

Edisun Power Europe Ltd.

Management Report 2022

22

In front Betty (23.4 MW)
In the back Mogadouro (49.0 Mw)

- > Record results thanks to better weather and high electricity prices
- > Growth strategy continues to gain momentum
- > Major success with the issue of a new bond

Installed capacity

107.1 MW

+28.0 % YoY

Net profit in Mio.

CHF 10.225

+126.8 % YoY

Solar power production

123 359 MWh

+2.6 % YoY

Dividend

CHF 1.60 ¹⁾

+45.5% (last year CHF 1.10)

Revenue in Mio.

CHF 18.970

+10.5 % YoY

1) Proposal of the Board of Directors to the General Meeting of April 21, 2023

Growth strategy continues to gain momentum

Dear Investor

Edisun Power is successfully moving forward with the growth strategy initiated in recent years. The year 2022 was marked by a potential energy shortage, the discussion of emergency concepts and further precautions to help renewable energies make a breakthrough.

It is therefore all the more gratifying that we were able to increase our solar capacity by a further 28.0% to a total of 107.1 MW in this difficult year. Our latest solar plant «Betty» in Portugal with 23.4 MW was successfully connected in November 2022. The strategy announced last spring to build between 300 and 350 MW of new solar plants and to provide Edisun with the necessary financial resources, among others through the sale of acquired and developed project rights, is being implemented. In addition, Edisun was able to issue a new bond of around CHF 35 million, which was subscribed to by more than 1'300 bondholders. This is the best proof of the great willingness of you, our investors, to invest in a renewable, sustainable future. We would like to express our sincere thanks for this. Thanks to the selective sale of project rights, the Board of Directors sees sufficient financial leeway to further advance the growth strategy.

For the 2022 financial year we present a new record result. The Board of Directors wants you to share more in this success and will propose to the Annual General Meeting on 21 April 2023 an increased dividend of CHF 1.60 per share (previous years CHF 1.10 per share) to be approved. We thank you for the trust you have placed in us.

Edisun Power Europe Ltd.




Horst H. Mahmoudi
Chairman of the Board and
Executive Chairman




Fulvio Micheletti
Vice Chairman of the
Board of Directors

“Edisun Power is doing its part to reduce the risk of an electricity shortage in Europe and to make its contribution to reducing CO₂ emissions.”

Horst H. Mahmoudi, Executive Chairman of the Board of Directors

Green push more needed than ever!

2022 marked the most dramatic year for Europe’s energy market in at least a generation. The conflict in Ukraine brought the importance of affordable, reliable and secure energy supply to frontpages. A green system is now widely considered to be the most promising way to build a truly resilient energy system. Add the urgency mandated by the crisis, and the result is a further strengthening of the outlook for the renewable energy sector in Europe.

Edisun Power Europe AG is doing its part to fight the energy crisis and drive the green transformation with its expanding fleet of solar installations and rising electricity generation. The company is well positioned to play a growing role in the European energy transition and benefit from the strong market fundamentals and its dynamic momentum.

Importance of clean energy accelerates further

The market and policy changes in 2022 translate into historically high power prices, more demand for renewables, faster deployment, and possibly more subsidies for solar and related sectors such as green hydrogen compared to the outlook at the beginning of the year. While rising interest rates are weighing on financing costs, the strong energy market fundamentals keep the sector highly attractive.

The following developments in 2022 shaped the market outlook for Edisun Power:

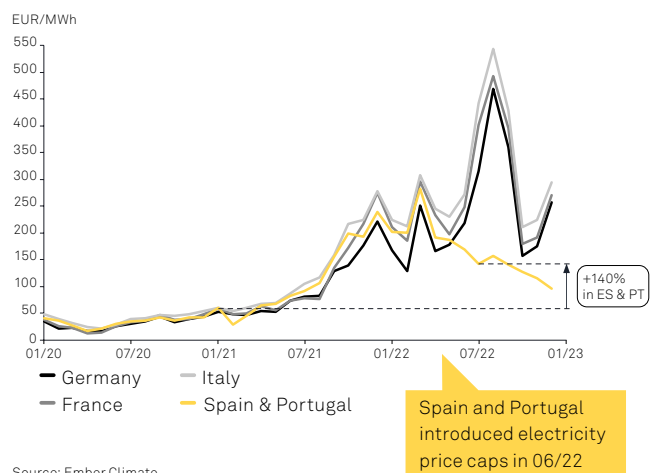
- 1) Energy markets shocked by Russian invasion and natural gas price surge
- 2) Strong policy push for green energy in Europe and the US
- 3) Green Hydrogen growing in importance

1. Energy markets shocked by Russian invasion and natural gas price surge

As a result of the Russian invasion of Ukraine in early 2022, long-standing supply chains of natural gas into Europe were disrupted, leading to gas shortages and ultimately drastic price increases for consumers in all European markets.

These developments eventually sent shock waves into energy markets beyond natural gas, with soaring implications on prices. Wholesale electricity prices spiked from their already elevated levels in 2021 to previously unthinkable high rates. Further buoyed by the unexpected outages in the French nuclear fleet, monthly average prices peaked at €442/MWh in Germany, €525/MWh in Italy and €303/MWh in Spain (Figure 1).

