

ANNUAL REPORT

2021



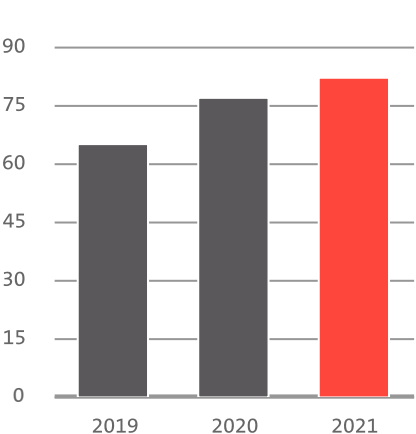
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FACTS & FIGURES

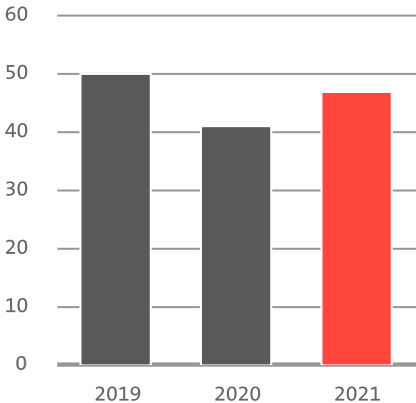
82

million francs
Operating income
Earnings before interest and taxes (EBIT)



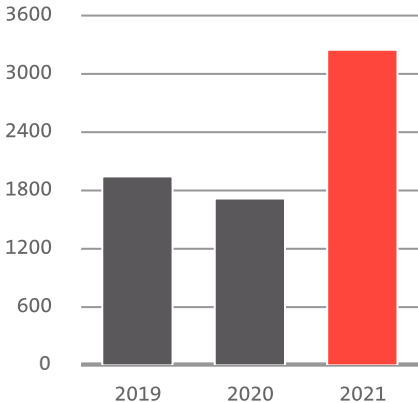
47

million francs
Group earnings



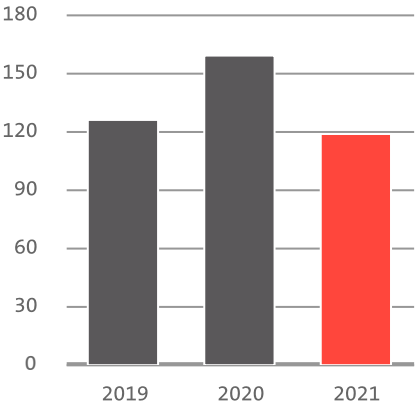
3,255

million francs
Total operating revenue



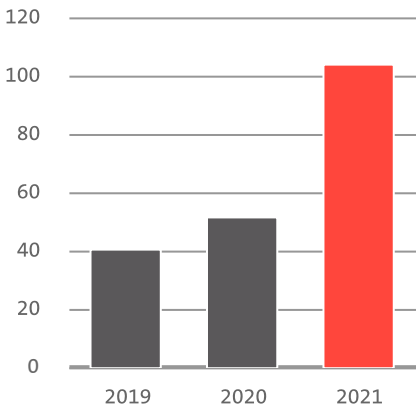
119

million francs
Cash flow from operating activities



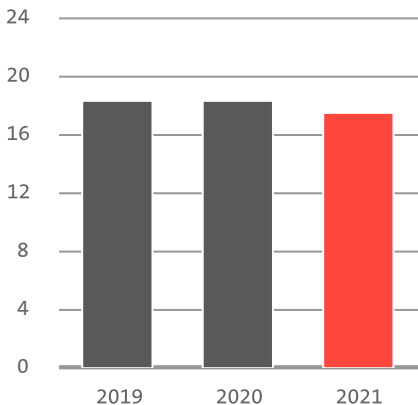
104

million francs
Investment in tangible and intangible assets



17.5

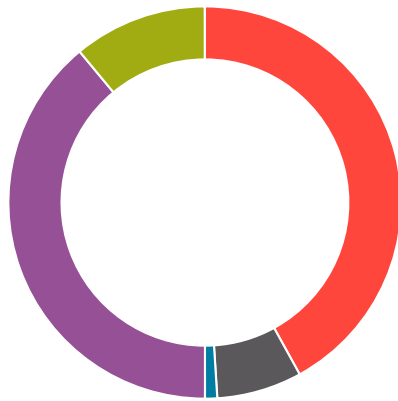
million francs
Concession fees (water rates and other concession-related charges)



2,923

gigawatt hours (GWh)

Own production (including participations)

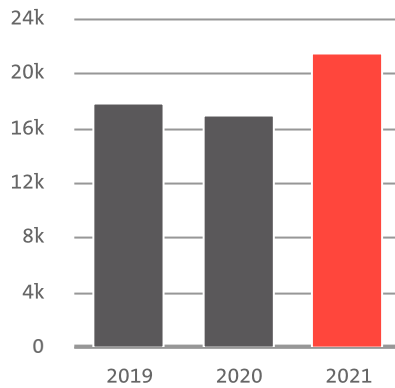


- Hydro 42%
- Wind 7%
- Solar 1%
- Thermal energy 39%
- Nuclear (long-term contracts) 11%

21,446

gigawatt hours (GWh)

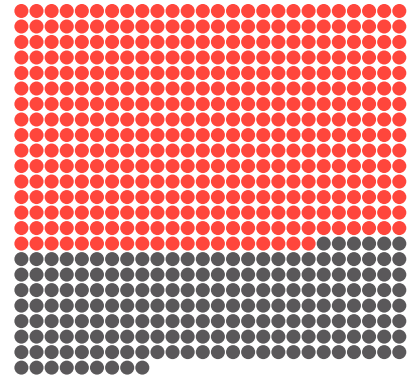
Electricity sales (trading, supply, sales, pumps, own use and losses)



607

employees

in Switzerland and Italy

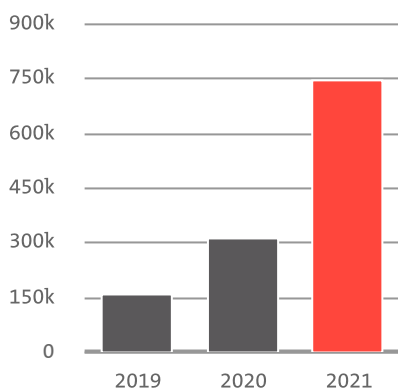


- Switzerland (410)
- Italy (197)

747,544

kilowatt hours (kWh)

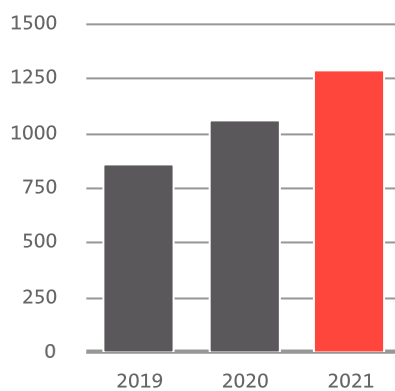
Energy purchased via PLUG'N ROLL charging stations (Electric mobility)



1,288

photovoltaic installations

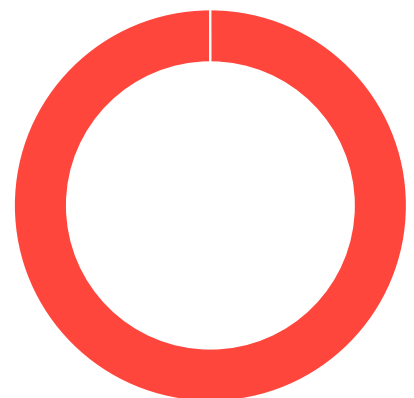
Number of PV installations in Repower's supply area



99.997%

Availability of Repower power grid

On average, one in four Repower customers was without power for around 12 minutes last year.



- Available 99.997
- Not available 0.003

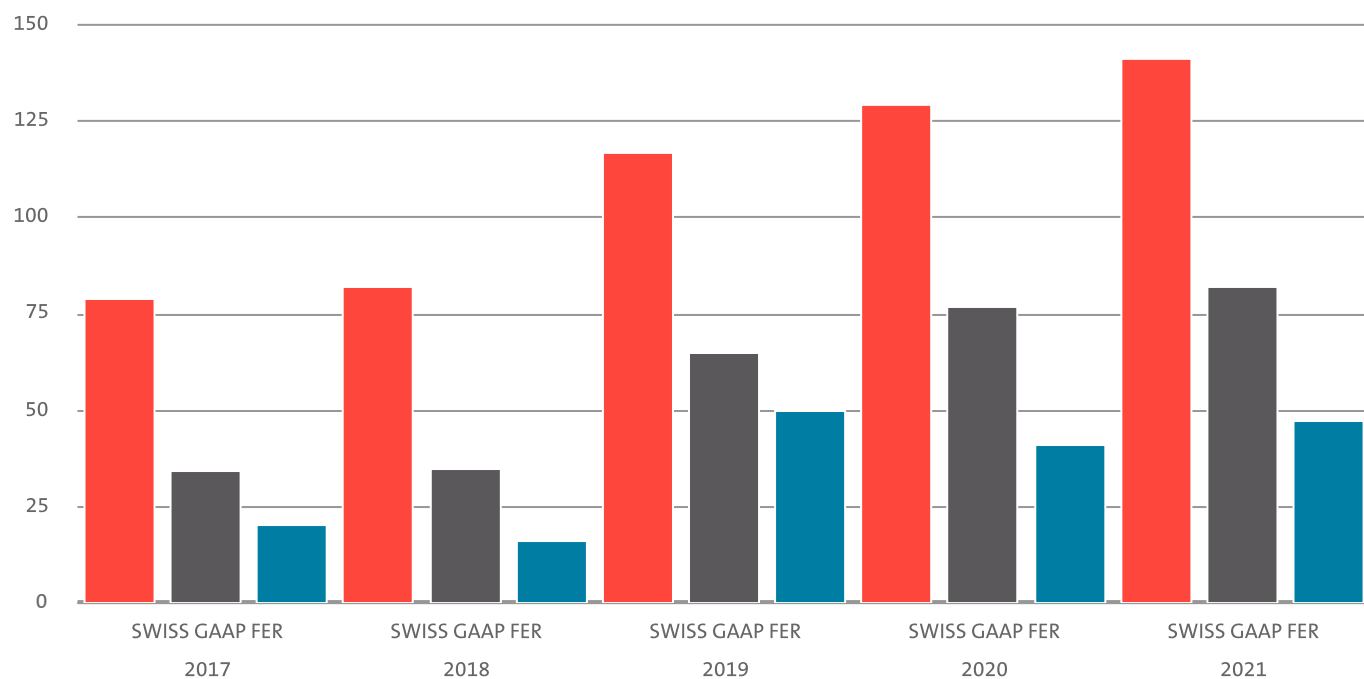
FINANCIAL HIGHLIGHTS

CHF million	2021	2020	2019	2018	2017
	Swiss GAAP FER	Swiss GAAP FER	Swiss GAAP FER	Swiss GAAP FER	Swiss GAAP FER
Revenue and income					
Total operating revenue	3,255	1,723	1,937	2,090	1,847
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	137	129	117	82	79
Depreciation/amortisation and impairment	-55	-52	-52	-47	-45
Earnings before interest and taxes (EBIT)	82	77	65	35	34
Group earnings	47	41	50	16	20
Balance sheet					
Balance sheet total at 31 December	3,982	1,982	1,876	1,873	1,822
Equity at 31 December	883	869	844	807	769
Equity ratio	22%	44%	45%	43%	42%
Other KPIs					
Energy gross margin	274	273	264	223	208
Cash flow from operating activities	119	159	126	55	43
Net debt / net liquidity ^{*)}	-97	-89	-31	42	-33
Net debt factor	-0.7	-0.7	-0.3	0,5	-0.4
Investment in tangible and intangible assets	104	52	41	32	27
Number of employees	607	580	555	610	599

* Net liquidity is shown with a negative sign and, like net debt, is calculated on the basis of cash and cash equivalents, marketable securities, fixed-term deposits, and current and non-current financial liabilities, including accrued interests.

Financial highlights

CHF million



- EBITDA
- EBIT
- Group result

ENERGY BALANCE SHEET

	2021	2020	Change
Electricity business in GWh			
Trading	16,278	12,450	31%
Supply/sales	4,835	4,281	13%
Pumps, own use, losses	333	296	12%
Electricity sales	21,446	17,027	26%
Trading	18,523	14,076	32%
Own generation	1,823	1,871	-3%
Energy from participations	1,100	1,080	2%
Electricity procurement	21,446	17,027	26%
Gas business in 1,000 m3			
Sales to end customers	301,777	284,241	6%
Trading (sales)	3,051,559	1,409,287	117%
Gas sales	3,353,336	1,693,528	98%
Consumption of Teverola gas-fired power plant (Italy)	233,441	231,870	1%

POWER GENERATION STATISTICS

	2021	2020	Change in %
Energy procurement in GWh			
Own production hydroelectric power Switzerland	435	471	-8%
Own production hydroelectric power Italy	5	6	-17%
Own production heat power Italy	1,133	1,162	-2%
Own production wind power Germany	61	56	9%
Own production wind power Italy	156	145	8%
Own production photovoltaic power Switzerland	0.9	0.3	200%
Own production photovoltaic power Italy	32	31	3%
Total own production	1,823	1,871	-3%
Participation hydroelectric	779	864	-10%
Participation nuclear	321	216	49%
Total participations and procurement rights	1,100	1,080	2%
Total	2,923	2,951	-1%

GRID STATISTICS

	2021	2020	2019	2018
Number of contract partners	47,686	47,873	48,180	47,800
Directly supplied end customers	62,345	63,140	62,860	62,520
Grid sales (GWh)	762	742	738	736
Total overhead line (km)	509	519	474	493
Total cable line (km)	2,476	2,460	2,440	2,419
Total grid length (km)	2,985	2,979	2,914	2,912
Supplied light points of public lighting	8,793	8,750	8,800	
Number of photovoltaic plants installed	1,288	1,060	859	726
Installed power of photovoltaic plants (MW)	32.1	27	24	20.2
Availability of the Repower grid (%)	99.997	99.997	99.997	
Investments in grid infrastructure (CHF million)	25.4	27	20,9	19,5

STOCK STATISTICS

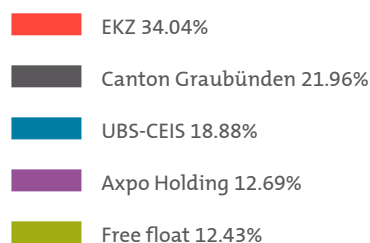
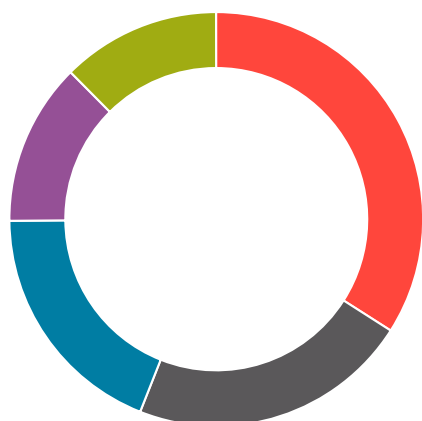
Share capital	7,390,968	registered shares	@ CHF	1.00	CHF 7.4 million
				2021	2020
Prices (CHF) on OTC-X, Berner Kantonalbank					
Registered share			High	137	104
			Low	99.5	82

Dividends (CHF)	2021¹⁾	2020	2019	2018
Registered share	4,50	3,00	2,50	0,50

1) The 2021 dividend is subject to the decision of the annual general meeting. There are no restrictions or limitations on voting rights.

Shareholder structure at close of accounts on 31 December 2021

in percent



EMPLOYEES

at 31 December	2021	2020
Total	607	580
Switzerland	410	396
Italy	197	184
Trainees	35	30
Sales consultants Italy	504	532

LETTER TO SHAREHOLDERS



Chair of the board of directors Dr Monika Krüsi and CEO Roland Leuenberger

Dear Shareholders Ladies and Gentlemen

The energy industry in Switzerland and throughout Europe faces major changes. Climate targets and the parallel decision to phase out nuclear power pose many challenges for the future security of electricity supply. The choices Repower has made have put it in a good position to also be successful in a changing market environment. As a broad-based energy company, Repower operates along the entire electricity value chain, and for the last decade has also been advancing ambitiously in electric mobility, an attractive market of the future. A key pillar of our strategy in our two core markets, Switzerland and Italy, is expanding and reinforcing the renewable energy business. This way we're actively contributing to realising a successful energy transition.

In the financial year under review, taking account of extraordinary items the Repower Group generated EBIT of CHF 82 million (up 6%). Group profit was up 15% to CHF 47 million. After a high level of demand the prior year, the balancing energy market in Italy returned to normal and was still very profitable for the Repower Group. Last year the sales business in Italy likewise saw a return to normal conditions, with good profitability and sustained, solid growth. In Switzerland a purchase price adjustment in connection with the transfer of transport assets to Swissgrid had a positive impact on results. There were stable revenues from grid and basic supply. [\(You will find the comments on the financial results here\)](#)

We're actively contributing to realising a successful energy transition.

Repower's own production (including interests) totalled 2,923 GWh, in line with the previous year.

The volume of hydropower generated at Repower's own plants was 435 GWh, some two per cent lower than the long-term average. Below-average precipitation in Valposchiavo and the Prättigau, unfavourable snow melt and the commencement of work to modernise Robbia power plant restricted hydropower generation last financial year. Overall production at the wind and solar power plants in Italy was at the previous year's level. This was despite a temporary decline in the contribution of solar power installations, which were renovated and modernised in line with our investment and development plans ([Overview of the year](#)). Despite unplanned maintenance work, our combined cycle gas turbine plant in Teverola performed slightly better than expected. ([You will find the generation statistics here](#))

We systematically invested in expanding and reinforcing the renewable energy business in both our core markets. Work to modernise the existing wind and solar power plants in Italy was continued, and the total modernisation of Robbia power plant, at CHF 125 million the biggest renewal investment in Repower's history, is still running to plan ([Overview of the year](#)). Investment for the 2021 financial year came to CHF 104 million overall, of which around CHF 74 million was invested in Switzerland/Graubünden. In its capacity as the biggest grid operator in Graubünden, Repower invested around CHF 25.4 million in maintaining and modernising its electricity grids alone. Thanks to the laying of cable lines in the Engadine and the Surselva region, it has been possible to dismantle overhead lines, a process which continues. Besides modernising the grid, this also enhances the alpine landscape ([Sustainability](#)).

Powerful increases in energy prices set the tone in the 2021 financial year. On the basis of its hedging strategy, Repower has sold large parts of the electricity produced by its own plants years in advance. For this reason Repower has so far only benefited sporadically from the higher electricity prices. By contrast, as expected, low electricity prices during the first lockdown in spring 2020 had a delayed adverse effect on trading results in Switzerland..

For ten years already Repower has been operating as a full service provider in the electric transportation market. All current forecasts point to a further increase in the number of electric vehicles on Swiss roads. There will therefore be a great need to expand the charging infrastructure. Regular large orders are confirmation that with PLUG' N ROLL, Repower is ready for this competitive market with correspondingly great growth potential ([Overview of the year](#)).

Dividend

Given the good operating results for the year and the capital structure and liquidity, the board of directors moves that the annual general meeting of 18 May 2022 approve a dividend of CHF 4.50 per share.

Outlook

It is still not possible to fully predict the effects of the war in Ukraine on the energy business, but it is clear that it will influence and change it. Thanks to higher electricity prices, we anticipate growing revenues from the sale of electricity in 2022. The current high level of energy prices, combined with a high degree of volatility, are a challenge, and also entail risks for the energy industry. In the longer term we must not be blinded by the short-term rise in electricity prices, as already in the medium term the market is assuming significantly lower prices.

In the Italian Centro Sud electricity zone, Repower continues to make a major contribution to grid stability, even though demand for balancing energy has returned to normal. It is too early to say for sure how Teverola combined cycle gas turbine plant's contribution to financial earnings will develop

with the introduction of a capacity market for balancing energy. Despite all the uncertainty, we anticipate successful business for 2022.

In its cantonal hydropower strategy, Graubünden has announced that it intends to use the upcoming reversions to increase the value created by hydropower in the canton. Repower sees the hydropower strategy as a great opportunity and would like to support the municipalities and the canton with its implementation as a reliable regional partner.

Taking the best possible advantage of opportunities in a changing market also requires strong leadership. So we're particularly delighted to have been able to strengthen Repower's executive board with the addition of two seasoned specialists. In the first half of 2022, Michael Roth and Dario Castagnoli will be taking charge of the Generation & Grid and Trading & IT divisions respectively.

Thank you

The 2021 financial year was a challenge which demanded a lot from all of us. In addition to conviction and technical know-how, executing our ambitious strategy also requires great motivation. On behalf of the executive board and board of directors we would like to thank our employees for their hard work and dedication. It is they who make Repower's success possible in the first place. We would also like to thank our partners for their trusting cooperation. Our heartfelt thanks also go to you, our shareholders, for the trust you place in us and your loyalty to our company.



Dr Monika Krüsi
Chair of the board of directors



Roland Leuenberger
CEO

PLUG'N ROLL STILL ROCKIN'

January

PLUG'N ROLL was commissioned by Canton Zurich to equip the canton's entire property portfolio for the future demands of electric vehicles. But this major job wasn't the end of it, with other major business customers also placing their trust in PLUG'N ROLL.



Patrick Vogler (left), CEO of Grand Resort Bad Ragaz, and Repower CEO Roland Leuenberger see the new charging park at the Grand Resort in Bad Ragaz for themselves.

Canton Zurich's vehicle fleet is expected to be converted to non-fossil by 2030. Achieving this goal requires a comprehensive charging infrastructure for electric vehicles in all the canton's own properties. On the basis of a public tender, the Zurich Government Council awarded the contract to procure and manage its charging stations to Repower AG and its e-mobility provider PLUG'N ROLL. "We weren't the cheapest, but our smart, modern technological solution best covered the customer's

needs,” explains Repower Head of Market René Burkhard. PLUG’N ROLL will equip the canton’s buildings with around 880 charging stations by 2025.

But that wasn’t the only major order awarded to PLUG’N ROLL last year. DPD Switzerland now also counts on the support of PLUG’N ROLL. To drive the electrification of its fleet of vehicles further forward, the international express parcel delivery service provider has commissioned PLUG’N ROLL to install a total of 73 electric vehicle charging points at its Basel and Geneva sites and its head office in Buchs (Canton ZH). This is a further step along the path of carbon emission reduction for DPD Switzerland.

“In line with our strategy we’ve deliberately chosen to play in the top division.”

Rico Grünenfelder, Head of Sales, Marketing and Business Development E-Mobility

Last year, a publicly accessible charging park with a total of 40 charging stations was created for customers **in the second underground level of Shopping Arena St. Gallen**. PLUG’N ROLL was responsible among other things for technical implementation, and will also take charge of running the charging park and its stations.

The Grand Resort in Bad Ragaz is Europe’s leading wellbeing and medical health resort. To comprehensively respond to the needs of its guests with electric vehicles, the resort is now also trusting in PLUG’N ROLL’s know-how. In December the five-star hotel opened a PLUG’N ROLL charging park with around a dozen charging stations in its underground garage.

The order books for the coming years are also already filling up. PLUG’N ROLL has been commissioned to set up the charging infrastructure network for the SBB’s future electric vehicle fleet. The contract covers 400 to 600 charging points at 175 sites all over Switzerland. “In line with our strategy we’ve deliberately chosen to play in the top division,” says Head of Sales, Marketing and Business Development E-Mobility, Rico Grünenfelder, in reference to the major contract from the SBB. “SBB is an extremely sought-after partner, which is why 18 bidders took part in the public tender. We left them all behind us.”

Repower has operated in the electric transport market since 2012, and in this time has assured the sustainable development of electric mobility solutions. In 2016 it launched PLUG’N ROLL, a nationwide full-service provider of electric mobility solutions, and since then has been offering customised solutions from charging points to networks of charging stations.



Rico Grünenfelder
Head of Sales, Marketing and Business
Development E-Mobility

100,000 KM BY ELECTRIC LORRY

June

An environmentally-friendly battery-driven truck transports mail from Zurich to the Engadine.



The electric truck transports between six and seven tonnes of letter post per load.

In June, **the Graubünden-based company Hunger Transporte procured a battery-driven lorry in collaboration with Repower**. It is used to transport letters from the mail distribution centre in Zurich to the Engadine. In its first year of operation the truck transported around 200 loads, covering 100,000 kilometres in the process. Each load consisted of between six and seven tonnes of letter post. In this pilot project, Repower is financing the vehicle batteries, and can use them to store energy temporarily while the truck is parked. Repower will have this pilot project scientifically monitored. The aim is to gain insights into the use of vehicle batteries in an energy industry environment. Every year, the new battery-powered lorry will be able to save around 40,000 litres of diesel and thus around 120 tonnes of CO₂.

“THE POWER OF LOVE”

July

Repower Italy’s “I’ve got Repower” was already a real ear-worm. Since summer 2021 a new commercial has been causing just as much of a stir in Italy.



<https://www.youtube.com/embed/ocB9YOIQsvM>

I love my job: Repower’s new commercial stirs up positive energy

After the previous video with its stirring and easily recognisable music, this time the new commercial features the unmistakable voice of Huey Lewis and the famous song “The Power of Love”. It was directed by Luis Cerverò, one of the most sought-after directors of music videos and commercials of our times.

“The message of ‘the Power of Love’”, according to Angelo D’Ariano, head of Communications at Repower Italia, “builds on the previous commercial ‘I’ve got Repower’, which already marked a clear change in the way Repower speaks to people in its communications: more direct and refreshing, less stiff and complicated. The people behind the new concept wanted to repeat the success of the previous commercial by amplifying the message even further and focusing on an aspect that’s by no means self-evident: people’s love for their job and the positive energy that arouses. Only a few months after the launch and we’re already seeing extremely encouraging results, thanks primarily to the team and the external people who contributed to the project.”

