2024

Financial Report of the Alpiq Ltd. Group

(Part of the Alpiq Group)

Financial Report

Key Financial Figures

CHF million	Results of operations before non-operating effects 2024	2023	% change	Results under IFRS 2024	2023	% change
Net revenue	6,392.2	8,393.8	–23.8	6,669.5	8,956.4	–25.5
Earnings before interest, tax, depreciation and amortisation (EBITDA)	950.5	998.9	–4.8	1,374.9	1,620.9	–15.2
Depreciation, amortisation and impairment	–71.7	–44.7	60.4	–71.7	–44.7	60.4
Earnings before interest and tax (EBIT)	878.8	954.1	–7.9	1,303.2	1,576.1	–17.3
Net income	685.6	775.1	–11.5	1,023.2	1,291.1	–20.7

	31 Dec 2024	31 Dec 2023	% change
Total assets (CHF million)	6,935.6	9,531.5	–27.2
Total equity (CHF million)	4,088.2	3,835.2	6.6
As % of total assets	58.9	40.2	
Number of employees (full-time equivalents)	1,322	1,193	11

Financial Review

Alpiq looks back on a successful financial year 2024. Despite lower energy prices and an increasingly nervous market shaped by continued geopolitical event risks at the end of the year 2024, Alpiq Ltd. Group generated an adjusted EBITDA of CHF 950.5 million (previous year: CHF 998.9 million) and increased its equity ratio from 40.2% to 58.9% as of 31 December 2024. All three value chain elements – Assets, Trading and Origination – contributed positively to the result. This very good result was achieved by a continued focus on Alpiq's core business and value creation along the value chain, together with reinforced risk management practices to account for the new market dynamics.

The market environment in 2024 was defined by a continued decline in prices, coupled with significantly lower volatility compared to the previous year. In this context, the very good result highlights robust operational performance and demonstrates that the strategic focus on flexible assets in Switzerland and across European markets is proving effective, even in a less volatile market environment. The flexible production portfolio and the high availability of the power plants were optimally used by the value chain element Assets. Solid performance was also driven by Trading and Origination, thanks to good market positioning and long-standing customer relationships across Europe.

Aligned with its strategy confirmed in 2023, the company continues to focus on flexibility and its key role in energy markets. In 2024, Alpiq reinforced its position as a flexibility provider through strategic acquisitions. In April, it secured a majority stake in Finnish hydrogen pioneer P2X Solutions, specializing in green hydrogen and synthetic fuels. In June, Alpiq entered the battery energy storage sector with a 30 MW project in Finland, set to operate in 2025. In November, it acquired a large-scale 100 MW BESS project in France, expected to be operational in 2026. These investments enhance renewable integration and strengthen security of supply.

To measure and present its operating performance, Alpiq also uses alternative performance measures through to the level of "Net income". Alpiq makes adjustments to the IFRS results for non-operating effects which Alpiq does not consider part of results of operations. These performance measures do not have a standardised definition in IFRS. This can therefore limit comparability with such measures as defined by other companies. The performance measures are presented in a pro forma statement in order to give investors a deeper understanding of how Alpiq's management measures the performance of the Alpiq Group. However, they are no substitute for IFRS performance measures. Alpiq does not use any alternative performance measures in the balance sheet and statement of cash flows.

The non-operating effects for the financial year 2024 amount to a total of CHF 424.4 million on EBITDA level (previous year: CHF 622.0 million). Thereof, CHF 287.0 million arose from fair value changes of energy derivatives that were entered into in connection with hedges for future power production. These fair value changes do not reflect the operating performance of business activities, because they are economically linked with the changes in value of the hedged transactions. According to IFRS Accounting guidelines, the fair value changes of financial hedges must be recognised in the reporting year. The future production volumes and the physical power purchase agreements on the other hand are kept off-balance sheet and therefore positive fair value changes are not recognised in the reporting year, which results in an accounting mismatch. Non-operating effects recorded in energy and inventory of CHF 147.1 million relate to the performance of the shares in the decommissioning and waste disposal funds of the Kernkraftwerk Gösgen-Däniken AG and Kernkraftwerk Leibstadt AG nuclear power plants. The investments of these two funds are exposed to market fluctuations and changes in estimates, which cannot be influenced by Alpiq, but which do influence electricity procurement costs. The difference between the return actually generated by the funds and the return budgeted by the nuclear power plants of 2.75% is classified and recorded as a non-operating effect.

Consolidated income statement (pro forma statement before and after non-operating effects)

