

SEMI-ANNUAL REPORT

2021



REPOWER
All the energy you need.

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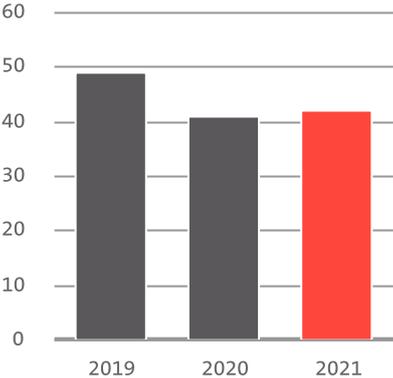
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FACTS & FIGURES

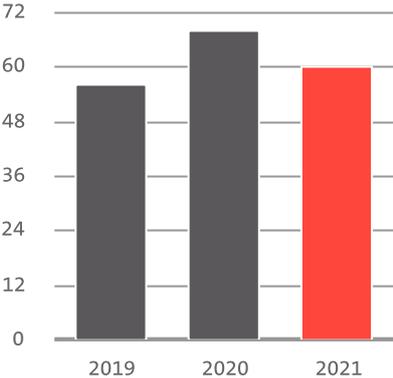
42

million francs
group earnings



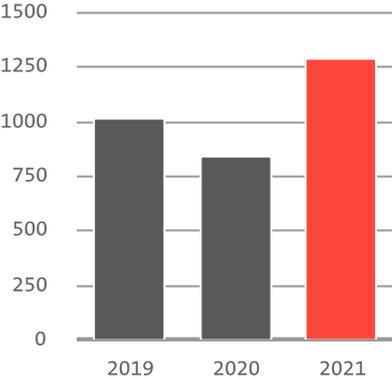
60

million francs
operating income:
earnings before interest and taxes (EBIT)



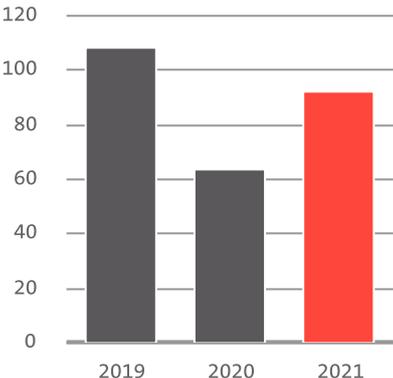
1,293

million francs
total operating revenue



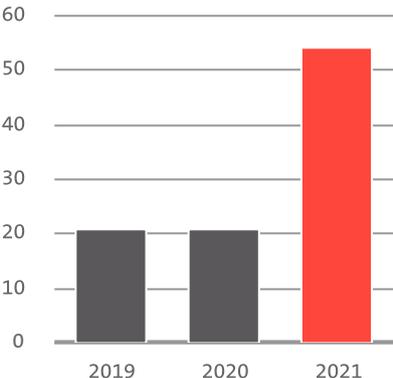
92

million francs
cash flow from operating activities



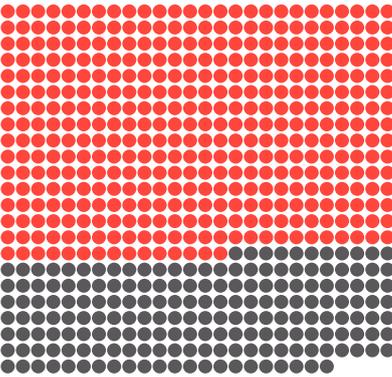
54

million francs
investment in tangible and intangible
assets



594

employees
in Switzerland and Italy



Switzerland (405)
Italy (189)

