Edisun Power Europe Ltd
Universitätstrasse 51
8006 Zurich

Consolidated Interim Financial Statements (unaudited)

June 30, 2018

Consolidated Interim Balance Sheet (unaudited)

	Notes	30.06.2018	31.12.2017
Assets		TCHF	TCHF
Cash and cash equivalents		4'091	22'576
Trade receivables		3'259	1'931
Other receivables and current assets		968	774
Financial assets		4	4
Total current assets		**8'322**	**25'285**
Land, plant and equipment	6.1	89'969	92'212
Intangible assets		248	279
Financial assets and other long term assets		803	822
Total non-current assets		**91'020**	**93'313**
Total assets		**99'342**	**118'598**
Liabilities and equity			
Borrowings	6.2	2'692	7'341
Trade payables		261	410
Other payables		447	404
Accrued cost		1'454	18'882
Income tax liabilities		544	616
Total current liabilities		**5'398**	**27'653**
Borrowings	6.2	73'729	71'213
Provisions		357	510
Total non-current liabilities		**74'086**	**71'723**
Total liabilities		**79'484**	**99'376**
Share capital		15'371	15'371
Share premium		4'943	5'250
Accumulated deficits and currency translation differences		-456	-1'399
Total equity		**19'858**	**19'222**
Total liabilities and equity		**99'342**	**118'598**

The notes are an integral part of these condensed consolidated interim financial statements.

Consolidated Interim Income Statement (unaudited)

	Notes	30.06.2018	30.06.2017
		TCHF	TCHF
Revenue from sale of electricity		6'555	4'799
Other operating income		77	34
Total revenue	5, 7, 11	**6'632**	**4'833**
Personnel expenses		-383	-385
Rental and maintenance expenses		-693	-485
Administration expenses		-238	-192
Advertising expenses		-5	-6
Other operating costs		-410	-217
Earnings before interest, tax, depreciation and amortization (EBITDA)	5, 7, 11	**4'903**	**3'548**
Depreciation and amortization	6.1	-2'217	-1'619
Earnings before interest and taxes (EBIT)	5, 7, 11	**2'686**	**1'929**
Financial income		0	1
Financial expense		-1'199	-1'048
Net profit before income tax		**1'487**	**882**
Income tax		-58	-23
Net profit	7, 11	**1'429**	**859**
Attributable to shareholders of Edisun Power Europe Ltd.		1'429	271
Attributable to non-controlling interests		0	0
Earnings per share (EPS) - expressed in CHF per share:			
Basic earnings per share		**2.79**	**2.51**
Diluted earnings per share		**2.79**	**2.51**

The notes are an integral part of these condensed consolidated interim financial statements.

Consolidated Interim Cash-flow Statement (unaudited)

	Notes	30.06.2018	30.06.2017
		TCHF	TCHF
Net profit		**1'429**	**859**
Reversal of non-cash items:			
Depreciation and amortization	6.1	2'217	1'619
Change in accruals and provisions		-5	50
Financial income		0	-1
Financial expense		1'199	1'048
Income tax expense		58	23
Change in receivables and other current assets		-1'380	-617
Change in payables		-137	142
Interest paid		-1'152	-1'212
Taxes paid		-33	-22
Other non-cash items		6	18
Cash-flow from operating activities		**2'202**	**1'907**
Investments in plant and equipment		-18'326	-4'958
Investments in intangible assets		0	-28
Investments in financial assets		-27	-4
Interest received		0	1
Cash-flow from investing activities		**-18'353**	**-4'989**
Repayment of bonds	6.2	-5'000	0
Increase of other borrowings	6.2	4'074	2244
Repayment of other borrowings	6.2	-1'025	-5'010
Dividends paid	8	-307	0
Cash-flow from financing activities		**-2'258**	**-2'766**
Net change in cash and cash equivalents		**-18'409**	**-5'848**
Cash and cash equivalents at the beginning of the year		**22'576**	**8'320**
Exchange effects on cash and cash equivalents		-76	54
Cash and cash equivalents at the end of the period		**4'091**	**2'526**

The notes are an integral part of these condensed consolidated interim financial statements.

Consolidated Statement of Changes in Equity

TCHF	Share capital	Share premium	Accumulated deficits	Currency translation differences	Total Equity
	Attributable to shareholders of the company				
December 31, 2016	**17'950**	**-2'185**	**-2'328**	**-4'010**	**9'428**
Net profit			859		859
Currency translation foreign subsidiaries				760	760
June 30, 2017	**17'950**	**-2'185**	**-1'469**	**-3'250**	**11'047**
December 31, 2017	**15'371**	**5'250**	**-777**	**-623**	**19'222**
Net profit			1'429		1'429
Currency translation foreign subsidiaries				-486	-486
Dividend payment		-307			-307
June 30, 2018	**15'371**	**4'943**	**652**	**-1'109**	**19'858**

The notes are an integral part of these condensed consolidated interim financial statements.

