Analyst Call 2019

Olten, 26 August 2019

Agenda

ALPIQ

1. Alpiq generates solid half-year operating result as expected
2. Key financial figures
3. Alpiq will benefit from increased prices from 2020 onwards
4. Decarbonisation opens up new business opportunities
5. Questions and answers

Alpiq generates solid half-year operating result as expected

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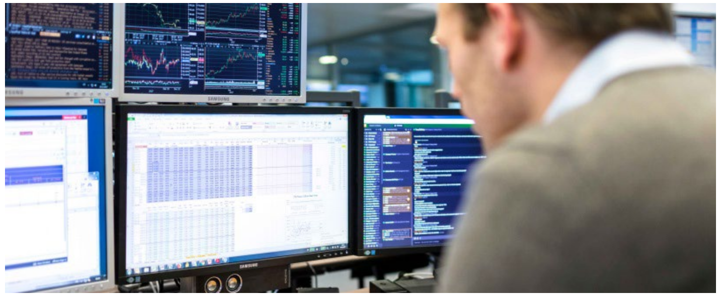

Alpiq well positioned with its business model

- EBITDA before exceptional items down on previous year as expected: CHF 55 million
    - Positive European and strong trading business: CHF 111 million
    - Unprofitable Swiss electricity production: CHF -56 million

Solid balance sheet

- Operating cash flow increased: CHF 80 million
- Liquidity strengthened: CHF 1.31 billion
- Equity ratio increased: 46.6 %

Decarbonisation opens up new business opportunities

- Phasing out coal reduces Alpiq's carbon footprint by 2.1 million tonnes per year
- Alpiq as enabler of CO_2-free mobility
- Flexible energy storage solutions as a core competence

2019 interim key financial figures

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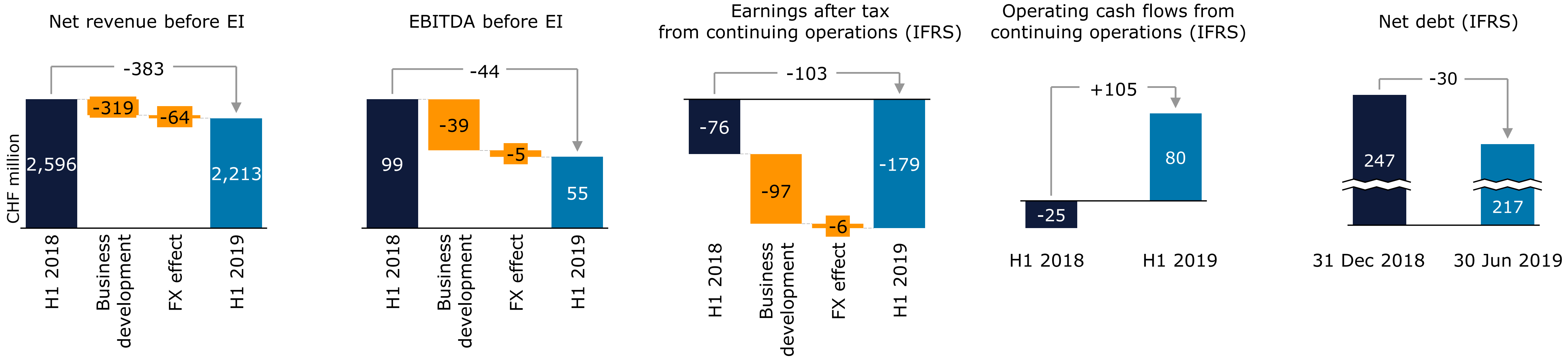
Alpiq generates solid half-year operating result as expected



Results of operations before exceptional items (EI)

- As announced, EBITDA of CHF 55 million down on the previous year. Lower contributions by Generation Switzerland and Generation International, partly compensated for by better trading results in Italy and positive development in Eastern Europe
- Operating cash flows up on the previous year
- Reduction of net debt compared to the end of 2018

Hedging transactions for Swiss electricity production with time-delayed effect

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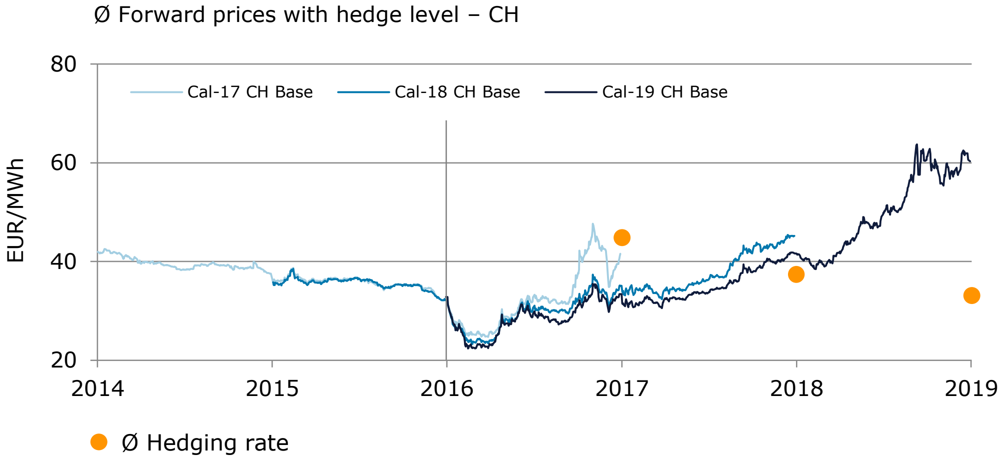
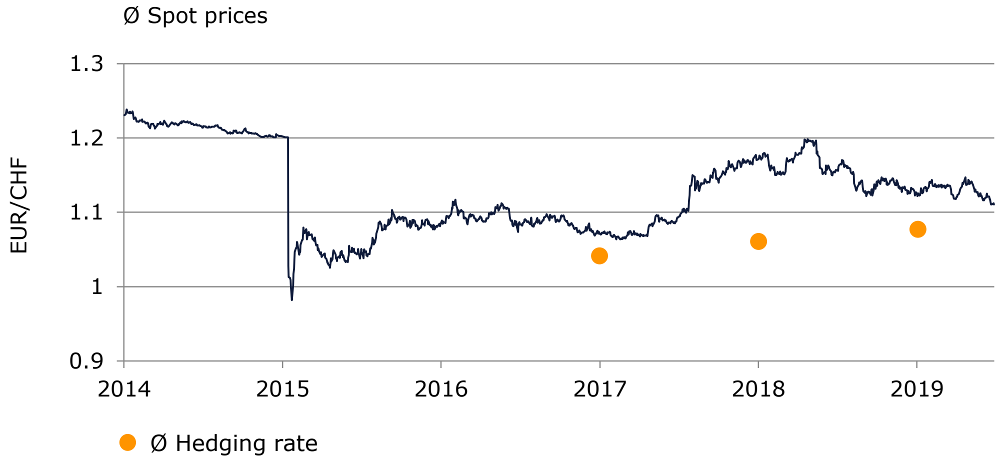
Alpiq hedges energy and currency in advance on a rolling two- to three-year basis on average