Figure 1: Avg. monthly wholesale electricity prices in selected EU countries



Source: Ember Climate

The resulting strain on energy-intensive companies is immense. Higher prices as well as the increased volatility in the electricity markets for Power Purchase Agreements (PPAs) and spot prices alike has inevitably demonstrated the increasing importance of stable and long-term power sourcing options for large-scale industrial customers.

Similarly, a 10-year Power Purchasing Agreement from solar in Europe is now estimated to cost in the range of €70-90/MWh (Figure 2). This is more than a third higher than a year ago, but still substantially below the spot price of electricity.

Edisun is well positioned to leverage its asset portfolio and benefit from corporate appetite for clean electricity with its balanced business model resting on two pillars: Selling electricity via PPAs or the spot market as IPP (**“buy and hold”**), and selectively selling sought-after renewable generation assets to investors as part of its active portfolio management model (**“buy and sell”**).

2. Strong policy push for green energy in Europe and the US

As a direct response to Russia’s invasion, the EU has intensified their efforts towards the green transformation of the European economy and enhanced energy independence. As a major action legislated in May 2022,

the “REPowerEU” program aims to end dependence on Russian fossil fuels by 2027. With total investments of €210bn targeted over the next five years and up to €300bn until 2030, of which €86bn are dedicated for renewable energy build-out and €27bn for key hydrogen infrastructure, the package aims to accelerate investments over the already ambitious “Fit-for-55”-plan announced in July 2021. The “REPowerEU” program increases the short- and mid-term targets for the share of renewables in the energy mix even further to 45% by 2030 from the current levels of about 20% in 2021, compared to the previous target of 40% in “Fit-for-55”. For solar PV alone, additional installed capacities of 600 GW are targeted until 2030 as part of the new EU renewables strategy.

Figure 3 reflects that reaching these goals requires more than doubling the pace of renewables build-out and a quadrupling of currently installed solar capacities in the EU. Is this realistic or just a dream? New projects are still too often held up by permitting bottlenecks and limited accesses to an aging power grid. But the tone is changing, and efforts to introduce “go-to” zones with accelerated permitting or designating projects as “overriding public interest” are receiving more regulatory attention. In a first step, the EU in November 2022 introduced temporary rules to speed up the permitting process for new wind and solar projects. Additionally, also the Swiss government and parlia-

Figure 2: 10-year solar PPA in Europe

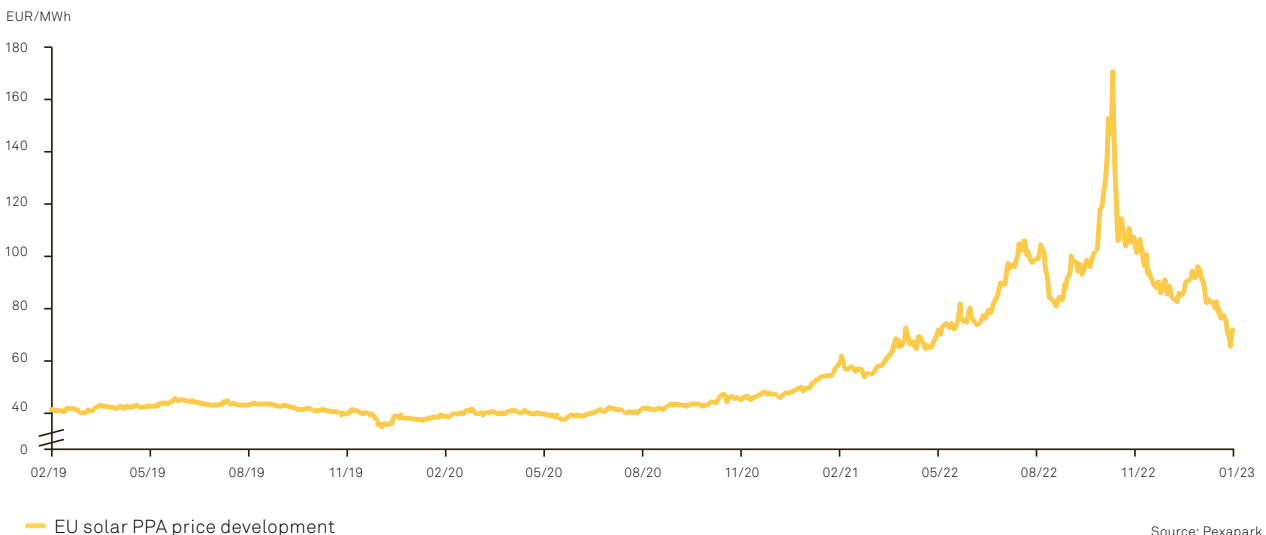
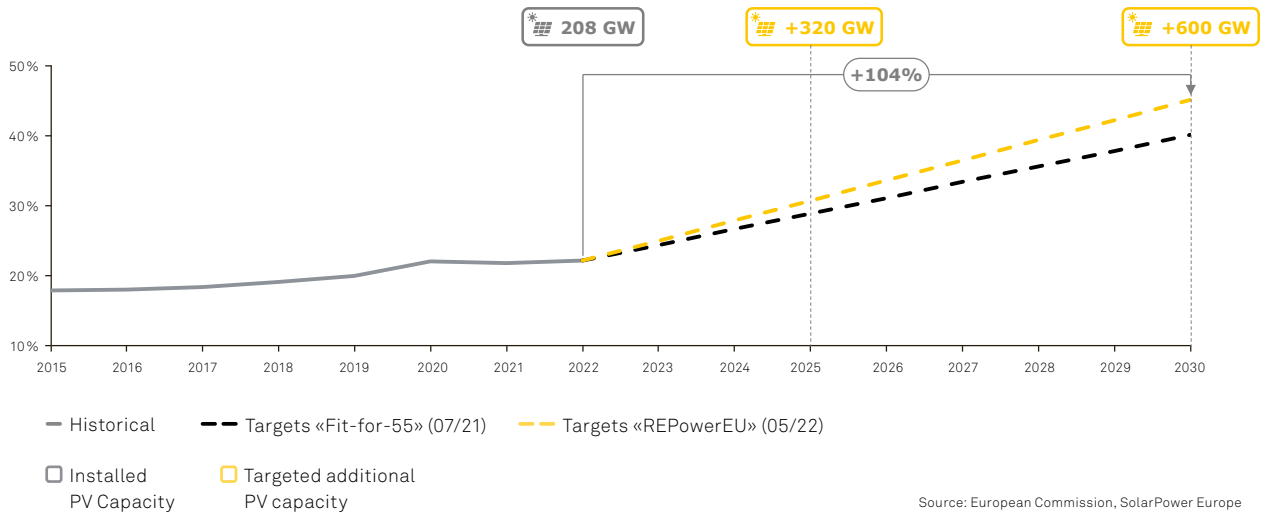


