

**SEMI-ANNUAL  
FINANCIAL REPORT**

**2022**



**REPOWER**  
All the energy you need.



# COMMENTS ON THE FINANCIAL RESULTS

Despite the current turmoil on the energy market, Repower closed the first six months of 2022 with a solid operating result and a group profit of CHF 33 million.

Energy prices rose again sharply in the first half of 2022 and were highly volatile. The primary reasons for this were the lack of nuclear power from France, the increased prices of European CO<sub>2</sub> certificates and a faster-than-expected economic recovery after the coronavirus pandemic subsided, as well as the war in Ukraine that began in February.

Basically high energy prices are positive from an electricity producer's point of view. From the point of view of trading and liquidity, however, the current high level of energy prices, combined with high price volatility triggered by geopolitical tensions, is a challenge.

Despite uncertainties and historically unique upheaval on the market uncertainties, Repower posted a solid result. Group profit for the first six months of 2022 was CHF 33 million (prior year CHF 42 million) and earnings before interest and taxes (EBIT) came to CHF 50 million (prior year CHF 60 million); results for the prior-year period were influenced by positive extraordinary items totalling CHF 23 million. EBIT for the period under review contains positive extraordinary items totalling CHF 16 million. Adjusted for extraordinary items, EBIT thus came to CHF 34 million (prior year CHF 37 million).

## **Development in sales and gross energy margin**

Further price increases have the effect of increasing net sales from goods and services and energy procurement. In the period under review, Repower Group's net sales from goods and services and energy procurement were up CHF 922 million (73 per cent) to CHF 2,186 million and CHF 909 million (82 per cent) to CHF 2,020 million respectively.

The gross energy margin, which Repower defines as the difference between net revenue from energy business and energy procurement, grew from CHF 140 million to CHF 153 million.

## **Market Switzerland segment**

Total operating revenues in the Market Switzerland segment saw a year-on-year increase of CHF 349 million from CHF 421 million to CHF 770 million. This was due among other things to sales revenues from trading. High prices in particular drove sales up.

In the Market Switzerland segment, the gross energy margin, including a positive extraordinary item of CHF 8 million (prior year CHF 1 million) from the adjustment of provisions for onerous energy procurement contracts, came to CHF 91 million (prior year CHF 50 million). The gross energy margin before extraordinary items thus increased by CHF 34 million from an adjusted CHF 49 million to CHF 83 million.

Repower's interest in the associate EVUllution AG declined from 42.8 per cent to 36.1 when ewz joined as a new shareholder. Impairment amounting to CHF 2 million recognised in the second half of 2021 on claims on EVUllution AG could be reversed to income in 2022 after they were settled through other operating expenses.

The same period of the previous year includes, in particular, positive extraordinary items amounting to CHF 20 million from the transfer of the transmission grid, which are reported under other operating income.

The Market Switzerland segment posted EBIT including extraordinary items of CHF 40 million (prior year CHF 21 million). EBIT before extraordinary items grew from CHF 0 million to CHF 30 million.

### **Market Italy segment**

Total operating revenues in the Market Italy segment saw a year-on-year increase of CHF 578 million from CHF 874 million to CHF 1,452 million. This was due among other things to sales revenues from trading. High prices in particular drove sales up.

In the Market Italy segment the gross energy margin shrank CHF 28 million, down from CHF 90 million to CHF 62 million. Higher volumes of energy generated and higher prices in the renewable energy business (Repower Renewable) resulted in a CHF 2 million improvement in margin versus the prior-year six-month period. On the other hand there was a considerable drop in demand for balancing energy from the Teverola combined cycle gas turbine plant, and the corresponding margin fell by CHF 28 million.

In 2022 Repower received an insurance payment of CHF 6 million in connection with a 2020 claim for damage to a generator at Teverola combined cycle gas turbine plant; this is recognised in the income statement under other operating income in the Market Italy segment. The payment received for the damage and the replacement of the generator is reported in cash flow from investing activities. The share of the insurance payment to be credited to the minority shareholder in the power plant is reported under other operating expenses in the amount of CHF 2 million.

The result of the Market Italy segment thus includes by way of extraordinary items income in the net amount of CHF 4 million in connection with the damage claim at the Teverola plant as well as releases of other provisions in the amount of CHF 2 million.

EBIT for the Market Italy segment including extraordinary items came to CHF 15 million (prior year CHF 41 million). EBIT before extraordinary items declined by CHF 32 million from CHF 41 million to CHF 9 million.

### **“Other segments and activities” segment**

Total operating revenues for the Other segments and activities segment essentially comprise eliminations between the Market Switzerland Market Italy segments. Here too, higher prices led to higher sales between the segments and thus to higher eliminations. The negative total operating revenues of the Other segments and activities segment, including eliminations, increased accordingly from CHF –2 million to CHF –22 million.

