b>	<b>(15,243)</b>	<b>(4,316)</b>	<b>5,385,526</b>	<b>4,919,661</b>	<b>17,443,983</b>





# Consolidated Statement of Cash Flows

## STATEMENT OF CASH FLOWS

(Figures in Euro)

	31/12/2023	31/12/2022
<b>A. Cash flow from operations (indirect method)</b>		
Profit (loss) for the year (IAS/IFRS amounts)	4,919,662	4,166,917
IAS/IFRS adjustments (non-cash)	(24,262)	(49,197)
Profit (loss) for the year (OIC amounts)	4,895,399	4,117,720
Income tax	1,911,677	1,834,314
Interest expense/(interest income)	210,796	44,965
<b>1. Profit (loss) for the year before income tax, interest, dividends and gains/losses from disposals</b>	<b>7,017,872</b>	<b>5,996,999</b>
Adjustments for non-monetary items that did not have a balancing item in the net working capital		
<i>Amortization and depreciation of fixed assets</i>	170,729	62,068
<i>Allocations/(releases) provisions</i>	(4,314)	162,854
<i>Write-downs/(write-backs) for impairment losses</i>	13,411	-
<i>Other adjustments for non-monetary items</i>	225	34,411
Total adjustments non-monetary items	180,051	259,333
<b>2. Cash flow before changes in NWC</b>	<b>7,197,923</b>	<b>6,256,332</b>
Changes in net working capital		
<i>Decrease/(increase) in net inventory and related advances</i>	(13,533,834)	(8,164,483)
<i>Decrease/(increase) in trade receivables from net third-party and intercompany customers</i>	3,264,581	(3,511,103)
<i>Increase/(decrease) in payables to third-party and intercompany suppliers</i>	2,512,342	(231,429)
<i>Decrease/(increase) in accrued income and deferred expense</i>	21,064	52,308
<i>Increase/(decrease) in accrued expense and deferred income</i>	(74,780)	304,428
<i>Other changes in net working capital</i>	(985,455)	2,586,956
Total changes in net working capital	(8,796,082)	(8,963,323)
<b>3. Cash flow after changes in NWC</b>	<b>(1,598,160)</b>	<b>(2,706,991)</b>
Other adjustments		
<i>Interest received/(paid)</i>	(217,044)	(56,056)
<i>Income tax paid/(payable/offset)</i>	(1,911,677)	(54,167)
<i>(Utilization of provisions)</i>	(5,974)	(65,755)
Total other adjustments	(2,134,695)	(175,978)
<b>Cash flow from operations (A)</b>	<b>(3,732,855)</b>	<b>(2,882,969)</b>
<b>B. Cash flow from investing activities</b>		
Tangible fixed assets		
<i>(Purchases)</i>	(198,569)	(55,231)
<i>Disposals</i>	320	-
Intangible fixed assets		
<i>(Purchases)</i>	-	(719,355)
Financial fixed assets		
<i>(Purchases)</i>	(1,544,223)	-
<i>Disposals or repayments</i>	88,490	-
Current financial assets		
<i>(Purchases)</i>	-	(20,000)
<i>Disposals or repayments</i>	-	124,678
Acquisition of business units net of cash funds	-	(40,200)
<b>Cash flow from investing activities (B)</b>	<b>(1,653,982)</b>	<b>(710,108)</b>
<b>C) Cash flow from financing activities</b>		
Loan capital		
<i>Increase (decrease) short-term payables to banks and other financial</i>	1,544,075	-
<i>New/(Repayment) loans</i>	1,669,988	(340,406)
Equity		
<i>Share capital increase against payment</i>	34,988	5,590,171
<i>Other share capital increases (decreases)</i>	979,657	-
<b>Cash flow from financing activities (C)</b>	<b>4,228,707</b>	<b>5,249,765</b>

continued on next page

**STATEMENT OF CASH FLOWS***(Figures in Euro)*

	31/12/2023	31/12/2022
<b>D. Cash flow from extraordinary transactions (merger/demerger)</b>		
Cash flow from extraordinary transactions (D)	-	-
<b>Increase (decrease) in cash funds (A ± B ± C ± D)</b>	<b>(1,158,129)</b>	<b>1,656,688</b>
<b>Cash funds at January 1</b>	<b>1,660,615</b>	<b>3,927</b>
Bank and postal deposits	1,660,567	1,168
Cash and valuables on hand	48	2,759
<b>Cash funds at December 31</b>	<b>502,486</b>	<b>1,660,615</b>
Bank and postal deposits	502,437	1,660,567
Cash and valuables on hand	48	48





# 4

## Notes to the Consolidated Financial Statements at December 31, 2023

### Foreword

*The Consolidated Financial Statements of the Altea Green Power S.p.A. Group at December 31, 2023 include the Separate Financial Statements of the Parent Company Altea Green Power S.p.A. and its direct or indirect subsidiaries.*

## Activities

The Altea Green Power S.p.A. Group is engaged in the development of projects and construction of environmentally-friendly power generation plants, and as a "service integrator" for all-round assistance during all the stages of the construction and management of green plants. During the year, the Group continued to develop its activities, increasing the value of production compared to prior years. This growth was facilitated in part by government incentives for ecological transition, supported by the PNRR (National Recovery and Resilience Plan, also known as the "Recovery Plan"), initiating new projects within the framework of Co-Development, across the country. In particular, Co-Development activities primarily focused on designing Storage plants, which will serve to enhance the efficiency of power modulation needs for the National Electricity Grid.

Reference is made to the Report on Operations for a detailed overview of the performance of corporate operations.

## Research & Development

During the year, the Altea Green Power S.p.A. Group did not undertake any Research and Development projects.

## Significant events in the year

Recent international events have encompassed various issues impacting the stability of the global economy, including conflicts between countries, escalating inflation rates, energy instability, and uncertainties within the global banking sector.

These issues can result in significant financial repercussions for many companies and groups operating in those regions and sectors, both directly and indirectly (e.g., suppliers, customers, investments, and lenders).

It should be noted that the financial statements herein have not been significantly impacted as a result of these macroeconomic factors.

Further information can be found in the Report on Operations.

## Preparation criteria

This Annual Report at 31/12/2023 of the Altea Green Power Group S.p.A. was prepared in accordance with the EURONEXT Growth Milan Issuer Regulation, and was prepared in compliance with the IFRS issued by the International Accounting Standards Board and approved by the European Union, as well as with the laws and regulations in force in Italy.

The financial statements for the year ended 31/12/2023 are the first to be prepared in accordance with IAS/IFRS. The Altea Green Power S.p.A. Group, in compliance with IFRS 1, which governs the rules for the first-time adoption of IFRS, has restated, in accordance with the newly-adopted accounting standards, the statement of financial position as of the transition date - 01/01/2022 - which corresponds to the beginning of the first period being compared, and the statement of financial position, income statement and statement of cash flows for the year ended 31/12/2022 - the period presented for comparative purposes as of the date of the first IAS/IFRS financial statements.

Details of the results of the changes in the accounting standards are analyzed at the end of this report.

This Financial Report was audited. Therefore, in this document, with regard to Altea Green

Power S.p.A., the following are set out:

- the notes regarding the first-time application rules of IAS/IFRS (IFRS 1) and other selected IAS/IFRS standards;
- the IAS/IFRS statements of financial position at 01/01/2022, 31/12/2022 and 31/12/2023 and the IAS/IFRS income statement for the years ended 31/12/2022 and 31/12/2023;
- comments on the main IAS/IFRS reclassifications and adjustments made to statement of financial position items at 01/01/2022, 31/12/2022 and 31/12/2023;
- reconciliation statements between equity under previous accounting standards and equity recognized in accordance with IAS/IFRS on the following dates:
  - 01/01/2022;
  - closing date of the last year whose financial statements were prepared in accordance with previous accounting standards (31/12/2022);
- comments to the reconciliation statements;
- comments on the main changes made to the Statement of Cash Flows following the introduction of the new accounting standards.

The Consolidated Financial Statements of the Altea Green Power S.p.A. Group were prepared in accordance with the requirements of articles 25 et seq. of Legislative Decree 127/1991 and consist of the Statement of Financial Position, Income Statement, Statement of Cash Flows, and Notes to the Financial Statements, which form an integral part thereof. Additionally, the reconciliation statement between the net result and equity of the consolidating parent company and the corresponding amounts resulting from the Consolidated Financial Statements is shown. Carrying amounts are expressed in units of Euro by rounding off the relevant amounts. Rounding differences, if any, are shown under "Euro rounding reserve" in the equity items.

## Group structure and consolidation methods

The Consolidated Financial Statements include the individual financial statements of the Parent Company Altea Green Power S.p.A. and of the companies in which Altea Green Power S.p.A. directly or indirectly controls the majority of the votes exercisable at the ordinary shareholders' meeting.

The consolidation scope includes the following subsidiaries (*see next page*):

	Registered office	Tax code	Currency	Share Cap. in Euro	Investment	% Share held	Interest
Brindisi Solar Energy S.r.l.	P.zza A. Diaz 7 - MI	10812770963	Euro	10,000	Direct	100%	100%
IBE Guglionesi Wind S.r.l.	C.so Re Umberto 8 - TO	12291540016	Euro	10,000	Direct	100%	100%
Yellow BESS S.r.l. (ex IBE Campolieto S.r.l.)	C.so Re Umberto 8 - TO	12291490014	Euro	10,000	Direct	100%	100%
IBE Genzano S.r.l.	C.so Re Umberto 8 - TO	12291460017	Euro	10,000	Direct	100%	100%
IBE Manieri S.r.l.	C.so Re Umberto 8 - TO	12291520018	Euro	10,000	Direct	100%	100%
IBE Montecilfone S.r.l.	C.so Re Umberto 8 - TO	12291530017	Euro	10,000	Direct	100%	100%
IBE Alessandria S.r.l.	C.so Re Umberto 8 - TO	12291500010	Euro	10,000	Direct	100%	100%
IBE Venosa S.r.l.	C.so Re Umberto 8 - TO	12291480015	Euro	10,000	Direct	100%	100%
Montenero Green Energy S.r.l.	C.so Re Umberto 8 - TO	12692000016	Euro	10,000	Direct	100%	100%
Padula Green Energy S.r.l.	C.so Re Umberto 8 - TO	12710550018	Euro	10,000	Direct	100%	100%
Black BESS S.r.l. (ex Zefiro Sea Wind S.r.l.)	C.so Re Umberto 8 - TO	12752950019	Euro	10,000	Direct	100%	100%
Green BESS S.r.l.	C.so Re Umberto 8 - TO	12731150012	Euro	10,000	Direct	100%	100%
Blue BESS S.r.l.	C.so Re Umberto 8 - TO	12786310016	Euro	10,000	Direct	100%	100%
A Mesagne S.r.l.	C.so Re Umberto 8 - TO	12677100963	Euro	10,000	Direct	100%	100%
Crumiere Energia S.r.l.	C.so Re Umberto 8 - TO	03505520043	Euro	110,000	Direct	100%	100%
Altea Green Power US Corp.	Delaware - USA	n/a	U.S. \$	n/a	Direct	100%	100%
Cuyler Green Energy LLC	Delaware - USA	n/a	U.S. \$	n/a	Indirect	100%	100%
Quitman Green Energy LLC	Delaware - USA	n/a	U.S. \$	n/a	Indirect	100%	100%
RAL Green Energy Corp.	Delaware - USA	n/a	U.S. \$	n/a	Indirect	50%	50%
BESS Power Corp.	Delaware - USA	n/a	U.S. \$	n/a	Indirect	50%	25%
<b>Companies established in 2023</b>							
IBE Orbetello S.r.l.	C.so Re Umberto 8 - TO	12888870016	Euro	10,000	Direct	100%	100%
<b>Companies acquired from third parties in 2023</b>							
Altea Independent Power Producer S.r.l.	C.so Re Umberto 8 - TO	12268350969	Euro	10,000	Direct	100%	100%

It should be noted that:

- "Blue BESS" and "A Mesagne" were established in December 2022 and were therefore 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.

The individual financial statements of the Subsidiaries were consolidated on a line-by-line basis.

## Reporting date

The reporting date of the Consolidated Financial Statements, in compliance with Article 30 of Legislative Decree 127/1991, coincides with the date of the Parent Company's Individual Financial Statements, i.e. 31/12/2023. All companies included in the consolidation scope

have a financial year that coincides with the calendar year and present financial statements at 31/12/2023 consistent with the consolidating parent company.

## Consolidation principles and criteria

The Altea Green Power S.p.A. Group prepared on 31/12/2023 its first Consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as issued by the IASB. Therefore, IFRS 1 First-Time Adoption of International Financial Reporting Standards was applied, the disclosure of which has been given in the annex included at the end of this document.

These Consolidated Financial Statements also include the disclosures required by IFRS Accounting Standards applicable to financial periods beginning on January 1, 2023.

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

Financial statements denominated in currencies other than the Euro are translated:

- at the spot exchange rate at 31/12/2023 for balance sheet assets and liabilities;
- at the average exchange rate for the year for positive and negative income items in the Income Statement;
- at the historical exchange rate at the time of their formation for equity reserves.

The difference between profit or loss for the year translated at the average exchange rate resulting from the Income Statement and the profit or loss for the year translated at the spot exchange rate in the equity items, as well as the effects on assets and liabilities resulting from changes in exchange rates at the beginning and end of the year, are allocated to the equity item "exchange difference reserve".

## Consolidation methods

### Subsidiaries

Subsidiaries are those entities in which the Group has control, i.e., where the Group is exposed to variable returns arising from its relationship with the entity, or has rights over such returns, while having the ability to influence them by exercising its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the time the Parent Company begins to exercise control until the date when such control ceases.

### Loss of control

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 as of the date of loss of control.

### Transactions eliminated on consolidation

When preparing the Consolidated Financial Statements, the balances of intercompany transactions as well as unrealized intercompany revenue and expense are eliminated. Unsupported losses are eliminated as well as unrealized gains, to the extent that there are no indicators that would give evidence of impairment. The companies included in the consolidation



scope are explained in Chapter 3 and all of them are subsidiaries consolidated on a line-by-line basis. In summary, consolidation using the line-by-line method involves incorporating the assets, liabilities, costs, and revenue of the consolidated companies into the financial statements, irrespective of the size of the investment held. Additionally, the method allocates to non-controlling interests a portion of profits and reserves in a distinct equity item.

The main techniques used in consolidation are as follows:

- elimination of investments in the companies included in the consolidation and their corresponding portions of equity, attributing to the individual elements of the balance sheet assets and liabilities the current value on the date of acquisition of control; any residual difference, if positive, is entered, if the conditions permit, under the asset item "goodwill", if negative it is charged to the Income Statement;
- elimination of receivables and payables between companies included in the consolidation, as well as income and expense related to transactions between them;
- gains and losses resulting from transactions between these companies and relating to amounts included in the Statement of Financial Position and Income Statement have also been eliminated if significant; any intragroup losses are not eliminated if they represent an indicator of impairment of the underlying asset.

## Other companies

Investments in which the Group does not exercise control, significant influence, or joint control are initially recorded at cost, including transition expense.

Their value undergoes regular impairment to compare the recoverable value with the carrying amount annually and whenever an impairment indication arises.

## Accounting standards used

### Foreword

The information in this section is intended to provide a comprehensive overview of the transition process to international accounting standards for the Altea Green Power S.p.A. Group.

The separate and consolidated financial statements of Altea Green Power S.p.A. at 31/12/2022 were prepared in accordance with national accounting standards (issued by the OIC). In 2023, the transition phase of the Group's Consolidated Financial Statements and Separate Financial Statements from Italian GAAP to International Financial Reporting Standards (IFRS) was initiated.

Therefore, the 2023 Consolidated Financial Statements were prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and approved by the European Union, as well as the measures issued in implementation of Article 9 of Leg. Decr. no. 38/2005.

