



Edison Power Europe Ltd.

Corporate Governance Report 2020 Financial Statements 2020

20

Content

Corporate Governance Report 2020

04	Executive Summary
06	Group Structure
08	Shareholders
10	Capital Structure
12	Board of Directors
17	Management Board
18	Compensation and Remuneration Report
21	Report of the Compensation Auditors
22	Shareholders' Participation Rights
23	Auditors
24	Information Policy
24	Financial Calendar

Financial Statements 2020

25	Consolidated Financial Statements
26	Balance Sheet
27	Income Statement
28	Cash Flow Statement
29	Statement of Changes in Equity
30	Notes
50	Report of the Group Auditors
53	Statutory Financial Statements
54	Balance Sheet
55	Income Statement
56	Notes
61	Appropriation of Available Earnings
62	Report of the Statutory Auditors

All values are rounded individually.

Corporate Governance Report 2020

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	2020	2019	2018
Ordinary share capital (in CHF)	31 074 630.00	31 074 630.00	15 370 920.00
Total shares	1 035 821	1 035 821	512 364

Significant shareholders as of December 31

	2020 Number of Shares	2020 in %	2019 in %
Smartenergy Invest AG	286 654	27.7 %	27.7 %
Community of heirs of Nef Hans ¹⁾	202 083	19.5 %	20.4 %
Eberhard Martin	95 987	9.3 %	9.2 %
Mirabaud - Equities Swiss Small and Mid	50 000	4.8 %	4.8 %

¹⁾ Hans Nef deceased on November 29, 2019

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

	2020
Total compensation of the Board of Directors	139 489
Total compensation of the Management Board	557 083

Highest total compensation in CHF

	2020
Board of Directors:	
Rainer Isenrich	44 219
Management Board:	
Rainer Isenrich	308 419

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, 2020:



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.

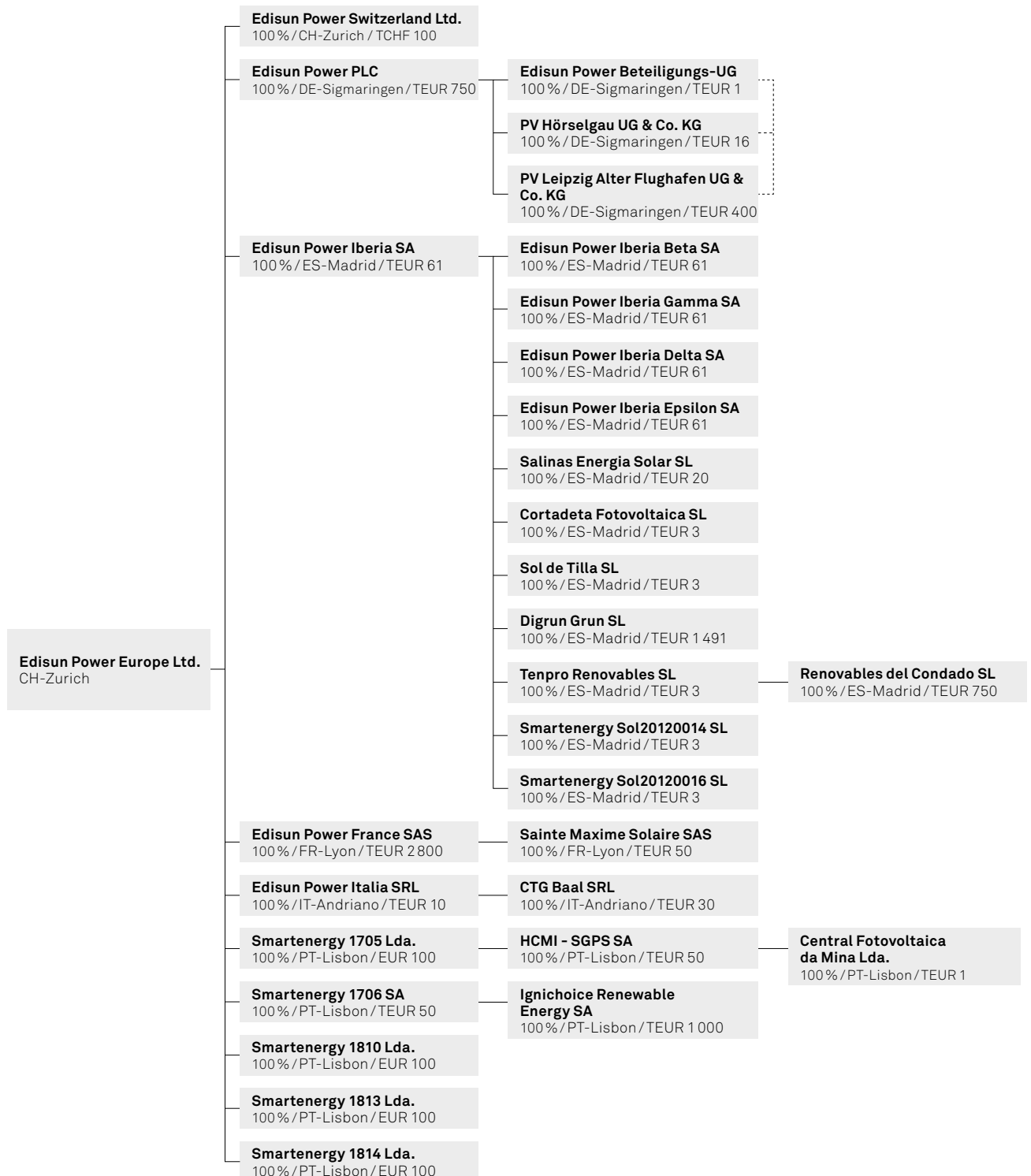
Key data for the shares of Edisun Power Europe Ltd. as of December 31:

