



Edison Power Europe Ltd.

Corporate Governance Report 2021 Financial Statements 2021

21

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Corporate Governance Report 2021

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All values are rounded individually.

Corporate Governance Report 2021

Edisun Power has high standards when it comes to effective Corporate Governance. This ensures responsible and transparent company leadership and management and contributes to our long-term success. It is the key to meeting the demands of our various stakeholder groups, including shareholders, customers, employees and the local communities in which we operate.

Corporate Governance describes how management is organized and how it operates. Ultimately, it contributes to our success by protecting the interests of our shareholders while at the same time creating value for all

stakeholders. The Board of Directors is committed to maintaining the highest standards of integrity and transparency in the governance of the company. In this, it is guided by the Swiss Code of Best Practice and the most recent principles of Corporate Governance.

Good Corporate Governance seeks to balance entrepreneurship, control and transparency, while promoting an efficient decision-making process within the company. The Board of Directors and the Management Board work constantly to improve the quality of Corporate Governance.

1 Executive Summary

Changes in share capital

As of December 31	2021	2020	2019
Ordinary share capital (in CHF)	31 074 630	31 074 630	31 074 630
Total shares	1 035 821	1 035 821	1 035 821

Significant shareholders as of December 31

	2021 Number of Shares	2021 in %	2020 in %
Smartenergy Invest AG	314 675	30.4 %	27.7 %
Community of heirs of Nef Hans	161 097	15.6 %	19.5 %
Eberhard Martin	95 000	9.2 %	9.3 %
Mirabaud - Equities Swiss Small and Mid	50 000	4.8 %	4.8 %

Auditors

The auditors are appointed annually at the General Assembly of Shareholders. The term of office is one year. BDO AG, Zurich, was first elected at the General Assembly of Shareholders of May 12, 2017 and Christoph Tschumi has been serving as lead auditor since then.

Shareholders' participation rights

- Each registered ordinary share bears one voting right at the General Assembly of Shareholders and entitlement to dividend payments.
- Extraordinary General Assemblies are convened by the Board of Directors if shareholders, representing at least 10 % of the share capital, request such meetings.

Compensation in CHF

	2021
Total compensation of the Board of Directors	183 665
Total compensation of the Management Board	553 151

Highest total compensation in CHF

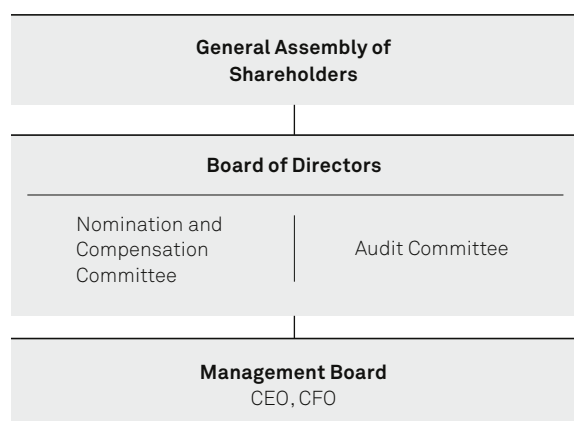
	2021
Board of Directors: Rainer Isenrich	38 462
Management Board: Rainer Isenrich	332 746

2 Group Structure

Operational Group structure

The headquarter of the Edisun Power Group is in Zurich, Switzerland. Group subsidiaries operate in Switzerland, Germany, Spain, France, Italy and Portugal. Edisun Power Europe Ltd. is the parent company and has been listed on the domestic segment of the SIX Swiss Exchange since November 4, 2013, having previously been listed on the main segment since the IPO in 2008.

The following chart shows the Group's operational structure as of December 31, 2021:



Listed companies

Apart from Edisun Power Europe Ltd. no other companies belonging to the consolidated Edisun Power Group have equity securities listed on a stock exchange.

Key data for the shares of Edisun Power Europe Ltd. as of December 31:

	2021	2020	2019
Market capitalization (CHF million)	132.6	120.2	137.8
As a % of equity	165.5	147.0	172.7
Share price (CHF)	128.00	116.00	133.00

Registered office:	8006 Zurich, Switzerland
Listing:	SIX Swiss Exchange
Valor number:	2 473 640
ISIN:	CH0024736404
Ticker symbol:	ESUN
Nominal value:	CHF 30.00

Non-listed companies

The following organizational chart shows all the companies in the Edisun Power Group as of December 31, 2021:

Edisun Power Europe Ltd., CH-Zurich		share of ownership / registered office / share capital in local currency	
Edisun Power Schweiz AG	100 % / CH-Zurich / TCHF 100		CH
Edisun Power GmbH	100 % / DE-Sigmaringen / TEUR 750		DE
Edisun Power Beteiligungs-UG	100 % / DE-Sigmaringen / TEUR 1		
PV Hörselgau UG & Co. KG	100 % / DE-Sigmaringen / TEUR 16		
PV Leipzig Alter Flughafen UG & Co. KG	100 % / DE-Sigmaringen / TEUR 400		
Edisun Power Iberia SA	100 % / ES-Madrid / TEUR 61		ES
Edisun Power Iberia Beta SA	100 % / ES-Madrid / TEUR 61		
Edisun Power Iberia Gamma SA	100 % / ES-Madrid / TEUR 61		
Edisun Power Iberia Delta SA	100 % / ES-Madrid / TEUR 61		
Edisun Power Iberia Epsilon SA	100 % / ES-Madrid / TEUR 61		
Salinas Energia Solar SL	100 % / ES-Madrid / TEUR 20		
Cortadeta Fotovoltaica SL	100 % / ES-Madrid / TEUR 3		
Sol de Tilla SL	100 % / ES-Madrid / TEUR 3		
Digrun Grun SL	100 % / ES-Madrid / TEUR 1491		
Tenpro Renovables SL	100 % / ES-Madrid / TEUR 3		
Renovables del Condado SL	100 % / ES-Madrid / TEUR 750		
Smartenergy Sol20120014 SL	100 % / ES-Madrid / TEUR 3		
Smartenergy Sol20120016 SL	100 % / ES-Madrid / TEUR 3		
Smartenergy SOL20120015 SLU	100 % / ES-Valencia / TEUR 3		
Renovaplus Energías Renovables SLU	100 % / ES-Valencia / TEUR 3194		
Abastecimiento Energético Solar SLU	100 % / ES-Valencia / TEUR 3095		
Remosol Energías Renovables SLU	100 % / ES-Valencia / TEUR 3108		
Madrid Fotovoltaica SLU	100 % / ES-Valencia / TEUR 3119		
Microclima Solar SLU	100 % / ES-Valencia / TEUR 3179		
Renovar Energía SLU	100 % / ES-Valencia / TEUR 3156		
Enemir Solar SLU	100 % / ES-Valencia / TEUR 2971		
Subestacion Renovables del Mediterraneo SL	100 % / ES-Valencia / TEUR 841		
ES2025 Smartenergy SLU	100 % / ES-Valencia / TEUR 3		
32 Instalación Solar Mazarron SLU	100 % / ES-Valencia / TEUR 3		
9 Instalación Solar Mazarron SLU	100 % / ES-Valencia / TEUR 3		
ES2026 Smartenergy SLU	100 % / ES-Valencia / TEUR 3		
38 Instalación Solar Mazarron SLU	100 % / ES-Valencia / TEUR 3		
Comercial Seimeira III SLU	100 % / ES-Valencia / TEUR 3		
Newell Sells Spain SLU	100 % / ES-Valencia / TEUR 3		
Edisun Power France SAS	100 % / FR-Lyon / TEUR 2800		FR
Sainte Maxime Solaire SAS	100 % / FR-Lyon / TEUR 50		
Edisun Power Italia SRL	100 % / IT-Andriano / TEUR 10		IT
CTG Baal SRL	100 % / IT-Andriano / TEUR 30		
Smartenergy2001 SRL	100 % / IT-Milano / TEUR 10		
Smartenergy2003 SRL	100 % / IT-Milano / TEUR 10		
SmartenergyIT2104 SRL	100 % / IT-Milano / TEUR 10		
SmartenergyIT2105 SRL	100 % / IT-Milano / TEUR 10		
SmartenergyIT2106 SRL	100 % / IT-Milano / TEUR 10		
SmartenergyIT2108 SRL	100 % / IT-Milano / TEUR 10		
SmartenergyIT2109 SRL	100 % / IT-Milano / TEUR 10		
SmartenergyIT2111 SRL	100 % / IT-Milano / TEUR 10		
SmartenergyIT2113 SRL	100 % / IT-Milano / TEUR 10		
Smartenergy 1705 LDA	100 % / PT-Lisbon / EUR 100		PT
HCM I - SGPS SA	100 % / PT-Lisbon / TEUR 50		
Central Fotovoltaica da Mina LDA	100 % / PT-Lisbon / TEUR 1		
Smartenergy 1706 SA	100 % / PT-Lisbon / TEUR 50		
Ignichoice Renewable Energy SA	100 % / PT-Lisbon / TEUR 1000		
Smartenergy 1810 LDA	100 % / PT-Lisbon / EUR 100		
Smartenergy 1813 LDA	100 % / PT-Lisbon / EUR 100		
Smartenergy 1814 LDA	100 % / PT-Lisbon / EUR 100		
Smartenergy 1808 LDA	100 % / PT-Lisbon / EUR 100		
Smartenergy 1821 LDA	100 % / PT-Lisbon / EUR 100		

3 Shareholders

Registered shareholders

As of December 31, the holdings of registered shareholders were distributed as follows:

Number of shares held	2021	2020
1 – 100	651	535
101 – 1 000	474	468
1001 – 10 000	57	56
10 001 – 100 000	3	2
100 001 – 1 000 000	2	2
Total registered shareholders	1 187	1 063

Significant shareholders / Groups of shareholders

As of December 31, the significant shareholders and their holdings were as follows:

	2021 shares	2021 % of total	2020 % of total
Smartenergy Invest AG	314 675	30.4 %	27.7 %
Community of heirs of Nef Hans	161 097	15.6 %	19.5 %
Eberhard Martin	95 000	9.2 %	9.3 %
Mirabaud - Equities Swiss Small and Mid	50 000	4.8 %	4.8 %
Registered shareholders with holdings of less than 3 %	343 319	33.1 %	30.9 %
Not registered	71 730	6.9 %	7.8 %
Total shares	1 035 821	100.0 %	100.0 %

The above table shows the closing balances of the holdings of the significant shareholders as of December 31, 2021. All shareholder notifications from 2021 or the previous years can be accessed on the SIX Swiss Exchange website under the following link:

www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html

Shareholder structure

On December 31, the distribution of shareholders by type was as follows:

Type	2021	2020
Individual shareholders	52 %	54 %
Legal entities	37 %	34 %
Nominees, fiduciaries	4 %	4 %
Not registered	7 %	8 %
Total	100 %	100 %

On December 31, the distribution of shareholders by domicile was as follows:

Origin	2021	2020
Switzerland	88 %	86 %
Europe (other than Switzerland)	5 %	6 %
Others	-	< 1 %
Not registered	7 %	8 %
Total	100 %	100 %

Cross-shareholdings

Edisun Power Europe Ltd. has no cross-shareholdings with other companies.

4 Capital Structure

On December 31, 2021, the capital of Edisun Power Europe Ltd. was as follows:

Ordinary share capital (CHF)	31 074 630
Total shares	1 035 821

Authorized share capital

The General Assembly of Shareholders held April 24, 2020, approved the creation of authorized share capital of 500 000 registered shares with a par value of CHF 30.00 per share. The Board of Directors decides on the conditions of the capital increase. According to the General Assembly of Shareholders of April 24, 2020, the subscription rights of shareholders might only be limited for the acquisitions of companies, parts of companies or

equity stakes, for the financing of investment projects, for a quick and flexible equity raising through a share placement, which would be difficult or result in considerably worse conditions if the subscription rights were preserved, or for employee benefit programs.

The authorization granted to the Board of Directors to increase the company's share capital with the authorized share capital created has neither been used in 2020 nor in 2021 and expires on April 23, 2022.

Changes in share capital

As of December 31, the capital of Edisun Power Europe Ltd. comprises the following:

Changes in share capital	2021	2020	2019	2018
Ordinary share capital (CHF)	31 074 630	31 074 630	31 074 630	15 370 920
Total shares	1 035 821	1 035 821	1 035 821	512 364
Authorized share capital (CHF)	15 000 000	15 000 000	4 246 290	7 500 000
Authorized shares	500 000	500 000	141 543	250 000

Shares and participation certificates

Edisun Power Europe Ltd. registered shares have been listed on the SIX Swiss Exchange since September 26, 2008. Since May 12, 2017, the par value is CHF 30.00 per share. The share capital is fully paid up. Each ordinary share bears one voting right at the General Assembly of Shareholders and entitlement to dividend payments.

Edisun Power Europe Ltd. has not issued any participation certificates.

Profit sharing certificates

Edisun Power Europe Ltd. has not issued any profit sharing certificates.

Limitations on transferability and nominee registrations

To be recognized as a shareholder with comprehensive rights, an acquirer of shares must submit an application for entry in the share register. The Corporation may refuse the entry in the share register if the applicant does not explicitly declare that it has acquired and will hold the shares in its own name and on its own account. Parties who act together are considered as one person. The Board of Directors may approve exceptions with good reason and no special quorum is required for such a decision.

Granting exceptions in the year under review

During the reporting period, no exceptions to the above listed rules were granted by the Board of Directors.