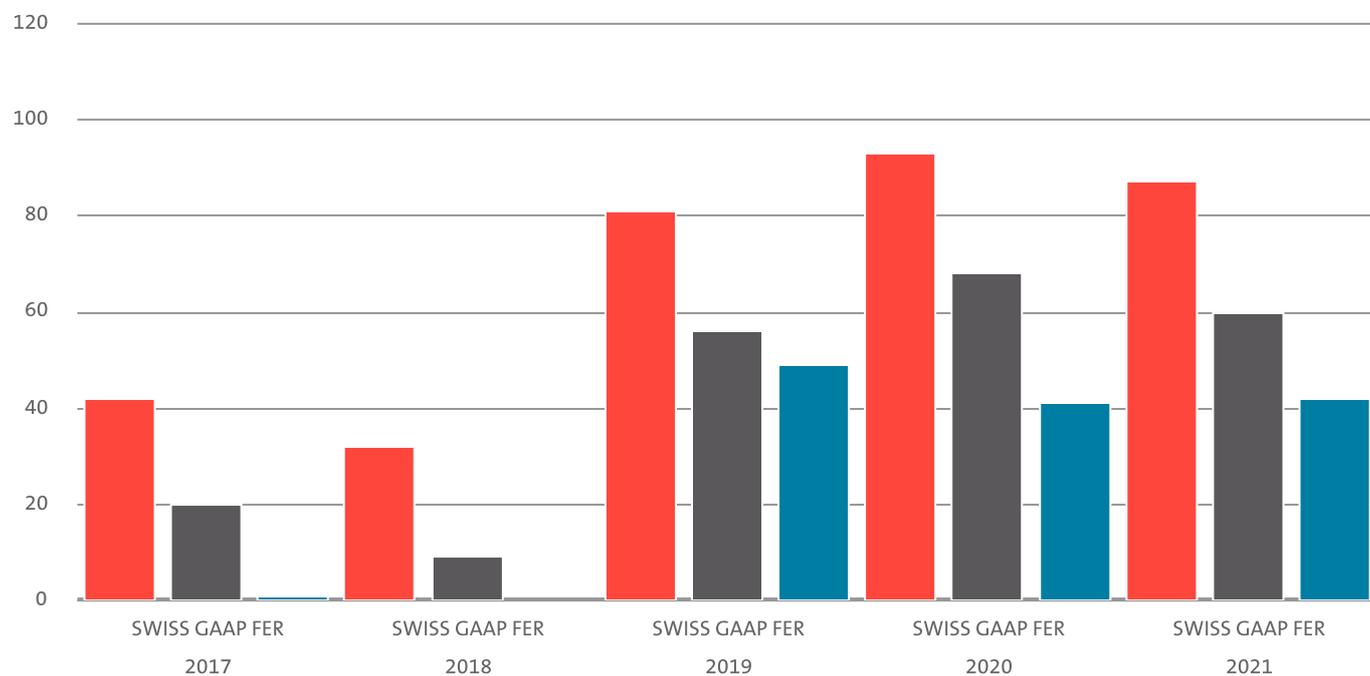
FINANCIAL HIGHLIGHTS

CHF million	1st half-year 2021	1st half-year 2020	1st half-year 2019	1st half-year 2018	1st half-year 2017
	Swiss GAAP FER				
Revenue and income					
Total operating revenue	1,293	843	1,018	1,053	905
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	87	93	81	32	42
Depreciation/amortisation and impairment	-27	-25	-25	-23	-22
Earnings before interest and taxes (EBIT)	60	68	56	9	20
Group earnings	42	41	49	0	1
Balance sheet					
Balance sheet total at 30 June	2,209	1,823	1,797	1,771	1,822
Equity at 30 June	892	863	849	768	769
Equity ratio	40%	47%	47%	43%	42%
Other KPIs					
Energy gross margin	140	165	157	104	109
Economic value added	21	27	17	-15	-6
Cash flow from operating activities	92	64	108	15	22
Net debt / net liquidity*	-103	-32	-37	-39	-34
Net debt factor	-1.2	-0.3	-0.5	-1.2	-0.8
Investment in tangible and intangible assets	54	21	21	11	11
Number of employees	594	563	597	594	589

* Net liquidity is shown with a negative sign and, like net debt, is calculated on the basis of cash and cash equivalents, marketable securities, fixed-term deposits, and current and non-current financial liabilities, including accrued interests.

Financial highlights on 30 June

CHF million



- EBITDA
- EBIT
- Group result

STOCK STATISTICS

Share capital	7,390,968	registered shares	@ CHF	1.00	CHF 7.4 million
				1st half-year 2021	1st half-year 2020
Prices (CHF) on OTC-X, Berner Kantonalbank					
Registered share			High	124.00	104.00
			Low	99.50	82.00

Dividends (CHF)	2020	2019	2018	2017
Registered share	3.00	2.50	0.50	0.00

Shareholder structure at close of accounts on 30 June

in percent



EMPLOYEES

at 30 June	2021	2020
Total	594	563
Switzerland	405	386
Italy	189	177
Trainees	35	30
Sales consultants Italy	513	575

