



***Independent auditor's report***

*in accordance with article 14 of Legislative Decree No. 39  
of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014*

***Alperia SpA***

***Consolidated Financial Statements as of  
31 December 2023***



## **Independent auditor's report**

*in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014*

To the shareholders of  
Alperia SpA

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### **Report on the Audit of the Consolidated Financial Statements**

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#### **Opinion**

We have audited the consolidated financial statements of Alperia Group (the Group), which comprise the consolidated statement of financial position as of 31 December 2023, the consolidated income statement, statement of consolidated comprehensive income, the statement of changes in shareholders' Group equity, the statement of consolidated cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2023, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38 of 28 February 2005.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of Alperia SpA (the Company) pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in

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#### **PricewaterhouseCoopers SpA**

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the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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**Key Audit Matters**

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**Auditing procedures performed in response to key audit matters**

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**Recoverability of the values of intangible assets**

*Note 9.1 to the consolidated financial statements “Concessions, goodwill and other intangible assets”.*

As of 31 December 2023, about 17% of total consolidated assets is comprised of intangible assets, equal to Euro 521 million, originating mainly from the allocation to the ‘Concessions’ of the excess prices paid on acquisition of power generation entities over the respective net equity values.

In a market characterised by a significant volatility of electricity prices, in accordance with IAS 36 as adopted by the European Union, the Company carried out an impairment test, using the discounted cash flow method, to measure the recoverable amounts of concessions. The cash flows have been estimated based on the production estimation expected until the end of each hydroelectric concession.

In consideration of the magnitude of the values allocated to concessions and the complexity of the process of estimation of the recoverable amounts based on the future cash flows that these will generate, we identified the measurement of concessions as a key audit matter with reference to the existence of possible impairment losses and consequently their appropriate recognition in the consolidated financial statements.

The auditing procedures performed involved verifying the procedures adopted by management to identify possible impairment losses of intangible assets (concessions) in accordance with IAS 36 – Impairment of Assets.

In detail, we obtained the impairment test of concessions carried out by management which we verified also with the support of valuation experts belonging to the PwC network.

Our tests concerned the key assumptions used in the application of the impairment test, which is based on estimating the cash flows each concession is expected to generate in future.

Specifically, we verified the reasonableness of (i) the power price curve used, (ii) the estimated production capacity, and (iii) the discount rate applied to the estimated future cash flows.

Moreover, we verified management’s ability to prepare estimates by comparing actual performance data with past business plans, the consistency of projections used with the current business plans, as well as the mathematical accuracy of the calculation of the estimated future cash flows based on the above-mentioned assumptions.



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**Key Audit Matters**

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**Auditing procedures performed in response to key audit matters**

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We discussed with management the conclusions reached by them based in their valuation procedure. In that context we verified that the carrying amounts of concessions in the consolidated financial statements were consistent with the outcome of the impairment test verified as stated above.

Finally, we verified the completeness and accuracy of disclosures provided in the notes to the consolidated financial statements.

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**Revenue recognition****Paragraph 2.6 “Measurement criteria - Recognition of revenues”**

On 31 December 2023, revenues of the Alperia Group amounted to Euro 2.650.032 thousand, mainly due to the sale and transport of electricity, heat and services. These revenues are recognised in the financial statements when risks and rewards are transferred to customers upon sale of the good or when the service is rendered and, in any case, only if all criteria under IFRS 15 (“Revenue from contracts with customers”) are met. As part of our audit procedures on the consolidated financial statements, the correct recognition of revenues was considered as a key area since it represents the most significant P&L item and an incorrect recognition of them would cause a considerable alteration of the consolidated result for the year.

The audit approach preliminarily consisted in understanding and assessing the internal control system and the procedures designed by the Alperia Group companies for the recognition of revenues from sale.

The audit approach then provided to perform compliance testing on key controls, which might have been put in place by the Group companies, in order to verify the operating efficacy of such controls in the context of the revenue recognition process, with particular reference to the existence of such revenues and their recognition in the correct accrual period.

Taking into account the understanding, assessment and validation of the internal controls mentioned above, validity tests were planned and performed on the revenues of each Group company included in the scope of consolidation. In particular, in relation to a sample of transactions deemed representative in the context of each individual consolidated entity, procedures were carried out on the existence and accuracy of revenues recognised in the financial statements, by examining the information included in the

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available documentation as supporting evidence.

In addition, we verified the reconciliation of the intercompany balances and their being correctly written off in the consolidated financial statements.

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### ***Responsibilities of the members of the management board and the supervisory board for the consolidated financial statements***

The members of the management board are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38 of 28 February 2005 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The members of the management board are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the members of the management board use the going concern basis of accounting unless they either intend to liquidate Alperia SpA or to cease operations, or have no realistic alternative but to do so.

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

### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

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



As part of an audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- we identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members of the management board;
- we concluded on the appropriateness of the member of the management board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- we obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

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

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.



From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

### ***Additional Disclosures required by Article 10 of Regulation (EU) No 537/2014***

On 23 March 2016 and 12 May 2017, the shareholders of Alperia SpA in general meeting engaged us to perform the statutory audit of the Company's and consolidated financial statements for the years ending 31 December 2016 to 31 December 2024.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to those charged with governance, in their capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

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### ***Report on Compliance with other Laws and Regulations***

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#### ***Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39 of 27 January 2010 and Article 123-bis, paragraph 4, of Legislative Decree No. 58 of 24 February 1998***

The members of the management board of Alperia SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure (with reference to the information requested by article 123bis, paragraph 2, letter b) of Legislative Decree 58 of 24 February 1998) of the Alperia Group as of 31 December 2022, including their consistency with the relevant consolidated financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58 of 24 February 1998, with the consolidated financial statements of the Alperia Group as of 31 December 2022 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.



In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the consolidated financial statements of Alperia SpA as of 31 December 2022 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39 of 27 January 2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

***Statement in accordance with article 4 of Consob's Regulation implementing Legislative Decree No. 254 of 30 December 2016***

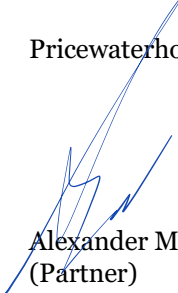
The members of the management board of Alperia SpA are responsible for the preparation of the non-financial statement pursuant to Legislative Decree No. 254 of 30 December 2016.

We have verified that the members of the management board approved the non-financial statement.

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016, the non-financial statement is the subject of a separate statement of compliance issued by ourselves.

Padua, 24 April 2024

PricewaterhouseCoopers SpA

  
Alexander Mayr  
(Partner)