

## Consolidated income statement

|  | 01.01.-30.06.2020<br>unaudited | 01.01.-30.06.2019<br>unaudited |
|--|--------------------------------|--------------------------------|
| CHF thousand   |                                |                                |
| Net sales from goods and services  | 836,323                        | 1,003,534                      |
| Own costs capitalised  | 3,962                          | 2,533                          |
| Change in inventory of sales orders  | 1,107                          | 4,482                          |
| Other operating income   | 1,234                          | 7,621                          |
| <b>Total operating revenue</b>   | <b>842,626</b>                 | <b>1,018,170</b>               |
| Share of earnings from associates and joint ventures   | -697                           | -59                            |
| Energy procurement   | -658,948                       | -836,113                       |
| Concession fees  | -9,336                         | -9,001                         |
| Personnel expenses   | -34,379                        | -37,062                        |
| Materials and third party services   | -18,925                        | -22,886                        |
| Other operating expenses   | -27,170                        | -31,740                        |
| <b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>               | <b>93,171</b>                  | <b>81,309</b>                  |
| Depreciation and value adjustments of tangible assets  | -23,723                        | -23,734                        |
| Amortisation and value adjustments of intangible assets                                      | -1,384                         | -1,377                         |
| <b>Earnings before interest and taxes (EBIT)</b>   | <b>68,064</b>                  | <b>56,198</b>                  |
| Financial income   | 5,632                          | 10,989                         |
| Financial expenses   | -15,724                        | -14,517                        |
| <b>Earnings before taxes</b>   | <b>57,972</b>                  | <b>52,670</b>                  |
| Income taxes   | -17,164                        | -3,452                         |
| <b>Group earnings</b>  | <b>40,808</b>                  | <b>49,218</b>                  |
| Share of group earnings attributable to Repower shareholders                                 | 38,565                         | 45,659                         |
| Share of group earnings attributable to minorities   | 2,243                          | 3,559                          |
| Share of group earnings attributable to Repower shareholders per registered share (in CHF) * | 5.22                           | 6.18                           |
| Average number of registered shares in circulation   | 7,390,753                      | 7,390,489                      |

\* The diluted group earnings are calculated on the basis of the weighted average number of shares. There are no factors resulting in a dilution of earnings per share.

## Consolidated balance sheet

|   | 30.06.2020<br>unaudited | 31.12.2019       |
|---|-------------------------|------------------|
| CHF thousand  |                         |                  |
| <b>Assets</b>   |                         |                  |
| Tangible assets   | 861,150                 | 809,039          |
| Intangible assets   | 13,008                  | 12,657           |
| Investments in associates and joint ventures              | 5,897                   | 6,450            |
| Financial assets  | 73,046                  | 36,024           |
| Deferred tax assets                                       | 34,587                  | 34,600           |
| <b>Non-current assets</b>                                 | <b>987,688</b>          | <b>898,770</b>   |
| Inventories   | 15,182                  | 16,692           |
| Trade accounts receivable                                 | 50,975                  | 54,994           |
| Other receivables   | 52,731                  | 37,352           |
| Prepaid expenses and accrued income                       | 245,390                 | 306,408          |
| Securities  | 74,179                  | 107,562          |
| Positive replacement values of held for trading positions | 77,602                  | 86,691           |
| Cash and cash equivalents                                 | 318,937                 | 367,131          |
| <b>Current assets</b>                                     | <b>834,996</b>          | <b>976,830</b>   |
| <b>Total assets</b>                                       | <b>1,822,684</b>        | <b>1,875,600</b> |