	2020	2019	2018
Market capitalization (CHF m)	120.2	137.8	36.9
As a % of equity	147.0	172.7	182.7
Share price (CHF)	116.00	133.00	72.00

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, 2020 (share of ownership, registered office and share capital in local currency):



3 Shareholders

Registered shareholders

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

Number of shares held	2020	2019
1 – 100	535	448
101 – 1 000	468	449
1001 – 10 000	56	60
10 001 – 100 000	2	2
100 001 – 1 000 000	2	2
Total registered shareholders	1 063	961

Significant shareholders / Groups of shareholders

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

	2020 shares	2020 % of total	2019 % of total
Smartenergy Invest AG	286 654	27.7 %	27.7 %
Community of heirs of Nef Hans ¹⁾	202 083	19.5 %	20.4 %
Eberhard Martin	95 987	9.3 %	9.2 %
Mirabaud - Equities Swiss Small and Mid	50 000	4.8 %	4.8 %
Registered shareholders with holdings of less than 3 %	320 076	30.9 %	29.7 %
Not registered	81 021	7.8 %	8.0 %
Total shares	1 035 821	100.0 %	100.0 %

¹⁾ Hans Nef deceased on November 29, 2019

The above table shows the closing balances of the holdings of the significant shareholders as of December 31, 2020. All shareholder notifications from 2020 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	2020	2019
Individual shareholders	54 %	53 %
Legal entities	34 %	35 %
Nominees, fiduciaries	4 %	4 %
Not registered	8 %	8 %
Total	100 %	100 %

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

Origin	2020	2019
Switzerland	86 %	86 %
Europe (other than Switzerland)	6 %	6 %
Others	< 1 %	< 1 %
Not registered	8 %	8 %
Total	100 %	100 %

Cross-shareholdings

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

4 Capital Structure

On December 31, 2020, the capital of Edisun Power Europe Ltd. was as follows:

Ordinary share capital (CHF)	31 074 630.00
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 not been used in 2020 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	2020	2019	2018	2017	2016	2015	2014
Ordinary share capital (CHF)	31 074 630.00	31 074 630.00	15 370 920.00	15 370 920.00	17 949 818.80	17 949 818.80	17 949 818.80
Total shares	1 035 821	1 035 821	512 364	512 364	341 576	341 576	341 576
Authorized share capital (CHF)	15 000 000.00	4 246 290.00	7 500 000.00		5 000 000.00	5 000 000.00	–
Authorized shares	500 000	141 543	250 000		95 147	95 147	–

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. Before, since May 7, 2013, the par value has been CHF 52.55 per share, and prior to that it was CHF 100 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 Directors' 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.

Rainer Isenrich, holding both positions, Chairman and CEO, 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.

Rainer Isenrich, Chairman of the Board

born 1960, Swiss national
executive member

Rainer Isenrich has been a member of the company's Board of Directors since May 29, 2015, and has been elected by the General Assembly of Shareholders to serve as the Chairman from that date.

He studied electrical engineering at the Swiss Federal Institute of Technology (ETH) Zurich, gained a master's degree in Management from Georgia Institute of Technology (Atlanta, USA) and completed further studies in Innovation Management at IMD in Lausanne. Rainer Isenrich has accumulated extensive international professional and management experience in a diverse range of industries and roles. From 1990 to 2005 he worked for Georg Fischer, where, among other positions, he served as Chief Information Officer from 1997 to 2000 and was head of various business units and divisions from 2000 to 2005. From 2005 to 2008 he was CEO of Multi-Contact Group (today: Stäubli Electrical Connectors) and thereby also responsible for Multi-Contact's activities as the market leader in electrical connectors for photovoltaic modules. Subsequently Rainer Isenrich held various positions with automation specialist Infranor and plastics manufacturer Fischer Söhne AG.

He is a member of the board of directors of the following non-listed companies: Verpama AG (member since 2012), Younergy Solar AG (member and President since 2017) and Insolight SA (member since 2018).

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 Piora-Group (since 1.1.2020 as Financial Advisor to Piora Luxemburg S.a.r.l., Luxemburg).

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

Election procedure and limits on the term of office

The Articles of Association of Edisun Power Europe Ltd. provide that the Board of Directors consists of three to nine members. As of December 31, 2020, the Board of Directors had four 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 October 1, 2014, Reto Simmen, CFO of the Group, 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 assignments 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, 2020, the Audit Committee had three members: Fulvio Micheletti (Chairman of the Committee), Reto Klotz and José Luis Chorro López. 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 52 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, 2020, 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 2020 the Committee met four times, partly during a regular Board meeting with an average duration of 40 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 2020, the Board of Directors held ten meetings (seven ordinary and three extraordinary meetings) which were always attended by all members of the Committee. No telephone conferences were held in 2020, but five 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 responsibility. 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 risk 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 and currently includes only the CEO and the CFO.