Admissibility of nominee registration

Nominees are persons who have filed an application for registration, and who do not expressly declare themselves to be holding shares for their own account, and with whom the Board of Directors has reached an agreement to this effect. The Board of Directors may enter a nominee in the register of shareholders when the nominee holds voting rights for up to 3% of the share capital recorded in the commercial register. When a nominee holds 3% or more of the share capital, the Board of Directors may enter shares held by the nominee in the register of shareholders if the nominee discloses the name, address and number of shares held by each person on whose account the shares are held.

Legal entities and associations that are linked through capital ownership or voting rights, through common management or in like manner, as well as individuals, legal entities or partnerships that act in concert, syndicate or in like manner with the intent to evade the entry restriction, are considered as one nominee within the meaning of this article.

Procedures and conditions for cancelling statutory privileges and limitations on transferability

In the event that such a situation arises, an absolute majority of the votes represented at the General Assembly of Shareholders and, in case of statutory privileges, an absolute majority of the votes of the beneficiaries represented at the General Assembly of Shareholders, is sufficient to proceed with cancellation of statutory privileges and limitations on transferability.

Convertible bonds and warrants/options

Edisun Power Europe Ltd. has not issued any convertible bonds, warrants or options.

5 Board of Directors

The Board of Directors may take decisions on all matters that are not reserved for the General Assembly of Shareholders. The Board of Directors is responsible for the ultimate management of the Company as well as for the ultimate supervision of the management. The Board of Director's non-transferable and inalienable duties according to Swiss corporate law include the establishment of the organizational structure and the accounting system of the Company, financial control and financial planning, appointment and dismissal of management, overall supervision of management, preparation of the annual report, as well as the General Assembly of Shareholders and making legal notification in the event of qualified indebtedness. The Board of Directors can delegate the management entirely or in part to individual members of the Board of Directors or to third persons. To this end, the Company has enacted organizational regulations, which further detail the duties and competence of the Board of Directors in particular with regard to planning, regulation, supervision and personnel matters.

The Articles of Association restrict the number of group-external mandates for each member of the Board to 5 mandates for listed companies and 15 for other legal entities. Further, a maximum of 10 honorary positions in non-profit organizations are allowed.

Horst H. Mahmoudi, holding both positions, Chairman and Executive Chairman, is the only executive member of the Board of Directors. The other members of the Board of Directors have not been members of the Executive Board during the three years prior to the reporting period, nor do any of them have material business relationships with companies in the Edisun Power Group.

Horst H. Mahmoudi, Chairman of the Board

born 1979, German national
executive member

Horst H. Mahmoudi has been a member of the company's Board of Directors since April 23, 2021, and has been elected by the General Assembly of Shareholders to serve as the Chairman from that date.

He gained his Abitur high-school diploma at the German School in Valencia in 1997. From 2002 until 2005 he worked in the family business and specialized in corporate restructuring. In 2005 he founded his own law and consultancy firm specializing in M&A restructuring and insolvencies together with a partner. In 2011 he sold his company shares to his partner, after which he founded Smartenergy Invest AG. Since then, Horst H. Mahmoudi has focused with the Smartenergy Group, that he fully owns, on investing into renewable projects. He has built up an experienced team of proven industry experts within a very short space of time and become a reputable investor into solar projects especially on the Iberian Peninsula. Purchasers of the plants include institutional investors, energy supply companies and independent power companies. Apart from the solar sector, Smartenergy today also opportunistically pursues wind projects with around 70 employees. Furthermore, the company is expanding into other European countries and into the fields of green hydrogen and synthetic fuels. It is well positioned to play a leading role in these new technologies in Europe and to make an active contribution to decarbonization. With a shareholding of 30.4%, Smartenergy Invest AG is the largest shareholder in Edisun Power Group. Edisun Power and Smartenergy have been working together as partners since 2017. Since then, Edisun Power has expanded its portfolio to 1024 megawatts through the acquisition of plants and advanced projects from Smartenergy.

Fulvio Micheletti, Vice-Chairman of the Board

born 1957, Swiss and Italian
non-executive member

Fulvio Micheletti has been a member of the company's Board of Directors since May 29, 2015.

Fulvio Micheletti began his career in 1973 with a commercial apprenticeship at the Swiss Bank Corporation, and went on to spend almost 40 years at the bank, (which became UBS following a merger in 1998), in various management positions. Most recently, as director for corporate clients, he had overall responsibility for the bank's business customers in Switzerland. He studied at the American Institute of Banking and Finance in New York (1982-1984), at the Swiss Finance Institute in Zürich (1991-1994) as well as at the Wharton Business School (University of Pennsylvania) in Philadelphia (1996). In subsequent years he attended numerous internal training seminars on leadership and management within UBS. Fulvio Micheletti has been an independent business consultant since 2012 and has taken on directorships at several medium-sized Swiss companies. He is also an established expert financial specialist and coach for the Swiss Economic Forum.

Fulvio Micheletti was a board director and the CEO of the Federation of Swiss Finance Directors (VSF) (2007-2011) and a non-executive director of Würth Finance International B.V. (2007-2011). Since 2012 he has served on the boards of AgricoGas AG and Priora-Group (since July 2021 as Chairman of the Board of Priora Suisse AG).

Reto Klotz, Member of the Board

born 1952, Swiss national
non-executive member

Reto Klotz has been a member of the company's Board of Directors since May 18, 2018.

Reto Klotz began his professional career in an architectural office with basic training as a draftsman/construction engineer TS. He then continued his education in spatial planning, real estate and construction and administrative law. From 1977 he worked for the city of Rapperswil for 30 years, from 1977 to 1989 as Construction Secretary and from 1990 to 2006 as head of the construction department with responsibility for urban planning, structural and civil engineering, work services, real estate and construction police. In addition, he served as Deputy City Secretary and for 7 years as President of Rapperswil Tourism. In 2007, Reto Klotz founded KLOTZ Immobilien/Bau GmbH, based in Rapperswil. KLOTZ Immobilien/Bau GmbH is a regionally well-established company specializing in real estate trading and management as well as planning, construction and building law. At the end of 2018, after eleven years, he handed over the operational management to his son but remains owner of the company and will continue to act as a consultant. His new challenge is the management of the partner company KLOTZ Investment GmbH, which was established in 2018 and is involved in larger and smaller construction projects.

José Luis Chorro López, Member of the Board

born 1979, Spanish national
non-executive member

José Luis Chorro López has been a member of the company's Board of Directors since May 17, 2019.

He studied law at the University of Valencia, an education which he completed summa cum laude. He is a lawyer (since 2003) and member of the DSJV (German-Spanish Lawyers Association). José Luis Chorro López has founded two law firms in Spain, focusing on issues in the real estate, banking, food and energy sectors. Parallel to his work at various Spanish courts, he specialized in contract negotiations, investment management and corporate restructuring. He also served as insolvency administrator and compliance officer. Since 2012, José Luis Chorro López

has held various positions within the Swiss Smartenergy Group, currently as Chief Legal Officer.

Marc Klingelfuss, Member of the Board

born 1965, Swiss national
non-executive member

Marc Klingelfuss has been a member of the company's Board of Directors since April 23, 2021.

He completed commercial training and studied at ZHAW School of Management and Law (at that time HWV Zurich), where he gained a diploma in business administration. From 1983 he worked in various functions at different banks, initially at Schweizerische Kreditanstalt, primarily in securities, from 1983 until 1990, thereafter from 1990 until 1999 in the capital markets department at Credit Suisse First Boston, including a stay in the US from 1992 to 1993 and graduation from the International Bankers School New York, and from 1999 until 2006 at Lombard Odier, where he made a decisive contribution to the development of the corporate finance division. From 2006 until the end of 2019, Marc Klingelfuss was employed as Deputy Head of Corporate Finance at Bank Vontobel AG, where he currently works as Managing Director in Capital Advisory until June 2022. Marc Klingelfuss has undergone continuous further training in management and finance and gained a CAS in General Management for Board Members by taking part in the Rochester-Bern Executive Program. He lectures at the Institute of Financial Services Zug IFZ and at other universities of applied sciences.

Rainer Isenrich

Rainer Isenrich acted as member of the company's Board of Directors until December 9, 2021. As part of the strategic realignment, the Board of Directors had decided on December 9, 2021 to discontinue the function of CEO and to dissolve the employment relationship with the CEO Rainer

Isenrich. He handed over the management of the company to Horst H. Mahmoudi, Chairman of the Board of Directors, who is leading the Edison Power Group through this phase as Delegate of the Board of Directors. Rainer Isenrich has been a member of the company's Board of Directors from May 29, 2015 until December 9, 2021.

Election procedure and limits on the term of office

The Articles of Association of Edison Power Europe Ltd. provide that the Board of Directors consists of three to nine members. As of December 31, 2021, the Board of Directors had five members. The members of the Board of Directors are elected individually at the General Assembly of Shareholders. All members are elected for a period of one year. The term ends on the day of the General Assembly of Shareholders. In the event that a substitute is elected to the Board of Directors during a term, the newly elected member finishes the term of his or her predecessor. Re-election for successive terms is possible.

Allocation of tasks within the Board of Directors

The Chairman is elected by the General Assembly of Shareholders, which also elects the members of the Nomination and Compensation Committee. Apart from these functions, the Board appoints itself and its Secretary. The secretary need not be a member of the Board of Directors or a shareholder. Since April 23, 2021, Claude L. Kübler has been Secretary of the Board of Directors.

The adoption of resolutions by the Board of Directors requires an absolute majority of the votes cast. In the event of a tie, the chairman of the Board of Directors has the deciding vote. Resolutions to a motion may also be reached in writing if no member of the Board of Directors objects to this process. Minutes of the deliberations and resolutions must be kept and must be signed by the Chairman and Secretary of the Board of Directors. The allocation of as-

signments between the Board of Directors and the CEO is defined in the Edisun Power Europe Ltd. Organizational Regulations. In accordance with the Organizational Regulations, the Board has appointed an Audit Committee.

Tasks and area of responsibility for Board of Director's committees

The duties and authorities of the committees are defined in the Committee Charters of the Board of Directors of Edisun Power Europe Ltd. The committees report to the Board on their activities and findings. The overall responsibility for duties delegated to the committees remains with the Board. The committees were established during the course of the initial public offering in September 2008. Until then the entire Board of Directors was responsible for all duties.

Audit Committee

As of December 31, 2021, the Audit Committee had three members: Fulvio Micheletti (Chairman of the Committee), Reto Klotz and Marc Klingelfuss. The Audit Committee meets at least twice a year, or as often as required. In the year under review, three meetings of the Audit Committee were held. All of the meetings were attended by all members of the committee as well as by the CEO and the CFO as guests. Furthermore, the two regular meetings were also attended by the auditors. The average duration of the meetings was 68 minutes.

Within the context of its overall remit, the Audit Committee assesses the work and effectiveness of the external auditor on behalf of the Board of Directors, by evaluating their level of competence, independence, communication, quality of deliverables as well as fees. Furthermore, the Audit Committee assesses the financial control, the financial structure and risk management mechanisms of the company, and reviews the interim and annual financial accounts of the Group.

Nomination and Compensation Committee

As of December 31, 2021, the Nomination and Compensation Committee, which was elected at the General Assembly of Shareholders, had three members: Fulvio Micheletti (Chairman of the Committee), Reto Klotz and José Luis Chorro López. The Nomination and Compensation Committee meets at least once a year, or as often as required. In 2021 the Committee met twice, partly during a regular Board meeting with an average duration of 50 minutes. The meetings were attended by all members of the Committee.

The primary tasks of this Committee are to review and propose the compensation structure and the amount of compensation for the members of the Board of Directors and the Management Board, to select and propose suitable candidates for election to the Board of Directors and for appointment to the Management Board. The Committee submits the relevant proposals and nominations to the Board of Directors.

Working methods of the Board of Directors and its Committees

The Board of Directors convenes ordinary meetings as often as required by the business and the affairs of the Company. Additional meetings or telephone/video conferences are held as needed. The Board may pass resolutions if the majority of its members is present (including presence via phone or electronic media), except with respect to resolutions regarding the implementation of capital increases, for which there is no statutory quorum. In 2021, the Board of Directors held ten meetings (six ordinary and four extraordinary meetings) which were always attended by all members of the Committee. No telephone conferences were held in 2021, but four meetings were held by video conference. Usually the meetings of the Board of Directors last half a day. The members of the Management Board take part regularly in meetings of the Board of Directors to report on special projects in their areas of re-

sponsibility. In addition, the Board of Directors receives monthly written reports on current projects, liquidity planning, sale of electricity and budget variances.

Definition of areas of responsibility

The Board of Directors has delegated the day-to-day management of Edisun Power to the Executive Management, except as otherwise provided by law and the Articles of Association. The CEO heads the operational business and is empowered to fulfill his duties, unless otherwise provided by law, the Articles of Association or the organizational regulations. The specific tasks and areas of authority are specified in the organizational regulations and in the annex to the Company's organizational regulations.

The primary tasks reserved for the Board of Directors are the definition of principles and decisions concerning the subjects of corporate strategy, financial planning, organizational structure, human resources policy and supervision of top management. The Board of Directors is also responsible for the preparation of the annual report, the preparation for the General Assembly of Shareholders and the implementation of the resolutions adopted at General Assemblies of Shareholders. Last but not least, the Board approves the formal risk assessment which is required by Article 663b of the Swiss Code of Obligations. The Board has approved the design, implementation and maintenance of the Internal Control System required under applicable law.

Information and controlling instruments vis-à-vis the Management Board

The Management Board reports regularly during the Board and Committee meetings to the Board of Directors on the course of business. Should extraordinary events occur, the Management Board is required to inform the

Board of Directors immediately. In connection with meetings of the Board of Directors, the members of the Management Board report to the Board of Directors on their respective business areas.

