

SEMI-ANNUAL REPORT 2020



Overview

THE MOST IMPORTANT EVENTS

843

million francs

Total operating revenues 1st half-year 2020

68

million francs

Operating income (EBIT) 1st half-year 2020

41

million francs

Net profit 1st half-year 2020

Operating income for Market Switzerland and Market Italy better than expected

Coronavirus crisis successfully managed:

- Security of supply assured at all times
- All employees protected and operational business maintained at all times
- Accounts receivable under control, increasing less than expected

Teverola combined cycle gas turbine plant very profitable

**Personnel
changes in
executive
management:**

- Roland Leuenberger new CEO
- CFO Brigitte Krapf leaves Repower
- Lorenzo Trezzini appointed new CFO
- Beat Huber joins board of directors

**Complete
renovation of
Robbia power
plant begins**

**Repower
Renewable**

buys existing photovoltaic installations with capacity of 14 MW

**Repower
“brand”
celebrates 10
years**

**Partner strategy
moves forward:**

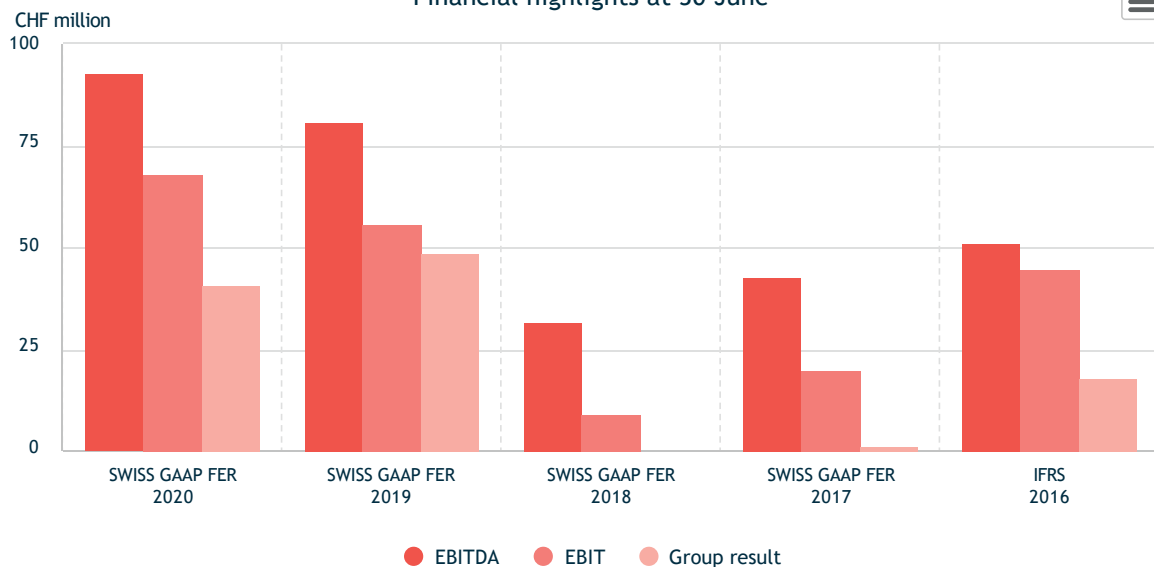
EVUolution AG established

**25-km Surselva
power line
acquired**

FINANCIAL HIGHLIGHTS

	1st half-year 2020	1st half-year 2019	1st half-year 2018	1st half-year 2017	1st half-year 2016
	Swiss GAAP FER	Swiss GAAP FER	Swiss GAAP FER	Swiss GAAP FER	IFRS
CHF million					
Revenue and income					
Total operating revenue	843	1,018	1,053	905	881
Income before interest, taxes, depreciation and amortisation (EBITDA)	93	81	31.6	42	51
Depreciation and value adjustments	-25	-25	-23	-22	-5
Income before interest and taxes (EBIT)	68	56	9	20	45
Group result	41	49	0	1	18
Balance sheet					
Balance sheet total at 30 June	1,823	1,797	1,771	1,822	1,792
Equity at 30 June	863	849	768	769	620
Equity ratio	47%	47%	43%	42%	35%
Further key figures					
Energy gross margin	165	157	104	109	113
Economic value added	27	17	-14.7	-5.6	8
	119	75	23	37	53
Operating cash flow	64	108	15	22	44
Net debt	-31	-35	-38	-37	233
Debt factor	-0.2	-0.2	-0.6	-0.4	2.4
FFO / Net debt	< 0%	< 0%	< 0%	< 0%	23,0%
CAPEX*	54	21	12	11	9
Headcount (FTE)	546	578	575	569	627