CHF million	2024 Results of operations before non-operating effects	2024 Non-operating effects	2024 Results under IFRS	2023 Results of operations before non-operating effects	2023 Non-operating effects	2023 Results under IFRS
Net revenue	**6,392.2**	**277.3**	**6,669.5**	**8,393.8**	**562.6**	**8,956.4**
Own work capitalised	3.2		3.2	3.7		3.7
Other operating income	43.3		43.3	13.5		13.5
Total revenue and other income	**6,438.7**	**277.3**	**6,716.0**	**8,411.0**	**562.6**	**8,973.6**
Energy and inventory costs	–5,117.6	147.1	–4,970.5	–6,963.6	59.4	–6,904.2
Employee costs	–241.9		–241.9	–223.5		–223.5
Other operating expenses	–128.7		–128.7	–225.0		–225.0
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**950.5**	**424.4**	**1,374.9**	**998.9**	**622.0**	**1,620.9**
Depreciation, amortisation and impairment	–71.7		–71.7	–44.7		–44.7
Earnings before interest and tax (EBIT)	**878.8**	**424.4**	**1,303.2**	**954.1**	**622.0**	**1,576.1**
Share of results of partner power plants and other associates	12.4		12.4	12.2		12.2
Finance costs	–128.9		–128.9	–147.2		–147.2
Finance income	85.4		85.4	81.3		81.3
Earnings before tax	**847.7**	**424.4**	**1,272.1**	**900.4**	**622.0**	**1,522.4**
Income tax expense	–162.1	–86.8	–248.9	–125.3	–106.0	–231.3
Net income	**685.6**	**337.6**	**1,023.2**	**775.1**	**516.0**	**1,291.1**

Alpiq Ltd. Group: results of operations (before non-operating effects)

The Alpiq Ltd. Group generated an adjusted EBITDA that was down CHF 48.4 million on the previous year. Due to the lower price level on the energy markets, adjusted net revenue decreased by CHF 2.0 billion compared with the previous year to reach CHF 6.4 billion. Adjusted EBITDA margin rose from 11.9% to 14.9%. All three elements of the value chain – Assets, Trading and Origination – contributed positively to this very good result.

Assets

The Assets segment covers the production of electricity by Alpiq's Swiss and international power plants through different technologies such as hydro (including small-scale hydropower), nuclear, thermal, wind and solar, as well as the operation and optimisation of these power plants. It also comprises several wind farm projects in Switzerland and abroad. The Alpiq Swiss power plant portfolio includes run-of-river power plants, storage and pumped storage power plants (including Nant de Drance), as well as interests in the Gösgen and Leibstadt nuclear power plants. In addition, the Assets segment manages shares in HYDRO Exploitation SA and Kernkraftwerk-Beteiligungsgesellschaft AG (KBG). It also covers the production of electricity and heat at thermal power plants in Hungary, Italy and Spain. The power plant portfolio is made up of gas-fired combined-cycle power plants and gas-fired turbine power plants. Power is sold on the European electricity trading market, and the power plants are used by the respective grid operators to balance the grids.

The EBITDA contribution of Assets was very positive in 2024 and accounted for more than three quarters of the Group's total EBITDA. However, compared to the prior year EBITDA, the current year's result was below the previous year. Lower energy prices and reduced market volatility had a negative impact, affecting all major operating markets and ancillary services. Despite these market conditions, the performance of Assets remained strong, thanks to increased production at most power plants and an asset hedging strategy, that made optimal use of the flexible production portfolio. Higher production was primarily driven by higher inflows in Switzerland and an increased dispatch of the flexible thermal assets in Italy.

Trading

The Trading segment covers proprietary trading activities with standardised and structured products for electricity and gas, as well as emission allowances and certificates. The Trading segment also includes foreign exchange and liquidity management.

Against the backdrop of an extraordinary previous year characterized by high prices and favorable trading opportunities, the value chain element Trading made a positive contribution to the Group's total EBITDA. While solid, the performance was down on the previous year. Nevertheless, this positive contribution highlights Alpiq's strong commitment to trading and its ability to navigate challenging market conditions effectively.

Origination

The Origination segment covers activities to optimise electricity production from third-party renewable energy, direct marketing and energy management for industrial and business customers. This includes the trading and sale of standardised and structured products in various countries, with the aim of helping partners to achieve their cost efficiency and sustainability goals, thereby creating value and increasing customer benefit. The Origination segment also covers the company's Swiss sales and origination activities as well as retail activities in France.

The value chain element Origination achieved a solid result in 2024 thanks to customer proximity and balanced portfolio management. However, the result was significantly lower than in the previous year, primarily due to reduced market volatility and lower price levels. In Germany, France, and Spain, the performance of market access portfolios for third-party-owned assets improved, reflecting an increased focus on leveraging the flexibility offered by these portfolios.

Group financial position and cash flow statement (after non-operating effects)

At 31 December 2024, total assets amounted to CHF 6.9 billion compared to CHF 9.5 billion at the end of 2023. The decreased energy price level in 2024 compared to the previous year significantly lowered the carrying amount of the derivative financial instruments - both on the assets and liabilities side. As a result, current assets declined by CHF 2.4 billion to CHF 4.6 billion and current liabilities declined by CHF 1.7 billion to CHF 1.9 billion. Non-current liabilities decreased by CHF 1.1 billion to CHF 1.0 billion mainly impacted by the repayment of a loan payable towards Alpiq Holding Ltd. of CHF 0.9 billion.

With a net income of CHF 1.0 billion and other comprehensive income of CHF 37.0 million Alpiq Ltd. Group achieved a total comprehensive result of CHF 1.1 billion in 2024 (previous year: CHF 1.3 billion) and reported total equity of CHF 4.1 billion (CHF 3.8 billion) on 31 December 2024. Equity ratio increased from 40.2% to 58.9%.