|   | 30.06.2020<br>unaudited | 31.12.2019       |
|---|-------------------------|------------------|
| CHF thousand  |                         |                  |
| <b>Liabilities and shareholders' equity</b>               |                         |                  |
| Share capital   | 7,391                   | 7,391            |
| Treasury shares   | -23                     | -16              |
| Capital reserves  | 179,843                 | 198,320          |
| Retained earnings (including group earnings)              | 600,090                 | 561,525          |
| Accumulated translation differences                       | -4,484                  | -2,437           |
| <b>Shareholders' equity excluding minorities</b>          | <b>782,817</b>          | <b>764,783</b>   |
| Minorities  | 80,034                  | 79,705           |
| <b>Shareholders' equity</b>                               | <b>862,851</b>          | <b>844,488</b>   |
| Non-current provisions                                    | 19,241                  | 11,032           |
| Deferred tax liabilities                                  | 25,182                  | 22,209           |
| Non-current financial liabilities                         | 364,769                 | 435,347          |
| Other non-current liabilities                             | 110,129                 | 61,773           |
| <b>Non-current liabilities</b>                            | <b>519,321</b>          | <b>530,361</b>   |
| Current financial liabilities                             | 41,274                  | 17,719           |
| Negative replacement values of held for trading positions | 67,864                  | 64,000           |
| Current provisions  | 945                     | 841              |
| Trade accounts payable                                    | 61,416                  | 77,984           |
| Other current liabilities                                 | 33,629                  | 23,155           |
| Deferred income and accrued expenses                      | 235,384                 | 317,052          |
| <b>Current liabilities</b>                                | <b>440,512</b>          | <b>500,751</b>   |
| <b>Liabilities</b>  | <b>959,833</b>          | <b>1,031,112</b> |
| <b>Total liabilities and shareholders' equity</b>         | <b>1,822,684</b>        | <b>1,875,600</b> |

## Consolidated cash flow statement

|  | 01.01.-30.06.2020<br>unaudited | 01.01.-30.06.2019<br>unaudited<br>Restated* |
|--|--------------------------------|---|
| CHF thousand   |                                |   |
| Group earnings   | 40,808                         | 49,218                                      |
| Income taxes   | 17,164                         | 3,452                                       |
| Share of earnings from associates and joint ventures   | 697                            | 59  |
| Dividends from associates and joint ventures   | 426                            | 5   |
| Net financial income   | 10,092                         | 3,528                                       |
| Depreciation/amortisation, impairment and reversal of impairment of tangible and intangible assets | 25,107                         | 25,111                                      |
| Gain/loss on the disposals of tangible and intangible assets                                       | 142                            | 988   |
| Change in non-current provisions (without interest)  | 8,402                          | 410   |
| Change in replacement values of held for trading positions   | 12,933                         | -7,223                                      |
| Other non-cash income and expenses   | -1,289                         | -1,159                                      |
| Other financial cash outflow and inflow  | 4,713                          | 314   |
| <b>Funds from operations (FFO)</b>   | <b>119,195</b>                 | <b>74,703</b>                               |
| Changes  |                                |   |
| Inventory  | 1,342                          | 25,130                                      |
| Trade accounts receivable  | 3,786                          | 6,167                                       |
| Other receivables (without income taxes)   | -16,691                        | -12,884                                     |
| Prepaid expenses and accrued income  | 57,807                         | 20,228                                      |
| Current provisions   | 82                             | 261   |
| Trade accounts payable   | -17,632                        | -10,425                                     |
| Other current liabilities (without taxes)  | -892                           | -1,783                                      |
| Deferred income and accrued expenses   | -78,596                        | 7,354                                       |
| Income taxes   | -4,167                         | -1,057                                      |
| <b>Cash flow from operating activities</b>   | <b>64,234</b>                  | <b>107,694</b>                              |

|  | 01.01.-30.06.2020<br>unaudited | 01.01.-30.06.2019<br>unaudited<br>Restated* |
|--|--------------------------------|---|
| CHF thousand   |                                |   |
| Additions of tangible assets   | -18,923                        | -18,503                                     |
| Disposals of tangible assets   | 76                             | 47  |
| Additions of current and non-current financial assets                        | -55,039                        | -26,464                                     |
| Disposals of current and non-current financial assets                        | 47,308                         | 23,915                                      |
| Additions of intangible assets   | -1,882                         | -2,089                                      |
| Payment for investments in fully consolidated companies (less cash acquired) | -33,168                        | -   |
| Payment for investments in associates and joint ventures                     | -428                           | -   |
| Dividends received from third parties  | 3                              | 3   |
| Interest received  | 941                            | 256   |
| <b>Cash flow from investing activities</b>                                   | <b>-61,112</b>                 | <b>-22,835</b>                              |
| Increase in financial liabilities  | 10,739                         | 8,237                                       |
| Repayment of financial liabilities   | -33,240                        | -11,607                                     |
| Dividend payments  | -19,448                        | -4,873                                      |
| Purchase/sale of treasury shares   | -7                             | -   |
| Purchase/sale of minorities  | -                              | -6  |
| Interest paid  | -4,694                         | -4,158                                      |
| <b>Cash flow from financing activities</b>                                   | <b>-46,650</b>                 | <b>-12,407</b>                              |
| Effect of currency translation   | -4,666                         | -2,148                                      |
| <b>Change in cash and cash equivalents</b>                                   | <b>-48,194</b>                 | <b>70,304</b>                               |
| Cash and cash equivalents at 1 January                                       | 367,131                        | 316,314                                     |
| <b>Cash and cash equivalents at 30 June</b>                                  | <b>318,937</b>                 | <b>386,618</b>                              |

