Ad hoc press release
Zurich, August 21, 2020

Half-year results in line with expectations despite challenging environment

- **Revenue down 11% to CHF 6.41 million**
- **Net profit drops by 17% to CHF 1.36 million**
- **Profit forecast of CHF 2.8 million confirmed for 2020**
- **Implementation of Portuguese projects on track with only minor delays**

The Edisun Power Group generated solid results during the first half of the current year amid a challenging environment. As expected, income was lower year over year due to the COVID-19-related decline in electricity prices and weak euro exchange rates. The recent rebound in electricity prices, however, means that higher revenues can be expected during the second half of the year. The profit forecast of CHF 2.8 million remains intact.

The Group looks to the future with optimism. Despite the ongoing pandemic, the implementation of the new Portuguese projects is on track with only minor delays. This means that a return to the growth trajectory can be expected from 2021 onward.

Decline in revenue due to electricity prices and exchange rates
Revenue declined 11% year over year to CHF 6.41 million (H1 2019: CHF 7.21 million), largely due to lower electricity prices (-7%) and a weaker euro exchange rate (-5%).

In Spain and Italy, income depends in part on the market price of electricity. The coronavirus pandemic caused the price of electricity to temporarily drop to below EUR 0.02 per kWh, which caused revenue to fall by around CHF 0.5 million in the first half of the year. In Spain, however, current legislation states that plants receive a guaranteed return over the entire life of the plant. Accordingly, the parameters of remuneration are adjusted every three years meaning that they should be somewhat higher in the future and compensate for the currently low electricity prices.

Furthermore, the volume effect in revenue amounted to -3% compared to the extremely sunny previous year. Finally, income of CHF 0.26 million was generated in the project development business during the first half of the year.

Costs under control, profitability remains high
Despite intensive work on the implementation of the new Portuguese projects, operating and overhead costs remained constant, so that earnings before interest, taxes, depreciation and amortization (EBITDA) fell by 15% to CHF 4.54 million (H1 2019: CHF 5.33 million). At 71% (compared to 74% in H1 2019), the EBITDA margin remained at a comfortable level. Depreciation and amortization fell by 4% to CHF 2.21 million (H1 2019: CHF 2.31 million) due to currency effects, resulting in a 23% lower operating profit (EBIT) of CHF 2.33 million (H1 2019: CHF 3.02 million). Income from interest-bearing project prepayments reduced financing costs to net CHF 0.79 million (H1 2019: CHF 1.20 million), even despite the higher level of debt.

All in all, the net result declined by 17% to CHF 1.36 million (H1 2019: CHF 1.65 million). The half-year results of the Edisun Power Group reveal that the company has so far managed to weather the challenging coronavirus crisis fairly well, impressively underscoring the defensive character of its business model in the forward-looking market of renewable energies.

Strong equity base remains unchanged
The structure of the balance sheet remained largely unchanged during the period under review. The value of non-current assets increased further to CHF 140 million due to ongoing investments in the Portuguese PV projects, which were compensated in part by the weaker euro as well as depreciation and amortization. Some 80% of the balance sheet total is attributable to the value of the PV plants. By contrast, equity decreased only slightly by CHF 1.78 million to CHF 78.03 million due to the negative currency effect and the distribution of reserves from capital contributions, which was partially offset by the half-year profit. On the whole, the equity ratio remained at a high level of 45%.

Implementation of Portuguese projects largely on track despite pandemic
Construction work on the first 50 MW plant Mogadouro in northeast Portugal, which began in late 2019, is proceeding according to schedule. Connection to the grid can still be expected to take place before year-end. Betty, the 23 MW project acquired in mid-2019 that is also located in the Mogadouro region, experienced delays in the construction permit procedure, mainly due to the coronavirus pandemic. Construction is expected to begin soon, and the plant should commence operations sometime during the second half of 2021. The three projects acquired in August of last year, which have a total capacity of 134 MW, are also nearly at the ready-to-build stage. The three remaining projects are to be connected to the grid step by step between the end of 2021 and mid-2022.

Financing for the first Portuguese projects has been secured, even despite the coronavirus crisis. The Group received long-term project financing totaling EUR 30 million from Spain’s Banco Sabadell and from Triodos Bank, a leader in sustainable investing.

Promising outlook

Based on the encouraging trend in electricity prices in recent weeks, Edisun Power expects higher income from electricity in the second half of the current year, thus allowing it to confirm its previous profit forecast of CHF 2.8 million. Thanks to the good project pipeline in the attractive market for a sustainable energy supply, the Group looks to the future with confidence. Promising negotiations are currently underway with the Group's longstanding partner Smartenergy Invest AG regarding the future production of "green" hydrogen (green H_2) in selected plants. Smartenergy has already invested significant amounts in this undertaking.

The semi-annual report 2020 of the Edisun Power Group is available on the website at:
http://www.edisunpower.com/en/home-en/investors-en/reporting

For more information

Rainer Isenrich, CEO, +41 44 266 61 21, info@edisunpower.com
Reto Simmen, CFO, +41 44 266 61 29, info@edisunpower.com

Edisun Power Group

A listed European solar energy producer, the Edisun Power Group finances and operates solar power installations in a number of European countries. Edisun Power began its involvement in this sector as far back as 1997. The company has been listed on the Swiss Stock Exchange since September 2008. Edisun Power has amassed extensive experience in the realization and acquisition of both national and international projects. Currently, the company owns a total of 37 solar energy installations in Switzerland, Germany, Spain, France and Italy.