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

born 1960, Swiss national

Rainer Isenrich has been CEO of Edisun Power since March 1, 2012. Since May 29, 2015 he was elected to be Chairman of the Board of Directors. From March 1, 2012 until April 30, 2016 he was additionally holding the position of CFO.

Rainer Isenrich studied electrical engineering at the Swiss Federal Institute of Technology (ETH) Zurich, gained a master's degree in Management from Georgia Institute of Technology (Atlanta, USA) and completed further studies in Innovation Management at IMD in Lausanne. Rainer Isenrich has accumulated extensive international professional and management experience in a diverse range of industries and roles. From 1990 to 2005 he worked for Georg Fischer, where, among other

positions, he served as Chief Information Officer from 1997 to 2000 and was head of various business units and divisions from 2000 to 2005. From 2005 to 2008 he was CEO of Multi-Contact Group (today: Stäubli Electrical Connectors) and thereby also responsible for Multi-Contact's activities as the market leader in electrical connectors for photovoltaic modules. Subsequently Rainer Isenrich held various positions with automation specialist Infranor and plastics manufacturer Fischer Söhne AG.

He is a member of the board of directors of the following non-listed companies: Verpama AG (member since 2012), Younergy Solar AG (member and President since 2017) and Insolight SA (member since 2018).

Reto Simmen, CFO

born 1971, Swiss national

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.

Reto Simmen is an Economics graduate (lic. oec. HSG), qualified as a CAIA (Chartered Alternative Investment Analyst) and has more than 20 years of experience in various functions in the area of corporate finance. After completing his studies in 1996, he began his career in corporate banking with Credit Suisse, and then worked as a corporate finance consultant with PricewaterhouseCoopers from 1999 to 2000. After that, he spent 10 years in investment banking as a financial analyst and partner with Swiss stockbroker NZB Neue Zürcher Bank. From 2010, Reto Simmen worked as an analyst for Rimesa Unternehmensberatungs AG, a consulting and investment firm, before joining Edisun Power Group on October 1, 2014.

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.

For 2020 the quantitative targets were: achieving the budgeted net profit as well as implementing the project pipeline in Portugal. The qualitative and strategic targets for 2020 were: Preparing for further growth and building a pipeline of additional projects.

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 170 000 for the compensation until the next General Assembly has been approved by the General Assembly 2020. 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 660 000 for the year under review has been approved by the General Assembly 2019. For 2020, a total Management Board bonus of CHF 70 000 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
Rainer Isenrich Chairman from 29.5.2015	2020	37 000	7 219	44 219	44 219
	2019	32 000	6 248	38 248	38 248
Hans Nef, Vice-Chairman from 29.5.2015 Deceased on 29.11.2019	2020	2 083	44	2 128	2 128
	2019	25 000	521	25 521	25 521
Fulvio Micheletti Member from 29.5.2015	2020	30 000	2 282	32 282	32 282
	2019	25 000	1 864	26 864	26 864
Reto Klotz Member from 18.5.2018	2020	30 000	860	30 860	30 860
	2019	25 000	521	25 521	25 521
José Luis Chorro López Member from 17.5.2019	2020	30 000	-	30 000	30 000
	2019	14 583	-	14 583	14 583

	2020	2019
Total compensation of the Board of Directors in CHF	139 489	130 737

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	2020	208 000	45 500	48 719	6 200	308 419
CEO	2019	204 000	65 000	49 296	6 300	324 596
Reto Simmen	2020	187 000	24 500	37 164	0	248 664
CFO	2019	180 000	35 000	36 139	0	251 139

	2020	2019
Total compensation of the Management Board in CHF	557 083	575 735

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

There were no other transactions with related parties in 2020 in accordance with Art. 16 of the OaEC.



Phone +41 44 444 35 55
 Fax +41 44 444 35 35
 www.bdo.ch

BDO Ltd
 Schiffbaustrasse 2
 8031 Zurich

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 2020.

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 2020 complies with Swiss law and articles 14 - 16 of the Ordinance.

Zurich, 25 March 2021

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. BDO AG was elected for a term of one year with Christoph Tschumi being the lead auditor. In 2020 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 2020 and 2019, were as follows (in CHF):

	2020	2019
Audit service	52 400	52 400
Audit related services	5 700	69 000
Other services	0	0
Total	58 100	121 400

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.

Other services include consulting, legal and tax support.

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-press-release/subscribe-en), as well as the General Assembly of Shareholders.

11 Financial Calendar

April 23, 2021

General Assembly of Shareholders of Edisun Power Europe Ltd.

August 27, 2021

Publication of Semi-Annual Report as of June 30, 2021
Media Information

March 25, 2022

Publication of the Annual Report as of December 31, 2021
Media Information

April 22, 2022

General Assembly of Shareholders of Edisun Power Europe Ltd.

Contact

Edisun Power Europe Ltd.
Investor Relations
Universitätstrasse 51
8006 Zurich
Switzerland
Phone +41 44 266 61 20
Fax +41 44 266 61 22
E-Mail: info@edisunpower.com
www.edisunpower.com

Investor Relations

Reto Simmen

Share register

Computershare Schweiz AG
Baslerstrasse 90
Postfach
4601 Olten
Switzerland

Consolidated Financial Statements of Edisun Power Europe Ltd.