The standardized reporting consists of monthly written reports on current sale of electricity, projects, liquidity planning and budget variances of the Group. The resulting analysis and action taken are presented at each Board meeting by the Management Board. Complete consolidated financial statements under Swiss GAAP FER are prepared on a semi-annual basis and submitted to the Board of Directors.

Risk management analyzes the Group's overall risk exposure and supports the strategic decision-making process. It is therefore linked closely with the Group's strategic management process. The types of risks considered include those concerning the market, business environment, operations, financial risks (including currency, interest, cash-flow and liquidity risks), compliance and risks concerning company reputation. The examination of exposure to risk includes the identification of possible opportunities as well as an analysis of threats. The Board of Directors analyzes Group risks at least once a year and discusses it with the Management Board.

6 Management Board

The Management Board is responsible for the operational management of the company. Furthermore, it prepares for and then executes decisions made by the Board of Directors. According to the Organizational Regulations of Edisun Power Europe Ltd. it must, as a minimum requirement, include the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO). The Management Board is appointed by the Board of Directors.

The Articles of Association restrict the number of group-external mandates for each member of the Management Board to 2 mandates for listed companies and 8 for other legal entities. Further, a maximum of 10 honorary positions in non-profit-organizations are allowed.

Rainer Isenrich, CEO from March 1, 2012 until December 9, 2021

Rainer Isenrich has been CEO of Edisun Power from March 1, 2012 until December 9, 2021. In addition, he was member of the Board of Directors from May 29, 2012 until December 9, 2021, and serving as Chairman from May 29, 2015 until April 23, 2021. From March 1, 2012 until April 30, 2016 he was additionally holding the position of CFO.

Horst H. Mahmoudi, Executive Chairman as of December 9, 2021

born 1979, German national

Horst H. Mahmoudi was appointed as Executive Chairman as of December 9, 2021. As part of the strategic realignment, the Board of Directors had decided on December 9, 2021 to discontinue the function of CEO and to dissolve the employment relationship with the CEO Rainer Isenrich. He handed over the management of the company to Horst H. Mahmoudi, Chairman of the Board of Directors. Horst H. Mahmoudi also holds the position of the CEO.

Reto Simmen, CFO from May 1, 2016 until August 31, 2021

Reto Simmen joined Edisun Power on October 1, 2014 as head of finance and accounting. Effective May 1, 2016 he was elected by the Board of Directors to become a member of the Executive Board and Group CFO. He was serving as CFO until August 31, 2021.

Dr. René Cotting, mandated CFO as of September 1, 2021

born 1970, Swiss national

The Board of Directors had decided on June 9, 2021 to transfer temporarily the function of CFO on a mandate basis to the Smartenergy Group AG. The mandate commenced on September 1, 2021 and is based on an agreement concluded at standard market conditions. The Smartenergy Group AG ensures the mandate via its CFO Dr. René Cotting.

From 1995 to April 2021, Dr. René Cotting worked for the ABB Group in various functions in Switzerland and abroad. From 2013 until the end of May 2017, he was CFO of ABB Switzerland. On March 1, 2017, he was named Head of Operation, Innovation and R&D for the ABB Group and Chairman of ABB Technology Ventures. In May 2021, he joined Smartenergy Group AG, Wollerau, as its Group CFO. Dr. René Cotting has a degree in economics, social sciences and doctorate at University of Fribourg, Switzerland. He made further studies in the fields of strategy, finance, controlling and corporate management at the IMD in Lausanne, Switzerland. Also he studied in the field of driving corporate performance at Harvard Business School, Boston and in the field of business marketing strategy at Kellogg School of Management Northwestern University, Evanston, USA. He made further studies in the field of Artificial Intelligence-Implications for Business Strategies at the MIT Massachusetts Institute of Technology, Cambridge, USA and in the field of venture capital at Wharton Business School, San Francisco, USA.

He has been a member of the Board of Directors of BOSSARD since 2015 and is Chairman of the Audit, Risk and Compliance Committee.

7 Compensation and Remuneration Report

Composition and method of determining compensation

The compensation principles of Edisun Power Europe Ltd. are based on performance. The compensation packages of Edisun Power Group employees comprise a fixed salary and a variable performance-related salary for middle and top management.

Fixed salary

The fixed salary is intended to give each employee a regular and predictable salary that does not depend on the annual performance of the employee or of Edisun Power Europe Group's business. Salary levels depend on job descriptions and market competitiveness as well as on the skills of each employee. The competitiveness shall be assessed based on comparison with other European electricity producers from renewable sources. Salaries are reviewed annually and their evolution depends on the individual performance of each employee.

Variable salary

In 2009 the Group introduced a variable salary component to middle and top management depending on job description and management level. The variable salary component of the Management Board is determined by the Nomination and Compensation Committee based on annual targets with a maximum amount being 30% of fixed salary for the CEO and 20% for the CFO. The variable part of the salary is calculated as follows: 70% is based on quantitative targets and 30% on qualitative and strategic targets.

The quantitative targets 2021 were: achieving the budgeted net profit, implementing the project pipeline in Portugal and securing its funding. The strategic targets 2021 were: elaborating the 2021-2025 strategy and building a pipeline of additional projects, also in other countries, based on the strategy.

Statutory rules concerning compensation and remuneration for members of the Board of Directors and the Management Board

The company's Articles of Association (available online at: www.edisunpower.com/en/home-en/investors-en/corporate-governance-en/articles-of-association) state in article 13a and 20a rules regarding the variable compensation and the issuance of shares, conversion or option rights, the additional amount of compensation for members of the Management Board elected after the resolution of the General Assembly of Shareholders, possible credits and loans to members of the Board of Directors or the Management Board and regarding the voting by the General Assembly of Shareholders regarding the compensation.

Determination of compensation for members of the Board of Directors and the Management Board

In accordance with the Articles of Association (article 13a para 1) each year, at the General Assembly of Shareholders, a decision is made on the maximum total remuneration of the Board of Directors for the period until the next General Assembly of Shareholders, and on the compensation of the Management Board for the coming financial year.

If members join the Management Board during a period for which the remuneration has already been decided, or if they take on additional responsibilities, then the company is authorized to increase the total remuneration already agreed by a maximum of 37% (article 13a para 5 of the Articles of Association).

In compliance with the Articles of Association (article 20a para 8) the company does not grant credit or loans to members of the Board of Directors or the Management Board.

Board of Directors

According to the Articles of Association (article 20a para 1), all members of the Board of Directors receive a fixed fee. The total maximum compensation of CHF 210 000 for the compensation until the next General Assembly has been approved by the General Assembly 2021. The total compensation includes all social benefits as well as other possible compensations. The Nomination and Compensation Committee sets the individual fixed fee for the Chairman and the members of the Board.

Management Board

The Management Board of Edisun Power Europe Ltd. consists of the CEO and the CFO. Its annual financial compensation consists of a fixed and a variable salary, with customary social benefits (employer's contribution)

and expenses (article 20a para 2 ss. of the Articles of Association). The fixed salary is paid in cash on a monthly basis (1/13th with the 13th monthly salary in December) and the variable salary (if any) is paid in cash at the beginning of the next fiscal year. In case of a termination of the contract the variable part is paid out on a pro rata basis only in case of a termination by the company.

According to the Articles of Association the total maximum compensation of CHF 750 000 for the year under review has been approved by the General Assembly 2020. For 2021, a total Management Board bonus of CHF 93 800 was granted. No further compensation in shares or options of the Group was granted.

The employment contracts of the CEO and the CFO were concluded for an indefinite period of time and may be terminated with six months' notice. These contracts of employment do not include severance compensation.

Remuneration report according to swiss law and the ordinance against excessive compensation in stock exchange listed companies

This remuneration report is subject to the audit by the external auditors.

The following table shows compensation granted to the individual members of the Board of Directors for their activities in the year under review and in the previous year in CHF:

	Financial year	Fixed fee	Social benefits (employer's contribution)	Total cash compensation	Total compensation
Horst H. Mahmoudi Chairmann from 23.4.2021	2021	25 386	2 409	27 795	27 795
	2020	-	-	-	-
Rainer Isenrich Member from 29.5.2015 until 9.12.2021	2021	32 281	6 181	12 363	38 462
	2020	37 000	7 219	44 219	44 219
Hans Nef, deceased Member from 28.8.2014 until 29.11.2019	2021	-	-	-	-
	2020	2 083	44	2 128	2 128
Fulvio Micheletti Member from 29.5.2015	2021	30 000	2 290	32 290	32 290
	2020	30 000	2 282	32 282	32 282
Reto Klotz Member from 18.5.2018	2021	30 000	862	30 862	30 862
	2020	30 000	860	30 860	30 860
José Luis Chorro López Member from 17.5.2019	2021	30 000	2 730	32 730	32 730
	2020	30 000	-	30 000	30 000
Marc Klingelfuss Member from 23.4.2021	2021	20 000	1 526	21 526	21 526
	2020	-	-	-	-

	2021	2020
Total compensation of the Board of Directors in CHF	183 665	139 489

The following table shows the compensation granted to the CEO and the CFO for their activities in the year under review and in the previous year in CHF:

	Financial year	Fixed salary	Variable salary	Social benefits (employer's contribution)	Expenses	Total compensation
Rainer Isenrich	2021	212 719	63 800	50 185	6 042	332 746
CEO until December 9, 2021	2020	208 000	45 500	48 719	6 200	308 419
Reto Simmen	2021	155 833	30 000	34 572	0	220 405
CFO until August 31, 2021	2020	187 000	24 500	37 164	0	248 664

	2021	2020
Total compensation of the Management Board in CHF	553 151	557 083

Additional payments to members of the Board of Directors and the Management Board

Neither in the reporting period nor in the previous year were additional fees paid for services on top of the ordinary compensation, nor were any loans awarded or guarantees given to members of the Board of Directors or the Management Board or persons closely linked to them.

Related parties transactions

Since September 1, 2021, Smartenergy Group AG provides services to Edisun Power and its group companies which cover the task of a Group CFO. For these services, Smartenergy gets compensated of an annual flat fee of CHF 180 000, excluding VAT. For 2021, Edisun Power has been charged a total of CHF 60 000, excluding VAT, by Smartenergy.



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REPORT OF THE STATUTORY AUDITOR

To the General Meeting of
Edisun Power Europe Ltd., Zurich

We have audited the accompanying remuneration report of Edisun Power Europe Ltd. (pages 19-20) for the year ended 31 December 2021.

Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14 - 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14 - 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the remuneration report of Edisun Power Europe Ltd. for the year ended 31 December 2021 complies with Swiss law and articles 14 - 16 of the Ordinance.

Zurich, 24 March 2022

BDO Ltd

Christoph Tschumi

Auditor in Charge
 Licensed Audit Expert

Guido Schwengeler

Licensed Audit Expert

8 Shareholders' Participation Rights

Voting rights and representation restrictions

Each registered ordinary share bears one voting right at the General Assembly of Shareholders and entitlement to dividend payments (Art. 6 para. 1 of the Articles of Association).

Statutory quorums

To the extent that neither the law nor the Articles of Association provide otherwise, an absolute majority of share votes must be represented at the General Assembly of Shareholders for resolutions to be passed and elections to be conducted.

Convocation of the General Assembly of Shareholders

The General Assembly of Shareholders is held within six months after the financial year is closed.

Extraordinary General Assemblies of Shareholders can be called as often as necessary, particularly in cases required by law.

General Assemblies of Shareholders are convened by the Board of Directors and, if necessary, by the auditors. Extraordinary General Assemblies of Shareholders are convened by the Board of Directors if shareholders representing at least 10% of the share capital request such meetings in writing, setting forth the items to be discussed and the proposals to be decided upon.

Agenda

Shareholders who are entitled to vote and who represent at least CHF 1 million or 10% of the share capital may request items to be added to the agenda. Such requests must be addressed in writing to the Chairman of the Board of Directors no later than 45 days before the meeting.

Entries in the share register

The closing date before the General Assembly of Shareholders for registered shareholders to be entered in the share register will be given each time in the invitation to the General Assembly of Shareholders.

Changes of control and defense measures

There are no clauses relating to changes of control or defense measures.

9 Auditors

Duration of the mandate and term of office of the lead auditor

During the General Assembly of Shareholders of May 12, 2017, BDO AG was appointed as new auditor based on their level of competence, their independence and the economic offer. In 2021 BDO AG has been reappointed and Christoph Tschumi continues to be responsible for the existing auditing mandate.

Fees

The fees charged by BDO AG to the Edisun Power Group during the financial years 2021 and 2020, were as follows (in CHF):

	2021	2020
Audit service	60 400	52 400
Audit related services	9 000	5 700
Total	69 400	58 100

Audit services are defined as the standard audit work that needs to be performed each year in order to issue opinions on the Consolidated Financial Statements of the Edisun Power Group, the Remuneration Report as well as opinions on the local statutory accounts of Edisun Power Europe Ltd.

Audit related services are defined as audit work for capital increases and other statutory required confirmations.

Information instruments pertaining to the external audit

Prior to the start of the annual audit, BDO presented a detailed annual audit plan to the Audit Committee, including the proposed audit fees. At the end of the audit, BDO presents a detailed report to the Audit Committee on the conduct of the financial statements audit, the findings (if any) on significant financial accounting and reporting issues as well as the findings (if any) on the Group's internal control system (ICS). The Audit Committee of the Board of Directors reviews the performance, compensation and independence of the external auditors on a regular basis. The Audit Committee regularly reports its findings to the Board of Directors.

10 Information Policy

The Edisun Power Group reports to shareholders, the capital market, employees and the public at large in a transparent and timely manner, concerning its strategy, its global activities and the current state of the company. We nurture an open dialogue with our most important stakeholders, based on mutual respect and trust. This enables us to promote an understanding of our objectives, strategy and business activities, and to ensure a high degree of awareness about our company.