\*) Owing to the correction of an error, the prior-year figures were adjusted retrospectively (see note 2, "correction of accounting error", to the consolidated financial statements of the Repower Group for the period to 31 December 2019).

Funds from operations (FFO) is defined as cash flow from operating activities before change in net current assets and income taxes paid. In the period under review there was a significant increase in FFO versus the first six months of 2019. This is primarily due to the significantly higher operating income adjusted for non-cash effects compared with the previous year. Including the effects resulting from the change in net current assets, however, funds from operations are lower than the prior year. This is due, among other things, to one-off optimisations of net working capital at the end of the prior year with the opposite effect in the 2020 financial year, delayed payment of customer bills in connection with Covid-19, a reduction in liabilities, lower market prices, and significantly higher income tax payments.

## Changes in consolidated shareholders' equity

|   | Share capital | Treasury shares | Capital reserves | Retained earnings | Accumulated translation differences | Shareholders' equity excluding minorities | Minorities    | Total shareholders' equity |
|---|---------------|-----------------|------------------|-------------------|-------------------------------------|---|---------------|----------------------------|
| CHF thousand                            |               |                 |                  |                   |                                     |   |               |                            |
| <b>Equity at 1 January 2019</b>         | <b>7,391</b>  | <b>-22</b>      | <b>202,008</b>   | <b>515,174</b>    | <b>1,408</b>                        | <b>725,959</b>                            | <b>80,983</b> | <b>806,942</b>             |
| Group earnings                          |               |                 |                  | 45,659            |                                     | 45,659                                    | 3,559         | 49,218                     |
| Effect of currency translation          |               |                 |                  |                   | -1,905                              | -1,905                                    | -773          | -2,678                     |
| Dividends (without treasury shares)     |               |                 | -3,695           |                   |                                     | -3,695                                    | -1,178        | -4,873                     |
| Purchase/sale of treasury shares        |               | -1              | 1                |                   |                                     | -   |               | -                          |
| Purchase/sale of minorities             |               |                 |                  | -70               | 1                                   | -69                                       | 63            | -6                         |
| <b>Equity at 30 June 2019 unaudited</b> | <b>7,391</b>  | <b>-23</b>      | <b>198,314</b>   | <b>560,763</b>    | <b>-496</b>                         | <b>765,949</b>                            | <b>82,654</b> | <b>848,603</b>             |
| <b>Equity at 1 January 2020</b>         | <b>7,391</b>  | <b>-16</b>      | <b>198,320</b>   | <b>561,525</b>    | <b>-2,437</b>                       | <b>764,783</b>                            | <b>79,705</b> | <b>844,488</b>             |
| Group earnings                          |               |                 |                  | 38,565            |                                     | 38,565                                    | 2,243         | 40,808                     |
| Effect of currency translation          |               |                 |                  |                   | -2,047                              | -2,047                                    | -943          | -2,990                     |
| Dividends (without treasury shares)     |               |                 | -18,477          |                   |                                     | -18,477                                   | -971          | 19,448                     |
| Purchase/sale of treasury shares        |               | -7              |                  |                   |                                     | -7  |               | -7                         |
| <b>Equity at 30 June 2020 unaudited</b> | <b>7,391</b>  | <b>-23</b>      | <b>179,843</b>   | <b>600,090</b>    | <b>-4,484</b>                       | <b>782,817</b>                            | <b>80,034</b> | <b>862,851</b>             |

# Notes to the interim consolidated financial statements

## 1 ACCOUNTING AND VALUATION PRINCIPLES

### General information

The consolidated semi-annual financial statements presented here comprise the unaudited semi-annual financial statements for the six months to 30 June 2020. This interim report has been prepared in accordance with Swiss GAAP FER 31 Complementary Recommendation for Listed Companies in abridged form, and should therefore be read in conjunction with the consolidated financial statements for the year to 31 December 2019.