Consolidated Balance Sheet

	Notes	31.12.2020 TCHF	31.12.2019 TCHF
Assets			
Cash and cash equivalents	3	28 409	32 751
Trade receivables	4	2 293	2 203
Other receivables and current assets	4	1 141	1 733
Financial assets		533	0
Total current assets		32 376	36 688
Land, plant and equipment	5	166 146	136 033
Intangible assets	6	184	274
Financial and other long-term assets	7	3 604	2 658
Total non-current assets		169 934	138 965
Total assets		202 310	175 652
Liabilities and equity			
Borrowings	9	15 073	3 170
Trade payables	8	386	312
Other payables	8	509	443
Accrued cost	8	7 622	4 980
Income tax liabilities		476	326
Total current liabilities		24 066	9 230
Borrowings	9	95 611	85 741
Provisions	10	891	874
Total non-current liabilities		96 503	86 615
Total liabilities		120 569	95 845
Share capital	11	31 075	31 075
Share premium	11.1	46 777	47 916
Retained earnings and currency translation differences	11.3	3 889	817
Total equity		81 741	79 808
Total liabilities and equity		202 310	175 652

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

Consolidated Income Statement

	Notes	2020 TCHF	2019 TCHF
Revenue from sale of electricity	2.15/12	11 743	13 553
Other operating income	2.15/12	623	709
Total revenues		12 367	14 262
Personnel expenses	13/14	- 822	- 843
Rental and maintenance expenses	15	- 1 363	- 1 397
Administration expenses		- 600	- 623
Advertising expenses		- 10	- 7
Other operating expenses		- 871	- 1 049
Earnings before interest, tax, depreciation, amortization and deconsolidation (EBITDA)		8 700	10 343
Depreciation and amortization	5/6	- 4 454	- 4 572
Impairment reversal	5.1	559	181
Operating profit (EBIT)		4 805	5 953
Financial income	16	1 512	469
Financial expenses	16	- 2 547	- 2 460
Net profit before income tax		3 770	3 962
Income tax	17	- 476	- 366
Net profit		3 294	3 596
attributable to shareholders of Edisun Power Europe Ltd.		3 294	3 596
Earnings per share attributable to shareholders of Edisun Power Europe Ltd. during the year (expressed in CHF per share):			
basic and diluted	18	3.18	5.96

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

Consolidated Cash Flow Statement

	Notes	2020 TCHF	2019 TCHF
Net profit		3 294	3 596
Reversal of non-cash items:			
Depreciation and amortization	5/6	4 454	4 572
Impairment reversal	5.1	- 559	- 181
Change in accruals and provisions		- 76	823
Financial income	16	- 1 512	- 469
Financial expense	16	2 547	2 460
Income tax expense	17	476	366
Change in receivables and other current assets		634	- 1 443
Change in payables		141	52
Interest paid		- 2 210	- 2 357
Taxes paid		- 321	- 220
Other non-cash items		- 148	- 1
Cash flow from operating activities		6 720	7 196
Investments in plant and equipment	5	- 31 443	- 6 581
Investments in intangible assets	6	- 9	- 91
Business acquisition, incl. capitalized cost	5	0	- 17 066
Investments in/repayment from financial assets		- 158	- 1 960
Interest received		1	1
Cash flow from investing activities		- 31 610	- 25 696
Capital increase, net of transaction costs	11.1	0	27 840
Issuance of bonds, net of transaction costs	9.2	0	22 564
Repayment of bonds		0	0
Increase of other borrowings		24 663	424
Repayment of other borrowings		- 3 001	- 4 373
Distribution of capital contribution reserves		- 1 139	- 512
Cash flow from financing activities		20 522	45 942
Net change in cash and cash equivalents		- 4 368	27 441
Cash and cash equivalents at the beginning of the year	3	32 751	5 613
Exchange effects on cash and cash equivalents		26	- 303
Cash and cash equivalents at the end of the period	3	28 409	32 751

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, 2018	15371	4943	2261	-2382	20192
Capital increase	15704	43486			59190
Distribution of capital contribution reserves		-512			-512
Net profit			3596		3596
Currency translation				-2658	-2658
December 31, 2019	31075	47916	5857	-5040	79808
Distribution of capital contribution reserves		-1139			-1139
Net profit			3294		3294
Currency translation				-221	-221
December 31, 2020	31075	46777	9151	-5262	81741

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 25, 2021. They are subject to formal approval by the annual general meeting.

1.1 Group companies

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

	Ownership 2020	Ownership 2019	Activity ¹⁾
Switzerland			
Edisun Power Europe Ltd., Zurich			●
Edisun Power Switzerland Ltd., Zurich	100.0%	100.0%	■
Germany			
Edisun Power PLC, 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%	■

	Ownership 2020	Ownership 2019	Activity ¹⁾
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%	■
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%	■
Portugal			
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%	■

¹⁾ ● Services, holding company functions ■ Operation of photovoltaic systems (PV), selling of solar energy

All amounts are in CHF 000 unless otherwise noted

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.

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 deconsolidated 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.

All amounts are in CHF 000 unless otherwise noted

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, which is the Company's functional and the Group's 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.

(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:

	31.12.2020	Average 2020	31.12.2019	Average 2019
1 EUR	1.0823	1.0712	1.0854	1.1142

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.

All amounts are in CHF 000 unless otherwise noted

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
<u>Furniture, fittings and equipment (FF&E)</u>	<u>3 – 4 years</u>

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 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

All amounts are in CHF 000 unless otherwise noted

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

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.

All amounts are in CHF 000 unless otherwise noted

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.