The advertising campaign that brought Repower's commercial to a broad audience was broadcast via the most popular commercial radio stations at peak times, on TV via the main stations, and before live coverage of major sporting events and news programmes. Not forgetting a really big show: The 2021 edition of the X Factor was hosted by the Teatro Repower, accompanied by the rhythm of "The Power of Love".

“Only a few months after the launch and we're already seeing extremely encouraging results”

Angelo D'Ariano, Head of Communications at Repower Italy

On the internet we're present on bona fide trade and news websites in premium format via different infomercials, articles and testimonials. We're also running the campaign via select influencers on social media. In addition we're using new communication methods linking traditional posters with selective display technologies in the Milan underground system to reach people on their way to and from work every day.

In a nutshell, it's an ad campaign that's just waiting to be seen – and heard.



Angelo D'Ariano
Head of Communications at Repower Italia

GREAT PLACE TO WORK

July

We celebrate our apprentices! They've completed their training with top marks. Repower is honoured with the Great Start certificate for its work with apprentices.



https://player.vimeo.com/video/669325989?h=a7ff40b29c&badge=0&autoplay=0&player_id=0&app_id=58479

Calling talented young people: Repower introduces itself to young people at the Fiutscher careers fair.

With an overall score of 5.7, **Silvio Lardi** got the best marks of any graduating automation technician apprentice in the whole of Canton Graubünden. There were also distinctions for grid electrician Riccardo Cramer (5.6), grid electrician Andreas Hellrigl (5.6) and polymechanic Luzi Tüfer (5.5). This performance earned praise from the highest quarters: "I'm very impressed by these results. I'd like to congratulate all the apprentices and wish them all the very best for the future," says CEO Roland Leuenberger.

Training is something that's very close to Repower's heart. In September the company was awarded the Great Start certificate in recognition of its work with apprentices. This is the third time in a row that Repower has received this important accolade from the Great Place to Work institute.

Rahel Candrian, Head of Vocational Training: "We'd like to thank all our trainees for their trust, their engagement and the breath of fresh air they bring to our company. And we'd also like to thank our trainers for their professionalism and endurance, even in difficult times."

“I’d like to congratulate all the apprentices and wish them all the very best for the future.”

Roland Leuenberger, CEO

To ensure that we continue to have the opportunity to offer young talent a successful start to their career, this November Repower again had a booth at the Fiutscher careers fair, presenting the trades of draughtsperson, polymechanic, automation technician, commercial employee and logistics specialist.



Rahel Candrian
Head of Vocational Training

VIA ENERGIA: THE MOST BEAUTIFUL PATH TO A BETTER UNDERSTANDING OF ENERGY

July

At the beginning of July Repower opened the Via Energia. The new learning trail runs from Ospizio Bernina down to the Cavaglia plateau.



Hike and learn: the 9.35-kilometre-long Via Energia is an opportunity for people of all ages to experience the exciting world of energy.

In one of Valposchiavo's most beautiful landscapes, hikers of all ages encounter eleven information panels with fascinating information about energy, hydropower, the generation of electricity and climate change. Alongside informative texts, 3D graphics, quiz questions and digital animations ensure the hike is fun and exciting. "It's nice to see how children and adults approach the panels to find out more and interact," explains Paolo Raselli, the man who headed the project. There's plenty to keep children entertained and informed along the 9.35-kilometre-long Via Energia. Besides exciting facts about energy there's also a children's hunt quiz called "Plushin's extremely quick journey" to discover. Paolo Raselli: "The Via Energia is part of Repower's endeavours to make the world of energy more understandable and accessible."

You'll find more information on the Via Energia at repower.com/via-energia (German and Italian only).

REPOWER RENEWABLE BUILDS ON NEW TECHNOLOGIES

August

We've boosted the output and efficiency of several of our photovoltaic installations in Italy by using bifacial solar power modules. In spring a new Repower Renewable wind farm on Sardinia went into operation.



The solar power installation in Castelguglielmo has been fitted with more efficient bifacial modules.

For the modernisation of the installations, built in 2011 and 2013, Repower opted for bifacial solar module technology. The installations in question are in Castelguglielmo (7.4 MW) in the Italian province of Robigo, the installations in Varmo (1.9 MW) and Codroipo (3.8 MW) in the province of Udine (which were acquired in 2020), and ten installations with a total capacity of 9.7 megawatts in the province of Brindisi. Thanks to the higher efficiency of these photovoltaic (PV) modules and the fact that they capture sunlight on both sides, it's been possible to significantly increase the amount of electricity generated by these installations. After the first few months of operation a 44 per cent increase in production is predicted, without any increase in the surfaces used until now.

“Once more we’ve been a pioneer in our industry: Repower is one of the first players to modernise solar installations using bifacial technology. This has enabled us to significantly boost efficiency and maximise the amount of power generated by the same surface,” explains Laura Ruffini, Head of Renewables and Special Products.



Laura Ruffini
Head of Renewables and Special Products at
Repower Italy

SOLAR ENERGY FOR THE “BAD” BOYS

August

Repower equips Rüfeli wrestling hall in Untervaz with a PV installation and charging points.



The roof and frontages of the new Rüfeli wrestling and sports hall in Untervaz have been fitted with a solar power installation from Repower.

In Untervaz, training no longer just releases a lot of energy, but also produces it. Repower is installing a 500 m² PV system on the roof and frontages of the new Rüfeli Swiss wrestling and sports hall. Added to this are four public electric vehicle charging stations. The solar panels were fitted in August 2021. The figurehead of the Unterlandquart wrestling club, top wrestler Armon Orlik, was also present at the signing of the contract in May. As the main sponsor of the Graubünden cantonal wrestling association, Repower has been closely associated with the sport of Swiss wrestling (“Schwingen”) for many years.

REPOWER: A STORY IN 4,000 IMAGES

September

Repower has had its comprehensive archive of original historical photographs professionally archived and digitised. The images go back to the founding years of the energy industry.



<https://www.youtube.com/embed/Jkpr6GyMAH4>

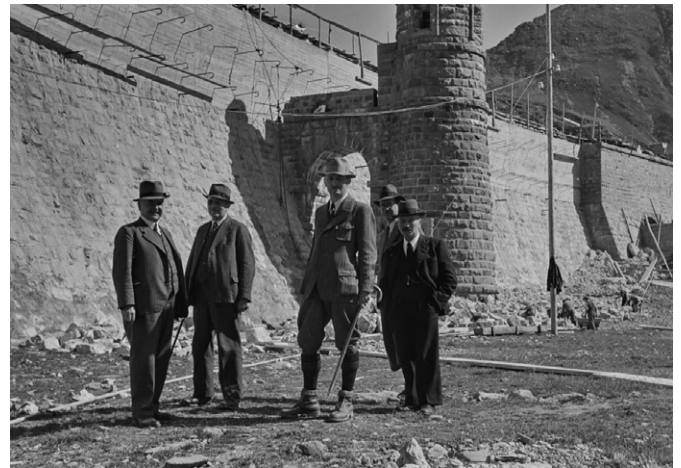
Repower's digitised photo archive is accessible to the public on the website of the Fotostiftung Graubünden photographic foundation.

More than 4,000 original photographs dating from 1905 to 1985 are stored in the archive at head office in Poschiavo. Together with Fotostiftung Graubünden, Repower has secured this treasure trove of images for the future. All the photos were digitised, catalogued, professionally packed and then re-archived at head office in Poschiavo. "The energy industry is an important chapter in the economic history of Graubünden. By digitising its photo archive, Repower is helping preserve the canton's visual memory," explains Head of Media Relations Stefan Bisculm, who was responsible for the digitisation project.

The images are in the form of glass plate and acetate negatives, slides, medium and small format roll film, and paper prints. Among other things they feature aerial landscape shots of landscapes, the construction of retaining walls, tunnels and long-distance lines, transports of machinery and company events. The oldest images go back to the founding era of Kraftwerke Brusio AG, the company that went

on to become Repower. Many of the shots were taken by well-known Graubünden photographers such as Albert Steiner, Alexander Flury, Otto Furter and Othmar Rutz.

For a better user experience, a selection of the images in Repower's photo archive is described consecutively. The Associazione iSTORIA - Archivi fotografici della Valposchiavo, based in Poschiavo, is carrying out the research and documentation. For more than ten years the association has been looking after Valposchiavo's photographic heritage, and in 2020 it curated, among other things, the highly acclaimed photo exhibition "E luce fu in Valposchiavo" on behalf of Repower.



More than 4,000 original photographs dating from 1905 to 1985 are professionally stored in the archive at head office in Poschiavo.

The digitised Repower photo archive can be viewed by the public in the [Fotostiftung Graubünden media library](#). The next step is to augment the photo archive with historic images from the archive of Küblis power plant, which celebrated its centenary in 2021.

NEW FORCES AT REPOWER

September

Petra Dörig takes over Human Resources. Leonie Dörig is appointed new head of Legal & Compliance.



Petra Dörig is the new head of Human Resources.

In August 2021 Petra Dörig started work as the new head of Human Resources. Prior to that, among other things she was a member of the executives of beverage producer Goba AG, econcept AG and the Micarna group of companies. Originally from Appenzell, she specialises in process management, change management and organisational development.

In September Leonie Dörig was announced as the new head of Legal & Compliance. A specialist in administrative, business, energy and environmental law, she started the job on 1 January 2022.

We'd like to extend a warm welcome to Petra Dörig and Leonie Dörig, as well as to everyone else who's joining Repower!

REPOWER PROMOTES COOPERATION BETWEEN SWITZERLAND AND ITALY

September

As chairman of the Swiss Chamber of Commerce in Italy, Fabio Bocchiola, the Head of Repower Italy, hosted a business dialogue at the Italian Foreign Ministry in Rome.



On 16 September, head of Repower Italy Fabio Bocchiola hosted the twelfth edition of the annual business dialogue between Switzerland and Italy.

On 10 June 2021, the Swiss Chamber's general assembly elected Fabio Bocchiola, Head of Repower Italy, as the new chairman of the Swiss Chamber of Commerce in Italy. Fabio Bocchiola has been a member of the Swiss Chamber's board of directors since 2009, representing Repower on the advisory board. He succeeds Barbara Hoepli, chair of the board of directors of the Milan-based publishing house Ulrico Hoepli.

Fabio Bocchiola: "I'm fully behind the values and mission of the Swiss Chamber of Commerce in Italy. The chamber has managed to become an important reference point in relations between the two countries by supporting companies in their business and cultural endeavours and promoting growth and dialogue between Italian and Swiss businesses."

“The Swiss Chamber of Commerce has managed to become an important reference point in relations between the two countries.”

Fabio Bocchiola, Head of Repower Italy

The Swiss Chamber, which boasts more than 400 members, has been working to promote economic relations between the two countries for over 100 years. To this end it offers a wide range of services, from integrated marketing and communications to tax and legal advice. It also runs the Spazio Eventi congress centre and the Swiss Corner exhibition and event venue which it built in the heart of Milan.

In Fabio Bocchiola's first half year as chairman saw the launch of a number of initiatives, and various opportunities were offered for dialogue between institutions and countries. Worthy of special mention is the twelfth edition of the annual business dialogue between Switzerland and Italy on 16 September last at the Italian Foreign Ministry in Rome. The event brought together the most important actors from the two countries, including the Swiss State Secretariat for Economic Affairs, the Italian Ministry of Economic Development and various private actors and representatives of the regional authorities. The meeting was used as an occasion to take stock of many topics of common interest and identify new areas for cooperation, also in light of the huge potential offered by Italy's recovery and resilience plan. The contribution of the Swiss Chamber of Commerce in Italy was particularly appreciated: the newly elected chairman used concrete examples and recommendations for action to describe the challenges facing Swiss companies that operate in Italy or would like to invest there.

REPOWER AT THE VENICE INTERNATIONAL FILM FESTIVAL

September

Repower presents its portfolio of sustainable mobility tools at the Biennale di Venezia



https://player.vimeo.com/video/677232786?h=d0953d53ac&title=0&byline=0&portrait=0&speed=0&badge=0&autoplay=0&player_id=0&app_id=58479

At the 78th Biennale die Venezia with the Repower^e electrically powered boat.

The 78th International Film Festival of the Biennale di Venezia was held from 1 to 11 September 2021 on Venice Lido. Repower shares the Biennale's vision of innovation and sustainability; it actively supported the event and made its diverse range of sustainable transport solutions available. On show in addition to Repower^e, the first 100 per cent electrically powered boat, were the PALINA charging station, designed by Italo Rota and Alessandro Pedretti, the cargo bike LAMBROgino designed by Makio Hasuike, and two examples of the E-LOUNGE bench and charging station for electric bikes, which won the Compasso d'Oro 2020 award for its design.

Repower's first podcast on sustainability, [Rumors d'Ambiente](#), also gained an influential voice thanks to this sponsorship, with Alberto Barbera, director of the Venice Film Festival, giving an in-depth account of the relationship and synergies between the week of culture and an effective consciousness-raising campaign.

“Venice is the ideal field for experimenting with the portfolio of sustainability tools that Repower has created over the years. We’re firmly convinced that thanks to the high visibility in the media enjoyed by the festival and its protagonists, the message about paying more attention to new forms of mobility will be heard by a very broad audience,” explains Davide Damiani from Communications at Repower Italy.



Davide Damiani
Corporate Communications Repower Italy

WE CELEBRATE 100 YEARS OF KÜBLIS POWER PLANT

October

The first electricity was generated at Küblis power plant in 1921. Repower celebrated the 100th anniversary with an open day and guests from the worlds of politics and business.



Around 450 visitors joined Repower to celebrate on the open day at Küblis power plant.

The story began with a company called AG Bündner Kraftwerke. These days Küblis power plant is in the hands of Repartner Produktions AG, a partnership between energy utilities who together are pursuing the same aim as the founders 100 years ago: to make a contribution to the long-term, future-proof security of the energy supply in Switzerland.

On the evening of Friday, 22 October 2021 **the festivities kicked off** with a dinner with invited guests from the worlds of politics and business. In addition to representatives of the concession-granting municipalities, partner utilities and Repartner Produktions AG, Mario Cavigelli, head of the Graubünden government and department of energy, was also there. In his speech he praised the pioneering achievement of the builders of Küblis power plant and underscored the great importance of the energy industry for the canton. CEO of Repartner Produktions AG Gian Paolo Lardi gave those present an insight into the Chlus project and described in concrete terms how it would contribute to the future of energy. Gian Paolo Lardi is convinced that “the Chlus project is an ideal building block for

the energy transition. Generating around 237 gigawatt hours a year, the planned installation will almost double current power production in the Prättigau area. The chances that the project will be realised look as good now as they ever have.”

“The Chlus project is an ideal building block for the energy transition”

Gian Paolo Lardi, CEO of Repartner Produktions AG



While cantonal president Mario Cavigelli praises the pioneering achievement of the builders of Küblis power plant, the youngest visitors at the open day dive into the world of the energy industry with state-of-the-art VR technology.

On Saturday, 23 October 2021, **Küblis power plant opened its doors** to the general public. On a day of bright sunshine and agreeable temperatures, more than 450 interested people took up our invitation to visit the plant. They went on tours through the “cathedral of technology”, sampled a grilled sausage and enjoyed the music of the Lenglerkapellà band from Saas. They were able to experience electric transport first-hand on a test drive in one of two electric cars, find out about the latest trends in solar power, and get an insight into our apprenticeships through virtual reality glasses at the HR stand. There were also plenty of attractions for the youngest visitors, including a competition and a make-up booth for kids.



Gian Paolo Lardi
Head of Generation Asset Management at
Repower AG and CEO of Repartner Produktions AG

CURTAINS UP FOR A BIG SHOW AND E-MOBILITY

October

From October to December, the X Factor casting show took place at the Teatro Repower in Milan. Repower Italy's biggest charging hub was also unveiled there.



<https://www.youtube.com/embed/UI3a3h5MFfU>

Nine PALINAs and a rapid charging station are ready for use in front of the Teatro Repower.

The 2021 edition of the Italian version of the X Factor casting show was held in the Teatro Repower from October to December. Since 2 December, Repower Italy's biggest charging hub has officially been in operation in the car park opposite the theatre. With nine PALINAs and a rapid charging station, it can charge twenty electric cars simultaneously.

“Our involvement as title sponsor of the Teatro Repower is now unfolding its full potential, with the charging hub playing a crucial role. The level of motivation for the new project was very high. We designed the space and integrated our service on all digital platforms, strengthening Repower's role in the process,” explains Mauro Minnone from Communications at Repower Italy.

“THE BIGGEST CHALLENGES IN THE EXECUTION PHASE STILL LIE AHEAD OF US”

November

The complete modernisation of Robbia power plant kicked off successfully in June 2020. The work has already progressed a long way. Project head Tiziano Crameri takes stock for the first time.



https://player.vimeo.com/video/669319606?h=78c81ae2b6&badge=0&autopause=0&player_id=0&app_id=58479

The Asciali tunnel, approximately 1.6 kilometres long, is being enlarged using underground mining techniques. Project head Tiziano Crameri (left) visits the blasting work.

Tiziano Crameri, who heads the project to completely modernise Robbia, comes to a positive assessment: “Over the project as a whole I’m satisfied with the work that’s been done so far. But the modernisation project will continue to occupy us until 2024. The biggest challenges still lie ahead of us, for example the new construction of the pressure line. But the prospects of the work being continued successfully and on schedule are good.”

In 2021 there was work on seven different construction sites: modernising the Salva und Braità water catchments, replacing the Salva-Braità and Braità-Asciali transition, and enlarging the Asciali tunnel

(with underground mining) in the Puntalta area. In addition to this main work, preparations are still in progress for the coming years: managing materials in Puntalta and building the cable car for materials along the Balbalera pressure line. At the same time we're hard at work planning for the various submissions and implementation projects.

“Our priority is to reduce the risk factors to a minimum.”

Tiziano Cramerì, head of the project for the complete modernisation of Robbia

Between 60 and 70 people are working on the sites for the complete modernisation of Robbia, with ten to 15 of them Repower's own employees. At our offices another ten to 15 planners and engineers are working on the complete modernisation in Repower's offices.

“Thanks to our functional safety policy there have been no noteworthy incidents or accidents,” says Tiziano Cramerì. He explains that the various contractors are under the guidance of the local construction management team, which is supported by an environmental construction supervisor, a safety officer and a natural hazards advisor. “Our priority is to reduce the risk factors to a minimum.”

Since the Braità and Salva water catchments were taken out of operation at the beginning of May 2021, Robbia power plant has been running at reduced capacity. Decommissioning of the existing power plant is scheduled for 13 June 2022.

Global supply chain disruptions and other constraints forced us to adjust the overall timeframe in summer 2021. The fully modernised hydropower plant is now scheduled to commence operation in summer 2024. “The entire project is complex and has many interfaces. There are major dependencies between the different regions and properties. Scheduling in an alpine region like this also depends on weather conditions and various external factors,” explains Tiziano Cramerì. The goal of continuing to use this plant, which is in need of modernisation, economically in the future and into the long term remains unchanged, and the focus is still on safety, quality and compliance with the credit line.



Tiziano Cramerì
Head of Planning & Construction and leader of the project to completely modernise Robbia

TO RIMINI BY LAMBRO

November

The LAMBRO family of electric cargo bikes was among the most striking protagonists at Italy's most important tourism industry fair.



<https://www.youtube.com/embed/3Lv4er3dgbc>

Repower's electric cargo bikes certainly make an impression.

At the 58th edition of the TTG Travel Experience in Rimini, Repower's two electric cargo bike models stood out for all the right reasons: the LAMBROgio and LAMBROgino for transporting goods and people.

"After years of work to develop and perfect it, the definitive LAMBRO family of cargo bikes was presented to the general public. The cargo bikes displayed their versatility and attracted the interest of the tourism industry and mobility experts," explains Ambrogio Cassini from Customer Services.

The cargo bikes, designed by Makio Hasuike, were also striking participants at the EICMA, **the world's biggest motorcycle trade show**. The new-look bikes and their compelling advantages were presented at Repower's much-visited stand.

DINACLUB PROMOTES ELECTRIC BIKE TOURISM IN ITALY

October

In summer Repower launched the DINAclub. In autumn the promising project to electrify Italy's cycle paths was presented to the general public.



<https://www.youtube.com/embed/X5m3va2rsHQ>

DINAclub is presented to participants in the Eroica, a popular race in Chianti ridden on historic bikes.

The fifth edition of Repower's White Paper on sustainable mobility emphasises the fact that despite the pandemic, the electric bike market in Europe, and especially in Italy, has in recent months seen a boom. The market grew 20 per cent year on year in Italy, with a total of more than two million electric bikes sold. Forecasts confirm this trend. In Europe the electric bike business is already generating bigger sales than the cruise industry.

The DINAclub basically has three components. The first is DINA, a new charging station for electric bikes designed by Makio Hasuike, winner of the Compasso d'Oro alla carriera. The simple but elegant charging station is suitable for outdoor and indoor use. Up to seven electric bikes can be parked at it, and four can be charged at the same time. It's a smart solution for the growing number of regions and players that rely on electric bike tourism and related services.

The second component is a partnership with the route planner komoot, a reference platform for cyclists all over the world with 20 million users in Europe alone. Under the agreement, all structures participating in DINAclub will be listed on komoot's maps as points of interest and charging stations. This partnership enables DINAclub to offer cyclists an innovative gamification activity, a method that rewards belonging to the bike network as well as motivating people to go exploring by bike.

The third component is content generated around bike tourism and collected and published via dinaclub.repower.com. The web portal enables users to check out the latest cycling routes, technical innovations, interviews with the most popular hospitality structures and much more besides.

“Once again we want to offer something new built on sustainability and design.”

Matteo Sapienza, Sales Promotion, Repower Italy

“**We've put a lot of work into the DINAclub project.** Given that the market is currently experiencing rapid growth, once again we want to offer something new that builds on sustainability and design. At the same time it should strengthen local identities and the feeling of belonging to a growing community,” explains Matteo Sapienza, Sales Promotion at Repower Italy.

In the second half of 2021 we were able to introduce the DINAclub into society. The occasion was the Eroica in the Chianti, a race ridden on historic bikes that attracts many participants. This was possible among other things thanks to the efforts of Paolo Bettini, Olympic gold medal racing cyclist and now the face of the DINAclub project. At the tourism fair in Rimini, many stakeholders in the tourism industry showed particular appreciation for the added value of the project in terms of revitalising the sector and opening it up to new services. In November the DINAclub was presented to a number of owners of major wineries at a conference in Gaiole. The event was organised by Barone Ricasoli. Participants were particularly interested in the significance of local electric bike routes for territorial marketing. The DINAclub can play a key role in creating these tourist routes.

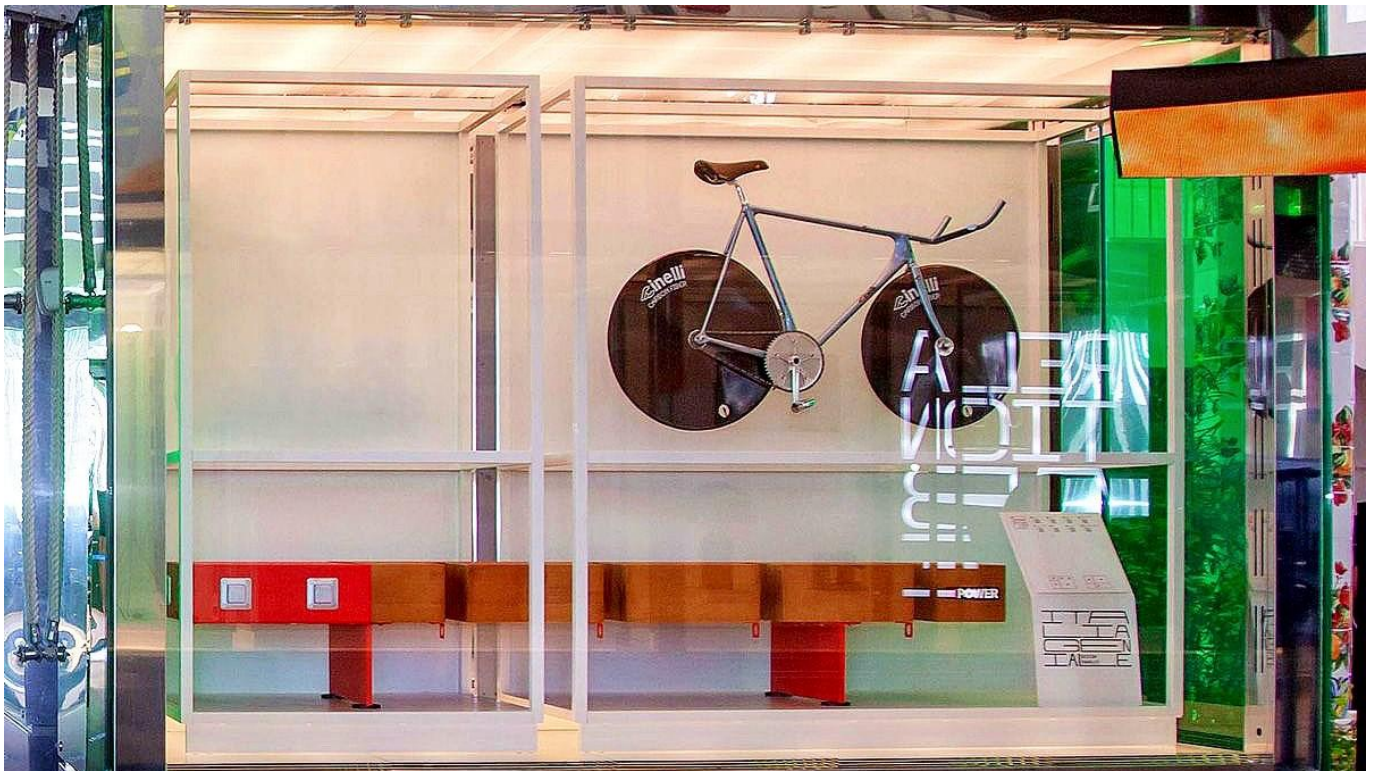


Matteo Sapienza
Sales Promotion, Repower Italy

E-LOUNGE MAKES IT TO THE EXPO

December

After the G20 summit the E-LOUNGE flies on to Dubai.