Financial highlights at 30 June



STOCK STATISTICS

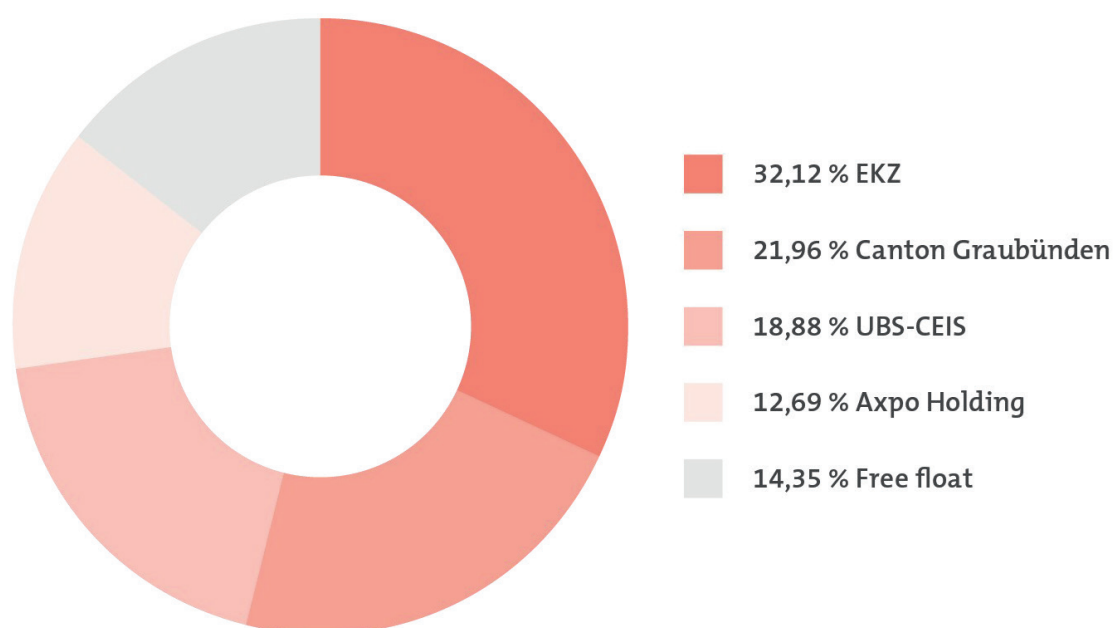
Share capital	7,390,968	registered shares	at CHF	1.00	CHF 7.4 million
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Prices (CHF) ¹	Registered share		1st half-year	
			2020	1st half-year 2019
		High	104	81
		Low	82	72

¹ Source: OTC-X, Berner Kantonalbank

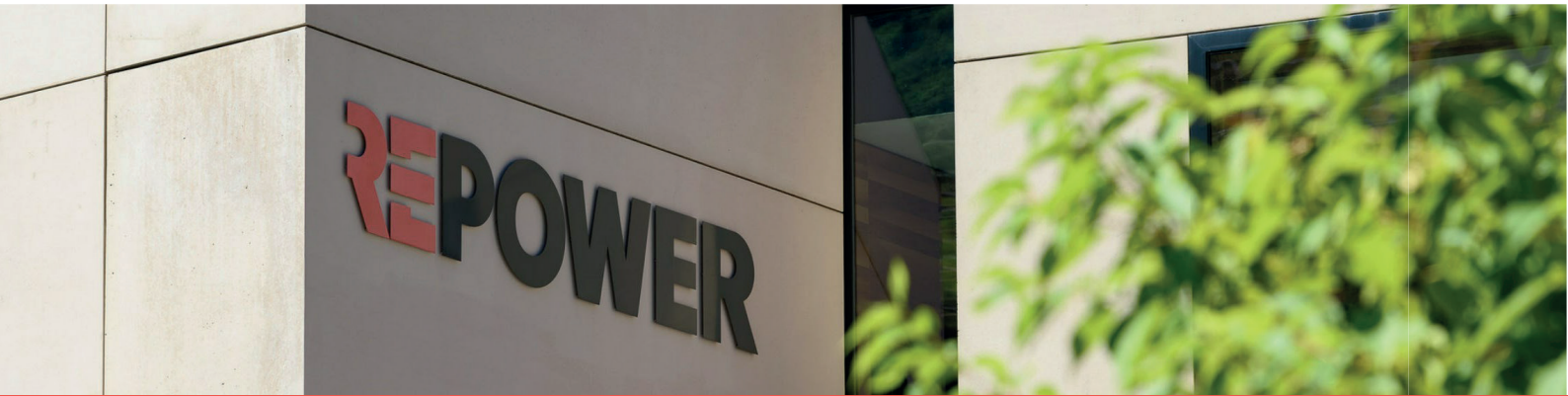
Dividend (CHF)	2019	2018	2017	2016	2015
Registered share	2.50	0.50	0.00	0.00	0.00