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 for 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 II Conto Energia (Ministerial Decree 19/02/07 and AEEG resolution No. 90/07).

All amounts are in CHF 000 unless otherwise noted

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.

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

	31.12.2020	31.12.2019
Cash on hand	0	0
Banks	28 409	32 751
Total	28 409	32 751

4 Trade and Other Receivables

	31.12.2020	31.12.2019
Trade receivables	2 294	2 204
Other receivables and current assets	1 141	1 733
Less: provision for impairment of trade receivables	- 1	- 1
Trade and other receivables – net	3 434	3 936
Current portion	3 434	3 936

All amounts are in CHF 000 unless otherwise noted

5 Land, Plant and Equipment

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
2019					
	Land	PV Plants	Assets under construction	FF&E	Total
Gross value					
Opening gross book amount – January 1	1 075	109 988	-	254	111 317
Exchange differences	-39	-3 763	-962	-5	-4 769
Additions	-	35	9 985	-	10 020
Disposals	-	-	-	-	-
Change in consolidation scope	-	-	48 761	-	48 761
Reclassifications	-	-10	-	7	-2
Closing gross book amount – December 31	1 036	106 251	57 784	256	165 328

All amounts are in CHF 000 unless otherwise noted

	Land	PV Plants	Assets under construction	FF&E	Total
Accumulated depreciation					
Opening amount – January 1	642	25 017	-	254	25 913
Exchange differences	-23	-920	-	-5	-948
Disposals	-	-	-	-	-
Depreciation charge	-	4 513	-	1	4 514
Impairment reversal	-	-181	-	-	-181
Reclassification	-	-5	-	3	-2
Closing amount – December 31	619	28 423	-	254	29 296
Net book value – January 1	433	84 971	-	-	85 405
Net book value – December 31	418	77 828	57 784	3	136 033

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).

5.1 Impairment of PV plants

The Company performed a detailed impairment test for each PV plant individually as per December 31, 2020.

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

	2020	2019
Spain	4.1%	4.2%
Germany	2.9%	2.9%
Switzerland	3.4%	3.5%
France	3.8%	3.5%
Italy	5.1%	5.2%
Portugal	5.0%	4.2%

For three PV plants in Spain and in Germany, it was possible to reverse part of the earlier recorded impairment in the amount of TCHF 559 in total based on a lower-than-expected reduction of the feed-in tariffs in Spain in the mid- to long-term as well as due to a non-occurrence of previously expected one-off costs in Germany.

All amounts are in CHF 000 unless otherwise noted

5.2 Purchase and sale of PV plants / subsidiaries

No PV plants or subsidiaries were bought or sold in 2020.

In 2019, the following five photovoltaic projects were acquired:

In February 2019, the Company signed the contracts to purchase the 49 MW photovoltaic construction project “Mogadouro” in north-eastern Portugal for a total consideration of about CHF 8.4 million, paid in cash and by a capital increase through contribution in kind. On December 30, 2020, the photovoltaic plant was connected to the Portuguese electricity grid.

In July 2019, Edisun Power signed the contracts to purchase another 23 MW photovoltaic construction project “Betty” in Portugal for a total price of approximately CHF 6.4 million. The transaction had again been financed via a cash payment and a capital increase through contribution in kind. The project is still in execution.

In September 2019, the Company acquired the rights to three more photovoltaic projects “PQS” in southern Portugal with a total capacity of 134 MW. The purchase price amounted to about CHF 33.7 million and had been paid in cash as well as by offsetting receivables in connection with a large ordinary capital increase carried out in November 2019. The projects are still in execution.

The companies acquired in 2019 consisted of the following positions:

	Project Mogadouro	Project Betty	Projects PQS	Total
Cash and cash equivalents	58	15	37	110
Land, plant and equipment	8 387	6 438	33 934	48 759
Other assets	-	-	47	47
Interest-bearing liabilities	-	-	-	-
Other liabilities	4	45	341	390
Net assets acquired	8 441	6 408	33 677	48 526
Acquisition price	8 441	6 408	33 677	48 526
of which paid:				
in cash	2 616	3 625	10 935	17 176
by a capital increase through contribution in kind	5 825	2 782	-	8 607
by offsetting payables with share subscriptions of a capital increase	-	-	22 743	22 743

Consequently, no goodwill had been acquired through these acquisitions.

All amounts are in CHF 000 unless otherwise noted

6 Intangible Assets

2020	Total
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
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
2019	
Gross value	
Opening gross book amount – January 1	829
Exchange differences	- 10
Additions	119
Disposals	-
Change in consolidation scope	-
Reclassifications	- 12
Closing gross book amount – December 31	926

All amounts are in CHF 000 unless otherwise noted

	Total
Accumulated depreciation	
Opening amount – January 1	612
Exchange differences	-5
Disposals	-
Depreciation charge	57
Impairment	-
Reclassification	-12
Closing amount – December 31	652
Net book value – January 1	217
Net book value – December 31	274

Intangible Assets include capitalized software expenses and licenses.

7 Financial and Other Long-term Assets

	31.12.2020	31.12.2019
Prepayments / deferred cost long-term	767	628
Other long-term financial assets	2 837	2 030
Total financial and other long-term assets	3 604	2 658

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.