LETTER TO SHAREHOLDERS



Chair of the board of directors Monika Krüsi and CEO Roland Leuenberger

Dear Shareholders Ladies and Gentlemen

Our strategic positioning as a market-driven, diversified and innovative energy company assures Repower stability even in volatile markets and under great competitive pressure. In the first half of 2021 the Repower Group posted EBIT of CHF 60 million including extraordinary items, only slightly below the prior year level. An important contribution to earnings came from Repower Italy, which benefited from increased demand for energy. The result in Switzerland was positively influenced by the above mentioned extraordinary items: As a consequence of a purchase price adjustment in connection with the transfer of transmission assets to Swissgrid, there will be a one-off additional payment of around CHF 20 million ([here](#) you will find detailed comments on the interim consolidated financial statements).

Electricity generated was in line with the long-term average

Electricity generated by Repower's own hydropower plants during the first six months of 2021 was in line with the long-term average. The extraordinarily good hydropower production of the previous year

could not be completely matched. The main reasons for the difference versus the prior year were slightly below-average precipitation and the comparatively late onset of snow melt. Electricity generated at our wind farms in Italy also turned out lower than planned owing to poor wind conditions. Thanks to increases in electricity prices, however, Repower Renewable's portfolio of renewable electricity generation assets was able to exceed its sales targets. Demand for balancing energy in Italy has returned to normal compared with the prior year. Even so, the Teverola combined cycle gas turbine plant made an important contribution to grid stability in Italy and delivered a result in line with our expectations.

In developing our renewable generation assets in Switzerland and Italy we create economic and environmental added value on a continuous basis. Repower Renewable's investment and development plans are being implemented systematically. To further boost the production of renewable energy, existing wind and solar farms are being renewed and modernised on a targeted basis. The complete modernisation of Robbia power plant, involving a total investment of CHF 125 million, the biggest in Repower's history, continues to proceed according to plan. Investment for the first half of the year came to CHF 54 million overall, of which around CHF 42 million was invested in Switzerland/Graubünden. Among other things, in its capacity as the biggest grid operator in Graubünden, Repower invested around CHF 8 million in its power grids.

The uptrend in electricity prices that started in November 2020 was confirmed in the first half of 2021, driven in particular by the rising price of raw materials and carbon certificates. Owing to our long-term hedging strategy to offset market risk, initially trading was able to profit only sporadically from higher electricity prices. By contrast, as expected low electricity prices during the first lockdown in spring 2020 had a delayed adverse effect on trading results in Switzerland.

Innovative electricity products for Italian customers

Our innovative strength and market proximity continue to be exemplified in the liberalised electricity market in Italy, where we repeatedly succeed in developing new electricity products meeting the needs of new customers. In Switzerland, where Repower develops and sells various digital products for the energy transition, the market response has also been positive. For example the SMARTPOWER intelligent smart metering system offered by Repower interest EVUlation AG won a contract put out to public tender by a municipal works. SMARTPOWER is the first smart metering system with a METAS certificate for data security.

Outlook

As a rule, Repower's financial results for the first half of the year are better than for the second six months. Added to this, the interim results for 2021 were helped by extraordinary items. Nevertheless, we anticipate a solid result for the second six months as well, and in the medium term expect increased electricity prices to have a positive effect on our performance. Our strategy, based on a diversified business model, will be continued. The same applies to the expansion of renewable energy, especially assets that produce winter power.

Thank you

We'd like to thank everyone involved for their untiring efforts. Without them, Repower's success would not be possible in the first place. We would also like to thank our partners for their trusting cooperation. Our heartfelt thanks also go to you, our shareholders, for the trust you place in us and your loyalty to our company.



Dr Monika Krüsi
Chair of the board of directors



Roland Leuenberger
CEO

MAJOR CONTRACT FOR PLUG'N ROLL

January

Canton Zurich is moving forward with electric transport, and PLUG'N ROLL is supplying the charging infrastructure: in January Repower's e-mobility provider was granted a contract by the Zurich government to equip all properties owned by the canton for future electric transport needs.



Canton Zurich's vehicle fleet Zurich is expected to be converted to non-fossil by 2030. Achieving this goal requires a comprehensive charging infrastructure for electric vehicles in all the canton's own properties. After a public tender, the Zurich Government Council awarded the contract to procure and manage the requisite charging stations to Repower AG. "We weren't the cheapest, but our smart, modern technological solution best covered the customer's needs," explains Repower Head of Market René Burkhard.