Negative EBIT, and thus costs in other segments and activities, came to CHF –5 million (prior year: CHF –2 million); the prior-year period included an extraordinary item in the form of income from a compensation payment of CHF 2 million.

### **Net financial income**

Thanks to hedging it was possible to offset to a very large extent the effects of the weaker euro. At CHF –8 million, the net financial result was in line with the prior year.

### **Earnings before tax**

Earnings before tax came in at CHF 42 million, CHF 10 million under the prior year level. Income taxes fell CHF 10 million to CHF 9 million, which translates into an increase in the group's effective tax rate from 19 per cent to 21 per cent.

### Asset and liquidity situation

Total assets at 30 June 2022 were CHF 4,353 million, up CHF 371 million from CHF 3,982 million in the prior-year period. The increase in total assets and liabilities is due in particular to an increase in market prices for energy. Positive and negative replacement values increased by CHF 683 million and CHF 662 million respectively, and could only be partially offset by opposing developments in other balance sheet items.

Repower posted a group profit of CHF 33 million in the first half of 2022, distributed dividends totalling CHF 34 million and recognised translation losses of CHF 8 million in consolidated equity owing to the weakening euro. Repower thus still has a very solid equity base of CHF 874 million (prior year CHF 883 million). However, owing to an increase in total assets, driven in particular by rising energy prices, the equity ratio has fallen from 22 per cent to 20 per cent.

Repower's trading activities require the temporary lodging of security deposits on the basis of regulations under stock exchange law or individual regulations. In the current market environment of high prices and price volatility, the amounts required for security deposits can be substantial. Rising or falling market prices lead to short-term adjustments to security deposits. Once the transactions expire or the energy is delivered, the funds flow back to the guarantor. Repower receives and pays security deposits.

In net terms, in the first half of the year Repower had to pay CHF 132 million in security deposits or repay security deposits received, which via the change in net working capital has an impact on cash flow from operating activities and cash and cash equivalents, as well as on net debt. Cash flow from operating activities came to CHF –150 million (prior year CHF +92 million).

Cash flow from investing activities increased by CHF 72 million to CHF +24 million (prior year: CHF –48 million). Notably there were net divestments of CHF 42 million (prior year CHF 0 million) of current and non-current financial assets. A payment of CHF 10 million received from disposals of fully consolidated companies relates to receivables from the purchase price adjustment made for the transfer of transmission grids recognised as other receivables.

Cash and cash equivalents declined by CHF 172 million versus the end of the prior year and at the end of the first half of 2022 came to CHF 198 million. Net debt now comes to CHF 101 million (versus CHF –97 million at the end of the prior year).

The dominant themes of the first six months were high prices, volatility and the associated market and credit risks, as well as general issues related to the security of supply. There is no end in sight to the upheaval on the energy market. It can be assumed that there will continue to be an increased need for liquidity for trading. The net liquidity built up in the past is currently proving helpful and puts Repower in a good starting position for this challenging year, not only from a liquidity perspective. Repower will continue to actively manage its financial position through the selection of suitable instruments and good access to the capital market.

A further deterioration in the unfavourable economic conditions and rising energy prices could increase the counterparty risks. Counterparty defaults would have a negative impact on the asset, financial and earnings situation.

# CONSOLIDATED INCOME STATEMENT

	01.01.-30.06.2022	01.01.-30.06.2021
CHF thousand	unaudited	unaudited
Net sales from goods and services	2,186,354	1,264,434
Own costs capitalised	4,582	4,064
Change in inventory of sales orders	491	941
Other operating income	8,603	23,797
<b>Total operating revenue</b>	<b>2,200,030</b>	<b>1,293,236</b>
Energy procurement	-2,019,668	-1,110,468
Concession fees	-8,489	-8,534
Personnel expenses	-38,077	-36,219
Materials and third party services	-26,125	-27,716
Other operating expenses	-30,464	-23,412
Share of earnings from associates and joint ventures	316	-355
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>	<b>77,523</b>	<b>86,532</b>
Depreciation and value adjustments of tangible assets	-25,277	-25,252
Amortisation and value adjustments of intangible assets	-2,110	-1,728
<b>Earnings before interest and taxes (EBIT)</b>	<b>50,136</b>	<b>59,552</b>
Financial income	7,335	4,716
Financial expenses	-15,431	-12,273
<b>Earnings before taxes</b>	<b>42,040</b>	<b>51,995</b>
Income taxes	-8,633	-9,639
<b>Group earnings</b>	<b>33,407</b>	<b>42,356</b>
Share of group earnings attributable to Repower shareholders	29,169	41,010
Share of group earnings attributable to minorities	4,238	1,346
Share of group earnings attributable to Repower shareholders per registered share (in CHF)*	3.95	5.55
Average number of registered shares in circulation	7,390,807	7,390,793

\* There are no factors resulting in a dilution of earnings per share.