As a listed company, Edisun Power Europe Ltd. is committed to disclosing facts that may materially affect the share price (ad-hoc disclosure, Art. 53 of the SIX listing rules). Members of the Board of Directors and the Management Board are subject to SIX rules on the disclosure of management transactions. These can be accessed on the SIX website (www.ser-ag.com/en/resources/notifications-market-participants/management-transactions.html).

The most important information tools are:
the annual and semi-annual reports,
the website (www.edisunpower.com/en/home-en),
the newsletter and media releases (subscription at: www.edisunpower.com/en/home-en/investors-en/ad-hoc-mitteilungen-art.53-kr-en/subscribe-en),
as well as the General Assembly of Shareholders.

11 Blackout periods

Employees (including members of the Board of Directors) who have access to material non-public information on a regular basis are designated as Continuing Insiders and are banned from trading in the company's securities during blackout periods. The company's blackout periods commence by taking note of the first financial figures for the half-year and annual results, which were not yet known to the market and end at the beginning of the first trading day after the subsequent release of the half-year and annual results. There are no exemptions within blackout periods.

12 Financial Calendar

April 22, 2022

General Assembly of Shareholders of Edisun Power Europe Ltd.

August 26, 2022

Publication of Semi-Annual Report as of June 30, 2022
Media Information

March 24, 2023

Publication of the Annual Report as of December 31, 2022
Media Information

April 21, 2023

General Assembly of Shareholders of Edisun Power Europe Ltd.

Contact

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Investor Relations

Dr. René Cotting

Share register

Computershare Schweiz AG
Baslerstrasse 90
Postfach
4601 Olten
Switzerland

Consolidated Financial Statements of Edisun Power Europe Ltd.

Consolidated Balance Sheet

	Notes	31.12.2021 TCHF	31.12.2020 TCHF
Assets			
Cash and cash equivalents	3	29 216	28 409
Trade receivables	4	2 232	2 293
Other receivables and current assets	4	7 149	1 141
Financial assets		656	533
Total current assets		39 254	32 376
Land, plant and equipment	5	358 454	166 146
Intangible assets	6	152	184
Financial and other long-term assets	7	7 542	3 604
Total non-current assets		366 147	169 934
Total assets		405 401	202 310
Liabilities and equity			
Borrowings	9	16 500	15 073
Trade payables	8	2 276	386
Other payables	8	36 961	509
Accrued cost	8	2 269	7 622
Income tax liabilities		272	476
Total current liabilities		58 278	24 066
Borrowings	9	263 006	95 611
Provisions	10.1	1 324	891
Other long-term liabilities	10.2	2 697	0
Total non-current liabilities		267 028	96 503
Total liabilities		325 306	120 569
Share capital	11	31 075	31 075
Share premium	11.1	45 638	46 777
Retained earnings and currency translation differences	11.3	3 382	3 889
Total equity		80 095	81 741
Total liabilities and equity		405 401	202 310

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

Consolidated Income Statement

	Notes	2021 TCHF	2020 TCHF
Revenue from sale of electricity	2.15/12	17 065	11 743
Other operating income	2.15/12	95	623
Total revenues		17 160	12 367
Personnel expenses	13/14	- 825	- 822
Rental and maintenance expenses	15	- 1 736	- 1 363
Administration expenses		- 761	- 600
Advertising expenses		- 8	- 10
Other operating expenses		- 786	- 871
Earnings before interest, tax, depreciation, amortization and deconsolidation (EBITDA)		13 043	8 700
Depreciation and amortization	5/6	- 6 075	- 4 454
Impairment	5.1	- 247	559
Operating profit (EBIT)		6 721	4 805
Financial income	16	2 196	1 512
Financial expenses	16	- 3 399	- 2 547
Net profit before income tax		5 519	3 770
Income tax	17	- 1 011	- 476
Net profit		4 508	3 294
attributable to shareholders of Edisun Power Europe Ltd.		4 508	3 294
Earnings per share attributable to shareholders of Edisun Power Europe Ltd. during the year (expressed in CHF per share):			
basic and diluted	18	4.35	3.18

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

Consolidated Cash Flow Statement

	Notes	2021 TCHF	2020 TCHF
Net profit		4 508	3 294
Reversal of non-cash items:			
Depreciation and amortization	5/6	6 075	4 454
Impairment	5.1	247	- 559
Change in accruals and provisions		355	- 76
Financial income	16	- 2 196	- 1 512
Financial expense	16	3 399	2 547
Income tax expense	17	1 011	476
Change in receivables and other current assets		- 248	634
Change in payables		115	141
Interest paid		- 2 776	- 2 210
Taxes paid		- 387	- 321
Other non-cash items		112	- 148
Cash flow from operating activities		10 214	6 720
Investments in plant and equipment	5	- 16 292	- 31 443
Investments in intangible assets	6	- 15	- 9
Business acquisition, incl. capitalized cost	5	- 23 935	0
Investments in/repayment from financial assets		- 5 228	- 158
Interest received		1	1
Cash flow from investing activities		- 45 470	- 31 610
Issuance of bonds, net of transaction costs	9.2	30 014	0
Repayment of bonds	9.2	- 2 525	0
Increase of other borrowings		13 662	24 663
Repayment of other borrowings		- 2 860	- 3 001
Distribution of capital contribution reserves		- 1 139	- 1 139
Increase of short-term borrowings		- 76	0
Cash flow from financing activities		37 075	20 522
Net change in cash and cash equivalents		1 819	- 4 368
Cash and cash equivalents at the beginning of the year	3	28 409	32 751
Exchange effects on cash and cash equivalents		- 1 012	26
Cash and cash equivalents at the end of the period	3	29 216	28 409

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

Consolidated Statement of Changes in Equity

TCHF	Attributable to shareholders of the Company				Total equity
	Share capital	Share premium	Retained earnings	Currency translation differences	
December 31, 2019	31075	47916	5857	-5040	79808
Distribution of capital contribution reserves		-1 139			-1 139
Net profit			3 294		3 294
Currency translation				-221	-221
December 31, 2020	31075	46777	9151	-5262	81741
Distribution of capital contribution reserves		-1 139			-1 139
Net profit			4 508		4 508
Currency translation				-5'015	-5'015
December 31, 2021	31075	45638	13659	-10'276	80'095

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

Notes to the Consolidated Financial Statements of Edisun Power Europe Ltd.

All amounts are in CHF 000 unless otherwise noted

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 local electricity companies. The Group is present in Switzerland, Germany, Spain, France, Italy and Portugal.

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

The Company is listed on the SIX Swiss Exchange.

These consolidated financial statements were authorized for issue by the Board of Directors on March 24, 2022. They are subject to formal approval by the annual general meeting.

The following abbreviations are used for the related parties:

SEGAG = Smartenergy Group AG

SEIAG = Smartenergy Invest AG

1.1 Group companies

The consolidated financial statements include Edisun Power Europe Ltd. and the companies under its control.

	Ownership 2021	Ownership 2020	Activity ¹⁾
Switzerland			
Edisun Power Europe Ltd., Zurich			●
Edisun Power Schweiz AG, Zurich	100.0%	100.0%	■
Germany			
Edisun Power GmbH, Sigmaringen	100.0%	100.0%	■
Edisun Power Beteiligungs-UG, Sigmaringen	100.0%	100.0%	●
PV Hörselgau UG & Co. KG, Sigmaringen	100.0%	100.0%	■
PV Leipzig Alter Flughafen UG & Co. KG, Sigmaringen	100.0%	100.0%	■
Spain			
Edisun Power Iberia SA, Madrid	100.0%	100.0%	■
Edisun Power Iberia Beta SA, Madrid	100.0%	100.0%	■
Edisun Power Iberia Gamma SA, Madrid	100.0%	100.0%	■
Edisun Power Iberia Delta SA, Madrid	100.0%	100.0%	■
Edisun Power Iberia Epsilon SA, Madrid	100.0%	100.0%	■
Salinas Energia Solar SL, Madrid	100.0%	100.0%	■
Cortadeta Fotovoltaica SL, Madrid	100.0%	100.0%	■
Sol de Tilla SL, Madrid	100.0%	100.0%	■
Digrun Grun SL, Madrid	100.0%	100.0%	■
Tenpro Renovables SL, Madrid	100.0%	100.0%	●
Renovables del Condado SL, Madrid	100.0%	100.0%	■
Smartenergy Sol20120014 SL, Madrid	100.0%	100.0%	■
Smartenergy Sol20120016 SL, Madrid	100.0%	100.0%	■
Smartenergy SOL20120015 SLU, Valencia	100.0%	-	▲

	Ownership 2021	Ownership 2020	Activity
Renovaplus Energías Renovables SLU, Valencia	100.0%	-	▲
Abastecimiento Energético Solar SLU, Valencia	100.0%	-	▲
Remosol Energías Renovables SLU, Valencia	100.0%	-	▲
Madrid Fotovoltaica SLU, Valencia	100.0%	-	▲
Microclima Solar SLU, Valencia	100.0%	-	▲
Renovar Energía SLU, Valencia	100.0%	-	▲
Enemir Solar SLU, Valencia	100.0%	-	▲
Subestacion Renovables del Mediterraneo SL, Valencia	100.0%	-	▲
ES2025 Smartenergy SLU, Valencia	100.0%	-	▲
32 Instalación Solar Mazarron SLU, Valencia	100.0%	-	▲
9 Instalación Solar Mazarron SLU, Valencia	100.0%	-	▲
ES2026 Smartenergy SLU, Valencia	100.0%	-	▲
38 Instalación Solar Mazarron SLU, Valencia	100.0%	-	▲
Comercial Seimeira III SLU, Valencia	100.0%	-	▲
Newell Sells Spain SLU, Valencia	100.0%	-	▲
France			
Edisun Power France SAS, Lyon	100.0%	100.0%	■
Sainte Maxime Solaire SAS, Sainte-Maxime	100.0%	100.0%	■
Italy			
Edisun Power Italia SRL, Andriano	100.0%	100.0%	●
CTG Baal SRL, Andriano	100.0%	100.0%	■
Smartenergy2001 SRL, Milano	100.0%	-	▲
Smartenergy2003 SRL, Milano	100.0%	-	▲
SmartenergyIT2104 SRL, Milano	100.0%	-	▲
SmartenergyIT2105 SRL, Milano	100.0%	-	▲
SmartenergyIT2106 SRL, Milano	100.0%	-	▲
SmartenergyIT2108 SRL, Milano	100.0%	-	▲
SmartenergyIT2109 SRL, Milano	100.0%	-	▲
SmartenergyIT2111 SRL, Milano	100.0%	-	▲
SmartenergyIT2113 SRL, Milano	100.0%	-	▲

Portugal	Ownership 2021	Ownership 2020	Activity
Smartenergy 1705 LDA, Lisbon	100.0%	100.0%	●
Smartenergy 1706 SA, Lisbon	100.0%	100.0%	●
HCMI-SGPS SA, Lisbon	100.0%	100.0%	●
Central Fotovoltaica da Mina LDA, Lisbon	100.0%	100.0%	■
Ignichoice Renewable Energy SA, Lisbon	100.0%	100.0%	■
Smartenergy 1810 LDA, Lisbon	100.0%	100.0%	■
Smartenergy 1813 LDA, Lisbon	100.0%	100.0%	■
Smartenergy 1814 LDA, Lisbon	100.0%	100.0%	■
Smartenergy 1808 LDA, Lisbon	100.0%	-	▲
Smartenergy 1821 LDA, Lisbon	100.0%	-	▲

1) ● Services, holding company functions

■ Operation of photovoltaic systems (PV), selling of solar energy

▲ PV projects

2 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been applied consistently in all the years presented, unless otherwise stated.

2.1 Basis for the preparation of the consolidated financial statements

The consolidated financial statements of Edisun Power Europe Ltd. have been prepared in accordance with the Accounting and Reporting Recommendations Swiss GAAP FER. The entire framework has been applied. The consolidated financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below, where a standard or an interpretation requires a different measurement method.

All amounts in these financial statements are rounded individually.

All amounts are in CHF 000 unless otherwise noted

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all the entities over which the Group has the power to govern the financial and operating policies, which generally accompanies a shareholding that represents more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls a given entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

The Group applies the acquisition method to account for acquisition of subsidiaries. The consideration transferred includes the fair value of any asset or liability. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Acquisition-related costs are capitalized as incurred.

Goodwill is measured initially as the excess of the aggregate of the consideration transferred and the fair value of minority interest over the net identifiable assets acquired and liabilities assumed.

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

All fully consolidated subsidiaries are listed in the General Information. December 31 represents the uniform closing date for all companies included in the consolidated financial statements. The accounting policies of the subsidiaries are consistent with the policies adopted by the Group.

(b) Transactions and non-controlling interests

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for as equity transactions. Any difference between the amount by which the minority interests are adjusted and the fair value of the consideration paid or received shall be recognized directly in equity. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in CHF, actually most of the business is in EUR, thus CHF is mostly only a presentation currency.

(b) Transactions and balances

Transactions in foreign currency are recorded and translated into CHF using the actual exchange rate on the transaction date. The resulting translation differences are included in the income statement as exchange gains or losses.

Monetary assets and liabilities in foreign currencies are translated into the functional currency on the balance-sheet date at the year-end rates of exchange. Non-monetary items are translated using the exchange rate prevailing on the transaction date. Translation differences are recorded in the income statement.

All amounts are in CHF 000 unless otherwise noted

(c) Group companies

The results and financial position of all Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated using the closing rate on the date of that balance sheet;
- income and expenses for each income statement are translated using average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated on the dates of the transactions);
- all resulting exchange differences are recognized in accumulated deficits.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale.