REPOWER'S SHAREHOLDER STRUCTURE



HEADCOUNT

at 30 June	2020	2019
Switzerland	386	430
Italy	177	167
Total	563	597
Trainees	30	30
Sales consultants Italy	575	519



Semi-annual report

Foreword from the chair of the Board of Directors and CEO



The coronavirus also posed a number of challenges for Repower in the first six months of the year. Assuring the smooth continuation of business required a rapid rethink and practical responses. Thanks to the contingency plans already in place, a modern office infrastructure (including video conferencing facilities) and the dedication and great flexibility of Repower staff, the company managed the challenge very well. This is also reflected in the six-month results: In the first half of 2020 Repower recorded operating income (EBIT) of CHF 68 million and a net profit of CHF 41 million. In a very special, difficult market situation it was possible to generate good margins on

lower total operating revenues. These lower operating revenues were primarily attributable to a decline in market prices and demand resulting from Covid-19.

The first half of 2020 was anything but normal. The coronavirus crisis had the entire world firmly in its grip, also creating major challenges for the energy industry. The adjustments and uncertainty resulting from lockdowns and changing consumption patterns were reflected in even more volatile prices. Added to this, a slump in demand for electricity and gas in Switzerland and Italy required a particularly skilful response, especially in trading.

There were also high levels of volatility in new renewables such as wind and solar power. With so much electricity being fed into the grid, at times energy was even trading at negative prices on the market.

OPERATING ENVIRONMENT AND RESULTS

Repower seized the crisis as an opportunity, and was able to constantly adapt to the new situation. The company posted even better results in Switzerland and Italy for the first six months of this year than for the already strong first half of 2019. Overall there were gratifying figures from all markets. The Teverola combined cycle gas turbine plant, which again made a substantial contribution to the good half-year results, was able to offer balancing energy on a targeted basis to profit from the volatility of the market. In the next three years Repower will be investing large amounts in the complete renovation of the Robbia power plant. Added to this, Repower Italy subsidiary Repower Renewable added 14 MW in existing photovoltaic capacity to its portfolio. The establishment of EVUtion AG, which already has seven energy utilities as shareholders, marked further progress in Repower's partner strategy. The goal of the new company is to support the energy transition by developing and marketing innovative products and services for energy providers.

Growth in the number of new agents in Italy in the first six months exceeded expectations. Thanks to a digitalised acquisition process, it was possible to continue expanding the sales network despite Covid-19. In April the board of directors elected Roland Leuenberger as the new CEO of Repower. His seat on the board of directors has been taken by Beat Huber, a founding partner, the head of asset management and a member of the executive board of FONTAVIS AG, as a representative of anchor shareholder UBS-CEIS. With the resignation of CFO Brigitte Krapf Repower will lose a valuable member of its management team. We would like to take this opportunity to thank her for her great contribution. Brigitte Krapf will continue to work for Repower until she leaves the company in mid-September. In July 2020 the board of directors of Repower AG appointed Lorenzo Trezzini as the company's new CFO.

Thanks to effective credit checks when acquiring new customers, good customer care, the contractual relationships with our agents, and tight accounts receivable management, the overdue receivables in Italy could be kept under control and below overall market expectations.