Figure 3: Renewable energy share in the EU



ment are taking drastic measures: End of November the Federal Council introduced supporting instruments for electricity production from renewable energies, including auctions for large PV systems for the first time. Hereby, an additional bonus will be introduced for alpine PV systems due to their importance for winter electricity.

Shortly after Europe’s push towards green transformation, the US enacted the Inflation Reduction Act in August 2022, a sweeping program of tax credits, incentives, loans and grants totaling over \$400bn for climate and energy initiatives. It contains a heavy emphasis on “buy American” provisions boosting domestic manufacturing. In Europe, as a response, on 12 December, European Commission president Ursula von der Leyen announced the EU will relax the rules on how much help member states can offer their industries to compete with the US and build a “European IRA”. The shape of future support could involve both increased subsidy budgets from national governments as well as a targeted pan-European investment fund. The target sectors are likely to focus on electric vehicles and batteries, green hydrogen and clean energy equipment.

3. Green Hydrogen growing in importance

While the increasing renewable energy capacity targets not only on EU-level but also in many member countries are certainly going into the right direction for Europe’s green energy transformation, there are challenges remaining from the short-term natural gas shortage.

In particular, many industrial processes cannot be electrified directly, such as in the fertilizer, steel, or plastics industry. Decarbonizing these industries and substituting the use of natural gas and other fossil fuels requires green molecules from green hydrogen and its derivatives.

Furthermore, gas-fired power plants today provide an energy base load independent from the seasons and weather conditions and thus, are not (yet) directly substitutable by intermittent renewable energy sources in the short-term. Here, green hydrogen produced from renewables as a versatile energy carrier will play a key role towards full decarbonization by providing intermediate energy storage, and reconversion to clean electricity, and in the future as a substitute for natural gas.

The push for Green Hydrogen is more than needed: Today, almost 95% of all hydrogen used worldwide is still produced by fossil fuels, mostly by natural gas.

With other words, already its replacement by green hydrogen produced from renewables would be a big step forward!

As a result, the EU plans to accelerate the availability of green hydrogen and aims to achieve 10 million tons of domestic green hydrogen production and additional 10 million tons of renewable hydrogen imports by 2030. For the own production, the required build-out targets for electrolyzer capacity have been more than doubled, from 40 GW to 100 GW by 2030, with additional target increases from relevant member states (Figure 4).

In order to account for this continuously increasing importance of green hydrogen, the EU as well as key energy markets in Europe have introduced new funding mechanisms to support the expansion of the new hydrogen economy.

