

# SEMI-ANNUAL FINANCIAL REPORT

# 2021



# CONSOLIDATED INCOME STATEMENT

	01.01.-30.06.2021	01.01.-30.06.2020
CHF thousand	unaudited	unaudited
Net sales from goods and services	1,264,434	836,323
Own costs capitalised	4,064	3,962
Change in inventory of sales orders	941	1,107
Other operating income	23,797	1,234
<b>Total operating revenue</b>	<b>1,293,236</b>	<b>842,626</b>
Energy procurement	-1,110,468	-658,948
Concession fees	-8,534	-9,336
Personnel expenses	-36,219	-34,379
Materials and third party services	-27,716	-18,925
Other operating expenses	-23,412	-27,170
Share of earnings from associates and joint ventures	-355	-697
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>86,532</b>	<b>93,171</b>
Depreciation and value adjustments of tangible assets	-25,252	-23,723
Amortisation and value adjustments of intangible assets	-1,728	-1,384
<b>Earnings before interest and taxes (EBIT)</b>	<b>59,552</b>	<b>68,064</b>
Financial income	4,716	5,632
Financial expenses	-12,273	-15,724
<b>Earnings before taxes</b>	<b>51,995</b>	<b>57,972</b>
Income taxes	-9,639	-17,164
<b>Group earnings</b>	<b>42,356</b>	<b>40,808</b>
Share of group earnings attributable to Repower shareholders	41,010	38,565
Share of group earnings attributable to minorities	1,346	2,243
Share of group earnings attributable to Repower shareholders per registered share (in CHF) *	5.55	5.22
Average number of registered shares in circulation	7,390,793	7,390,753

\* 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

	30.06.2021	31.12.2020
CHF thousand	unaudited	unaudited
<b>Assets</b>		
Tangible assets	874,569	877,848
Intangible assets	37,018	12,198
Investments in associates and joint ventures	6,454	6,432
Financial assets	71,901	66,722
Deferred tax assets	34,315	33,859
<b>Non-current assets</b>	<b>1,024,257</b>	<b>997,059</b>
Inventories	25,039	21,604
Trade accounts receivable	37,523	49,304
Other receivables	61,862	43,866
Prepaid expenses and accrued income	218,055	306,345
Securities	155,570	158,471
Positive replacement values of held for trading positions	402,022	104,540
Cash and cash equivalents	284,791	301,244
<b>Current assets</b>	<b>1,184,862</b>	<b>985,374</b>
<b>Total assets</b>	<b>2,209,119</b>	<b>1,982,433</b>

	30.06.2021	31.12.2020
CHF thousand	unaudited	unaudited
<b>Liabilities and shareholders' equity</b>		
Share capital	7,391	7,391
Treasury shares	-23	-19
Capital reserves	157,676	179,843
Retained earnings (including group earnings)	641,790	600,780
Accumulated translation differences	12	-2,627
<b>Shareholders' equity excluding minorities</b>	<b>806,846</b>	<b>785,368</b>
Minorities	85,560	83,914
<b>Shareholders' equity</b>	<b>892,406</b>	<b>869,282</b>
Non-current provisions	31,739	31,065
Deferred tax liabilities	23,013	24,411
Non-current financial liabilities	360,755	364,470
Other non-current liabilities	106,045	109,311
<b>Non-current liabilities</b>	<b>521,552</b>	<b>529,257</b>
Current financial liabilities	16,698	41,175
Negative replacement values of held for trading positions	387,924	94,788
Current provisions	7,766	7,809
Trade accounts payable	79,529	81,118
Other current liabilities	74,521	47,710
Deferred income and accrued expenses	228,723	311,294
<b>Current liabilities</b>	<b>795,161</b>	<b>583,894</b>
<b>Liabilities</b>	<b>1,316,713</b>	<b>1,113,151</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,209,119</b>	<b>1,982,433</b>



# CONSOLIDATED CASH FLOW STATEMENT

	01.01.-30.06.2021	1.1.-30.06.2020
CHF thousand	unaudited	unaudited
Group earnings	42,356	40,808
Income taxes	9,639	17,164
Share of earnings from associates and joint ventures	355	697
Net financial income	7,557	10,092
Depreciation/amortisation, impairment and reversal of impairment of tangible and intangible assets	26,980	25,107
Gain/loss on the disposals of tangible and intangible assets	-149	142
Change in non-current provisions (without interest)	-567	8,402
Other non-cash income and expenses	-765	-1,289
Dividends from associates and joint ventures	258	426
Income taxes paid	-2,042	-4,167
Other financial cash outflow and inflow	-3,408	4,713
<b>Cash flow from operating activities before changes in net working capital</b>	<b>80,214</b>	<b>102,095</b>
<b>Changes in net working capital</b>		
Inventory	-3,185	1,342
Trade accounts receivable	12,613	3,786
Other receivables (without income taxes)	-15,510	-16,691
Prepaid expenses and accrued income	92,216	57,807
Replacement values of held for trading positions	-4,353	12,933
Current provisions	-38	82
Trade accounts payable	-2,827	-17,632
Other current liabilities (without income taxes)	18,932	-892
Deferred income and accrued expenses	-86,486	-78,596
<b>Cash flow from operating activities</b>	<b>91,576</b>	<b>64,234</b>