THANK YOU

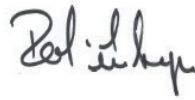
We would like to express great thanks to all our staff for their remarkable hard work and dedication during what was an extraordinary first half of 2020. Our team responded instantly with great flexibility, organisational talent and adaptability. Without these exceptional performances the company would not have been able to function so smoothly. Thanks also go to our shareholders, customers and partners for the trust they place in us.

OUTLOOK AND OBJECTIVES

Firmly in line with its strategy, Repower will continue to invest in renewable energy and look into new potential partnerships to be able to harness synergy. We will continue to keep a constant eye on the market and operating environment, and in particular various changes to the national legal framework, volatility on trading markets and the development of the EUR/CHF exchange rate. Given the current uncertainty surrounding Covid-19, we are unable to make any statements about the financial results for the full 2020 financial year.



Dr Monika Krüsi
Chair of the Board of
Directors



Roland Leuenberger
CEO



Semi-annual report

Repower Switzerland

The coronavirus crisis paralysed Switzerland in the first half of 2020, and has left its mark on almost all sectors of the economy. Conditions on the market had considerable consequences, with the energy industry also finding itself in an exceptional situation. Despite major distortions in the market, in the first half of 2020 Repower posted good or even very good results in all areas of its business. With operating income (EBIT) of CHF 18 million, Repower Switzerland fell slightly below the figure for the first six months of 2019 (CHF 20 million).

On the electricity generation side Repower likewise recorded very positive results in the first half of 2020, generating 344 GWh of electricity, around 20% higher than in the prior-year period. Hydropower interests yielded 362 GWh (up 29% on the first half of 2019), while nuclear power interests resulted in 130 GWh (up 18% on the first half of 2019). Overall, the volume of electricity generated was up around 15% on the first six months of 2019.

During the lockdown the top priority was safeguarding staff and maintaining business continuity. Thanks to the infrastructure already available we were able to switch to home office arrangements very quickly. The necessary measures to safeguard staff on construction sites were also taken immediately. Repower's response to the cancellation of planned customer events – at least those of a technical nature – was to offer webinars. These online events aroused a great deal of interest. Ten webinars were held in the first half year, with the best response to one on the subject of SMARTPOWER, Repower's total forward-looking energy management package, which attracted 53 participants.

At the end of June 2020, somewhat later than planned, work began on the complete renovation of the Robbia power plant. This project, the biggest investment in modernisation in the history of the company, will run for the next three years, with the plant due to be practically completely rebuilt from water catchments to discharge. The work will assure the reliable generation of 100% renewable, home-produced hydropower in the Valposchiavo. The renovated asset is due to go into operation at the end of 2023.



Robbia power plant

The total renovation of the Robbia power plant has been occupying the attention of the Service Provision division for several months now. Given the sheer scale of the planned work on its own equipment, Repower will be very busy in the months to come. Despite this, the focus is still on contracts for third parties, whose planning and delivery is given high priority. Ongoing projects such as work to expand the Pradella switching station and the one-stop Mendrisio contract are on track. In Pradella the new switchgear control system has been delivered and installed. The entire work should be complete by the end of 2022. In Mendrisio the commissioning work for the first substation for Aziende Industriali Mendrisio is proceeding according to plan, and the substation will be handed over to the AIM at the end of August 2020. The entire project will be completed by the end of 2021.

At the beginning of the year Repower took over a 25-kilometre-long power line in the Surselva between Laax and Trun from Axpo Hydro Surselva. Merging parallel grid structures makes operation, maintenance and investment in the grid assets more efficient and cost effective. The project will also enhance grid capacity and security of supply in the entire region. In addition, Repower reached an agreement with the municipality of Laax on the construction of a new cable line and the dismantling of the existing overhead lines in the village.

Renovation of the Madulain power plant is proceeding according to plan. It is scheduled to go into operation in August 2020.

The first half of the year also saw commencement of work to plan the replacement and modernisation of the 150 kV overhead line between Champfèr and Silvaplana, which also involves replacing the 60 kV cable line and the 16 kV overhead line in the same area. The new joint cable line will run underground. The project will probably be completed in early 2021.

