SEMI-ANNUAL REPORT 2021

26.08.2021
Media conference for analysts and investors: 1st half of 2021

Agenda

- Review of 2021 half year  
  Roland Leuenberger, CEO
- Finances in 2021 half year  
  Lorenzo Trezzini, CFO
- Outlook  
  Roland Leuenberger
- Questions
- Upcoming events
Review of 2021 half year

Solid results, slightly below prior year

<table>
<thead>
<tr>
<th></th>
<th>Total operating revenue</th>
<th>EBIT</th>
<th>Group profit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CHF m</td>
<td>CHF m</td>
<td>CHF m</td>
</tr>
<tr>
<td><strong>2020 half year</strong></td>
<td>843 CHF m</td>
<td>68 CHF m</td>
<td>41 CHF m</td>
</tr>
<tr>
<td><strong>2021 half year</strong></td>
<td>1293 CHF m</td>
<td>60 CHF m</td>
<td>42 CHF m</td>
</tr>
</tbody>
</table>
Review of 2021 half year

Highlights and main drivers of half-year results

**Trading**
Lows in electricity prices in early 2020 had a delayed negative effect on Swiss trading results

**Extraordinary factors**
One-time payment from Swissgrid

**Electric mobility**
Successful acquisitions in the market

**Smart grid**
Increased demand for energy from smaller and medium-sized businesses
Review of 2021 half year
Investments in energy transition and supply security

Preserving hydro assets
- Complete modernisation of Robbia hydropower plant continued as planned
- Reversion waiver compensation for lower stage Valposchiavo plants

Photovoltaic and wind power
- Rosario wind farm in Sassari (Sardinia) commences operation (6 MW)
- Modernisation of existing wind assets
- Modernisation of existing solar farms
- Around 95 new PV installations connected to Repower grid

Sustainable investment
- Total of CHF 54 million invested, of which around 42 million in Switzerland/Graubünden
- CHF 8 million invested in Repower’s grid
- Electric lorries go into operation to support grid stability
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Highlights

Repower posts solid EBIT and group earnings

- **Group EBIT CHF 59.6 m** (prior year CHF 68.1 m; -13%)

- **EBIT Switzerland 18% up on prior year.** Compensation from the transfer of high-voltage grid to Swissgrid (BA2 CHF +20.5 m) offsets decline in gross energy margin.

- **EBIT Italy 28% down on prior year.** Demand for balancing energy (Teverola) has returned to normal compared with prior year. Sales business has recovered from Covid-19. Renewables business posts good results thanks to increase in wind and solar generation.

- **Solid group earnings of CHF 42.4 m** (+4% vs prior year)
Other KPIs

Overview

Operating cash flow (CHF m)

- HY 2020: 64
- HY 2021: 96

Number of employees (FTE)

- HY 2020: 563
- HY 2021: 594

Net liquidity*/EBITDA

- HY 2020: -0.3
- HY 2021: -1.2

CAPEX (CHF m)

- HY 2020: 21
- HY 2021: 54

Equity

- HY 2020: 863
- HY 2021: 892

Market capitalisation (CHF m)

- HY 2020: 680
- HY 2021: 887

* Net debt running at CHF -103 million (net liquidity), hence negative figures for debt ratio.
### EBIT

Decline of CHF 8.5 m (-13%)

- **Gross margin**: Good results from sales business (E2E) and renewables not enough to offset decline in trading business (Italy and Switzerland)
- **Other income**: Results underpinned by CHF 20.5 m payment from Swissgrid (transfer of transport grid)
- **Personnel expenses**: Investment in 31 FTE in human resources (CH: +16 FTE & IT: +15 FTE)
- **Licences and concessions**: Lower licences and concessions owing to lower volumes generated
- **Other expenses**: Driven by increased investment in development costs (renewables business)
Decline of CHF 8.5 m (-13%) by segments