Net cash flows from operating activities increased year-on-year from CHF 490.8 million to CHF 975.7 million. While in the previous year adjustments for fair value changes of derivative financial instruments and changes in net working capital of CHF 1.0 billion reduced the operating cash flow significantly this years' adjustments of CHF 0.3 billion were much lower. Net cash flows from investing activities amounted to CHF 52.1 million (previous year: CHF -806.9 million). In the prior period the cash outflow mainly related to transferred loans receivables of CHF 707.4 million from Alpiq Holding Ltd. to Alpiq Ltd. and investments in power plants and intangible assets of CHF 159.1 million. Net cash flows from financing activities amounted to CHF -1.9 billion (CHF 1.7 billion) reflecting the repayment of loans payable of CHF 1.0 billion mainly towards Alpiq Holding Ltd. and a dividend distribution of CHF 800.0 million. Overall cash and cash equivalents decreased by CHF 842.1 million to CHF 2.0 billion.

Outlook

In 2025, Alpiq will continue to drive the implementation of its strategy with a strong focus on flexibility and supporting the integration of wind and solar energy into the system. All value chain elements - Assets, Trading, and Origination - are expected to deliver good results, benefiting from Alpiq's robust asset portfolio and a well-positioned trading and origination business that remains closely aligned with customer needs. Alpiq is confident of maintaining its very solid financial position in 2025, with optimal support of value chain operations and implementation of Alpiq's strategy, further enabling security of supply and a better climate.

Consolidated Financial Statements of the Alpiq Ltd. Group

Consolidated Income Statement

CHF million	2024	2023
Net revenue	**6,669.5**	**8,956.4**
Own work capitalised	3.2	3.7
Other operating income	43.3	13.5
Total revenue and other income	**6,716.0**	**8,973.6**
Energy and inventory costs	–4,970.5	–6,904.2
Employee costs	–241.9	–223.5
thereof wages and salaries	–195.0	–181.8
thereof pension costs and other employee costs	–46.8	–41.7
Other operating expenses	–128.7	–225.0
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**1,374.9**	**1,620.9**
Depreciation, amortisation and impairment	–71.7	–44.7
Earnings before interest and tax (EBIT)	**1,303.2**	**1,576.1**
Share of results of partner power plants and other associates	12.4	12.2
Finance costs	–128.9	–147.2
Finance income	85.4	81.3
Earnings before tax	**1,272.1**	**1,522.4**
Income tax expense	–248.9	–231.3
Net income	**1,023.2**	**1,291.1**
Attributable to non-controlling interests	–1.3	0.7
Attributable to equity investors of Alpiq Ltd.	1,024.5	1,290.4

Consolidated Statement of Comprehensive Income

CHF million	2024	2023
Net income	**1,023.2**	**1,291.1**
Cash flow hedges (group companies)	–46.8	3.6
Income tax expense	7.1	–0.9
Net of income tax	–39.7	2.7
Cash flow hedges (partner power plants and other associates)	0.3	–0.1
Currency translation differences	72.8	–14.7
Items that may be reclassified subsequently to the income statement, net of tax	**33.4**	**–12.1**
Remeasurements of defined benefit plans (group companies)	0.5	23.0
Income tax expense	–0.1	–3.4
Net of income tax	0.4	19.6
Remeasurements of defined benefit plans (partner power plants and other associates)	3.7	18.9
Income tax expense	–0.5	–2.9
Net of income tax	3.2	16.0
Items that will not be reclassified to the income statement, net of tax	**3.6**	**35.6**
Other comprehensive income	**37.0**	**23.5**
Total comprehensive income	**1,060.2**	**1,314.6**
Attributable to non-controlling interests	–1.5	
Attributable to equity investors of Alpiq Ltd.	1,061.7	1,314.6

Consolidated Balance Sheet

Assets

CHF million	Note	31 Dec 2024	31 Dec 2023
Property, plant and equipment		409.1	329.8
thereof land and buildings		98.0	99.7
thereof power plants		168.0	166.5
thereof transmission assets		3.7	0.9
thereof other plant and equipment		5.6	3.1
thereof assets under construction and prepayments		111.7	34.8
thereof right-of-use assets		22.2	24.7
Intangible assets		150.3	152.8
thereof goodwill		11.1	
thereof energy purchase rights		1.3	2.1
thereof other intangible assets		132.0	148.9
thereof assets under development and prepayments		5.9	1.9
Investments in partner power plants and other associates		819.3	818.8
Derivative financial instruments		242.3	386.7
Other non-current assets		702.7	752.0
thereof loans receivable		661.6	711.3
thereof defined benefit assets		40.2	39.4
thereof financial investments		0.9	1.3
Deferred income tax assets		44.3	110.0
Non-current assets		**2,368.0**	**2,550.1**
Inventories		162.6	32.7
Derivative financial instruments		459.8	2,045.5
Receivables and other current assets		1,570.6	1,811.8
thereof trade receivables		1,120.0	1,249.2
thereof other receivables		450.6	562.6
Prepayments and accrued income		310.6	190.6
Current term deposits		32.2	28.0
Cash and cash equivalents [1]		2,027.1	2,869.2
Assets held for sale	5	4.9	3.8
Current assets		**4,567.7**	**6,981.4**
Total assets		**6,935.6**	**9,531.5**

1 Cash and cash equivalents include foreign subsidiaries' bank accounts with a total balance of EUR 15.1 million, translated CHF 14.3 million, (previous year: EUR 23.1 million, translated CHF 21.4 million), which are pledged in accordance with regulations in local finance agreements. These funds are therefore not freely available in full for the Alpiq Ltd. Group.