Time lapse of wholesale price effect causes lower earnings in H1 2019

Ø Hedging rate	2017:	44 EUR/MWh
	2018:	38 EUR/MWh
	H1 2019:	34 EUR/MWh

Currency effect with marginal impact compared to the previous year

Ø Hedging rate	2017:	1.04 EUR/CHF
	2018:	1.06 EUR/CHF
	H1 2019:	1.08 EUR/CHF

Development of EBITDA by business division (I)

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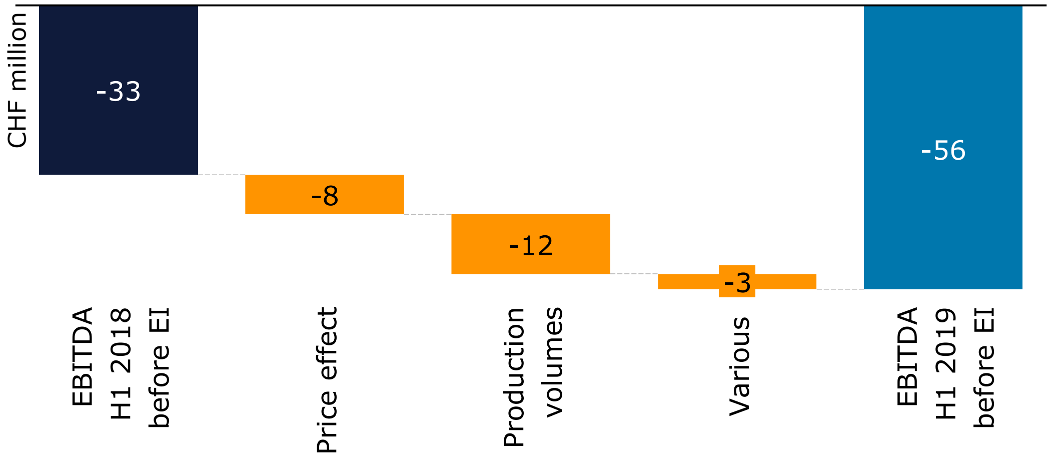
Unprofitable Swiss electricity production



Generation Switzerland

- Alpiq systematically hedges production in the market against price and currency fluctuations
- It hedges in advance on a rolling two- to three-year basis on average
- Earnings burdened compared to the previous year having been hedged at lower prices
- Production volumes down on the previous year:
    - Long-term purchase agreement in the area of nuclear energy expired
    - Lower inflows in the area of hydropower

Development of EBITDA by business division (II)

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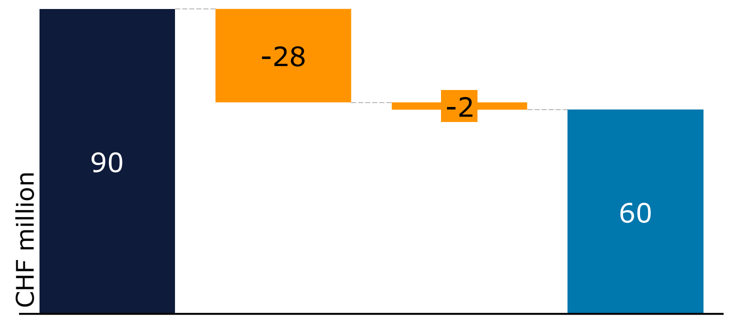
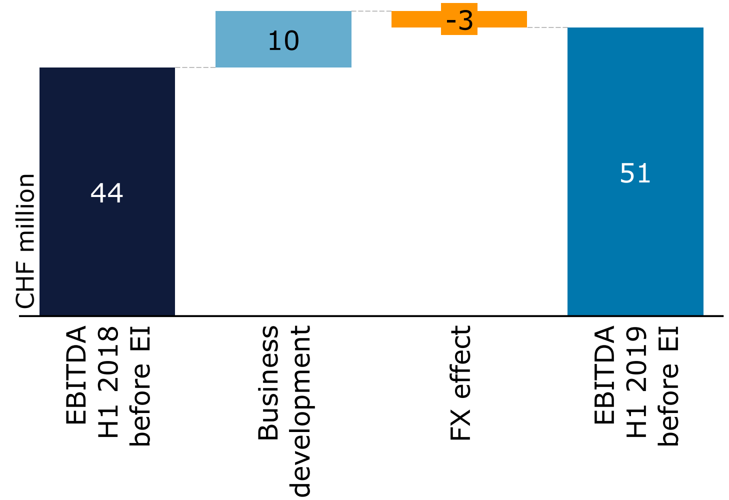
Positive European and strong trading business



Generation International

- Thermal production: Down on the previous year due to a newly negotiated energy contract in Hungary attributable to changes in market conditions
- Renewable energies: Down on the previous year mainly due to less wind in Italy



Digital & Commerce

- Excellent results in the ancillary services market in Italy
- Positive development in Eastern Europe

Development of EBITDA before EI after phase-out of coal

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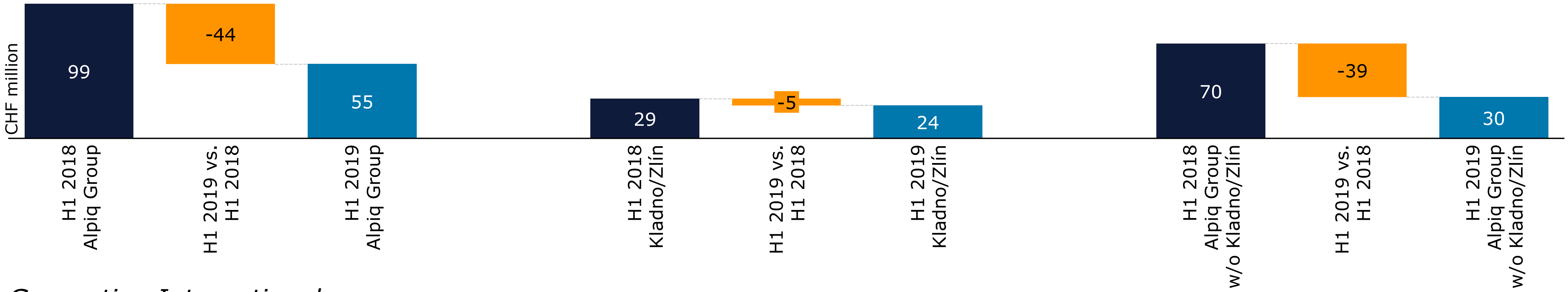
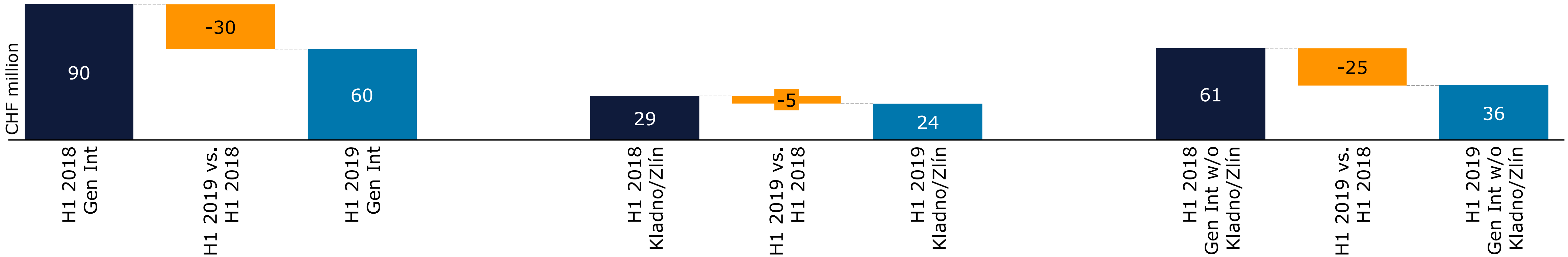
Phase-out of coal drastically reduces Alpiq's carbon footprint: Divestment of brown coal power plants is expected to be completed in the second half of 2019