1. General information

Edisun Power Europe Ltd. (‘the company’) and its subsidiaries (together ‘the Group’) finance and operate photovoltaic systems (PV) in Europe and sell solar energy to the local electricity companies. The Group is present in Switzerland, Germany, Spain, France and Italy.

Edisun Power Europe Ltd. is a limited company domiciled and incorporated in Switzerland. The address of the registered office is: Universitätstrasse 51, 8006 Zürich, Switzerland.

The Company is listed on the “Swiss Reporting Standard” segment of the SIX Swiss Exchange.

2. Basis of preparation and significant accounting policies

The consolidated financial statements cover the unaudited interim results for the six months ending 30 June 2018. They have been prepared in accordance with Swiss GAAP FER (Accounting and Reporting Recommendations). The consolidated interim financial statements for 2018 have been prepared in accordance with FER 31 “Supplementary Recommendation for Listed Companies”. Furthermore, the accounting complies with the provisions of the listing rules of the SIX Swiss Exchange and with Swiss company law.

The interim financial statements do not contain all the information and disclosures required in the annual consolidated financial statements. They should therefore be read in conjunction with the annual financial statements for the year ended 31 December 2017. The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2017.

The consolidated interim financial statements were approved for issue by the Board of Directors on 31 August 2018.

3. Changes to Group structure

There were no changes to Group structure during the period under review.

4. Currency translation rates

The CHF/EUR exchange rates relevant for the consolidated interim financial statements were:

	Closing rate 30.06.2018	Average HY 2018	Closing rate 31.12.2017	Average HY 2017
1 EUR	1.1573	1.1672	1.1695	1.0745

5. Segment information

HY 2018	Switzerland	Germany	Spain	France	Italy	EPE	Group
Total segment revenue	529	821	3'535	1'435	312	351	6’983
Inter-segment revenue	0	0	0	0	0	-351	-351
External revenue	**529**	**821**	**3'535**	**1'435**	**312**	**0**	**6’632**
EBITDA	**429**	**659**	**2'668**	**1'133**	**222**	**-208**	**4’903**
EBITDA in % of revenue	*81.2%*	*80.3%*	*75.5%*	*79.0%*	*71.2%*		*73.9%*

HY 2017	Switzerland	Germany	Spain	France	Italy	EPE	Group
Total segment revenue	596	546	2'225	1'493	0	337	5'170
Inter-segment revenue	0	0	0	0	0	-337	-337
External revenue	**596**	**546**	**2'225**	**1'493**	**0**	**0**	**4'833**
EBITDA	**488**	**416**	**1'650**	**1'208**	**0**	**-214**	**3'548**
EBITDA in % of revenue	*85.8%*	*76.1%*	*74.2%*	*80.9%*			*73.4%*

With the acquisition of the Italian CTG Baal SRL at the end of 2017, Edisun Power has entered the Italian PV market. Consequently, Italy has been added as new reporting segment.

6. Balance sheet

Due mainly to the successful completion of the Requena plant construction project at the end of the first quarter of this year, total assets decreased as expected by more than CHF 19 million from CHF 118.6 million to CHF 99.3 million compared with the end of 2017. Besides that, the structure of the balance sheet remained largely unchanged. The value of the PV plants amounted to more than 90% of total assets, see also note 6.1. On the other hand, current assets were driven by temporarily high trade receivables of almost CHF 3.3 million due to the seasonality pattern of the business.

On the liabilities and equity side, total liabilities decreased by almost 20 million mainly due to both the elimination of accrued costs in connection with the finalization of the Requena plant construction mentioned above as well as the repayment of financial debt (see also note 6.2). On the other hand, the equity increased by about CHF 0.6 million thanks to the half-year profit which was partially compensated with a negative impact from the dividend payment and the weakening of the Euro against the Swiss franc. All in all, the equity ratio increased from 16.2% at December 31, 2017 to 20.0% at the end of the first semester of the current year.