The IFRS also include all the revised international accounting standards ("IAS") and all the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), formerly the Standing Interpretations Committee ("SIC").

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. For impacts related to the application of the new accounting standards, reference is made to the section "Report on the transition to IAS/IFRS international accounting standards".

To ensure comparability of financial statement data, it is necessary to prepare the Statement of Financial Position, Income Statement, and other mandatory statements for the year preceding the transition date.

## First application at 31/12/2023

### First application of international accounting standards (First Time Adoption - IFRS 1) in the preparation of the Separate Financial Statements of the Parent Company

IFRS 1 requires that the opening Statement of Financial Position at the date of transition to IFRS be prepared based on the following criteria:

- recognition of all assets and liabilities whose recording is required by IFRS;
- non-recognition as assets or liabilities of items whose recording is not permitted by IFRS;
- reclassification of items recognized as one type of asset, liability, or item of equity under previous GAAP but constituting a different type of asset, liability, or item of equity under IFRS;
- application of IFRS in the valuation of all recognized assets and liabilities.

The effects of the transition to IAS/IFRS result from changes in accounting standards and, consequently, as required by IFRS 1, are reflected in opening equity at the transition date. The transition to IAS/IFRS meant that estimates previously made under Italian accounting standards were retained, unless the adoption of IAS/IFRS required estimates to be made using different methodologies.

It should be noted that the Group prepared its Consolidated Financial Statements at 31/12/2023 in accordance with IFRS and therefore made the transition to IFRS as of 01/01/2022.

Therefore, in this document, with regard to Altea Green Power S.p.A., the following are set out:

- the notes regarding the first-time application rules of IAS/IFRS (IFRS 1) and other selected IAS/IFRS standards;
- the IAS/IFRS statements of financial position at 01/01/2022, 31/12/2022 and 31/12/2023 and the IAS/IFRS income statement for the years ended 31/12/2022 and 31/12/2023;
- comments on the main IAS/IFRS reclassifications and adjustments made to statement of financial position items at 01/01/2022, 31/12/2022 and 31/12/2023;
- reconciliation statements between equity under previous accounting standards and equity recognized in accordance with IAS/IFRS on the following dates:
  - 01/01/2022;
  - closing date of the last year whose financial statements were prepared in accordance with previous accounting standards (31/12/2022);
- comments to the reconciliation statements;
- comments on the main changes made to the Statement of Cash Flows following the introduction of the new accounting standards.

### Accounting options adopted when first adopting IAS/IFRS

The restatement of the opening Statement of Financial Position at 01/01/2022 and the statements at 31/12/2022 required Altea Green Power S.p.A. to make several choices among the options provided by IAS/IFRS, including:

- presentation methods: for the Statement of Financial Position format, the "current/non-current" criterion was adopted, which is commonly applied by industrial and commercial entities. For the Income Statement format, the format with costs classified by nature was adopted. This necessitated the reclassification of historical financial statements prepared in accordance with the formats provided by Legislative Decree no. 127/1991;
- optional exemptions provided by IFRS 1 when first applying IAS/IFRS:



- business combinations: Altea Green Power S.p.A. has not applied IFRS 3 retrospectively to business combinations that occurred before the IFRS transition date;
- valuation of property, plant and equipment and intangible assets at fair value or, alternatively, at revalued cost as value in lieu of cost: it is specified that Altea Green Power S.p.A has not applied, for all asset categories, revalued cost as value in lieu of cost;
- employee benefits: cumulative actuarial gains and losses from the inception of the plans until the date of transition to IFRS are charged directly to equity.

As mentioned above, the options chosen correspond to those adopted by the Altea Green Power S.p.A. Group for the transition to IFRS at 01/01/2022. The amounts recorded in assets and liabilities correspond to the data of Altea Green Power S.p.A. used for the transition to IFRS and the preparation of the Group Consolidated Financial Statements in accordance with IFRS, updated and restated at 01/01/2022 and 31/12/2022, except for the typical adjustments of the consolidation process and the specific principle of valuation of investments in subsidiaries and associates. For details on the transition from national accounting standards (OIC) to IFRS, reference is made to the Appendix "Report on the transition to IAS/IFRS international accounting standards".

## Accounting standards, amendments and interpretations applicable as of January 1, 2023

The following is a list of IFRS accounting standards, amendments and interpretations that became effective on January 1, 2023, the adoption of which did not affect the Company's financial statements.

IFRS	IASB Effective Date	Status of EU approval
IFRS 17 Insurance Contracts and Subsequent Amendments	January 1, 2023	Approved with 'exception' for financial conglomerate requirements
AS 1 Presentation of Financial Statements and IFRS practice statement 2 (Amendment - Disclosure of accounting standards)	January 1, 2023	Approved
IAS 8 Accounting policies, changes in accounting estimates and errors (Amendment - Definition of accounting estimates)	January 1, 2023	Approved
IAS 12 Income Taxes (Amendment - Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction)	January 1, 2023	Approved
International Tax Reform - Pillar II (Amendments to IAS 12)	Immediately effective upon issuance of changes	Approved

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

Mandatorily effective for financial periods beginning on or after January 1, 2024	Mandatorily effective for financial periods beginning on or after January 1, 2025
Lease liabilities in a sale and leaseback transaction (Amendments to IFRS 16)	Lack of convertibility (amendments to IAS 21 Effects of Changes in Foreign Exchange Rates)
Classification of liabilities between current and non-current (amendments to IAS 1)	
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	
Non-current Liabilities with Covenants (Amendments to IAS 1)	

A material impact is not expected on the financial statements of the Company from the adoption of these documents. In addition to the above decisions, in 2023, the IFRS Interpretations Committee (IFRIC) issued several agenda decisions that do not constitute binding guidance. However, they articulate the reasons why the IFRIC did not include a topic on its agenda (or did not report it to the IASB) and how the obligations under IFRS Accounting Standards should be applied.

### Business continuity

The Consolidated Financial Statements were prepared on a going concern basis, as the Group has assessed that there are no significant uncertainties (as defined by IAS 1 §25) about the Group's ability to continue as a going concern supported also by the following:

- strong consistency of the order book;
- reasonable certainty of meeting the planned obligations over the next 12 months;
- availability of cash and credit lines sufficient for operational cash needs.

Risks and uncertainties related to the business are explained in the relevant section of the Report on Operations.

### Statements

Regarding the Consolidated Financial Statements, the Group has chosen to use the statements described below:

- a. with regard to the Statement of Financial Position, the format that presents assets and liabilities by distinguishing between "current" (i.e., payable / due within 12 months) and "non-current" (i.e., payable / due beyond 12 months) was adopted;
- b. with regard to the Income Statement, the format that provides for the breakdown of costs by nature was adopted, highlighting the interim results related to Industrial Margin, Gross Operating Margin (EBITDA), operating result (EBIT), and result before tax (EBT). The statement also includes income and expense recognized directly in equity under IFRS, in the section called Statement of Comprehensive Income;
- c. with regard to the Statement of Changes in Equity, the format that reconciles the opening and closing of each item of equity for both the current and prior periods was adopted;
- d. with regard to the Statement of Cash Flows, the so-called "indirect" method is applied, where the net cash flow from operations is determined by adjusting the profit and loss for the effects:
  - of non-monetary items such as amortization, depreciation and write-downs;



- of changes in inventory, receivables and payables generated by operations;
- of the other items whose cash flows are generated by investing and financing activities.

The Consolidated Financial Statements were prepared in Euro, the functional and presentation currency.

## Translation of foreign currency items

### (a) Functional and presentation currency

The financial statements of subsidiaries are prepared in their functional currency, i.e., the currency used in their primary economic environment. The presentation currency adopted by Altea Green Power S.p.A. Group is the Euro.

### (b) Assets, liabilities and transactions in currencies other than the Euro

Transactions in currencies other than the Euro are initially recognized at the exchange rate prevailing on the date of the transaction.

Assets and liabilities in currencies other than the Euro are translated using the exchange rate in effect on the balance sheet date. All foreign exchange differences are recognized in the Income Statement.

### (c) Group Companies

At the balance sheet date, assets and liabilities of Group companies in currencies other than the Euro are translated into Euro at the exchange rate in effect on the balance sheet date. Their Income Statement is converted using the average exchange rate for the year. Exchange rate differences are recognized directly in equity and are shown separately in the "Translation reserve" until the disposal of the investee.

Financial statements in original currencies other than the Euro have been converted at the following rates (year-end exchange rates) for balance sheet items:

#### YEAR-END EXCHANGE RATES/CURRENCY

	31/12/2023	31/12/2022
U.S. dollar	1.1050	1.0666

Income statement items were converted at the following rates (average exchange rates):

#### AVERAGE EXCHANGE RATES/CURRENCY

	2023	2022
U.S. dollar	1.0813	1.0530

## 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 as of 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.

##### *Ammortamento*

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 Company 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. Intangible fixed assets with finite useful life

##### *Recognition and measurement*

Research and development: expense for research activities are 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.

### 1.1.3. Investments

#### Recognition and measurement

Investments in subsidiaries: investments in subsidiaries 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.

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 and joint ventures are accounted for under the equity method and initially recognized at cost. The investment cost includes transaction costs. Under the equity method, on initial recognition the investment in an associate or 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. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. 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.

#### 1.1.4. Consolidation methods

##### *Business combinations*

The Group accounts for business combinations by applying the acquisition method on the date it actually obtains control of the acquiree. The consideration transferred and the identifiable net assets acquired are usually recognized at fair value. The carrying amount of any goodwill is tested for impairment annually to identify any impairment losses. Any gain from a bargain purchase is recognized immediately in the Income Statement for the year, while costs related to the combination, other than those related to the issuance of debt or equity instruments, are recognized as expense in the Income Statement for the year when incurred.

Amounts related to the termination of a pre-existing relationship are excluded from the transferred consideration.

Normally these amounts are recognized in the Income Statement for the year.

Contingent consideration is recognized at fair value at the date of acquisition. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not subject to subsequent measurement and the future settlement is recognized directly in equity. Other contingent consideration is measured at fair value at each reporting date, and changes in fair value are recognized in the Income Statement for the year.

Where incentives recognized in the share-based payment (replacement incentives) are exchanged for incentives held by employees of the acquiree (acquiree incentives), the value of such replacement incentives of the acquirer is fully or partly included in the valuation of the consideration transferred for the business combination. This valuation takes into account the difference in the market value of the replacement incentives compared to that of the acquiree incentives and the proportion of replacement incentives that relates to service provision prior to the aggregation.

##### *Subsidiaries*

Subsidiaries are those entities in which the Group has control, i.e., where the Group is exposed to variable returns arising from its relationship with the entity, or has rights over such returns, while having the ability to influence them by exercising its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the time the Parent Company begins to exercise control until the date when such control ceases.

##### *Non-controlling interests*

Non-controlling interests are measured in proportion to the relative share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions between shareholders.

At the reporting date, there were no outstanding non-controlling interests.

##### *Loss of control*

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 the Income Statement for the year. Any investment retained in the former subsidiary is measured at fair value as of the date of loss of control.



### *Equity-accounted investments*

Equity-accounted investments are represented by associates and joint ventures.

Associates are entities over whose financial and management policies the Group exercises significant influence, although it does not have control or joint control.

Associates and joint ventures are accounted for under the equity method and initially recognized at cost. The investment cost includes transaction costs. The Consolidated Financial Statements include the Group's share of the profits or losses of investees recognized under the equity method until the date when said significant influence or joint control ceases.

### *Transactions eliminated on consolidation*

When preparing the Consolidated Financial Statements, the balances of intercompany transactions as well as unrealized intercompany revenue 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.

## *1.1.5. 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 the financial asset.

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 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 income/(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 financial derivative 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 financial derivative 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.

#### *1.1.6. 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.

#### *1.1.7. 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 year 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 year, 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 provisions 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 collectability 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*

The Group does not currently engage in share-based payment transactions.

#### *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. Net interest and other costs related to defined benefit plans, on the other hand, 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 payable 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

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. Leases

##### *Determine whether an agreement contains a lease/rental*

At the beginning of an agreement, the Group assesses whether the agreement is or contains a lease/rental. At the beginning of the agreement or upon review of the agreement, the Group separates the fees and other consideration under the agreement by classifying them as lease payments and payments for other items based on their relative fair values. If, in the case of a finance lease, the Group concludes that it is not feasible to reliably divide the lease payments, an asset and a liability are recognized in an amount equal to the fair value of the underlying asset. Thereafter, the liability is reduced as payments are made and a financial expense is recognized on the liability using the Group's marginal borrowing rate.

##### *Leased/rented assets*

Leased property, plant and equipment that transfer to the Group substantially all the risks and rewards of ownership of the asset are classified as finance leases. Assets acquired through leases are initially recognized at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments due. After initial recognition, the asset is measured in accordance with the accounting standard applicable to that asset.

Low-value assets subject to lease/rental of an operational nature are not recognized according to the criterion mentioned above; the same applies in the case of leases of less than 12 months' duration.



### *Lease-related payments*

Payments on operating leases are recognized as an expense on a straight-line basis over the lease term.

Incentives granted to the lessee are recognized as an integral part of the total lease cost over the lease term. Minimum payments due for finance leases are divided between interest expense and reduction of outstanding debt. Interest expense is spread over the term of the lease to obtain a constant interest rate on the remaining liability.

## **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 facilities (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 fulfillment 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 fulfillments.

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 are recognized under the item of assets arising from point-in-time contracts, under "inventory".

Assets from contracts are shown net of any provisions 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 is 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 12 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 balance sheet 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*

Provisions 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 illustrated 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.

## 2.9. Foreign currency

### *Foreign currency transactions*

Foreign currency transactions are translated into the functional currency of each Group entity at the exchange rate in effect on the date of the transaction.

Monetary items in foreign currencies at the balance sheet date are translated into the functional currency using the exchange rate on the same date. Non-monetary items that are measured at fair value in a foreign currency are translated into the functional currency using the exchange rates in effect on the date the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate on the same date of the transaction. Exchange rate differences arising from translation are generally recognized in profit/(loss) for the year under financial expense.

### *Foreign operations*

Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from the acquisition, are translated into Euro, which is the functional currency of the parent company and the presentation currency of the consolidated financial statements, using the exchange rate recognized as of the balance sheet date.

Revenue and costs of foreign operations are translated into Euro at average exchange rates for the period. Foreign exchange differences are recognized in other comprehensive income and included in the translation reserve, except for foreign exchange differences that are attributed to non-controlling interests.

# Notes to the Consolidated Financial Statements at 31/12/2023

## Assets

### Non-current assets

#### 1. Intangible assets

Changes in the item were as follows:

<i>(Figures in Euro'000)</i>	Industrial patent rights and rights of use of intellectual works	Total intangible assets
<b>Net amount at 1/1/2022</b>	<b>2,197</b>	<b>2,197</b>
Increases/(Decreases/Divestments)	7,522	7,522
Amortization	(2,197)	(2,197)
<b>Net amount at 31/12/2022</b>	<b>7,522</b>	<b>7,522</b>
Amortization	(2,509)	(2,509)
<b>Net amount at 31/12/2023</b>	<b>5,013</b>	<b>5,013</b>

There were no increases or divestments in gross value in 2023.

Financial expense related to the listing of the Parent Company's shares on EURONEXT Growth Milan that took place on February 1, 2022 (€ 701,961) and capitalized in prior years was expensed in accordance with the relevant accounting standard IAS 38.

Among intangible fixed assets, the allocation of consolidation differences arising from the elimination of the investment account against the subsidiaries' equity is not included.

Pursuant to Article 10 of Law no. 72/1983, no monetary revaluation was ever carried out on intangible fixed assets.

