



Edison Power Europe Ltd
Universitätstrasse 51
8006 Zurich

**Consolidated Interim
Financial Statements (unaudited)**

June 30, 2016

Consolidated Interim Balance Sheet (unaudited)

	<u>Notes</u>	<u>30.06.2016</u>	<u>31.12.2015</u>
<u>Assets</u>		TCHF	TCHF
Cash and cash equivalents		2'027	1'426
Trade receivables		1'791	1'381
Other receivables and current assets		446	384
Financial assets		3	3
Total current assets		4'267	3'194
Land, plant and equipment	6.1	53'923	55'167
Intangible assets		47	52
Financial assets and other long term assets		855	882
Total non-current assets		54'825	56'101
Total assets		59'092	59'295
<u>Liabilities and equity</u>			
Borrowings	6.2	8'594	6'643
Trade payables		430	264
Other payables		279	281
Accrued cost		721	972
Provisions		0	0
Income tax liabilities		160	159
Total current liabilities		10'184	8'319
Borrowings	6.2	39'290	41'833
Provisions		403	394
Total non-current liabilities		39'693	42'227
Total liabilities		49'877	50'546
Share capital		17'950	17'950
Share premium		-2'185	-2'185
Accumulated deficits		-6'550	-7'016
Total equity		9'215	8'749
Total liabilities and equity		59'092	59'295

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

Consolidated Interim Income Statement (unaudited)

	<u>Notes</u>	<u>01.01.2016 - 30.06.2016</u>	<u>01.01.2015 - 30.06.2015</u>
		TCHF	TCHF
Revenue from:			
sale of electricity		3'924	3'724
Other operating income		67	56
Total revenues	5, 7, 11	3'991	3'780
Personnel expenses		-349	-342
Rental and maintenance expenses		-475	-438
Administration expenses		-177	-232
Advertising expenses		-4	-5
Other operating costs		-192	-254
Earnings before interest, tax, depreciation and amortization (EBITDA)	5, 7, 11	2'794	2'509
Depreciation and amortization	6.1	-1'505	-1'293
Earnings before interest and taxes (EBIT)		1'289	1'216
Financial income		31	1
Financial expense		-1'042	-1'040
Net profit before income tax		278	177
Income tax		-7	-9
Net profit	7	271	168
Attributable to shareholders of Edisun Power Europe Ltd.		271	168
Attributable to non-controlling interests		0	0
Earnings per share (EPS) - expressed in CHF per share:			
Basic earnings per share		0.79	0.49
Diluted earnings per share		0.79	0.49

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

Consolidated Interim Cash-flow Statement (unaudited)

	Notes	01.01.2016 - 30.06.2016	01.01.2015 - 30.06.2015
		TCHF	TCHF
Net profit		271	168
Reversal of non-cash items:			
Depreciation and amortization	6.1	1'505	1'293
Impairment		0	0
Change in accruals and provisions		110	-10
Financial income		-31	-1
Financial expense		1'042	1'040
Income tax expense		7	9
Change in receivables and other current assets		-467	-528
Change in payables		162	313
Interest paid		-1'352	-1'401
Taxes paid		-8	0
Other non-cash items		31	24
Cash-flow from operating activities		1'270	907
Investments in plant and equipment		-25	-27
Disposal of tangible assets		0	0
Business acquisition, incl. capitalized cost	3	0	-918
Repayment from financial assets		0	8
Interest received		1	1
Cash-flow from investing activities		-24	-936
Issuance of bonds, net of transaction costs	6.2	0	3'461
Increase of other borrowings	6.2	5'988	4160
Repayment of borrowings	6.2	-6'642	-7'172
Cash-flow from financing activities		-654	449
Net change in cash and cash equivalents		592	420
Cash and cash equivalents at the beginning of the year		1'426	2'181
Exchange effects on cash and cash equivalents		9	-318
Cash and cash equivalents at the end of the period		2'027	2'283

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

Consolidated Interim Statement of Changes in Equity

	Attributable to shareholders of the company				Total Equity
	Share capital	Share premium	Accumulated deficits	Currency translation differences	
TCHF					
December 31, 2014	17'950	-2'185	-4'005	388	12'148
Net profit			168		168
Currency translation foreign subsidiaries				-5'546	-5'546
June 30, 2015	17'950	-2'185	-3'837	-5'158	6'770
December 31, 2015	17'950	-2'185	-3'288	-3'729	8'749
Net profit			271		271
Currency translation foreign subsidiaries				195	195
June 30, 2016	17'950	-2'185	-3'016	-3'534	9'215

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

Notes to the Consolidated Interim Financial Statements of Edisun Power Europe Ltd. (unaudited)

(all amounts in TCHF 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 the local electricity companies. The Group is present in Switzerland, Germany, Spain and France.