Equity and liabilities

CHF million	Note	31 Dec 2024	31 Dec 2023
Share capital		303.6	303.6
Retained earnings and other reserves		3,748.1	3,521.0
Equity attributable to equity investors of Alpiq Ltd.		**4,051.7**	**3,824.6**
Non-controlling interests		36.5	10.6
Total equity		**4,088.2**	**3,835.2**
Non-current provisions		47.7	47.9
thereof provisions for onerous contracts			1.1
thereof provisions for decommissioning own power plants		14.8	10.2
thereof provisions for warranties		1.0	1.0
thereof other provisions		31.8	35.6
Deferred income tax liabilities		112.5	201.4
Defined benefit liabilities		1.8	2.0
Derivative financial instruments		140.2	304.5
Non-current financial liabilities		691.9	1,544.5
thereof loans payable		635.9	1,520.1
thereof lease liabilities		20.8	24.4
thereof put option		35.1	
Non-current liabilities		**994.0**	**2,100.4**
Current income tax liabilities		280.2	66.6
Current provisions		6.0	10.0
Current financial liabilities		215.6	292.2
thereof loans payable		210.3	287.7
thereof lease liabilities		5.2	4.6
Other current liabilities		678.1	1,147.7
thereof trade payables		553.7	985.2
thereof other payables		124.4	162.4
Derivative financial instruments		280.2	1,533.9
Accruals and deferred income		392.8	544.5
Liabilities held for sale	5	0.6	1.0
Current liabilities		**1,853.4**	**3,595.9**
Total liabilities		**2,847.5**	**5,696.3**
Total equity and liabilities		**6,935.6**	**9,531.5**

Consolidated Statement of Changes in Equity

CHF million	Share capital	Cash flow hedge reserves	Currency translation differences	Retained earnings	**Attributable to equity investors of Alpiq Ltd.**	Non-controlling interests	**Total equity**
Equity at 1 January 2024	**303.6**	**56.0**	**–469.0**	**3,934.0**	**3,824.6**	**10.6**	**3,835.2**
Net income / (loss) for the period				1,024.5	**1,024.5**	–1.3	**1,023.2**
Other comprehensive income		–39.4	73.0	3.6	**37.2**	–0.2	**37.0**
Total comprehensive income		**–39.4**	**73.0**	**1,028.1**	**1,061.7**	**–1.5**	**1,060.2**
Dividends				–800.0	**–800.0**	–0.6	**–800.6**
Change in non-controlling interests					**0.0**	27.5	**27.5**
Employee share based payment options				0.5	**0.5**	0.5	**1.0**
Initial recognition of NCI Put Option [1]				–35.1	**–35.1**		**–35.1**
Equity at 31 December 2024	**303.6**	**16.6**	**–396.0**	**4,127.5**	**4,051.7**	**36.5**	**4,088.2**

1 Alpiq and the minority shareholders of P2X have included a put option in the shareholder agreement, allowing the minority shareholders to sell their shares to Alpiq at the beginning of 2028 at a predefined price, subject to the achievement of certain milestones. The present value of the purchase price, amounting to CHF 35.1 million, is recognised as a non-current financial liability, with a corresponding reduction in retained earnings.

CHF million	Share capital	Cash flow hedge reserves	Currency translation differences	Retained earnings	**Attributable to equity investors of Alpiq Ltd.**	Non-controlling interests	**Total equity**
Equity at 1 January 2023	**303.6**	**53.4**	**–455.0**	**2,608.0**	**2,510.0**	**11.8**	**2,521.8**
Net income / (loss) for the period				1,290.4	**1,290.4**	0.7	**1,291.1**
Other comprehensive income		2.6	–14.0	35.6	**24.2**	–0.7	**23.5**
Total comprehensive income		**2.6**	**–14.0**	**1,326.0**	**1,314.6**	**0.0**	**1,314.6**
Dividends					**0.0**	–1.2	**–1.2**
Equity at 31 December 2023	**303.6**	**56.0**	**–469.0**	**3,934.0**	**3,824.6**	**10.6**	**3,835.2**

Consolidated Statement of Cash Flows

CHF million	Note	2024	2023
Earnings before tax		**1,272.1**	**1,522.4**
Adjustments for:			
Depreciation, amortisation and impairment		71.7	44.7
Gain on sale of non-current assets		–1.9	
Share of results of partner power plants and other associates		–12.4	–12.2
Financial result		43.5	66.0
Other non-cash income and expenses		–11.5	–4.0
Change in provisions (excl. interest)		–10.6	6.5
Change in defined benefit assets / liabilities and other non-current liabilities		0.1	–16.1
Change in fair value of derivative financial instruments and hedged firm commitments		226.6	–940.2
Change in net working capital (excl. derivatives, current financial assets / liabilities and current provisions)		–558.8	–41.1
Other financial income and expenses		7.3	–51.3
Income tax paid		–50.3	–83.9
Net cash flows from operating activities		**975.7**	**490.8**
Property, plant and equipment and intangible assets			
Investments		–72.3	–159.1
Proceeds from disposals		2.4	0.1
Subsidiaries			
Acquisitions	5	–23.4	
Proceeds from disposals			–0.8
Associates			
Investments		–0.2	–0.3
Proceeds from disposals			0.3
Loans receivable and financial investments			
Investments		–1.1	–710.3
Proceeds from disposals / repayments		50.0	0.5
Change in current and non-current term deposits		–3.3	–13.7
Dividends from partner power plants, other associates and financial investments		16.1	12.1
Interest received		83.8	64.4
Net cash flows from investing activities		**52.1**	**–806.9**