	01.01.-30.06.2021	01.01.-30.06.2020
CHF thousand	unaudited	unaudited
Additions of tangible assets	-27,074	-18,923
Disposals of tangible assets	5,521	76
Additions of current and non-current financial assets	-21,186	-55,039
Disposals of current and non-current financial assets	20,720	47,308
Additions of intangible assets	-26,427	-1,882
Payment for investments in fully consolidated companies (less cash acquired)	-	-33,168
Payments for additions of investments in associates and joint ventures	-	-428
Dividends received from third parties	2	3
Interest received	15	941
<b>Cash flow from investing activities</b>	<b>-48,429</b>	<b>-61,112</b>
Increase in financial liabilities	8,626	10,739
Repayment of financial liabilities	-43,245	-33,240
Dividend payments	-22,779	-19,448
Purchase/sale of treasury shares	1	-7
Interest paid	-3,899	-4,694
<b>Cash flow from financing activities</b>	<b>-61,296</b>	<b>-46,650</b>
Effect of currency translation	1,696	-4,666
<b>Change in cash and cash equivalents</b>	<b>-16,453</b>	<b>-48,194</b>
Cash and cash equivalents at 1 January	301,244	367,131
<b>Cash and cash equivalents at 30 June</b>	<b>284,791</b>	<b>318,937</b>



# CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

CHF thousand	Share capital	Treasury shares	Capital reserves	Retained earnings	Accumulated translation differences	Shareholders' equity excluding minorities	Minorities	Total shareholder's equity
<b>unaudited</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			-18,477			-18,477	-971	-19,448
Purchase/sale of treasury shares		-7				-7		-7
<b>Equity at 30 June 2020</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>
<b>Equity at 1 January 2021</b>	<b>7,391</b>	<b>-19</b>	<b>179,843</b>	<b>600,780</b>	<b>-2,627</b>	<b>785,368</b>	<b>83,914</b>	<b>869,282</b>
Group earnings				41,010		41,010	1,346	42,356
Effect of currency translation					2,639	2,639	907	3,546
Dividends			-22,172			-22,172	-607	-22,779
Purchase/sale of treasury shares		-4	5			1		1
<b>Equity at 30 June 2021</b>	<b>7,391</b>	<b>-23</b>	<b>157,676</b>	<b>641,790</b>	<b>12</b>	<b>806,846</b>	<b>85,560</b>	<b>892,406</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 2021. 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 2020.

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 2020 financial year was approved by the annual general meeting on 19 May 2021.

CHF	01.01.-30.06.2021	01.01.-30.06.2020
Approved and paid dividends per registered share	3.00	2.50
Approved dividends	22,172,904	18,477,420
Paid dividends (without dividends on treasury shares)	22,172,454	18,476,778

### 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	
		30.06.2021	31.12.2020	01.01.-30.06.2021	01.01.-30.06.2020
EUR	1	1.09800	1.08020	1.09442	1.06416



## 2 Segment reporting

CHF thousand	Market Switzerland	Market Italy	Other segments and activities	Group
<b>unaudited</b>				
<b>30.06.2021</b>				
<b>Net sales from goods and services</b>	<b>393,210</b>	<b>873,522</b>	<b>-2,298</b>	<b>1,264,434</b>
Net sales from goods and services	386,753	877,492	189	1,264,434
Net sales from goods and services between segments	6,457	-3,970	-2,487	-
<b>Earnings before interest and taxes (EBIT)</b>	<b>21,446</b>	<b>40,507</b>	<b>-2,401</b>	<b>59,552</b>
<b>30.06.2020</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>56,466</b>	<b>-6,559</b>	<b>68,064</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

### Material events and business transactions

#### Higher total operating revenue thanks to increases in market prices, greater volumes and one-time effects

The Repower Group's total operating revenues for the first half of 2021 came to CHF 1,293,236 thousand (prior year CHF 842,626 thousand), an increase of 53 per cent. Of this amount, net revenues of CHF 393,210 thousand (prior year CHF 299,888 thousand) are attributable to the "Market Switzerland" segment and CHF 873,522 thousand (prior year CHF 536,657 thousand) to the "Market Italy" segment. In addition, there were positive one-time effects such as the purchase price adjustment for the transfer of transmission grids (CHF 20,460 thousand) and payments from a positive legal ruling (CHF 1,929 thousand), which are recognised in other operating income.