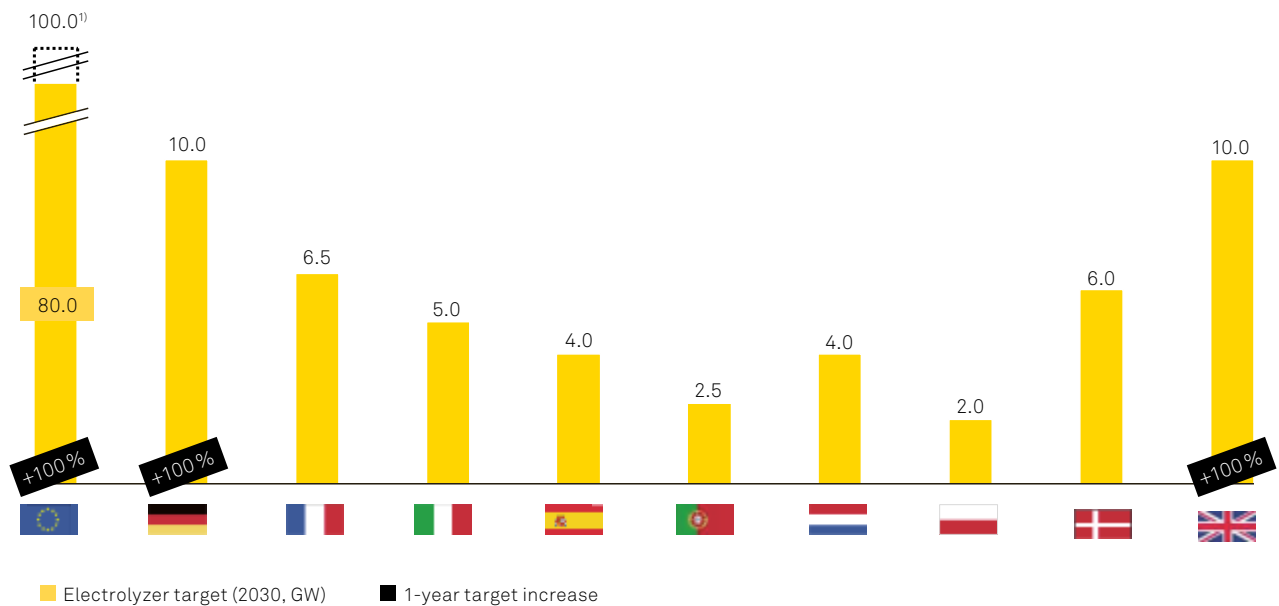
A key pillar of funding is the approval of national funding for Important Projects of Common European Interest (IPCEI). In September 2022, the EU approved more than €5.2 billion in state aid for 35 specific pro-

jects under the latest IPCEI “Hy2Use”. This funding is dedicated to support the development of hydrogen infrastructure, e.g., construction of electrolyzers, storage and transport networks, and innovation to integrate hydrogen applications in industrial processes, e.g., steel, cement and glass production. Projects have been identified in 13 countries, including Edisun markets France, Italy, Portugal and Spain.

A key bottleneck in financing commercial hydrogen production is the lack of buyers willingness to enter long-term offtake agreements. The EU has cleared another €3bn investment vehicle dubbed the “hydrogen bank” designed to guarantee the purchase of hydrogen. Both measures catalyze further capital deployment in the nascent green hydrogen economy, and in turn accelerate demand for renewable electricity to power electrolyzers.

Further national funding programs are emerging in key markets. The most significant instrument introduced in 2022 is the “H2Global” program by the German gov-

Figure 4: European electrolyzer capacity targets for 2030



1) Range of electrolyzer capacity needed for 10 m tons of green hydrogen depends on efficiency and capacity factor assumptions of the underlying renewable energies mix. Assuming an average electrolyzer utilization factor of 43% and electrolyzer efficiency of 70%, 100 GW electrolysis capacity are required for 10 m tons of green hydrogen.

ernment, aimed at supporting green hydrogen projects outside of the EU and targeting imports to Germany. A grand total of €4.4 bn of federal budget is earmarked for this first-of-a-kind scheme, with already €900 m available in the first call.

“Edisun Power strongly positioned to drive the green transformation”

The highlighted market developments strengthen Edisun’s market position and create opportunities to increase the value captured from Edisun’s assets. Based on the increasing demand for renewable energy sources, Edisun is operating in a strategically even more important energy market. With its geographically diversified base of operating renewables assets and its strong pipeline of projects under development, Edisun boasts a strong portfolio of high-value assets, that are highly sought after in the market.

In 2023, continuously sourcing high-quality assets in the renewable energy sphere and deepening its access to a growing renewables project pipeline will be the key success factors for further development of Edisun’s business. This will set the basis for maximizing value creation through three strategic dimensions:

- 1) Development of a well-balanced revenue model for green power, through an optimized mix of long-term power purchase agreements and power sales at the spot market (**‘build-and-hold-strategy’**)
- 2) Optimize the financing and returns of its renewable energy pipeline with selective sales of developed projects (**‘buy-and-sell-strategy’**)
- 3) Elaborate the purchase and expansion of new project pipelines and technologies in solar and green hydrogen.

Building on its renewable energy project pipeline, and together with its partners at Smartenergy Group, Edisun Power is well positioned to continue its successful growth path in 2023.

Environmental, Social and Governance (ESG)

As the first listed European solar power producer, active in the field of solar power production since 1997, Edisun Power has always been at the forefront of sustainability. Ensuring ecologically sound energy supply is at the heart of our business and forms our company's DNA.

Edisun Power is fully committed to sustainable and responsible business practices, along the key dimensions of Environmental, Social and Governance (ESG).