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

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

2. Basis of preparation and significant accounting policies

The consolidated financial statements cover the unaudited interim results for the six months ending 30 June 2016. They have been prepared in accordance with Swiss GAAP FER (Accounting and Reporting Recommendations). The consolidated interim financial statements for 2016 have been prepared in accordance with FER 31 "Supplementary Recommendation for Listed Companies". Furthermore, the accounting complies with the provisions of the listing rules of the SIX Swiss Exchange and with Swiss company law.

The interim financial statements do not contain all the information and disclosures required in the annual consolidated financial statements. They should therefore be read in conjunction with the annual financial statements for the year ended 31 December 2015. The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2015.

The consolidated interim financial statements were approved for issue by the Board of Directors on 25 August 2016.

3. Changes to Group structure

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

4. Currency translation rates

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

	Closing rate 30.06.2016	Average HY 2016	Closing rate 31.12.2015	Average HY 2015
1 EUR	1.0865	1.0962	1.0817	1.0739

Notes to the Consolidated Interim Financial Statements of Edisun Power Europe Ltd. (unaudited)

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5. Segment information

HY 2016	Switzerland	Germany	Spain	France	EPE	Group
Total segment revenue	496	525	1'644	1'326	296	4'288
Inter-segment revenue	0	0	0	0	-296	-296
Revenue from external customers	496	525	1'644	1'326	0	3'991
EBITDA	402	420	1'163	1'006	-197	2'794
<i>EBITDA in % of revenue</i>	<i>81.2%</i>	<i>79.9%</i>	<i>70.7%</i>	<i>75.8%</i>		<i>70.0%</i>

HY 2015	Switzerland	Germany	Spain	France	EPE	Group
Total segment revenue	559	544	1'491	1'186	170	3'950
Inter-segment revenue	0	0	0	0	-170	-170
Revenue from external customers	559	544	1'491	1'186	0	3'780
EBITDA	472	467	1'012	916	-358	2'509
<i>EBITDA in % of revenue</i>	<i>84.5%</i>	<i>85.8%</i>	<i>67.9%</i>	<i>77.2%</i>		<i>66.4%</i>

6. Balance sheet

The structure of the balance sheet remained largely unchanged compared to the end of the prior year. Total assets still amounted to about CHF 59 million driven largely by the value of the PV plants (91.2% of total assets, see also note 6.1). Current assets increased by about CHF 1 million due to the usual seasonal peak of trade receivables. On the other hand, the value of land, plant and equipment decreased by about the same amount due to the regular depreciation.

On the liabilities and equity side, total liabilities decreased by about CHF 0.7 million due mainly to the repayment of financial debt (see also note 6.2). At the same time, the equity increased by about CHF 0.5 million thanks to the half-year profit as well as a positive impact from the slight strengthening of the Euro against the Swiss franc. With that, equity ratio increased from 14.8% at December 31, 2015 to 15.6% at the end of the first semester of the current year.

6.1 Land, PV-Plants and equipment

HY 2016	Land	PV Plants	Assets under construction	FF&E	Total
Gross values					
Opening gross book amount as at January 1, 2016	1'033	68'293	404	249	69'979
Exchange differences	4	273	2	1	280
Additions	0	25	0	0	25
Disposals	0	0	0	0	0
Change in consolidation scope	0	0	0	0	0
Reclassifications	0	0	0	0	0
Closing gross book amount - June 30, 2016	1'037	68'591	406	250	70'284
Accumulated depreciation					
Opening amount as at January 1, 2016	617	13'790	163	242	14'812
Exchange differences	2	44	2	1	49
Disposals	0	0	0	0	0
Depreciation charge	0	1'498	0	2	1'500
Reclassifications	0	0	0	0	0
Closing amount - June 30, 2016	619	15'332	165	245	16'361
Net book value January 1, 2016	416	54'503	241	7	55'167
Net book value June 30, 2016	418	53'259	241	5	53'923