#### 2. Tangible assets

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

(Figures in Euro/000)	Property	Plant and machinery	Ind. and comm. equipment	Furniture and fittings	Electr. off. machines	Cars	Other tangible fixed ass.	Fixed ass. under const.	Total tangible assets
<b>Net amount at 1/1/2022</b>	<b>584,939</b>	-	<b>1,438</b>	<b>2,545</b>	<b>8,500</b>	<b>5,575</b>	-	-	<b>602,997</b>
<i>of which Rights of Use IFRS16</i>	584,939	-	-	-	-	5,575	-	-	590,514
Increases/(Decreases/Divestments)	7,883	1,972	160	30,995	22,522	152,482		21,000	237,014
Reclassifications									-
Write-backs/(Write-downs)									-
Depreciation	(48,745)	(430)	(479)	(2,422)	(4,246)	(27,712)			(84,034)
<b>Net amount at 31/12/2022</b>	<b>544,077</b>	<b>1,542</b>	<b>1,119</b>	<b>31,118</b>	<b>26,776</b>	<b>130,345</b>	-	<b>21,000</b>	<b>755,977</b>
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)
<b>Net amount at 31/12/2023</b>	<b>530,874</b>	<b>1,112</b>	<b>1,699</b>	<b>50,343</b>	<b>37,256</b>	<b>220,588</b>	<b>153,360</b>	<b>21,000</b>	<b>1,016,232</b>
<i>of which Rights of Use IFRS16</i>									-
<b>Net amount at 31/12/2022</b>	<b>544,077</b>	-	-	-	-	<b>130,345</b>	-	-	<b>674,422</b>
<i>Increases/(Decreases/Divestments)</i>	35,542					152,354			187,896
<i>Depreciation</i>	(48,745)					(62,111)			(110,856)
<b>Net amount at 31/12/2023</b>	<b>530,874</b>	-	-	-	-	<b>220,588</b>	-	-	<b>751,462</b>

Increases for the period refer mainly to furniture and fittings (€ 5,700) and electronic assets (€ 7,624) assigned to new employees or to replace obsolete assets.

No disposals, divestments, scrapping of any kind were carried out during the period.

Among tangible fixed assets, the allocation of consolidation differences arising from the elimination of the investment account against the subsidiaries' equity is not included.

There are no capital goods held under lease contracts.

*Write-backs of tangible fixed assets at year end (Ref. Article 2427, first paragraph, no. 2, Italian Civil Code)*

Pursuant to Article 10 of Law no. 72/1983, no write-back of tangible fixed assets was ever made.

### 3. Deferred tax assets

The value of Deferred Tax Assets refers to the tax effect calculated as a result of adjustments made upon conversion to international accounting standards.

The outstanding amount of € 173 thousand at 31/12/22 refers for € 166 thousand to listing expense capitalized in accordance with OIC rules, and the remaining amount for the recognition of the value of the property and motor vehicles in accordance with IFRS 16.

The outstanding amount of € 134 thousand at 31/12/23 refers for € 124 thousand to listing expense capitalized in accordance with OIC rules, and the remaining amount for the recognition of the value of the property and motor vehicles in accordance with IFRS 16.

Deferred tax assets have been recognized in the financial statements only where the conditions

for their recoverability exist. The assessment of the recoverability of deferred tax assets takes into account the expected profitability in future years. Deferred tax assets on tax loss carryforwards have been recognized to the extent that future taxable income is likely to be available against which they can be recovered. That said, there have been no developments that would change previous assessments of the recoverability of deferred tax assets.

#### 4. Other non-current assets

##### Investments

At 31/12/2022, there were two subsidiaries that were not fully consolidated (€ 20,000), named "Blue BESS" and "A Mesagne", both established in December 2022 and dormant at the end of the prior year. Since the Companies closed their first financial statements on 31/12/2023, these investments were consolidated on a line-by-line basis as of the Consolidated Half-Year Report closed on 30/6/2023.

The details at 31/12/2023 are as follows:

INVESTMENTS IN AFFILIATES	Registered office (Country)	Currency	Equity (with profit/loss) in currency	Result last year in currency	Equity (with profit/ loss) in Euro	% held	Portion of Equity entered 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	2,954,003	(387,595)	2,673,306	32.5%	868,824	1,544,223
<b>Total</b>			<b>2,954,003</b>	<b>(387,595)</b>	<b>2,673,306</b>		<b>868,824</b>	<b>1,544,223</b>

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 BESS Power Corp. has been recorded at cost and has not been written down as the loss is not considered an impairment, taking into account the "Lund" project which is expected to be sold in the next 12 months.

#### Current assets

##### 5. Inventory and contract work in progress

Contract work in progress is valued using the percentage-of-completion method, based on the state of progress of work (SAL), as contractually agreed and as the conditions set forth in IFRS 15 are met. This method was chosen because it ensures a suitable relationship between the costs and revenue recorded in the financial statements. Mention should be made that the percentage-of-completion method was adopted for determining the state of progress, in accordance with the principle of prudence.

The significant increase in the multi-annual contract work in progress is primarily attributed to the activities within the Co-Development business, particularly in the Battery Energy Storage System (BESS) segment.

Any advances to suppliers for the purchase of goods included in inventory, recorded under item C.1.5, are initially recognized on the date when the obligation to pay such amounts arises or, in the absence of such an obligation, when they are paid.





The item "Inventory" is composed as follows:

#### INVENTORY

(Figures in Euro)

	Balance at 31/12/2023			Balance at 31/12/2022		
	Gross stock value	(Prov. for stock write-down)	Total net stock	Gross stock value	(Prov. for stock write-down)	Total net stock
Business Opportunities	1,219,608	-	1,219,608	154,009	-	154,009
<b>Total</b>	<b>1,219,608</b>	<b>-</b>	<b>1,219,608</b>	<b>154,009</b>	<b>-</b>	<b>154,009</b>

The item is composed as follows:

#### CONTRACT WORK IN PROGRESS

(Figures in Euro)

	Balance at 31/12/2023			Balance at 31/12/2022			Change
	Gross stock value	(Prov. for stock write-down)	Total net stock	Gross stock value	(Prov. for stock write-down)	Total net stock	
Interim orders	788,705	-	788,705	1,456,368	-	1,456,368	(667,663)
Multi-annual orders	26,612,968	(19,534)	26,593,434	13,457,536	-	13,457,536	13,135,898
<b>Total</b>	<b>27,401,673</b>	<b>(19,534)</b>	<b>27,382,139</b>	<b>14,913,904</b>	<b>-</b>	<b>14,913,904</b>	<b>12,468,235</b>

## 6. Trade receivables, Tax receivables and Other current assets

Consolidated receivables, after the elimination of intercompany amounts, are broken down by maturity as follows.

#### RECEIVABLES UNDER CURRENT ASSETS

(Figures in Euro)

	Balance for the Year					
	Amounts due beyond one year			Balance at 31/12/2023	Balance at 31/12/2022	Change
	Amounts due within one year	Remaining duration less than or equal to five years	Remaining duration beyond five years			
Receivables from customers	736,884	-	-	736,884	3,992,559	(3,255,675)
Receivables from related parties	-	-	-	-	74,006	(74,006)
Tax receivables	1,039,013	1,354,228	668,423	3,061,664	1,831,784	1,229,880
Receivables from others	2,553,024	-	-	2,553,024	1,176,883	1,376,141
<b>Total</b>	<b>4,328,921</b>	<b>1,354,228</b>	<b>668,423</b>	<b>6,351,572</b>	<b>7,075,232</b>	<b>(723,660)</b>

Receivables from customers are recorded net of the allowance for impairment. With regard to certain orders associated with wind power projects, the Governing Body deemed it necessary to write down the related receivables through the creation of a special allowance for impairment

(€ 29,230); following a thorough evaluation of the circumstances that led to the existence of these receivables, it was determined that the reasonable certainty of their collectability no longer existed.

#### TRADE RECEIVABLES

(Figures in Euro)

	Balance at 31/12/2023	Balance at 31/12/2022	Change
Trade receivables - gross amount	766,113	4,038,058	(3,271,945)
(Allowance for doubtful trade receivables)	(29,230)	(45,499)	16,270
<b>Total - net amount</b>	<b>736,884</b>	<b>3,992,559</b>	<b>(3,255,675)</b>

Receivables from related parties outstanding on 31/12/2022 (€ 74,006) refer mainly to the remaining portion of the loan granted to the Chairman of the Board of Directors in 2021 and fully repaid in July 2023.

Tax receivables are broken down as follows:

#### TAX RECEIVABLES

(Figures in Euro)

	Balance at 31/12/2023	Balance at 31/12/2022	Change
Tax receivables from Superbonus and other construction bonuses	2,022,651	1,014,673	1,007,978
Revenue Agency VAT a/c	956,598	396,430	560,168
Listing tax receivable	-	381,089	(381,089)
Other tax receivables	82,415	39,592	42,823
<b>Total</b>	<b>3,061,664</b>	<b>1,831,784</b>	<b>1,229,881</b>

The increase in "Tax receivables" is attributable to the submission during the year of paperwork to the tax authorities 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. These receivables were treated for accounting purposes in accordance with the provisions of OIC 15 and the OIC document "Communication on the Methods of Accounting for Tax Bonuses", and there are no changes in presentation as a result of the conversion to IAS/IFRS.

Other receivables include withholdings incurred by banking institutions on "traditional" building renovation transfers.

At the balance sheet date, the Group does not participate in the "Group VAT settlement procedure", but has commenced participation as of January 1, 2024.

Other receivables include:

#### RECEIVABLES FROM OTHERS

(Figures in Euro)

	Balance at 31/12/2023	Balance at 31/12/2022	Change
Advances for surface rights (DDS)	1,246,533	740,026	506,507
Advances to suppliers	1,153,822	153,497	1,000,325
Security deposits - other	119,108	124,962	(5,854)
Advances to corporate bodies	-	9,319	(9,319)
Sundry receivables	33,561	149,088	(115,527)
<b>Total</b>	<b>2,553,024</b>	<b>1,176,883</b>	<b>1,376,141</b>



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

<b>ACCRUED INCOME AND DEFERRED EXPENSE</b> (Figures in Euro)	<b>Balance at 31/12/2023</b>	<b>Balance at 31/12/2022</b>	<b>Change</b>
Total accrued income	-	-	-
Trade	60,310	81,375	(21,064)
Total deferred expense	60,310	81,375	(21,064)
<b>Total</b>	<b>60,310</b>	<b>81,375</b>	<b>(21,064)</b>

These represent the adjusting entries of the year calculated on an accrual basis and consist exclusively of deferred expense.

Deferred expense refers mainly to expense incurred in advance by the Parent Company and SPVs for their core business activities, but whose utility will be fully realized in the following year.

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:

<b>CASH</b> (Figures in Euro)	<b>Balance at 31/12/2023</b>	<b>Balance at 31/12/2022</b>	<b>Change</b>
Bank and postal deposits	502,437	1,660,566	(1,158,129)
Cash and valuables on hand	48	48	-
<b>Total</b>	<b>502,486</b>	<b>1,660,614</b>	<b>(1,158,129)</b>

The item reflects cash and the existence of cash and valuables at the end of the year. In this regard, please refer to the Statement of Cash Flows for a quantitative analysis of the cash flows that originated the change for the year.

### *Capitalized financial expense*

All interest expense and other financial expense were fully expensed in the year.

For the purposes of Article 2427, paragraph 1, no. 8, of the Italian Civil Code, it is hereby certified that no financial expense was capitalized.

## Liabilities

### Equity

#### 8. Equity

Please refer to the "Statement of Changes in Equity" for changes in equity items.

At December 31, 2023, the share capital of Altea Green Power S.p.A. stood at € 865,650, divided into equal ordinary shares with a par value of € 1 each.

Details of "Other reserves" are as follows:

<b>OTHER RESERVES</b> (Figures in Euro)	Balance at 31/12/2023	Balance at 31/12/2022
Extraordinary reserve	59,832	59,832
Reserve for payments made by shareholders	1,293	1,293
Foreign exchange translation reserve	(30,064)	225
Consolidation reserve	(47,870)	(3,372)
Other reserves	-	(2)
<b>Total</b>	<b>(16,809)</b>	<b>57,975</b>

The change in the consolidation reserve is attributable mainly to prior losses by subsidiaries.

The Group did not distribute dividends in 2023.

#### *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:

<b>RECONCILIATION EQUITY AGP - CONSOLIDATED FINANCIAL STATEMENTS AT 31/12/2022</b> (Figures in Euro)	Equity at 01/01/2022	Share capital increase	Chg. In consol. scope	Other changes	Changes OCI	Profit (loss) at 31/12/2022	Equity at 31/12/2022
<b>Altea Green Power S.p.A.</b>	<b>1,954,534</b>	<b>5,425,978</b>	-	-	<b>8,588</b>	<b>4,211,416</b>	<b>11,600,515</b>
Investments consolidated line-by-line and dividends	(25,623)	-	22,251	-	-	(44,498)	(47,871)
Exchange translation differences	-	-		225	-	-	225
<b>Group consolidated</b>	<b>1,928,911</b>	<b>5,425,978</b>	<b>22,251</b>	<b>225</b>	<b>8,588</b>	<b>4,166,918</b>	<b>11,552,871</b>

*continued on next page*



**RECONCILIATION EQUITY AGP  
- CONSOLIDATED FINANCIAL  
STATEMENTS AT 31/12/2023**  
(Figures in Euro)

	Equity at 01/01/2022	Share capital increase	Chg. In consol. scope	Other changes	Changes OCI	Profit (loss) at 31/12/2022	Equity at 31/12/2022
<b>Altea Green Power S.p.A.</b>	<b>11,600,515</b>	<b>1,014,645</b>	-	-	(12,903)	<b>4,878,794</b>	<b>17,481,051</b>
Investments consolidated line-by-line and dividends	(47,871)	-	-	-	-	40,868	(7,003)
Exchange translation differences	225	-	-	(30,289)	-	-	(30,064)
<b>Group consolidated</b>	<b>11,552,870</b>	<b>1,014,645</b>	-	<b>(30,289)</b>	<b>(12,903)</b>	<b>4,919,662</b>	<b>17,443,983</b>

## Non-current liabilities and current liabilities

### 9. Employee benefits

The item "Employee benefits" refers only to post-employment benefits recognized by Italian companies to their employees.

The adjustment recorded in accordance with IAS 19 was calculated by a leading actuarial firm.

The actuarial valuation of post-employment benefits, which will be carried out on a closed group basis, is carried out on the basis of the "accrued benefits" methodology using the "Projected Unit Credit" (PUC) criterion as provided in paragraphs 67-69 of IAS 19.

The economic technical bases used are shown below:

<b>RIEPILOGO DELLE BASI TECNICHE ECONOMICHE</b>	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
Annual discount rate	3.17%	3.77%	0.98%
Annual inflation rate	2.00%	2.30%	2.10%
Annual increase rate in post-employment benefits	3.000%	3.225%	3.075%
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 salary increase rate applied exclusively for Companies with an average of less than 50 employees during 2006 was determined based on the information provided by Company Managers.

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.