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:

	31.12.2020	31.12.2019
Trade payables	353	296
Payables to related parties	32	16
Value added taxes	374	339
Social security and other taxes	24	0
Other	111	105
Total	895	755

The following table provides details on accrued costs:

	31.12.2020	31.12.2019
Interest on borrowings	510	450
Other accrued cost	7 112	4 530
Total	7 622	4 980

Other accrued cost include TCHF 6 028 outstanding invoices for the construction of the PV plants in Portugal.

9 Borrowings

	31.12.2020	31.12.2019
Current		
Loans from third-party	2 823	3 170
Straight bonds from third-party	12 250	0
Total current borrowings	15 073	3 170
Non-current		
Loans from third-party	55 802	33 724
Straight bonds from third-party	39 810	52 017
Total non-current borrowings	95 611	85 741

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

	31.12.2020	31.12.2019
CHF	52 510	52 467
EUR	58 174	36 444
Total	110 684	88 911

At the end of 2020, the Group had unused credit lines amounting to TEUR 4 970 in total (2019: 5 805).

9.1 Loans from third-parties

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

	31.12.2020	31.12.2019
Within 1 year	2 823	3 170
Within 2 to 5 years	12 808	11 872
After 5 years	42 994	21 853
Total loans from third parties	58 624	36 894

All amounts are in CHF 000 unless otherwise noted

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

2020			2019		
Final maturity	Interest rate	amount	Final maturity	Interest rate	amount
2024	2.5%	721	2020	2.5%	450
2025	1.4 – 5.9%	728	2024	2.5%	271
2026	1.8 – 6.1%	4898	2025	4.5 – 5.9%	891
2027	2.9 – 5.1%	2530	2026	1.8 – 6.1%	5616
2029	3.0%	5839	2027	2.9 – 5.1%	2888
2031	1.9 – 3.0%	9057	2029	3.3%	3254
2034	2.0 – 2.9%	700	2031	1.9 – 3.3%	7056
2037	3.3%	11323	2034	2.0 – 2.9%	710
2038	3.0%	22829	2038	3.3%	15759
Total		58624	Total		36894

9.2 Straight bonds

The Group has issued several straight bonds:

		31.12.2020	31.12.2019
	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)	3980	3944	3930
2.00 % Bond 2016 – 2021 (CHF)	12250	12250	12235
2.00 % Bond 2017 – 2022 (CHF)	13315	13292	13285
2.00 % Bond 2019 – 2024 (CHF)	22615	22574	22567
Total		52060	52017

All amounts are in CHF 000 unless otherwise noted

10 Provisions

	Deferred tax liabilities	Provisions for dismantling	Other provisions	Total
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
Year ended December 31, 2019				
At beginning of the year	532	299	53	885
Exchange differences	- 19	- 10	- 2	- 31
Additions	5	16	-	21
Use	-	-	-	-
Reversal	-	-	-	-
Change in consolidation scope	-	-	-	-
At the end of the year	517	305	51	874
thereof short-term	-	-	-	-
thereof long-term	517	305	51	874

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 % (2019: 5 %).

Other provisions (long-term) include a provision in the amount of TCHF 51 (2019: 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

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).

In 2019, the share capital of Edisun Power Europe Ltd. was increased from TCHF 15 371 to TCHF 31 075 in three steps. Firstly, the share capital was increased from TCHF 15 371 to TCHF 17 794 on June 20 through the issue of 80 782 fully paid registered shares with a par value of CHF 30.00 each via a contribution in kind out of authorized capital. Secondly, it was increased from TCHF 17 794 to TCHF 18 624 on September 5 through the issue of 27 675 fully paid registered shares with a par value of CHF 30.00 each, again via a contribution in kind out of authorized capital. Finally, the share capital was increased from TCHF 18 624 to TCHF 31 075 on November 27 through the issue of 415 000 fully paid registered shares with a par value of CHF 30.00 each as part of an ordinary capital increase, partially paid in cash and partially by offsetting payables.

11.1 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 etc. were included in the transaction cost. Any internal cost had been charged to the income statement as incurred. Finally, the distribution of TCHF 512 of the capital contribution reserve was recorded to the Share Premium.

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 Accumulated deficits/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 347 (2019: TCHF 303).

Total currency translation differences amount to TCHF -221 (2019: -2 658), of which TCHF -85 (2019: -1 508) 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, 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%

The segment revenues for the year ended December 31, 2019, are as follows:

	Switzerland	Germany	Spain	France	Italy	Portugal	EPE	Group
Total segment revenue	1 069	1 504	7 726	2 782	551	-	1 223	14 854
Inter-segment revenue	-	-	-	-	-	-	-592	-592
Revenue from external customers	1 069	1 504	7 726	2 782	551	-	631	14 262
EBITDA	915	1 178	5 857	2 229	406	-25	-217	10 343
EBITDA in % of revenue	85.6%	78.3%	75.8%	80.1%	73.7%			72.5%

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 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

	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	
	31.12.2019	31.12.2019	31.12.2018			2019	2018
Pension schemes with funding surplus/deficit Switzerland	0	0	0	0	51	51	53
Pension institutions with funding surplus/deficit abroad	0	0	0	0	0	0	0
Unfunded pension schemes abroad	0	0	0	0	0	0	0
Total	0	0	0	0	51	51	53

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 116.9% at the end of 2020 (114.2% at the end of 2019).