Notes to the Consolidated Interim Financial Statements of Edisun Power Europe Ltd. (unaudited)

(all amounts in TCHF unless otherwise noted)

HY 2015	Land	PV Plants	Assets under construction	FF&E	Total
Gross values					
Opening gross book amount as at January 1, 2015	1'149	63'914	450	262	65'775
Exchange differences	-156	-7'748	-60	-19	-7'983
Additions	0	51	0	0	51
Disposals	0	-11	0	0	-11
Change in consolidation scope	0	5'719	0	0	5'719
Reclassifications	0	6	0	0	6
Closing gross book amount - June 30, 2015	993	61'931	390	243	63'557
Accumulated depreciation					
Opening amount as at January 1, 2015	686	12'375	373	229	13'663
Exchange differences	-93	-1'636	-51	-14	-1'794
Disposals	0	-2	0	0	-2
Depreciation charge	0	1'258	0	8	1'266
Reclassifications	0	6	0	0	6
Closing amount - June 30, 2015	593	12'001	322	223	13'139
Net book value January 1, 2015	463	51'539	77	33	52'112
Net book value June 30, 2015	400	49'930	68	20	50'418

Total depreciation and amortization in the interim income statement 2016 includes a depreciation charge of TCHF 5 for intangible assets (2015: TCHF 27).

As per June 30, 2016 there were no impairment indicators and therefore no impairment test has been performed.

6.2 Borrowings

Current	30.06.2016	31.12.2015	30.06.2015
Loans from third-party	1'494	838	581
Straight bonds from third-party	7'100	5'805	2'895
Total current borrowings	8'594	6'643	3'476
Non-current	30.06.2016	31.12.2015	30.06.2015
Loans from third-party	17'707	14'171	10'323
Straight bonds from third-party	21'583	27'662	33'005
Total non-current borrowings	39'290	41'833	43'328

The increase of current borrowings in the first half of the year is due to the reclassification of both the 3.5% bond 2011-2017 with a nominal value of TCHF 1'295 and a bank loan in Germany in the amount of TEUR 330 due on 31 January 2017 from long- to short-term liabilities.

In terms of non-current borrowings, the first semester of the year was driven by the refinancing of two PV plants in Spain with a new long-term credit facility in the amount of EUR 5.6 million granted by the Dutch bank Triodos. The company used these proceeds to prematurely pay back the 4.5% bond 2007-2019 in the amount of TCHF 4'820 as per 30 April 2016.

All borrowings are carried at nominal value net of issuance cost associated with the borrowing.

Notes to the Consolidated Interim Financial Statements of Edisun Power Europe Ltd. (unaudited)

(all amounts in TCHF unless otherwise noted)

7. Income statement

The increase in total revenues by about 6% compared to the first semester of 2015 was mainly due to the two acquisitions the company made in 2015 with an impact of +13% on overall growth. In addition, the strengthening of the Euro against the Swiss franc had a slight positive impact of +2% on revenue growth. On the other hand, rather bad weather conditions led to a decline of sales on a comparable basis by about 6% and the reduction of the variable market price in Spain caused an additional revenue decrease of 3%.

On the cost side, expenses fell by about TCHF 70 vs. H1 2015, which, together with the revenue growth, led to an increase of EBITDA by 11% to TCHF 2'794. Due to the acquisition-driven increase of depreciations, EBIT climbed by only 6% to TCHF 1'216.

On the bottom-line, net result grew markedly by 61% from TCHF 168 to TCHF 271 thanks to the stabilization of financial expenses and an exchange rate gain of TCHF 30.

8. Dividends per share

No dividends were paid out as of 30 June 2016 and 2015, respectively.

9. Commitments

As of 30 June 2016 and 2015, respectively, the company had no outstanding commitments.

10. Related-party transactions

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

11. Seasonality

The solar electricity business is a seasonal business depending on the sun radiation. Typically, the first semester of the year has a slightly higher production (approx. 50-55%) than the second half of the year (approx. 45-50%). Due to the fixed-cost nature of the company's business, the pattern of this seasonality is also visible on the earnings side.

12. Events after the balance-sheet date

There are no subsequent events which would have a material impact on the consolidated interim financial statements 2016.