**RECONCILIATION IAS 19 VALUATIONS FOR THE PERIOD  
01/01/2022-31/12/2022**

<b>Company</b>	<b>Altea Green Power S.p.A.</b>
Defined Benefit Obligation al 01/01/2022	67,117.63
Service cost	6,242.06
Interest cost	593.93
Benefits paid	(13,025.96)
Transfers in / (out)	-
Expected DBO al 31/12/2022	60,927.66
Actuarial (Gains) /Losses da esperienza	2,263.59
Actuarial (Gains) /Losses da cambio ipotesi demografiche	-
Actuarial (Gains) /Losses da cambio ipotesi finanziarie	(14,174.16)
Defined Benefit Obligation al 31/12/2022	49,017.08

The following table shows the reconciliation between IAS 19 valuation and the Post-Employment Benefits Provision at 31/12/2021:

**RECONCILIATION OF IAS 19 VALUATIONS AND POST-  
EMPLOYMENT BENEFITS PROVISION AT 31/12/2021**

<b>Company</b>	<b>Altea Green Power S.p.A.</b>
Defined Benefit Obligation al 31/12/2021	67,117.63
TFR civilistico al 31/12/2021	56,507.00
Surplus/(Deficit)	(10,610.63)

The following table shows the reconciliation between IAS 19 valuation and the Post-Employment Benefits Provision at 31/12/2022:

**RECONCILIATION OF IAS 19 VALUATIONS AND POST-  
EMPLOYMENT BENEFITS PROVISION AT 31/12/2022**

<b>Company</b>	<b>Altea Green Power S.p.A.</b>
Defined Benefit Obligation al 31/12/2022	49,017.08
TFR civilistico al 31/12/2022	52,820.00
Surplus/(Deficit)	3,802.92



**RECONCILIATION IAS 19 VALUATIONS FOR THE PERIOD  
01/01/2023-31/12/2023**

Company	Altea Green Power S.p.A.
Defined Benefit Obligation at 01/01/2023	49,017.08
Service cost	13,810.92
Interest cost	1,803.54
Benefits paid	(5,973.24)
Transfers in / (out)	-
Expected DBO at 31/12/2023	58,658.31
Actuarial (Gains)/Losses from experience	497.21
Actuarial (Gains)/Losses from change in demographic assumptions	-
Actuarial (Gains)/Losses from change in financial assumptions	1,992.74
Defined Benefit Obligation at 31/12/2023	61,148.25

The following table shows the reconciliation between IAS 19 valuation and the Post-Employment Benefits Provision at 31/12/2023:

**RECONCILIATION OF IAS 19 VALUATIONS AND POST-  
EMPLOYMENT BENEFITS PROVISION AT 31/12/2023**

Company	Altea Green Power S.p.A.
Defined Benefit Obligation at 31/12/2023	61,148.25
Post-employment benefits at 31/12/2023	62,187.70
Surplus/(Deficit)	1,039.45

## 10. Provisions for risks and charges

During the year, two variable-rate hedging derivative contracts were entered into on as many loan agreements.

Financial derivatives are recorded at fair value, changes in which are charged to a special Equity Reserve. If the fair value at the reporting date is positive, it is recorded under "Financial derivative assets" in financial fixed assets or current financial assets. If the value is negative, it is recorded under "Financial derivative liabilities" in Provisions for risks and charges. In the current item, the negative Mark to Market value of both derivatives at 31/12/2023 (€ 11,108) was recorded.

**FINANCIAL INSTRUMENTS**

(Figures in Euro)

	Balance at 31/12/2023		
	Outstanding capital	Positive fair value	Negative fair value
<b>Derivative hedging instruments</b>			
IRS Collar - 98592731 (Reference capital € 800K)	644K€	-	(713)
IRS Dynamic Rate - 98983526 (Reference capital € 650K)	596K€	-	(10,395)
<b>Fair Value Financial Instruments recorded in the Financial Statements</b>		-	<b>(11,108)</b>

DERIVATIVE INSTRUMENT MATURITY	Name of Instrument
Maturity between one year and five years	IRS Collar - 98592731 (Reference capital € 800K)
Maturity over five years	IRS Dynamic Rate - 98983526 (Reference capital € 650K)

## 11. Non-current and current liabilities

Consolidated non-current and current liabilities, after elimination of intercompany balances, are broken down by maturity as follows:

PAYABLES (Figures in Euro)	Balance for the Year					
	Amounts due beyond one year			Balance at 31/12/2023	Balance at 31/12/2022	Change
	Amounts due within one year	Due beyond one year and within five years	Due beyond five years			
Payables to banks	1,805,857	2,228,947	45,139	4,079,943	865,880	3,214,063
Advances	8,476,205			8,476,205	6,697,760	1,778,445
Tax payables	3,852,289	688,844		4,541,133	2,907,864	1,633,269
Payables to suppliers	2,332,778			2,332,778	1,594,810	737,968
Payables to welfare and social security entities	110,737			110,737	23,755	86,982
Other payables	331,107	42,338		373,445	459,434	(85,989)
Deferred tax provision	290			290	1,061	(771)
Accrued expense and deferred income	3,717			3,717	1,932	1,785
Financial liabilities arising from the application of IFRS 16	123,041	657,734		780,775	687,199	93,576
<b>Total</b>	<b>17,036,021</b>	<b>3,617,863</b>	<b>45,139</b>	<b>20,699,023</b>	<b>13,239,696</b>	<b>7,459,327</b>

"Payables to banks" consists of bank loans.

During the year, the Company obtained additional lines of credit, in addition to the three medium- to long-term loans already obtained in the first half of the year, required to support business development related mainly to the Storage sector.

Details of outstanding loans are as follows (see next page):





<b>PAYABLES TO BANKS PAYABLES</b> (Figures in Euro)	Type of loan	Disbursement date	Maturity date	Amount disbursed	Residual debt at 31/12/2023
<b>Banks</b>					
Banca FinInt	Unsecured	may-17	nov-24	90,000	19,854
Banca Progetto	Unsecured	apr-22	apr-26	600,000	376,005
Intesa Sanpaolo	Unsecured	jun-22	jun-27	315,000	220,500
Banca Sella	Unsecured	apr-23	apr-28	1,500,000	1,319,734
Intesa Sanpaolo	Unsecured	may-23	may-26	800,000	666,667
Intesa Sanpaolo	Unsecured	jun-23	jun-29	650,000	595,833
BNL	Contract advance	dec-23	mar-24	500,000	500,000
Banca Sella	Unsecured	dec-23	mar-24	300,000	300,000
Banca Sella	Unsecured	dec-23	jul-24	72,000	72,000
<b>Total payables to banks for loans</b>					<b>4,070,593</b>
<b>Payables for use of credit cards</b>					<b>9,350</b>
<b>Total</b>					<b>4,079,943</b>

On outstanding loans, the amortized cost criterion was not applied as the effects would not be meaningful.

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

The details of the item "Tax payables" are as follows:

<b>TAX PAYABLES</b> (Figures in Euro)	Balance at 31/12/2023	Balance at 31/12/2022	Change
Payables for IRES/IRAP	4.411.744	1.833.991	2.577.753
Payables for withholding tax	120.428	270.759	(150.331)
Other payables	8.960	803.114	(794.154)
<b>Total</b>	<b>4.541.132</b>	<b>2.907.864</b>	<b>1.633.268</b>

"Payables to suppliers" includes payables arisen for the purchase of services and goods intended directly for the production of finished products and services. The increase in the item from the prior year is a result of the growth in Co-Development and Storage activities.

The item "Other payables", amounting to € 441,844 at 31/12/2023, includes mainly current and deferred salaries and wages of employed personnel (€ 166,859), payables to supplementary pension funds (€ 98,990), security deposits received (€ 42,338, due beyond the year), and sundry payables (€ 65,258).

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.

There was no accrued expense or deferred income with a duration exceeding five years.

## Income Statement

The Income Statement, presented by nature, shows the income result for the administrative/ accounting period.

### 12. Revenue

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

<b>BREAKDOWN BY CATEGORY OF ACTIVITY</b> (Figures in Euro)	<b>Balance at 31/12/2023</b>	<b>% of Total Revenue and services</b>	<b>Balance at 31/12/2022</b>	<b>% of Total Revenue and services</b>	<b>Change</b>
<b>Revenue</b>					
Invoiced revenue	2,985,785	19,3%	7,553,575	47,6%	(4,567,790)
Revenue from contract work in progress	12,490,068	80,7%	8,317,926	52,4%	4,172,142
<b>Total revenue</b>	<b>15,475,853</b>	<b>100,0%</b>	<b>15,871,500</b>	<b>100,0%</b>	<b>(395,647)</b>

#### *Invoiced revenue*

Revenue is recorded in the financial statements on an accruals basis, net of returns, allowances, discounts and rebates, as well as tax directly related thereto.

Regarding the transfer of assets, the related revenue is recorded when the substantial and not formal transfer of ownership has taken place, taking the transfer of risks and benefits as the benchmark for the substantial transfer.

The breakdown of "Revenue from sales and services" by business segment is as follows:

<b>BREAKDOWN BY CATEGORY OF ACTIVITY</b> (Figures in Euro)	<b>Balance at 31/12/2023</b>	<b>% of Total Revenue and services</b>	<b>Balance at 31/12/2022</b>	<b>% of Total Revenue and services</b>	<b>Change</b>
<b>Revenue from sales</b>					
Sale of PV systems	1,193,698	40,0%	1,066,701	14,1%	126,997
Other revenue from sales	72,612	2,4%	-	-	72,612
<b>Total revenue from sales</b>	<b>1,266,310</b>	<b>42,4%</b>	<b>1,066,701</b>	<b>14,1%</b>	<b>199,609</b>
<b>Revenue from services</b>	<b>1,719,475</b>	<b>57,6%</b>	<b>6,486,874</b>	<b>85,9%</b>	<b>(4,767,399)</b>
<b>Total revenue from services</b>	<b>1,719,475</b>	<b>57,6%</b>	<b>6,486,874</b>	<b>85,9%</b>	<b>(4,767,399)</b>
<b>Total revenue and services</b>	<b>2,985,785</b>	<b>100,0%</b>	<b>7,553,575</b>	<b>100,0%</b>	<b>(4,567,790)</b>



"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.

During the year, a positive contribution was made through collaboration with Intesa Sanpaolo, facilitating third-party customers to enter into special operating leases. This arrangement allows them to install a photovoltaic system on their properties.

The item "Provision of services" (€ 1,719,475) refers mainly to the closing of orders related to the 110% Superbonus and so-called "minor bonuses" for € 1,411,357.

Revenue from sales and services in 2023 was generated in Italy. Please refer to the Report on Operations for further details.

### *Revenue from contract work in progress*

Revenue from contract work in progress, presented in accordance with the international accounting standard IFRS 15, reflects a positive trend in Co-Development activity, particularly in the Storage business as mentioned earlier. Co-Development projects, accounted for in accordance with the Accounting Standard issued by OIC 23, are billed to the end customer when certain project Milestones are reached. Milestones are accounted for in the financial statements under "Advances from customers" (a liability item in the Statement of Financial Position), hence they do not contribute to determining the result for the year. The valuation of work in progress is determined based on the percentage of completion.

This percentage is returned to the total value of the order contractually established with the customer. The increase is largely justified by development in the "Storage" segment.

### *Other revenue and income*

The item, amounting to € 786,769 at 31/12/2023, refers for € 551,028 to revenue from reimbursements of expense advanced through the Group's subsidiaries, while the remainder consists mainly of contingent assets following the reversal of invoices to be received from prior years.

## 13. Operating costs

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

### *Purchase costs*

Changes in the various items that make up "Cost of raw and ancillary materials, consumables and goods" are directly related to changes in the Value of Production in the Income Statement.

#### **PURCHASE COSTS**

(Figures in Euro)

	Balance at 31/12/2023	Balance at 31/12/2022	Change
Purchase of tangible goods for production of services	283,933	240,067	43,866
Purchase of finished goods panels, inverters, batteries	93,935	171,048	(77,113)
Purchase of fuels and lubricants	35,888	15,422	20,466
Purchase of electrical and consumable materials	55,496	220,025	(164,529)
Purchase of capital goods <516.46	11,451	-	11,451
Purchase of miscellaneous and consumable materials	6,810	24,330	(17,520)
<b>Total</b>	<b>487,513</b>	<b>670,892</b>	<b>(183,379)</b>

Purchases of goods refer mainly to the supply of materials used on turnkey contracts, and their increase is proportional to the increased activities in this segment.

### 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.

#### SERVICE COSTS

(Figures in Euro)

	Balance at 31/12/2023	Balance at 31/12/2022	Change
Co-Development consulting	2,354,427	2,519,624	(165,197)
STMG acceptance fee	838,812	245,605	593,207
Assembly of finished plant	791,590	17,070	774,520
Fees to shareholder directors	405,003	560,483	(155,480)
STMG request fee	265,685	165,209	100,476
Other costs for third-party services	288,396	1,215,237	(926,841)
Advertising, advertisements and billboards	210,453	185,870	24,583
Financial consulting	205,094	166,402	38,692
Expense advanced on behalf of SPVs	144,869	459,886	(315,017)
Administrative and tax consulting (ordinary)	140,178	152,333	(12,155)
Fees to non-shareholder directors	126,018	78,154	47,864
Technical consulting	115,598	100,984	14,614
Notary consulting	114,198	147,306	(33,108)
Land rents (DDS)	91,424	144,584	(53,160)
Deductible non-mandatory insurance premiums	90,650	82,112	8,538
Other production services	88,756	275,079	(186,323)
Expense/services on Business Opportunities	74,915	198,869	(123,954)
Other administrative expense	69,183	16,381	52,802
Legal advice	58,877	131,348	(72,471)
Bank fees and expense	46,382	33,090	13,292
Travel expense	41,932	27,229	14,703
Professional auditors' fees	35,000	17,500	17,500
Other minor, individually negligible items	538,066	244,044	294,022
<b>Total</b>	<b>7,135,506</b>	<b>7,184,399</b>	<b>(48,893)</b>



*Costs for rentals and leases*

The item is broken down as follows:

<b>COSTS FOR RENTALS AND LEASES</b> (Figures in Euro)	<b>Balance at 31/12/2023</b>	<b>Balance at 31/12/2022</b>	<b>Change</b>
Fees for use of software licenses	36,447	20,280	16,167
Equipment rental	7,122	821	6,301
Other fees	4,514	2,297	2,217
Electronic machine rental fees	1,245	1,636	(391)
Vehicle rental fees	-	24,423	(24,423)
Property rental fees	-	13,500	(13,500)
Other costs	-	8,875	(8,875)
<b>Total</b>	<b>49,328</b>	<b>71,832</b>	<b>(22,504)</b>

Lease and rental costs are related mainly to rental fees for the company's IT infrastructure (servers and licenses).

*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 period (28.6%) is a result of the higher number of personnel currently employed in Altea Green Power S.p.A.

*Amortization and depreciation of intangible and tangible fixed assets*

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.

No write-downs were made on fixed assets during the year.

*Sundry operating expense*

The item includes:

<b>SUNDRY OPERATING EXPENSE</b> (Figures in Euro)	<b>Balance at 31/12/2023</b>	<b>Balance at 31/12/2022</b>	<b>Change</b>
Contingent liabilities	413,017	1,050,356	(637,339)
Unrecoverable Co-Development costs	306,277	228,293	77,984
Sanctions, penalties and fines	76,770	50,861	25,909
Miscellaneous tax	36,926	31,042	5,884
Other expense	67,083	8,468	57,948
<b>Total</b>	<b>900,073</b>	<b>1,369,021</b>	<b>(468,948)</b>

Contingent liabilities include invoices issued in the prior year related to building bonuses, for which the paperwork was not concluded within the stipulated timeframe as per the relevant regulations.

A residual portion also comes from a price adjustment on the disposal of the AS Storage vehicle that took place in 2022 and supplier invoices booked beyond the accrual year.

Unrecoverable Co-Development costs regard start-up projects ("business opportunities") that have been deemed technically and economically unfeasible.

## 14) Financial income and expense

"Financial income" (€ 59,737) relates mainly to the return of sundry financial expense charged to the Income Statement in prior years, returned as a result of the offsetting of long-term tax receivables in F24 and/or their transfer to third parties.