The growth in net revenues from the "Market Switzerland" segment is essentially due to increased trading volumes and market prices, which resulted in a corresponding rise in trading revenues. Volumes of electricity sold to customers remained at a solid level of 292 GWh (prior year 277.2 GWh). A 15 per cent decline in volumes generated versus the prior year had only an insignificant impact on net revenues.

In the "Market Italy" segment, the increase in net revenue was also due to higher prices and higher trading volumes, but also to contributions from the sales business, which benefited from an easing in the coronavirus situation (electricity sales up 17 per cent, gas sales up 11 per cent).

### **Decline in EBIT on lower trading margins**

Repower Group's EBIT declined 13 per cent versus the prior year, from CHF 68,064 thousand to CHF 59,552 thousand.

Owing to hedging effects, trading in the "Market Switzerland" segment was only able to benefit from increased market prices in isolated cases. This was offset by the one-time effects mentioned above. Overall the result was an 18 per cent increase in EBIT to CHF 21,446 thousand from CHF 18,157 thousand the prior year.

In the "Market Italy" segment, the EBIT contribution from trading was mainly influenced by the lower MSD margin at the Teverola power plant, due among other things to a shutdown at the beginning of the year. Higher sales and margins in the sales business were not enough to completely offset this. Repower Renewable also exceeded its sales targets, resulting in an increase in its contribution to EBIT versus the prior year. The net result was EBIT of CHF 40,507 thousand, a 28 per cent decline from the prior year (CHF 56,466 thousand).

### **Stable annual results and solid financial situation**

Financial earnings for the first six months of 2021 came to CHF -7,557 thousand, a CHF 2,535 thousand improvement on the prior year (CHF -10,092 thousand). The main positive effects came from the appreciation of the EUR against the CHF and a partial reversal of impairment on a financial investment to the tune of CHF 963 thousand.

In the "Market Switzerland" segment, existing tax loss carryforwards could be netted. In the "Market Italy" segment, lower taxable earnings led to a decline in the tax burden.

The net result was group earnings of CHF 42,356 thousand versus CHF 40,808 thousand the prior year.

At CHF 91,576 thousand, cash flow from operating activities was CHF 27,342 thousand or 43 per cent higher than the prior year (CHF 64,234 thousand). One particular contributory factor was the positive effect of a change in net working capital amounting to CHF 11,362 thousand (prior year CHF -37,861 thousand).

The high level of net liquidity (CHF 102,571 thousand) at the end of June 2021 gives Repower sufficient scope for medium and long-term investments.

### **Solid balance sheet and equity ratio**

Repower made investments amounting to CHF 53,501 thousand (prior year CHF 20,805 thousand), with CHF 27,074 thousand falling to the capitalisation of tangible assets (prior year CHF 18,923 thousand) and CHF 26,427 thousand (prior year CHF 1,882 thousand) to intangible assets.

The investment in intangible assets in the first half of 2021 relates in particular to the capitalisation of the payment, made in January 2021, of Repower AG's reversion waiver compensation for the continued operation of the two power plants Campocologno I and II (lower stage).

Owing to increases in trading volume and market prices, positive and negative replacement values increased substantially. Current items from trading activity are offset at positive and negative replacement value if the respective contract terms provide for this and the intention to offset exists and is legally permitted. Owing to a change in the assessment of the offsetability of services delivered but not yet invoiced, it has been possible to net positions vis-à-vis other counterparties. This has resulted in a significant reduction in prepaid expenses and accrued income/deferred income and accrued expenses recognised versus the end of the prior year.

Thanks to the good half-year results, after dividends of CHF 22,779 thousand equity increased to CHF 892,406 thousand (prior year CHF 869,282 thousand). Owing to an increase in total assets, the equity ratio fell to 40 per cent from 44 per cent at 31 December 2020.



## Miscellaneous

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Repower is no longer reporting the alternative performance indicator “funds from operations (FFO)” in its consolidated cash flow statement. The subtotal Cash flow from operating activities before changes in net working capital is now shown, no longer including the change in positive and negative replacement values of held-for-trading positions, which is now part of net working capital. Overall, cash flow from operating activities remains unchanged.

## 4 Events occurring after the balance sheet date

The consolidated interim financial statements were approved by the board of directors on 20 August 2021.

Since 30 June 2021 there have been no other events which require disclosure.

# INVESTOR AGENDA

## The next dates in Repower's financial calendar:

### **25 October 2021**

Analyst and investor conference

### **5 April 2022**

Annual media conference

### **18 May 2022**

Annual general meeting in Klosters



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