We see ESG as a strategic, intrinsically motivated priority. While maintaining profitability, our business model accentuates environmental and social needs. We ensure that these principles are lived within Edisun Power and are shared by our leaders, suppliers, customers, business partners and other stakeholders.

We act on the base of our **Code of Conduct "RISE"**.

“Environmental - We are part of the solution to fight climate change.”

Climate change mitigation and CO2 emission reduction

Together with our partners at Smartenergy Group, we have installed an additional 23.4 MWp of renewable energy generation capacity from solar sources in 2022, directly contributing to global action against climate change, increasing our total installed base of operating PV projects to 107.1 MWp. Our projects generated a total of 123'359 MWh of electricity, enabling affordable and clean energies in our local markets. For the upcoming years, we have accelerated our ambitions even further and plan to ramp-up our operating asset base from currently 107.1 MWp to 300-350 MWp (c. 1/3 of secured portfolio) as a mid-term target.

Sustainable sourcing

We have further developed and implemented an Environmental Management Plan (EMP) covering all our construction sites for solar and wind projects. The EMP covers...

- 1) ...our overall environmental performance as well as,
- 2) ...our environmental impact and control measures

The environmental performance is first and foremost determined by the impact of our main contractors at the construction sites. Therefore, we have developed minimum environmental Key Performance Indicators (KPI) that all contractors are required to meet. The main aspects covered in this system are waste recycling quota, environmental incidents, environmental non-conformities, environmental drills, and the number of audits for key environmental management system ISO 14001. The respective threshold values depend on the capacity of the plant under construction.

“Social - We are an attractive employer with support and respect for each other and our communities.”

Diversity and inclusion

We support and respect the principles contained in the UN Guiding Principles on Business and Human Rights (UNGPs) and other internationally recognized principles regarding human rights. We are committed to providing equal opportunities to all employees, independent of race, gender, religion or sexual orientation. We do not tolerate any form of harassment or maltreatment at the workplace.

We pursue a long-term human resources policy that begins with recruitment and onboarding and is sustained by an integrative work environment and supported by the continuous development of employees.

We continue to increase our path towards a high standard in gender diversity. Our service providers are located in Switzerland, Germany, France, Spain, Italy and Portugal. In 2022, 47% of our most important service providers were female.

In 2022, more than 90% of the accounting services were done by female persons. Engineering/technical and legal services were primarily done by male and only 15% by female.

Local employment

At Edisun Power, together with our partner Smartenergy Group, it is of high importance to ensure employment of the local service provider workforce during project construction as well as operations. In very specific terms, this means that we target a local employment rate of

min. 10% during project construction and min. 50% during project operations (measured by % of hours-worked by local workers). We not only achieved but exceeded these rates in 2022, with our 49 MW solar PV project in Mogadouro (PT) as a front-runner: More than 90% of project hours worked during the operation phase have been attributed to the local workforce.

Support and involvement in our local communities

At Edisun Power, we believe it is part of our social responsibility to be engaged with and give back to our local communities. Some recent examples from 2022:

- In Mogadouro (PT), together with our partner Smartenergy Group, we developed close relationships with local shepherds regarding sheep grazing on PV plant sites – a natural and sustainable way to enable cheap and efficient vegetation control activity.
- In Mina Tó (PT), we improved local access roads to the solar PV park to increase local accessibility while simultaneously introduced a ‘grievance mechanism’ to allow any local inhabitant to request project information and/or submit a complaint.

Health & Safety

The health and safety of our employees as well as our third-party workers from our contractors and suppliers is of great importance to us. Therefore, we have implemented the highest level of health and safety standards for all internal and external workers involved in our project development activities – and we are happy it is working out well: In 2022, we successfully achieved our goal of “Zero Accidents” on our project sites!

“Governance - We do business in a responsible, reliable and transparent way.

Our Code of Conduct “RISE”

At Edisun Power, we strive to be the leader in originating sustainable investment opportunities. To live up to this ambition, we strongly believe that our employees should have clear guidance and transparent rules on how we do business and engage with each other as well as our partners. Therefore, we have established our Code of Conduct “RISE”.

We have four key principles that shall guide our corporate culture:

- **R esponsibility:** Only sustainable success is success.
- **I ntegrity:** We play fair and always by the rules.
- **S afety and Confidentiality:** We ensure protection of data, property and health.
- **E ngagement:** We are a diverse team with support and respect for each other and proactive engagements.

Our corporate responsibility:

We seek competitive advantages through superior performance, knowledge and products. We are committed to operating our business profitably, maintaining a strong financial base, and keeping our risks at an appropriate level while making every effort to minimize our environmental impact.

Our professional integrity:

We prohibit using insider information for trading, ensure true and fair accounting and reporting and avoid any potential conflict of interest. We at Edisun Power are committed to complying with applicable competition laws and do not tolerate any form of bribery or granting improper advantages by our employees or business partners.

Our safety and confidentiality:

Our employees must stay vigilant to ensure information and technology security. Privacy of data is always respected and protected. In the spirit of Edisun Power sustainable practices we provide a safe and healthy life at and away from the workplace.