The E-LOUNGE was presented as part of the Italia Geniale exhibition in the Italian pavilion at the EXPO in Dubai.

After winning the most important design award, the Compasso d'Oro, in 2020, **Repower's E-LOUNGE** goes from success to success. The smart bench conceived by the Antonio Lanzillo and Partners design studio continued to cause a stir at major institutional and international events in 2021.

An E-LOUNGE stood in the Nuvola di Fuksas conference centre in Rome where the G20 summit was held at the end of October, before flying on to Dubai. There it was shown with the most important designer objects from Italy as part of the Italia Geniale exhibition in the Italian pavilion at the EXPO. At the centre of attention: Repower's E-LOUNGE.

CARPOOLING SERVICE WINS PREMIO SPECIALE REPOWER

December

Start-up Jojob Real Time Carpooling wins the fourth edition of Repower's innovation award.



https://www.youtube.com/embed/BC-_vub00i4

The Premio Speciale Repower is awarded for the fourth time as part of the renowned 2031 innovation awards.

In December 2021 **the Premio Speciale Repower** was awarded to the start-up Jojob. The award was presented at the finale of one of Europe's most important competitions for innovation, the 2031 award. The start-up will receive mentoring sponsored by Repower.

Jojob is a start-up based in Turin. In 2015 it launched a carpooling service and free app with the same name: once registered, each user can plan their journeys, find drivers and/or passengers to travel with them, book journeys with others and automatically pay part of the costs of travel.

The panel of journalists, innovators and entrepreneurs chose Jojob because the company has "found a response to a growing need of users and businesses and has adapted proactively to a changing market situation."

REINFORCEMENT FOR THE EXECUTIVE BOARD

December

In December Repower's board of directors elected the nine members of the executive board. Michael Roth will be responsible for the Power Production & Grid division, while Dario Castagnoli will be in charge of the Trading & IT division.



Michael Roth (links) and Dario Castagnoli join the Repower family in 2022 as members of the executive board.

"I'm delighted and honoured to be able to reinforce our management with two highly experienced people with outstanding professional credentials," says CEO Roland Leuenberger on the election of the two new members of Repower's executive board.

Michael Roth (age 46) has more than 18 years of experience in the energy industry. Since 2013 he has been the director of Graubünden utility Engadiner Kraftwerke, responsible for the power supply in the Lower Engadine and the economic operation of hydropower assets producing around 1,500 GWh of

energy a year. He is also CEO of Gemeinschaftskraftwerk Inn (GKI), a new run-of-river power plant on the border between Switzerland and Austria that from 2023 will produce 400 GWh of electricity a year. Prior to that Michael Roth, born in Solothurn, worked as Head of Production & Trading at Zurich utility Elektrizitätswerk der Stadt Zürich (EWZ). Michael Roth has an ETH degree in electrical engineering and a postgraduate diploma in business and management. He will be taking over as head of the Power Generation & Grid division on 1 May 2022.

Dario Castagnoli (age 46) has been working in the energy industry for 20 years, with a focus on energy trading and asset optimisation. Since 2015 he has been a member of the management of international energy company Nexus Energia, where he is responsible for energy management, trading and renewable energy. Prior to that Dario Castagnoli, who is a native of Italy, had roles including senior energy trader at Vattenfall Energy Trading GmbH and RWE Supply & Trading, as well as working for almost six years as a project manager at ABB in Baden. Dario Castagnoli has a master's in electrical engineering from the University of Pavia and an MBA from the International Institute for Management Development (IMD) in Lausanne. At Repower Dario Castagnoli will head the Trading & IT division. He will be taking his seat on Repower's executive board on 1 June 2022.

CORPORATE GOVERNANCE

This section complies with the principles set down in the Swiss Code of Best Practice for Corporate Governance, and contains key information on corporate governance in the Repower Group. The information is also available [here](#).

Basic principles

The principles of corporate governance are laid down in the articles of association and in the organisational regulations and related regulations. The board of directors and executive board regularly review these principles and revise them as and when required.

Group structure and shareholders

The Repower Group consists of Repower AG and its holdings. The registered office of Repower AG is in Brusio in Canton Graubünden, and its postal address is Via da Clalt 12, 7742 Poschiavo. Repower is a sales and service company operating in the energy business, with over 100 years of experience. Its key markets are Switzerland (including the origination business in Germany) and Italy. The group operates along the entire electricity value chain, from generation and trading to distribution and sales, and in the gas business. It also develops intelligent systems to facilitate the energy transition. Repower draws on its deep energy expertise to offer its services to other customers and provide services for third parties. The Repower Group employs 607 people. The operational group structure comprises four divisions – Service Provision, Market Switzerland, Italy, and Finance & Services – plus administrative units reporting direct to the CEO.

The Service Provision division encompasses Generation Asset Management, Grid and Supply Asset Management, Planning, Execution, Operations and Trading. As of 1 January 2022 the Service Provision division was continued without Trading as the Power Generation & Grid division. On the same date Trading in Poschiavo switched to the new Trading & IT division.

The Market Switzerland division is divided into two areas, EVolution with Sales Energy & Certificates, and two departments, E-Mobility and Solar Power. The two administrative units Sponsorship & Events and CRM, Digital Media & Services are also part of this division. On 1 January 2022, Sales Energy & Certificates moved to the new Trading & IT division.

The Italy division is in charge of sales of electricity, natural gas and green power certificates, as well as the operation and maintenance of generation facilities in Italy.

The Finance & Services division runs the areas Group Accounting & Tax and Group Controlling, as well as IT and Services. On 1 January 2022, IT moved to the new Trading & IT division.

Reporting direct to the CEO are the areas Human Resources, Legal, Risk, Compliance & Security (on 1 January 2022 renamed Legal & Compliance) and Corporate Communications, as well as the Strategic Projects & CEO Office area. On 1 January 2022 the Risk Management department moved to the Finance & Services division and the Safety, Environment and Certifications department moved to the Power Generation and Grid division.

The individual operations are managed centrally by Repower AG and are not organised into separate legal structures. However, if management by Repower AG is deemed impossible or inefficient for legal, fiscal or regulatory reasons, or if new legal entities are added (for example through acquisition),

management is handled by legally independent subsidiaries. An overview of shareholdings can be found [here](#).

Repower AG registered shares are traded on Berner Kantonalbank's OTC-X platform. In addition, Repower shares are available on the Zürcher Kantonalbank and Lienhardt & Partner platforms.

As of the 31 December 2021 cut-off date, Elektrizitätswerke des Kantons Zürich (EKZ) holds 34.04 per cent, Canton Graubünden 21.96 per cent, UBS Clean Energy Infrastructure KmGK (UBS-CEIS) 18.88 per cent and Axpo Holding AG (Axpo) 12.69 per cent of the shares; together they thus hold 87.57 per cent of the voting rights. The anchor shareholders are committed to one another through a shareholders' agreement. As a core provision of this agreement, the parties agree that Repower AG shall operate as a private, independent, profit-oriented energy supply company based in Canton Graubünden managed according to business principles with broad-based activities including generation (hydropower) in Canton Graubünden and the core markets Switzerland and Italy. The shareholders' agreement also contains limitations on transferability as well as detailed provisions on corporate governance.

No cross-shareholdings exist. The remaining 12.43 per cent of the unified registered shares are in free float.

Capital structure

The share capital of Repower AG (information on the share capital supplementary to the balance sheet is given in the [Changes in consolidated equity section](#)) consists of 7,390,968 registered shares (Swiss securities no. 32,009,699) each with a par value of CHF 1. Each registered share entitles the holder to one vote at the annual general meeting. The registered shares have a dividend entitlement. There are no preferential rights or restrictions on voting rights. No authorised or conditional capital exists. Repower AG has no outstanding dividend right certificates. Repower AG has issued no convertible bonds, options or other securities that entitle the holders to shares in Repower AG. Based on the stock exchange prices for the registered shares, the company had a market capitalisation of around CHF 968 million at the end of 2021.

Board of directors

Members

The members of the board of directors are listed in the [Members of the board of directors](#) section. The members of the board of directors of Repower AG do not perform operational management tasks for the company. No members of the board of directors sit on the executive boards of group companies. Some members of the board of directors perform executive functions for Elektrizitätswerke des Kantons Zürich or Axpo Holding AG – both anchor shareholders – or their affiliated companies. Normal business relations exist with these companies.

Election and term of office

The members of the board of directors are elected annually by the annual general meeting individually or together. The term of office ends with the completion of the next annual general meeting. Newly elected members complete the terms of office of their predecessors. The board of directors currently comprises seven members, the maximum permissible number under the articles of association. Re-election is possible. Under the terms of the organisational regulations, members of the board of directors must give up their seats on the board as a rule at the annual general meeting following the end of the year in which they reach age 70. The board of directors may make exceptions to this rule.

Internal organisation

The board of directors determines its own internal organisation. It elects its chair, vice chair and secretary; the secretary need not be a member of the board of directors. There is also an audit committee and a personnel committee. Members of the committees are elected for the same term of office as the board of directors. The members of the audit and personnel committees are detailed in

the **Members of the board of directors** section. These two committees prepare business for the board of directors and provide the board of directors with periodic reports on their activities in a suitable format. They do not have decisionmaking powers.

Together with the general secretariat and the CEO, the chair of the board of directors draws up the agenda for meetings of the board of directors. Members of the board of directors generally receive proposals relating to each agenda item eight days in advance of meetings. These proposals include background information as well as an evaluation and a motion by the executive board and by the committees. The board of directors meets at the invitation of the chair or, if the latter is not available, of the vice chair, as often as required to conduct its business. The board of directors generally meets at least once a quarter. The board of directors must be convened whenever one of its members or the CEO makes a written request to this effect, stating the reason.

The members of the executive board generally attend every meeting of the board of directors. The board of directors basically constitutes a quorum if the majority of its members are present. The board of directors passes resolutions by a majority vote. The chair does not have a casting vote. Minutes are taken of the business and resolutions of the board of directors and are submitted to the board for approval at its next regular meeting.

The committees and the board of directors follow the same procedures in terms of convocation, procedure of the meetings and decisionmaking.

In the year under review the board of directors met seven times, and the committees 13 times. Meetings of the bodies normally last half a day.

Audit committee

The audit committee evaluates the efficacy of the external audit and the functional effectiveness of the risk management processes. It can engage the external auditor or other external advisors to perform special audits for the purpose of internal control. The audit committee also reviews the status of company compliance with various standards (annual compliance report). The committee inspects the individual and consolidated financial statements and the interim financial statements intended for publication; it discusses the financial statements with the CFO and, insofar as this is deemed necessary, with the head of the external auditors and the CEO. Finally, it also assesses whether the individual and consolidated financial statements can be recommended to the board of directors for submission to the annual general meeting. It evaluates the services and fees of the external auditors and verifies their independence. It also determines whether the auditing role is compatible with any consulting mandates. The audit committee evaluates the overall financing of the company and individual financing measures, the company's medium and long-term cash planning, and its liquidity and working capital management. It also evaluates the budgets, long-term financial plans and the principles used to measure non-current assets.

Personnel committee

The personnel committee oversees the objectives and principles of personnel policy and obtains from the CEO information on the implementation of the principles of compensation and personnel policy. Once a year the personnel committee reviews the objectives of the CEO and their attainment, submitting them to the board of directors for approval. Also once a year, the committee reviews the objectives and appraisal of the members of the executive board proposed by the CEO (including compensation/pay adjustments). The personnel committee obtains from the CEO information on personnel development (including succession planning) at management level and the corresponding measures at executive level. It evaluates and discusses the company's and group companies' compensation guidelines and schemes, and reviews their efficacy, attractiveness and competitiveness. The committee sets down the principles for selecting candidates for the executive board, oversees the selection procedure in line with these principles and evaluates, with the CEO, the candidates for the nominations to be made by the board of directors for membership of the executive board. The personnel committee prepares re-elections and new elections within the board of directors, taking account of the shareholder structure. It also reviews appropriate insurance policies for members of the

board of directors and executive board, and proposes any necessary modifications to the board of directors.

Assignment of authority and responsibility to the board of directors and executive board

Types of authority granted to the board of directors and the executive board are defined in the organisational regulations and in assignment of authority and responsibility I (board of directors) and assignment of authority and responsibility II (CEO) respectively. The board of directors is responsible for the overall direction and strategic orientation of the Repower Group and for supervising the executive board. It reviews and determines on an annual basis the objectives and strategy of the Repower Group as well as the corporate policy in all sectors, and makes decisions regarding short- and long-term corporate planning. It also deals with the organisational structure, accounting structure, internal control system and financial planning, the appointment and discharge of the persons entrusted with management and representation (namely the CEO and the other members of the executive board), preparation of the annual report, preparations for the annual general meeting and implementation of its resolutions, passing resolutions on capital increases and the resulting amendments to the articles of association, examining the qualifications of specially qualified auditors in the instances provided for under the law, and making decisions on compensation policy. The board of directors has delegated the entire operational management of the Repower Group to the CEO. The CEO has delegated certain management functions to the members of the executive board. Some types of business or transactions must be presented to the board of directors for a decision in accordance with assignment of authority and responsibility I. In the year under review the organisational regulations and assignments of authority and responsibility were reviewed, and were approved at the meetings of the board of directors on 4 May (assignment of authority and responsibility I (board of directors)) and 9 June 2021 (assignment of authority and responsibility II (CEO)).

Information and control instruments vis-à-vis the executive board

At each meeting of the board of directors, the CEO and the members of the executive board report on current business developments, important business transactions and the status of major projects. Aside from these meetings, any member of the board of directors may ask the CEO to provide information about the course of business and also, if the chair agrees, about individual transactions. Supervision and control of the executive board is handled by approving the annual planning and on the basis of detailed quarterly reporting comparing actual and target figures. Quarterly reporting includes data on the volumes of energy sold and procured, the income statement and balance sheet (including expected values for the most important key figures, namely energy sales, total operating revenue, operating income, profit, cash flow, capital expenditure, property, plant and equipment, total assets, equity), energy trading risks (market risks and counterparty risks) and key projects. Important key figures on the Swiss and Italian markets, trading and the Corporate Centre also form part of the quarterly reporting. The Repower Group also does **segment reporting** in accordance with Swiss GAAP FER 31 (for more information, see the paragraph on segment reporting). The board of directors also receives quarterly progress reports and final performance reports on key projects, as well as – if specifically requested – status reports on individual business activities. Annual and long-term planning covers corporate objectives, key projects and financial planning. In addition there are risk management and auditors' reports to facilitate the assessment of management and the risk situation. The Repower Group has a risk management system which is described in detail in a policy issued by the board of directors. At the end of each year the board of directors defines the risk strategy for the following financial year. Significant risks must be brought to the attention of the board of directors at least once a year, with quarterly updates to advise the board of directors of any changes in these risks. The auditors draw up a comprehensive report once a year documenting the key findings of their audit.

Repower Group Executive Board

Roland Leuenberger

- CEO (Chairman of the Executive Board of the Repower Group)

Dr Lorenzo Trezzini

- CFO (Head of Finance & Services)

Samuel Bontadelli

- COO (Head of Service Provision) (until 29 October 2021)

Fabio Bocchiola

- Head of Italy

The list in the [Executive board](#) section provides detailed information on members of the executive board (name, age, position, nationality, date of joining the company, professional background, and other activities and interests). No management tasks were transferred to third parties.

Head of Market Switzerland

Dr René Burkhard

- Head of Market Switzerland

Compensation, shareholdings and loans

Content of compensation and procedure for setting compensation

Under the terms of the articles of association the board of directors sets the annual compensation paid to its members. The members of the board of directors receive compensation based on the work they have performed and their responsibilities in accordance with the remuneration rules. The board of directors was compensated in accordance with the remuneration rules of 21 June 2016. The compensation consists of a flat fee that already covers any out-of-pocket expenses. This compensation does not depend on the company's earnings.

The compensation paid to members of the executive board comprises a fixed and a variable component. The fixed and variable components paid to the CEO are set on an annual basis by the personnel committee and approved by the board of directors. Those paid to the members of the executive board are set by the CEO and noted by the board of directors.

All compensation components are paid in cash.

Compensation paid to members of the board of directors

In the year under review the members of the board of directors received cash compensation in the amount of CHF 704,490 (prior year: CHF 704,694). Compensation breaks down in detail as follows:

CHF	Member of the board of directors from/until	Gross compensation	Employer contributions	Total compensation
2021				
Total		690,000	14,490	704,490
Dr Monika Krüsi, Chairwoman ¹⁾	from 16.05.18	150,000	-	150,000
Peter Eugster, Vice Chairman ¹⁾	from 21.06.16	90,000	-	90,000
Dr Urs Rengel ¹⁾	from 21.06.16	90,000	-	90,000
Dr Martin Schmid	from 23.05.08	90,000	7,245	97,245
Claudio Lardi	from 04.05.11	90,000	7,245	97,245
Roland Leuenberger ¹⁾	until 20.05.20	-	-	-
Beat Huber ¹⁾	from 20.05.20	90,000	-	90,000
Hansueli Sallenbach ¹⁾	from 16.05.18	90,000	-	90,000

1) In accordance with the instructions of the members of the board of directors affected, the entire compensation is transferred to their employers.

CHF	Member of the board of directors from/until	Gross compensation	Employer contributions	Total compensation
2020				
Total		690,248	14,446	704,694
Dr Monika Krüsi, Chairwoman ¹⁾	from 16.05.18	150,000	-	150,000
Peter Eugster, Vice Chairman ¹⁾	from 21.06.16	90,000	-	90,000
Dr Urs Rengel ¹⁾	from 21.06.16	90,000	-	90,000
Dr Martin Schmid	from 23.05.08	90,000	7,223	97,223
Claudio Lardi	from 04.05.11	90,000	7,223	97,223
Roland Leuenberger ¹⁾	until 20.05.20	34,863	-	34,863
Beat Huber ¹⁾	from 20.05.20	55,385	-	55,385
Hansueli Sallenbach ¹⁾	from 16.05.18	90,000	-	90,000

1) In accordance with the instructions of the members of the board of directors affected, the entire compensation is transferred to their employers.

Compensation paid to the members of the executive board

In the year under review the members of the executive board received cash compensation in the amount of CHF 2,446,760 (prior year CHF 2,456,404). Compensation breaks down in detail as follows:

CHF	Gross compensation (fixed)	Gross compensation (variable)	Employer contributions	Other benefits	Total compensation
2021					
Total members of the executive board	1,334,255	622,646	489,859	-	2,446,760
Roland Leuenberger, CEO	400,250	230,000	110,518	-	740,768
Other members of the executive board	934,005	392,646	379,341	-	1,705,992

CHF	Gross compensation (fixed)	Gross compensation (variable)	Employer contributions	Other benefits	Total compensation
2020					
Total members of the executive board	1,684,990	393,427	377,987	-	2,456,404
Roland Leuenberger, CEO*	691,832	-	-	-	691,832
Other members of the executive board	993,158	393,427	377,987	-	1,764,572

* Remuneration was defined based on mandate.

Shareholders' rights of participation

Shareholders' rights to assets and participation are in accordance with the law and the articles of association. None of the provisions of the articles of association deviate from statutory provisions, with the exception of the placement of an item of business on the agenda of the annual general meeting. To do so, a shareholder or several shareholders must hold at least CHF 100,000 of share capital and submit a written request at least 50 days prior to the annual general meeting.

One shareholder or several shareholders who together hold at least 10 per cent of the share capital may request in writing that an extraordinary general meeting be convened, provided that the request states the proposals and the item of business. An ordinary general meeting of shareholders takes place every year, no more than six months after the end of the financial year.

Each shareholder may be represented at the annual general meeting by granting another shareholder authority in writing or by granting the independent proxy authority in writing or electronically. Each share entitles the holder to one vote at the annual general meeting.

The situation in relation to the coronavirus (Covid-19), and in particular the measures ordained by the Swiss Federal Council in this connection, prompted Repower to initiate special measures for the annual general meeting on 19 May 2021. The annual general meeting was held without any shareholders physically participating. Voting and election rights were exercised by way of instructions to the independent proxy, Dr Peter Philipp, Chur.

Auditor

Since 2015, Ernst & Young AG, Zurich, has served as the statutory auditor and Group auditor appointed annually by the annual general meeting. The auditor in charge is Willy Hofstetter. Ernst &

Young AG was paid a total fee of CHF 464 thousand for its auditing services for the Group in the 2021 financial year and CHF 68 thousand for other consulting services.

Supervision and control instruments vis-à-vis the auditors

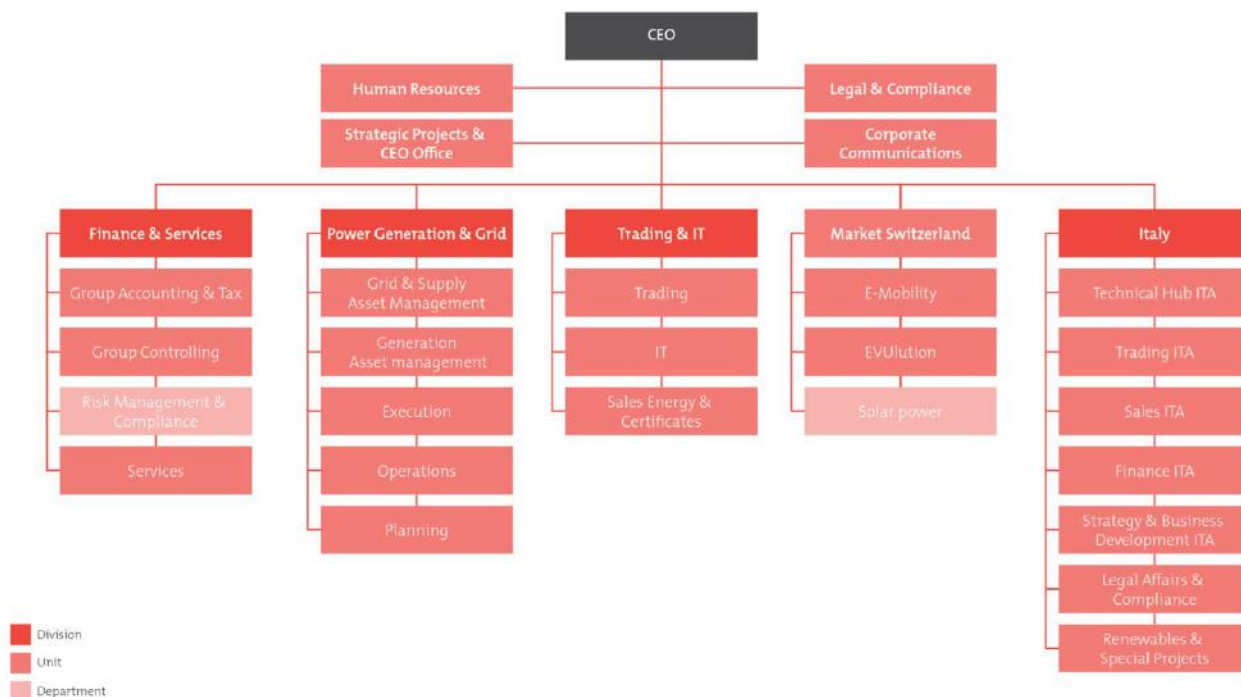
The audit committee monitors the credentials, independence and performance of the auditor and its audit experts. It obtains information at least once a year from the audit managers and the executive board concerning the planning, execution and findings of the audit work. The audit committee asks the auditors to provide the audit plans and any proposals for improving internal controls. The auditors draw up for the board of directors a comprehensive report with findings on accounting practices, internal controls, the execution and results of the audit. The items and improvements discussed in the report are reviewed by the auditors in an interim audit and the results are presented to the audit committee. In 2021 representatives of the external auditor participated in three meetings of the audit committee.

Information policy

The Repower Group provides its shareholders, potential investors and other stakeholders with comprehensive, timely and regular information in the form of annual and semi-annual reports, at the annual press conference, analyst meetings and the annual general meeting of shareholders. Important developments are communicated via news releases (news releases by email can be requested [here](#)). The [website](#), which is regularly updated, serves as an additional source of information.

Events after the balance sheet date

Since 1 January 2022 the former Service Provision division has been operated without Trading as the new Power Generation & Grid division. In addition to this, a new Trading & IT division was created comprising the areas Trading Poschiavo, Sales Energy & Certificates and IT.



Organisation chart at 1 January 2022

At the regular meeting of the board of directors on 14 December 2021, Michael Roth was elected new head of the Power Generation & Grid division, and Dario Castagnoli was elected new head of the Trading & IT division. Michael Roth will be taking over as head of his division on 1 May 2022, and Dario Castagnoli will be commencing his role on 1 June 2022. Until then the two divisions will be managed by CEO Roland Leuenberger (Power Generation & Grid) and CFO Dr Lorenzo Trezzini (Trading & IT) in addition to their other responsibilities.

BOARD OF DIRECTORS*



Repower's board of directors: Dr Urs Rengel, Dr Martin Schmid, Dr Monika Krüsi, Claudio Lardi, Beat Huber, Peter Eugster, Hansueli Sallenbach (from left to right)

Members of the board of directors are elected to serve until the 2022 annual general meeting.