- **Switzerland:** Compensation for the transfer of the transport grid to Swissgrid is more than enough to offset a decline in gross margin (CHF -14.5 m)
- **Italy:** The decline in Italy is due to a return to normal in the gross margin on balancing energy (MSM margin) versus the prior year
- **Corporate Centre:** Helped by payments from positive court rulings, lower capital taxes and IT costs
Segment Switzerland: EBIT

EBIT up CHF 3.3 m

- **Service Provision Division:** Achieves prior year level
- **Market Division:** Prior year’s provisions for guarantees of origin no longer apply in 2021

*excluding Corporate Centre*
**Segment Italy: EBIT**

Sharp (CHF 16 m) decline in EBIT driven by MSD margin

- **Trading activities:** Normalisation of MSD margins, CHF -26.7 m (-46.5%) down on 2020, and downtime at Teverola in February, lead to sharp decline
- **Sales business:** Increase in volumes sold (electricity: +17%; gas: +11%) reflected in higher margins (electricity: CHF +9.6 m; gas CHF +6.7 m)
- **Renewables business:** Higher volumes generated and gross margin (+50% versus prior year) contributed to gratifying results

*Other: finance/management and generation*
Equity

Further strengthening in equity (CHF +23 m/3%)

Equity ratio declines owing to higher total assets (higher replacement values)

- Equity ratio of 40% within target range of 35% to 45%

Increase in equity

- Thanks to strong half-year results, equity after dividend increased by CHF 23 m
Capex

Investment of CHF 53.5 m in tangible and intangible assets

- Reversion waiver compensation: CHF 24.1 m (45%)
- Software: CHF 1.3 m (2%)
- Other intangible assets: CHF 1.0 m (2%)
- Other tangible assets under construction: CHF 25.5 m (48%)
- Other tangible assets: CHF 1.6 m (3%)

Switzerland: CHF 42.3 m (79%)

Italy: CHF 11.2 m (21%)
Net liquidity

Net debt to EBITDA declines further

<table>
<thead>
<tr>
<th>CHF m</th>
<th>HY 2020</th>
<th>HY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>301</td>
<td>285</td>
</tr>
<tr>
<td>+ securities and fixed-term deposits</td>
<td>196</td>
<td>198</td>
</tr>
<tr>
<td>./. financial liabilities</td>
<td>405</td>
<td>377</td>
</tr>
<tr>
<td>./. interest liabilities</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Net liquidity*</td>
<td>-89</td>
<td>-103</td>
</tr>
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*Net liquidity, indicated by a minus sign, now comes to CHF -89 million
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Outlook

Growth and increasing profitability

Market trends
- Production hedged at higher prices thanks to increase in electricity prices
- Gas, coal and carbon prices the main drivers of electricity prices
- Electrically powered vehicles: all signs point to growth

Politics
- Dispatch on revised energy act and electricity supply act creates too few incentives for investment
- Lack of electricity agreement with EU additionally weakens import strategy
- The issue of the security supply and potential negative consequences are still underestimated

Strategic priorities
- Aggressive expansion in renewable energy (especially winter power) if attractive from an economic point of view
- Powerful expansion and development in electric mobility business
- Growth in energy sales on the Italian energy market
Outlook

Conclusions

**Strategy**
We are on track in terms of realising our ambitious goals

**Energy transition**
Repower continues to invest aggressively in expanding renewable energy

**Electricity market**
Increases in electricity prices will have a positive impact on results from 2022

**Coronavirus**
Pandemic mastered well; stability and supply security assured throughout

**Earnings**
Second half of 2021 will be solid but less strong
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Questions

Instructions for webinar questions

Please enter your questions in the box provided in the webinar tool.
**Agenda**

Next dates on the financial agenda

<table>
<thead>
<tr>
<th>Key dates</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 October 2021</td>
<td>Analyst and investor conference</td>
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<tr>
<td>5 April 2022</td>
<td>Annual media conference</td>
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<tr>
<td>18 May 2022</td>
<td>Annual general meeting in Klosters</td>
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MANY THANKS!

25.08.2021