CHF million	Note	2024	2023
Dividends paid		–800.0	
Dividends paid to non-controlling interests		–0.6	–2.4
Proceeds from financial liabilities		1.3	1,778.4
Repayment of financial liabilities		–979.2	–96.8
Interest paid		–108.5	–18.4
Net cash flows from financing activities		**–1,887.1**	**1,660.8**
Currency translation differences		**17.3**	**–56.5**
Change in cash and cash equivalents		**–842.1**	**1,288.1**
Reconciliation:			
Cash and cash equivalents at 1 January		2,869.2	1,580.9
Of which, cash and cash equivalents		2,869.2	1,574.6
Of which, cash and cash equivalents under assets held for sale			6.3
Cash and cash equivalents at 31 December		2,027.1	2,869.2
Of which, cash and cash equivalents		2,027.1	2,869.2
Change		**–842.1**	**1,288.3**

Notes to the Consolidated Financial Statements

1 Basis of preparation of the consolidated financial statements

The consolidated financial statements of the Alpiq Ltd. Group ("Alpiq") have been prepared in accordance with the Alpiq Group Accounting Manual (in respect of the recognition and measurement principles), which is designed to comply with IFRS Accounting Standards and Interpretations (IFRIC and SIC) issued by the International Accounting Standards Board (IASB). The consolidated financial statements give a true and fair view of the financial position, financial performance and cash flows of the Alpiq Ltd. Group. They have been prepared on a historical cost basis, except for certain items such as financial instruments that have been measured at fair value in some instances. The notes provide selected explanatory information on the accounting principles in accordance with the Alpiq Group Accounting Manual.

Alpiq Ltd. Group is a subgroup of Alpiq Group. Alpiq Ltd. is fully owned by Alpiq Holding Ltd. The consolidated financial statements were authorised for issue by the Board of Directors of Alpiq Ltd. on 5 May 2025.

2 Changes in the presentation of the financial statements

Alpiq reviews the presentation of financial reporting in terms of transparency, comprehensibility and accuracy on an ongoing basis. In the Annual Report 2024, the following adjustments are made:

- Figures are presented to one decimal place reflecting a more accurate picture of Alpiq’s financial statement. For consistency and comparability, previous year figures are also presented to one decimal place.
- Alpiq has discontinued the separate presentation of the “Share Premium” component within equity, reclassifying it entirely to Retained Earnings. This reclassification has no impact on total equity and has been applied retrospectively, with previous year figures adjusted by CHF 64.0 million for comparability. This change in presentation has been made to simplify the equity structure by removing inactive categories, since the “Share Premium” component has not been actively used in recent years.
- The layout has been updated to align with Alpiq’s refreshed corporate design.

3 Impairment losses

In the previous year, impairment losses of CHF 1.2 million were recognised in the Trading segment, because internally developed software could not be used as originally planned. No impairment losses were recognised in 2024.

4 Contingent liabilities

ANAF’s tax audit at Alpiq Energy SE

Following a tax audit for the period from 2010 to 2014, the Romanian tax authority ANAF (Agenția Națională de Administrare Fiscală) had requested from Alpiq Energy SE contested VAT, corporate income tax, interest and penalties amounting to RON 589.0 million (approximately CHF 111.0 million). On 19 October 2021, the competent Romanian administrative court of first instance followed the arguments of Alpiq Energy SE and revoked ANAF’s decision as unlawful. ANAF subsequently appealed this decision to Romania’s Supreme Court. On 27 March 2024, the Supreme Court confirmed the decision of the first instance. The decision is final and Alpiq Energy SE fully prevailed in this case.

In the context of ANAF’s tax claim, Alpiq Energy SE filed a claim against ANAF seeking compensation for damages incurred due to alleged unlawful precautionary measures and the costs associated with a bank guarantee. On 12 December, 2022, the first-instance court ruled in favour of Alpiq Energy SE, awarding damages of approximately RON 10.5 million (approximately CHF 2.0 million). ANAF’s appeal was subsequently dismissed by the appellate court, although ANAF retains the right to pursue a higher appeal against this decision. Additionally, in October 2024, Alpiq Energy SE filed an additional administrative damage claim against ANAF for an amount of RON 55.0 million (approximately CHF 10.0 million).

Other matters

In the previous year, Alpiq had been in negotiations with a contracting party on the termination of a long-term energy sales contract, as Alpiq considered it to be null and void in view of the market conditions. In 2024, a settlement agreement was reached that resulted in the payment of CHF 50.0 million from Alpiq to the contracting party.

For obligations in connection with partner power plants, refer to note 4.3 in the consolidated financial statements of the Alpiq Holding Ltd. Annual Report 2024.