### *Breakdown of interest and other financial expense by type of payables*

#### INTEREST AND OTHER FINANCIAL EXPENSE

(Figures in Euro)

	Balance at 31/12/2023	Balance at 31/12/2022	Change
Sundry financial expense	96,352	137,797	(41,445)
Interest paid on arrears	96,182	23,339	72,843
Bank interest expense	74,458	33,152	41,306
Interest expense arising from the application of IFRS 16	25,262	20,496	4,766
<b>Total</b>	<b>292,253</b>	<b>214,784</b>	<b>77,469</b>

"Sundry financial expense" relates to interest expense on tax receivables for long-term tax bonuses that arose during the year (Superbonus in particular) and treated under OIC 15, in accordance with the guidance given by the OIC Foundation.

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

#### INCOME TAX

(Figures in Euro)

	Balance at 31/12/2023	Balance at 31/12/2022	Change
IRES	1,676,064	1,563,450	112,614
IRAP	304,738	270,541	34,197
<b>Total current tax</b>	<b>1,980,802</b>	<b>1,833,991</b>	<b>117,228</b>
IRES	39,094	(447)	39,541
<b>Total deferred and prepaid tax</b>	<b>39,094</b>	<b>(447)</b>	<b>39,541</b>
Income from tax consol./tax transf.	(69,125)	-	(69,125)
<b>Total income tax for the year</b>	<b>1,950,770</b>	<b>1,833,544</b>	<b>117,226</b>



## Other mandatory information

### Amount and nature of individual revenue/cost items of exceptional size or incidence

There is no such case.

### Information on financial instruments issued by Group companies

The Group has not issued any financial instruments.

### Information on the fair value of financial derivatives

Financial derivatives are recorded at their fair value.

See the relevant section for more details.

### Information on financial fixed assets recorded at a value higher than the fair value

In the Consolidated Financial Statements, no financial fixed assets are recorded at a value higher than their fair value.

### Information on related party transactions (ref. Article 38, first paragraph, letter o-quinquies), Legislative Decree no. 127/1991)

There were no transactions with related parties during the year.

### Information on agreements not resulting from the Statement of Financial Position (ref. Article 38, first paragraph, letter o-sexies), Legislative Decree no. 127/1991

There are no agreements not resulting from the Statement of Financial Position that require disclosure.

### Information on the fees payable to the Independent Auditors (ref. Article 38, first paragraph, letter o-septies), Legislative Decree no. 127/1991)

It should be noted that the statutory audit has been assigned to BDO Italia S.p.A..

For the year ended 31/12/2023, the fees payable for the services rendered by the Independent Auditors totaled € 25,000 for the statutory audit of the Separate Financial Statements and Consolidated Financial Statements.

### Information pursuant to Article 1, paragraph 125, of Law no. 124 of August 4, 2017

A listing tax receivable (€ 381,089) was recorded in 2022. Regarding the quantification of the State aid related to the guarantees obtained from Sace / Mediocredito on the loans payable, under the COVID-19 emergency response regulations, please refer to the specific table included in the Notes to the Payables.

## Significant events after year end and outlook for 2023

No significant events occurred after year end that would affect the balances in these Consolidated Financial Statements.

The outlook suggests a consolidation of activities, Co-Development in particular.

## Entities that prepare the financial statements of the larger/smaller body of entities they are part of as subsidiary

There is no such case.

## Information on startups, including social enterprises, and innovative SMEs

The Parent Company obtained registration in the appropriate section of the Company Register of Innovative SMEs. With regard to the information required by Article 4, Law Decree no. 3 of January 24, 2015 concerning research, development and innovation costs, it is specified that the company during the year incurred costs related to the implementation of highly innovative proprietary solutions.

## Other information

Pursuant to the law, it should be noted that in the year ended 31/12/2023, emoluments to the Board of Directors of the Parent Company for € 276,000 (fixed amount) were recorded in the Income Statement, while the fees due to the members of the Board of Statutory Auditors amounted to € 35,000 (the above amounts do not take account of the social security contributions borne by the Company).

With regard to the Governing Bodies of the subsidiary SPVs, fees totaling € 255,000 were recorded in the Income Statement.

There are no advances or other benefits granted to the above parties. Reference is also made to the note on related party transactions.

These Consolidated Financial Statements, consisting of the Statement of Financial Position, Income Statement, Statement of Cash Flows, and the Notes to the Financial Statements, give a true and fair view of the financial position as well as the results of operations, and match the accounting records of the parent company and the information sent by the companies included in the consolidation.

Rivoli (Turin), March 27, 2024

For the Board of Directors

Chairman

Giovanni Di Pascale





# 5

## Report on the transition to IAS/IFRS international accounting standards



The following are the Separate and Group Statements of Financial Position of Altea Green Power S.p.A. at 01/01/2022, 31/12/2022, and 31/12/2023, with amounts shown in Euro, highlighting:

- the amounts under Italian GAAP reclassified according to IAS/IFRS;
- adjustments for compliance with IAS/IFRS.

## Effects of the transition to IAS/IFRS on the separate statement of financial position at 01/01/2022

### STATEMENT OF FINANCIAL POSITION - ASSETS

(Figures in Euro)

	OIC			IFRS
	01/01/22	adjustments	reclassifications	01/01/22
<b>Non-current assets</b>				
<b>Intangible assets</b>				
Patent rights	2,197			2,197
Other	44,468	(44,468)		-
<b>Tangible assets</b>				
<i>Rights of use: property</i>	-	584,939		584,939
<i>Rights of use: other</i>	-	5,575		5,575
Plant, machinery, etc.	12,483			12,483
Deferred tax assets	323	17,765		18,088
<b>Other non-current assets</b>				
Investments	99,800			99,800
Receivables from related parties	193,168	(9,991)	(124,678)	58,499
Security deposits			45,416	45,416
<b>Total non-current assets</b>	<b>352,438</b>	<b>553,820</b>	<b>(79,262)</b>	<b>826,996</b>
<b>Current assets</b>				
Inventory	6,594,632	(6,464,875)		129,757
Contract work in progress	-	6,464,875		6,464,875
Trade receivables	490,362			490,362
Receivables from related parties	-		124,678	124,678
Tax receivables	1,246,297			1,246,297
<b>Other current assets</b>				
Receivables from others	386,605		(45,416)	341,190
Accrued income and deferred expense	7,005			7,005
Cash and cash equivalents	3,493			3,493
<b>Total current assets</b>	<b>10,746,784</b>	<b>-</b>	<b>79,262</b>	<b>10,826,047</b>
<b>Assets held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>11,099,223</b>	<b>553,820</b>	<b>-</b>	<b>11,653,043</b>

## Effects of the transition to IAS/IFRS on the separate statement of financial position at 01/01/2022

### STATEMENT OF FINANCIAL POSITION - LIABILITIES AND EQUITY (Figures in Euro)

	OIC			IFRS
	01/01/22	adjustments	reclassifications	01/01/22
<b>Equity</b>				
Share capital	600,000			600,000
Other reserves	219,096			219,096
Share premium reserve	-	(32,061)		(32,061)
FTA reserve	-	(15,243)		(15,243)
OCI reserve	-			-
Profit (loss) for the year	1,182,743			1,182,743
<b>Total equity</b>	<b>2,001,839</b>	<b>(47,305)</b>	<b>-</b>	<b>1,954,534</b>
<b>Non-current liabilities</b>				
Employee benefits	56,507	10,611		67,117
Provisions for risks and charges	-			-
Non-current financial liabilities	146,835	558,426		705,261
NC tax payables	-			-
Deferred tax provision	-			-
Other non-current liabilities	-		51,702	51,702
<b>Total non-current liabilities</b>	<b>203,342</b>	<b>569,037</b>	<b>51,702</b>	<b>824,080</b>
<b>Current liabilities</b>				
Trade payables	1,759,385			1,759,385
Payables to related parties	98,130			98,130
Current financial liabilities	1,059,361	32,088		1,091,449
Tax payables	1,120,612			1,120,612
<b>Other current liabilities</b>				
Advances from customers	4,212,537			4,212,537
Other payables	643,385		(51,702)	591,683
Accrued expense and deferred income	632			632
<b>Total current liabilities</b>	<b>8,894,042</b>	<b>32,088</b>	<b>(51,702)</b>	<b>8,874,428</b>
Liabilities held for sale	-	-	-	-
<b>Total liabilities and equity</b>	<b>11,099,223</b>	<b>553,820</b>	<b>-</b>	<b>11,653,043</b>



## Effects of the transition to IAS/IFRS on the consolidated statement of financial position at 01/01/2022

### STATEMENT OF FINANCIAL POSITION - ASSETS

(Figures in Euro)

	OIC			IFRS
	01/01/22	adjustments	reclassifications	01/01/22
<b>Non-current assets</b>				
<b>Intangible assets</b>				
Patent rights	2,197			2,197
Other	44,468	(44,468)		-
<b>Tangible assets</b>				
<i>Rights of use: property</i>	-	584,939		584,939
<i>Rights of use: other</i>	-	5,575		5,575
Plant, machinery, etc.	12,483			12,483
Deferred tax assets	323	17,765		18,088
<b>Other non-current assets</b>				
Investments	193,168	(9,991)	(124,678)	58,499
Receivables from related parties				-
Security deposits			45,416	45,416
<b>Total non-current assets</b>	<b>252,639</b>	<b>553,820</b>	<b>(79,262)</b>	<b>727,197</b>
<b>Current assets</b>				
Inventory	6,903,430	(6,773,673)		129,757
Contract work in progress	-	6,773,673		6,773,673
Trade receivables	490,362			490,362
Receivables from related parties	1,636,813		(45,416)	1,591,397
Tax receivables	1,751,441			1,751,441
<b>Other current assets</b>				
Receivables from others				-
Accrued income and deferred expense	133,682			133,682
Cash and cash equivalents	3,927			3,927
<b>Total current assets</b>	<b>10,919,655</b>	<b>-</b>	<b>79,262</b>	<b>10,998,917</b>
<b>Assets held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>11,172,294</b>	<b>553,820</b>	<b>-</b>	<b>11,726,114</b>

## Effects of the transition to IAS/IFRS on the consolidated statement of financial position at 01/01/2022

### STATO PATRIMONIALE PASSIVO E PATRIMONIO NETTO

(Dati in Euro)

	OIC			IFRS
	01/01/22	adjustments	reclassifications	01/01/22
<b>Equity</b>				
Share capital	600,000			600,000
Other reserves	219,096			219,096
Share premium reserve	-	(32,061)		(32,061)
Consolidation reserve	(29,921)			(29,921)
FTA reserve	-	(15,244)		(15,244)
OCI Reserve	-	-		-
Profit (loss) for the year	1,187,041			1,187,041
Share capital and reserves attributable to non-controlling interests	(123)			(123)
<b>Total equity</b>	<b>1,976,093</b>	<b>(47,305)</b>	<b>-</b>	<b>1,928,788</b>
<b>Non-current liabilities</b>				
Employee benefits	56,507	10,611		67,118
Provisions for risks and charges				-
Non-current financial liabilities	146,835	558,426		705,261
NC tax payables				-
Deferred tax provision				-
Other non-current liabilities			51,702	51,702
<b>Total non-current liabilities</b>	<b>203,342</b>	<b>569,037</b>	<b>51,702</b>	<b>824,081</b>
<b>Current liabilities</b>				
Trade payables	1,826,238			1,826,238
Payables to related parties				-
Current financial liabilities	1,059,451	32,088		1,091,539
Tax payables	1,155,675			1,155,675
<b>Other current liabilities</b>				
Advances from customers	4,212,537			4,212,537
Other payables	738,326		(51,702)	686,624
Accrued expense and deferred income	632			632
<b>Total current liabilities</b>	<b>8,992,859</b>	<b>32,088</b>	<b>(51,702)</b>	<b>8,973,245</b>
Liabilities held for sale	-	-	-	-
<b>Total liabilities and equity</b>	<b>11,172,294</b>	<b>553,820</b>	<b>-</b>	<b>11,726,114</b>



The main adjustments at 01/01/2022 for the transition from OIC to IAS/IFRS affect the Parent Company and are reflected in the Consolidated Financial Statements. They can be summarized as follows:

- reversal of other capitalized long-term expense (for listing expense of € 44,468 in EURONEXT Growth Milan) with a balancing entry in the Share Premium Reserve, net of deferred taxation;
- entry of "Rights of Use" on the Rivoli property lease that began on 01/01/2022 (assuming a term of 6 + 6 years and a marginal interest rate of 3%), with short and medium/long-term financial liabilities offset;
- recognition of "Rights of Use" on a motor vehicle rental contract (assuming interest rate of 3%), with short and medium/long-term financial liabilities offset;
- recognition of deferred tax assets on adjustments from OIC to IAS/IFRS;
- recognition at amortized cost of financial receivables from related parties (effect of € 9,991);
- reclassification of work-in-progress from "closing inventory" to "contract work in progress";
- application of IAS 19 to the provision for post-employment benefits;
- recognition of the FTA (First Time Adoption) Reserve at 01/01/2022, which has no differences between individual and consolidated financial statements;
- other minor reclassifications between short and medium-long term of certain receivables and payables;
- there are no adjustment entries in the financial statements of subsidiary SPVs since the start-up and expansion costs were already eliminated in the Consolidated Financial Statements of prior years.

Details of deferred tax assets are as follows:

DEFERRED TAX ASSETS	Taxable	Rate	Tax
Reversal of listing expense	44,468	0.279	12,407
Long-term receivables from related parties	9,991	0.24	2,398
IAS19 on provision for post-employment benefits	10,611	0.279	2,960
Other from Individual Financial Statements already recorded			323
<b>Total</b>	<b>65,070</b>		<b>18,088</b>

The FTA Reserve is originated as follows:

FTA RESERVE	01/01/2022
IAS19 on Provision for Post-Employment Benefits	(10,611)
IAS19 - Tax effect	2,961
Long-term receivables from related parties	(9,991)
Long-term receivables from related parties tax effect	2,398
<b>Total</b>	<b>(15,243)</b>

## Effects of the transition to IAS/IFRS on the separate statement of financial position at 31/12/2022

### STATEMENT OF FINANCIAL POSITION - ASSETS (Figures in Euro)

	OIC			IFRS
	31/12/22	adjustments	reclassifications	31/12/22
<b>Non-current assets</b>				
<b>Intangible assets</b>				
Patent rights	7,522			7,522
Other	602,802	(602,802)		-
<b>Tangible assets</b>				
<i>Rights of use: property</i>	-	544,077		544,077
<i>Rights of use: other</i>	-	130,345		130,345
Plant, machinery, etc.	60,555			60,555
Deferred tax assets	-	172,950		172,950
<b>Other non-current assets</b>				
Investments	53,887			53,887
Receivables from related parties	68,490	(3,542)	(64,948)	-
Security deposits	-			-
<b>Total non-current assets</b>	<b>793,256</b>	<b>241,029</b>	<b>(64,948)</b>	<b>969,337</b>
<b>Current assets</b>				
Inventory	14,251,536		(14,097,527)	154,009
Contract work in progress	-	-	14,097,527	14,097,527
Trade receivables	3,993,010			3,993,010
Receivables from related parties	3,288,534	(20,518)	64,948	3,332,964
Tax receivables	1,436,835			1,436,835
<b>Other current assets</b>				
Receivables from others	399,170			399,170
Accrued income and deferred expense	35,684			35,684
Cash and cash equivalents	1,490,993			1,490,993
<b>Total current assets</b>	<b>24,895,762</b>	<b>(20,518)</b>	<b>64,948</b>	<b>24,940,192</b>
<b>Assets held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>25,689,018</b>	<b>220,510</b>	<b>-</b>	<b>25,909,528</b>





## Effects of the transition to IAS/IFRS on the separate statement of financial position at 31/12/2022

### STATEMENT OF FINANCIAL POSITION - LIABILITIES AND EQUITY

(Figures in Euro)