Around 880 charging stations by 2025

The framework agreement between the partners anticipates a probable need for 880 charging stations by 2025, 765 with a charging capacity of 3 kW to 22 kW plus 115 rapid charging stations (22 kW to 150 kW). By 2030 Canton Zurich expects the total number of charging stations for its properties to even increase to 1,000 to 1,450.

In addition to the procurement of the charging stations, the Canton Zurich contract also includes their management. PLUG'N ROLL is thus responsible for delivering, fitting, commissioning, operating, maintaining and troubleshooting the stations, as well as for the administration of energy billing. Recipients of the charging stations will include the Zurich police force, which has special data security requirements. "Thanks to the flexible set-up of our system, it's easy to upgrade for special requirements of this sort," assures project head Tao Krauspe. The contract will be delivered in stages from 2021 to 2025.

E-mobility since 2012

Repower has operated in the electric transport market since 2012, and in this time has assured the sustainable development of electric mobility solutions. In 2016 it launched PLUG'N ROLL, a nationwide full-service provider of electric mobility solutions, and since then has been offering customised solutions from charging stations to entire networks of charging points.

MORE WIND POWER

January

Repower has acquired a wind farm in Berlar.



https://www.youtube.com/embed/ZuCUIL_KqZE

Repower AG operates various wind farms in Italy and Germany. At the beginning of the year another wind farm was added to the portfolio of renewable generation assets when Repower acquired a wind farm of five turbines near Berlar in North Rhine Westphalia in January. With a total capacity of 7.5 megawatts, the installation is likely to produce 14.4 gigawatt hours of electricity a year. This is enough electricity to cover the annual requirements of 3,200 average Swiss households. Berlar wind farm is part of Repartner Wind GmbH, a wholly-owned subsidiary of Repartner Produktions AG. Repower holds 51 per cent of Repartner Produktions AG.

ROBBIA CONTROL CENTRE EXTENDED

February

Complete modernisation of Robbia power plant is proceeding according to schedule.



<https://www.youtube.com/embed/qK6LT5bVYT4>

Repower is investing a total of CHF 125 million in the complete modernisation of Robbia power plant. One consequence of the biggest renewal investment in Repower's history is that the operations planning team and the dispatchers can now work even more closely together. To this end an extension has been added to the control centre in Robbia, going into operation in February. All the work was done by the Service Provision Division and its planning and construction departments. There were two decisive reasons for the change: Firstly, the old premises in the Robbia power plant building had to be vacated because of the complete modernisation. Secondly, the proximity between dispatchers and planning has enabled workflows to be further optimised in the expanded operations centre.

A CARGO BIKE TO MEET ALL NEEDS

March

Cargo bike models LAMBROgio and LAMBROgino are officially on the market.



Highly versatile: Repower's cargo bikes.

The cargo bike models LAMBROgio and LAMBROgino, designed by Compasso d'oro alla carriera award winner Makio Hasuike, were officially launched on the market. A whole series of new customers are already using the LAMBROs, including Swiss Post's Italian operation. In an innovative project called Verso l'Abbazia, the LAMBROs are used to transport products from the abbey in Chiaravalle to Milan.

NEW HEAD OF HR

April

Petra Dörig takes over as head of Human Resources at Repower.



Head of HR at Repower: Petra Dörig

In April Repower announced the appointment of a new head of Human Resources. Petra Dörig commenced her new role in August, taking over from Nadine Loher-Röthlisberger, who is moving to ÖKK as head of human resources. Petra Dörig has an impressive track record. Among other things she has been a member of the executives of beverage producer Goba AG, econcept AG and the Micarna group of companies. Originating from Appenzell, she is a specialist in process and change management and organisational development. We warmly welcome Petra Dörig to Repower!

OUR PASSION FOR DESIGN

May

Repower is main partner to the new design museum in Milan.



With the support of Repower, a new museum of design has opened in Milan.

In the presence of the minister of culture, the mayor of Milan and other important officials, Fabio Bocchiola, Head of Repower Italy, inaugurated the ADI Design Museum in Milan on behalf of Repower. Repower Italy is the main partner of this new cultural institution, with which it shares a penchant for design. An expression of this is the E-LOUNGE, which welcomes visitors as an exhibit at the entrance to the new museum and for which Repower received the Compasso d'Oro ADI award in 2020.