All amounts are in CHF 000 unless otherwise noted

14 Personnel Expenses

	2020	2019
Wages and salaries	- 664	- 672
Social security costs	- 123	- 112
Other personnel costs	- 34	- 59
Total	- 822	- 843

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):

	31.12.2020	31.12.2019
Less than 1 year	658	666
Between 1 and 5 years	4 603	3 292
Over 5 years	11 344	14 261
Total	16 606	18 220

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

	2020	2019
Interest income on loans	1	0
Interest income on payments for PV projects	1 487	375
Foreign exchange gains	24	94
Financial income	1 512	469
Borrowings third-party	- 1 258	- 1 457
Straight bonds	- 1 096	- 808
Foreign exchange losses	- 135	- 99
Other financial expenses	- 58	- 97
Financial expense	- 2 547	- 2 460
Net finance cost	- 1 035	- 1 991

17 Income Tax Expenses

	2020	2019
Current income tax expenses	- 471	- 361
Deferred income tax expenses	- 5	- 5
Total income tax expenses	- 476	- 366
Reported tax rate	12.6%	9.2%

The weighted average tax rate amounts to 22.8% in the current year (2019: 23.9%). The decline is due to the increase of profits in countries with a relatively lower tax burden. The reported tax rate is lower than the weighted average tax rate due to 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, 2020, the Group has tax losses for which no deferred tax asset has been recognized with an amount of TCHF 8 382 (2019: 10 012). The total deferred income tax asset arising from unused tax loss carry-forwards in the individual countries would amount to TCHF 1 713 (2019: 1 972).

All amounts are in CHF 000 unless otherwise noted

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.

	2020	2019
Profit attributable to equity holders of the Group	3 294	3 596
Weighted average number of ordinary shares outstanding	1 035 821	602 905
Basic and diluted earnings per share (CHF per share)	3.18	5.96

19 Dividends per Share

In 2020, a dividend of CHF 1.10 per share was paid out (2019: CHF 1.00).

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:

	31.12.2020	31.12.2019
to banks	58 329	36 322
to bond-holders	0	0
Total	58 329	36 322

The book value of the receivables and PV plants pledged to secure bank financings amount to TCHF 1 764 (2019: 1 607) and TCHF 96 062 (2019: 58 126), respectively. There were no other commitments as of December 31, 2020 and December 31, 2019, respectively.

22 Related-Party Transactions

Related party transactions are reported in the consolidated financial statements for 2020 and 2019 and consist of the following positions:

Transactions with shareholders:	2020	2019
Other operating income (see note 2.15)	261	624
Purchase and development of PV projects	6 411	50 521
Interest income on payments for PV projects	1 487	375
Compensation for capital increase transaction cost	0	510

Key Management and Board Compensation:	2020	2019
Salaries and other short-term employee benefits	600	612
Social benefits (employer's contribution)	96	95
Termination benefits	0	0
Total compensation	697	706

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 2020 financial statements.



Phone +41 44 444 35 55
Fax +41 44 444 35 35
www.bdo.ch

BDO Ltd
Schiffbaustrasse 2
8031 Zurich

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 2020 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 49) give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, 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 166.1 million (82.1% of total assets) as of December 31, 2020. 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.

We challenged 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.

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, 25 March 2021

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	31.12.2020 TCHF	31.12.2019 TCHF
Assets			
Current assets			
Cash and cash equivalents		2 701	17 224
Other current receivables from third parties		531	32
Other current receivables from group companies	2.2/3.2	8 372	8 869
Accrued income and deferred expenses		538	384
Total current assets		12 142	26 508
Non-current assets			
Loans to group companies	2.3/3.2	62 092	46 722
Other financial assets		0	531
Investments in subsidiaries and associates	2.4/3.3	63 857	57 445
Accrued income and deferred expenses	2.6	1 546	269
Total non-current assets		127 495	104 968
Total assets		139 637	131 476
Liabilities and equity			
Short-term liabilities			
Trade payables to third parties	3.6	67	102
Trade payables to group companies		17	0
Short-term interest-bearing liabilities	2.7/3.4	12 250	450
Other payables	3.6	24	12
Accrued expenses and deferred income	3.6	481	560
Total short-term liabilities		12 839	1 125
Long-term liabilities			
Long-term interest-bearing liabilities to third parties	2.7/3.4/3.5	40 631	52 431
Long-term interest-bearing liabilities to group companies		7 793	0
Long-term provisions		80	0
Total long-term liabilities		48 503	52 431
Total liabilities		61 342	53 556
Shareholders' equity			
Share capital		31 075	31 075
Reserves from capital contributions		49 229	50 369
Loss brought forward		-3 524	-3 660
Profit for the period		1 515	136
Total equity		78 295	77 920
Total liabilities and equity		139 637	131 476

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

Income Statement Edisun Power Europe Ltd.

	Notes	2020 TCHF	2019 TCHF
Revenue from sales of services	2.9	708	599
Other income	3.1	261	624
Total revenues		969	1223
Personnel expenses		-822	-843
Rental and maintenance expenses	2.10/3.8	-44	-44
Administration expenses		-371	-413
Advertising expenses		-10	-6
Other operating expenses		0	-7
Earnings before interest, tax, depreciation and amortization (EBITDA)		-279	-91
Depreciation and amortization		-74	-46
Impairment reversal	3.2	400	772
Earnings before interest and taxes (EBIT)		47	635
Financial income	3.7	3862	2132
Financial expenses	3.7	-2356	-2499
Earnings before taxes (EBT)		1554	268
Taxes		-39	-132
Profit for the period		1515	136

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, effective since 1 January 2013). 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 31.12.2020: CHF 1.0823 (31.12.2019: 1.0854)

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

	31.12.2020	31.12.2019
	TCHF	TCHF
Other receivables from group companies (gross amount)	8 372	8 869
Impairment	0	0
Other receivables from group companies (net amount)	8 372	8 869
Loans to group companies (gross amount)	73 439	58 469
Impairment	- 11 347	- 11 747
Loans to group companies (net amount)	62 092	46 722

Loans to group companies include subordinated loans in the amount of CHF 38.1 million (2019: CHF 16.2 million).