In line with its partner strategy, Repower has joined forces with another six energy utilities to establish EVUlation AG. The goal is to provide forward-looking solutions on the basis of innovative products and services, drive the energy transition ahead, and thus be equipped for the complex energy supply requirements of the future. With an interest of 42.75%, Repower holds the largest stake in EVUlation AG.

PLUG'N ROLL, Repower's full-service provider of electric mobility solutions, notched up further successes in the first half of 2020. For example, in May the Valposchiavo area's first rapid charging station – an ABB Terra 54 supplied by PLUG'N ROLL – was installed at Garage Battaglia SA in Le Prese. Now Valposchiavo also has a PLUG'N ROLL point where electric vehicles can charge up with certified H2O Valposchiavo in only a matter of minutes. The new charging station, like 20 other public and semipublic charging points in the area, is

integrated in the PLUG'N ROLL network. Now the PLUG'N ROLL app, the E-DRIVER CARD or the SwissPass can be used to charge with naturemade star-quality green power at any public charging point in Europe. Until June 2020 this was only possible at PLUG'N ROLL stations. PLUG'N ROLL even covers the green power premium.



Valposchiavo's first rapid charging station

For the third time in a row, Repower has received Great Start! certification from the Great Place to Work institute. Nine out of ten apprentices at Repower say the Graubünden energy company is a very good training establishment. Repower trains around 30 apprentices in eight different trades.

EBIT CONTRIBUTION

In the first half of 2020 Repower Switzerland posted operating income (EBIT) of CHF 18 million (versus CHF 20 million in the first half of 2019).



Semi-annual report

Repower Italy

In the first half of 2020 a nationwide lockdown and curfew meant that Italy was particularly hard hit by the effects of the coronavirus. One consequence of the broad shutdown of activity was a sharp decline in demand for electricity. In March of this year the PUN (the national single price) was running around 30 per cent lower than in January 2020. The lockdown also affected fossil fuel prices. In this light, the fact that Repower Italy was even able to improve its results by comparison with the first half of 2019 is all the more gratifying. Repower Italy's operating income (EBIT) came in at CHF 56 million, significantly higher than the figure for the first six months of 2019. On the one hand the coronavirus crisis and the subsequent drop in prices and income resulted in a slump on the energy markets. On the other hand this led to an increase in income thanks to good, regular margins on the ancillary services market.

The positive result for the first six months of 2020 was due among other things to the company's quick response to the new situation around Covid-19-related measures. Within only a few days the organisation was completely digitalised, with each area also able to continue work from home. Another key factor contributing to the very good half-year result was the Teverola combined cycle gas turbine plant, which ran exceptionally profitably over the period under review. The company took all steps necessary to ensure the power plant's on-site staff could continue to work in a safe environment. The importance of Teverola became clear during the crisis: the plant was able to take advantage of the extraordinary conditions to post a very good performance above that of the first six months of 2019. The sales department even managed to acquire new customers during the Covid-19 crisis thanks to digitalisation and a channel specially modified in line with the extraordinary situation.

Renewable energy assets operated as anticipated, with minor losses owing to unfavourable weather conditions for energy generation. In April and June 2020 Repower Renewable took over two photovoltaic installations already in operation with an installed capacity of 14.3 megawatts of solar power.



The new photovoltaic installations in Italy

On the electricity product side Repower Italy kicked off 2020 with PUNica, a power offering where the trading fee is calculated as a percentage of the total amount billed. In response to Covid-19, Repower Italy launched PUNica nobile, a modified version of PUNica where the customer increases the margin by an amount that goes as a donation to an earmarked cause. Repower Italy then doubles the amount of the donation.

It was possible to counter an increase in late customer payments in March and April 2020 due to the coronavirus crisis through systematic management and implementing controls. The amount of late payments could be reduced by the end of the six-month period under review.

During the lockdown Repower Italy intensified the online training for its sales agents. There was also a customer survey – conducted by BVA-DOXA, one of Italy’s most important market research institutes – to find out and understand the general sentiment among SMEs in the marketplace in light of the extraordinary situation.