5 Change in group structure

Business combinations

In 2024, the following companies were acquired and integrated into the consolidated financial statements:

On 12 April 2024, Alpiq acquired a 54.9% stake in P2X Solutions Oy for CHF 45.1 million (EUR 46.8 million). P2X Solutions Oy is a leading Power-to-X developer in the production and sale of green hydrogen and synthetic fuels. The company is currently constructing the first industrial-scale green hydrogen production facility in south-west Finland, in the town of Harjavalta. Scheduled to be operational in early 2025, the facility will boast an electrolysis capacity of 20 MW, positioning it as one of the largest of its kind in Europe.

On 19 June 2024, Alpiq acquired 100% of the shares in Pispantallin Tasapainotus Oy, based in Vantaa, Finland, from Merus Power Oy for CHF 0.72 million (EUR 0.75 million). The company is constructing one of the largest battery energy storage systems in Finland; the 30 MW large-scale battery is set to become operational in Valkeakoski by mid-2025.

The following allocation of fair values was applied in the balance sheet:

CHF million	Fair value
Property, plant and equipment	47.7
Intangible assets	5.3
Deferred income tax assets	1.0
Receivables and other current assets	0.3
Cash and cash equivalents	22.1
Total assets excl. Goodwill from acquisition	**76.4**
Deferred income tax liabilities	0.9
Non-current financial liabilities	10.5
Other current liabilities	3.0
Accruals and deferred income	0.1
Total liabilities	**14.5**
Net assets	**61.9**
Non-controlling interests	27.6
Net assets acquired (Shareholder's of Alpiq Ltd. Group)	34.3
Acquisition costs for acquired stake	**45.5**
Goodwill from acquisition	**11.2**
Net cash flow arising from acquisition activities:	
Acquisition costs	–45.5
Cash and cash equivalents acquired with subsidiaries	22.1
Net cash flow	**–23.4**

Companies sold

In the first half of 2023, Alpiq Group sold its Bulgarian subsidiaries Alpiq Energia Bulgaria EOOD, Vetrocom EOOD, and Alpiq Wind Services EAD to Renalfa IPP. Among these, only Alpiq Energia Bulgaria EOOD was part of the Alpiq Ltd. Group. The sale price of CHF 76 million was fully allocated to Vetrocom EOOD. For the Alpiq Ltd. Group, the transaction resulted in a disposal of net assets of CHF 7 million and a loss on disposal of CHF 7 million, recognized under other operating expenses.

There were no disposals of subsidiaries in the financial year 2024.

Assets held for sale

In the second half of 2023, Alpiq decided to sell 75% of its share in the Spanish project company Novagavia Business S.L and classified the assets and liabilities of the company as held for sale. A buyer was identified. However, due to contractual milestones that must be fulfilled before the transfer of ownership, the sale could not be completed in 2024 but is expected to be finalised in 2025. Despite the delay, the criteria for classification as held for sale under IFRS 5 are fulfilled, as the sale remains highly probable and is actively being pursued within a reasonable timeframe.

For further details, refer to note 5.3 in the consolidated financial statements of the Alpiq Holding Ltd. Annual Report 2024.

6 Group companies and investments

Group companies	Place of incorporation	Direct ownership interest in %
Alpiq Ltd.	Olten, CH	100.0%
Aero Rossa S.r.l.	Milan, IT	100.0%
Almolina H2 S.L.	Madrid, ES	100.0%
Alpiq Csepel Kft.	Budapest, HU	100.0%
Alpiq Csepeli Szolgáltató Kft.	Budapest, HU	100.0%
Alpiq Digital Austria GmbH[1]	Vienna, AT	0.0%
Alpiq EcoPower France S.A.S.	Toulouse, FR	100.0%
Alpiq Energía España S.A.U.	Madrid, ES	100.0%
Alpiq Energia Italia S.p.A.	Mailand, IT	100.0%
Alpiq Energie Deutschland GmbH	Berlin, DE	100.0%
Alpiq Energie France S.A.S.	Paris, FR	100.0%
Alpiq Energija BH d.o.o	Sarajevo, BA	100.0%
Alpiq Energija Skopje DOOEL Skopje[2]	Skopje, MK	100.0%
Alpiq Energy Albania SHPK[1]	Tirana, AL	0.0%
Alpiq Magyarország Kft.	Budapest, HU	100.0%
Alpiq Energy SE	Prag, CZ	100.0%
Alpiq Energy Ukraine LLC[2]	Kyiv, UKR	100.0%
Alpiq Finland Oy	Vantaa, FI	100.0%
Alpiq Hydro Italia S.r.l.	Mailand, IT	90.0%
Alpiq Italia S.r.l.	Mailand, IT	100.0%
Alpiq Les Marronniers[3]	Paris, FR	100.0%
Alpiq Norway AS	Oslo, NO	100.0%
Alpiq Re (Guernsey) Ltd.	Guernsey, GB	100.0%
Alpiq Retail France S.A.S.	Paris, FR	100.0%
Alpiq RomIndustries S.R.L.[2]	Bucharest, RO	100.0%
Alpiq Services CZ s.r.o.	Prag, CZ	100.0%
Alpiq Solutions France S.A.S.	Paris, FR	100.0%
Alpiq Sverige AB [3]	Malmö, SE	100.0%
Alpiq Turkey Enerji Toptan Satis Limited Sirketi [1]	Istanbul TR	0.0%