Alpiq Group



Generation International



Alpiq generates solid half-year operating result as expected

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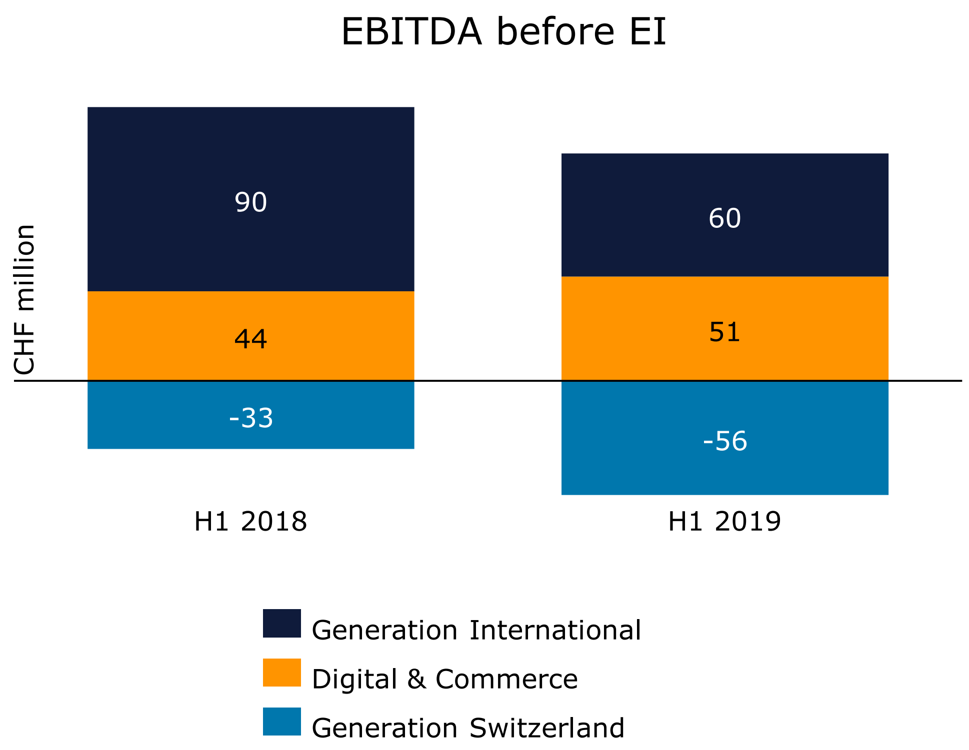
Positive European and strong trading business



- International production: Once again makes the biggest contribution to the earnings of the Alpiq Group
- Digital & Commerce: Pleasing business performance and higher contribution to earnings
- Swiss production: Unprofitable and down on the previous year

Exceptional items on EBITDA level

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Alpiq uses alternative performance measures to measure and present its operating performance, making adjustments to the IFRS results for so-called exceptional items (EI).

CHF million	**H1 2019**	**H1 2018**
Development of decommissioning and waste disposal funds	78	-26
Effects from business disposals	2	-1
Impairment losses and onerous contracts	-39	2
Restructuring costs and litigation	-3	-7
Fair value changes (accounting mismatch)	25	-6
Total exceptional items on EBITDA level	**63**	**-38**

Development of financial result (IFRS)

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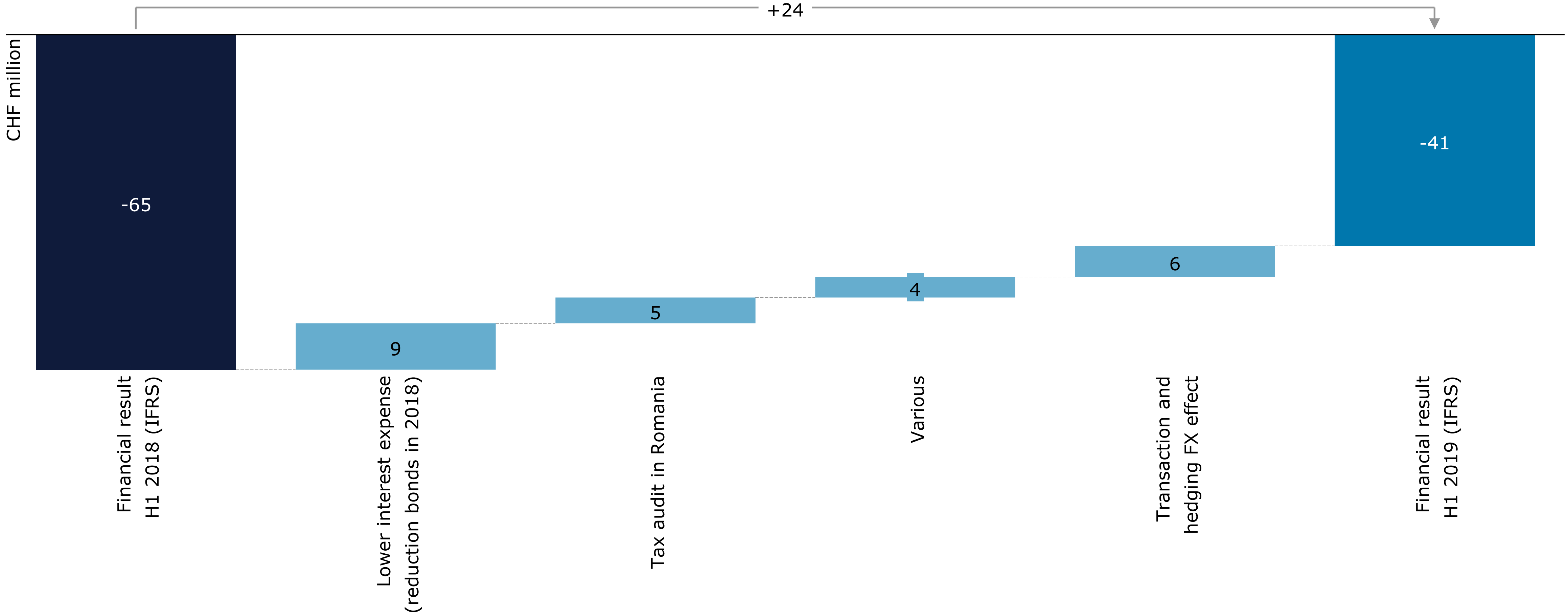
Pleasing development of financial result