Our personal engagement:

We are committed to excellence through the continuous improvement of our practices, processes and know-how. We periodically review our current and past performance, including lessons learned to achieve our common goals. Continuous improvement is the backbone of Edisun Power. We as a multicultural company communicate with responsibility and respect.

The code of conduct is obligatory for all our employees and service providers. It can be read in detail on our homepage: www.edisunpower.com/en/home-en/investors-en/corporate-governance-en/code-of-conduct.

Compliance and anti-corruption policy

In addition to our guidelines from the code of conduct, we have established a separate policy dedicated at compliance and ethical standards. While this has always been at the heart of our business activities, a stance against corruption and a zero-tolerance policy cannot be taken often enough.

In order to ensure our compliance as well as to enable and encourage our employees to speak up for a better change, we have introduced a whistleblower system. While we strongly believe that trusting ourselves is important to do business in an ethical way, we are also very proud to have recorded zero compliance cases during 2022.

Visit to the two large-scale Portuguese solar plants of Edisun Power

On Thursday, 2 March 2023, Katrin Pfaffen and Julia Cotting, together with CFO René Cotting, visited Edisun Power Europe AG's two newest and at the same time largest solar plants "Mogadouro" (48.9 MWp) and "Betty" (23.4 MWp) in the district of Mogadouro under the guidance of asset manager Hugo Batista. They are located around 2.5 hours' drive from the city of Porto. After a drive through a very hilly landscape, we were amazed at the flat location of the two solar plants and their infinite size. The flat structure of the land is beneficial and cost effective for installing the panels as opposed to rising or hilly land.

We started by visiting the solar plant Mogadouro, which has been in operation since the beginning of 2021. The maintenance and operation of this plant, as well as that of Betty, is carried out by the company Efacec. Around the plant area there are green areas, but there is no farming and there are no forests that can burn. It is flat land covered with grass. The landscape is characterised by cold winters and very hot summer months.

The simplicity of a solar system

Hugo explained to us how a solar system works. The energy generated by the sun is bundled and sent to an in-



Plant " Betty" with tracker modules



Grazing sheep - gap between modules allows vegetation to grow

verter. This inverter converts direct current into alternating current. This is a necessary step because only alternating current can be drawn from the socket in our home. More than 120'000 solar modules were installed in the Mogadouro plant. These are fixed. From time to time, when heavy dust forms on the modules (for example Sahara dust), they are professionally cleaned so that maximum solar generation can be achieved again. Cleaning can generate an additional yield of 2-3%.

Positive contribution for all

Grass grows under the modules, but it does not need to be cut because local shepherds let their flocks of sheep graze there. For Edisun Power, this means a cost reduction in vegetative control and local cooperation with the shepherds from the community. During our visit, a flock of sheep was grazing peacefully: Directly under the modules were the tastiest blades of grass.

The alternating current is now passed to a transformer that converts 30 kilo volts into 60 kilo. We walked through the very extensive large solar plant Mogadouro and also visited the so-called E-house. Efacec monitors the solar plant decentrally and collects data and signals in real time. A CCTV system is installed in the E-house, with which images of the photovoltaic system can be viewed "in real time" from Porto and Wollerau thanks to the installed cameras.

Afterwards, we continued by car outside to the Betty solar plant, directly adjacent to Mogadouro, which has been active only since November 2022 and is the youngest plant of Edisun Power. Construction was still taking place on the access road. Betty, at 23.4 MWp, has a smaller solar generation capacity than Mogadouro (48.9 MWp), but has more modern modules that adjust their position over the course of the day in response to changes in solar radiation. This generates an additional yield of up to 20%. In the late afternoon, they were positioned steeply upwards to better absorb the solar energy.

Both solar plants are monitored via cameras and monitors by the asset management of Smartenergy Group AG in Wollerau 24 hours a day, so that changes or even failures can be detected and corrected immediately. At the Betty solar plant, we saw that the modules produced become more powerful over time as solar technology continues to improve (e.g., the ability to tilt the modules). As a result, more solar energy can be collected and produced on a given area.

We are committed!
Katrin Pfaffen



Conversion to higher voltage level to transport the electricity



Collection and processing of all data in the E-house



Our trainee Julia Cotting during the visit

Record results with good growth prospects

- Sales increase of **10.5 %**
to **CHF 18.97 million**
(in local currency + 17.2 %)
- EBITDA up by **8.5 %**
to **CHF 14.15 million**
and 74.6 % margin
- Thanks to additional currency
gains, net profit **more than**
doubled to CHF 10.23 million
- Connection of a new
large-scale solar plant of
23.4 MW in November
- Proposed dividend
increase of **45.5 %**
to **CHF 1.60/share**

2022 was a record year for Edisun Power in various respects: financially, new record values were achieved throughout, and in terms of production, the connection of the second large-scale Portuguese plant “Betty” (23.4 MW) in November increased future solar power production by around 28 %. The Board of Directors recommends to the Annual General Meeting the distribution of an increased dividend of CHF 1.60 per share compared to CHF 1.10 in previous years. The main focus for Edisun Power is the further development and construction of over 300 MW of the pipeline and its financing by means of, among others, the sale of developed project rights.