1 Fully owned subsidiary liquidated during 2024.
2 In liquidation
3 Newly founded
4 Newly acquiered, see note 5

Group companies	Place of incorporation	Direct ownership interest in %
Alpiq Wind Italia S.r.l.	Mailand, IT	100.0%
Alres Sur 3 S.L.	Madrid, ES	100.0%
EESP European Energy Service Platform GmbH [1]	Berlin, DE	0.0%
En Plus S.r.l.	Mailand, IT	100.0%
Enpower 3 S.r.l.	Mailand, IT	100.0%
Horizen GmbH [2]	Berlin, DE	100.0%
Novagavia Business S.L.	Madrid, ES	100.0%
Novel S.p.A.	Mailand, IT	51.0%
P2X Solutions Oy [4]	Espoo, FI	54.9%
Pispantallin Tasapainotus Oy [4]	Vantaa, FI	100.0%

1 Fully owned subsidiary liquidated during 2024.
2 In liquidation
3 Newly founded
4 Newly acquiered, see note 5

Partner power plants and other associates	Place of incorporation	Direct ownership interest in %
ETRANS AG	Baden, CH	33.3%
HyWay S.A.S.	Paris, FR	49.0%
Hydrogen Höfe Freienbach AG	Freienbach, CH	25.0%
Kernkraftwerk Gösgen-Däniken AG	Däniken, CH	40.0%
Kernkraftwerk Leibstadt AG	Leibstadt, CH	27.4%
Kernkraftwerk-Beteiligungsgesellschaft AG (KBG)	Bern, CH	33.3%
Nant de Drance SA	Finhaut, CH	39.0%
Unoenergia S.r.l.	Biella, IT	28.0%

Joint venture	Place of incorporation	Direct ownership interest in %
Hydrospider Ltd	Niedergösgen, CH	45.0%
HyMove S.A.S.	Paris, FR	50.0%
SC Produccion Renovable S.L.	Barcelona, ES	25.0%

7 Financial risk management

For comprehensive information on financial risk management, refer to note 3.1 in the consolidated financial statements of Alpiq Holding Ltd. Annual Report 2024.

8 Significant accounting policies

Basis of consolidation

The consolidated financial statements of the Alpiq Ltd. Group comprise the consolidated financial statements of Swiss domiciled Alpiq Ltd. and its subsidiaries prepared by using consistent accounting policies. All intragroup balances, transactions, income and expenses are eliminated in full.

Subsidiaries are companies that are controlled by Alpiq Ltd., either directly or indirectly. Such companies are consolidated at the date control is obtained. Companies are deconsolidated or recognised under “Investments in partner power plants and other associates” or under “financial investments” when control over the company is lost.

Investments in partner power plants and other associates in which the Alpiq Ltd. Group has significant influence are included in the consolidated financial statements by applying the equity method. All other investments are recognised at fair value and included in non-current assets as “financial investments”.

Transactions under common control

A common control business combination is a combination in which all of the businesses that are to be combined are ultimately controlled by the same party, both before and after the business combination, where this control is not temporary in nature.

In the case of combinations of businesses under common control, the Alpiq Ltd. Group applies the pooling of interests method. The combinations are recognised as of the key date of the transaction in question, without any adjustment made to prior-year figures. The application of the pooling of interests method results in the difference between the payment transferred and the net assets received being booked directly to equity by the buyer as well as by the seller. The Alpiq Ltd. Group reports these equity effects as “Effects of common control business combinations”. The cash flows resulting from such transactions are stated as a separate item under net cash flows from investment activities.

Foreign currency translation

The consolidated financial statements are presented in Swiss francs (CHF), which is both the functional currency of Alpiq Ltd. and its reporting currency. The functional currency of each company in the Group is determined by the economic environment in which it operates. Transactions in foreign currencies are recorded in the group company’s functional currency at the exchange rate prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate on the reporting date. The resultant currency translation differences are recognised in the income statement.

Receivables and loans due from foreign operations for which settlement is neither planned nor likely to occur in the foreseeable future are, in substance, part of the company’s net investment in that foreign operation. The resulting translation differences are recognised separately in other comprehensive income as part of the foreign currency translation differences and reclassified from equity to the income statement on disposal of the net investment in the foreign operation.

The assets and liabilities of subsidiaries are translated into Swiss francs at the closing exchange rate at the reporting date. Income statement items are translated at the average exchange rate for the reporting period. Currency translation differences are recognised as a separate item in other comprehensive income. On disposal of a subsidiary or loss of control and on disposal of an associate or partner power plant or the loss of significant influence, the cumulative currency translation differences relating to that subsidiary are recognised in the income statement as part of the gain or loss on sale in the period in which the subsidiary is disposed of, or control ceases.

Unit	Closing rate at 31 Dec 2024	Closing rate at 31 Dec 2023	Average rate for 2024	Average rate for 2023
1 EUR	0.941	0.926	0.953	0.972
1 GBP	1.135	1.066	1.125	1.117
1 USD	0.906	0.838	0.881	0.899
100 CZK	3.737	3.745	3.793	4.051
100 HUF	0.229	0.242	0.241	0.255
100 NOK	7.980	8.238	8.196	8.516
100 PLN	22.016	21.339	22.126	21.403
100 RON	18.921	18.611	19.149	19.645

Other accounting policies

Specific accounting policies used for the preparation of the different line items of the income statement, statement of comprehensive income as well as the balance sheet are disclosed in the Annual Report 2024 of Alpiq Holding Ltd.