# CONSOLIDATED BALANCE SHEET

	30.06.2022	31.12.2021
CHF thousand	<b>unaudited</b>	
<b>Assets</b>		
Tangible assets	858,652	869,046
Intangible assets	38,675	38,973
Investments in associates and joint ventures	10,950	3,144
Financial assets	28,321	57,950
Deferred tax assets	47,785	37,592
<b>Non-current assets</b>	<b>984,383</b>	<b>1,006,705</b>
Inventories	40,901	44,246
Trade accounts receivable	118,061	80,902
Other receivables	113,590	107,205
Prepaid expenses and accrued income	329,514	476,840
Securities	109,157	120,500
Positive replacement values of held for trading positions	2,458,644	1,775,197
Cash and cash equivalents	198,497	370,181
<b>Current assets</b>	<b>3,368,364</b>	<b>2,975,071</b>
<b>Total assets</b>	<b>4,352,747</b>	<b>3,981,776</b>

	30.06.2022	31.12.2021
CHF thousand	unaudited	
<b>Liabilities and shareholders' equity</b>		
Share capital	7,391	7,391
Treasury shares	-21	-19
Capital reserves	124,423	157,680
Retained earnings (including group earnings)	672,264	643,117
Accumulated translation differences	-16,456	-10,367
<b>Shareholders' equity excluding minorities</b>	<b>787,601</b>	<b>797,802</b>
Minorities	86,022	85,524
<b>Shareholders' equity</b>	<b>873,623</b>	<b>883,326</b>
Non-current provisions	20,806	33,079
Deferred tax liabilities	23,450	24,566
Non-current financial liabilities	274,671	304,385
Other non-current liabilities	102,241	102,266
<b>Non-current liabilities</b>	<b>421,168</b>	<b>464,296</b>
Current financial liabilities	132,968	120,129
Negative replacement values of held for trading positions	2,433,702	1,771,778
Current provisions	8,374	6,719
Trade accounts payable	65,725	91,479
Other current liabilities	67,159	164,806
Deferred income and accrued expenses	350,028	479,243
<b>Current liabilities</b>	<b>3,057,956</b>	<b>2,634,154</b>
<b>Liabilities</b>	<b>3,479,124</b>	<b>3,098,450</b>
<b>Total liabilities and shareholders' equity</b>	<b>4,352,747</b>	<b>3,981,776</b>

# CONSOLIDATED CASH FLOW STATEMENT

	01.01.-30.06.2022	1.1.-30.06.2021
CHF thousand	unaudited	unaudited
Group earnings	33,407	42,356
Income taxes	8,633	9,639
Share of earnings from associates and joint ventures	-316	355
Net financial income	8,096	7,557
Depreciation/amortisation, impairment and reversal of impairment of tangible and intangible assets	27,387	26,980
Gain/loss on the disposals of tangible and intangible assets	89	-149
Change in non-current provisions (without interest)	-12,509	-567
Income from insurance proceeds tangible assets	-6,489	-
Other non-cash income and expenses	-5,605	-765
Dividends from associates and joint ventures	252	258
Income taxes paid	-10,321	-2,042
Other financial cash outflow and inflow	2,764	-3,408
<b>Cash flow from operating activities before changes in net working capital</b>	<b>45,388</b>	<b>80,214</b>
<b>Changes</b>		
Inventory	2,220	-3,185
Trade accounts receivable	-44,126	12,613
Other receivables (without income taxes)	-20,008	-15,510
Prepaid expenses and accrued income	139,454	92,216
Replacement values of held for trading positions	-21,452	-4,353
Current provisions	1,655	-38
Trade accounts payable	-23,733	-2,827
Other current liabilities (without income taxes)	-108,838	18,932
Deferred income and accrued expenses	-120,717	-86,486
<b>Cash flow from operating activities</b>	<b>-150,157</b>	<b>91,576</b>