	OIC			IFRS
	31/12/22	adjustments	reclassifications	31/12/22
<b>Equity</b>				
Share capital	830,663			830,663
Other reserves	1,401,839			1,401,839
Share premium reserve	5,359,509	(196,255)		5,163,254
FTA reserve	-	(15,243)		(15,243)
OCI reserve	-	8,588		8,588
Profit (loss) for the year	4,169,325	42,091		4,211,416
<b>Total equity</b>	<b>11,761,335</b>	<b>(160,820)</b>	<b>-</b>	<b>11,600,515</b>
<b>Non-current liabilities</b>				
Employee benefits	52,820	(3,803)		49,017
Provisions for risks and charges	-			-
Non-current financial liabilities	604,098	609,469		1,213,567
NC tax payables	710,065			710,065
Deferred tax provision		1,061		1,061
Other non-current liabilities	-		42,338	42,338
<b>Total non-current liabilities</b>	<b>1,366,983</b>	<b>606,727</b>	<b>42,338</b>	<b>2,016,048</b>
<b>Current liabilities</b>				
Trade payables	1,560,982			1,560,982
Payables to related parties	1,210,435			1,210,435
Current financial liabilities	261,648	77,730		339,379
Tax payables	2,155,226			2,155,226
<b>Other current liabilities</b>				
Advances from customers	6,697,760			6,697,760
Other payables	369,615		(42,338)	327,277
Accrued expense and deferred income	305,034	(303,127)		1,906
<b>Total current liabilities</b>	<b>12,560,700</b>	<b>(225,397)</b>	<b>(42,338)</b>	<b>12,292,965</b>
Liabilities held for sale	-	-	-	-
<b>Total liabilities and equity</b>	<b>25,689,018</b>	<b>220,510</b>	<b>-</b>	<b>25,909,528</b>

## Effects of the transition to IAS/IFRS on the separate income statement at 31/12/2022

### INCOME STATEMENT

(Figures in Euro)

	OIC			IFRS
	31/12/22	adjustments	reclassifications	31/12/22
<b>Revenue</b>				
Invoiced revenue	7,553,575			7,553,575
Revenue from contract work in progress	-		7,773,298	7,773,298
Change in contract work in progress	7,927,307		(7,773,298)	154,009
Other revenue and income	668,226	(76,218)		592,008
<b>Total revenue</b>	<b>16,149,107</b>	<b>(76,218)</b>	<b>-</b>	<b>16,072,890</b>
<b>Operating costs</b>				
Purchase costs	670,892			670,892
Service costs	6,484,032		22,241	6,506,272
Costs for rentals and leases	168,028	(73,955)	(22,241)	71,832
Personnel expense	1,174,851	(3,097)		1,171,754
Amortization and depreciation	162,854	(75,052)		87,802
Write-down of fixed assets and receivables	-			-
Provisions for risks	-			-
Change in inventory	129,757			129,757
Other operating costs	1,135,657			1,135,657
<b>Total operating costs</b>	<b>9,926,071</b>	<b>(152,104)</b>	<b>-</b>	<b>9,773,967</b>
<b>Operating profit/(loss)</b>	<b>6,223,037</b>	<b>75,886</b>	<b>-</b>	<b>6,298,923</b>
<b>Financials</b>				
Financial income	149,036	6,449		155,485
Financial expense	(227,320)	(41,014)		(268,334)
Income (expense) from investments	(141,113)	-		(141,113)
<b>Financials</b>	<b>(219,398)</b>	<b>(34,565)</b>	<b>-</b>	<b>(253,963)</b>
<b>Profit/(Loss) before tax</b>	<b>6,003,639</b>	<b>41,321</b>	<b>-</b>	<b>6,044,960</b>
Income tax	1,834,314	(770)		1,833,544
<b>Profit/(Loss) for the year</b>	<b>4,169,325</b>	<b>42,092</b>	<b>-</b>	<b>4,211,416</b>
<b>Other items of comprehensive income</b>				
Items reclassifiable to income statement				-
Items not reclassifiable to income statement				-
Actuarial gains/losses from employee plans		8,588		8,588
<b>Total Other Comprehensive Income</b>	<b>-</b>	<b>8,588</b>	<b>-</b>	<b>8,588</b>
<b>Comprehensive income/(loss) for the year</b>	<b>4,169,325</b>	<b>50,679</b>	<b>-</b>	<b>4,220,004</b>



## Effects of the transition to IAS/IFRS on the consolidated statement of financial position at 31/12/2022

### STATEMENT OF FINANCIAL POSITION - ASSETS (Figures in Euro)

	OIC			IFRS
	31/12/22	adjustments	reclassifications	31/12/22
<b>Non-current assets</b>				
<b>Intangible assets</b>				
Patent rights	7,522			7,522
Other	602,802	(602,802)		-
<b>Tangible assets</b>				
<i>Rights of use: property</i>	-	544,077		544,077
<i>Rights of use: other</i>	-	130,345		130,345
Plant, machinery, etc.	81,555			81,555
Deferred tax assets	-	172,950		172,950
<b>Other non-current assets</b>				
Investments	20,000			20,000
Receivables from related parties	68,490	(3,542)	(64,948)	-
Security deposits				-
<b>Total non-current assets</b>	<b>780,369</b>	<b>241,029</b>	<b>(64,948)</b>	<b>956,450</b>
<b>Current assets</b>				
Inventory	15,067,913		(14,913,904)	154,009
Contract work in progress			14,913,904	14,913,904
Trade receivables	3,992,559			3,992,559
Receivables from subsidiaries				-
Receivables from related parties	29,577	(20,518)	64,948	74,007
Tax receivables	1,831,783			1,831,783
<b>Other current assets</b>				
Receivables from others	1,176,883			1,176,883
Accrued income and deferred expense	81,374			81,374
Cash and cash equivalents	1,660,614			1,660,614
<b>Total current assets</b>	<b>23,840,703</b>	<b>(20,518)</b>	<b>64,948</b>	<b>23,885,133</b>
<b>Assets held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>24,621,072</b>	<b>220,510</b>	<b>-</b>	<b>24,841,583</b>

## Effects of the transition to IAS/IFRS on the consolidated statement of financial position at 31/12/2022

### STATEMENT OF FINANCIAL POSITION - LIABILITIES AND EQUITY

(Figures in Euro)

	OIC			IFRS
	31/12/22	adjustments	reclassifications	31/12/22
<b>Equity</b>				
Share capital	830,663			830,663
Other reserves	1,401,839			1,401,839
Share premium reserve	5,359,509	(196,255)		5,163,254
FTA reserve	-	(15,243)		(15,243)
OCI reserve 1-1-2023	-	-		-
OCI reserve change in the year	-	8,588		8,588
Retained earnings	-			-
Profit (loss) for the year	4,124,826	42,091		4,166,917
Exchange translation reserve	225			225
Consolidation reserve	(3,372)			(3,372)
Share capital and reserves attributable to non-controlling interests	-			-
<b>Total equity</b>	<b>11,713,689</b>	<b>(160,820)</b>	<b>-</b>	<b>11,552,869</b>
<b>Non-current liabilities</b>				
Employee benefits	52,820	(3,803)		49,017
Provisions for risks and charges	-			-
Non-current financial liabilities	604,098	609,469		1,213,567
NC tax payables	710,065			710,065
Deferred tax provision	-	1,061		1,061
Other non-current liabilities	-		42,338	42,338
<b>Total non-current liabilities</b>	<b>1,366,983</b>	<b>606,727</b>	<b>42,338</b>	<b>2,016,048</b>
<b>Current liabilities</b>				
Trade payables	1,594,811			1,594,811
Payables to related parties				-
Current financial liabilities	261,781	77,730		339,512
Tax payables	2,197,799			2,197,799
<b>Other current liabilities</b>				
Advances from customers	6,697,760			6,697,760
Other payables	483,189		(42,338)	440,851
Accrued expense and deferred income	305,060	(303,127)		1,932
<b>Total current liabilities</b>	<b>11,540,400</b>	<b>(225,397)</b>	<b>(42,338)</b>	<b>11,272,665</b>
Liabilities held for sale	-	-	-	-
<b>Total liabilities and equity</b>	<b>24,621,072</b>	<b>220,510</b>	<b>-</b>	<b>24,841,582</b>



## Effects of the transition to IAS/IFRS on the consolidated income statement at 31/12/2022

### INCOME STATEMENT

(Figures in Euro)

	OIC			IFRS
	31/12/22	adjustments	reclassifications	31/12/22
<b>Revenue</b>				
Invoiced revenue	7,553,575			7,553,575
Revenue from contract work in progress		(154,009)	8,471,935	8,317,926
Change in contract work in progress	8,471,935	154,009	(8,471,935)	154,009
Other revenue and income	829,015	(76,218)		752,797
<b>Total revenue</b>	<b>16,854,524</b>	<b>(76,218)</b>	<b>-</b>	<b>16,778,307</b>
<b>Operating costs</b>				
Purchase costs	1,349,019			1,349,019
Service costs	6,484,032		22,241	6,506,272
Costs for rentals and leases	168,028	(73,955)	(22,241)	71,832
Personnel expense	1,174,851	(3,097)		1,171,754
Amortization and depreciation	162,854	(75,052)		87,802
Write-down of fixed assets and receivables	(20,518)	20,518		-
Provisions for risks	-			-
Change in inventory	129,757			129,757
Other operating costs	1,369,021			1,369,021
<b>Total operating costs</b>	<b>10,817,043</b>	<b>(131,586)</b>	<b>-</b>	<b>10,685,458</b>
<b>Operating profit/(loss)</b>	<b>6,037,481</b>	<b>55,368</b>	<b>-</b>	<b>6,092,849</b>
<b>Financials</b>				
Financial income	149,037	6,449		155,486
Financial expense	(227,377)	(41,014)	20,518	(247,873)
Income (expense) from investments		-		-
<b>Financials</b>	<b>(78,341)</b>	<b>(34,565)</b>	<b>20,518</b>	<b>(92,387)</b>
<b>Profit/(Loss) before tax</b>	<b>5,959,140</b>	<b>20,803</b>	<b>20,518</b>	<b>6,000,462</b>
Income tax	1,834,314	(770)		1,833,544
<b>Profit/(Loss) for the year</b>	<b>4,124,826</b>	<b>21,573</b>	<b>20,518</b>	<b>4,166,918</b>
<b>Other items of comprehensive income</b>				
Items reclassifiable to income statement				
Items not reclassifiable to income statement				-
Actuarial gains/losses from employee plans				-
<b>Total Other Comprehensive Income</b>		<b>8,588</b>		<b>8,588</b>
<b>Comprehensive income/(loss) for the year</b>	<b>4,124,826</b>	<b>30,161</b>	<b>20,518</b>	<b>4,175,506</b>

The main differences at 31/12/2022 for the transition from OIC to IAS/IFRS affect the Parent Company and are reflected in the Consolidated Financial Statements. They can be summarized as follows:

- reversal of other capitalized long-term expense (for listing expense of € 594,919 in EURONEXT Growth Milan) with a balancing entry in the Share Premium Reserve, net of deferred taxation; concurrently, the deferred income of € 303,127 related to the SME listing tax receivable was reversed, also with a balancing entry in the Share Premium Reserve, as well as the share of the accrual in the Income Statement of € 76,218;
- entry of "Rights of Use" on the Rivoli property lease that began on 01/01/2022 (assuming a term of 6 + 6 years and a marginal interest rate of 3%), with short and medium/long-term financial liabilities offset; additionally, leasehold improvements were transferred from intangible fixed assets to "Rights of Use" for € 7,883;
- recognition of "Rights of Use" on rental contracts for 12 motor vehicles (assuming interest rate of 3%), with short and medium/long-term financial liabilities offset;
- recognition of deferred tax assets on adjustments from OIC to IAS/IFRS;
- recognition at amortized cost of financial receivables from related parties (effect of € 3,542 with reversal to the Income Statement under financial income of € 6,449);
- reclassification of work-in-progress from "closing inventory" to "contract work in progress";
- application of IAS 19 to the provision for post-employment benefits;
- recognition of the FTA (First Time Adoption) Reserve at 01/01/2022, which has no differences between individual and consolidated financial statements, and obviously has no movements during the year;
- recognition of the OCI Reserve to accommodate other Comprehensive Income;
- other minor reclassifications between short and medium-long term of certain receivables and payables;
- there are no adjustment entries in the financial statements of subsidiary SPVs since the start-up and expansion costs were already eliminated in the Consolidated Financial Statements of prior years, with the exception of the reversal of capitalized long-term expense by the subsidiary Crumiere Energia srl of € 13,411, with other operating expense as a balancing entry;
- in the Parent Company's individual financial statements, the investment in Altea Green Power US Corp. (€ 20,518) was aligned with equity.

Therefore, the reconciliation of adjustments with income impact between the Individual Financial Statements and the Consolidated Financial Statements are as follows:

- effect of adjustments on the individual financial statements € 42,091
- measurement at equity of Altea Green Power US Corp. (reversed at a consolidated level)
- € 20,518
- elimination of long-term expense in Crumiere Energia € 13,411
- effect of adjustments on the Consolidated Financial Statements € 49,197.

Details of deferred tax assets at 31/12/2022 are as follows *(see next page)*:

IMPOSTE ANTICIPATE ATTIVE AL 31/12/2022	Taxable	Rate	Tax
<i>Rights of use: property</i>	20,818	0.279	5,808
<i>Rights of use: motor vehicles</i>	1,586	0.195	310
Reversal of listing expense	594,919	0.279	165,982
Long-term receivables from related parties	3,542	0.240	850
IAS19 on provision for post-employment benefits	-	0.279	-
<b>Total</b>	<b>620,865</b>		<b>172,950</b>

Deferred tax liabilities of € 1,061 were counted on the difference resulting from the application of IAS 19 to the provision for post-employment benefits ( $€ 3,803 \times 27.9\% = € 1,061$ ).

The OCI Reserve is replenished in 2022 by the actuarial component from application of IAS 19.