The Group has offset the accumulated exchange gains and losses that result from translating the financial statements of subsidiaries and associates up to the date of transition to Swiss GAAP FER on January 1, 2012 directly against retained earnings, and no longer reports them separately in equity.

Goodwill and fair-value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated using the closing rate.

The CHF/EUR exchange rates relevant to the annual consolidated financial statements were:

	31.12.2021	Average 2021	31.12.2020	Average 2020
1 EUR	1.0355	1.0832	1.0823	1.0712

2.4 Land, plant and equipment

Land consists of property that has been bought on which to build PV plants and is shown at cost. All other plant and equipment are stated at cost less cumulative depreciation. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the items. Borrowing costs that are directly attributable to the construction of PV plants are capitalized as part of the cost of this asset when specific criteria according to Swiss GAAP FER 18 are met.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost in excess of their residual values over their estimated useful lives, as follows:

Plant	20 – 30 years
Furniture, fittings and equipment (FF&E)	3 – 4 years

The assets' residual values and useful lives have been reviewed and updated at the balance-sheet date.

An asset's carrying amount is written down immediately

All amounts are in CHF 000 unless otherwise noted

to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized within "Other operating income" in the income statement.

Grants from electricity operators related to the construction of PV plants are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. The costs of the plant are reduced by the grant received resulting in a reduced depreciation charge in the future.

2.5 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in "intangible assets". Goodwill on acquisitions of associates is included in 'investments in associates' and is tested for impairment as part of the overall balance. Goodwill is amortized over a period of 5 years.

(b) Trademarks and licenses

Acquired trademarks and licenses are shown at historical cost. Trademarks and licenses have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives (15 – 20 years).

(c) Other intangibles

Other intangibles include capitalized software expenses and are carried at historical cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of software over its estimated useful life (5 years).

2.6 Impairment of intangible and tangible assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable at every balance sheet date. If indicators for a continuous impairment exist, the recoverable amount is determined. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.7 Trade receivables

Trade receivables, which generally have a 30-day term, are recognized initially at nominal value less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in the income statement.

2.8 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2.9 Share capital

All amounts are in CHF 000 unless otherwise noted

Ordinary shares are classified as equity. Incremental costs directly attributable to issuing new shares are shown in equity as a deduction, net of tax, from the proceeds.

When any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income tax), is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued.

2.10 Trade payables and other payables

Trade payables and other payables are recognized at nominal value.

2.11 Borrowings

Borrowings (loans and straight bonds) are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless payments can be deferred for at least 12 months.

2.12 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the balance sheet date in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance-sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax assets on tax loss carry forwards are not recognized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2.13 Employee benefits

Pension obligations

The Group only has employees in Switzerland under a single plan. The plan is funded through payments to a collective pension fund.

All amounts are in CHF 000 unless otherwise noted

2.14 Provisions

Provisions are recognized when the Group has a legal or constructive obligation as a result of past events (e.g. dismantling cost for PV plants) when it is likely that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. The costs associated with the dismantling of PV plants are capitalized in the carrying value of property, plant and equipment and depreciated over the life of the asset. The total provisions related to the PV plants, discounted to present value, are recorded under long-term provisions.

2.15 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax and after eliminating sales within the Group.

The Group recognizes revenue when the amount of revenue can be reliably measured, when it is likely that future economic benefits will flow to the entity, and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be measurable reliably until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction, and the specifics of each arrangement.

(a) Revenue from sale of electricity

The Group sells solar energy to local electricity firms. These sales are usually based on a long-term (20 to 30-year) fixed-price contract and recognized in the period the delivery took place. In Switzerland, there are contracts with Zurich's electricity supplier EWZ (Elektrizitätswerk der Stadt Zürich) and with SIG (Service industriels de Genève). One contract is based on KEV

(Kostendeckende Einspeisevergütung) since 1.1.2009. In Germany, the amount of the compensation is based on the German Renewable Energy Sources Act (EEG) dated 2000 and amended in later years. In Spain, the current regulatory framework is as of July 12, 2013, embodied in the Royal Legislative Decree 9/2013, the Royal Decree 413/2013 as well as the ministerial order 1045/2014. Until July 12, 2013, the compensations were based on the Royal Decrees 661/2007, 1578/2008 as well as in the Royal Decree 6/2009. The compensation in France is based on the "Arrêté du 10 juillet 2006" and the "Arrêté du 12 janvier 2010" as well as on Decrees 2000-1196 and 2009-252. In Italy, the compensation is based on the Il Conto Energia (Ministerial Decree 19/02/07 and AEEG resolution No. 90/07).

In Portugal according to the energy services regulator (ERSE) the Power Purchase Agreements (PPAs) and Contractual Balance Maintenance Costs (CMECs) must be drawn up in accordance with Decree-Law no. 240/2004 of December 27.

If circumstances arise that may change the original estimates of revenues, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in income in the period in which the circumstances that have given rise to the revision become known by management.

(b) Other operating income

Other operating income mainly includes revenues from both the provision of assets management services for third-party PV systems and from support for the development of new PV projects by providing financing guarantees as well as insurance compensations for yield losses.

All amounts are in CHF 000 unless otherwise noted

2.16 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.17 Distribution of dividends and capital contribution reserves

The distribution of dividends and capital contribution reserves to shareholders of Edisun Power Europe Ltd. is recognized as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholders.

3 Cash and Cash Equivalents

	31.12.2021	31.12.2020
Cash on hand	0	0
Banks	29 216	28 409
Total	29 216	28 409

4 Trade and Other Receivables

	31.12.2021	31.12.2020
Trade receivables	2 233	2 294
Other receivables	3 646	1 141
Other receivables – interest income	3 177	0
Prepayments and deferred cost	327	0
Less: provision for impairment of trade receivables	-1	-1
Trade and other receivables – net	9 382	3 434
Current portion	9 382	3 434

Other receivables include the amounts receivable from Smartenergy Invest AG (SEIAG) TCHF 2 459 related to the postponements of projects in Portugal.

In particular, SEIAG takes over the additional costs of TCHF 1 630 that occurred during the construction of Mogadouro compared to what was expected at the time of purchasing the projects rights from SEIAG.

Further, SEIAG offered and agreed with Edisun Power to cover TCHF 828 project related financing cost for projects in Portugal.

Interest income on prepayments of PV projects in Portugal yields the amount of TCHF 3 177 due from Smartenergy Invest AG to Edisun Power.

All amounts are in CHF 000 unless otherwise noted

5 Land, Plant and Equipment

2021	Land	PV Plants	Assets under construction	FF&E	Total
Gross Value					
Opening gross book amount – January 1	1 033	146 622	51 318	256	199 229
Exchange differences	- 45	- 6 248	- 3 086	- 5	- 9 384
Additions	-	10 078	22 340	-	32 418
Disposals	-	-	-	-	-
Change in consolidation scope	-	-	174 019	-	174 019
Reclassifications	-	-	-	-	-
Closing gross book amount – December 31	989	150 452	244 591	251	396 282

The major additions in the PV plants relate to the Mogadouro plant for the acquisition of capacity extensions, further constructions and the final milestone payment for Commercial Operating Date (COD).

The additions in the assets under constructions are due to the acquisition of capacity extensions of existing PV projects acquired from SEIAG, continuous plant constructions and compensated construction savings.

Concerning the amount of TCHF 174 019 in the change in the consolidation scope, this amount comes from the acquisition of the new PV projects from SEGAG.

Increase in the depreciation is mainly due to the increase in the value of assets for the Mogadouro plant.

2021	Land	PV Plants	Assets under construction	FF&E	Total
Accumulated depreciation					
Opening amount – January 1	617	32 213	-	254	33 084
Exchange differences	- 27	- 1 500	-	- 5	- 1 533
Disposals	-	-	-	-	-
Depreciation charge	-	6 029	-	1	6 030
Impairment	-	247	-	-	247
Reclassification	-	-	-	-	-
Closing amount – December 31	590	36 989	-	249	37 828
Net book value – January 1	416	114 410	51 318	2	166 146
Net book value – December 31	398	113 463	244 591	1	358 454

2020	Land	PV Plants	Assets under construction	FF&E	Total
Gross Value					
Opening gross book amount – January 1	1 036	106 251	57 784	256	165 328
Exchange differences	-3	-15	-180	-	-198
Additions	-	743	33 322	-	34 064
Disposals	-	-	-	-	-
Change in consolidation scope	-	-	-	-	-
Reclassifications	-	39 643	-39 609	-	35
Closing gross book amount – December 31	1 033	146 622	51 318	256	199 229
Accumulated depreciation					
Opening amount – January 1	619	28 423	-	254	29 295
Exchange differences	-2	-34	-	-	-36
Disposals	-	-	-	-	-
Depreciation charge	-	4 383	-	1	4 384
Impairment	-	-559	-	-	-559
Reclassification	-	-	-	-	-
Closing amount – December 31	617	32 213	-	254	33 084
Net book value – January 1	418	77 829	57 784	3	136 033
Net book value – December 31	416	114 410	51 318	2	166 146

The PV plants' current and future receivables from the sale of solar power to local electricity companies are partially pledged to secure third-party loans (see note 21).

All amounts are in CHF 000 unless otherwise noted

5.1 Impairment of PV plants

The Company performed a detailed impairment test for each PV plant individually as per December 31, 2021.

Interest rates after tax (Weighted Average Cost of Capital, WACC) have been reviewed and adjusted for each segment as follows:

	2021	2020
Spain	4.2%	4.1%
Germany	3.1%	2.9%
Switzerland	3.4%	3.4%
France	4.0%	3.8%
Italy	5.1%	5.1%
Portugal	5.0%	5.0%

Due to security risks the operations of the PV plant Super U in France have been stopped and the whole Net Book Value was written down for the amount of TCHF 247.

5.2 Purchase and sale of PV plants / subsidiaries

On 31.12.2021, Edisun Power acquired a project pipeline of photovoltaic projects in Spain, Portugal and Italy with a total planned capacity of 703 MW from Smartenergy Group AG (SEGAG).

The acquisition of projects from SEGAG represents 14 direct participations and 13 indirect participations that are consolidated in the Edisun Power Group perimeter.

As per agreement signed on 31.12.2021 between Edisun Power Europe Ltd. and SEGAG, the acquisition was financed by cash TCHF 23 936 and to the major extent by the TCHF 130 662 non-interest bearing loan from SEGAG.

Edisun Power acquired as well from SEGAG shareholder loans in the amount of TCHF 7 673 in favor of the new entities in Portugal, Spain and Italy.

The agreement with SEGAG includes several measures for Edisun Power to secure its value and reduce the risks, namely:

- Project Replacement Obligation in case a project does not reach 'ready-to-build' (RTB) status by December 31, 2024.
- Price Adjustments for capital expenditure variations.

The agreement also comprises some measures related to the five years non-interest bearing loans provided by SEGAG. In the case of a 'change of control' in Edisun Power or realization of substantial free cash amounts that is not needed for operating the business nor for defined dividend payments, the loan shall be paid back to the maximum extent possible.

All amounts are in CHF 000 unless otherwise noted

The companies acquired in 2021 consisted of projects in the following countries:

	Portugal	Spain	Italy	Total
Cash and cash equivalents	22	15	25	61
Land, plant and equipment	52 469	90 220	31 330	174 018
Other assets	253	493	668	1 415
Interest-bearing liabilities	-	3 218	-	3 218
Other liabilities	2	9 751	254	10 007
Net assets acquired	52 742	77 760	31 769	162 270
Acquisition price				
of which paid:				
in cash	8 184	11 167	4 584	23 936
against accounts payables	-	5 392	2 281	7 673
against a loan	44 557	61 216	24 890	130 662

All amounts are in CHF 000 unless otherwise noted

6 Intangible Assets

2021	Total
Gross Value	
Opening gross book amount – January 1	1 063
Exchange differences	- 11
Additions	66
Disposals	-
Increase through P&L	-
Change in consolidation scope	-
Reclassifications	-9
Closing gross book amount – December 31	1 110
Accumulated depreciation	
Opening amount – January 1	879
Exchange differences	- 8
Disposals	-
Capitalized financing cost	42
Depreciation charge	45
Impairment	-
Reclassification	-
Closing amount – December 31	958
Net book value – January 1	184
Net book value – December 31	152
2020	
Gross Value	
Opening gross book amount – January 1	926
Exchange differences	- 1
Additions	16
Disposals	-
Change in consolidation scope	-
Reclassifications	-35
Closing gross book amount – December 31	907

All amounts are in CHF 000 unless otherwise noted

	Total
Accumulated depreciation	
Opening amount – January 1	652
Exchange differences	-
Disposals	-
Depreciation charge	70
Impairment	-
Reclassification	-
Closing amount – December 31	722
Net book value – January 1	274
Net book value – December 31	184

Intangible Assets include capitalized software expenses and licenses.

7 Financial and Other Long-term Assets

	31.12.2021	31.12.2020
Prepayments / deferred cost long-term	690	767
Deferred tax assets	348	0
Other long-term financial assets	6 504	2 837
Total financial and other long-term assets	7 542	3 604

Prepayments consist mainly of prepaid roof and land rents. Other long-term assets mainly include guarantees deposited with the Portuguese state energy authority "DGEG" (Direção Geral de Energia e Geologia) to ensure the execution of the PV projects as well as accrued interest income on payments for PV projects.

In particular, the amount of TCHF 5 059 is related to the Mogaduoro PV plant deposit guarantee, according to the execution of the financing contract with Banco Sabadell.

The amount of TCH 348 corresponds to the deferred tax asset on the non-tax deductible impairment of the acquired entities in Spain as per transaction with SEGAG on the 31.12.2021.