Development of earnings after tax from continuing operations (IFRS)

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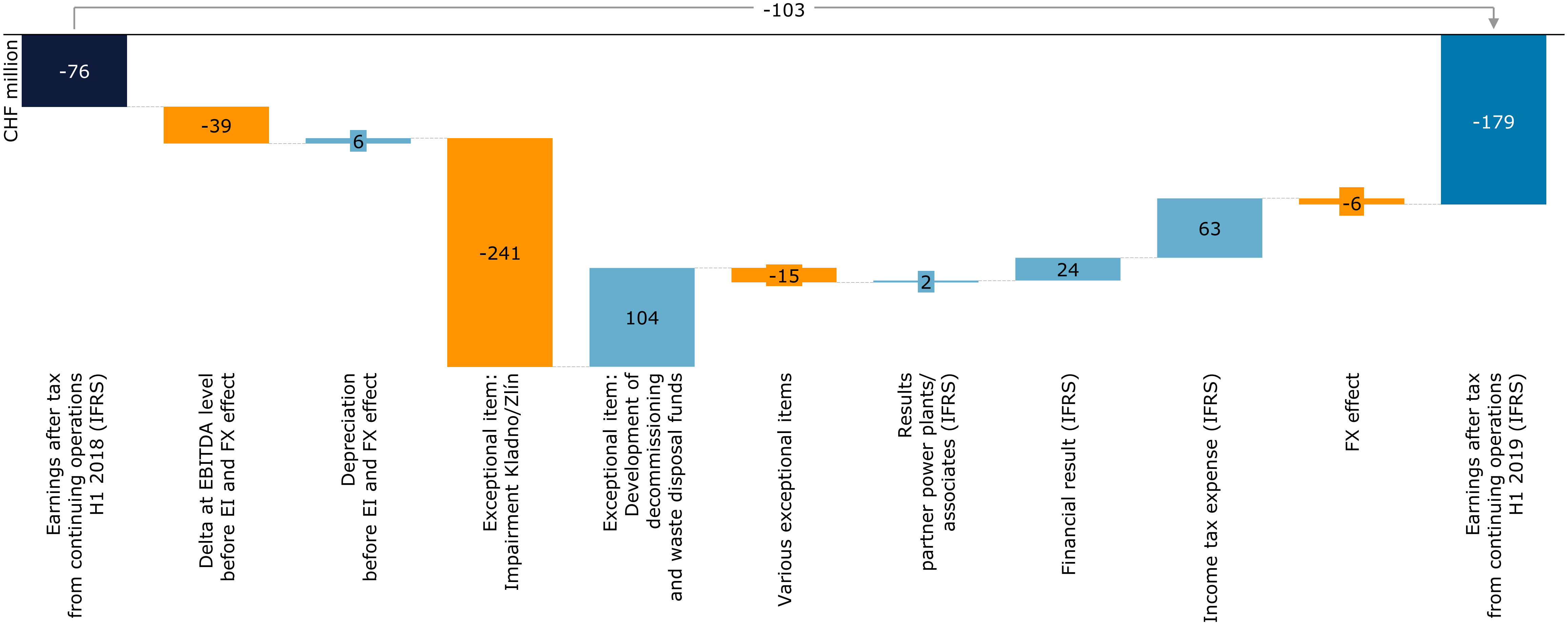
Phase-out of coal burdening earnings



Development of operating cash flows

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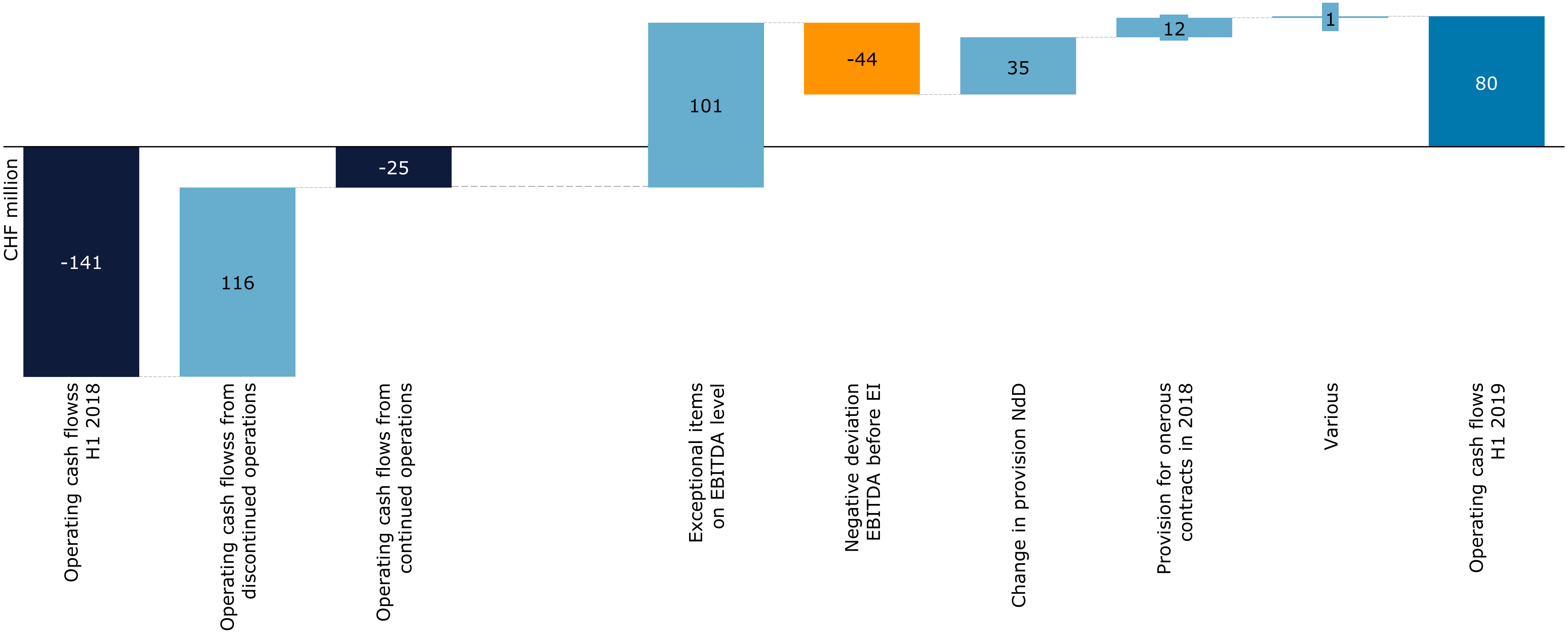
Cash flows from operating activities of continuing operations increased