6.1 Land, PV-Plants and equipment

HY 2018	Land	PV Plants	Assets under construction	FF&E	Total
Gross values					
Opening gross book amount as at January 1, 2018	1'117	88'212	24'914	259	114'502
Exchange differences	-12	-855	-259	-1	-1'127
Additions	0	975	0	0	975
Disposals	0	-141	0	0	-141
Change in consolidation scope	0	0	0	0	0
Reclassifications	0	24'655	-24'655	0	0
Closing gross book amount - June 30, 2018	**1'105**	**112'846**	**0**	**258**	**114'209**

	Land	PV Plants	Assets under construction	FF&E	Total
Accumulated depreciation					
Opening amount as at January 1, 2018	667	21'171	193	259	22'290
Exchange differences	-7	-223	-2	-1	-232
Disposals	0	-5	0	0	-5
Depreciation charge	0	2'188	0	0	2'188
Reclassifications	0	191	-191	0	0
Closing amount - June 30, 2018	**660**	**23'322**	**0**	**258**	**24'240**
Net book value January 1, 2018	**450**	**67'041**	**24'721**	**0**	**92'212**
Net book value June 30, 2018	**445**	**89'524**	**0**	**0**	**89'969**

HY 2017	Land	PV Plants	Assets under construction	FF&E	Total
Gross values					
Opening gross book amount as at January 1, 2017	1'024	73'875	400	248	75'547
Exchange differences	20	1‘358	8	3	1‘389
Additions	0	37	4‘921	0	4‘958
Disposals	0	0	0	0	0
Change in consolidation scope	0	0	0	0	0
Reclassifications	0	0	0	0	0
Closing gross book amount - June 30, 2017	**1'044**	**75'270**	**5‘329**	**251**	**81'894**

	Land	PV Plants	Assets under construction	FF&E	Total
Accumulated depreciation					
Opening amount as at January 1, 2017	611	16'348	168	246	17'373
Exchange differences	12	311	3	2	328
Disposals	0	0	0	0	0
Depreciation charge	0	1'596	5	2	1'603
Reclassifications	0	0	0	0	0
Closing amount - June 30, 2017	**623**	**18'255**	**176**	**250**	**19'304**
Net book value January 1, 2017	**413**	**57'527**	**232**	**2**	**58'174**
Net book value June 30, 2017	**421**	**57'015**	**5‘153**	**1**	**62'590**

Total depreciation and amortization in the interim income statement 2018 includes a depreciation charge of TCHF 29 for intangible assets (2017: TCHF 16).

As per June 30, 2018 there were no impairment indicators and therefore no impairment test has been performed.

6.2 Borrowings

Current	**30.06.2018**	**31.12.2017**
Loans from third-party	2’692	2’382
Straight bonds from third-party	0	4’959
Total current borrowings	**2’692**	**7’341**

Non-current	**30.06.2018**	**31.12.2017**
Loans from third-party	44’328	41’828
Straight bonds from third-party	29’401	29’385
Total non-current borrowings	**73’729**	**71’213**

The decrease of current borrowings in the first half of the year is mainly due to the repayment of the 4.5% bond 2014-2024 with a nominal value of CHF 5.0 million as per end of February 2018.

On the other hand, non-current borrowings increased by CHF 2.5 million due to both the completion of the Requena project and the refinancing of the repaid bond.

7. Income statement

Total revenue increased by 37% year-on-year to CHF 6.63 million. The high growth is mainly attributable to the pleasing production of the new plants in Germany and Italy as well as the Spanish 12 MW plant Requena connected to the grid in March 2018. Overall, growth through acquisition amounted to 35%, the majority of which was attributable to the Spanish plant. In addition, a positive currency effect of 8% contributed to sales growth, while the weather reduced sales by 6% compared to the very sunny first half of 2017.

Despite the strong growth, overhead costs were kept low. Operating costs increased in line with the expansion of the plant fleet. Overall, earnings before interest, taxes, depreciation and amortization (EBITDA) rose by 38% to CHF 4.90 million.

Depreciation and amortisation increased by 37% to CHF 2.22 million mainly due to acquisitions, resulting in a 40% higher operating profit (EBIT) of CHF 2.69 million. Finally, financing costs rose by only 14% to CHF 1.20 million despite higher debt due to acquisitions thanks to the refinancing of bonds carried out in recent years and efficient treasury management. Overall, net profit increased by 66% to CHF 1.43 million.

8. Dividends

Dividends of CHF 0.3 million were paid out in the first six months of 2018 while no dividends were paid during the corresponding period of the prior year.

9. Commitments

As of 30 June 2018 and 31 December 2017, respectively, the company had no outstanding commitments.

10. Related-party transactions

There were no related party transactions in the periods under review.

11. Seasonality

The solar electricity business is depending on the sun radiation. Typically, the first semester of the year has a slightly higher production (approx. 50-55%) than the second half of the year (approx. 45-50%). Due to the fixed-cost nature of the company’s business, the pattern of this seasonality is usually also visible on the earnings side. In 2018, however, this pattern will be mitigated by the fact that the 12MW plant Requena started production towards the end of the first quarter only.

12. Events after the balance-sheet date

There are no subsequent events which would have a material impact on the consolidated interim financial statements 2018.