Dr Monika Krüsi (b. 1962)

Swiss and Italian citizen; PhD in business informatics, lic. oec. publ., University of Zurich
Chair of the board of directors

Member of the board of directors since 2018

Professional career

Current

- Partner at management consultant MKP Consulting AG (since 2003)

Previous

- Partner at Venture Incubator Partners AG (2001–03) Associate partner at McKinsey & Company responsible for clients in the industrial and transport sectors, focusing on growth, innovation and repositioning (1991–2001)

Other activities and functions

Positions on boards of major corporations, organisations and foundations

- Chair of the board of directors of Oskar Rüeegg AG
- Member of the boards of directors of Burckhardt Compression AG, Energie 360°, BGRB Holding AG, Signal AG, Suhner AG and AVA AG
- Member of the board of Technopark Luzern

Official functions and political offices

- Member of the investment committee of Smart Energy Innovationsfonds AG, Zurich



Peter Eugster (b. 1958)

Swiss citizen; EMBA, HWV degree in business and economics

Vice chair of the board of directors

Chair of the audit committee of the board of directors

Member of the board of directors since 2016

Professional career

Current

- Interest management (since 2021)

Previous

- CFO of Elektrizitätswerke des Kantons Zürich (2004–21)
- CFO at Ascom System AG (2000–04)
- Finance director at P.J. Carroll & Co. Ltd., Dublin (1997–2000)
- Finance & HR director at Sullana AG (1989–97)

Other activities and functions

Positions on boards of major corporations, organisations and foundations

- Chair of the boards of directors of Certum Sicherheit AG and Bank BSU Genossenschaft
- Vice chair of the board of directors of Primeo Energie AG
- Member of the board of directors of enersuisse AG
- Trustee of PKE Vorsorgestiftung Energie



Dr Urs Rengel (b. 1962)

Swiss citizen; Dr. sc. techn., Dipl. El. Ing. ETHZ, Executive MBA
University of St. Gallen

Member of the personnel committee of the board of directors

Member of the board of directors since 2016

Professional career

Current

- CFO of Elektrizitätswerke des Kantons Zürich (since 2004)

Previous

Elektrizitätswerke des Kantons Zürich:

- Head of energy distribution and member of the executive board (2001–03)
- Head of grid and member of the extended executive board (2000–01)

Brugg Kabel AG:

- Head of development and high voltage accessories profit centre (1997–2000)
- Head of test laboratories (1995–97)
- Project manager and research assistant (1990–95)

Other activities and functions

Positions on boards of major corporations, organisations and foundations

- Chair of the board of directors of EKZ Eltop AG
- Member of the boards of directors of Kernkraftwerk Gösgen Däniken AG, Gruner AG and EKZ renewables AG
- Member of the management board of the Association of Swiss Electricity Companies (VSE)



Dr Martin Schmid (b. 1969)

Swiss citizen; Dr. iur. University of St. Gallen, attorney
Member of the audit committee of the board of directors

Member of the board of directors since 2008

Professional career

Current

- Lawyer with Kunz Schmid, lawyers and notaries, Chur

Previous

- Head of the Department of Finance and Municipalities (2008–11)
- Member of the Cantonal Executive Council, Head of the Department of Justice, Security and Health (2003–08)
- Assistant at the Institute for Financial Science and Financial Law/IFF, University of St. Gallen, part-time positions with PricewaterhouseCoopers and part-time independent lawyer (1997–2002)

Other activities and functions

Positions on boards of major corporations, organisations and foundations

- Chair of the boards of directors of Engadiner Kraftwerke AG, Elettricità Industriale SA and Calanda Holding AG
- Chair of the Swiss Gas Industry Association (VSG) and Entwicklung Schweiz
- Chair of the board of trustees and board of directors of the Cantonal Hospital of Graubünden
- Member of the boards of directors of Swissgas AG, Siegfried AG and Swiss Life Holding AG

Permanent positions with important interest groups

- Member of the executive committee of economiesuisse

Official functions and political offices

- Member of the Swiss Council of States for Canton Graubünden



Claudio Lardi (b. 1955)

Swiss citizen; lic. iur., Attorney

Chair of the personnel committee of the board of directors

Member of the board of directors since 2011

Professional career

Current

- Lawyer

Previous

- Member of the executive council of Canton Graubünden (1999–2010)

Permanent positions with important interest groups

- Chair of Caritas Graubünden
- Chair of the Board of Education of the Education Centre for Health and Social Affairs, Chur

Official functions and political offices

- Government commissioner, Comune di Roveredo
- Mayor (sindaco) ad interim, Comune di Roveredo



Beat Huber (b. 1973)

Swiss citizen; lic. rer. pol., University of Basel

Member of the audit committee of the board of directors

Member of the board of directors since 2020

Professional career

Current

- Head Swiss Investments at Swiss Life Asset Management AG

Previous

- Founding partner and member of the executive board of Fontavis AG (since 2011)
- Founding partner and member of the executive board of EVU Partners AG (since 2010)
- CFO of IWB (2005–10)
- Head of finance and corporate development at IWB (2004–05)
- Corporate controller at IWB (2003–04)
- Consultant at Senergy AG (1999–2003)

Other activities and functions

Positions on boards of major corporations, organisations and foundations

- Chair of the board of directors of Eniwa AG
- Member of the boards of directors of WWZ Netze and WWZ Energie, AVAG AG, SonnenPool AG, Herzog und Kull Gruppe, e-netz ag, Climatch AG and ecoenergy Valais SA
- Member of the board of directors and chair of the audit committee of Aventron AG



Hansueli Sallenbach (b. 1966)

Swiss citizen; lic. iur., attorney, Executive MBL, University of St. Gallen
Member of the personnel committee of the board of directors

Member of the board of directors since 2018

Professional career

Current

- General counsel at Axpo Holding AG (since 2007)

Previous

- Head of legal at AEW Energie AG, head of the AEW services department (real estate, logistics and managing equity holdings), and deputy head of the AEW finance unit (2000–07)
- Lawyer at a medium-sized law firm in Zurich (1997–2000)

Other activities and functions

Positions on boards of major corporations, organisations and foundations

- Member of the boards of directors of Centralschweizerische Kraftwerke AG (CKW), Axpo Services AG, Axpo AG and Etrans AG

*Details of mandates are correct as of 31 December 2021.

EXECUTIVE MANAGEMENT*



Samuel Bontadelli (until October 2021), Dr Lorenzo Trezzini, Roland Leuenberger, Fabio Bocchiola (from left to right)



Roland Leuenberger (b. 1968), CEO

Swiss citizen; lic. oec. publ.

Since April 2020 CEO

Since September 2019 interim CEO

Previous senior positions

- Member of the board of directors of Repower AG (2016–20) and chair of the audit committee of the board of directors of Repower AG (2016–19)
- Founding partner and member of the executive board of EVU Partners AG (2010–19)
- Founding partner and member of the executive board of Fontavis AG (2011–18)
- CEO of Co-Investor AG (2007–08)
- UBS AG, head of finance & controlling, Wealth Management International (2004–06)
- Various management roles at UBS AG (1996–2003)

Positions on boards of major corporations, organisations and foundations

- Vice-chair of the board of directors of Grischelectra AG
- Member of the board of directors of Wärmeverbund Laax AG
- Chair of the board of directors of EVUvolution AG
- Mandate at an Italian subsidiary

Permanent positions with important interest groups

- Member of the management board of the Association of Swiss Electricity Companies (VSE)
- Designated member of the executive of the association Verband Bündner Energieversorgungsunternehmen (VBE) as of 2022 AGM



Dr Lorenzo Trezzini (b. 1968), CFO (Head of Finance & Services)

Swiss and Italian citizen; Dr. oec. publ., Federally Certified Public Accountant, degree in business specialising in corporate finance

From September 2020 member of the executive board and CFO (Head of Finance & Services)

Previous senior positions

- Group CFO of Carlo Gavazzi Group (March 2020 – August 2020)
- Group CFO of Implantica Group (2015–20)
- Project Management Finances Corporate Consultant (2013–15)
- Group CFO of Valora Group (2008–12)
- Group CFO of Valartis Group and Valartis Bank (2004–08)
- Investment Manager at Invision AG (2002–04)
- Transaction Support Manager, Due Diligence Team, EY (2001–02)
- Assistant & Manager in Audit, Deloitte (1994–2001)

Positions on boards of major corporations, organisations and foundations

- Mandate at an Italian subsidiary



Samuel Bontadelli (b. 1979), COO (Head of Service Provision) (until October 2021)

Swiss citizen; degree in electrical engineering, Executive MBA

From 2018 member of the executive board, COO (Head of Service Provision)

From 2011 Head of Trading

From 2007 Head of Generation Switzerland

From 2003 Asset Management, Transmission

Positions on boards of major corporations, organisations and foundations

- Chair of the board of directors of Repartner Produktions AG (until October 2021)
- Member of the board of directors of AKEB (until October 2021)
- Mandates at diverse Italian subsidiaries (until October 2021)
- Member of various operating, financial and technical committees at Swiss partner plants



Fabio Bocchiola (b. 1964), Head of Italy

Italian citizen; diploma in business administration, piano diploma from the Conservatory in Brescia

From 2010 member of the executive board, Head of Italy

From 2002 Rezia Energia Italia S.p.A. (now Repower Italia S.p.A.)

Previous senior positions

- EnBW, head of sales (2000–02)
- EDISON, key account manager (1996–99)
- ASTER, assistant operations manager (1995–96)
- DALKIA, regional manager, Central and Southern Italy, with one year's experience in France (1990–95)

Positions on boards of major corporations, organisations and foundations

- Mandates at various Italian subsidiaries
- Member of the board of directors of Planet Farms Italia Società Agricola S.r.l.

Permanent positions with important interest groups

- President of ConTe Cooperativa Sociale
- Vice-chair of the Swiss Chamber of Commerce in Italy

*Details of mandates are correct as of 31 December 2021.

SUSTAINABILITY AT REPOWER

As an internationally-oriented electricity company with strong regional roots, sustainability management is close to Repower's heart. We take responsibility for our business activities, the environment and society.



Palù power plant, Valposchiavo

Repower is an international company that aims to increase its profitability – but not just that. We're also committed to providing secure jobs at decentralised locations and contributing to regional value creation. We recognise that an intact environment and a society geared to sustainability are the cornerstones of long-term business success.

These insights guide our actions on a day-to-day basis. Respect and responsibility for customers, partners and employees are also enshrined in our corporate values.

The two projects we've selected as examples in this annual report, one in Italy and one in Switzerland, show a small cross-section of our sustainability efforts at Repower. This is the first year we've

published a sustainability report. In it we give an account of our activities around sustainable action. Repower now intends to publish an annual sustainability report in line with the GRI standards. This will make our company's efforts towards a future worth living transparent and understandable.

[Sustainability report \(in German\)](#)

Our certificates

Seals of quality for sustainable management



Sustainable Development Goals

In our role as an international energy company we work for the UN's sustainability goals in alignment with our corporate strategy.



PYLONS AND POLES DISAPPEAR FROM THE ALPINE LANDSCAPE

Repower invests on an ongoing basis in expanding and modernising its electricity grid. Among other things this means regularly replacing overhead lines with new underground cable lines. Electricity pylons and poles can then be removed from the alpine landscape.



https://player.vimeo.com/video/676186763?h=48c5eaf59f&title=0&byline=0&portrait=0&speed=0&badge=0&autoplay=0&player_id=0&app_id=58479

In the Upper Engadine on the level ground between Champfèr and Albanatscha, thirteen pylons and 71 wooden poles were removed.

In 2021 Repower invested a total of 25.4 million francs in extending and maintaining electricity grids. These investments help constantly improve the availability, security of supply and performance of

power grids in Repower's supply area. In two more recent grid-related projects, however, Repower went beyond this objective.

In the Upper Engadine on the level ground between Champfèr and Albanatscha, 13 pylons and 71 wooden poles were removed in autumn. Prior to that Repower had reinforced and modernised the section of line between Champfèr and Silvaplana and Albanatscha. The new cable line runs underground. Part of it runs through a lake, Lej da Champfèr, and the tunnel of the new Silvaplana bypass. The cable line takes equal account of the landscape, the environment, and the leisure and tourism infrastructure.

“Underground cable lines enjoy broader acceptance because they improve the appearance of the landscape.”

Gerhard Bräuer, Head of Grid and Supply Asset Management

In Laax, construction has begun on a new 60kV cable line. The high-performance underground line will replace the overhead line between Prau Petschen and Staderas as well as the existing cable line through the heart of the village. The 3.6-kilometre-long overhead line will be dismantled once the new cable line has been laid and assembled. At this point a total of 20 electricity pylons, 270 tonnes of concrete and 78 tonnes of steel and aluminium will be dismantled. The new cable line runs through uninhabited areas in the west of the municipality of Laax and does not touch any nature conservation or building zones.



Near Laax a high-performance underground line will replace the existing overhead line.

Under the Electricity Supply Act (StromVG) and the related ordinances, grid operators in Switzerland are obliged to operate economically efficiently when it comes to operation, maintenance and investment/reinvestment. Repower strives to expand grids in such a way that if possible, grid costs for subscribers stay the same or are lower. However, whenever underground cable lines are technically and economically justifiable, Repower intends to dispense with overhead lines in the interests of the landscape.

“Underground cable lines enjoy broader acceptance because they improve the appearance of the landscape,” says Gerhard Bräuer, Head of Grid and Supply Asset Management. Among the challenges he mentions in relation to underground power lines are that they make faults harder to localise and

are subject to damage by civil engineering work. “We take a very close look at each individual cabling project from a technical and financial point of view. Not only that, but we attach great importance to careful consultation with the communities affected when it comes to finding a suitable route for laying a line.”



Gerhard Bräuer
Head of Grid and Supply Asset Management

SIBILA SAVES OUR CUSTOMERS ELECTRICITY AND MONEY

How to save energy with innovation: Repower has brought to market an ultrasound leak detector called Sibila to help its customers find compressed air leaks that are inaudible to the human ear.



A Repower employee listens to a customer's compressed air system for possible leaks.

A Repower specialist carries out the checks with an ultrasound leak detector. A microphone held towards the installation detects with incredible precision the position of any leaks. The whole check takes two days at most, and often only half a day. At no time does inspection of the plant hinder operation.

The data gathered in this way are analysed, and then a test report is drawn up quantifying the extent of the losses in economic terms and identifying the precise points where intervention is necessary. Within 60 days of the first check, if desired Repower will run an additional technical check to find out what results the repairs have produced.

Luca Poggiali, Head of Technical Hub, Repower Italy, says: “Sibila is an additional tool that Repower can offer as part of its advice to corporate customers. This innovative service represents our motto ‘all the energy you need’ in action. At this historic time, right in the middle of the energy transition, it’s one of the ways we’re helping make industry more sustainable.”

“This innovative service represents our motto ‘all the energy you need’ in action.”

Luca Poggiali, Head of Technical Hub, Repower Italy

Keeping compressed air losses under control saves time and money. On average, the companies that use Sibila devote a third of their electricity consumption to production. It’s estimated that around eleven per cent of the electricity is used for compressed air.

And if there’s no loss of pressure? Besides reducing electricity consumption, it’s also good for the compressor, which doesn’t have to work so hard to compensate for lost compressed air and keep the pressure in the distribution network constant. This way, the service life of the compressor is also extended.



Luca Poggiali
Head of Technical Hub, Repower Italy

COMMENTS ON THE FINANCIAL RESULTS

Repower posted a solid group profit of CHF 47 million – having seen operating income increase for the sixth financial year running.

In 2021 the energy markets saw unprecedented price increases, price levels and volatility. The volumes of energy sold and procured increased 26% or 4.4 TWh year on year from 17.0 TWh to 21.4 TWh. Sales of gas doubled from 1.7 cubic kilometres to 3.4 cubic kilometres. All this has had a considerable impact on Repower's financial statements. Total assets, net sales from goods and services, and energy procurement doubled versus the prior year. Positive and negative replacement values for held-for-trading positions (energy derivatives) were up as much as 17-fold and 19-fold respectively.

In the highly volatile market environment that prevailed in 2021, Repower managed to post stable results and maintain its financial power – in particular a high level of net liquidity. It can thus look back on a successful year. Net debt (or net liquidity when written with a minus sign) improved by CHF 8 million, now totalling CHF –97 million (prior year: CHF –89 million). The group closed the 2021 financial year with earnings before interest and taxes (EBIT) of CHF 82 million (prior year: CHF 77 million). Earnings before tax (EBT) came to CHF 65 million, in line with the prior year. Group earnings improved from CHF 41 million to CHF 47 million. Earnings per registered share comes to CHF 5.72 (CHF 5.31 the year before). Despite the fact that equity increased further to CHF 883 million (prior year: CHF 869 million), because of a significant increase in total assets from CHF 1,982 million to CHF 3,982 million the equity ratio halved from 44 per cent at the end of 2020 to 22 per cent on the balance sheet date. As it was the previous year, the Market Switzerland segment was again affected by extraordinary items.

Development in sales, and strong operating results

At CHF 3,211 million, Repower Group net sales from goods and services were up 88 per cent on the prior year level of CHF 1,708 million. The considerable increase in net sales is connected in particular with year-on-year increases in trading volumes and prices of electricity and gas.

By contrast, gross energy margin, which Repower defines as the difference between net revenue from energy business and energy procurement, has stayed more or less unchanged, only up from CHF 273 million to CHF 274 million at group level.

In the **Market Switzerland segment** the gross energy margin, including a positive extraordinary item of CHF 5 million on the basis of an adjustment in provisions for onerous procurement contracts, came to CHF 112 million, as it had the previous year.

Owing to its hedging strategy, Repower was able to profit from the increase in price levels only sporadically. The prior year's lower hedging prices resulted in a CHF 9 million decline in gross energy margin in Trading. In the Generation and Grid divisions (adjusted for an extraordinary item, the recognition of a subsequent positive declaration), gross energy margin declined by CHF 8 million.

In 2021, provisions for onerous procurement contracts in the amount of CHF 5 million were used or reversed, reducing the costs of energy procurement. These provisions for onerous contracts were recognised the previous year and reduced the results by CHF 21 million. As part of a subsequent

positive declaration of operating and capital costs for a feeder line, the prior year CHF 7 million flowed to Repower, and was recognised as net sales.

In 2021 the purchase price adjustment made for the transfer of transmission grids and the receipt of a premium for large hydropower projects amounting to CHF 21 million and CHF 4 million respectively were recognised as extraordinary items under other operating income. The cost of materials and third-party services increased; for the Market Switzerland segment it came to CHF 27 million (prior year: CHF 18 million), of which (in particular) CHF 11 million fell to services for third parties (prior year: CHF 6 million), CHF 10 million to the preservation and maintenance of Repower's own grid and generation assets (prior year: CHF 9 million) and CHF 2 million to sales, in particular the solar power equipment and EV charging station business.

EBIT including extraordinary items for the Market Switzerland segment came to CHF 37 million, more than double the prior-year figure of CHF 16 million.

In the **Market Italy segment** the gross energy margin increased by CHF 1 million, up from CHF 162 million to CHF 163 million. A CHF 29 million year-on-year decline in the margin on the provision of balancing energy through the operation of the Teverola combined cycle gas turbine plant was offset by an increase in margins on the renewable energy business (Repower Renewable) and retail business, where demand had declined in the first wave of the Covid-19 pandemic but has now recovered again by comparison with the prior year.

The prior year there was an impairment gain of CHF 6 million on the investment in the associate Aerochetto S.r.l. This year's result was negatively impacted by a provision of CHF 4 million created for excise taxes and other contractual risks. The cost of materials and third-party services in the Market Italy segment increased CHF 4 million from CHF 27 million to CHF 31 million; this was in connection with stepped-up efforts to sell VAS-products, for example charging stations and cargo bikes, as well with higher project development costs at Repower Renewable. The prior year's depreciation for solar power installations acquired in the course of the year are now, in 2021, included for the entire year, increasing annual depreciation by comparison with the prior year.

EBIT in the Market Italy segment saw a year-on-year decline of CHF 15 million (21%) from CHF 72 million to CHF 57 million.

Negative EBIT, and thus costs in **other segments and activities**, came to CHF 12 million (prior year: CHF 11 million).

The net financial result (financial income and financial expenses) increased overall versus the prior year, representing net financial expenses of CHF 17 million (prior year: net financial expenses of CHF 12 million). The weakening in the euro was more pronounced than in 2020. One result of this was that in 2021, CHF 8 million (prior year: CHF 2 million) in currency translation losses had to be recognised. Forward exchange transactions were used to generate offsetting gains of CHF 5 million (prior year: CHF 2 million). Interest expense declined, down CHF 2 million from CHF 11 million to CHF 9 million. As part of a refinancing, a previously unrecognised interest rate swap in the amount of CHF 3 million was closed affecting expense.

Earnings before tax came in at CHF 65 million, in line with the prior year. Income taxes, by contrast, fell CHF 24 million to CHF 18 million, which translates into a decline in the group's effective tax rate of 37 per cent to 27 per cent. The main reason for this was the increase of results in Switzerland, subject to lower tax rate, and the decrease of results in Italy, subject to higher tax rate.

Asset situation

Total assets at 31 December 2021 were CHF 3,982 million, up 101 per cent or CHF 2,000 million from CHF 1,982 million the prior year. The increase in total assets and liabilities is due in particular to an increase in prices.

Repower's non-current assets grew CHF 10 million from CHF 997 million to CHF 1,007 million. Within non-current assets there was a CHF 27 million increase in intangible assets. In January 2021, Repower paid reversion waiver compensation of CHF 24 million to Canton Graubünden and the municipalities of Brusio and Poschiavo for the continued operation of the Campocologno I and II plants. This reversion waiver compensation was capitalised.

Investments in associates and joint ventures declined by CHF 3 million from CHF 6 million to CHF 3 million. The major part of this change was due to this year's sale of EL.IT.E. S.r.l.

Current assets tripled to CHF 2,975 million from CHF 985 million the previous year. The main driver of this development was the highly volatile market environment and the high level of prices reached by the end of the year. The carrying amount of positive replacement values for held-for-trading positions came to CHF 1,775 million (prior year: CHF 105 million), many times higher than the previous year's figure. Positive replacement values for held-for-trading positions came to 45 per cent of total assets (prior year: 5 per cent). As part of its strategy, Repower opens and closes trading positions with the help of forward transactions (derivatives). The balance sheet rules generally foresee recognition on a gross basis. Netting of items accumulated in this way is only possible in precisely defined circumstances. The high carrying amounts of the forward transactions on the balance sheet were due to the enormous increase in market prices and thus in forward prices for energy products. On a net basis, however, the value of positive and negative replacement values for held-for-trading positions declined by CHF 6 million versus the prior year.

Equity grew 2 per cent from CHF 869 million to CHF 883 million. A particular contributory factor was good group earnings of CHF 47 million. Owing to the effects described above, the equity ratio halved to 22 per cent from 44 per cent the prior year. Return on equity (group earnings divided by equity) was 5 per cent, in line with the prior year.

Liabilities came to CHF 3,098 million at 31 December 2021, up 178 per cent or CHF 1,985 million from CHF 1,113 million the prior year. Here too the main reason is the extraordinarily pronounced increase in the carrying amounts of forward transactions described above.

Lower cash flow from operating activities

Despite a CHF 6 million increase in group earnings, cash flow from operating activities declined by CHF 40 million from CHF 159 million to CHF 119 million. This was due in particular to the higher income taxes paid to the community which increased by CHF 26 million from CHF 7 million the previous year to CHF 33 million. Other financial cash outflow came to CHF 4 million (versus a financial cash inflow of CHF 6 million the prior year), representing a CHF 10 million decline on the prior year, primarily due to lower cash inflows from forward exchange transactions this year, which are recognised under other financial cash outflow and inflow.

Cash flow from investing activities declined CHF 130 million to CHF -37 million (prior year: CHF -167 million). Direct investments in tangible and intangible assets increased by CHF 52 million versus the prior year to CHF 104 million (prior year: CHF 52 million), and primarily relate to grids and power plants, in particular the modernisation of Robbia power plant and reversion waiver compensation payments of CHF 24 million. In 2021 the Zernez and S-chanf distribution grids were sold for CHF 5 million. Repower also divested a net CHF 44 million in current and non-current financial assets (prior year: invested CHF 81 million). CHF 10 million flowed to Repower from the sale of the associates EL.IT.E. S.r.l. and Aerochetto S.r.l. In 2020 Repower made CHF 40 million (less cash and cash equivalents acquired) in investments in group companies. This was connected with the acquisition of solar and wind power installations in Italy and Germany.

In 2021 cash flow from operating activities exceeded cash flow from investing activities (having come in below cash flow from investing activities the prior year), amounting to CHF 83 million (prior year: CHF -9 million). Adjusted for incoming and outgoing payments in connection with investments and divestments of fully consolidated companies and associates, free cash flow came to CHF 73 million (versus CHF 31 million the prior year).

Cash flow from financing activities came to CHF –4 million (prior year: CHF –56 million). The prior year item contains a CHF 3 million capital increase from minority shareholders. Overall in 2021, financial liabilities of a net CHF 28 million were taken up (prior year: CHF 30 million repaid). In 2021 Repower paid dividends of around CHF 23 million to shareholders (prior year: CHF 19 million).

Repower's cash and cash equivalents came to CHF 370 million (prior year: CHF 301 million), with a year-on-year improvement in net liquidity to CHF –97 million from CHF –89 million the prior year.

The figure for net debt or net liquidity is calculated on the basis of cash and cash equivalents, marketable securities, fixed-term deposits, and current and non-current financial liabilities, including accrued interest. Net liquidity is indicated by a minus sign.

Net liquidity increased by CHF 8 million from CHF –89 million the prior year to CHF –97 million. Liabilities were lower than cash and cash equivalents. The net debt to EBITDA ratio was therefore also negative, unchanged at –0.7 and thus giving Repower more financial and strategic room for manoeuvre.

Dividend to shareholders

Given Repower's good operating results, strong capital structure and healthy liquidity, the board of directors moves that the annual general meeting of 18 May 2022 approve a dividend of CHF 4.50 per share.

Outlook

The impact of the war in Ukraine on the energy business cannot yet be fully foreseen, but it will have an influence and result in changes. The current high level of energy prices combined with a high degree of volatility are challenging, and represent both opportunities and risks. Connected with the high prices are more stringent liquidity requirements for trading activities. The high prices have also increased the risk that Repower's trading partners could get into economic difficulty. This could have unfavourable implications for Repower as well. Repower is monitoring developments closely and taking appropriate steps to mitigate the risks as far as possible. Repower has good financial power.