Development of operating cash flows

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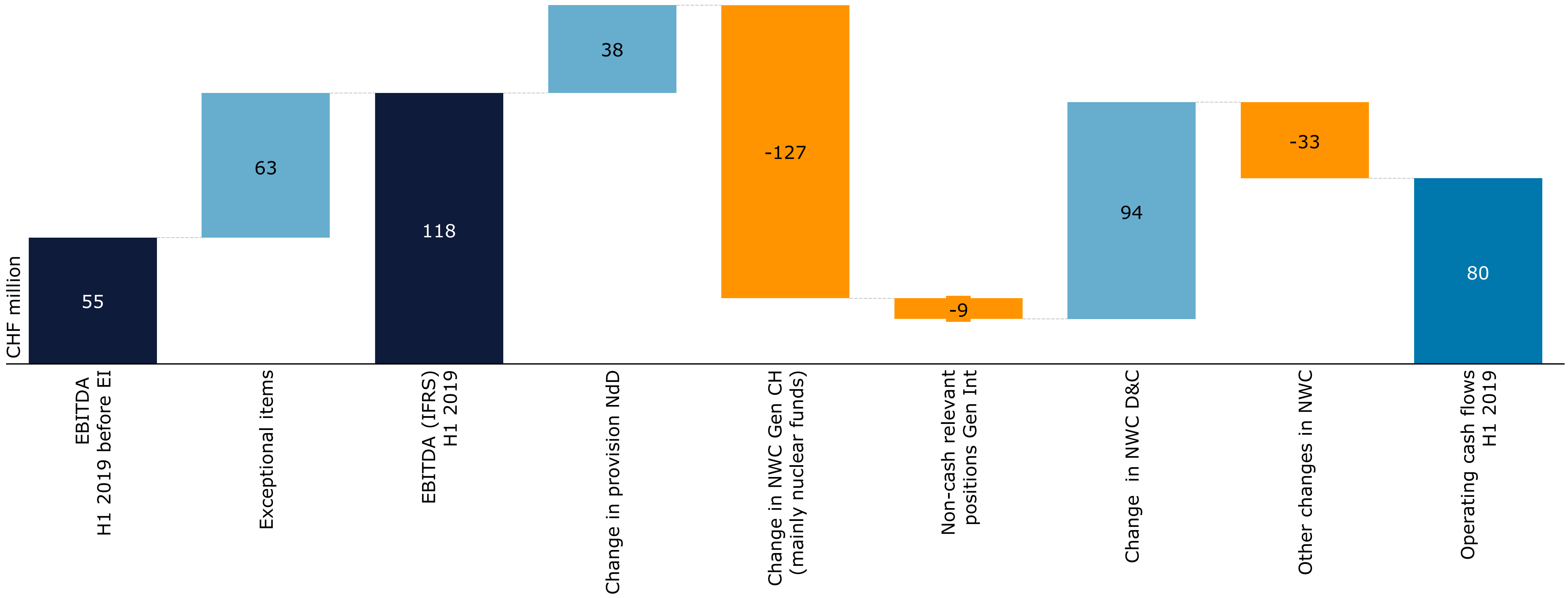
Operating cash flows increased



Cash flow

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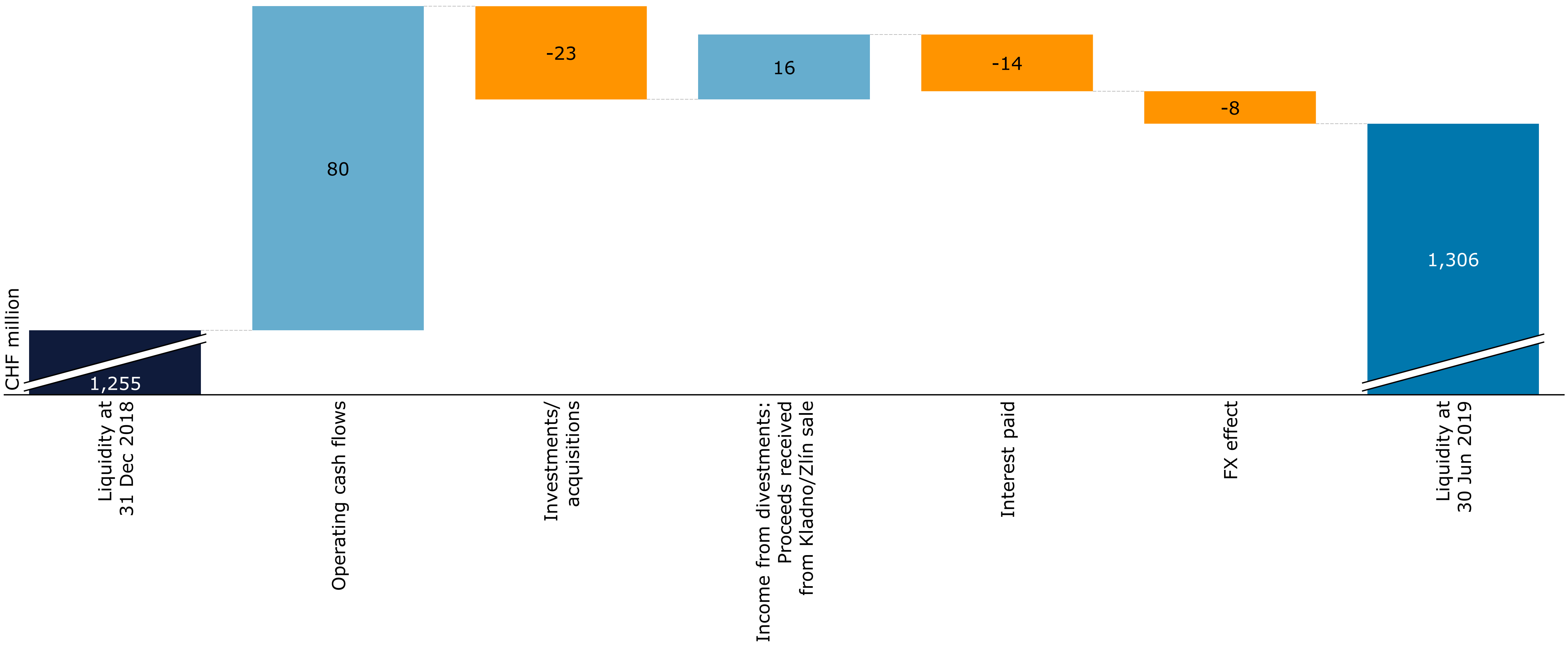
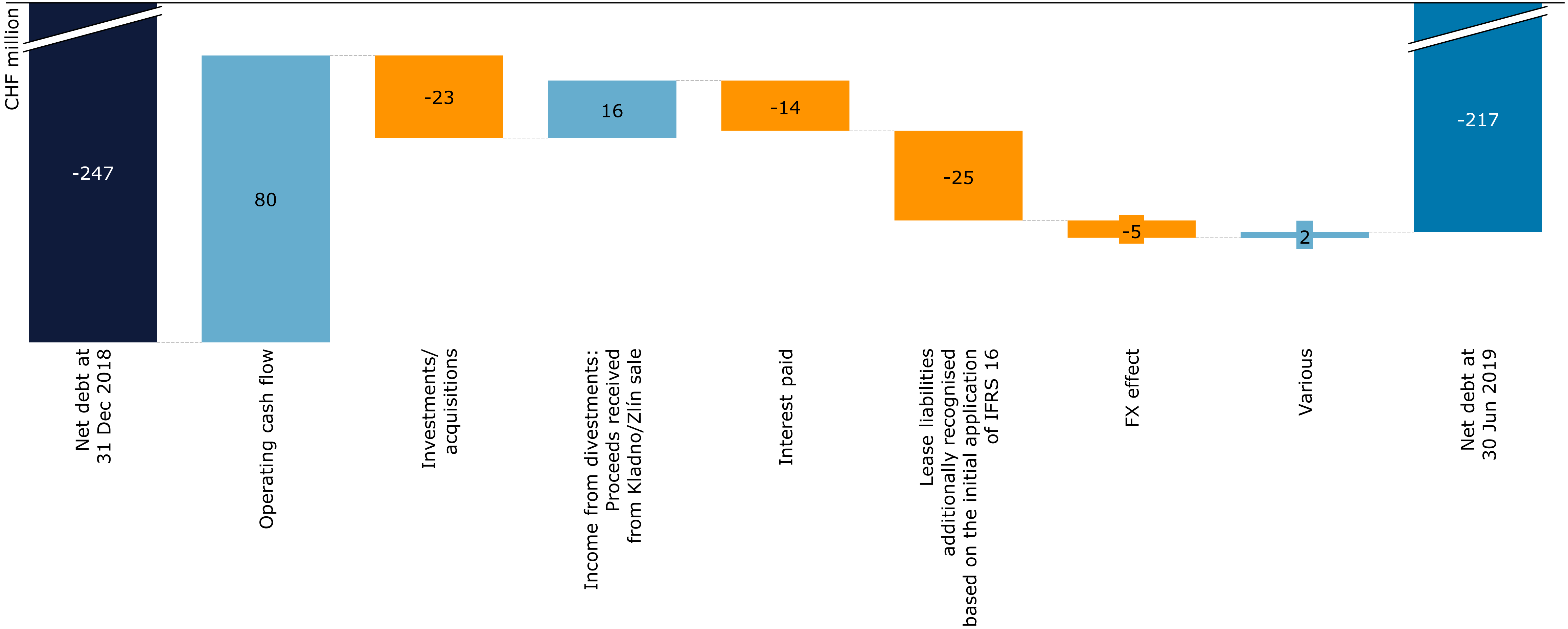
Liquidity strengthened