New record sale

Total Group sales increased by 10.5 % to CHF 18.97 million (2021: CHF 17.16 million). In local currency, the increase in sales even amounted to 17.2 %. The start of production of the new large-scale Betty plant (23.4 MW, grid connection 10.11.2022), higher electricity prices and good weather conditions in Central Europe helped to achieve this record sales.

Overall, the electricity production of 123,359 MWh was 2.6 % higher than in 2021. This volume effect and a higher electricity price mix (+16.2 %) more than compensated for the effect of the weaker average euro exchange rate (-5.8 %) and led to a 10.2 % increase in electricity revenues to CHF 18.81 million (2021: CHF 17.06 million). The higher electricity price mix results from the electricity sales of those plants in Spain and Germany which were able to partially benefit from the higher electricity market prices and are not subject to the fixed subsidized electricity feed-in tariffs or purchase price agreements (PPA). The new emergency legal measures to contain energy prices in Spain and the repatriation of excess profits in Italy made it impossible limited better results.

Edisun Power benefited from dry weather conditions in Central Europe, particularly in the summer. Electricity production in Switzerland and Germany increased by 10.0 % and 13.7 % respectively. The stormy weather during the last quarter, particularly in Portugal, Spain and Italy, caused lower revenues: compared with the same quarter of the previous year, electricity production in Portugal fell by 24.8 %, despite the new “Betty” operational plant, in Spain by 16.4 % and in Italy by 9.1 %. As these three countries account for over 70 % of sales, this weather-related reduction had a corresponding impact.

Profitability at a new level

The economies of scale from the new large-scale plants and the largely smoothly running production facilities were able to increase earnings before interest, taxes,

depreciation and amortization (EBITDA) by 8.5% to CHF 14.15 million (2021: CHF 13.04 million). The EBITDA margin decreased from 76.0% to 74.6%, but remains above the medium-term target of 70%. The reduction is mainly due to higher administration costs in connection with the strong expansion of the project pipeline in Portugal, Spain and Italy. Thanks to the high fixed feed-in tariffs and good weather conditions, the plants in Switzerland posted the highest EBITDA margins at 89.9%. With an EBITDA margin of 89.8%, the large-scale plants “Mogadouro” and “Betty” follow closely; and this without benefiting from subsidized feed-in tariffs.

Depreciation decreased to CHF 5.94 million (2021: CHF 6.08 million). Due to the higher cost of capital, an impairment of almost CHF 0.2 million had to be recognized on an older plant in France and a provision for legal risks of CHF 0.1 million in Germany. Compared to the previous year, depreciation and impairment charges decreased, resulting in an operating profit of CHF 8.0 million (2021: CHF 6.72 million), up 19.1% to a new record EBIT margin of 42.2%, exceeding the previous record of 41.7% set in 2019.

Financing costs decreased CHF 3.2 million (2021: CHF 3.4 million). Thanks to currency gains of CHF 6.8 million (2021: CHF 0.05 million) on the interest-free euro-denominated loan of CHF 121.3 million from Smartenergy Group AG, Edisun Power reported a net financial gain of CHF 3.7 million. These currency gains are due to the 4.4% stronger CHF closing rate at the end of 2022 compared to the previous year. Hedging of this position has been waived until now. In contrast, income taxes rose as expected by almost 45% to CHF 1.5 million in the reporting year (2021: CHF 1.0 million).

Overall, net profit more than doubled by 126.8% to CHF 10.23 million (2021: CHF 4.51 million), which corresponds to earnings per share of CHF 9.87 (2021: CHF 4.35) based on the weighted average number of shares outstanding.

With this annual result, the Edisun Power Group has achieved a new record, which also impressively underpins the resilient nature of the business model in the promising renewable energy market.

High investments and new financing

At CHF 3.1 million, cash flow from operating activities is clearly below the previous year’s result (2021: CHF 10.2 million). This is due to the sharp reduction in accounts payable, higher tax payments and the development expenses for the Italian plants that are up for sale. The development of the PV plants, which were acquired with a total of 783.6 MW in 2021, continues to progress. Together with the finalised construction of the large-scale plant “Betty”, the cash flow from investing activities amounted to over CHF 22.8 million (2021: 45.5 million due to acquisitions). Edisun Power was able to issue a

new five-year bond with a coupon of 3% for almost CHF 35.0 million. These funds are still needed for the development and construction of solar plants as well as for the repayment of debts.

At CHF 394.2 million, total assets were slightly lower than in the previous year (2021: CHF 405.4 million). The equity ratio fell to 19.4% (2021: 19.8%). The medium-term goal of an equity ratio of 40% remains, so that the Board of Directors has initiated the sale of project rights in Italy in accordance with the extended business model of a “build and hold” combined with “buy and sell”.

Net debt increased by only CHF 10.1 million, or 4.0%, to CHF 260.4 million, despite the CHF 21.6 million increase in bond debt. The fact that almost 46.6% of net debt, or CHF 121.3 million, is interest-free is an advantage.