Repower Italy is increasingly well positioned in the electric mobility market. In April, for example, it published the fourth edition of its White Paper on sustainable transport and electric vehicles. The publication was cited by the national trade media for weeks afterwards. On the two-wheeled electric vehicle side, Repower Italy went into cooperation with Fantic Rent, a company that specialises in medium and long-term electric bike rentals and that has achieved renown as a player in the Italian market.

Repower Italy’s various sponsorship engagements suffered the effects of the Covid-19 crisis. Despite the lockdown, the “I’ve got Repower” campaign attracted a lot of attention. In line with its SME consulting approach, at the end of June Repower Italy joined forces with Il sole 24 ore to present to the most important Italian business media eight areas of focus analysing many key sectors of the Italian production system, outlining the various industries before and after Covid-19, and proposing a series of measures in response to the current crisis.

EBIT CONTRIBUTION

In the first half of 2020 Repower Italy contributed operating income (EBIT) of CHF 56 million to Repower’s gratifying overall results (versus CHF 40.1 million in the first six months of 2019).

Consolidated income statement

CHF thousand	01.01.-30.06.2020 unaudited	01.01.-30.06.2019 unaudited
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
Total operating revenue	842,626	1,018,170
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
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	93,171	81,309
Depreciation and value adjustments of tangible assets	-23,723	-23,734
Amortisation and value adjustments of intangible assets	-1,384	-1,377
Earnings before interest and taxes (EBIT)	68,064	56,198
Financial income	5,632	10,989
Financial expenses	-15,724	-14,517
Earnings before taxes	57,972	52,670
Income taxes	-17,164	-3,452
Group earnings	40,808	49,218
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 undiluted 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 unaudited	31.12.2019
CHF thousand		
Assets		
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
Non-current assets	987,688	898,770
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
Current assets	834,996	976,830
Total assets	1,822,684	1,875,600

	30.06.2020 unaudited	31.12.2019
CHF thousand		
Liabilities and shareholders' equity		
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
Shareholders' equity excluding minorities	782,817	764,783
Minorities	80,034	79,705
Shareholders' equity	862,851	844,488
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
Non-current liabilities	519,321	530,361
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
Current liabilities	440,512	500,751
Liabilities	959,833	1,031,112
Total liabilities and shareholders' equity	1,822,684	1,875,600

Consolidated cash flow statement

	01.01.-30.06.2020 unaudited	01.01.-30.06.2019 unaudited 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
Funds from operations (FFO)	119,195	74,703
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
Cash flow from operating activities	64,234	107,694

	01.01.-30.06.2020 unaudited	01.01.-30.06.2019 unaudited 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
Cash flow from investing activities	-61,112	-22,835
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
Cash flow from financing activities	-46,650	-12,407
Effect of currency translation	-4,666	-2,148
Change in cash and cash equivalents	-48,194	70,304
Cash and cash equivalents at 1 January	367,131	316,314
Cash and cash equivalents at 30 June	318,937	386,618

*) 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								
Equity at 1 January 2019	7,391	-22	202,008	515,174	1,408	725,959	80,983	806,942
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
Equity at 30 June 2019 unaudited	7,391	-23	198,314	560,763	-496	765,949	82,654	848,603
Equity at 1 January 2020	7,391	-16	198,320	561,525	-2,437	764,783	79,705	844,488
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
Equity at 30 June 2020 unaudited	7,391	-23	179,843	600,090	-4,484	782,817	80,034	862,851

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				
30.06.2020 unaudited				
Net sales from goods and services	299,888	536,657	-222	836,323
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	-
Earnings before interest and taxes (EBIT)	18,157	55,892	-5,985	68,064
	Market Switzerland	Market Italy	Other segments and activities	Group
CHF thousand				
30.06.2019 unaudited				
Net sales from goods and services	323,916	683,915	-4,297	1,003,534
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	-
Earnings before interest and taxes (EBIT)	19,967	40,131	-3,900	56,198

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 EVUolution 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:

	Total
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
Total net assets	35,908
Cash consideration paid	35,908
Acquired cash and cash equivalents	-2,740
Cash out flow from acquisition	33,168

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.



Semi-annual report

Agenda

The next dates in Repower's financial calendar:

- **27 October 2020:** Analyst and investor conference
- **8 April 2021:** Annual media conference
- **19 May 2021:** Annual general meeting in Poschiavo

Semi-annual report

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