In individual cases roundings can mean that figures in this report do not add up to the exact total specified, and that the specified percentages do not exactly result from the stated figures.

### Dividends paid

The dividend payment for the 2019 financial year was approved by the annual general meeting on 20 May 2020.

|   | 01.01.-30.06.2020 | 01.01.-30.06.2019 |
|---|-------------------|-------------------|
| CHF   |                   |                   |
| Approved and paid dividends per registered share      | 2.50              | 0.50              |
| Approved dividends                                    | 18,477,420        | 3,695,484         |
| Paid dividends (without dividends on treasury shares) | 18,476,778        | 3,695,334         |

### Currencies

The following exchange rates were used as a basis for converting the figures in the income statement and balance sheet into CHF:

| Currency | Unit | Closing exchange rate |            | Average exchange rate |                   |
|----------|------|-----------------------|------------|-----------------------|-------------------|
|          |      | 30.06.2020            | 31.12.2019 | 01.01.-30.06.2020     | 01.01.-30.06.2019 |
| EUR      | 1    | 1.06510               | 1.08540    | 1.06416               | 1.12958           |

## 2 SEGMENT REPORTING

|  | Market Switzerland | Market Italy   | Other segments and activities | Group            |
|--|--------------------|----------------|-------------------------------|------------------|
| CHF thousand                                       |                    |                |                               |                  |
| <b>30.06.2020 unaudited</b>                        |                    |                |                               |                  |
| <b>Net sales from goods and services</b>           | <b>299,888</b>     | <b>536,657</b> | <b>-222</b>                   | <b>836,323</b>   |
| Net sales from goods and services                  | 302,880            | 532,158        | 1,285                         | 836,323          |
| Net sales from goods and services between segments | -2,992             | 4,499          | -1,507                        | -                |
| <b>Earnings before interest and taxes (EBIT)</b>   | <b>18,157</b>      | <b>55,892</b>  | <b>-5,985</b>                 | <b>68,064</b>    |
|  |                    |                |                               |                  |
|  | Market Switzerland | Market Italy   | Other segments and activities | Group            |
| CHF thousand                                       |                    |                |                               |                  |
| <b>30.06.2019 unaudited</b>                        |                    |                |                               |                  |
| <b>Net sales from goods and services</b>           | <b>323,916</b>     | <b>683,915</b> | <b>-4,297</b>                 | <b>1,003,534</b> |
| Net sales from goods and services                  | 329,875            | 673,633        | 26                            | 1,003,534        |
| Net sales from goods and services between segments | -5,959             | 10,282         | -4,323                        | -                |
| <b>Earnings before interest and taxes (EBIT)</b>   | <b>19,967</b>      | <b>40,131</b>  | <b>-3,900</b>                 | <b>56,198</b>    |

Net sales from goods and services also include gains and losses (realised and unrealised) on trading transactions. Depending on the party and the business in question, revenues are stated under other items. The above representation by segment does not constitute a full picture of trading activities.



### 3 COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

#### Changes in consolidations

On 30 January 2020 Repower and additional partners established EVUlution AG with the goal of developing and marketing innovative products and services for energy utilities. The investment is initially recognised at CHF 428 thousand. Repower holds 42.75% of the company, recognising it as an associate according to the share of equity.

In the first half of 2020 Repower Renewable acquired another 12 photovoltaic installations with total installed capacity of 14 MW by establishing SOLIS S.R.L. (on 6 March 2020), which in its turn bought ENERGEIA CODROIPO S.R.L and ENERGEIA VARMO S.R.L. (on 30 April 2020) and ENERGIA TRE S.R.L. (on 18 June 2020) and their existing installations in Italy.