Development of net debt

ALPIQ

Reduction of net debt compared to the end of 2018



Maturity profile at 30 June 2019

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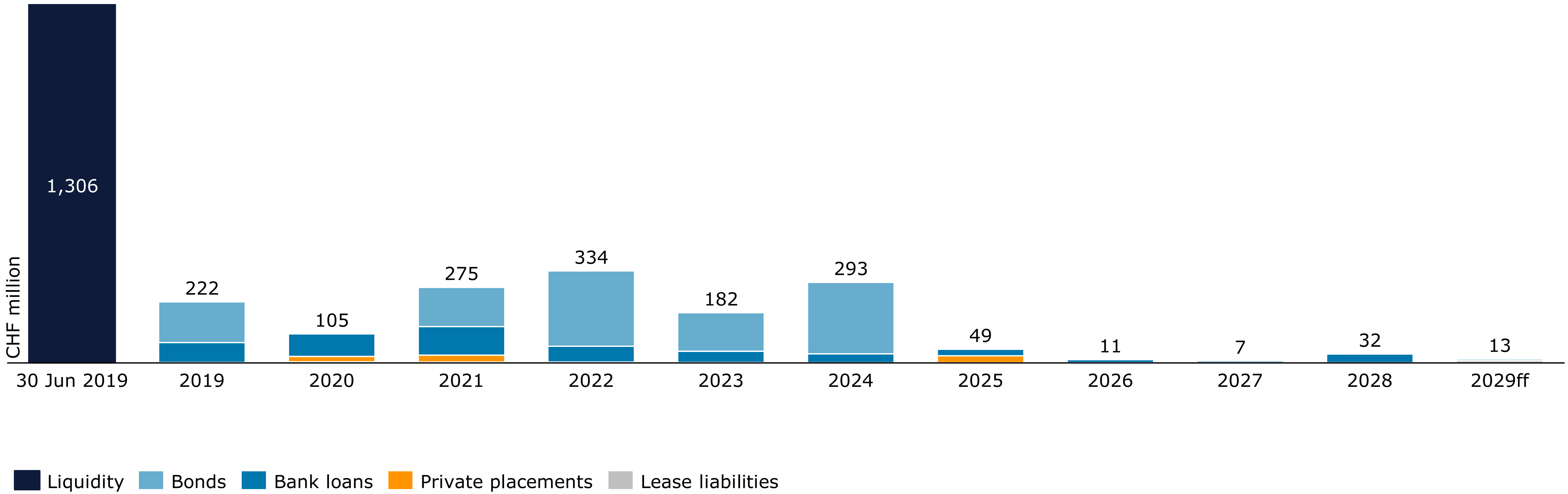
Financial liabilities staggered over long term



- Strengthened liquidity of CHF 1,306 million
- Financial liabilities of CHF 1,523 million