Demand for balancing energy, such as the Teverola combined cycle gas turbine plant supplies, is by its nature highly volatile. It is still too early to say for sure what the impact of the introduction of the capacity market for balancing energy in Italy will be.

With its own generation assets and operations at various stages of the value chain, Repower is generally well positioned. Thanks to higher prices, Repower anticipates increasing revenues from the sale of electricity. In the longer term, however, we must not be blinded by the short-term rise in electricity prices, as already in the medium term the market is assuming significantly lower prices.

Despite all the uncertainty, we expect successful business in 2022.

CONSOLIDATED INCOME STATEMENT

CHF thousand	Note	2021	2020
Net sales from goods and services	1	3,211,499	1,708,078
Own costs capitalised	2	9,784	9,233
Change in inventory of sales orders	3	425	122
Other operating income	4	33,147	5,239
Total operating revenue		3,254,855	1,722,672
Energy procurement	6	-2,904,795	-1,406,168
Concession fees	7	-17,528	-18,324
Personnel expenses	8	-74,318	-70,157
Materials and third party services	9	-57,620	-44,923
Other operating expenses	10	-60,141	-59,209
Share of earnings from associates and joint ventures	5	-3,498	4,798
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		136,955	128,689
Depreciation and value adjustments of tangible assets	11	-51,242	-48,945
Amortisation and value adjustments of intangible assets	12	-3,869	-2,822
Earnings before interest and taxes (EBIT)		81,844	76,922
Financial income	13	7,355	7,145
Financial expenses	13	-24,469	-19,123
Earnings before taxes		64,730	64,944
Income taxes	14	-17,637	-23,717
Group earnings		47,093	41,227
Share of group earnings attributable to Repower shareholders		42,303	39,255
Share of group earnings attributable to minorities		4,790	1,972
Share of group earnings attributable to Repower shareholders per registered share (in CHF)*		5.72	5.31
Average number of registered shares in circulation		7,390,789	7,390,751

* The undiluted group earnings are calculated on the basis of the weighted average number of shares. There are no factors resulting in a dilution of earnings per share.

CONSOLIDATED BALANCE SHEET

CHF thousand	Note	31.12.2021	31.12.2020
Assets			
Tangible assets	15	869,046	877,848
Intangible assets	16	38,973	12,198
Investments in associates and joint ventures	17	3,144	6,432
Financial assets	18	57,950	66,722
Deferred tax assets	19	37,592	33,859
Non-current assets		1,006,705	997,059
Inventories	20	44,246	21,604
Trade accounts receivable	21	80,902	49,304
Other receivables	22	107,205	43,866
Prepaid expenses and accrued income	23	476,840	306,345
Securities	24	120,500	158,471
Positive replacement values of held for trading positions	25	1,775,197	104,540
Cash and cash equivalents	26	370,181	301,244
Current assets		2,975,071	985,374
Total assets		3,981,776	1,982,433

CHF thousand	Note	31.12.2021	31.12.2020
Liabilities and shareholders' equity			
Share capital		7,391	7,391
Treasury shares		-19	-19
Capital reserves		157,680	179,843
Retained earnings (including group earnings)		643,117	600,780
Accumulated translation differences		-10,367	-2,627
Shareholders' equity excluding minorities		797,802	785,368
Minorities		85,524	83,914
Shareholders' equity		883,326	869,282
Non-current provisions	27	33,079	31,065
Deferred tax liabilities	28	24,566	24,411
Non-current financial liabilities	29	304,385	364,470
Other non-current liabilities	30	102,266	109,311
Non-current liabilities		464,296	529,257
Current financial liabilities	29	120,129	41,175
Negative replacement values of held for trading positions	25	1,771,778	94,788
Current provisions	27	6,719	7,809
Trade accounts payable	31	91,479	81,118
Other current liabilities	32	164,806	47,710
Deferred income and accrued expenses	33	479,243	311,294
Current liabilities		2,634,154	583,894
Liabilities		3,098,450	1,113,151
Total liabilities and shareholders' equity		3,981,776	1,982,433

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

CHF thousand	Share capital	Treasury shares	Capital reserves	Retained earnings	Accumulated translation differences	Shareholders' equity excluding minorities	Minorities	Total shareholder's equity
Equity at 1 January 2020	7,391	-16	198,320	561,525	-2,437	764,783	79,705	844,488
Group earnings				39,255		39,255	1,972	41,227
Effect of currency translation					-190	-190	-201	-391
Dividends			-18,477			-18,477	-971	-19,448
Purchase/sale of treasury shares		-3				-3		-3
Capital increase minorities						-	3,409	3,409
Equity at 31 December 2020	7,391	-19	179,843	600,780	-2,627	785,368	83,914	869,282
Equity at 1 January 2021	7,391	-19	179,843	600,780	-2,627	785,368	83,914	869,282
Group earnings				42,303		42,303	4,790	47,093
Effect of currency translation					-7,706	-7,706	-2,582	-10,288
Dividends			-22,172			-22,172	-607	-22,779
Purchase/sale of treasury shares			9			9		9
Changes in consolidation				34	-34	-	9	9
Equity at 31 December 2021	7,391	-19	157,680	643,117	-10,367	797,802	85,524	883,326

The share capital consists of 7,390,968 fully paid-up registered shares, each with a nominal value of CHF 1.00.

CONSOLIDATED CASH FLOW STATEMENT

CHF thousand	Note	2021	2020
Group earnings		47,093	41,227
Income taxes	14	17,637	23,717
Share of earnings from associates and joint ventures	5	3,498	-4,798
Net financial income	13	17,114	11,978
Depreciation/amortisation, impairment and reversal of impairment of tangible and intangible assets	11/12	55,111	51,767
Gain/loss on the disposals of tangible and intangible assets		1,496	1,240
Result from sales of associates and joint ventures	4	-1,830	-
Change in non-current provisions (without interest)		1,346	18,198
Other non-cash income and expenses		-4,324	-1,837
Dividends from associates and joint ventures	17	1,751	426
Income taxes paid		-33,322	-6,795
Other financial cash outflow and inflow		-4,175	5,990
Cash flow from operating activities before changes in net working capital		101,395	141,113
Changes			
Inventory		-24,195	-4,889
Trade accounts receivable		-32,142	6,174
Other receivables (without income taxes)		-71,352	-5,575
Prepaid expenses and accrued income		-184,076	363
Replacement values of held for trading positions		6,155	12,924
Current provisions		-1,082	6,939
Trade accounts payable		13,261	782
Other current liabilities (without income taxes)		129,805	6,581
Deferred income and accrued expenses		181,415	-5,654
Cash flow from operating activities		119,184	158,758

CHF thousand	Note	2021	2020
Additions of tangible assets	15	-74,147	-48,019
Subsidies received for power plants	15	5,615	2,053
Disposals of tangible assets		7,120	325
Additions of current and non-current financial assets	18/24	-64,521	-98,693
Disposals of current and non-current financial assets	18/24	108,998	18,112
Additions of intangible assets	16	-29,734	-2,675
Additions of group companies		11	-39,567
Payments for additions of investments in associates and joint ventures	17	-	-428
Payments received from disposals of investments in associates and joint ventures	17	9,733	-
Dividends received from third parties		262	189
Interest received		12	1,337
Cash flow from investing activities		-36,651	-167,366
Capital increase		-	3,409
Increase in financial liabilities		78,079	10,816
Repayment of financial liabilities		-50,487	-40,882
Dividend payments		-22,779	-19,448
Purchase/sale of treasury shares		9	-3
Interest paid		-8,374	-9,840
Cash flow from financing activities		-3,552	-55,948
Effect of currency translation		-10,044	-1,331
Change in cash and cash equivalents		68,937	-65,887
Cash and cash equivalents at 1 January		301,244	367,131
Cash and cash equivalents at 31 December	26	370,181	301,244

The payment of CHF 9,733 thousand received from disposals of investments in associates and joint ventures comprises a consideration received by Repower for the sale of its investments in EL.IT.E. S.p.A. and Aerochetto S.r.l. (see the “[Disposal of other associates](#)” section).

The payment of CHF 39,567 thousand for investments in group companies in the 2020 financial year relates to the acquisition of the three Italian companies ENERGEIA CODROIPO S.R.L., ENERGEIA VARMO S.R.L. and ENERGIA TRE S.R.L. (CHF 33,168 thousand) and the acquisition of the company Windpark Bestwig-Berlar GmbH & Co. KG (CHF 6,399 thousand), which was transferred to Repartner Wind Deutschland GmbH (see the “[Additions to the scope of consolidation](#)” section).

The payment of CHF 428 thousand for additions of investments in associates and joint ventures relates to the interest in the company EVUlation AG, newly established in 2020 (see the “[Additions to the scope of consolidation](#)” section).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: PRINCIPLES

1 Accounting and valuation principles

General information

Repower Group prepares its financial statements in accordance with the entire Accounting and Reporting Recommendations (Swiss GAAP FER), providing a true and fair view of the assets, liabilities, financial position and profit or loss of the Repower Group.

In individual cases roundings can mean that figures in this report do not add up to the exact total specified, and that the specified percentages do not exactly result from the stated figures.

2 Consolidation

Scope of consolidation

The present consolidated financial statements encompass the financial statements of Repower AG and all investments where Repower holds, directly or indirectly, more than 50 per cent of the votes or can exercise control in some other way. These investments are fully consolidated. Associated organisations and joint ventures are included in the financial statements in accordance with the equity method.

Overview of subsidiaries, associates and joint ventures

Company	Head office	Currency	Issued capital in thousands	Holding 31.12.2021	Method ¹⁾
Repower AG	Brusio	CHF	7,391	-	F
Ovra elettrica Ferrera SA	Trun	CHF	3,000	49.00%	F
Alvezza SA in Liquidation	Disentis	CHF	500	62.00%	F
Repartner Produktions AG	Poschiavo	CHF	20,000	51.00%	F
Repower Deutschland GmbH	Olsberg	EUR	11,525	100.00%	F
Repartner Wind GmbH	Olsberg	EUR	25	51.00%	F
Repower Italia S.p.A.	Milan	EUR	2,000	100.00%	F
Repower Vendita Italia S.p.A.	Milan	EUR	4,000	100.00%	F
SET S.p.A.	Milan	EUR	120	61.00%	F
Energia Sud S.r.l.	Milan	EUR	1,500	100.00%	F
SEA S.p.A.	Milan	EUR	120	65.00%	F
REC S.r.l.	Milan	EUR	10	65.00%	F
MERA S.r.l.	Milan	EUR	100	100.00%	F
RESOL 1 S.r.l.	Milan	EUR	10	100.00%	F
REV S.r.l.	Milan	EUR	10	100.00%	F
Roma Gas & Power S.r.l.	Rome	EUR	13	20.00%	F
Repower Renewable S.p.A.	Venice	EUR	71,936	65.00%	F
Impianto Eolico Pian dei Corsi S.r.l.	Venice	EUR	200	37.38%	F
ESE Cerignola S.r.l.	Venice	EUR	100	65.00%	F
RES S.r.l.	Venice	EUR	150	65.00%	F
Cramet Energie S.r.l.	Venice	EUR	20	65.00%	F
ESE Terlizzi S.r.l.	Venice	EUR	20	65.00%	F
ESE Salento S.r.l.	Venice	EUR	10	65.00%	F
Elettrosud Rinnovabili S.r.l.	Venice	EUR	10	65.00%	F
Quinta Energia S.r.l.	Erice	EUR	50	65.00%	F
ESE Armo S.r.l.	Venice	EUR	30	65.00%	F
ESE Nurra S.r.l.	Venice	EUR	200	43.55%	F
Compagnia Energie Rinnovabili S.r.l.	Venice	EUR	100	65.00%	F
Parco Eolico Buseto S.p.A.	Erice	EUR	500	65.00%	F
ERA S.c.ar.l.	Venice	EUR	30	64.99%	F
ESE Apricena S.r.l.	Venice	EUR	30	65.00%	F
SOLIS S.r.l.	Venice	EUR	10	65.00%	F
Repower Wind Offshore S.r.l.	Venice	EUR	250	65.00%	F

1) Key: F Fully consolidated, E Equity Method

Company	Head office	Currency	Issued capital in thousands	Holding 31.12.2021	Method ¹⁾
Kraftwerk Morteratsch AG	Pontresina	CHF	500	10.00%	E
Grischelectra AG ²⁾	Chur	CHF	1,000	11.00%	E
Terra di Conte S.r.l.	Lucera	EUR	10	32.50%	E
esolva ag	Weinfelden	CHF	792	42.05%	E
EVUlation AG	Poschiavo	CHF	1,000	42.75%	E

1) Key: F Fully consolidated, E Equity Method

2) Only 20 percent of the issued capital has been paid in.

All subsidiaries, associates and joint ventures with the exception of Grischelectra AG, which closes its accounts on 30 September, close their accounts at the end of the calendar year.

Ovra elettrica Ferrera SA, Trun, is a power plant company in which the local municipality holds a 51 per cent stake. The Repower Group bears full operating responsibility for this company via Repower AG, and sells 100 per cent of the energy generated on the market. The Repower Group thus exercises overall control and Ovra elettrica Ferrera SA is fully consolidated.

Repower holds a 20 per cent interest in Roma Gas & Power S.r.l. However, given that the remaining shares have been assigned as security, Repower can exercise 100 per cent of the voting rights, as well as having the contractually assured majority in the company's board of directors. For this reason, Roma Gas & Power is fully consolidated.

The direct shareholdings in Impianto Eolico Pian dei Corsi S.r.l. and ESE Nurra S.r.l., come to 57.5 and 67.0 per cent respectively. These are subsidiaries.

In contrast to the share capital held, Repower exercises 30 per cent of the votes in Grischelectra AG and on the basis of contractual arrangements controls Grischelectra AG in conjunction with Canton Graubünden.

Under the contractual arrangements governing the interests in Kraftwerk Morteratsch AG and Terra di Conte S.r.l., all relevant decisions must be made unanimously. Kraftwerk Morteratsch AG and Terra di Conte S.r.l. are joint ventures.

Additions to the scope of consolidation

On 4 November Repower Italia S.p.A. acquired Roma Gas & Power S.r.l., a company involved in the sale of electricity to retail consumers in the Market Italy segment.

The table below summarises the material recognised amounts of assets acquired and liabilities assumed, as well as the purchase price:

CHF thousand		Market Italy	TOTAL
Intangible assets	16	1,585	1,585
Other receivables	22	349	349
Cash and cash equivalents	26	13	13
Trade accounts payable	31	-1,936	-1,936
Minorities		-9	-9
Total net assets		2	2
Cash consideration paid		2	2
Acquired cash and cash equivalents		-13	-13
Cash outflow from acquisition		-11	-11

On 7 December 2021, Repower Renewable established Repower Wind Offshore S.r.l. The Repower Group's interest in the fully consolidated company is 65%.

On 30 January 2020 Repower and additional partners established EVUtion AG with the goal of developing and marketing innovative products and services for energy utilities. The investment is initially recognised at CHF 428 thousand (see [Note 17](#)). Repower holds 42.75 per cent of the company, recognising it as an associate according to the share of equity.

In the first half of 2020 Repower Renewable acquired another 12 photovoltaic installations with total installed capacity of 14 MW by establishing SOLIS S.R.L. (on 6 March 2020), which in its turn bought ENERGEIA CODROIPO S.R.L and ENERGEIA VARMO S.R.L. (on 30 April 2020) and ENERGEIA TRE S.R.L. (on 18 June 2020) and their existing installations in Italy. The acquisition belongs to the Market Italy segment.

With effect 31 December 2020, Repower acquired the company Windpark Bestwig-Berlar GmbH & Co. KG in North Rhine-Westphalia. With the withdrawal of the general partner, the assets of the company accrued to the acquirer, Repower Wind Deutschland GmbH, as the sole remaining shareholder, and the acquired company ceased to exist. The acquisition belongs to the Market Switzerland segment.

The table below summarises the material recognised amounts of assets acquired and liabilities assumed as well as the purchase prices of the companies acquired in 2020.

CHF thousand		Market Italy	Market Switzerland	TOTAL
Tangible assets	15	61,417	10,732	72,149
Financial assets	18	265	-	265
Trade accounts receivable	21	583	-	583
Other receivables	22	2,444	375	2,819
Prepaid expenses and accrued income	23	1,505	186	1,691
Cash and cash equivalents	26	2,740	234	2,974
Current and non-current provisions	27	-35	-679	-714
Deferred tax liabilities	28	-3,469	-	-3,469
Non-current financial liabilities	29	-26,721	-3,450	-30,171
Trade accounts payable	31	-1,496	-	-1,496
Other current liabilities	32	-579	-864	-1,443
Deferred income and accrued expenses	33	-746	-	-746
Total net assets		35,908	6,534	42,442
Cash consideration paid		35,908	6,633	42,541
Purchase price adjustment		-	-99	-99
Purchase price		35,908	6,534	42,442
Acquired cash and cash equivalents		-2,740	-234	-2,974
Cash outflow from acquisition		33,168	6,399	39,567

Changes in the ownership interests without loss of control

With effect 1 January 2021, the companies ESE Castelguglielmo S.r.l., Energiea Codroipo S.r.l., Energiea Varmo S.r.l. and Energia Tre S.r.l. were merged into Solis S.r.l.

Disposal of associates

In the 2021 financial year all interests in the associates EL.IT.E. S.p.A. and Aerochetto S.r.l. were sold. The resulting profit of CHF 1,830 thousand and cash flow of CHF 9,733 thousand are recognised under other operating income and cash flow from investing activities respectively.

Consolidation method

Capital consolidation is done in accordance with the purchase method. When an entity is purchased its assets and liabilities as of the date of acquisition are revalued in accordance with uniform group principles. Any remaining goodwill (the difference between the purchase price and the share of equity) is capitalised and amortised over five years or a maximum of 20 years. Assets and liabilities and income and expenses at fully consolidated entities are integrated in their entirety in the consolidated financial statements. Minority interests in the equity and minority interests in the profits of fully consolidated entities are stated separately.

Intragroup receivables and liabilities, income and expenses and investments are netted out and interim gains eliminated. Investments in associates and joint ventures are accounted for using the equity method.

Conversion of foreign currencies

Each group company determines the functional currency in which it draws up its individual financial statements. Company financial statements in foreign currencies are converted as follows: assets and

liabilities at the closing rate on the balance sheet date, equity at historical rates. The income and cash flow statements are converted at the average rate for the year. The resulting translation differences are recognised directly in equity. On the disposal of entities the translation differences attributable to them are reclassified in the consolidated statement of changes in equity from accumulated translation differences to retained earnings.

Foreign currency transactions contained in the individual financial statements of consolidated entities are converted at the relevant daily rate, and foreign currency balances are converted on the closing date at the closing rate on the balance sheet date. The resulting differences in rates are recognised in profit or loss.

The following exchange rates were used for the most important foreign currency:

Currency	Unit	Closing exchange rate		Average exchange rate	
		31.12.2021	31.12.2020	2021	2020
EUR	1	1.03310	1.08020	1.08153	1.07037

Cash flow statement

The cash and cash equivalents fund forms the basis of the consolidated cash flow statement. Cash flow from operating activities is calculated by the indirect method.

3 Valuation principles

Tangible assets

Tangible assets are initially recognised at the lower of cost (acquisition or manufacturing cost). Repower does not capitalise borrowing costs. For the purposes of subsequent measurement, Repower does scheduled straight-line amortisation over the expected useful life. Estimated useful lives are calculated in accordance with the recommendations of the Association of Swiss Electricity Companies and are within the following ranges for each category:

Category	Useful life
Power plants	20 – 80 years depending on the type of facility
Grids	15 – 40 years
Land	Indefinite
Buildings	30 – 60 years
Plant and business equipment	3 – 20 years
Assets under construction	Reclassification to the corresponding category when available for use; any impairments are recognised immediately

Intangible assets

Intangible assets are initially recognised at the lower of cost (acquisition or manufacturing cost). Provided the prerequisites for capitalisation are met, intangible assets generated internally are capitalised. Amortisation is done on a straight-line basis. The estimated useful lives for the individual categories are within the following ranges:

Category	Useful life
Goodwill	5 - 20 years
Other intangible assets	3 - 5 years

The useful lives of concession rights and rights of use are determined by the relevant contractual provisions.

Impairment

Assets are tested for impairment on every balance sheet date. If there is evidence of impairment, an impairment test is carried out to calculate the recoverable value. The recoverable value is the higher of net selling price and value in use. If the carrying amount exceeds the recoverable value, an adjustment is made in the income statement by way of unscheduled amortisation. If there is a material improvement in the facts considered in the course of calculating the recoverable value, an impairment recognised in earlier reporting periods will be fully or partially reversed in the income statement, with the exception of goodwill.

Investments in associates and joint ventures

Investments in associates and joint ventures are recognised using the equity method. Any goodwill is a component of the interest in the entity.

Financial assets

Financial assets comprise securities and loans extended for the purposes of long-term investment, and derivatives. Non-current securities and loans are recognised at cost less any impairment. Derivatives are recognised at current values.

Deferred taxes

Deferred taxes are calculated on the basis of balance sheet temporary differences. Temporary differences between the values of balance sheet positions determined in accordance with Swiss GAAP FER principles and those determined in accordance with tax law form the basis for recognising deferred income tax assets and liabilities. Given the uncertainty involved in offsetting loss carryforwards against future earnings, deferred taxes are not capitalised.

Inventory

Inventories are goods used in the regular course of business for the purposes of disposal, manufacturing goods or providing services. They are initially recognised at the lower of cost (acquisition or manufacturing cost). The closing inventory is valued at the lower of average cost or net market price. Settlement discounts received are recognised as financial income.

Repower provides services for third parties. Only immaterial contracts are recognised under inventories recognised at acquisition or production cost.

Trade accounts receivable

Trade accounts payable are current liabilities with a remaining term of less than twelve months arising in particular from deliveries, work performances, services and lease agreements. They are recognised at nominal values.

Other receivables

Individual contracts that are material for Repower in the context of its service business are recognised as other receivables in proportion to revenues, net of any amounts already invoiced and prepayments received, provided the relevant preconditions of FER 22 Long-term contracts are met. The percentage of completion for application of the percentage of completion method is calculated individually for each contract using the cost to cost method.

This item still contains all other current receivables. They are measured at nominal value taking due account of necessary impairment.

Prepaid expenses and accrued income/deferred income and accrued expenses

Prepaid expenses and accrued income/deferred income and accrued expenses are designed to ensure that assets and liabilities at the balance sheet date are presented correctly and that income and expense are recognised on an accrual basis in the income statement.

In particular, goods and services delivered or received but not yet invoiced are recognised in prepaid expenses and accrued income/deferred income and accrued expenses.

Securities

Securities comprise shares, bonds and fund units as well as derivatives and short-term investments. Both initial and subsequent measurement is done at current values. If no current value is available, non-current securities are valued no higher than their acquisition costs less any impairments.

Replacement values for held-for-trading positions

Contracts in the form of forward transactions (forwards and futures) conducted with the intention of achieving a trading profit or margin are treated as derivative financial instruments and recognised as held-for-trading positions or replacement values. On the balance sheet date, all open derivative financial instruments from energy trading transactions are measured at fair value through profit or loss, and the positive and negative replacement values are recognised under assets and liabilities. Positive replacement values represent receivables. Negative replacement values represent liabilities. The replacement value is the difference in price compared to the closing price.

The open contracts are measured on the basis of market data from electricity exchanges (e.g. EEX Leipzig). For contracts for which no liquid market exists, measurement is based on a valuation model.

Current transactions are offset at positive and negative replacement value if the respective contract terms provide for this and the intention to offset exists and is legally permitted.

Realised and unrealised income from held-for-trading positions is recognised as net sales from goods and services.

Cash and cash equivalents

The cash and cash equivalents item comprises cash, sight deposits at banks and other financial institutions (e.g. PostFinance) and cash equivalents, provided they are held as a cash reserve, are highly liquid and convertible to cash at short notice, and are subject to only negligible fluctuations in value.

Cash equivalents have a maximum residual term to maturity at the balance sheet date. Fixed-term deposits callable at short notice with an agreed term of more than 90 days are likewise deemed to be cash equivalents, provided that on the balance sheet date they are available for payment purposes by termination within 90 days.

Provisions

A provision is a probable liability on the basis of an event before the balance sheet date; the amount of the liability and/or the date on which it will fall due is uncertain but can be estimated. Provisions are recognised for actual and statutory obligations and for impending risks and losses. Existing provisions are remeasured on every balance sheet date. Provisions are divided into current provisions (due within twelve months) and non-current provisions (due after twelve months). If there is a material time factor involved, the provision is discounted.

Financial liabilities

Financial liabilities comprise both financing activities and derivatives, and are recognised at nominal or current values. Any differences between the acquisition cost and the redemption value of bonds or registered bonds are amortised on a straight-line basis over the term of the instruments. Interest accrued but not yet charged is accrued and recognised as deferred income and accrued expenses on the balance sheet date. Depending on the term, it is recognised under non-current or current financial liabilities.

Other non-current liabilities

Other non-current liabilities comprise all liabilities not belonging to the other categories that are not due within twelve months after the balance sheet date. In particular, under this item Repower recognises received connection fees and grid cost contributions, which are charged to profit or loss over a period of 35 years.

Trade accounts payable

Trade accounts payable are current liabilities with a remaining term of less than twelve months arising in particular from deliveries, work performances, services and lease agreements. They are recognised at nominal values.

Other current liabilities

This item comprises all other current liabilities that cannot be assigned to payables from goods and services. They are recognised at nominal values.

Pension provisions

On the balance sheet date, employees of Repower AG in Switzerland were members of the PKE Vorsorgestiftung Energie pension fund. This is a legally independent pension fund operating as a defined contribution plan in accordance with the Federal Law on Occupational Pensions for Old Age, Survivors and Disability (BVG). Pension benefit obligations are measured and recognised in accordance with Swiss GAAP FER 16. The economic impacts of pension institutions on the entity are either economic benefits or economic obligations. Economic benefits and economic obligations are evaluated at the balance sheet date and recognised in the entity's financial statements. Employer contribution reserves are recognised at nominal or present value as financial assets.