WIND ENERGY FROM SARDINIA

May

Repower Renewable puts Rosario wind farm into operation.



The Rosario wind turbine in Sassari, with a capacity of 3 MW, is a total of 180 metres high.

On 11 May 2021, the Rosario wind farm in Sassari (Sardinia, Italy) went into operation. The wind farm has a total capacity of six megawatts and consists of two wind turbines (3 MW each). It is possible to vary the speed of the turbine rotors and thus maintain the output at the nominal power level. When the wind speed is low, the power can be increased by regulating the speed and pitch angle of the rotor blades. The farm is expected to generate 14,720 MWh a year.

SUSTAINABLE BOAT TRIPS

May

Repower takes part in the Salone Nautico boat show in Venice.



Repower^e, a 100% electrically powered boat, was awarded the 2018 Compasso d'Oro.

The latest edition of the Salone Nautico boat show in Venice was all about sustainability, with numerous electric watercraft and various charging solutions on display. Repower also took part in the fourth edition of the show, presenting Repower^e, its fully electric boat, which received an honourable mention at the 2018 Compasso d'Oro.

ENERGY FOR GRAUBÜNDEN MUSCLE

May

Repower equips Rüfeli wrestling hall in Untervaz with a PV installation and charging points.



Repower managers Teo Cramer and René Burkhard celebrate the signing of the contract with top Swiss wrestler Armon Orlik and the mayor of Untervaz, René Vogel (from left).

In Untervaz, training no longer just releases a lot of energy, but also produces it. Repower is installing a 500 m² PV system on the roof and frontages of the new Rüfeli Swiss wrestling and sports hall. Added to this are four public electric vehicle charging stations. The figurehead of the Unterlandquart wrestling club, top wrestler Armon Orlik, was also present at the signing of the contract in May. As the main sponsor of the Graubünden cantonal wrestling association, Repower has been closely associated with the sport of Swiss wrestling ("Schwingen") for many years.

AN ELECTRIC LORRY FOR THE ENGADINE

June

Transport of letters destined for the Engadine has gone green.



The built-in batteries of the new electric truck have a capacity of 680 kWh.

The Graubünden-based company Hunger Transporte has joined forces with Repower to acquire a battery-powered lorry. It will be used to transport letters from the mail distribution centre in Zurich to the Engadine. In this pilot project, Repower is financing the vehicle batteries, and can use them to store energy temporarily while the truck is parked. Repower will have this pilot project scientifically monitored. The aim is to gain insights into the use of vehicle batteries in an energy industry environment. Every year, the new battery-powered lorry will be able to save around 40,000 litres of diesel and thus around 120 tonnes of CO₂.

REPOWER WORKS FOR BETTER BUSINESS RELATIONS

June

Fabio Bocchiola is new chairman of Swiss Chamber of Commerce in Italy



Fabio Bocchiola, Head of Repower Italy, has been a member of the board of directors of the Swiss Chamber in Italy since 2009.

On 10 June 2021, the Swiss Chamber's general assembly elected Fabio Bocchiola, Head of Repower Italy, as the new chairman of the Swiss Chamber of Commerce in Italy. Fabio Bocchiola has been a member of the Swiss Chamber's board of directors since 2009 and represents Repower, which is a member of the advisory board. Fabio Bocchiola succeeds Barbara Hoepli, chair of the board of directors of the Milan-based publishing house Ulrico Hoepli.

The Swiss Chamber, which boasts more than 400 members, has been promoting economic relations between Switzerland and Italy for over 100 years. To this end it offers a wide range of services, from integrated marketing and communications to tax and legal advice. It also runs the Spazio Eventi congress centre and the Swiss Corner exhibition and event venue, which it built in the heart of Milan.

REPOWER ELECTRIFIES CYCLE TOURISM

June

In June Repower presented DINAclub. The new project to harness the dynamic growth of electric bike tourism has a specific goal: to electrify cycle paths in Italy.



Charging an electric bike made easy: with DINAclub's new, elegant charging stations.