## Effects of the transition to IAS/IFRS on the separate statement of financial position at 31/12/2023

### STATEMENT OF FINANCIAL POSITION - ASSETS

(Figures in Euro)

	OIC			IFRS
	31/12/23	adjustments	reclassifications	31/12/23
<b>Non-current assets</b>				
<b>Intangible assets</b>				
Patent rights	5,013	-		5,013
Other	449,616	(449,616)		-
<b>Tangible assets</b>				
<i>Rights of use: property</i>	-	530,874		530,874
<i>Rights of use: other</i>	-	220,588		220,588
Plant, machinery, etc.	90,410	-		90,410
Deferred tax assets	-	133,781		133,781
<b>Other non-current assets</b>				
Investments	1,191,255	-		1,191,255
Receivables from related parties	-	-		-
Security deposits	-	-		-
<b>Total non-current assets</b>	<b>1,736,293</b>	<b>435,627</b>	<b>-</b>	<b>2,171,920</b>
<b>Current assets</b>				
Inventory	26,544,419		(25,324,810)	1,219,608
Contract work in progress	-		25,324,810	25,324,810
Trade receivables	736,681			736,681
Receivables from related parties	6,438,033	(20,518)		6,417,515
Tax receivables	2,493,548			2,493,548
<b>Other current assets</b>				
Receivables from others	379,578			379,578
Accrued income and deferred expense	57,303			57,303
Cash and cash equivalents	500,213			500,213
<b>Total current assets</b>	<b>37,149,775</b>	<b>(20,518)</b>	<b>-</b>	<b>37,129,256</b>
<b>Assets held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>38,886,068</b>	<b>415,108</b>	<b>-</b>	<b>39,301,177</b>





## Effects of the transition to IAS/IFRS on the separate statement of financial position at 31/12/2023

### STATEMENT OF FINANCIAL POSITION - LIABILITIES AND EQUITY

(Figures in Euro)

	OIC			IFRS
	31/12/23	adjustments	reclassifications	31/12/23
<b>Equity</b>				
Share capital	865,650	-		865,650
Other reserves	5,560,055	53,199		5,613,254
Share premium reserve	6,339,166	(196,255)		6,142,911
FTA reserve	-	(15,243)		(15,243)
OCI RESERVE 1-1-2023	-	8,588		8,588
OCI RESERVE change in the year	-	(12,903)		(12,903)
Profit (loss) for the year	4,854,532	24,262		4,878,794
<b>Total equity</b>	<b>17,619,404</b>	<b>(138,353)</b>	<b>-</b>	<b>17,481,051</b>
<b>Non-current liabilities</b>				
Employee benefits	62,291	(1,039)		61,252
Provisions for risks and charges	11,108	-		11,108
Non-current financial liabilities	2,274,086	657,734		2,931,819
NC tax payables	688,844			688,844
Deferred tax provision	-	290		290
Other non-current liabilities	42,338			42,338
<b>Total non-current liabilities</b>	<b>3,078,666</b>	<b>656,984</b>	<b>-</b>	<b>3,735,651</b>
<b>Current liabilities</b>				
Trade payables	1,907,575	-		1,907,575
Payables to related parties	1,513,182	-		1,513,182
Current financial liabilities	1,805,815	123,041		1,928,856
Tax payables	3,850,829	-		3,850,829
<b>Other current liabilities</b>				
Advances from customers	8,476,205	-		8,476,205
Other payables	404,113	-		404,113
Accrued expense and deferred income	230,280	(226,563)		3,717
<b>Total current liabilities</b>	<b>18,187,998</b>	<b>(103,523)</b>	<b>-</b>	<b>18,084,476</b>
Liabilities held for sale	-	-	-	-
<b>Total liabilities and equity</b>	<b>38,886,068</b>	<b>415,108</b>	<b>-</b>	<b>39,301,177</b>

## Effects of the transition to IAS/IFRS on the separate income statement at 31/12/2023

### INCOME STATEMENT

(Figures in Euro)

	OIC			IFRS
	31/12/23	adjustments	reclassifications	31/12/23
<b>Revenue</b>				
Invoiced revenue	2,985,785			2,985,785
Revenue from contract work in progress	-		11,246,818	11,246,818
Change in contract work in progress	12,312,417		(11,246,818)	1,065,599
Other revenue and income	846,931	(76,218)		770,713
<b>Total revenue</b>	<b>16,145,133</b>	<b>(76,218)</b>	<b>-</b>	<b>16,068,915</b>
<b>Operating costs</b>				
Operating profit/(loss)	487,513			487,513
Service costs	5,452,985	44,218		5,497,203
Costs for rentals and leases	216,378	(167,050)		49,328
Personnel expense	1,501,049	(1,530)		1,499,519
Amortization and depreciation	170,729	(36,931)		133,798
Write-down of fixed assets and receivables	19,534	-		19,534
Provisions for risks	-			-
Change in inventory	-			-
Other operating costs	827,202			827,202
<b>Total operating costs</b>	<b>8,675,391</b>	<b>(161,293)</b>	<b>-</b>	<b>8,514,097</b>
<b>Operating profit/(loss)</b>	<b>7,469,742</b>	<b>85,076</b>	<b>-</b>	<b>7,554,818</b>
<b>Financials</b>				
Financial income	56,195	3,542		59,737
Financial expense	(265,755)	(25,262)		(291,018)
Income (expense) from investments	(424,848)			(424,848)
<b>Financials</b>	<b>(634,408)</b>	<b>(21,720)</b>	<b>-</b>	<b>(656,128)</b>
<b>Profit/(Loss) before tax</b>	<b>6,835,334</b>	<b>63,355</b>	<b>-</b>	<b>6,898,690</b>
Income tax	1,980,802	39,094		2,019,896
<b>Profit/(Loss) for the year</b>	<b>4,854,532</b>	<b>24,262</b>	<b>-</b>	<b>4,878,794</b>
<b>Other items of comprehensive income</b>				
Items reclassifiable to income statement			(11,108)	(11,108)
Items not reclassifiable to income statement				-
Actuarial gains/losses from employee plans		(12,903)	11,108	(1,795)
<b>Total Other Comprehensive Income</b>	<b>-</b>	<b>(12,903)</b>	<b>-</b>	<b>(12,903)</b>
<b>Comprehensive income/(loss) for the year</b>	<b>4,854,532</b>	<b>11,358</b>	<b>-</b>	<b>4,865,891</b>



The main differences at 31/12/2023 for the transition from OIC to IAS/IFRS regarding the Parent Company can be summarized as follows:

- reversal of other capitalized long-term expense (for listing expense of € 443,410 in EURONEXT Growth Milan) with a balancing entry in the Share Premium Reserve, net of deferred taxation; concurrently, the deferred income of € 226,563 related to the SME listing tax receivable was reversed, also with a balancing entry in the Share Premium Reserve, as well as the share of the accrual in the Income Statement of € 76,218;
- entry of "Rights of Use" on the Rivoli property lease that began on 01/01/2022 (assuming a term of 6 + 6 years and a marginal interest rate of 3%), with short and medium/long-term financial liabilities offset (both "Rights of Use" and short- and medium/long-term liabilities were subject to adjustment at 01/01/2023 due to the increase in rents from the change in the ISTAT index for € 40,940); additionally, leasehold improvements were transferred from intangible fixed assets to "Rights of Use" for € 6,206;
- recognition of "Rights of Use" on rental contracts for 16 motor vehicles (assuming interest rate of 3%), with short and medium/long-term financial liabilities offset;
- recognition of deferred tax assets on adjustments from OIC to IAS/IFRS;
- recognition at amortized cost of financial receivables from related parties (effect of € 0 with reversal to the Income Statement under financial income of € 3,542);
- reclassification of work-in-progress from "closing inventory" to "contract work in progress";
- application of IAS 19 to the provision for post-employment benefits;
- recognition of the FTA (First Time Adoption) Reserve at 01/01/2022, which has no differences between individual and consolidated financial statements, and obviously has no movements during the year;
- recognition of the OCI Reserve to accommodate other Comprehensive Income;
- other minor reclassifications between short and medium-long term of certain receivables and payables;
- there are no adjustment entries in the financial statements of subsidiary SPVs since the start-up and expansion costs were already eliminated in the Consolidated Financial Statements of prior years, with the exception of the updated reversal (at 31/12/2022) of capitalized long-term expense by the subsidiary Crumiere Energia srl of € 11,837, with lower amortization and retained earnings as a balancing entry.

Details of deferred tax assets at 31/12/2023 are as follows:

IMPOSTE ANTICIPATE ATTIVE AL 31/12/2023	Taxable	Rate	Tax
<i>Rights of use: property</i>	32,549	0,279	9,081
<i>Rights of use: motor vehicles</i>	5,060	0,195	988
Reversal of listing expense	443,410	0,279	123,711
Long-term receivables from related parties	-	0,240	-
IAS19 on provision for post-employment benefits	-	0,279	-
<b>Total</b>	<b>481,019</b>		<b>133,781</b>

Deferred tax liabilities of € 290 were counted on the difference resulting from the application of IAS 19 to the provision for post-employment benefits ( $€ 1,039 \times 27.9\% = € 290$ ).

The OCI Reserve is replenished in 2023 by the actuarial component from the application of IAS 19 and the mark-to-market change in hedging financial derivatives.

# Explanatory Notes to the Statement of Financial Position

## 1. Tangible fixed assets (property, plant and equipment)

Under IAS/IFRS, expense for "leasehold improvements" should not be shown in "intangible fixed assets", as required by the national accounting standards OIC, but should be capitalized on the asset on which the improvements are made. Amounts related to improvements carried out on leased/rented buildings are thus reclassified from "intangible fixed assets" to "property, plant and equipment". There is no reclassification case on either 01/01/2022 or 31/12/2022 as there were no capitalized leasehold improvements.

After reclassification, improvements follow the depreciation of the asset on which they were capitalized.

Value adjustments to "tangible fixed assets" stem from the following changes mandated by IAS/IFRS:

- application of IFRS 16 on leased/rented assets: assets acquired through leases or rents are initially recognized at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments due.

It should be noted that there are no current financial lease contracts, but only ordinary lease and rental contracts. This entails at 01/01/2022 the entry of "Rights of use":

- for the Rivoli property (via Chivasso) under lease (contract effective 01/01/2022, assumed duration of 6+6 years) of € 522,539;
- for rental motor vehicles of € 67,103.

It should be noted that IFRS 16 has not been applied for the lease of the Rivoli via Pavia property as it ceased in February 2022 (thus the remaining term at 01/01/2022 is less than 12 months). Financial liabilities of an equivalent amount, divided into short and long term, have been recognized against the entry of "Rights of use".

There are no differences in this regard between Separate Financial Statements and Consolidated Financial Statements.

At the "first time adoption" level, there are no effects to be recorded in the appropriate equity reserve.

Different calculation of depreciation under IAS 16: IAS 16 specifies as the beginning of the depreciation period "when the asset is available for use" and does not envisage the use of the half-year convention in the year in which the asset is available, a practice permitted under national accounting standards. From the calculation of depreciation with its commencement from the time the asset is available for use, the change in value from the previous criterion is not meaningful and, therefore, has not been accounted for.

Different calculation of depreciation under IFRS 16: the application of IFRS 16 on leased/rented assets and improvements made thereto results in a different calculation of depreciation, as the useful life of improvements is spread over the life of the contracts. In addition to the above reclassification on leasehold improvements, within the same item "fixed assets", the net carrying amount of relevant equipment costs is also capitalized on leased buildings. The net carrying amount capitalized on the leased buildings at 01/01/2022 and 31/12/2022 is zero.

## 2. Intangible fixed assets

The reclassification present at 01/01/2022, amounting to € 0, and at 31/12/2022, amounting to € 0, refers, as mentioned above, to the capitalization of the net carrying amount at 01/01/2022 and the new capitalizations at 31/12/2022 of the amounts related to leasehold improvements. Reclassification brings such amounts on leased buildings into "Rights of use".

Value adjustments related to the application of international accounting standards concern two types of intervention:

Different calculation of amortization under IAS 38: IAS 38 specifies as the beginning of the amortization period "when the asset is available for use" and does not envisage the use of the full-year convention in the year in which the asset is available, a practice used in the application of national accounting standards. From the calculation of "intangible fixed assets" with amortization beginning when the asset is available for use, the change is not meaningful and, therefore, has not been accounted for.

Different capitalization criteria under IAS 38: under IAS 38, "start-up and expansion costs" and "other long-term expense" are not capitalizable. This entails at 01/01/2022 the reversal of amounts related to "other long-term expense" for a net carrying amount of € 0 with impact on the FTA (First Time Adoption) reserve. At 31/12/2022, the non-recognition of "other long-term expense" results in an elimination of capitalized expense of € 13,411 (only in the Consolidated Financial Statements as it refers to the subsidiary Crumiere Energia srl) and lower amortization of € 0.

Additionally, costs related to the listing were capitalized in 2021 and 2022 in the amount of € 55,585 and € 711,521, respectively, amortized in 2021 and 2022 in the amount of € 11,117 and € 153,187, respectively. The impact of the elimination of these amounts resulted in a reduction in "intangible fixed assets" of € 44,468 at 01/01/2022 and € 602,802 at 31/12/2022, equal to the net carrying amount; the offsetting entry was the reduction in the share premium reserve arising from the capital increase following the IPO, net of the tax effect.

There is no difference between Separate Financial Statements and Consolidated Financial Statements.

## 3. Long-term receivables

The adjustments present in financial assets refer to the application of IFRS 9, which requires financial instruments to be measured at their fair value. Financial receivables recorded in the financial statements of the Group and the Parent Company, as required by the national accounting standards OIC, are measured at their purchase cost unless there is an impairment. At 01/01/2022, their recognition at fair value results in an overall impairment of € 9,991 to reflect the amortized cost (divided between long-term - € 3,542 - and short-term - € 6,449): this amount is shown in the FTA Reserve, net of the tax effect. At 31/12/2022, this adjustment is reduced to € 3,542 due to the partial settlement of the relevant financial receivables.

## 4. Receivables from related parties

Adjustments regarding related parties refer to financial receivables from the Director, which have already been explained in the section on long-term receivables.

## 5. Deferred tax assets

Under OIC accounting standards, an entity recognizes deferred tax assets when it has "reasonable certainty" of their recovery. Under international accounting standards, recognition is allowed when there is a "probability" of the relevant recovery.

As a result of the adjustments made for the transition to IAS/IFRS, the related deferred tax asset was recorded, the details of which are shown in the following tables:

DEFERRED TAX ASSETS AT 01/01/2022	Taxable	Rate	Tax
Reversal of listing expense	44,468	0,279	12,407
Receivables from the Director	9,991	0,24	2,398
IAS19 - Employee benefits	10,611	0,279	2,960
Other already entered in separate financial statements			323
<b>Total</b>	<b>65,070</b>		<b>18,088</b>

DEFERRED TAX ASSETS AT 31/12/2022	Taxable	Rate	Tax
Rights of use: property	20,818	0,279	5,808
Rights of use: motor vehicles	1,586	0,195	310
Reversal of listing expense	594,919	0,279	165,982
Long-term receivables from related parties	3,542	0,240	850
IAS19 on provision for post-employment benefits	-	0,279	-
<b>Total</b>	<b>620,865</b>		<b>172,950</b>

Deferred tax assets recorded in the FTA Reserve at 01/01/2022 total € 5,358.

## 6. Inventory

Adjustments related to "Inventory" regard the application of IFRS 15, which entails for revenue generated from contracts with customers, the recognition of the revenue when the performance obligation specified in the contract is fulfilled. OIC national accounting standards allow contracts with customers to be divided into multiple performance obligations. This allows for different times at which Revenue Recognition takes place, typically at the delivery of the Sole Authorization (if any) and/or at the delivery of the plant.

Under IFRS 15, revenue from sales is recognized only when the Company's performance obligation is fulfilled. The only performance obligation recognized for IFRS 15 within the Company's sales contracts is to obtain Sole Authorization (unless otherwise stated). Prior to the fulfillment of the performance obligation, the activities performed are shown in assets under "Inventory" as "Assets arising from contract" and recorded using the cost-to-cost method including the contract margin apportioned to the work progress. Amounts received as compensation, previously recorded as revenue from sales, under the new standards, until the obligation is fulfilled, are recorded under "Other current payables" as advances from customers. The changes due to the different Revenue Recognition required by international accounting standards lead to an increase in "Inventory" of € 0 at 01/01/2022, with a corresponding increase in "Other current payables" of € 0. The difference between the two amounts is recognized in the FTA Reserve. At 31/12/2022, the adjustments related to the application of IFRS 15 result in a



higher valuation of "Inventory" of € 0 and an increase in "Other current payables" of € 0 versus the prior year, due to a total adjustment of advances from customers of € 0. The difference resulting from the different recognition of revenue from sales adjusts the 2022 profit..

## 7. Equity

The FTA reserve consists of all adjustments made by the IAS/IFRS transition that impacted the Statement of Financial Position at 01/01/2022. They can be summarized as follows:

- impact of different Revenue Recognition under IFRS 15;
- application of IAS 19 for the calculation of employee benefits, for the Company with regard to the provision for post-employment benefits;
- application of IAS 38 for the capitalization of amounts related to intangible fixed assets and their amortization;
- application of IAS 16 for the capitalization of amounts related to tangible fixed assets and their depreciation;
- application of IFRS 16 for leased and rented fixed assets;
- application of IFRS 9 to financial receivables;
- impact of deferred taxation on transition.

Details of the FTA Reserve formed on 01/01/2022 are as follows:

FTA RESERVE	01/01/2022
IAS19 - Employee benefits	(10,611)
IAS19 - Tax effect	2,960
Receivables from the Director	(9,991)
Receivables from the Director - Tax effect	2,398
<b>Total</b>	<b>(15,244)</b>

There are no differences in the FTA Reserve between Separate and Consolidated Financial Statements.