The table below summarises the material recognised amounts of assets acquired and liabilities assumed as well as the purchase prices of the three companies:

|   | <b>Total</b>  |
|---|---------------|
| CHF thousand                                  |               |
| Tangible assets                               | 61,416        |
| Financial assets and securities               | 265           |
| Trade accounts receivable                     | 583           |
| Other receivables                             | 2,444         |
| Prepaid expenses and accrued income           | 1,505         |
| Cash and cash equivalents                     | 2,740         |
| Current and non-current provisions            | -35           |
| Deferred tax liabilities                      | -3,469        |
| Current and non-current financial liabilities | -26,721       |
| Trade accounts payable                        | -1,496        |
| Other current liabilities                     | -579          |
| Deferred income and accrued expenses          | -745          |
| <b>Total net assets</b>                       | <b>35,908</b> |
| <b>Cash consideration paid</b>                | <b>35,908</b> |
| Acquired cash and cash equivalents            | -2,740        |
| <b>Cash out flow from acquisition</b>         | <b>33,168</b> |

The balances presented include estimates whose influencing factors may not have been known at the date of acquisition. This acquisition was recognised for the first time at the end of the half-year period on the basis of provisional figures. If new information emerges on the facts and circumstances that pertained at the time of acquisition, this may lead to adjustments to the provisional figures and the recognition of additional assets and liabilities within the valuation period.

#### Material events and business transactions

On 1 January 2020 the Prättigau power generation assets, together with Repower AG concessions, were transferred to Repartner Produktions AG. In connection with this transaction the minority shareholders of Repartner Produktions AG transferred their shareholder loan of CHF 49,176 thousand to Repower AG. This transfer is seen as a down payment received for energy deliveries, recognised under other non-current and current liabilities. The advance payment will be charged to profit or loss on a linear basis over the remaining 66-year concession period via net sales from goods and services in the Market Switzerland segment. Income of CHF 373 thousand was recognised in the first half year.

The Swiss Federal Electricity Commission (ElCom) has issued a ruling on the resubmission of the operating costs and cost of capital for the 150 kV Robbia-Campocologno feeder line for the tariff years from 2009 to 2012. In the first half of 2020 Repower received CHF 7,343 thousand in subsequently declared eligible grid costs, including interest on the differences, which are recognised in net sales from goods and services in the Market Switzerland segment.

In the first half of 2019 Repower received reimbursement of CHF 6,425 thousand from its business interruption insurance for downtime at the Teverola plant during 2018; this figure is disclosed under other operating income.

The negative results of associates and joint ventures in the first six months of 2020 were due in particular to start-up losses at EVUlation AG.

Provisions of CHF 7,508 thousand were made in the first half of 2020 for identifiable losses on procurement contracts via guarantees of origin and gas transport capacity. Expenses resulting from the creation of provisions of CHF 4,404 thousand for onerous procurement contracts via guarantees of origin in the Market Switzerland segment, and the creation of provisions of CHF 3,104 thousand for an onerous procurement contract via gas transport capacity in the Market Italy segment are recognised under energy procurement.

Owing to higher overdue receivables during the coronavirus pandemic, there was an increase in impairments on receivables from goods and services from CHF 12,239 thousand at the end of the prior year to CHF 15,654 thousand. The impairments on receivables recognised under other expenses come to CHF 4,191 thousand (versus CHF 1,545 thousand in the prior-year period) and relate primarily to the Market Italy segment.

The investment of CHF 2,813 thousand in tiko Energy Solutions AG at 31 December 2019 was fully impaired in the first half of 2020 via financial expenses. In the same period of the previous year, losses netted with investments and loan receivables to the company to the amount of CHF 6,481 thousand could be released via financial income.

The increase in income taxes versus the prior-year period is primarily the result of this year's higher earnings from Italy and the use of tax loss carryforwards in the prior year which have now been used up through offsetting.

In 2020 the interest rate swaps recognised under financial liabilities the prior year were released through payment of CHF 14,091 thousand. The cash outflow is included in the Repayment of financial liabilities item in the consolidated cash flow statement.

#### 4 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

In July 2020 the board of directors of Repower AG appointed Lorenzo Trezzini as the company's new CFO.

The consolidated interim financial statements were approved by the board of directors on 13 August 2020.