All amounts are in CHF 000 unless otherwise noted

8 Trade and Other Payables

The following table provides details on trade payables and other payables:

	31.12.2021	31.12.2020
Trade payables	2 276	353
Payables to related parties	26 518	32
Value added taxes	510	374
Social security and other taxes	502	24
Payables to employees	46	0
Other	9 385	111
Total	39 237	895

The payables to the related parties of the amount TCHF 26 518 are corresponding to the payables due to Smartenergy Group AG amount of TCHF 7 673 and the payables to Smartenergy Invest AG (SEIAG) amount of TCHF 18 844.

The payables amount of TCHF 7 673 due to SEGAG relate to the Share Purchase Agreement (SPA) signed by Edisun Power with Smartenergy Group AG on 31.12.2021, and represent the amount of the acquired shareholder loans in favor of the new acquired entities. These payables have to be paid to SEGAG by 31.03.2022.

The payables of TCHF 18 844 are due to SEIAG and relate to the following transactions: The amount of TCHF 7 002 corresponds to sharing the savings in favor of Edisun Power for projects in Portugal. The amount of TCHF 10 808 corresponds to purchase by Edisun Power from SEIAG of the additional capacity (add-ons) for the existing PV projects. The amount of TCHF 1 035 is due to SEIAG by Edisun Power for having reached the Commercial Operating Date (COD) milestone of Mogadouro as per SPA agreement signed in 2019.

Other payables correspond to the payments at the milestones of the acquired new projects in Spain for the total amount of TCHF 9 312.

The following table provides details on accrued costs:

	31.12.2021	31.12.2020
Interest on borrowings	684	510
Other accrued cost	1 586	7 112
Total	2 269	7 622

Other accrued costs include the outstanding invoices related to the construction of PV plants, to the operations of PV plants in Spain (TCHF 644) and to the accrued costs for the newly acquired projects, especially in Italy.

9 Borrowings

	31.12.2021	31.12.2020
Current		
Loans from third-party	3 185	2 823
Straight bonds from third-party	13 315	12 250
Total current borrowings	16 500	15 073
Non-current		
Loans from third-party	62 961	55 802
Straight bonds from third-party	66 276	39 810
Other long-term loans	133 769	0
Total non-current borrowings	263 006	95 611

The loans from third parties increased mainly due to the new loans for Digrun Spain in the amount of TCHF 5 083 (Triodos Bank) and for Mogadouro TCHF 7 355 (Banco Sabadell).

In November 2021 Edisun Power successfully placed the bond issue for the amount of TCHF 39 790 (nominal value) with the maturity 2026 and the coupon of 2%.

Other long-term loans relate to the agreement signed on 31.12.2021 between Edisun Power Europe Ltd. and

All amounts are in CHF 000 unless otherwise noted

Smartenergy Group AG, since the acquisition of the PV projects is to the major extent financed by a TCHF 130 662 non-interest bearing loan from SEGAG as commercially agreed supporting and efficiently financing the growth path of Edison Power.

The carrying amounts (in TCHF) of the Group's borrowings are denominated in the following currencies:

	31.12.2021	31.12.2020
CHF	80 041	52 510
EUR	199 465	58 174
Total	279 506	110 684

At the end of 2021, the Group had unused credit lines amounting to TCHF 4 973 in total (2020: 5 379).

9.1 Loans from third-parties

At year-end, maturities of debt were as follows:

	31.12.2021	31.12.2020
Within 1 year	3 185	2 823
Within 2 to 5 years	13 595	12 808
After 5 years	49 365	42 994
Total loans from third parties	66 145	58 624

The following tables provide details on the conditions of the loans from third-parties:

2021		
Final maturity	Interest rate	amount
2024	2.5%	709
2025	1.4–5.9%	542
2026	1.8–6.1%	3 724
2027	2.9–5.1%	2 141
2031	1.9–3.0%	1 835
2034	2.0–2.9%	6 101
2037	3.3%	18 449
2038	3.0%	11 521
2043	3.0%	21 123
Total		66 145

2020		
Final maturity	Interest rate	amount
2024	2.5%	721
2025	1.4–5.9%	728
2026	1.8–6.1%	4 898
2027	2.9–5.1%	2 530
2029	3.0%	5 839
2031	1.9–3.0%	9 057
2034	2.0–2.9%	700
2037	3.3%	11 323
2038	3.0%	22 829
Total		58 624

All amounts are in CHF 000 unless otherwise noted

9.2 Straight bonds

The Group has issued several straight bonds:

		31.12.2021	31.12.2020
	Nominal value in 000 local currency	Book value in 000 CHF	Book value in 000 CHF
Edisun Power Europe Ltd.			
2.25 % Bond 2015 – 2023 (CHF)	3 980	3 958	3 944
2.00 % Bond 2016 – 2021 (CHF)	0	0	12 250
2.00 % Bond 2017 – 2022 (CHF)	13 315	13 306	13 292
2.00 % Bond 2019 – 2024 (CHF)	22 615	22 588	22 574
2.00 % Bond 2021 – 2026 (CHF)	39 790	39 739	0
Total	79 700	79 591	52 060

In November 2021 Edisun Power successfully placed the bond issue for the amount of TCHF 39 790 (nominal value) with the maturity 2026 and the coupon of 2%.

In 2021 the bond in the amount of TCHF 12 250 with the maturity 2021 was repaid fully. TCHF 9 725 were reinvested in the bond 2021 – 2026.

All amounts are in CHF 000 unless otherwise noted

10 Provisions

10.1 Provisions

	Deferred tax liabilities	Provisions for dismantling	Other provisions	Total
Year ended December 31, 2021				
At beginning of the year	521	320	51	891
Exchange differences	-37	-20	-2	-59
Additions	348	222	-	570
Use	0	-	-	0
Reversal	0	2	-80	-78
Change in consolidation scope	0	-	-	0
At the end of the year	832	524	-31	1324
thereof short-term	0	-	-	0
thereof long-term	832	524	-31	1324
Year ended December 31, 2020				
At beginning of the year	517	305	51	874
Exchange differences	-1	-1	-	-2
Additions	5	15	-	20
Use	-	-	-	-
Reversal	-	-	-	-
Change in consolidation scope	-	-	-	-
At the end of the year	521	320	51	891
thereof short-term	-	-	-	-
thereof long-term	521	320	51	891

Provisions for dismantling PV plants after termination of the contract with the owner (generally 20 – 30 years after construction of the PV plant) are based on future estimated costs discounted at a rate of 5 % (2021: 5 %).

Other provisions (long-term) include a provision in the amount of TCHF 51 (2020: TCHF 51) for a potential lawsuit regarding a defective construction of a rooftop installation. Group management has used best estimates to measure the potential outcome and came to the conclusion that provisions are still accurate for this case.

All amounts are in CHF 000 unless otherwise noted

10.2 Other long-term liabilities

	31.12.2021	31.12.2020
Other long-term liabilities	2 697	0
Total	2 697	0

The other long-term liabilities in the amount of TCHF 2 697 relate to the guarantee retention for the PV plant Mogadouro as per EPC contract.

11 Share Capital

The share capital of Edisun Power Europe Ltd. entered in the commercial register amounts to TCHF 31 075 and is fully paid up. It consists of 1 035 821 ordinary shares with a nominal value of CHF 30.00 each.

In addition, the Board of Directors has been granted the right to increase the share capital of Edisun Power Europe Ltd. until April 23, 2022 by a maximum aggregate amount of CHF 15.0 million (500 000 fully paid registered shares with a par value of CHF 30.00 each).

11.1 Share premium

In 2021, the distribution of TCHF 1 139 of the capital contribution reserve was recorded to the Share Premium.

In 2020, the distribution of TCHF 1 139 of the capital contribution reserve was recorded to the Share Premium.

In 2019, a capital contribution reserve of TCHF 44 778 was created in the Share Premium in the course of the three capital increases carried out in June, September and November (see note 11). In addition, transaction cost of TCHF 1 292 relating to the capital increases were deducted from the Share Premium. No internal expenses from management were included in the transaction cost. Any internal cost had been charged to the income statement as incurred.

11.2 Own shares

As of the balance sheet date, neither Edisun Power Europe Ltd. nor any of its subsidiaries hold their own shares.

11.3 Retained earnings and currency translation differences

Accumulated deficits/retained earnings comprise accumulated and unappropriated earnings.

The consolidated accumulated deficits/retained earnings include non-distributable legal reserves of TCHF 371 (2020: TCHF 347).

Total currency translation differences amount to TCHF - 5 015 (2020: - 221), of which TCHF - 2 226 (2020: - 85) are arising from long-term intercompany loans with equity character.

All amounts are in CHF 000 unless otherwise noted

12 Information by Segment

The segment revenues for the year ended December 31, 2021, are as follows:

	Switzerland	Germany	Spain	France	Italy	Portugal	EPE	Group
Total segment revenue	956	1 374	7 396	2 763	651	4 019	720	17 880
Inter-segment revenue	-	-	-	-	-	-	-720	-720
Revenue from external customers	956	1 374	7 396	2 763	651	4 019	-	17 160
EBITDA	822	1 056	5 614	2 227	528	3 565	-769	13 043
EBITDA in % of revenue	86.0%	76.9%	75.9%	80.6%	81.1%	88.7%		76.0%

The operations of the Mogadouro plant that started in January 2021 yielded the revenues in Portugal of TCHF 4 019, and generated the highest EBITDA margin of 88.7 %.

The segment revenues for the year ended December 31, 2020, are as follows:

	Switzerland	Germany	Spain	France	Italy	Portugal	EPE	Group
Total segment revenue	1 070	1 477	6 308	2 801	450	-	969	13 075
Inter-segment revenue	-	-	-	-	-	-	-708	-708
Revenue from external customers	1 070	1 477	6 308	2 801	450	-	261	12 367
EBITDA	920	1 137	4 454	2 228	310	-29	-321	8 700
EBITDA in % of revenue	86.0%	77.0%	70.6%	79.5%	69.0%			70.3%

All amounts are in CHF 000 unless otherwise noted

13 Pension Fund Liabilities

Economic benefit/economic obligation and pension plan expenses:

	Surplus / Deficit according to Swiss GAAP ARR 26	Economic impact Group		Change to prior year or charge to income current year	Contri- butions for the period	Pension plan expenses in personnel expenses	
	31.12.2021	31.12.2021	31.12.2020			2021	2020
Pension schemes with funding surplus/deficit Switzerland	0	0	0	0	52	52	55
Pension institutions with funding surplus/deficit abroad	0	0	0	0	0	0	0
Unfunded pension schemes	0	0	0	0	0	0	0
Total	0	0	0	0	52	52	55

	Surplus / Deficit according to Swiss GAAP FER 26	Economic impact Group		Change to prior year or charge to income current year	Contri- butions for the period	Pension plan expenses in personnel expenses	
	31.12.2020	31.12.2020	31.12.2019			2020	2019
Pension schemes with funding surplus/deficit Switzerland	0	0	0	0	55	55	51
Pension institutions with funding surplus/deficit abroad	0	0	0	0	0	0	0
Unfunded pension schemes	0	0	0	0	0	0	0
Total	0	0	0	0	55	55	51

The employees of Edisun Power Europe Ltd. are insured under a collective pension plan. Consequently, due to its joint and several nature, the information to be disclosed cannot be determined on the basis of the individual participation agreement. The level of coverage of the collective plan as a whole, however, amounted to 122.7 % at the end of 2021 (116.9 % at the end of 2020).

All amounts are in CHF 000 unless otherwise noted

14 Personnel Expenses

	2021	2020
Wages and salaries	- 662	- 664
Social security costs	- 114	- 123
Other personnel costs	- 49	- 34
Total	- 825	- 822

15 Leasing Commitments

The Group's fixed operating leasing commitments that cannot be cancelled within 12 months and which are not recognized in the balance sheet are due as follows (not discounted):

	31.12.2021	31.12.2020
Less than 1 year	802	658
Between 1 and 5 years	3 149	4 603
Over 5 years	11 911	11 344
Total	15 863	16 606

The figures in the preceding table mainly include rental contracts for land and roofs on which the Group's PV systems are built.

16 Financial Income and Expenses

	2021	2020
Interest income on loans	1	1
Interest income on payments for PV projects	1 315	1 487
Interest income from related parties (SEIAG)	828	0
Foreign exchange gains	52	24
Financial income	2 196	1 512
Borrowings third-party	- 1 669	- 1 258
Straight bonds	- 1 162	- 1 096
Foreign exchange losses	- 248	- 135
Other financial expenses	- 320	- 58
Financial expense	- 3 398	- 2 547
Net finance cost	- 1 202	- 1 035

The interest income from related parties includes the amount of TCHF 828 SEIAG is paying to cover project financing costs related to projects in Portugal.

All amounts are in CHF 000 unless otherwise noted

17 Income Tax Expenses

	2021	2020
Current income tax expenses	- 668	- 471
Deferred income tax expenses	- 343	- 5
Total income tax expenses	- 1 011	- 476
Reported tax rate	- 18.3 %	- 12.6 %

The reported tax rate is 18.3 % versus 12.6 % in 2020. The increase is due to the increase of the net profit before taxes in the higher tax countries, especially in Portugal. The reported tax rate takes into account the usage of previously unrecognized tax loss carry-forwards.

No deferred income tax assets are recognized for tax loss carry-forwards.

As of December 31, 2021, the Group has tax losses for which no deferred tax asset has been recognized with an amount of TCHF 9 179 (2020: 8 382). The total deferred income tax asset arising from unused tax loss carry-forwards in the individual countries would amount to TCHF 1 763 (2020: 1 713).

18 Earnings per Share

Basic earnings per share is calculated by dividing the earnings attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as treasury shares.