A peculiarity of Italian law is the payment of severance pay. This corresponds to around one month's pay for every year of employment, and must be paid in all cases when an employment relationship is terminated. The provision for this obligation is calculated according to a recognised method specific to the country, and the change is recognised in personnel expenses.

Cash flow hedges

Derivative transactions entered into for the purpose of hedging cash flows with a high probability of occurrence are not recorded on the balance sheet, but are disclosed in the notes.

Leases

A lease is an agreement whereby certain goods are ceded for the use of the lessee in return for a payment. A distinction is made between finance and operating leases. A finance lease is defined as a lease that transfers all material risks and rewards of ownership to the lessee. Otherwise the lease is deemed to be an operating lease. The asset leased under a finance lease is recognised as tangible assets and financial liabilities. Lease instalments paid are apportioned between the finance charge and the reduction in the outstanding liability. Assets leased under operating leases are not recognised on the balance sheet. Paid and received leasing instalments are recognised in the period in which they occur.

Off-balance-sheet business

Contingent assets and liabilities are measured at the balance sheet date and disclosed in the notes. If an outflow of funds without a simultaneous usable inflow of funds is probable and estimable, a corresponding provision is recognised.

Transactions with related parties

Related parties (natural persons and legal entities) are parties which can directly or indirectly exert a significant influence on the group's financial and operational decisions. Organisations that for their part are directly or indirectly controlled by related parties are likewise deemed to be related. All material transactions and resulting balances or liabilities vis-à-vis related parties are disclosed in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS: NOTES

1 Net sales from goods and services

CHF thousand	2021	2020
Net sales from goods and services	3,211,499	1,708,078
Revenue from energy business	3,179,279	1,679,581
Revenues from services and other usual business activities	32,220	28,497

Revenue from energy business and revenues from services and other usual business activities are recognised in the income statement when delivery of goods or services has been performed.

The large increase in net sales from goods and services is connected in particular with a year-on-year increase in trading volume, but also to an increase in the price of energy products. The volumes of electricity and gas sold increased by 26 per cent and 98 per cent respectively. A breakdown of net revenues by Repower business segment is presented in the note on segment reporting (see [Note 37](#)). The costs of energy procurement developed analogously (see [Note 6](#)).

Long-term contracts are recognised in accordance with the percentage of completion method. Revenues from services and other usual business activities contain revenues of CHF 6,363 thousand (prior year: CHF 4,130 thousand) from long-term contracts in the Market Switzerland segment.

2 Own costs capitalised

CHF thousand	2021	2020
Own costs capitalised	9,784	9,233

3 Change in inventory of sales orders

CHF thousand	2021	2020
Change in inventory of sales orders	425	122

The change in inventory of sales orders relates to work in progress in inventories.

4 Other operating income

CHF thousand	2021	2020
Other operating income	33,147	5,239
Profit from disposal of tangible assets	805	78
Revenue from other operating activities	32,342	5,161

The profits from the disposal of tangible assets in 2021 relate in particular to grid assets and land.

In the year under review, revenues from other operating activities comprise one-time items of CHF 28,559 thousand; of this amount, CHF 24,811 thousand falls to the Market Switzerland segment (a CHF 21,013 purchase price adjustment made for the transfer of transmission grids and a CHF 3,798 thousand market premium received for large hydropower projects); CHF 2,873 thousand falls to the other segments and activities segment (payments of CHF 1,918 thousand received on the basis of a legal dispute won and a CHF 955 thousand gain on the disposal of the associate EL.I.T.E. S.p.A.); and a CHF 875 thousand gain on the disposal of Aerochetto S.r.l. falls to the Market Italy segment.

5 Earnings from associates and joint ventures

CHF thousand	2021	2020
Share of earnings from associates and joint ventures	-3,498	4,798
Associated organisations	-3,621	4,751
Joint ventures	123	47

The share of earnings from associates and joint ventures consists in particular of a total of CHF -4,071 thousand (prior year: CHF -1,006 thousand) representing Repower's share in the accumulated losses and an impairment on existing loans, which are assigned to the other segments and activities segment.

In the prior year an impairment gain on the loan to the associate Aerochetto S.r.l. in the amount of CHF 5,780 thousand is recognised in the Market Italy segment (see [Note 17](#)).

6 Energy procurement

CHF thousand	2021	2020
Energy procurement	-2,904,795	-1,406,168

The increase in energy procurement is connected with increases in trading volumes and prices (see [Note 1](#)).

Energy procurement consists on a net basis of CHF 4,737 thousand in income from a change in the provision for long-term contracts (prior year: expense of CHF 23,901 thousand); of this amount income of CHF 5,026 thousand (prior year: expense of CHF 20,779 thousand) falls to the Market Switzerland segment and expense of CHF 289 thousand (prior year: expense of CHF 3,122 thousand) falls to the Market Italy segment (see [Note 27](#)).

7 Concession fees

CHF thousand	2021	2020
Concession fees	-17,528	-18,324
Water rates/hydro plant taxes	-10,040	-10,775
Other concession-related charges	-7,488	-7,549

8 Personnel expenses

CHF thousand	2021	2020
Personnel expenses	-74,318	-70,157
Wages and salaries	-58,041	-55,035
Social security costs and other personnel costs	-16,277	-15,122

9 Materials and third-party services

CHF thousand	2021	2020
Materials and third party services	-57,620	-44,923
Materials	-9,334	-6,813
Third party services	-48,286	-38,110

Materials and third-party services contain expenses for maintaining and operating technical assets, external services for operational processes and the performance of services by third parties.

10 Other operating expenses

CHF thousand	2021	2020
Other operating expenses	-60,141	-59,209
Cost of premises	-4,953	-6,224
Vehicle and transport costs	-1,348	-1,283
Administrative costs	-7,384	-7,011
IT costs	-11,182	-11,415
Marketing & communications	-12,799	-10,535
Allowances for doubtful accounts	-4,406	-7,960
Capital taxes, levies and fees	-4,588	-6,541
Other operating expenses	-13,481	-8,240

The decline in allowances for doubtful accounts relates in particular to the reversal of an allowance of CHF 1,981 thousand (prior year: recognition of an allowance of CHF 1,964 thousand) for doubtful accounts for a trading partner in the Market Italy segment. Other operating expenses in the year under review were higher than the previous year. This was due in particular to the recognition in the 2021 financial year of CHF 3,677 thousand in other provisions for excise taxes and other contractual risks (see [Note 27](#)) as well as losses on disposal of CHF 1,058 thousand from the replacement of components of existing solar power installations (revamping) in the Market Italy segment.

Information on the development of allowances for doubtful accounts can be found in [Note 21](#).

11 Depreciation and value adjustments of tangible assets

CHF thousand	2021	2020
Depreciation and value adjustments of tangible assets	-51,242	-48,945

Neither impairment gains nor impairment losses were recognised in 2020 or 2021.

12 Amortisation and value adjustments of intangible assets

CHF thousand	2021	2020
Amortisation and value adjustments of intangible assets	-3,869	-2,822

Neither impairment gains nor impairment losses were recognised in 2020 or 2021.

13 Net financial result

CHF thousand	2021	2020
Financial income	7,355	7,145
Interest income	820	1,252
Dividend income	261	189
Changes in the value of securities held for trading	4,983	1,992
Reversal of impairment financial investments	963	3,072
Gain on early repayment of liabilities	-	488
Other financial income	328	152
Financial expenses	-24,469	-19,123
Interest expense	-9,278	-10,629
Interest accumulated on provisions	-1,636	-226
Changes in securities held for trading	-314	-1,037
Currency translation	-7,815	-1,910
Impairments	-2	-2,813
Loss on premature repayment of liabilities	-2,699	-104
Other financial expenses	-2,725	-2,404
Net financial result	-17,114	-11,978

In 2021 the weakening of the euro against the Swiss franc gained momentum. There were higher currency translation losses than in the previous year. Offsetting this were gains from forward exchange transactions recognised under changes in the value of securities held for trading in financial income.

The reversal of CHF 963 thousand relates to the reversal of the impairment loss for the investment in tiko Energy Solutions AG (prior year: impairment loss of CHF 2,813 thousand recognised), which was sold at its carrying amount in 2021. In 2020 the impairment loss of CHF 3,072 thousand on ENAG Energiefinanzierungs AG was reversed.

Changes in securities held for trading in financial expenses comprises income contributions from interest rate swaps and dual currency deposits (DCDs).

The year's loss on premature repayment of liabilities consists in particular of the closing of a previously unrecognised interest rate swap of CHF 2,693 thousand held for hedging purposes that was released as part of a refinancing.

14 Income taxes

CHF thousand	2021	2020
Income taxes referred to in the income statement	-17,637	-23,717
Current income taxes	-22,549	-24,680
Deferred income taxes	4,912	963

The reconciliation between the actual tax burden and the expected tax burden for the financial years ending on 31 December 2021 and 2020 is as follows:

CHF thousand	2021	2020
Reconciliation		
Income before taxes	64,730	64,944
Income tax rate for parent company	14.8%	14.8%
Income taxes at expected income tax rate	-9,561	-9,592
Tax effect from income taxed at other tax rates	-4,312	-6,140
Tax effect from tax-free income/non-tax-deductible expenses	-64	-7,533
Tax losses in the current year for which no deferred tax assets were recognised	-223	-141
Tax loss carryforwards for which no deferred tax assets were recognised	2,211	9,192
Regional production tax in Italy - IRAP	-2,400	-2,771
Income taxes for previous years	-1,603	-6,692
Non-usable withholding tax	-1,823	-204
Other	138	164
Income taxes referred to in the income statement	-17,637	-23,717
Effective income tax rate	27.2%	36.5%

Unrecognised tax loss carryforwards

On the balance sheet date there were unrecognised tax loss carryforwards of CHF 36,179 thousand (prior year: CHF 45,068 thousand). The offsetability of loss carryforwards against future earnings involves uncertainty.

This results in unrecognised deferred tax assets of CHF 11,000 thousand (prior year: CHF 11,948 thousand). Given the uncertainty involved in offsetting loss carryforwards against future earnings, deferred taxes are not capitalised (Swiss GAAP FER 11/23).

15 Tangible assets

CHF thousand	Power plants	Grids	Assets under construction	Land and buildings	Other	Total
Gross values at 1 January 2020	984,813	775,316	33,358	71,087	56,193	1,920,767
Own costs capitalised	-	207	9,026	-	-	9,233
Additions	1,530	5,428	30,818	594	1,369	39,739
Additions from changes in consolidation	71,496	-	-	622	31	72,149
Subsidies received	-	-	-2,053	-	-	-2,053
Disposals	-1,652	-8,935	-17	-128	-318	-11,050
Reclassifications between asset classes	3,351	23,048	-26,698	837	337	875
Effect of currency translation	-1,425	-	6	-56	-105	-1,580
Gross values at 31 December 2020	1,058,113	795,064	44,440	72,956	57,507	2,028,080
Accumulated depreciation and value adjustments at 1 January 2020	-573,520	-457,992	-9,491	-33,783	-36,942	-1,111,728
Depreciation	-27,079	-17,431	-	-729	-3,706	-48,945
Disposals	1,502	7,901	-	29	120	9,552
Reclassifications between asset classes	-25	-	-	-305	-	-330
Effect of currency translation	1,082	-	22	65	50	1,219
Accumulated depreciation and value adjustments at 31 December 2020	-598,040	-467,522	-9,469	-34,723	-40,478	-1,150,232
Net values at 31 December 2020	460,073	327,542	34,971	38,233	17,029	877,848
of which security pledged for debts						99,843
Gross values at 1 January 2021	1,058,113	795,064	44,440	72,956	57,507	2,028,080
Own costs capitalised	-	182	9,602	-	-	9,784
Additions	4,596	197	56,918	57	2,595	64,363
Subsidies received	-338	-	-7,644	-	-	-7,982
Disposals	-1,485	-20,690	-1,081	-766	-288	-24,310
Reclassifications between asset classes	25,346	21,824	-49,175	8	2,225	228
Effect of currency translation	-26,009	-	-503	-769	-1,182	-28,463
Gross values at 31 December 2021	1,060,223	796,577	52,557	71,486	60,857	2,041,700
Accumulated depreciation and value adjustments at 1 January 2021	-598,040	-467,522	-9,469	-34,723	-40,478	-1,150,232
Depreciation	-30,049	-16,991	-	-743	-3,459	-51,242
Disposals	455	13,201	-	262	249	14,167
Reclassifications between asset classes	-60	-	-	-	-	-60
Effect of currency translation	13,183	-	201	644	685	14,713
Accumulated depreciation and value adjustments at 31 December 2021	-614,511	-471,312	-9,268	-34,560	-43,003	-1,172,654
Net values at 31 December 2021	445,712	325,265	43,289	36,926	17,854	869,046
of which security pledged for debts						167,747

Land and buildings connected with power generation and grid facilities are stated under generation and grid assets.

The increase in the net values of tangible assets pledged as security for debts relates in particular to bank loan taken up in connection with the early redemption of financial leases.

The stated subsidies received are essentially subsidies received in connection with the total renovation of Robbia power plant.

Leased power plants

The net carrying amount of the generation assets held as part of the finance leasing agreement totalled CHF 9,044 thousand (previous year: CHF 22,938 thousand) at the closing date.

Total lease liabilities come to CHF 6,902 thousand (prior year: CHF 16,363 thousand). A lease was terminated prematurely in the 2021 financial year.

16 Intangible assets

CHF thousand	Goodwill	Software	Concessions and rights of use, compensation of reversion waivers	Other	Total
Gross values at 1 January 2020	920	29,554	17,342	3,643	51,459
Additions	-	1,461	-	1,214	2,675
Disposals	-	-	-	-104	-104
Reclassifications between asset classes	-	1,513	-	-1,693	-180
Effect of currency translation	-4	-24	-5	-23	-56
Gross values at 31 December 2020	916	32,504	17,337	3,037	53,794
Accumulated amortisation and value adjustments at 1 January 2020	-184	-25,098	-13,273	-247	-38,802
Amortisation	-181	-2,203	-354	-84	-2,822
Effect of currency translation	-1	29	-	-	28
Accumulated amortisation and value adjustments at 31 December 2020	-366	-27,272	-13,627	-331	-41,596
Net values at 31 December 2020	550	5,232	3,710	2,706	12,198
Gross values at 1 January 2021	916	32,504	17,337	3,037	53,794
Additions	-	3,367	24,110	2,257	29,734
Additions from changes in consolidation	-	-	-	1,585	1,585
Reclassifications between asset classes	-	448	-8	-668	-228
Effect of currency translation	-40	-771	-43	-241	-1,095
Gross values at 31 December 2021	876	35,548	41,396	5,970	83,790
Accumulated amortisation and value adjustments at 1 January 2021	-366	-27,272	-13,627	-331	-41,596
Amortisation	-183	-2,862	-706	-118	-3,869
Reclassifications between asset classes	-	-	-	60	60
Effect of currency translation	24	547	-	17	588
Accumulated amortisation and value adjustments at 31 December 2021	-525	-29,587	-14,333	-372	-44,817
Net values at 31 December 2021	351	5,961	27,063	5,598	38,973

The addition of CHF 24,110 thousand relates to the reversion waiver compensation payments made by Repower in January 2021 to Canton Graubünden and the municipalities of Brusio and Poschiavo for the continued operation of the Campocologno I and II power plants.

The goodwill stems from the acquisition of Repower Renewable S.p.A. in December 2018.

17 Investments in associates and joint ventures

CHF thousand	2021	2020
Investments in associates and joint ventures	3,144	6,432
EL.IT.E. S.p.A.	-	3,591
esolva ag	2,568	2,363
Terra di Conte S.r.l.	426	324
Grischelectra AG	26	27
Kraftwerk Morteratsch AG	124	127
Carrying amounts at 1 January	6,432	6,450
Investments	-	428
Disposals	-2,087	-
Dividends	-1,751	-426
Effect of currency translation	-23	-19
Share of earnings	573	-1
Carrying amounts at 31 December	3,144	6,432
Decrease in loans receivable		
01.01.2022	-1,833	-6,713
Share of earnings	-1,238	4,799
Impairments	-2,833	-
Disposal Aerochetto S.r.l.	1,270	-
Effect of currency translation	-15	81
31 December	-4,649	-1,833

The disposals of carrying amounts of CHF 2,087 thousand relates to the investment in the associate EL.IT.E. S.p.A., which was sold in the second half of 2021 after the distribution of a dividend of CHF 1,494 thousand (see the section [Disposal of associates](#)). This resulted in a gain on disposal of CHF 955 thousand (see [Note 4](#)).

Losses in excess of the carrying value of the investments from measurement according to the share of equity are netted with the loans that also exist (see [Note 18](#)) as a component of the net investment, and are presented in the table above.

Under decrease in loans receivable in 2021 there were further decreases and losses in the course of equity valuation.

The investment in Aerochetto S.r.l. and the existing loan, which was part of the net investment in the company, were disposed of in 2021 (see the section [Disposal of associates](#)). This resulted in a gain on disposal of CHF 875 thousand (see [Note 4](#)).

18 Financial assets

CHF thousand	31.12.2021	31.12.2020
Financial assets	57,950	66,722
AKEB Aktiengesellschaft für Kernenergiebeteiligungen	6,300	6,300
Kraftwerke Hinterrhein AG	6,500	6,500
Loans receivable	3,126	10,894
Non-current securities	8,931	5,132
Fixed term deposits	33,093	37,896

Repower holds interests of 7.0 per cent and 6.5 per cent respectively in the partner plants AKEB Aktiengesellschaft für Kernenergie-Beteiligungen, Lucerne, and Kraftwerke Hinterrhein AG, Thusis.

The investment in tiko Energy Solutions AG, which was fully impaired as at 31 December 2020, was sold in the second half of 2021 (see [Note 13](#)).

The loans receivable relate to loans to associates and joint ventures amounting to CHF 437 thousand (prior year: CHF 8,623 thousand). Accumulated impairments of CHF 4,649 thousand (prior year: CHF 1,833 thousand) were recognised under this item (see [Note 17](#)).

19 Deferred tax assets

CHF thousand	2021	2020
Deferred tax assets	37,592	33,859

The tax rates used to calculate deferred income tax items are 14.8 per cent for Switzerland, 28.0 per cent for Italy, and 29.0 per cent for Germany.

20 Inventories

CHF thousand	31.12.2021	31.12.2020
Inventories	44,246	21,604
Emission certificates	13,572	6,955
Gas	13,676	-
Work in progress	8,525	8,120
Inventories of materials	8,473	6,529

In the 2021 financial year, the reversal of CHF 235 thousand in impairments on inventories was recognised as costs of materials (prior year: CHF 51 thousand).

21 Trade accounts receivable

CHF thousand	31.12.2021	31.12.2020
Trade accounts receivable	80,902	49,304
Trade accounts receivable	95,376	62,734
Allowances for doubtful accounts	-14,474	-13,430
Development of allowances for doubtful accounts		
Carrying amount at 1 January	13,430	12,239
Additions	6,468	5,737
Utilisations	-2,190	-3,712
Reversals	-2,627	-803
Effect of currency translation	-607	-31
End balance at 31 December	14,474	13,430

The stated trade accounts receivable also include claims on associates and joint ventures amounting to CHF 285 thousand (prior year: CHF 662 thousand).

Trade accounts receivable are measured by applying individual adjustments, as well as lump-sum adjustments to the non-individually-impaired positions, based on their maturity structure and historical experience.

22 Other receivables

CHF thousand	31.12.2021	31.12.2020
Other receivables	107,205	43,866
Current income tax receivables	1,046	2,452
VAT receivables	8,421	5,081
Advance payments for inventories	11,033	5,641
Security deposits paid	66,874	16,763
Other receivables	19,831	13,929

Security deposits paid contains security deposits paid in connection with trading activities. Margin requirements were tightened, particularly because of the greater volatility and the price levels for energy products (see [Note 32](#)).

Other receivables include accrued revenues from long-term contracts amounting to CHF 17,260 (prior year: CHF 10,897 thousand) less advance payments of CHF 13,461 thousand (prior year: CHF 6,715 thousand) received and balances from excise tax of CHF 340 thousand (prior year: CHF 4,695 thousand).

In 2021 other receivables continues to include CHF 10,321 in receivables from the purchase price adjustment for transmission grids (see [Note 4](#)).

23 Prepaid expenses and accrued income

CHF thousand	31.12.2021	31.12.2020
Prepaid expenses and accrued income	476,840	306,345
Trade accounts receivable invoices not issued yet	472,372	300,951
Power trades from participations	-	889
Other prepaid expenses and accrued income	4,468	4,505

Trade accounts receivable invoices not invoiced yet represent goods and services that have been delivered but not yet invoiced.

The increase in trade accounts receivable invoices not invoiced yet is connected in particular with a year-on-year increase in volumes and prices of energy products, which likewise had an impact on trade accounts payable to be received under deferred income and accrued expenses (see [Note 33](#)).

24 Securities

CHF thousand	31.12.2021	31.12.2020
Securities	120,500	158,471
Fixed term deposits (up to 12 months)	115,000	154,010
Loans receivable	-	4,030
Forward foreign currency contracts	5,363	305
Other securities	137	126

The loans receivable of CHF 4,030 thousand recognised the previous year relate to a loan to tiko Energy Solutions AG, which was sold at its carrying amount in 2021. The investment in the company was also sold (see [Note 13](#)).

25 Replacement values of held-for-trading positions

CHF thousand	31.12.2021	31.12.2020
Net replacement values	3,419	9,752
Positive replacement values	1,775,197	104,540
Negative replacement values	-1,771,778	-94,788

The positive and negative values of held-for-trading positions which are recognised on the assets and liabilities side of the balance sheet increased in particular in connection with the sharp increase in prices. In net terms the replacement values come to CHF 3,419 thousand (prior year: CHF 9,752 thousand).

26 Cash and cash equivalents

CHF thousand	31.12.2021	31.12.2020
Cash and cash equivalents	370,181	301,244
Sight deposits	369,148	285,041
Cash invested for less than 90 days	1,033	16,203

At the balance sheet date, Repower also has the following unused bank credit lines:

CHF thousand	31.12.2021	31.12.2020
Credit lines	109,072	126,532
Unused general credit lines	26,296	25,241
Additional unused credit lines for the purpose of issuing guarantees	82,776	101,291

27 Provisions

CHF thousand	Litigation and court proceedings	Dismantling provisions	Provisions for onerous contracts	Severance pay	Other provi- sions	Total
Carrying value at 1 January 2020	955	4,618	-	3,871	2,429	11,873
Additions	-	1,037	24,124	561	1,105	26,827
Additions from changes in consolidation	-	714	-	-	-	714
Utilisations	-	-	-223	-281	-52	-556
Reversals	-	-100	-	-	-96	-196
Interest	-	76	150	-	-	226
Reclassifications	-	10	-	-	-10	-
Effect of currency translation	-5	-12	29	-16	-10	-14
Carrying value at 31 December 2020	950	6,343	24,080	4,135	3,366	38,874
Carrying value at 1 January 2021	950	6,343	24,080	4,135	3,366	38,874
Additions	-	1,219	735	692	4,220	6,866
Utilisations	-	-356	-1,658	-250	-475	-2,739
Reversals	-	-	-3,814	-	-49	-3,863
Interest	-	26	1,610	-	-	1,636
Effect of currency translation	-41	-306	-161	-200	-268	-976
Carrying value at 31 December 2021	909	6,926	20,792	4,377	6,794	39,798
Non-current Provisions						
Carrying value at 31 December 2020	950	6,030	17,378	4,135	2,572	31,065
Carrying value at 31 December 2021	909	6,656	14,379	4,377	6,758	33,079
Current provisions						
Carrying value at 31 December 2020	-	313	6,702	-	794	7,809
Carrying value at 31 December 2021	-	270	6,413	-	36	6,719

Provisions for onerous contracts

The decision on whether there is a threat of loss on a long-term sales or procurement contract and the resulting recognition of a provision essentially depends on the situation regarding the relevant contractual prices and expected procurement or sales prices.

Provisions for onerous contracts for energy, certificates of origin and transport capacity totalling CHF 4,737 thousand were adjusted via energy procurement and recognised as income (prior year: CHF 23,901 thousand recognised as expense). In 2021, income of CHF 5,026 thousand (prior year: expense of CHF 20,779 thousand) falls to the Market Switzerland segment and expense of CHF 289 thousand (prior year: expense of CHF 3,122 thousand) to the Market Italy segment.

The provisions were calculated on the basis of risk-adjusted interest rates of between 8.8 and 15.0 per cent (prior year: 6.8 and 14.2 per cent).

Severance pay

When an employment relationship is terminated in Italy, the employee is entitled to severance pay corresponding to almost one month's pay for each year of employment (see [Note 34](#)).

Dismantling provisions

The dismantling provisions category comprises various provisions for the dismantling of operating installations. Taken individually they are immaterial. Additions in 2021 were recognised under tangible assets.

Other provisions

In 2021 provisions of CHF 2,812 thousand for excise taxes were recognised in the Market Italy segment. Other provisions still include severance pay paid to sales agents in Italy amounting to CHF 1,501 thousand (prior year: CHF 1,348 thousand).

28 Deferred tax liabilities

CHF thousand	2021	2020
Deferred tax liabilities	24,566	24,411

The tax rates used to calculate deferred tax liabilities are 14.8 per cent for Switzerland, 28.0 per cent for Italy, and 29.0 per cent for Germany.