The fifth edition of Repower's White Paper on sustainable mobility shows that the Italian electric bike market grew by 20 percent year-on-year in 2020, with over two million bikes sold. In view of this boom, Repower has developed DINA, a new charging station for electric bikes designed by Makio Hasuike, winner of the Compasso d'Oro alla carriera. The elegant charging station is suitable for outdoor and indoor use. Up to seven electric bikes can be parked at it, and four can be charged at the same time. It's a smart solution for the growing number of regions and players that rely on electric bike tourism and related services.

Web portal for sustainable mobility

Alongside the DINA charging station, the new network for cycle tourists features a [web portal](#) within Homo Mobilis, the conceptual framework for sustainable mobility in the broadest sense. The [web portal](#) offers a wide variety of content and functionality for users to choose content on the basis of

their interests. It gives visibility to the structures involved in the network by providing them with a platform to present themselves as hosts. At the same time it's a treasure trove of routes, ideas and news on developments around biking and cycle tourism, with or without a motor. The content is kept constantly up to date and can be tailored to the experience and interest of individual users.

A communications and event plan for the DINAclub charging network brings to life the idea of sustainable mobility that Repower has developed and implemented over more than ten years. A big name in cycling is also on board: Paolo Bettini, Olympic champion in Athens 2004 and two-time cycling world champion, is the face of DINAclub.

Cooperation with route planner komoot

DINAclub has also entered into an innovative partnership with the route planner komoot, a platform with 20 million users in Europe alone and a reference for bikers from all over the world. Under the agreement, all structures participating in DINAclub will be listed on komoot's maps as points of interest and charging stations. This way users can plan their whole bike trip conveniently according to their own needs before setting off. Charging stations are also organised into their own Collections in Repower's official profile on komoot. New routes are added regularly and provide plenty of inspiration for bikers.

Another important point is that DINAclub uses gamification, a method that rewards people for being part of the bike network as well as motivating them to go exploring by bike. Each host structure of a DINAclub route is assigned a QR code; by scanning these codes, users can collect points and thus access regional maps from komoot for free: a double incentive to tackle the next stage. Using the route does not mean you have to use the charging stations, so it's open to all bikers, regardless of whether they're on the road with or without a motor.

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
Total operating revenue	1,293,236	842,626
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
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	86,532	93,171
Depreciation and value adjustments of tangible assets	-25,252	-23,723
Amortisation and value adjustments of intangible assets	-1,728	-1,384
Earnings before interest and taxes (EBIT)	59,552	68,064
Financial income	4,716	5,632
Financial expenses	-12,273	-15,724
Earnings before taxes	51,995	57,972
Income taxes	-9,639	-17,164
Group earnings	42,356	40,808
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
Assets		
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
Non-current assets	1,024,257	997,059
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
Current assets	1,184,862	985,374
Total assets	2,209,119	1,982,433

	30.06.2021	31.12.2020
CHF thousand	unaudited	unaudited
Liabilities and shareholders' equity		
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
Shareholders' equity excluding minorities	806,846	785,368
Minorities	85,560	83,914
Shareholders' equity	892,406	869,282
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
Non-current liabilities	521,552	529,257
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
Current liabilities	795,161	583,894
Liabilities	1,316,713	1,113,151
Total liabilities and shareholders' equity	2,209,119	1,982,433

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
Cash flow from operating activities before changes in net working capital	80,214	102,095
Changes in net working capital		
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
Cash flow from operating activities	91,576	64,234

	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
Cash flow from investing activities	-48,429	-61,112
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
Cash flow from financing activities	-61,296	-46,650
Effect of currency translation	1,696	-4,666
Change in cash and cash equivalents	-16,453	-48,194
Cash and cash equivalents at 1 January	301,244	367,131
Cash and cash equivalents at 30 June	284,791	318,937

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
unaudited								
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			-18,477			-18,477	-971	-19,448
Purchase/sale of treasury shares		-7				-7		-7
Equity at 30 June 2020	7,391	-23	179,843	600,090	-4,484	782,817	80,034	862,851
Equity at 1 January 2021	7,391	-19	179,843	600,780	-2,627	785,368	83,914	869,282
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
Equity at 30 June 2021	7,391	-23	157,676	641,790	12	806,846	85,560	892,406

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
unaudited				
30.06.2021				
Net sales from goods and services	393,210	873,522	-2,298	1,264,434
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	-
Earnings before interest and taxes (EBIT)	21,446	40,507	-2,401	59,552
30.06.2020				
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	56,466	-6,559	68,064

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

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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