In "Other Components of Equity", the adjustments regard changes in "other components of the Statement of Comprehensive Income". They therefore derive from actuarial gains and losses related to the application of IAS 19 for employee benefits.

## 8. Employee benefits

The application of IAS 19 requires the use of methodologies to calculate the liability arising from employee benefits. In the case at hand, the benefits refer to post-employment benefits. IAS 19 requires not only the discounting of the employee benefit liability, but also the actuarial calculation to take life expectancy into account. The application of this calculation method at 01/01/2022 resulted in an increase in the provision for post-employment benefits of € 10,611, offset by the FTA Reserve net of the tax effect.

Instead, at 31/12/2022, the overall impact of the application of IAS 19 generates a reduction in the provision of € 3,803 given by:

- lower provisions and utilizations in 2022 of € 3,096;
- financial expense from discounting of € 594;
- actuarial losses of € 11,911 (recorded in the OCI Reserve net of deferred taxation).

The reduction in the provision of € 3,803 generated deferred tax liabilities of € 1,061.

## 9. Other payables

The deferred income recorded at 31/12/2022 for the grant in the form of a tax receivable for the listing of SMEs was reversed. The grant was fully deducted from the Share Premium Reserve, totaling € 381,089 (accrual to the Income Statement of € 76,218 in 2022 and a reversal of deferred income of € 304,871).

## 10. Other financial liabilities

The main adjustment relates to the application of IFRS 16 for leased assets (property and motor vehicles) with recognition of short-term and medium- to long-term financial liabilities.

## 11. Lease/rental payables

The application of IFRS 16 to lease/rental contracts involves discounting the payable arising from lease payments and recording the Fair Value or Right of Use of leased/rented assets in fixed assets. Discounting was conducted using the simplified method, initiating the application of the accounting standard not from the beginning of the contracts, but from the date of first-time application of IFRS (01/01/2022, coinciding with the effective date of the lease for the Rivoli via Chivasso property). Therefore, the use of the simplified method did not affect the FTA Reserve.

## 12. First-time application differences between Separate Financial Statements and Consolidated Financial Statements

The only difference concerns the reversal of capitalized long-term expense in the subsidiary Crumiere Energia srl for € 13,411.

# Explanatory Notes to the Income Statement

## 1. Net revenue

Changes related to revenue from sales refer mainly to the application of IFRS 15, which requires a different Revenue Recognition as shown in Note 6 of the Statement of Financial Position. OIC national accounting standards allow the identification of multiple performance obligations within a single sales contract with the customer, thereby allowing for the recognition of revenue from sales at different times. Mention should be made of the obtaining of the Sole Authorization of the plant and/or the delivery of the plant. Under IAS/IFRS and IFRS 15 for revenue from contracts with customers, the contract and thus the Company's only obligation is settled when the Sole Authorization of the plant is obtained and/or the plant is delivered. Prior to obtaining the Sole Authorization, the costs incurred in the performance of the obligation are accounted for as "assets arising from the contract" using the cost-to-cost method, which involves recording the contract margin over the life of the contract depending on the work progress. Fees received until completion of the obligation are recorded under "Other payables" as advances from customers. The impact of the adjustment on the Income Statement in 2022 involves:

- recording of revenue from prior years in the amount of € 0. These amounts were recognized as income in years preceding the date of First Time Adoption, in accordance with the national accounting standards OIC. However, under IFRS 15, they are accrued in subsequent years.





This resulted at January 1, 2022, as seen above, in the recording of an FTA reserve of € 0;

- reversal of revenue carried over on contract work in progress for contracts with customers for which installation has not yet taken place in the amount of € 0 at end 2022;

The 2022 portion (€ 76,218) of the grant in the form of a tax receivable recorded following the listing on EURONEXT Growth Milan of Altea Green Power S.p.A. in February 2022 was reversed from other revenue.

There are no differences between Separate and Consolidated Income Statements.

## 2. Personnel expense

The application of IAS 19 on employee benefits leads to a reduction in personnel expense of € 2,503 for 2022 resulting from:

- lower provisions and utilizations in 2022 of € 3,096;
- financial expense from discounting of € 594.

The actuarial effect (€ 11,911) is shown under "other comprehensive income" net of the tax impact (€ 3,323).

At the Consolidated level, since there are no employee benefits in the Group's subsidiaries, there are no value adjustments brought by the transition.

## 3. Other operating costs

Adjustments and reclassifications regarding "Other operating costs" at 31/12/2022 refer to:

- reversal of costs for rentals and leases related to lease/rental contracts ("Rights of use" on property and rental motor vehicles) under IFRS 16 (€ 79,448 of which € 16,839 transferred to service costs);
- reversal of service costs related to rented cars for € 16,839: this reclassification results from the application of IFRS 16 as costs for services ancillary to cars are included in the calculation of financial debt and therefore in the Fair Value of the asset (the exception provided by the international standard was not applied);
- against the reversal of costs for rentals and leases, recognition of depreciation (€ 60,321) and financial expense on short- and medium- to long-term liabilities (€ 26,986);
- elimination of € 13,411 for long-term expense that cannot be capitalized, recorded in the subsidiary Crumiere Energia S.r.l.: this entry is the only difference between the separate and consolidated Income Statements.

In the 2022 Income Statement, the application of IFRS 16 results in a deterioration of the result for the year compared to the OIC standards of € 24,697 before tax and € 17,807 after tax.

## 4. Write-down and depreciation

The application of IFRS 16, as seen above, leads to a reduction in "Other operating costs" and an increase in "tangible fixed assets" and "financial payables". Their capitalization among tangible fixed assets generates an increase in depreciation by a total of € 60,321. In addition to the amount of leased assets being depreciated, the impact of improvements made and capitalized on these assets must also be taken into account. Their total effect in the year is € 0.

The application of IAS 16 has the following effect on depreciation at 31/12/2022:

- different start of depreciation as required by international accounting standards instead of the half-year as allowed by national accounting standards OIC. The impact of the difference is not meaningful, so it has not been accounted for.

The application of IAS 38 for intangible fixed assets has the following effects on amortization for the year:

- elimination of amortization related to non-capitalizable IPO expense of € 153,187;
- application of the actual date of availability for use of the fixed assets instead of the full year under the national accounting standards OIC. The impact of the difference is not meaningful, so it has not been accounted for;
- additionally, mention should be made of the reversal of amortization of maintenance costs of third-party assets for which IFRS 16 is applied. For 2022, the value is € 0.

## 5. Financial income/(expense)

Adjustments related to financial income and expense regard:

- the application of IFRS 16 for fixed assets acquired through lease/rental with the recognition of financial expense of € 26,986;
- the recognition of financial income related to the receivable from the Director amounting to € 6,449.



# 6

## Independent Auditors' Report

## **ALTEA GREEN POWER S.P.A.**

Relazione della società di revisione  
indipendente ai sensi dell'art. 14 del  
D. Lgs. 27 gennaio 2010, n. 39

Bilancio consolidato al 31 dicembre 2023

## Relazione della società di revisione indipendente ai sensi dell'art. 14 del D. Lgs. 27 gennaio 2010, n. 39

Agli Azionisti della  
Altea Green Power S.p.A.

### Relazione sulla revisione contabile del bilancio consolidato

---

#### Giudizio

Abbiamo svolto la revisione contabile del bilancio consolidato del Gruppo Altea Green Power (il Gruppo), costituito dalla situazione patrimoniale-finanziaria consolidata al 31 dicembre 2023, dal conto economico, dal conto economico complessivo, dal prospetto delle variazioni del patrimonio netto, dal rendiconto finanziario per l'esercizio chiuso a tale data e dalla nota integrativa al bilancio che include anche la sintesi dei più significativi principi contabili applicati.

A nostro giudizio, il bilancio consolidato fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria del Gruppo al 31 dicembre 2023, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data in conformità agli International Financial Reporting Standards adottati dall'Unione Europea.

---

#### Elementi alla base del giudizio

Abbiamo svolto la revisione contabile in conformità ai principi di revisione internazionali (ISA Italia). Le nostre responsabilità ai sensi di tali principi sono ulteriormente descritte nella sezione *Responsabilità della società di revisione per la revisione contabile del bilancio consolidato* della presente relazione.

Siamo indipendenti rispetto alla società Altea Green Power S.p.A. in conformità alle norme e ai principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano alla revisione contabile del bilancio. Riteniamo di aver acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio.

---

#### Altri aspetti

Il bilancio consolidato presenta ai fini comparativi i dati corrispondenti dell'esercizio precedente predisposti in conformità ai principi contabili internazionali che derivano dal bilancio d'esercizio al 31 dicembre 2022 predisposto in conformità alle norme italiane che ne disciplinano i criteri di redazione. La Sezione 5 "Relazione sul passaggio ai principi contabili internazionali IAS/IFRS" illustra gli effetti della transizione agli International Financial Reporting Standards adottati dall'Unione Europea ed include le informazioni relative ai prospetti di riconciliazione previsti dal principio contabile internazionale IFRS 1.

---

#### Responsabilità degli amministratori e del collegio sindacale per il bilancio consolidato

Gli amministratori sono responsabili per la redazione del bilancio consolidato che fornisca una rappresentazione veritiera e corretta in conformità alle norme italiane che ne disciplinano i criteri di redazione e, nei termini previsti dalla legge, per quella parte del controllo interno dagli stessi ritenuta necessaria per consentire la redazione di un bilancio che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

Gli amministratori sono responsabili per la valutazione della capacità del Gruppo di continuare ad operare come un'entità in funzionamento e, nella redazione del bilancio consolidato, per l'appropriatezza dell'utilizzo del presupposto della continuità aziendale, nonché per una adeguata informativa in materia. Gli amministratori utilizzano il presupposto della continuità aziendale nella redazione del bilancio consolidato a meno che abbiano valutato che sussistono le condizioni per la liquidazione della capogruppo Altea Green

Power S.p.A. o per l'interruzione dell'attività o non abbiano alternative realistiche a tali scelte.

Il collegio sindacale ha la responsabilità della vigilanza, nei termini previsti dalla legge, sul processo di predisposizione dell'informativa finanziaria del Gruppo.

---

### **Responsabilità della società di revisione per la revisione contabile del bilancio consolidato**

I nostri obiettivi sono l'acquisizione di una ragionevole sicurezza che il bilancio consolidato nel suo complesso non contenga errori significativi, dovuti a frodi o a comportamenti o eventi non intenzionali, e l'emissione di una relazione di revisione che includa il nostro giudizio. Per ragionevole sicurezza si intende un livello elevato di sicurezza che, tuttavia, non fornisce la garanzia che una revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia) individui sempre un errore significativo, qualora esistente. Gli errori possono derivare da frodi o da comportamenti o eventi non intenzionali e sono considerati significativi qualora ci si possa ragionevolmente attendere che essi, singolarmente o nel loro insieme, siano in grado di influenzare le decisioni economiche prese dagli utilizzatori sulla base del bilancio consolidato.

Nell'ambito della revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia), abbiamo esercitato il giudizio professionale e abbiamo mantenuto lo scetticismo professionale per tutta la durata della revisione contabile. Inoltre:

- abbiamo identificato e valutato i rischi di errori significativi nel bilancio consolidato, dovuti a frodi o a comportamenti o eventi non intenzionali; abbiamo definito e svolto procedure di revisione in risposta a tali rischi; abbiamo acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio. Il rischio di non individuare un errore significativo dovuto a frodi è più elevato rispetto al rischio di non individuare un errore significativo derivante da comportamenti o eventi non intenzionali, poiché la frode può implicare l'esistenza di collusioni, falsificazioni, omissioni intenzionali, rappresentazioni fuorvianti o forzature del controllo interno;
- abbiamo acquisito una comprensione del controllo interno rilevante ai fini della revisione contabile allo scopo di definire procedure di revisione appropriate nelle circostanze e non per esprimere un giudizio sull'efficacia del controllo interno del Gruppo;
- abbiamo valutato l'appropriatezza dei principi contabili utilizzati nonché la ragionevolezza delle stime contabili effettuate dagli amministratori, inclusa la relativa informativa;
- siamo giunti ad una conclusione sull'appropriatezza dell'utilizzo da parte degli amministratori del presupposto della continuità aziendale e, in base agli elementi probativi acquisiti, sull'eventuale esistenza di una incertezza significativa riguardo a eventi o circostanze che possono far sorgere dubbi significativi sulla capacità del Gruppo di continuare ad operare come un'entità in funzionamento. In presenza di un'incertezza significativa, siamo tenuti a richiamare l'attenzione nella relazione di revisione sulla relativa informativa di bilancio, ovvero, qualora tale informativa sia inadeguata, a riflettere tale circostanza nella formulazione del nostro giudizio. Le nostre conclusioni sono basate sugli elementi probativi acquisiti fino alla data della presente relazione. Tuttavia, eventi o circostanze successivi possono comportare che il Gruppo cessi di operare come un'entità in funzionamento;
- abbiamo valutato la presentazione, la struttura e il contenuto del bilancio consolidato nel suo complesso, inclusa l'informativa, e se il bilancio consolidato rappresenti le operazioni e gli eventi sottostanti in modo da fornire una corretta rappresentazione;
- abbiamo acquisito elementi probativi sufficienti e appropriati sulle informazioni finanziarie delle imprese o delle differenti attività economiche svolte all'interno del Gruppo per esprimere un giudizio sul bilancio consolidato. Siamo responsabili della direzione, della supervisione e dello svolgimento dell'incarico di revisione contabile del Gruppo. Siamo gli unici responsabili del giudizio di revisione sul bilancio consolidato.

Abbiamo comunicato ai responsabili delle attività di governance, identificati ad un livello appropriato come richiesto dagli ISA Italia, tra gli altri aspetti, la portata e la tempistica pianificate per la revisione contabile e i risultati significativi emersi, incluse le eventuali carenze significative nel controllo interno identificate nel corso della revisione contabile.

---

## Relazione su altre disposizioni di legge e regolamentari

---

### Giudizio ai sensi dell'art. 14, comma 2, lettera e), del D. Lgs. 39/10

Gli amministratori della Altea Green Power S.p.A. sono responsabili per la predisposizione della relazione sulla gestione del Gruppo Altea Green Power al 31 dicembre 2023, incluse la sua coerenza con il relativo bilancio consolidato e la sua conformità alle norme di legge.

Abbiamo svolto le procedure indicate nel principio di revisione (SA Italia) n. 720B al fine di esprimere un giudizio sulla coerenza della relazione sulla gestione con il bilancio consolidato del Gruppo Altea Green Power al 31 dicembre 2023 e sulla conformità della stessa alle norme di legge, nonché di rilasciare una dichiarazione su eventuali errori significativi.

A nostro giudizio, la relazione sulla gestione sopra richiamata è coerente con il bilancio consolidato del Gruppo Altea Green Power al 31 dicembre 2023 ed è redatta in conformità alle norme di legge.

Con riferimento alla dichiarazione di cui all'art. 14, co. 2, lettera e), del D. Lgs. 39/10, rilasciata sulla base delle conoscenze e della comprensione dell'impresa e del relativo contesto acquisite nel corso dell'attività di revisione, non abbiamo nulla da riportare.

Torino, 12 aprile 2024

BDO Italia S.p.A.



Massimo Siccardi  
Socio



**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



## **Altea Green Power S.p.A.**

**OPERATIONAL HEADQUARTERS**  
Via Chivasso, 15/A - 10098 Rivoli (TO) - Italy

**REGISTERED OFFICE**  
Corso Re Umberto, 8 - 10121 Torino - Italy

[info@alteagreenpower.com](mailto:info@alteagreenpower.com)  
[www.alteagreenpower.com](http://www.alteagreenpower.com)