Financial liabilities

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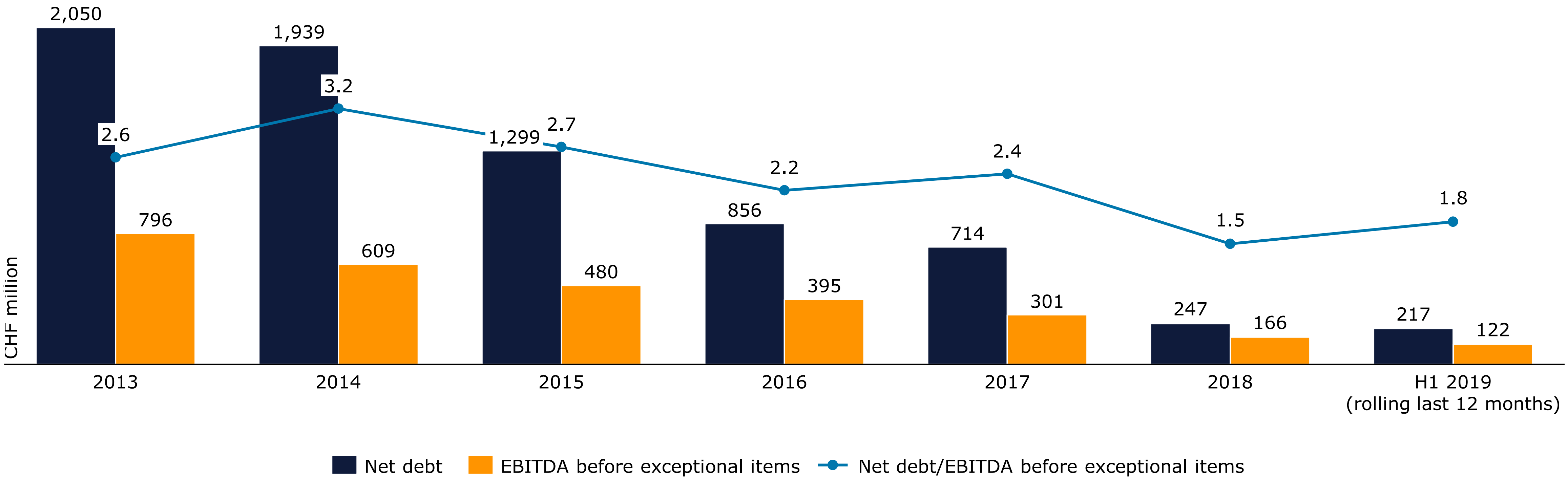
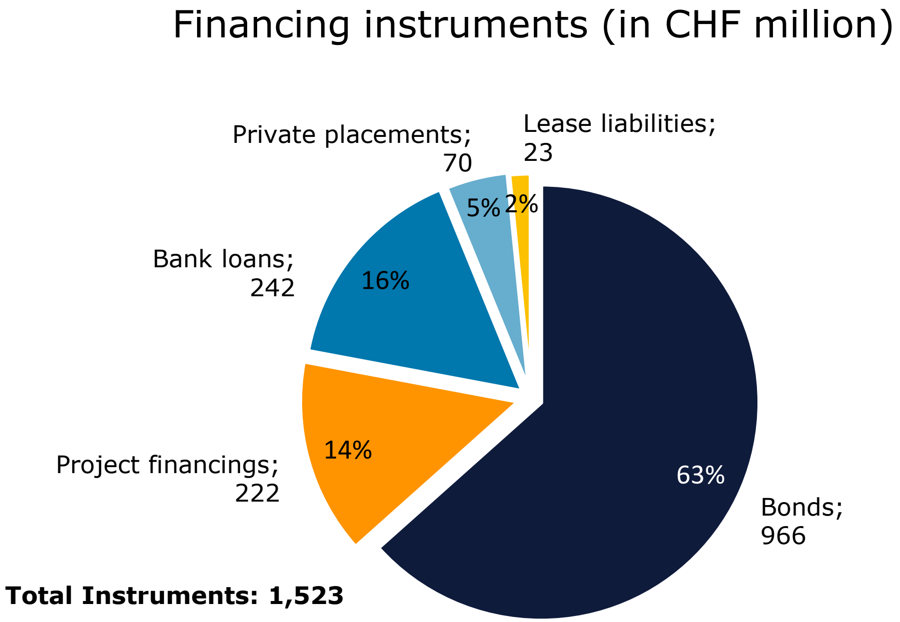
Further reduction in net debt thanks to systematically implementing the financial strategy

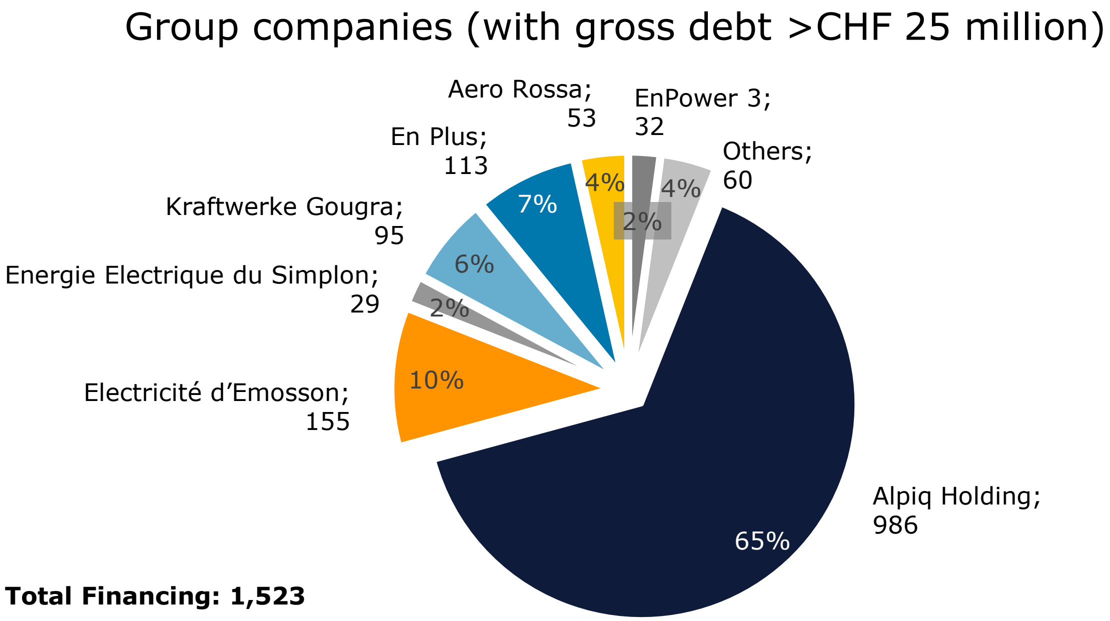


- Net debt further reduced by CHF 30 million to CHF 217 million
- Net debt/EBITDA before exceptional items of 1.8

Allocation of interest-bearing liabilities

At 30 June 2019





- Group largely financed on the capital market by means of bonds and private placements (68 %)
- Low level of third-party debt at subsidiaries prevents structural subordination of the holding company (65 % centrally)
- Complex project financing structures only found in Italy (RES and En Plus)
- Firmly committed and undrawn lines of credit at the level of the holding company of around CHF 300 million

Solid balance sheet

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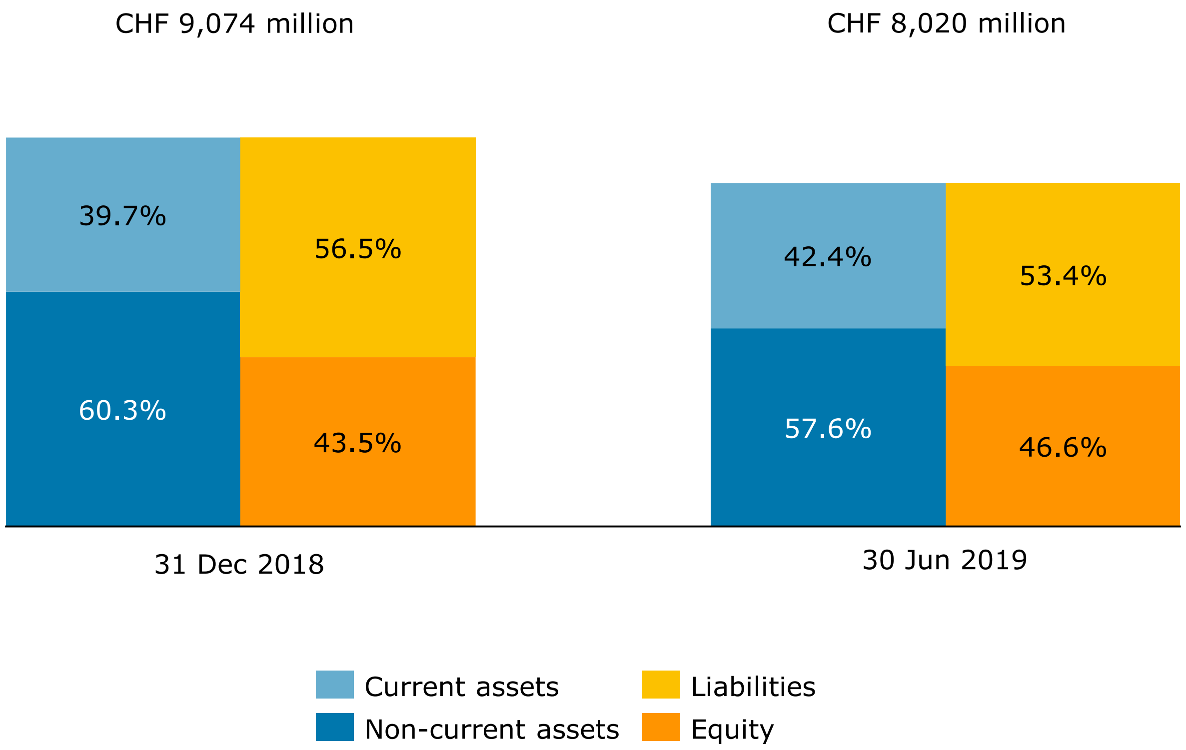
Liquidity strengthened – equity ratio increased