	01.01.-30.06.2022	01.01.-30.06.2021
CHF thousand	unaudited	unaudited
Additions of tangible assets	-27,877	-27,074
Insurance benefits received for tangible assets	6,489	-
Disposals of tangible assets	56	5,521
Additions of current and non-current financial assets	-2,854	-21,186
Disposals of current and non-current financial assets	45,204	20,720
Additions of intangible assets	-2,538	-26,427
Disposals of group companies (less cash and cash equivalents disposed of)	10,321	-
Payments for additions of investments in associates and joint ventures	-5,337	-
Dividends received from third parties	258	2
Interest received	-78	15
<b>Cash flow from investing activities</b>	<b>23,644</b>	<b>-48,429</b>
Increase in financial liabilities	746	8,626
Repayment of financial liabilities	-11,038	-43,245
Dividend payments	-34,452	-22,779
Purchase/sale of treasury shares	-	1
Purchase of minorities	-289	-
Interest paid	-3,918	-3,899
<b>Cash flow from financing activities</b>	<b>-48,951</b>	<b>-61,296</b>
Effect of currency translation	3,780	1,696
<b>Change in cash and cash equivalents</b>	<b>-171,684</b>	<b>-16,453</b>
Cash and cash equivalents at 1 January	370,181	301,244
<b>Cash and cash equivalents at 30 June</b>	<b>198,497</b>	<b>284,791</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>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 unaudited</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>
<b>Equity at 1 January 2022</b>	<b>7,391</b>	<b>-19</b>	<b>157,680</b>	<b>643,117</b>	<b>-10,367</b>	<b>797,802</b>	<b>85,524</b>	<b>883,326</b>
Group earnings				29,169		29,169	4,238	33,407
Effect of currency translation					-6,051	-6,051	-2,318	-8,369
Dividends			-33,259			-33,259	-1,193	-34,452
Purchase/sale of treasury shares		-2	2			-	-	-
Purchase/sale of minorities				-22	-38	-60	-229	-289
<b>Equity at 30 June 2022 unaudited</b>	<b>7,391</b>	<b>-21</b>	<b>124,423</b>	<b>672,264</b>	<b>-16,456</b>	<b>787,601</b>	<b>86,022</b>	<b>873,623</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 2022. 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 2021.

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 2021 financial year was approved by the annual general meeting on 18 May 2022.

CHF	01.01.-30.06.2022	01.01.-30.06.2021
Approved and paid dividends per registered share	4.50	3.00
Approved dividends	33,259,356	22,172,904
Paid dividends (without dividends on treasury shares)	33,258,636	22,172,454

### 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	
		30.06.2022	31.12.2021	01.01.-30.06.2022	01.01.-30.06.2021
EUR	1	0.99600	1.03310	1.03166	1.09442

## 2 Segment reporting

CHF thousand	Market Switzerland	Market Italy	Other segments and activities	Group
<b>30 June 2022 unaudited</b>				
<b>Net sales from goods and services</b>	<b>762,815</b>	<b>1,443,773</b>	<b>-20,234</b>	<b>2,186,354</b>
Net sales from goods and services	745,689	1,440,643	22	2,186,354
Net sales from goods and services between segments	17,126	3,130	-20,256	-
<b>Earnings before interest and taxes (EBIT)</b>	<b>39,825</b>	<b>14,563</b>	<b>-4,252</b>	<b>50,136</b>
<b>30 June 2021 unaudited</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>

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.

## 3 Changes in consolidations

On 16 May 2022, Repower Italia S.p.A. acquired interests of 27.77 per cent and 29.52 per cent respectively in the Erreci S.r.l. and Erreci Impianti S.r.l.. These two companies are predominantly involved in developing solar installations, from procuring the requisite materials and services to building the installation itself, and in reselling energy. In addition to a cash component of CHF 5,337 thousand, the purchase price consists of deferred purchase price components in the amount of CHF 1,646 thousand disclosed under other current and non-current liabilities. Repower recognises the two acquired companies as associates according to the share of equity in the Market Italy segment. Goodwill of CHF 5,153 thousand arising from the transaction is a component of the investment. The purchase price allocation is provisional.

## 4 Events occurring after the balance sheet date

The bond in the amount of CHF 96 million recognised under current financial liabilities on 30 June 2022 was repaid as scheduled on 20 July 2022.

The consolidated interim financial statements were approved by the board of directors on 24 August 2022.

Since 30 June 2022 there have been no other events which require disclosure.



# INVESTOR AGENDA

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

**2 November 2022**

Analyst and investor conference

**5 April 2023**

Annual media conference

**17 May 2023**

Annual general meeting in Poschiavo

# PUBLISHING INFORMATION

**Publisher**

Repower, Poschiavo, Switzerland

**Design**

Repower, Poschiavo, Switzerland

**Editorial team**

Repower, Poschiavo, Switzerland

**Photos**

Repower, Poschiavo, Switzerland

**Icons**

Icons made by Freepik are licensed by CC 3.0 BY (Coins/Jumping man) and nightwolfdezines (Safety Traffic Cones)

**Publishing system**

Multimedia Solutions AG, Zurich, Switzerland

The annual report is published in German, Italian and English. In the event of differing interpretations, the German text is definitive.

August 2022