

Ad hoc announcement pursuant to Art. 35 LR

Zurich, March 24, 2023

Record result with good growth prospects

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

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

New record sale

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

Overall, the electricity production of 123'359 MWh was 2.6% higher than in 2021. This volume effect and a higher electricity price mix (+16.2%) more than compensated for the effect of the weaker average euro exchange rate (-5.8%) and led to a 10.2% increase in electricity revenues to CHF 18.81 million (2021: CHF 17.06 million).

The higher electricity price mix results from the electricity sales of those plants in Spain and Germany which were able to partially benefit from the higher electricity market prices and are not subject to the fixed subsidized electricity feed-in tariffs or power purchase agreements (PPA). The new emergency legal measures to contain energy prices in Spain and the repatriation of excess profits in Italy made it impossible limited better results.

Edisun Power benefited from dry weather conditions in Central Europe, particularly in the summer. Electricity production in Switzerland and Germany increased by 10.0% and 13.7%

respectively. The stormy weather during the last quarter, particularly in Portugal, Spain and Italy, caused lower revenues: compared with the same quarter of the previous year, electricity production in Portugal fell by 24.8%, despite the new "Betty" operational plant, in Spain by 16.4% and in Italy by 9.1%. As these three countries account for over 70% of sales, this weather-related reduction had a corresponding impact.

Profitability at a new level

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

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

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

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

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

High investments and new financing

At CHF 3.1 million, cash flow from operating activities is clearly below the previous year's result (2021: CHF 10.2 million). This is due to the sharp reduction in accounts payable, higher tax payments and the development expenses for the Italian plants that are up for sale. The development of the PV plants, which were acquired with a total of 783.6 MW in 2021, continues to progress. Together with the finalized construction of the large-scale plant

"Betty", the cash flow from investing activities amounted to over CHF 22.8 million (2021: 45.5 million due to acquisitions).

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

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

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

Outlook for the current year and dividend proposal

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

The Board of Directors is optimistic about the future thanks to the excellent result, the new large-scale "Betty" plant that has gone into operation and the operational outlook and proposes the distribution of a dividend of CHF 1.60 per share, increased by 50 centimes. This is a first step in line with the announced strategy to significantly increase dividends in the future.

The Edisun Power Annual Report 2022 is available on the Group's website:

<http://www.edisunpower.com/en/home-en/investors-en/reporting>

For further information

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Edisun Power group

As a listed European solar power producer, the Edisun Power Group finances and operates solar power plants in various European countries. Edisun Power started its operations in this field as early as 1997 and has been listed on the Swiss Stock Exchange since September 2008. Edisun Power has broad experience in the realization and purchase of both national and international projects, thanks in part to its strategic partnership with the Smartenergy Group. Currently, the company owns 39 solar power plants in Switzerland, Germany, Spain, France, Italy and Portugal.

Key figures of the Edisun Power Gruppe as at 31.12.

	2022	2021
Income statement	in TCHF	in TCHF
Total revenues	18 970	17 160
Revenue from sale of electricity	18 806	17 065
Other operating income	163	95
EBITDA	14 154	13 043
in % of total revenues	74.6 %	76.0 %
Depreciation and amortization	-5 940	-6 075
Impairment	-209	-247
EBIT	8 006	6 721
in % of total revenues	42.2 %	39.2 %
Net profit	10 225	4 508
in % of total revenues	53.9 %	26.3 %
per share in CHF	9.87	4.35
Balance sheet	in TCHF	in TCHF
Land, plant and equipment	319 018	358 454
Total assets	394 256	405 401
Total equity	76 458	80 095
in % of total assets	19.4 %	19.8 %
Net debt	260 353	250 290
Cash flow	in TCHF	in TCHF
From operating activities	3 096	10 214
From investing activities	-22 757	-45 470
From financing activities	18 796	37 075
Photovoltaic plants		
Number of photovoltaic plants	39	38
Installed capacity	107.1 MW	83.7 MW
Solar power production	123 359 MWh	120 254 MWh