	2021	2020
Profit attributable to equity holders of the Group	4 508	3 294
Weighted average number of ordinary shares outstanding	1 035 821	1 035 821
Basic and diluted earnings per share (CHF per share)	4.35	3.18

19 Dividends per Share

In 2021, a dividend of CHF 1.10 per share was paid out (2020: CHF 1.10).

20 Contingencies

The Group has contingent liabilities in respect of legal claims arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for.

21 Commitments and Collaterals

The following current and future receivables from the sale of solar power to local electricity companies have been pledged to secure third-party borrowings:

	31.12.2021	31.12.2020
to banks	53 110	58 329
to bond-holders	0	0
Total	53 110	58 329

The book value of the receivables and PV plants pledged to secure bank financings amount to TCHF 1 812 (2020: 1764) and the total book value to the banks yields the amount of TCHF 88 501 (2020: 96 062), respectively. There were no other commitments as of December 31, 2021 and December 31, 2020, respectively.

All amounts are in CHF 000 unless otherwise noted

22 Related-Party Transactions

Related party transactions are reported in the consolidated financial statements for 2021 and 2020 and consist of the following positions:

Transactions with shareholders SEIAG and indirectly related SEGAG:	2021	2020
Other operating income (see note 2.15)	0	261

Related to SEGAG:

Non-interest bearing long-term Loan related to Purchase of PV projects (see notes 5.2 and 9)	130 662	0
Accounts payables for acquired shareholder loans (see notes 5.2 and 8)	7 673	0
Cash payments for acquisition of PV projects (see note 5.2)	23 936	0
Sale of electricity to Muon (see note 12)	4 019	0

Related to SEIAG:

Receivable related to PV projects in Portugal (see note 4)	1 630	0
Payables related to PV projects in Portugal (see note 8)	18 845	6 411
Financial income related to settlement of financing costs (see notes 4 and 16)	828	0
Interest income related to advance payments for PV projects (see notes 4 and 16)	3 177	1 487

Muon is an electricity trading company that is a 100% subsidiary of Smartenergy Group AG.

23 Events after the Balance Sheet Date

There are no relevant events after the balance sheet date which would have a significant impact on the 2021 financial statements.

Key Management and Board Compensation:	2021	2020
Salaries and other short-term employee benefits	636	600
Social benefits (employer's contribution)	101	96
Termination benefits	0	0
Total compensation	737	697



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STATUTORY AUDITOR'S REPORT

To the General Meeting of Edisun Power Europe Ltd., Zurich

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Edisun Power Europe Ltd. and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2021 and the consolidated income statement, consolidated cash flow statement and consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements (pages 26 to 53) give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matter

How our audit addressed the Key Audit Matter

Recoverability of property, plant and equipment (PV plants)

The property, plant and equipment amount to CHF 358.5 million (88.4% of total assets) as of 31 December 2021. Property, plant and equipment mainly consist of photovoltaic systems (PV plants).

We consider the valuation of PV plants as a particularly significant area due to the size of the carrying value and judgments involved in assessing the recoverability of these assets. Those judgments relate to the future performance of the PV plants and the discount rates applied to future cash flow forecasts.

We refer to Note 5 to the consolidated financial statements for the Group's disclosure on property, plant and equipment.

Management assessed the recoverability of PV plants and shared the results with us. We critically evaluated and challenged the assumptions made by management. Management had followed a clearly documented process for drawing up future cash flow forecasts, which was subject to timely oversight and challenge by the Board of Directors. We compared the current year actual results with the figures included in the prior year forecasts to consider whether any forecasts included assumptions that, with hindsight, had been optimistic.

With the assistance of an internal expert, we challenged the accuracy of the model used and management's assumptions on the revenue, by comparing them to economic and industry forecasts and the discount rate, by assessing the cost of capital for comparable organisations, as well as considering territory specific factors.

Purchase of PV projects

On 31 December 2021, Edisun Power Europe Ltd. acquired a project pipeline of photovoltaic projects with a total capacity of 703 MW for an acquisition price of CHF 162.3 million from its related party Smartenergy Group AG.

We consider this transaction as a particularly significant area due to the size of the transaction and judgments involved in assessing the acquisition price.

We refer to Note 5.2 to the consolidated financial statements for the Group's disclosure on the acquisition.

We reviewed the general transaction agreement and the specific Share Purchase Agreements for selected PV projects.

The underlying assumptions in the price models for the acquired projects were compared with existing PV projects and the assumptions used in the last acquisitions in 2019.

We challenged management's assumptions on the production, the selling prices, the operating and capital expenditures through various interviews. Additionally, with the help of an internal expert, we assessed the accuracy of the model used to calculate the acquisition price.



Responsibility of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the website of EXPERTsuisse: <http://expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Zurich, 24 March 2022

BDO Ltd

Christoph Tschumi
Auditor in Charge
Licensed Audit Expert

Guido Schwengeler
Licensed Audit Expert

Statutory Financial Statements of Edisun Power Europe Ltd.

Balance Sheet Edison Power Europe Ltd.

	Notes	31.12.2021 TCHF	31.12.2020 TCHF
Assets			
Current assets			
Cash and cash equivalents		7 670	2 701
Other current receivables from third parties		514	531
Receivables from shareholders	3.2.1	2 459	0
Other current receivables from group companies	2.2/3.2	8 186	8 372
Accrued income and deferred expenses	2.6	3 194	538
Total current assets		22 023	12 142
Non-current assets			
Loans to group companies	2.3/3.2	60 663	62 092
Other financial assets		0	0
Investments in subsidiaries and associates	2.4/3.3	239 492	63 857
Accrued income and deferred expenses	2.6	193	1 546
Total non-current assets		300 349	127 495
Total assets		322 372	139 637
Liabilities and equity			
Short-term liabilities			
Trade payables to third parties	3.6	47	67
Other payables to direct and indirect shareholders	3.6	26 518	0
Trade payables to group companies		14	17
Short-term interest-bearing liabilities	2.7/3.4	13 315	12 250
Other payables	3.6	60	24
Accrued expenses and deferred income	3.6	643	481
Total short-term liabilities		40 598	12 839
Long-term liabilities			
Long-term interest-bearing liabilities to third parties	2.7/3.4/3.5	67 094	40 631
Long-term non interest-bearing liabilities to direct and indirect shareholders	3.4.1	130 662	0
Long-term interest-bearing liabilities to group companies		7 973	7 793
Long-term provisions		0	80
Total long-term liabilities		205 729	48 503
Total liabilities		246 327	61 342
Shareholders' equity			
Share capital		31 075	31 075
Reserves from capital contributions	4.4	48 090	49 229
Loss brought forward		- 2 009	- 3 524
Profit/(Loss) for the period		- 1 111	1 515
Total equity		76 045	78 295
Total liabilities and equity		322 372	139 637

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

Income Statement Edisun Power Europe Ltd.

	Notes	2021 TCHF	2020 TCHF
Revenue from sales of services	2.9	720	708
Other income	3.1	0	261
Total revenues		720	969
Personnel expenses		- 825	- 822
Rental and maintenance expenses	2.10/3.8	- 44	- 44
Administration expenses		- 582	- 371
Advertising expenses		- 5	- 10
Other operating expenses		0	0
Earnings before interest, tax, depreciation and amortization (EBITDA)		- 736	- 279
Depreciation and amortization		- 78	- 74
Impairment reversal	3.2	0	400
Earnings before interest and taxes (EBIT)		- 814	47
Financial income	3.7	5 062	3 862
Financial expenses	3.7	- 5 319	- 2 356
Earnings before taxes (EBT)		- 1 071	1 554
Taxes		- 40	- 39
Profit/(Loss) for the period		- 1 111	1 515

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

Notes to the Financial Statements Edisun Power Europe Ltd.

1 General Information

1.1 Legal form, registered office and capital

Edisun Power Europe Ltd., which is listed on the SIX Swiss Exchange in Zurich (Switzerland), is the holding company of the Edisun Power Group. The company was established on December 1, 2005 as a stock corporation and is domiciled in Zurich.

The share capital of Edisun Power Europe Ltd. amounts to CHF 31 074 630.00 and consists of 1 035 821 registered shares with a par value of CHF 30.00 each.

2 Key Accounting and Valuation Principles

2.1 Accounting principles applied in the preparation of the financial statements

These financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 to 963b CO). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

Edisun Power Europe Ltd. is presenting consolidated financial statements according to Swiss GAAP FER. As a result, these financial statements and notes do not include additional disclosures, cash flow statement and management report.

2.2 Trade and other current receivables

Trade and other short-term receivables mainly include receivables from subsidiaries and are carried at their nominal value. Impairment charges are calculated for these assets on an individual basis.

2.3 Financial assets

Financial assets mainly include loans to subsidiaries and are carried at their nominal value. Impairment charges are calculated for these assets on an individual basis.

2.4 Investments in subsidiaries and associates

Investments in subsidiaries and associates are carried at cost less impairment charges. Impairment charges are calculated for these assets on an individual basis.

2.5 Property, plant and equipment

Tangible fixed assets are valued at acquisition or manufacturing costs less accumulated depreciation. The straight-line depreciation method is used for tangible fixed assets according to their expected useful life.

2.6 Accrued income and deferred expenses

Accrued income and deferred expenses mainly include accrued interest income on prepayments for PV projects, capitalized borrowing costs and capitalized software development costs. Capitalized costs are amortized using the straight-line method over the contractual duration of the financing (for capitalized borrowing costs) or over five years (for capitalized software development costs).

2.7 Interest-bearing liabilities

Interest-bearing liabilities are valued at their nominal value. Issuing costs of bonds are carried in accrued income and deferred expenses and are amortised using the straight-line method over the term of the bond.

2.8 Foreign currency items

The currency in which Edisun Power Europe Ltd. operates is CHF. Transactions in foreign currencies are converted into the currency in which the company operates (CHF) at the exchange rate on the day the transaction takes place.

Monetary assets and liabilities in foreign currencies are converted into the currency in which the company operates (CHF) at the exchange rate on the balance sheet date. Any profits or losses resulting from the exchange are recorded in the income statement.

Euro exchange rate applied on balance sheet 31.12.2021: CHF 1.03545 (31.12.2020: CHF 1.0823).

2.9 Revenue recognition

Edisun Power Europe Ltd. records the gross invoice amount from the sale of services as revenues from sales of services. Edisun Power Europe Ltd. recognizes revenue when the amount of revenue can be reliably measured and it is likely that future economic benefits will flow to the entity. The sale of services is invoiced twice a year at the end of each semester.

2.10 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

3 Information Relating to Items on the Balance Sheet and Profit and Loss Accounts

3.1 Other income

Other income includes revenues from support for the development of new PV projects by providing financing guarantees.

3.2 Intercompany loans and receivables

	31.12.2021 TCHF	31.12.2020 TCHF
Other receivables from group companies (gross amount)	8 186	8 372
Impairment	0	0
Other receivables from group companies (net amount)	8 186	8 372
Loans to group companies (gross amount)	72 010	73 439
Impairment	- 11 347	- 11 347
Loans to group companies (net amount)	60 663	62 092

Loans to group companies include subordinated loans in the amount of CHF 36.9 million (2020: CHF 38.1 million).

On the 31.12.2021 as per agreement between Smartenergy Group AG and Edisun Power, Edisun Power acquired shareholder loans in the amount of TCHF 7 673 in favor of the new entities corresponding to 703 MWp (see Notes 3.3).

3.2.1 Receivables from shareholders (SEIAG)

	31.12.2021 TCHF	31.12.2020 TCHF
Receivables from shareholders (SEIAG)	2 459	0

Smartenergy Invest AG (SEIAG) offered and agreed with Edisun Power to cover TCHF 828 project related financing costs for projects in Portugal.

Further, SEIAG takes over as commercially agreed the substation and additional connection costs of TCHF 1 630.