29 Current and non-current financial liabilities

CHF thousand	Currency	Interest rate	Current	Maturity 1- years	Maturity more than 5 years	Total Non Cur- rent
Financial liabilities 31.12.2021			120,129	198,835	105,550	304,385
Bonds	CHF	2.4%	96,328	-	-	-
Loans ¹⁾	CHF	1.2% - 3.6%	75	60,000	20,280	80,280
Loans ²⁾	EUR	variable	17,979	66,724	51,918	118,642
Loans ³⁾	EUR	1.7% - 2.6%	384	53,190	767	53,957
Liabilities for finance leasing	EUR	1.1% - 1.4%	817	3,471	2,614	6,085
Loan from minorities	CHF	no interest	390	1,560	17,161	18,721
Loan from minorities	CHF	0.3%	-	-	7,067	7,067
Loan from minorities	EUR	no interest	-21	-85	1,304	1,219
Loan from minorities	EUR	3.9%	3,175	14,001	1,907	15,908
Registered bond	EUR	3.4%	-7	-26	2,532	2,506
Other financial liabilities	CHF	no interest	613	-	-	-
Other financial liabilities	EUR	no interest	73	-	-	-
Forward foreign currency contracts	CHF		323	-	-	-
Financial liabilities are carried in the follow- ing currencies:						
Swiss francs			97,729	61,560	44,508	106,068
Euro (translated)			22,400	137,275	61,042	198,317

- 1) This item includes a mortgage loan of TCHF 355, for which a mortgage assignment was provided as security. The tangible assets pledged in this connection are disclosed in [note 15].
- 2) This item includes bank loans in the amount of TCHF 120,876 for which mortgage assignments were pledged as security for the investment. The tangible assets pledged in this connection are disclosed in [note 15].
- 3) This item includes bank loans totalling TCHF 2,686 for which mortgage assignments were pledged as security for the investment. The tangible assets pledged in this connection are disclosed in [note 15].

CHF thousand	Currency	Interest rate	Current	Maturity 1- years	Maturity more than 5 years	Total Non Cur- rent
Financial liabilities 31.12.2020			41,175	220,258	144,212	364,470
Bonds	CHF	2.4%	-200	96,328	-	96,328
Loans ¹⁾	CHF	1.2% - 3.6%	75	10,300	70,415	80,715
Loans ²⁾	EUR	variable	32,661	34,976	31,066	66,042
Loans ³⁾	EUR	1.7% - 2.6%	625	55,615	1,204	56,819
Liabilities for finance leasing	EUR	1.1% - 1.4%	1,794	7,510	7,059	14,569
Loan from minorities	CHF	no interest	390	1,560	17,550	19,110
Loan from minorities	CHF	0.3%	-	-	7,066	7,066
Loan from minorities	EUR	no interest	-22	-88	1,342	1,254
Loan from minorities	EUR	3.9%	3,194	14,085	5,869	19,954
Registered bond	EUR	3.4%	-7	-28	2,641	2,613
Other financial liabilities	CHF	no interest	613	-	-	-
Other financial liabilities	EUR	no interest	158	-	-	-
Forward foreign currency contracts	CHF		1,894	-	-	-
Financial liabilities are carried in the follow- ing currencies:						
Swiss francs			2,772	108,188	95,031	203,219
Euro (translated)			38,403	112,070	49,181	161,251

- 1) This item includes a mortgage loan of TCHF 790, for which a mortgage assignment was provided as security. The tangible assets pledged in this connection are disclosed in [note 15].
- 2) This item includes bank loans in the amount of TCHF 65,754 for which mortgage assignments were pledged as security for the investment. The tangible assets pledged in this connection are disclosed in [note 15].
- 3) This item includes bank loans totalling TCHF 3,433 for which mortgage assignments were pledged as security for the investment. The tangible assets pledged in this connection are disclosed in [note 15].

Negative amounts presented in the table are scheduled allocations of net expenditures.

30 Other non-current liabilities

CHF thousand	2021	2020
Other non-current liabilities	102,266	109,311
Connection fees and grid cost contributions	55,137	61,419
Advance payments on energy deliveries	46,941	47,686
Other non-current liabilities	188	206

Connection fees and grid cost contributions consist of accrued connection fees and grid cost contributions received from customers, which are charged to profit or loss over a period of 35 years via net sales from goods and services in the Market Switzerland segment.

Advance payments on energy deliveries are recognised every year as income of CHF 745 thousand in the profit and loss item net sales from goods and services in the Market Switzerland segment.

31 Trade accounts payable

CHF thousand	31.12.2021	31.12.2020
Trade accounts payable	91,479	81,118

The stated trade accounts payable also include liabilities vis-à-vis associates and joint ventures amounting to CHF 1,558 thousand (prior year: CHF 3,370 thousand)

32 Other current liabilities

CHF thousand	31.12.2021	31.12.2020
Other current liabilities	164,806	47,710
Excise taxes	12,370	5,533
Connection fees and grid cost contributions	6,922	3,476
Customer prepayments	1,749	1,059
VAT liabilities	18,194	754
Current income tax liabilities	4,275	16,584
Security deposits received	84,094	-
Other current liabilities	37,202	20,304

The customer prepayments item contains prepayments of CHF 1,032 thousand (prior year: CHF 1,032 thousand) for services for third parties.

The increased level of prices resulted in tighter margin payments on both the asset and liability side (see [Note 22](#)). Security deposits received relate to security deposits in connection with exchange trading. Other current liabilities include in particular margin payments of CHF 31,966 thousand (prior year: CHF 11,211 thousand) in connection with exchange trading.

33 Deferred income and accrued expenses

CHF thousand	31.12.2021	31.12.2020
Deferred income and accrued expenses	479,243	311,294
Trade accounts payable invoices to be received	459,811	286,515
Deferred income for capital and other taxes, charges and levies	3,344	5,976
Accrued annual leave and overtime	5,192	4,837
Accrued other personnel expenses	7,048	6,890
Accrued power trades from participations	858	4,020
Accrued interest	2,541	2,565
Other accrued expenses	449	491

Trade accounts payable invoices to be received relate to goods and services that have been received but not yet invoiced.

The increase in trade accounts payable invoices to be received is connected in particular with a year-on-year increase in volumes and prices of energy products, which likewise had an impact on trade accounts receivable invoices not issued yet under prepaid expenses and accrued income (see [Note 23](#)).

34 Pension schemes

Economic benefit/economic liability and pension benefit expenses

CHF thousand	Overfund- ing (unaudit- ed)	Organisation's share of economic liability		Change on prior year 2021	Contribu- tions con- cerning the business period 2021	Pension benefit expenses within personnel expenses	
		31.12.2021	31.12.2020			2021	2020
Pension plans with overfunding	9,774	-	-	-	3,494	3,494	3,229
Pension institutions with unfunded obligations	-	-4,377	-4,135	-242	318	1,010	880
Total	9,774	-4,377	-4,135	-242	3,812	4,504	4,109

The pension fund for employees of Repower AG is organised as a joint pension scheme of the PKE Vorsorgestiftung foundation. Subject to the approval of the pension foundation's financial statements by the board of trustees, the share of Repower's non-committed funds is CHF 9,774 thousand.

Pension institutions with unfunded obligations relates to the obligation to pay severance pay in Italy (see [Note 27](#)). The change in the stated provision related to pension benefit expenses in the income statement comes to CHF 692 thousand at the average exchange rate.

35 Derivative financial instruments

CHF thousand	Replacement values		Replacement values	
	positive	negative	positive	negative
	31.12.2021		31.12.2020	
On-balance-sheet derivatives				
Held for trading				
Currency derivatives	5,363	323	305	1,894
Energy derivatives	10,673,875	10,670,456	697,945	688,193
Total on-balance-sheet derivatives	10,679,238	10,670,779	698,250	690,087
Netting	-8,898,678	-8,898,678	-593,405	-593,405
Net value on balance sheet	1,780,560	1,772,101	104,845	96,682
Off-balance-sheet derivatives				
Held for cash flow hedges				
Interest derivatives	-	1,662	-	5,614
Energy derivatives	940,626	1,325,558	63,163	75,753
Total off-balance-sheet derivatives	940,626	1,327,220	63,163	81,367
Total derivative financial instruments	2,721,186	3,099,321	168,008	178,049

The line "netting" refers to the netting of energy derivatives transactions entered into with the same counterparty and with whom there are enforceable netting agreements.

Cash flow hedges used as hedging transactions are not recognised on the balance sheet and therefore do not yet impact the balance sheet. Off-balance-sheet energy and interest derivatives are used to hedge future cash flows with a high probability of occurrence.

The high values of energy derivatives are connected with the sharp increase in the prices of energy products.

36 Transactions with related parties

The assets and liabilities reported on the balance sheet and the transactions contained in the income statement vis-à-vis related parties are related to business with the main shareholders and their fully consolidated companies, associates, partner works and joint ventures of Repower AG.

The following balance sheet and profit and loss items contain the following amounts vis-à-vis related third parties:

CHF thousand	31.12.2021	31.12.2020
Income statement item		
Net Sales from goods and services	132,973	2,542
Energy procurement	-71,572	-60,356
Financial and other operating income	1,859	427
Financial and other operating expenses	-10,797	-6,336
Balance sheet item		
Assets		
Financial assets	1,437	9,623
Trade accounts receivable	1,194	960
Prepaid expenses and accrued income	12,326	2,932
Positive replacement values of held for trading positions	3,536	499
Liabilities		
Non-current financial liabilities	3,418	3,471
Negative replacement values of held for trading positions	55,406	15,837
Trade accounts payable	3,670	3,775
Deferred income and accrued expenses	2,580	6,854
Off-balance-sheet energy derivatives		
Held for cash flow hedges		
Positive replacement values	8,570	-
Negative replacement values	49,081	3,875

Transactions are at market prices, or in the case of Grischelectra AG at annual costs.

Canton Graubünden is deemed to be a related party in its function as a shareholder. Official business such as levying taxes, concession-related charges, fees, etc., is done on a statutory basis and is therefore not included here. Canton Graubünden's energy business is transacted via Grischelectra AG, which is included as a related party in the table above.

Compensation paid to members of the board of directors and executive board is disclosed in the [Corporate Governance](#) section.

37 Segment reporting

Segment reporting is done by geographic market and reflects internal management and reporting structures. The information provided is that used by management for steering and assessing the business performance and development of the individual segments. For each business segment, internal steering, performance measurement and capital allocation are carried out on the basis of the segment's income before interest and income taxes (EBIT). Segment income is calculated on the basis of the accounting and valuation principles used at group level.

CHF thousand	Market Switzerland	Market Italy	Other segments and activities	Group
2021				
Net sales from goods and services	954,429	2,335,680	-78,610	3,211,499
Net sales from goods and services	902,657	2,308,410	432	3,211,499
Net sales from goods and services between segments	51,772	27,270	-79,042	-
Earnings before interest and taxes (EBIT)	36,837	56,958	-11,951	81,844
2020				
Net sales from goods and services	629,727	1,134,731	-56,380	1,708,078
Net sales from goods and services	607,242	1,100,608	228	1,708,078
Net sales from goods and services between segments	22,485	34,123	-56,608	-
Earnings before interest and taxes (EBIT)	16,234	71,685	-10,997	76,922

38 Treasury shares

	2021		2020	
	Number of shares	Carrying amount in CHF	Number of shares	Carrying amount in CHF
Initial balance at 1 January	212	19,204	172	16,008
Purchases	500	59,475	350	32,250
Disposals	-562	-59,529	-310	-29,054
Ending balance at 31 December	150	19,150	212	19,204

Purchases/disposals of treasury shares relate to Repower AG registered shares. In the year under review Repower AG bought 500 shares (prior year 350) at CHF118.95 (prior year CHF 92.14) and sold 562 shares (prior year 310) at an average price of CHF 121.80 (prior year CHF 95.94).

39 Off-balance-sheet liabilities

In the course of regular business the group granted guarantees, bank guarantees and sureties in favour of third parties, directly and via commercial banks. These came to CHF 189,903 thousand (prior year: CHF 129,142 thousand). Given the high level of prices and elevated volatility of energy products, the requirements for security deposits in the form of guarantees in connection with Repower's trading activities have increased.

There is a service agreement for the Teverola power plant ending in 2038. This resulted in an irrevocable payment obligation of CHF 23,927 thousand at 31 December 2021 (prior year: CHF 26,542 thousand). Furthermore, at 31 December 2021 there were various full maintenance contracts, taken out for several years for hydro, solar and wind power plants in Germany and Italy, with irrevocable payment obligations amounting to CHF 13,139 thousand (prior year: CHF 11,259 thousand).

In the course of usual business, litigation can arise which results in contingent liabilities. These contingent liabilities are not expected to result in material liabilities within Repower Group in addition to the provisions already made for litigation (see [Note 27](#)). On the other hand there are litigations under way where Repower is asserting its rights, which, if it is successful, could result in inflowing payments.

CHF thousand	31.12.2021	31.12.2020
Off-balance-sheet liabilities		
Operating lease (nominal value)	9,535	11,334
Due within 1 year	1,829	2,072
Due in 1-5 years	3,772	4,684
Due in more than 5 years	3,934	4,578
Procurement contracts	514,343	628,600
Due within 1 year	103,215	107,657
Due in 1-5 years	272,468	330,632
Due in more than 5 years	138,660	190,311

At the reporting date of the financial year under review, the outstanding minimum lease payments consisted of CHF 8,920 thousand for property and buildings (prior year: CHF 10,607 thousand) and CHF 615 thousand for motor vehicles (prior year CHF 727 thousand).

Obligations to take delivery of electrical energy on the basis of the interests in AKEB Aktiengesellschaft für Kernenergie, Lucerne, Kraftwerke Hinterrhein AG, Thusis, and Grischelectra AG are not included in the above table. The volume and price of electricity delivered depend on actual future production and costs incurred by these companies.

Pledges are recognised under the relevant assets.

40 Events occurring after the balance sheet date

The difficult-to-predict market and price situation, which already existed at the end of the year and has been further exacerbated by the military escalation of the crisis in Ukraine, combined with the rapid rise in gas and energy prices, are increasing the counterparty risk for Repower. It could happen that gas and energy suppliers can no longer meet their obligations, meaning that Repower has to procure these commodities on the market at high prices. Even though Repower does not pursue

business activities in Russia or Ukraine, the solvency of individual contractual partners could be impaired, which in turn could have consequences in terms of its asset, financial and earnings situation in 2022.

The financial statements were approved for publication by the board of directors on 30 March 2022. They are subject to the approval of the annual general meeting, which will take place on 18 May 2022.

REPORT OF THE STATUTORY AUDITOR



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Zurich, 30 March 2022

To the General Meeting of Repower AG, Brusio

Report of the auditors on the consolidated financial statements

As statutory auditor, we have audited the financial statements of Repower AG, which comprise the [consolidated balance sheet](#), [consolidated income statement](#), [consolidated cash flow statement](#), [changes in consolidated equity](#) and [notes to the consolidated financial statements](#), for the year ended 31 December 2021.



Board of directors' responsibility

The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.



Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2021 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law.



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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibility section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the consolidated financial statements.

Classification, valuation and presentation of energy derivatives

Risk	<p>The accounting treatment of energy derivatives is a result of its classification as “held-for-trading” or “Cashflow-Hedges”. Classification requires judgment and has a material impact on both consolidated balance sheet presentation and group result.</p> <p>The valuation of these “held-for-trading” instruments is derived from observable market data on active markets. The positive and negative replacement values are presented net when legally enforceable netting agreements are in place. The Company defines policies and procedures to account for energy contracts. These include the definition of segregation of duties and controls.</p> <p>Due to the significance of these transactions, significant judgment and the potential impact on the financial statements, the accounting of energy derivatives was considered significant in our audit. Refer to notes 1, 25 and 35 of the consolidated financial statements for further information.</p>
Our audit response	<p>We evaluated the Group’s policies and procedures around classification, valuation and netting of open positions including the established segregation of duties and discussed these with the Group. We assessed internal controls over the Group’s accounting for such trading activity.</p> <p>For a sample of energy derivatives, we tested the observable inputs into valuation models by reference to externally available market data.</p> <p>Our audit did not give rise to any objections with regard to the recognition and measurement of the energy derivatives.</p>

Valuation of tangible assets and energy procurement contracts

Risk	<p>Tangible assets are a material balance sheet item amounting to 98.4% of equity in the consolidated balance sheet. These comprise primarily power plants, grids and other non-current assets of the Group. In the financial year 2021, no extraordinary value adjustments were made. In addition, there are long-term purchase commitments which could significantly affect the amount of contractual commitments and thus the potential need for provisions.</p> <p>The valuation of tangible assets and energy procurement contracts by Repower depends on various valuation parameters and has a material impact on net income. The testing for potential value adjustments involves the use of estimates and assumptions, such as the forecast production volume, the forecast long-term energy price curve, foreign exchange rates impacting future earnings and cash flows. In addition, discount rates are relevant in obtaining a value in use as of the date of the valuation.</p>
Our audit response	<p>We assessed the Group’s valuation approach related to its tangible assets and energy procurement contracts. We further assessed the process to derive the underlying assumptions and estimates around forecast production volumes, the forecast long-term energy price curve and foreign exchange rates. We evaluated the internal controls related to the budgeting and forecasting process as well as the process to derive assumptions and estimates. We evaluated the mathematical correctness of the impairment testing model and involved valuation specialists to evaluate the methodology.</p> <p>We assessed the cash flows derived for each tested tangible asset and how the discount rate including applicable input variables was determined. We corroborated the input variables to the discount rate based on sources provided by the Group and tested them against observable market data.</p> <p>Our audit did not give rise to any objections with regard to the process used to derive the assumptions and valuation of the tangible assets and energy procurement contracts.</p>



Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

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.

Ernst & Young AG

Willy Hofstetter
Accredited auditing expert (Lead auditor)

Ina Braun
Accredited auditing expert

INCOME STATEMENT

CHF thousand	Note	2021	2020
Net sales	1	921,671	599,330
Change in inventories for work in progress		649	122
Own costs capitalised		9,784	9,233
Other operating income	2	52,808	73,796
Total operating revenue		984,912	682,481
Energy procurement		-821,926	-498,272
Materials and third party services		-25,499	-19,114
Concession fees		-12,912	-13,487
Personnel expenses		-54,447	-51,864
Other operating expenses	2	-20,166	-20,214
Depreciation/amortisation and impairment	3	-19,853	-20,245
Operating expenses		-954,803	-623,196
Operating earnings before interest, extraordinary items and taxes		30,109	59,285
Financial income ¹⁾		10,718	11,882
Financial expenses ¹⁾		-16,492	-12,148
Operating earnings before taxes		24,335	59,019
Non-operating income		466	505
Extraordinary, non-recurring or prior period income	4	-	2,422
Earnings before taxes		24,801	61,946
Taxes		-4,374	-4,119
Net earnings for the year		20,427	57,827

1) As of 31 December 2021, the presentation of the income statement was adjusted in such a way that the foreign currency effects contained in the items "Financial expenses" and "Financial income" are presented on a net basis, as in the consolidated financial statements. The figures for the previous year have been adjusted accordingly too. "Financial income" and "Financial expenses" for the previous year were both reduced by CHF 30,699 thousand each.

BALANCE SHEET

CHF thousand	Note	31.12.2021	31.12.2020
Assets			
Cash ¹⁾	5	227,629	235,403
Positive replacement values of held for trading positions ¹⁾	6	1,698,953	97,784
Current securities and other financial instruments		120,363	134,010
Trade accounts receivable	7	65,388	58,281
Other receivables	8	80,687	25,651
Inventories	9	8,463	7,729
Prepaid expenses and accrued income	10	508,654	326,017
Current assets		2,710,137	884,875
Financial assets	11	92,926	96,383
Shareholdings		229,424	232,766
Tangible assets	12	375,981	354,560
Intangible assets	13	27,226	4,509
Non-current assets		725,557	688,218
Total assets		3,435,694	1,573,093

- 1) As of 31 December 2021, the presentation of the balance sheet was adjusted so that the item "Positive replacement values held for trading positions" is reported separately, as in the consolidated financial statements. The breakdown of the previous year was adjusted accordingly and the item "Positive replacement values held for trading positions" in the amount of CHF 97,784 thousand was also presented separately. Accordingly, the "Cash and cash equivalents" of the previous year were reduced by this amount.

CHF thousand	Note	31.12.2021	31.12.2020
Liabilities and shareholders' equity			
Trade accounts payable	14	14,069	18,760
Current interest-bearing liabilities	15	96,445	-
Other current liabilities ¹⁾	16	99,699	16,343
Negative replacement values of held for trading positions ¹⁾	6	1,696,025	87,436
Deferred income and accrued expenses	17	531,656	351,058
Current provisions	18	7,940	7,438
Current liabilities		2,445,834	481,035
Non-current interest-bearing liabilities	19	134,239	233,156
Other non-current liabilities	20	52,434	51,895
Non-current provisions	18	13,219	15,303
Non-current liabilities		199,892	300,354
Liabilities		2,645,726	781,389
Share capital		7,391	7,391
Legal reserve from capital		139,991	162,163
Legal reserve from retained earnings		17,123	17,123
Free reserves from earnings			
Other reserves		526,995	526,986
Retained earnings		98,487	78,060
Treasury shares		-19	-19
Shareholders' equity	21	789,968	791,704
Total liabilities and shareholder's equity		3,435,694	1,573,093

1) As of 31 December 2021, the presentation of the balance sheet was adjusted so that the item "Negative replacement values held for trading positions" is reported separately, as in the consolidated financial statements. The breakdown of the previous year was adjusted accordingly and the item "Negative replacement values held for trading positions" in the amount of CHF 87,436 thousand was also shown separately. Accordingly, the item "Other current liabilities" from the previous year was reduced by this amount.

NOTES TO THE FINANCIAL STATEMENTS: GENERAL

General

The company was established in 1904 under the name of Kraftwerke Brusio AG. In 2000, Kraftwerke Brusio AG (Poschiavo) merged with AG Bündner Kraftwerke (Klosters) and Rhätische Werke für Elektrizität (Thusis) to form Rätia Energie AG. In 2010 the company was renamed Repower AG. The purpose of the company is to generate, transmit, distribute, trade in and sell energy, and provide services directly or indirectly in this connection.

NOTES TO THE FINANCIAL STATEMENTS: PRINCIPLES

1. Accounting principles

The present financial statements were prepared in accordance with the provisions of Swiss financial reporting law (Title Thirty-Two of the Code of Obligations).

2. Accounting and valuation principles

The main items are recognised as follows:

Cash and cash equivalents

Cash and cash equivalents comprise cash holdings and bank and postal account balances, and are recognised on the balance sheet at nominal value.

Current assets with a stock exchange price

Derivative financial instruments held for trading with a directly observable market price or directly observable input parameters are recognised at fair value. Fluctuation reserves are not created.

Hedging transactions

Future cash flows in foreign currencies can be hedged. The corresponding derivative is recognised in profit or loss on the occurrence of the underlying transaction.

Receivables from goods and services

Trade accounts receivable are recognised at nominal value and impaired if necessary. The amount at the end of the period may be subjected to a flat rate impairment at a rate accepted for tax purposes.

Other receivables

Other receivables are measured at nominal values. Any counterparty risks are accounted for by means of necessary impairment.

Provided the conditions for large orders are met, long-term construction contracts are valued in accordance with the percentage of completion (PoC) method. Following the consolidated financial statements, these are recognised in other receivables. Under the PoC method, in addition to acquisition or production costs a portion of profits corresponding to the percentage of completion of the order is calculated, provided that the order's realisation is reasonably certain. The percentage of completion is calculated on the basis of the accrued costs in relation to the anticipated total costs (cost to cost). If the conditions for applying the PoC method are not met, recognition is under non-invoiced services.

Inventories and non-invoiced services

Inventories and non-invoiced services are recognised at acquisition or production cost taking account of economically necessary impairments. Otherwise impairment may be done at a rate accepted for tax purposes.

Prepaid expenses and accrued income/deferred income and accrued expenses

Prepaid expenses and accrued income/deferred income and accrued expenses comprise the asset and liability items resulting from the accrual and deferral of individual items of expense and income in accordance with the accrual and matching principle. The origination costs of interest-bearing liabilities are capitalised under prepaid expenses and accrued income. Accruals and deferrals for goods and services delivered or received but not yet invoiced are recognised in prepaid expenses and accrued income/deferred income and accrued expenses. Prepaid expenses and accrued income/deferred income and accrued expenses are recognised at nominal values.

Financial assets and shareholdings

Financial assets and shareholdings are recognised at cost taking account of necessary impairment. Minority interests (less than 20 per cent) are recognised as financial assets. Financial assets and shareholdings are measured on a unit of account basis.

Tangible assets

Tangible assets are recognised at acquisition or production cost less accumulated depreciation and any impairment losses. Amortisation is done on a straight-line basis over the subsequent useful life.

Category	Useful life
Power plants and concession period	20 – 80 years depending on the type of facility
Grids	15 – 40 years
Land	Indefinite; any impairments are recognised immediately
Buildings	30 – 60 years
Plant and business equipment	3 – 20 years
Assets under construction	Reclassification to the corresponding category when available for use; any impairments are recognised immediately

Intangible assets

Intangible assets are amortised on a straight-line basis. If there are indications of overvaluation, necessary impairments are taken into account.

Current liabilities

Current liabilities are recognised at nominal value.

Non-current liabilities

Non-current liabilities comprise a) long-term, interest-bearing financial liabilities at nominal value and b) other non-interest-bearing long-term liabilities.

Provisions

A provision is a probable liability on the basis of a past event; the amount of the liability and/or the date on which it will fall due is uncertain but can be estimated. The amount of provisions is based on the management's assessment, and reflects the future outflows of funds that can be anticipated as of the balance sheet date.

Treasury shares

Treasury shares are recognised as a negative item in shareholders' equity on the date of acquisition, without any subsequent measurement. On resale the profit or loss is booked directly to free reserves from earnings under other reserves.

NOTES TO THE FINANCIAL STATEMENTS: NOTES

1 Net sales

CHF thousand	2021	2020
Net sales	921,671	599,330
Revenue from energy sales ¹⁾	915,308	595,200
Revenue from long term contracts	6,363	4,130

1) As of 31 December 2021, the presentation of the note on net sales was adjusted so that the item "Result from held for trading positions" is no longer reported separately, as in the consolidated financial statements. It is now included in the item "Revenue from energy sales". The breakdown of the previous year was adjusted accordingly and the item "Revenue from energy sales" was increased by CHF 16,496 thousand.