Outlook for the current year and dividend proposal

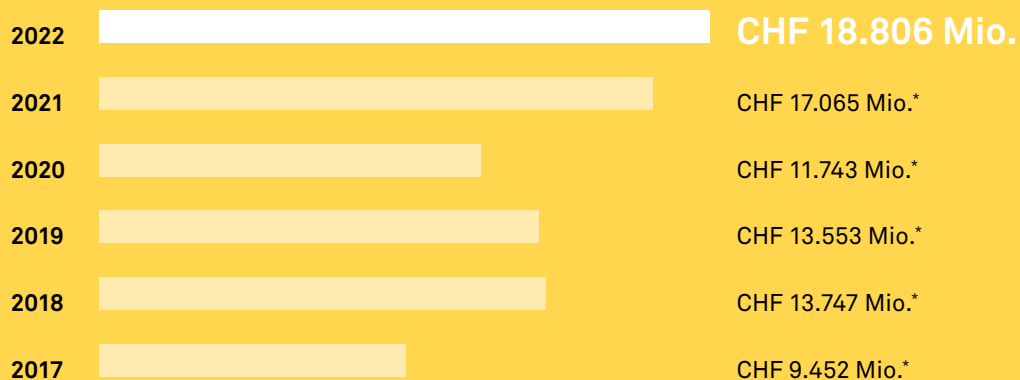
Operationally, the 2023 business year has started promisingly. In the current financial year, the focus will be on the start of the construction of large-scale plants in Portugal of around 185 MW, the further development of the remaining project portfolio of over 735 MW, and the accomplishment of their financing, among other things with the sale of project rights of Italian solar plants.

The Board of Directors is optimistic about the future thanks to the excellent result, the new large-scale “Betty” plant and the positive operational outlook, and proposes the distribution of a dividend of CHF 1.60 per share, increased by 50 centimes.

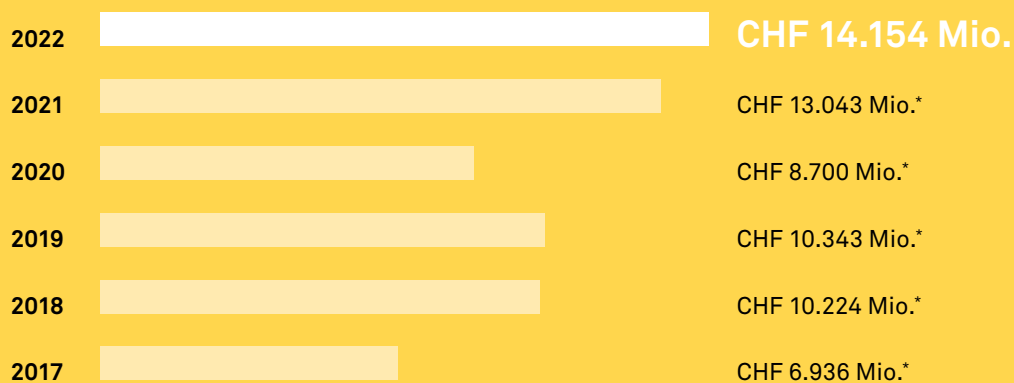


Dr. René Cotting
CFO (mandated) Edisun Power

Revenue from sale of electricity



EBITDA



Cash flow from operating activities



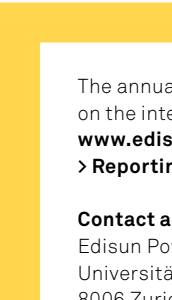
* For the years 2017 to 2021 the original foreign exchange rates were used.

Three year overview

Key figures Edisun Power Europe AG	2022 in TCHF	2021 in TCHF	2020 in TCHF
Erfolgsrechnung			
Total revenues	18 970	17 160	12 367
Revenue from sale of electricity	18 806	17 065	11 743
Other operating income	163	95	623
EBITDA	14 154	13 043	8 700
in % of total revenues	74.6%	76.0%	70.3 %
Depreciation and amortization	- 5 940	- 6 075	- 4 454
Impairment	- 209	- 247	559
EBIT	8 006	6 721	4 805
in % of total revenues	42.2%	39.2 %	38.9%
Net profit	10 225	4 508	3 294
in % of total revenues	53.9%	26.3%	26.6 %
per share in CHF	9.87	4.35	3.18
Balance sheet			
Land, plant and equipment	319 018	358 454	166 146
Total assets	394 256	405 401	202 310
Total equity	76 458	80 095	81 741
in % of total assets	19.4%	19.8%	40.4 %
Net debt*	260 353	250 290	82 275
Cash flow			
From operating activities	3 096	10 214	6 720
From investing activities	- 22 757	- 45 470	- 31 610
From financing activities	18 796	37 075	20 522
Photovoltaic plants			
Number of photovoltaic plants	39	38	38
Installed capacity	107.1 MW	83.7 MW	83.7 MW
Solar power production	123 359 MWh	120 254 MWh	47 570 MWh

Corporate Governance: Further information on finances and corporate governance is to be found in a separate report, available for download at www.edisunpower.com > Investors > Reporting.

*Net debt is calculated as current and non-current borrowings minus cash and cash equivalents



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