3.3 Equity participations

Direct equity participations

		31.12.2021		31.12.2020	
		Capital	Share	Capital	Share
Edisun Power Schweiz AG, Zurich	TCHF	100.0	100%	100.0	100%
Edisun Power GmbH, Sigmaringen	TEUR	750.0	100%	750.0	100%
Edisun Power Iberia SA, Madrid	TEUR	61.0	100%	61.0	100%
Edisun Power France SAS, Lyon	TEUR	2 800.0	100%	2 800.0	100%
Edisun Power Italia SRL, Andriano	TEUR	10.0	100%	10.0	100%
Smartenergy 1705 LDA, Lisbon	TEUR	0.1	100%	0.1	100%
Smartenergy 1706 SA, Lisbon	TEUR	50.1	100%	50.1	100%
Smartenergy 1810 LDA, Lisbon	TEUR	0.1	100%	0.1	100%
Smartenergy 1813 LDA, Lisbon	TEUR	0.1	100%	0.1	100%
Smartenergy 1814 LDA, Lisbon	TEUR	0.1	100%	0.1	100%
Smartenergy SOL20120015 SLU, Valencia	TEUR	3.0	100%	-	-
ES2025 Smartenergy SLU, Valencia	TEUR	3.0	100%	-	-
ES2026 Smartenergy SLU, Valencia	TEUR	3.0	100%	-	-
Smartenergy2001 SRL, Milano	TEUR	10.0	100%	-	-
Smartenergy2003 SRL, Milano	TEUR	10.0	100%	-	-
SmartenergyIT2104 SRL, Milano	TEUR	10.0	100%	-	-
SmartenergyIT2105 SRL, Milano	TEUR	10.0	100%	-	-
SmartenergyIT2106 SRL, Milano	TEUR	10.0	100%	-	-
SmartenergyIT2108 SRL, Milano	TEUR	10.0	100%	-	-
SmartenergyIT2109 SRL, Milano	TEUR	10.0	100%	-	-
SmartenergyIT2111 SRL, Milano	TEUR	10.0	100%	-	-
SmartenergyIT2113 SRL, Milano	TEUR	10.0	100%	-	-
Smartenergy 1808 LDA, Lisbon	TEUR	0.1	100%	-	-
Smartenergy 1821 LDA, Lisbon	TEUR	0.1	100%	-	-

Indirect equity participations		31.12.2021		31.12.2020	
		Capital	Share	Capital	Share
Edisun Power Beteiligungs-UG, Sigmaringen	TEUR	1.0	100 %	1.0	100 %
PV Hörselgau UG & Co. KG, Sigmaringen	TEUR	16.0	100 %	16.0	100 %
PV Leipzig Alter Flughafen UG & Co. KG, Sigmaringen	TEUR	400.0	100 %	400.0	100 %
Edisun Power Iberia Beta SA, Madrid	TEUR	61.0	100 %	61.0	100 %
Edisun Power Iberia Gamma SA, Madrid	TEUR	61.0	100 %	61.0	100 %
Edisun Power Iberia Delta SA, Madrid	TEUR	61.0	100 %	61.0	100 %
Edisun Power Iberia Epsilon SA, Madrid	TEUR	61.0	100 %	61.0	100 %
Salinas Energia Solar SL, Madrid	TEUR	20.0	100 %	20.0	100 %
Cortadeta Fotovoltaica SL, Madrid	TEUR	3.1	100 %	3.1	100 %
Sol de Tilla SL, Madrid	TEUR	3.1	100 %	3.1	100 %
Digrun Grun SL, Madrid	TEUR	1 490.8	100 %	1 490.8	100 %
Tenpro Renovables SL, Madrid	TEUR	3.1	100 %	3.1	100 %
Renovables del Condado SL, Madrid	TEUR	750.0	100 %	750.0	100 %
Smartenergy Sol20120014 SL, Madrid	TEUR	3.0	100 %	3.0	100 %
Smartenergy Sol20120016 SL, Madrid	TEUR	3.0	100 %	3.0	100 %
Sainte Maxime Solaire SAS, Lyon	TEUR	50.0	100 %	50.0	100 %
CTG Baal SRL, Andriano	TEUR	30.0	100 %	30.0	100 %
HCMI - SGPS SA, Lisbon	TEUR	50.0	100 %	50.0	100 %
Central Fotovoltaica da Mina LDA, Lisbon	TEUR	1.0	100 %	1.0	100 %
Ignichoice Renewable Energy SA, Lisbon	TEUR	1 000.0	100 %	1 000.0	100 %
Renovaplust Energías Renovables SLU, Valencia	TEUR	3 193.8	100 %	-	-
Abastecimiento Energético Solar SLU, Valencia	TEUR	3 095.4	100 %	-	-
Remosol Energías Renovables SLU, Valencia	TEUR	3 108.1	100 %	-	-
Madrid Fotovoltaica SLU, Valencia	TEUR	3 118.8	100 %	-	-
Microclima Solar SLU, Valencia	TEUR	3 178.7	100 %	-	-
Renovar Energía SLU, Valencia	TEUR	3 155.8	100 %	-	-
Enemir Solar SLU, Valencia	TEUR	2 970.9	100 %	-	-
Subestacion Renovables del Mediterraneo SL, Valencia	TEUR	840.9	100 %	-	-
32 Instalación Solar Mazarron SLU, Valencia	TEUR	3.0	100 %	-	-
9 Instalación Solar Mazarron SLU, Valencia	TEUR	3.0	100 %	-	-
38 Instalación Solar Mazarron SLU, Valencia	TEUR	3.0	100 %	-	-
Comercial Seimeira III SLU, Valencia	TEUR	3.0	100 %	-	-
Newell Sells Spain SLU, Valencia	TEUR	3.0	100 %	-	-

On 31.12.2021, Edisun Power acquired a project pipeline of photovoltaic projects in Spain, Portugal and Italy with a total planned capacity of 703 MW from Smartenergy Group AG.

The acquisition of projects from Smartenergy Group AG represent the new 14 direct participations and 13 indirect participations that are consolidated in the Edisun Power Group perimeter.

3.4 Interest bearing liabilities

	31.12.2021 TCHF	31.12.2020 TCHF
Loans from shareholders	0	0
2.00 % Bond 2016 – 2021	0	12 250
2.00% Bond 2017 – 2022	13 315	0
Total short-term interest bearing liabilities	13 315	12 250
2.25 % Bond 2015 – 2023	3 980	3 980
2.00 % Bond 2017 – 2022	0	13 315
2.00 % Bond 2019 – 2024	22 615	22 615
2.00 % Bond 2021 – 2026	39 790	0
Loans from third parties	0	0
Loans from shareholders	709	721
Total long-term interest bearing liabilities	67 094	40 631

In November 2021 Edisun Power successfully placed the bond issue for the amount of TCHF 39 790 with the maturity 2026 and the coupon of 2%.

3.4.1 Non interest bearing long-term liabilities

The following table provides details on the non-interest bearing long term liabilities:

	31.12.2021 TCHF	31.12.2020 TCHF
Loan from direct and indirect shareholders	130 662	0

As per Agreement signed on 31.12.2021 between Edisun Power Europe Ltd. and Smartenergy Group AG, the acquisition of PV projects is to a major extent financed by a TCHF 130 662 non-interest bearing loan from Smartenergy Group AG as commercially agreed supporting and efficiently financing the growth path of Edisun Power.

3.5 Collateral for third-party liabilities

Neither in 2021 nor in 2020 any receivables from energy deliveries from the sale of solar power to local electricity companies of the subsidiaries of Edisun Power Europe Ltd. have been pledged to secure third-party loans or straight bonds.

However, Edisun Power Europe Ltd. has provided a guarantee of TCHF 2 795 (2020: TCHF 3 845) to secure bank financing for Edisun Power France SAS.

3.6 Trade and other payables

The following table provides details on trade payables and other payables:

	31.12.2021	31.12.2020
	TCHF	TCHF
Trade payables to third parties	47	35
Other payables to direct and indirect shareholders	26518	0
Trade payables to group companies	14	17
Payables to shareholders	0	32
Social security and other taxes	60	24
Total	26639	108

The following table provides details on accrued costs:

Interest on borrowings	308	242
Tax provision	114	106
Other accrued costs	222	132
Total	643	480

The Edisun Power Board concluded an agreement with Smartenergy Invest AG (SEIAG) related to the Portuguese PV plants projects. Edisun Power owes TCHF 7002 for substantial savings and TCHF 10808 for the purchase of additional PV projects (add-ons to existing plants).

Edisun Power owes as per SPA signed in 2019 with Smartenergy Invest (SEIAG) TCHF 1035 to SEIAG for having reached the Commercial Operation Date (COD) for the large solar plant Mogadouro.

3.7 Financial income and expenses

The following table provides details on financial income and expenses:

	2021	2020
	TCHF	TCHF
Interest income on intercompany loans	1360	1458
Foreign exchange gains	1558	917
Other financial income	1315	1487
Financial income from direct shareholders (SEIAG)	828	0
Financial income	5062	3862
Interest on straight bonds	-1119	-1053
Interest on loans	-18	-18
Interest on intercompany loans	-233	-76
Foreign exchange losses	-3901	-1192
Other financial expenses	-47	-16
Financial expenses	-5319	-2356

Smartenergy Invest AG (SEIAG) offered and agreed with Edisun Power to cover TCHF 828 project related financing costs for projects in Portugal.

3.8 Leasing commitments

The Group's fixed operating leasing commitments that cannot be cancelled within 12 months and which are not recognized in the balance sheet are due as follows (not discounted):

	31.12.2021	31.12.2020
	TCHF	TCHF
Less than 1 year	56	56
Between 1 and 5 years	102	158
Over 5 years	0	0
Total	158	214

The figures in the preceding table exclusively include the rental contract for the business premises of the Company.

4 Other Information not visible in the Balance Sheet or Income Statement

4.1 Significant shareholders

	31.12.2021 in %	31.12.2020 in %
Smartenergy Invest AG	30.4 %	27.7 %
Community of heirs of Nef Hans	15.6 %	19.5 %
Eberhard Martin	9.2 %	9.3 %
Mirabaud - Equities Swiss Small and Mid	4.8 %	4.8 %

4.2 Shares held by management and administrative bodies

Board of Directors

	31.12.2021	31.12.2020
Horst H. Mahmoudi (through Smartenergy Invest AG)	314 675	n/a
Rainer Isenrich (Member until December 9, 2021)	4 000	4 000
Fulvio Micheletti	3 675	3 526
Reto Klotz	4 605	4 225
José Luis Chorro López	150	0
Marc Klingelfuss	0	n/a
Total	327 105	11 751

Management Board

	31.12.2021	31.12.2020
Rainer Isenrich, CEO until December 9, 2021	4 000	4 000
Reto Simmen, CFO until August 31, 2021	850	850
Total	4 850	4 850

Rainer Isenrich has been CEO of Edisun Power until December 9, 2021. As part of the strategic realignment, the Board of Directors had decided on December 9, 2021

to discontinue the function of CEO and to dissolve the employment relationship with the CEO Rainer Isenrich. He handed over the management of the company to Horst H. Mahmoudi, Chairman of the Board of Directors.

Reto Simmen was serving as CFO until August 31, 2021 and left the company at the end of October 2021. The Board of Directors had decided on June 9, 2021 to transfer temporarily the function of CFO on a mandate basis to the Smartenergy Group AG. The mandate commenced on September 1, 2021.

All management transactions can be accessed on the SIX website:

www.ser-ag.com/en/resources/notifications-market-participants/management-transactions.html

4.3 Full-time equivalents

The annual average number of full-time equivalents for both 2021 and 2020 did not exceed 10.

4.4 Breakdown of the capital reserves

The capital reserves are broken down as per domestic reserves and foreign reserves.

	31.12.2021	31.12.2020
Capital reserves domestic	43 937	45 076
Capital reserves foreign	4 153	4 153
Capital reserves total	48 090	49 229

4.5 Subsequent events

There are no relevant events after the balance sheet date which would have a significant impact on the 2021 financial statements.

Appropriation of Available Earnings

Proposal for the appropriation of reserves from capital contribution

	2021 in CHF	2020 in CHF
Capital contribution reserves before proposed distribution	48 089 965	49 229 368
Proposed distribution of capital contribution reserves (2021: CHF 1.10 per share; 2020: CHF 1.10 per share)	- 1 139 403	- 1 139 403
Capital contribution reserves after proposed distribution	46 950 562	48 089 965

The Board of Directors proposes to the annual general meeting of shareholders a cash distribution of CHF 1.10 per registered share payable out of capital contribution reserves.



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STATUTORY AUDITOR'S REPORT

To the General Meeting of Edisun Power Europe Ltd., Zurich

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Edisun Power Europe Ltd. (the Company), which comprise the balance sheet as at 31 December 2021 and income statement and notes for the year then ended, including a summary of significant accounting policies.

In our opinion the financial statements (pages 58-68) as at and for the year ended 31 December 2021 comply with Swiss law and the company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on Key Audit Matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matter

How our audit addressed the Key Audit Matter

Valuation of investments in subsidiaries, loans and other current receivables to group companies

The investments in subsidiaries, loans and other current receivables to group companies amount to CHF 308.3 million (95.7% of assets) as of 31 December 2021.

We consider the valuation of investments, loans and other current receivables to group companies as a particularly significant area due to the size of the carrying value and judgement involved in assessing the recoverability of these assets.

Investments, loans and other current receivables to group companies are not subject to scheduled depreciation, but impairments for possible value adjustments.

The valuation methods imply considerable judgment with respect to assumptions about the future results of the business and the discount rates applied to future cash flow forecasts.

Management assessed the recoverability of investments in subsidiaries, loans and other current receivables to group companies and shared the results with us. We critically evaluated and challenged the assumptions made by management. As a basis for the valuation the earnings of individual photovoltaic plants were used. Management had followed a clearly documented process for drawing up future cash flow forecasts, which was subject to timely oversight and challenge by the Board of Directors.

We compared the current year actual results with the figures included in the prior year forecasts to consider whether any forecasts included assumptions that, with hindsight, had been optimistic.

With the assistance of an internal expert, we challenged the accuracy of the model used and management's assumptions on the revenue, by comparing them to economic and industry forecasts and the discount rate, by assessing the cost of capital for comparable organisations, as well as considering territory specific factors.

Investment in PV projects

On 31 December 2021, Edisun Power Europe Ltd. acquired a project pipeline of photovoltaic projects with a total capacity of 703 MW for an acquisition price of CHF 162.3 million (for investments and loans) from its related party Smartenergy Group AG.

We consider this transaction as a particularly significant area due to the size of the transaction and judgments involved in assessing the acquisition price.

We refer to Note 3.3 to the financial statements for the Company's disclosure of the equity participations.

We reviewed the general transaction agreement and the specific Share Purchase Agreements for selected PV projects.

The underlying assumptions in the price models for the acquired projects were compared with existing PV projects and the assumptions used in the last acquisitions in 2019.

We challenged management's assumptions on the production, the selling prices, the operating and capital expenditures through various interviews. Additionally, with the help of an internal expert, we assessed the accuracy of the model used to calculate the acquisition price.



Responsibility of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the website of EXPERTsuisse: <http://expertsuisse.ch/en/audit-report-for-public-companies>. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Zurich, 24 March 2022

BDO Ltd

Christoph Tschumi
Auditor in Charge
Licensed Audit Expert

Guido Schwengeler
Licensed Audit Expert

The Corporate Governance Report as well as the Financial Statements can be downloaded at: www.edisunpower.com

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