Revenue from energy sales is recognised in the income statement when delivery of goods or services has been performed. Sales revenue increased significantly versus the prior year because of year-on-year increases in energy trading volumes and energy prices.

Long-term contracts are recognised in accordance with the percentage of completion method.

2 Other operating income and expenses

CHF thousand	2021	2020
Net	32,642	53,582
Other operating income	52,808	73,796
Other operating expenses	-20,166	-20,214

Other operating income contains in particular revenues from services and other usual business activities, as well as gains on disposals of assets. The year under review includes a purchase price adjustment made for the transfer of transmission grids (CHF 21,013 thousand) as well as payments on the basis of a legal dispute won by Repower (CHF 1,918 thousand).

On 1 January 2020, Repower AG disposed of the Prättigau power generation assets, with a carrying value of CHF 42,008 thousand, for a consideration of CHF 91,184 thousand. The gain on the disposal of assets the prior year comes to CHF 49,176 thousand.

Other operating expenses include in particular IT, marketing, legal, advisory and additional administration expenses.

3 Depreciation/amortisation and impairment

CHF thousand	2021	2020
Depreciation/amortisation and impairment	-19,853	-20,245
Depreciation of tangible assets	-14,344	-14,579
Amortisation of intangible assets	-1,393	-2,590
Impairment of financial assets and investments	-4,116	-3,076

Amortisation of intangible assets includes CHF 352 thousand for the reversion waiver compensation paid and capitalised in January 2021 in the amount of CHF 24,110 thousand (paid to Canton Graubünden, the municipality of Brusio and the municipality of Poschiavo) for the continued operation of the Campocologno I and II power plants (see [Note 13](#)).

4 Extraordinary, non-recurring or prior-period income

CHF thousand	2021	2020
Extraordinary, non-recurring or prior period income	-	2,422
Other extraordinary, non-recurring or prior period income	-	2,422

The prior year primarily consisted of the proceeds from the transfer in kind to EVU lution AG.

5 Cash and cash equivalents

CHF thousand	31.12.2021	31.12.2020
Cash¹⁾	227,629	235,403

1) As of 31 December 2021, the presentation of the note "Cash and cash equivalents" was adjusted so that the item "Energy trading", as in the consolidated financial statements, is no longer shown separately, as this also basically represents sight deposits. This sight deposit is now included in the "Cash and cash equivalents" item. The breakdown of the previous year was adjusted accordingly and the item "Cash and cash equivalents" increased by CHF 722 thousand.

6 Replacement values of held-for-trading positions

CHF thousand	31.12.2021	31.12.2020
Net replacement values	2,928	10,348
Positive replacement values	1,698,953	97,784
Third parties	1,691,896	97,285
Participants and management bodies ¹⁾	3,575	499
Investments	3,482	-
Negative replacement values	-1,696,025	-87,436
Third parties	-1,646,797	-75,178
Participants and management bodies ¹⁾	-49,228	-12,258

1) The definition of "Participants and management bodies" can be found in the section further notes in paragraph "Related parties".

Positive and negative replacement values of held for trading positions stated on the assets and liabilities side of the balance sheet increased, mainly in connection with the sharp rise in energy prices. On a net basis, replacement values come to CHF 2,928 thousand (prior year: CHF 10,348 thousand).

7 Trade accounts receivable

CHF thousand	31.12.2021	31.12.2020
Trade accounts receivable	65,388	58,281
Third parties	21,358	23,399
Participants and management bodies	863	283
Investments	43,167	34,599

The stated trade accounts receivable essentially consist of balances from trading and retail business.

Investments consist for the most part of balances from ongoing business with Repower's subsidiaries.

Where necessary, an individual adjustment was applied to the final balance, and the lump-sum adjustment accepted for tax purposes was applied to the other items.

8 Other receivables

CHF thousand	31.12.2021	31.12.2020
Other receivables	80,687	25,651
Third parties	80,281	21,215
Investments	406	406
Current financial receivables third parties	-	4,030

Third parties includes accrued contractual revenues of CHF 17,260 (prior year: CHF 10,897 thousand) less received advance payments of CHF 13,461 thousand (prior year: CHF 6,715 thousand) and receivables from security deposits paid of CHF 63,949 thousand (prior year: CHF 13,773 thousand). Security deposits paid contains security deposits paid in connection with trading activities. Margin requirements were tightened, particularly because of the greater volatility and the price levels for energy products.

The item "current financial receivables third parties" contains CHF 4,030 thousand for the loan to tiko Energy Solutions AG, which was settled in the year under review.

9 Inventories

CHF thousand	31.12.2021	31.12.2020
Inventories	8,463	7,729
Inventories of materials	2,830	2,213
Emission certificates	12	544
Non-invoiced services	5,621	4,972

In the year under review, impairments of CHF 74 thousand on inventories of materials were recognised as costs of materials (prior year: CHF 51 thousand).

10 Prepaid expenses and accrued income

CHF thousand	31.12.2021	31.12.2020
Prepaid expenses and accrued income	508,654	326,017
Third parties	484,691	304,760
Participants and management bodies	20,652	19,452
Investments	3,311	1,805

The total for the year under review contains prepaid expenses and accrued income of CHF 492,968 thousand (prior year: CHF 322,524 thousand) from investments and for energy bills not yet invoiced. The higher revenues (the result of increases in trading volumes and energy prices) lead to a significant year-on-year increase in prepaid expenses and accrued income.

11 Financial assets

CHF thousand	31.12.2021	31.12.2020
Financial assets	92,926	96,383
Securities	19,937	16,096
Fixed-term deposits >12 months	30,993	35,000
Loans to investments	41,996	45,287

Loans to investments include loans for which a subordination of CHF 2,092 thousand has been granted (prior year: CHF 871 thousand). The loans connected with the subordination were fully impaired in the year under review (see. [Note 3](#)).

12 Tangible assets

CHF thousand	31.12.2021	31.12.2020
Tangible assets	375,981	354,560
Power plants	82,733	86,713
Grids	226,369	217,639
Assets under construction	36,039	19,274
Land and buildings	23,829	24,307
Other	7,011	6,627

In the year under review there is an increase in tangible assets under construction owing to the total modernisation of Robbia power plant. Assets under construction also include investments in the grid.

13 Intangible assets

CHF thousand	31.12.2021	31.12.2020
Intangible assets	27,226	4,509
Concessions and reversion waiver compensation	24,920	1,218
Rights of use	1,188	1,485
Software	1,118	1,806

In the year under review, Repower AG capitalised reversion waiver compensation, paid out in January 2021, amounting to CHF 24,110 thousand (Canton Graubünden and the municipalities of Brusio and Poschiavo) for the continued operation of the Campocologno I and II power plants (see [Note 3](#)).

14 Trade accounts payable

CHF thousand	31.12.2021	31.12.2020
Trade accounts payable	14,069	18,760
Third parties	10,807	18,275
Participants and management bodies	2,128	428
Investments	1,134	57

Trade accounts payable primarily consist of liabilities from the energy business, procurements for operating activities, and investments.

15 Current interest-bearing liabilities

CHF thousand			31.12.2021	31.12.2020
	Interest rate	Duration		
Non-current interest-bearing liabilities			96,445	-
Bonds			96,445	-
Bond	2.375%	2010-2022	96,445	-

On the basis of its maturity compared with the prior year, the bond is recognised under current interest-bearing liabilities (see [Note 19](#)).

16 Other current liabilities

CHF thousand	31.12.2021	31.12.2020
Other current liabilities	99,699	16,343
Third parties	98,903	15,547
Investments ¹⁾	796	796

1) The annual repayment in the amount of CHF 796 thousand for the non-interest-bearing advance payment from Repartner Produktions AG to Repower AG for the Taschinas power plant is reported under "Other current liabilities" ([note 20]).

In the year under review, the item "third parties" primarily consists of liabilities of CHF 84,094 thousand (prior year: CHF 0 thousand) from security deposits received in connection with exchange trading activities. Margin requirements were tightened, particularly because of the greater volatility and the price levels for energy products.

17 Deferred income and accrued expenses

CHF thousand	31.12.2021	31.12.2020
Deferred income and accrued expenses	531,656	351,058
Third parties	482,325	303,927
Participants and management bodies	14,512	19,119
Investments	34,819	28,012

The total for the year under review contains prepaid expenses and accrued income of CHF 500,154 thousand (prior year: CHF 335,429 thousand) from investments and for energy bills not yet invoiced. The increase in procurement costs due to an increase in trading volumes and energy prices has led to a significant year-on-year increase in deferred income and accrued expenses.

18 Provisions

CHF thousand	Provisions for onerous contracts	Other risks	Total
Carrying value at 31 December 2020	20,929	1,812	22,741
thereof current	6,702	736	7,438
thereof long-term	14,227	1,076	15,303
Carrying value at 31 December 2021	17,288	3,871	21,159
thereof current	6,413	1,527	7,940
thereof long-term	10,875	2,344	13,219

Procurement contract risks

The decision on whether there is a threat of loss on a long-term sales or procurement contract and the resulting recognition of a provision essentially depends on the situation regarding the relevant contractual prices and expected procurement or sales prices.

At the end of the year under review, provisions for identifiable losses on procurement contracts for energy and guarantees of origin came to a total of CHF 17,288 thousand. Of this amount, CHF 15,567 thousand falls to procurement contracts for electricity and CHF 1,721 thousand to guarantees of origin. Provisions for onerous contracts for energy and guarantees of origin were adjusted via energy procurement and recognised as income.

Other risks

In the year under review other risks includes a provision for unrealised foreign exchange gains amounting to CHF 3,413 thousand (previous year: CHF 424 thousand).

19 Non-current interest-bearing liabilities

CHF thousand			31.12.2021	31.12.2020
	Interest rate	Duration		
Non-current interest-bearing liabilities			134,239	233,156
Loans			131,656	134,010
Loan	2,500%	2010-2030	20,000	20,000
Private placement	3,625%	2008-2023	10,000	10,000
Bank loan	1.698%	2017-2024	25,828	27,005
Bank loan	1.922%	2017-2025	25,828	27,005
Bank loan	1.820%	2006-2026	50,000	50,000
Bonds			2,583	99,146
Bond	2.375%	2010-2022	-	96,445
Registered bond	3.400%	2014-2034	2,583	2,701

On the basis of its maturity compared with the prior year, the bond is recognised under current interest-bearing liabilities (see [Note 15](#)).

20 Other non-current liabilities

CHF thousand		31.12.2021	31.12.2020
Other non-current liabilities		52,434	51,895
Connection fees and grid cost contributions		14,137	12,800
Connection fees and grid cost contributions		14,137	12,800
Other non-current liabilities		38,297	39,095
Investments ¹⁾		38,297	39,095

1) This item includes the non-interest-bearing advance payment from Repartner Produktions AG to Repower AG for the Taschinas power plant, which is annually repaid in the amount of CHF 796 thousand (note 16).

21 Equity

CHF thousand	31.12.2021	31.12.2020
Shareholders' equity	789,968	791,704
Share capital	7,391	7,391
Share capital 7,390,968 registered shares at a par value of CHF 1 per share	7,391	7,391
Reserves	684,109	706,272
Legal capital reserves		
Capital reserves	139,991	162,163
Legal reserve from retained earnings	17,123	17,123
Other reserves	526,995	526,986
Retained earnings	98,487	78,060
Retained earnings carried forward	78,060	20,233
Net income for the year	20,427	57,827
Treasury shares	-19	-19

Share capital

Significant shareholders as defined by the Swiss Code of Obligations (OR) 663c (share of capital and voting rights):

	31.12.2021	31.12.2020
Elektrizitätswerke des Kantons Zürich (EKZ)	34.04%	33.96%
Canton Graubünden	21.96%	21.96%
UBS Clean Energy Infrastructure KGK (UBS-CEIS)	18.88%	18.88%
Axpo Holding AG, Baden	12.69%	12.69%

Treasury shares

	2021		2020	
	Number of shares	Carrying value in CHF	Number of shares	Carrying value in CHF
Initial balance at 1 January	212	19,204	172	16,008
Purchases	500	59,475	350	32,250
Disposals	-562	-59,529	-310	-29,054
End balance at 31 December	150	19,150	212	19,204

In the year under review Repower AG bought 500 shares at an average price of CHF 118.95 and sold 562 shares at an average price of CHF 121.80.

The previous year Repower AG bought 350 shares at an average price of CHF 92.14 and sold 310 shares at an average price of CHF 95.94.

NOTES TO THE FINANCIAL STATEMENTS: FURTHER NOTES

Net release of hidden reserves

In the reporting year, hidden reserves of CHF 11,850 thousand were released (prior year: CHF 10,868 thousand).

Employee information

In the year under review Repower AG had 388 full-time positions on annual average (prior year: 373).

Direct and indirect shareholdings

Direct participations

Company	Head office	Currency	Issued capital		Share of equity and votes in %	
			31.12.2021	31.12.2020	31.12.2021	31.12.2020
Ovra electrica Ferrera SA	Trun	CHF	3,000,000	3,000,000	49.00%	49.00%
esolva ag	Weinfelden	CHF	791,700	791,700	42.05%	42.05%
Alvezza SA in Liquidation	Disentis	CHF	500,000	500,000	62.00%	62.00%
Repartner Produktions AG	Poschiavo	CHF	20,000,000	20,000,000	51.00%	51.00%
Kraftwerk Morteratsch AG ¹⁾	Pontresina	CHF	500,000	500,000	10.00%	10.00%
EVUolution AG	Poschiavo	CHF	1,000,000	1,000,000	42.75%	42.75%
Repower Deutschland GmbH	Olsberg	EUR	11,525,000	11,525,000	100.00%	100.00%
Repower Italia S.p.A.	Milan	EUR	2,000,000	2,000,000	100.00%	100.00%
MERA S.r.l.	Milan	EUR	100,000	100,000	100.00%	100.00%
EL.IT.E. S.p.A. ²⁾	Milan	EUR	-	3,888,500	0.00%	46.55%
Griselectra AG	Chur	CHF	1,000,000	1,000,000	11.00%	11.00%

1) Repower AG holds 10 percent of the share capital and 35,7 percent of the voting rights of Kraftwerk Morteratsch AG.

2) Repower AG sold the investment in 2021.

Indirect participations

Company	Head office	Currency	Issued capital		Share of equity and votes in %	
			31.12.2021	31.12.2020	31.12.2021	31.12.2020
Repartner Wind GmbH	Olsberg	EUR	25,000	25,000	51.00%	51.00%
Repower Vendita Italia S.p.A.	Milan	EUR	4,000,000	4,000,000	100.00%	100.00%
SET S.p.A.	Milan	EUR	120,000	120,000	61.00%	61.00%
Energia Sud S.r.l.	Milan	EUR	1,500,000	1,500,000	100.00%	100.00%
SEA S.p.A.	Milan	EUR	120,000	120,000	65.00%	65.00%
REC S.r.l.	Milan	EUR	10,000	10,000	65.00%	65.00%
RESOL 1 S.r.l.	Milan	EUR	10,000	10,000	100.00%	100.00%
REV S.r.l.	Milan	EUR	10,000	10,000	100.00%	100.00%
Roma Gas & Power S.r.l. ¹⁾	Rom	EUR	12,500	-	20.00%	0.00%
Aerochetto S.r.l. ²⁾	Catania	EUR	-	2,000,000	0.00%	39.00%
Repower Renewable S.p.A.	Venice	EUR	71,935,660	71,935,660	65.00%	65.00%
Impianto Eolico Pian dei Corsi S.r.l.	Venice	EUR	200,000	200,000	37.38%	37.38%
ESE Cerignola S.r.l.	Venice	EUR	100,000	100,000	65.00%	65.00%
RES S.r.l.	Venice	EUR	150,000	150,000	65.00%	65.00%
Cramet Energie S.r.l.	Venice	EUR	19,600	19,600	65.00%	65.00%
ESE Terlizzi S.r.l.	Venice	EUR	19,600	19,600	65.00%	65.00%
ESE Salento S.r.l.	Venice	EUR	10,000	10,000	65.00%	65.00%
Elettrosud Rinnovabili S.r.l.	Venice	EUR	10,000	10,000	65.00%	65.00%
Quinta Energia S.r.l.	Erice	EUR	50,000	50,000	65.00%	65.00%
ESE Armo S.r.l.	Venice	EUR	30,000	30,000	65.00%	65.00%
ESE Nurra S.r.l.	Venice	EUR	200,000	200,000	43.55%	43.55%
ESE Castelguglielmo S.r.l. ³⁾	Venice	EUR	-	30,000	0.00%	65.00%
Compagnia Energie Rinnovabili S.r.l.	Venice	EUR	100,000	100,000	65.00%	65.00%
Parco Eolico Buseto S.p.A.	Erice	EUR	500,000	500,000	65.00%	65.00%
ERA S.c.r.l.	Venice	EUR	30,006	30,006	64.99%	64.99%
ESE Apricena S.r.l.	Venice	EUR	30,000	30,000	65.00%	65.00%
SOLIS S.r.l.	Venice	EUR	10,000	10,000	65.00%	65.00%
Energieia Codroipo S.r.l. ³⁾	Milan	EUR	-	10,000	0.00%	65.00%
Energieia Varmo S.r.l. ³⁾	Milan	EUR	-	10,000	0.00%	65.00%
Energia Tre S.r.l. ³⁾	Milan	EUR	-	1,426,484	0.00%	65.00%
Repower Wind Offshore S.r.l. ⁴⁾	Venice	EUR	250,000	-	65.00%	0.00%
Terra di Conte S.r.l.	Lucera	EUR	10,000	10,000	32.50%	32.50%

1) Repower Italia S.p.A. acquired the investment in the company Roma Gas & Power S.r.l. in 2021.

2) Repower Italia S.p.A. sold the investment in the associate Aerochetto S.r.l. in 2021.

3) In 2021 the companies ESE Castelguglielmo S.r.l., Energieia Codroipo S.r.l., Energieia Varmo S.r.l. and Energia Tre S.r.l. were merged in the SOLIS S.r.l.

4) The company was established in 2021 by Repower Renewable S.p.A.

Contingent liabilities, sureties, guarantee obligations and pledges in favour of third parties

Joint liability for VAT group taxation with Repartner Produktions AG and Ovra elettrica Ferrera SA.

To the benefit of group companies, letters of intent and financing agreements amounting to EUR 84.5 million (equivalent to CHF 87.3 million) were concluded (prior year: EUR 83.9 million, equivalent to CHF 90.6 million).

Guarantees in favour of third parties amounting to CHF 2.2 million and EUR 7.9 million (equivalent to CHF 8.1 million) were provided (prior year: CHF 5.4 million and EUR 9.8 million (equivalent to CHF 10.6 million)).

Lease liabilities

The maturities of lease liabilities that do not mature or cannot be terminated within 12 months break down as follows:

CHF thousand	31.12.2021	31.12.2020
Lease liabilities	5,061	6,140
Within 1 year	940	1,088
2-5 years	2,820	3,649
Over 5 years	1,301	1,403

Pension fund liability

On the balance sheet date there was a liability to the pension fund of CHF 442 thousand (previous year: CHF 411 thousand).

Related parties

Receivables and liabilities vis-à-vis direct or indirect participants and management bodies and vis-à-vis companies in which there is a direct or indirect participation are shown separately in the notes to the financial statements. Participants and management bodies are the shareholders and members of the board of directors (see [Note 21](#)) and the auditors of Repower AG.

Events occurring after the balance sheet date

The difficult-to-predict market and price situation, which already existed at the end of the year and has been further exacerbated by the military escalation of the crisis in Ukraine, combined with the rapid rise in gas and energy prices, are increasing the counterparty risk for Repower. It could happen that gas and energy suppliers can no longer meet their obligations, meaning that Repower has to procure these commodities on the market at high prices. Even though Repower does not pursue business activities in Russia or Ukraine, the solvency of individual contractual partners could be impaired, which in turn could have consequences in terms of its asset, financial and earnings situation in 2022.

The financial statements were approved for publication by the board of directors on 30 March 2022. They are subject to the approval of the annual general meeting, which will take place on 18 May 2022.

Disclosures in accordance with Art. 663c of the Swiss Code of Obligations at 31 December of the financial year:

Board of directors	Shares in 2021	Shares in 2020
Dr Urs Rengel	400	400
Peter Eugster	200	600

Executive board	Shares in 2021	Shares in 2020
Roland Leuenberger	4,200	-
Samuel Bontadelli (until 29.10.2021)	101	101

There are no other items which require disclosure.

APPROPRIATION OF RETAINED EARNINGS

The board of directors proposes the following appropriation of retained earnings to the annual general meeting:

Net earnings for the year 2021	CHF	20,426,676
Retained earnings carried forward	CHF	78,059,937
Retained earnings	CHF	98,486,613
Amount carried to other reserves	CHF	-
Balance carried forward	CHF	98,486,613

The board of directors further moves that the annual general meeting approve a dividend of CHF 4.50 per registered share, to be paid from capital reserves:

Capital reserves carried forward	CHF	139,990,657
Dividend on share capital of 7.4 million CHF ¹⁾	CHF	33,259,356
Capital reserves carried forward on the next year	CHF	106,731,301

1) Qualifies as tax-neutral repayment of capital in accordance with Art. 20 of the Federal Law on Direct Federal Tax, and Art. 5 of the Federal Law on Withholding Tax.

No payment will be made on registered shares held by Repower AG on the due date. This may reduce the actual distribution accordingly.

Provided the annual general meeting passes this motion, the dividend paid from capital reserves will be due on 24 May 2022.

Poschiavo, 30 March 2022

For the Board of Directors:



Dr Monika Krüsi
Chair of the board of directors

REPORT OF THE STATUTORY AUDITOR



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Zurich, 30 March 2022

To the General Meeting of Repower AG, Brusio

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of Repower AG, which comprise the **balance sheet**, **income statement** and **notes**, for the year ended 31 December 2021.



Board of the Directors' Responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.



Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements for the year ended 31 December 2021 comply with Swiss law and the company's articles of incorporation.



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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Valuation of participations and loans to group companies

Risk	<p>Participations and loans to group companies represent 34.4% of equity and are therefore a material item in the balance sheet. Due to significance of the positions and the potential uncertainty around the profitability of participations in the respective markets they operate, the assessment of the recoverability of participations and loans to group companies was a focus area of our audit.</p> <p>The Company assesses the recoverability of its participations and loans to group companies annually, considering future earnings, statutory equity and business prospects. This approach requires estimates and assumptions by the Company, such as forecast earnings and cash flows on an individual basis. Changes in estimates and assumptions including future business prospects have an impact on the recoverability of the positions.</p>
Our audit response	<p>We reviewed the Company's approach to assess the recoverability of its participations and loans to group companies. We evaluated how the Company determined profitability and equity and other relevant forecast information. We considered the internal controls framework around defining estimates and assumptions. We assessed the recoverability of each participation individually to corroborate our understanding about its business prospects and anticipated future developments with the Company.</p> <p>Our audit did not give rise to any objections with regard to the procedure and valuation of the investments and loans to group companies.</p>

Classification, valuation and presentation of energy derivatives

Risk	<p>The accounting treatment of energy derivatives is a result of its classification as "held-for-trading" or "Cashflow-Hedges". Classification requires judgment and has a material impact on both balance sheet presentation and net income.</p> <p>The valuation of these "held-for-trading" instruments is derived from observable market data on active markets. The positive and negative replacement values are presented net when legally enforceable netting agreements are in place.</p> <p>The Company defines policies and procedures to account for energy contracts. They include the definition of segregation of duties and controls.</p> <p>Due to the materiality of these transactions, significant judgments and the potential impact on the financial statements, the accounting of energy derivatives was a focus area of our audit. Refer to notes 1 and 6 of the financial statements for further information.</p>
Our audit response	<p>We evaluated the Company's policies and procedures around classification, valuation and netting of open positions including the established segregation of duties and discussed these with the Company. We assessed internal controls over the Company's accounting for such trading activity.</p> <p>For a sample of energy derivatives, we tested the observable inputs into valuation models by reference to externally available market data.</p> <p>Our audit did not give rise to any objections with regard to the recognition and measurement of the energy derivatives.</p>

Valuation of tangible assets and energy procurement contracts

Risk	<p>Tangible assets are a material balance sheet item amounting to 47.6% of equity in the balance sheet. These comprise primarily power plants, grids and other non-current assets of the Group. In the financial year 2021, no extraordinary value adjustments were made. In addition, there are long-term purchase commitments which could significantly affect the amount of contractual commitments and thus the potential need for provisions.</p> <p>The valuation of tangible assets and energy procurement contracts by Repower depends on various valuation parameters and has a material impact on net income. The testing for potential value adjustments involves the use of estimates and assumptions, such as the forecast production volume, the forecast long-term energy price curve, foreign exchange rates impacting future earnings and cash flows. In addition, discount rates are relevant in obtaining a value in use as of the date of the valuation.</p>
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Our audit response

We assessed the Group's valuation approach related to its tangible assets and energy procurement contracts. We further assessed the process to derive the underlying assumptions and estimates around forecast production volumes, the forecast long-term energy price curve and foreign exchange rates. We evaluated the internal controls related to the budgeting and forecasting process as well as the process to derive assumptions and estimates. We evaluated the mathematical correctness of the impairment testing model and involved valuation specialists to evaluate the methodology.

We assessed the cash flows derived for each tested tangible asset and how the discount rate including applicable input variables was determined. We corroborated the input variables to the discount rate based on sources provided by the Group and tested them against observable market data.

Our audit did not give rise to any objections with regard to the process used to derive the assumptions and valuation of the tangible assets and energy procurement contracts.



Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

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.

Ernst & Young AG

Willy Hofstetter
Accredited auditing expert (Leading auditor)

Ina Braun
Accredited auditing expert

INVESTOR AGENDA

The next dates in Repower's financial calendar:

18 May 2022

Annual general meeting in Klosters

30 August 2022

Information on the first six months of 2022

5 April 2023

Analyst and investor conference

17 May 2023

Annual general meeting in Poschiavo

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April 2022