3.3 Equity participations

Direct equity participations

		31.12.2020		31.12.2019	
		Capital	Share	Capital	Share
Edisun Power Switzerland Ltd., Zurich	TCHF	100.0	100 %	100.0	100 %
Edisun Power PLC, 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 %

Indirect equity participations

		31.12.2020		31.12.2019	
		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 %	51.0	100 %

3.4 Interest bearing liabilities

	31.12.2020 TCHF	31.12.2019 TCHF
Loans from shareholders	0	450
2.00% Bond 2016 – 2021	12 250	0
Total short-term interest bearing liabilities	12 250	450
2.25% Bond 2015 – 2023	3 980	3 980
2.00% Bond 2016 – 2021	0	12 250
2.00% Bond 2017 – 2022	13 315	13 315
2.00% Bond 2019 – 2024	22 615	22 615
Loans from shareholders	721	271
Total long-term interest bearing liabilities	40 631	52 431

3.5 Collateral for third-party liabilities

Neither in 2020 nor in 2019 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 3 845 (2019: TCHF 4 377) 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:

	31.12.2020 TCHF	31.12.2019 TCHF
Trade payables to third parties	35	86
Trade payables to group companies	17	0
Payables to shareholders	32	16
Social security and other taxes	24	12
Total	108	115

The following table provides details on accrued costs:

Interest on borrowings	242	253
Tax provision	106	104
Other accrued costs	132	203
Total	481	560

3.7 Financial income and expenses

The following table provides details on financial income and expenses:

	2020 TCHF	2019 TCHF
Interest income on intercompany loans	1 458	1 596
Foreign exchange gains	917	162
Other financial income	1 487	375
Financial income	3 862	2 132
Interest on straight bonds	- 1 053	- 752
Interest on loans	- 18	- 40
Interest on intercompany loans	- 76	0
Foreign exchange losses	- 1 192	- 1 673
Other financial expenses	- 16	- 35
Financial expenses	- 2 356	- 2 499

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):

	31.12.2020	31.12.2019
	TCHF	TCHF
Less than 1 year	56	56
Between 1 and 5 years	158	214
Over 5 years	0	0
Total	214	270

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

	31.12.2020	31.12.2019
	in %	in %
Smartenergy Invest AG	27.7 %	27.7 %
Community of heirs of Nef Hans ¹⁾	19.5 %	20.4 %
Eberhard Martin	9.3 %	9.2 %
Mirabaud Equities	4.8 %	4.8 %

¹⁾ Hans Nef died end of November, 2019. He was member of the Board of Directors of Edisun Power Europe Ltd.

4.2 Shares held by management and administrative bodies

Board of Directors

	31.12.2020	31.12.2019
Nef Hans ¹⁾	202 083	211 694
Fulvio Micheletti	3 526	3 526
Rainer Isenrich	4 000	4 000
Reto Klotz	4 225	4 195
Total	213 834	223 415

¹⁾ Hans Nef died end of November, 2019.

Management Board

	31.12.2020	31.12.2019
Rainer Isenrich, CEO	4 000	4 000
Reto Simmen, CFO	850	850
Total	4 850	4 850

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 2020 and 2019 did not exceed 10.

4.4 Subsequent events

There are no relevant events after the balance sheet date which would have a significant impact on the 2020 financial statements.

Appropriation of Available Earnings

Proposal for the appropriation of reserves from capital contribution

	2020	2019
Capital contribution reserves before proposed distribution	49 229 367.96	50 368 771.06
Proposed distribution of capital contribution reserves (2020: CHF 1.10 per share; 2019: CHF 1.10 per share)	- 1 139 403.10	- 1 139 403.10
Capital contribution reserves after proposed distribution	48 089 964.86	49 229 367.96

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.



Phone +41 44 444 35 55
Fax +41 44 444 35 35
www.bdo.ch

BDO Ltd
Schiffbaustrasse 2
8031 Zurich

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 2020 and income statement and notes for the year then ended, including a summary of significant accounting policies.

In our opinion the financial statements (pages 54-61) as at and for the year ended 31 December 2020 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 134.3 million (96.2% of assets) as of December 31, 2020.

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 solar power 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.

We challenged 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.

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, 25 March 2021

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

Contact and Address: Edisun Power Europe Ltd., Universitätstrasse 51, 8006 Zurich, Switzerland, Phone +41 44 266 61 20, Fax +41 44 266 61 22, info@edisunpower.com, www.edisunpower.com **Publisher:** Edisun Power Europe Ltd.

Layout & Design: Crafft AG

Edisun Power Europe Ltd.

Universitätstrasse 51
8006 Zurich, Switzerland

Telephone +41 44 266 61 20
Fax +41 44 266 61 22

info@edisunpower.com
www.edisunpower.com