Significant estimation uncertainties and judgments

The preparation of the consolidated financial statements requires the management to exercise judgment and make estimates and assumptions. These can significantly affect recognised assets and liabilities, reported income and expenses and disclosures. Estimates and assumptions are based on historical experience and expectations of future events that are believed to be reasonable under the circumstances. Actual amounts may differ from these estimates. Any revisions to estimates and assumptions are recognised and disclosed in the period in which they are identified.

Net revenue
Contractual penalties – for example, for deviations between the delivered and contractually agreed quantity of energy – represent variable components in energy sales. They are included in the estimation of the transaction price only when they become highly probable. This is normally the case towards the end of the delivery period. Estimation of the point in time when such variable price components are recognised requires significant judgement.

Income tax
Assumptions are made based on local legal principles in calculation of current income tax. Income taxes that are actually payable may deviate from the values originally calculated, as in some cases the definitive assessment is not finalised until years after the end of the reporting period. The resulting risks are identified, assessed and recognised where necessary. Deferred tax assets are calculated in part using far-reaching estimates. The underlying forecasts pertain to a period of several years and comprise, inter alia, a forecast of future taxable income and interpretations of the existing regulatory framework.

Non-current assets
The calculation of the useful life, residual value and recoverable amount involves estimates. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs of disposal and its value in use. If an asset does not generate cash inflows that are independent of those from other assets, the recoverable amount of the individual asset is estimated for the cash-generating unit to which the asset belongs. Value in use is calculated by discounting the estimated future cash flows based on budget figures approved by management, business assumptions as well as other relevant factors. These assumptions are based on historical empirical data and current market expectations and therefore contain significant estimation uncertainties. These assumptions relate largely to wholesale prices on European forward markets and forecasts of medium-term and long-term energy prices, foreign currencies (in particular EUR/CHF and EUR/USD exchange rates), inflation rates, discount rates, regulatory conditions and investment activities relating to the company. The estimates made are reviewed periodically using external market data and analyses. To calculate the terminal values, the cash flows were extrapolated by a growth rate of 2.0% (previous year: 2.0%). This growth rate corresponds to the long-term average growth that Alpiq expects and represents a forecast. The discount rates that have been applied reflect the current market estimate for the specific risks to be allocated to the assets and represent a best estimate. Actual results may differ from these estimates, assumptions and forecasts, resulting in significant adjustments in subsequent periods.

Financial assets and liabilities at amortised cost
Alpiq analyses historical credit losses and derives a forward-looking estimate of expected credit losses taking, into account the economic conditions and information obtained externally. The estimates are reviewed and analysed periodically. However, actual results can differ from these estimates, resulting in adjustments in subsequent periods.

Provisions and contingent liabilities
The amount of the provisions for onerous contracts depends on various assumptions, relating in particular to the development of wholesale prices on European forward markets and forecasts of medium-term and long-term energy prices. These assumptions associated with uncertainties are made at the reporting date, some of which can result in significant adjustments in subsequent periods.

Provisions for pending obligations from litigation are based on information available in each case and estimates made by management as to the outcome of the litigation. Depending on the actual outcome, the effective cash outflow may differ significantly from the provisions.

Pension schemes
The calculation of the recognised defined benefit liabilities is based on statistical and actuarial assumptions which are disclosed in note 2.4 of the notes to the consolidated financial statements in the Annual Report 2024 of Alpiq Holding Ltd. Such assumptions can differ substantially from actual circumstances due to changes in market conditions and the economic environment, higher or lower exit rates, longer or shorter lives of plan participants and other estimated factors. Such deviations may have a significant impact on the defined benefit liabilities recognised in future reporting periods.

9 Events after the reporting period

There were no reportable events after the reporting date of 31 December 2024.

KPMG

Report of the Independent Auditor to the Board of Directors on the Audit of the Consolidated Financial Statements of Alpiq Ltd., Olten

Opinion
We have audited the consolidated financial statements of Alpiq Ltd. and its subsidiaries (Alpiq Ltd. Group), which comprise the consolidated balance sheet as at 31 December 2024 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 8 to 22) for the year ended 31 December 2024 are prepared, in all material respects, in accordance with the basis of preparation as outlined in Note 1 of the consolidated financial statements.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the consolidated financial statements" section of our report.

We are independent of Alpiq Ltd. Group in accordance with the requirements of the Swiss audit profession, as well as the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Preparation
We draw attention to Note 1 of the consolidated financial statements, which describes the basis of preparation. The consolidated financial statements of Alpiq Ltd. Group are prepared to provide Alpiq Ltd. Group's contractual partners with information. As a result, the consolidated financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

The board of directors is responsible for the other information. The other information comprises the information included in the financial report, but does not include the consolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with the basis of preparation as outlined in Note 1 of the consolidated financial statements and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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 ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.

- Obtain 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 Alpiq Ltd. Group internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' 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 Alpiq Ltd. 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 Alpiq Ltd. Group to cease to continue as a going concern.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors or its relevant committee 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 identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

KPMG AG

Daniel Haas Licensed Audit Expert	Corina Wipfler Licensed Audit Expert

Zurich, 5 May 2025

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