- **Liquidity** strengthened:
  CHF 1.31 billion (31 Dec 2018: CHF 1.25 billion)
- **Equity ratio** increased:
  46.6 % (31 Dec 2018: 43.5 %)

Arbitration proceedings against Bouygues Construction

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- Sale of Engineering Services business closed in 2018
- Diverging views on adjustment amount: Alpiq is claiming CHF 12.9 million, Bouygues Construction is demanding CHF 205.1 million
- The two arbitration proceedings have been combined in the meantime
- How long the proceedings will last is also not known

➢ **Alpiq contests the claim of Bouygues both in terms of its amount and on its merits**

Tax audit in Romania

- Assessment of Alpiq Energy SE, Prague, in September 2017 issued by Romanian tax authority ANAF in the amount of RON 793 million (CHF 186 million) for the period of 2010 to 2014
- Objection to decision made by ANAF from June 2018
  - Upheld original opinion with regard to RON 589 million (CHF 138 million)
  - Ordered reassessment with regard to RON 204 million (CHF 48 million)
- Alpiq continues to contest both in terms of its amount and on its merits

➢ **Decision by Supreme Court in Bucharest on 29 January 2019: Tax assessment is not enforceable until a court decision has been reached**

➢ **Bank guarantee and pledged bank account rescinded on 14 February 2019**

➢ **Alpiq continues to deem it unlikely that this assessment will result in a negative outcome for the company and has therefore decided not to record a liability for the tax assessment**

Alpiq will benefit from increased prices from 2020 onwards

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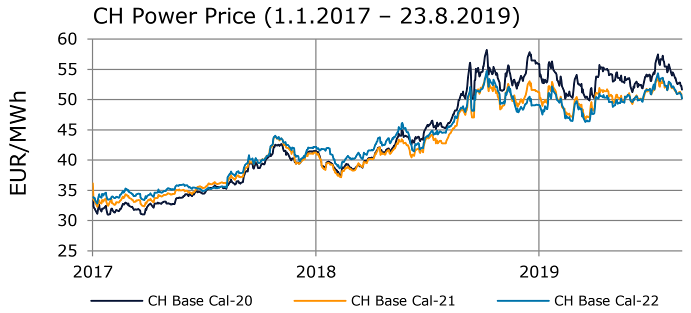
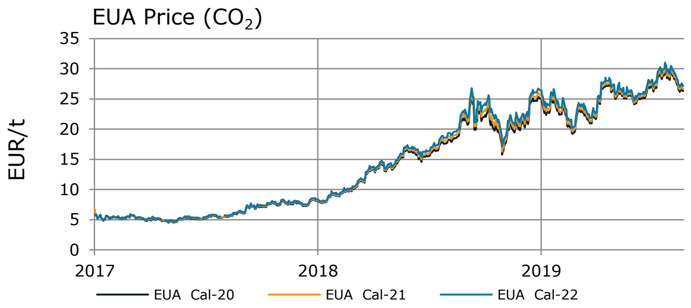
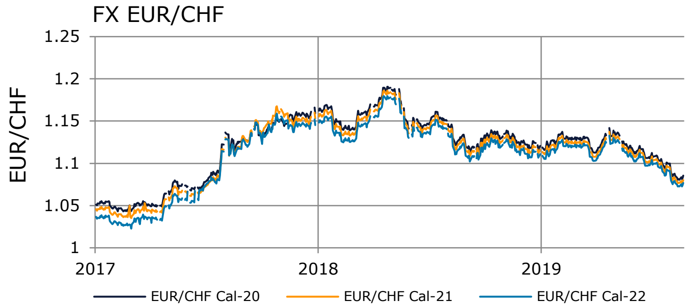
Rising prices have a time-delayed positive effect on earnings







Wholesale prices

- Significant increase in electricity prices on the wholesale markets
- Ø Hedging rate: 2020: 39 EUR/MWh
  2021: 47 EUR/MWh

CO_2 prices

- Quintupled since mid-2017
- More than doubled in 2018, further increase in 2019

EUR/CHF exchange rate

- Delayed positive currency effect
- Ø Hedging rate: 2020: 1.17 EUR/CHF
  2021: 1.14 EUR/CHF

Decarbonisation opens up new business opportunities

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Alpiq phases out coal

- Alpiq reduces its carbon footprint by more than 60 %
- Proceeds being used to optimise the balance sheet and further develop growth areas

Alpiq as enabler of CO_2-free mobility

- Market presence of e-mobility expanded in Germany, Austria, Switzerland and Italy
- Entry into the area of hydrogen e-mobility to decarbonise Swiss heavy duty traffic

Flexible energy storage solutions as a core competence

- Digitalisation offers additional business opportunities
- Development of new business models together with the customer
- Alpiq well positioned as an early mover in the energy industry

Financial calendar 2020

ALPIQ

2 March 2020	Annual Results 2019 Annual Media and Financial Analyst Conference
13 May 2020	2020 Annual General Meeting

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Should one or more of these risks, uncertainties or other factors materialise, or should any of the underlying assumptions or expectations prove incorrect, the results may differ materially from those stated. In light of these risks, uncertainties or other factors, the reader should not rely on such forward-looking statements. The Company does not assume any obligation beyond those arising out of law to update or revise such forward-looking statements, or to adapt them to future events or developments. The Company points out that past results are not meaningful in terms of future results. It should also be noted that interim results are not necessarily indicative of the year-end results.

This communication is neither an offer nor an invitation to sell or buy securities.

Appendix

Alpiq business model

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Diversification, hedges and scope

Historical core business

Production

Decentralised production by third parties

New renewable energies

International thermal production

Swiss production (hydropower and nuclear power)

Marketing

Digital solutions

Origination and retail

International electricity trading

Asset optimisation

Customers

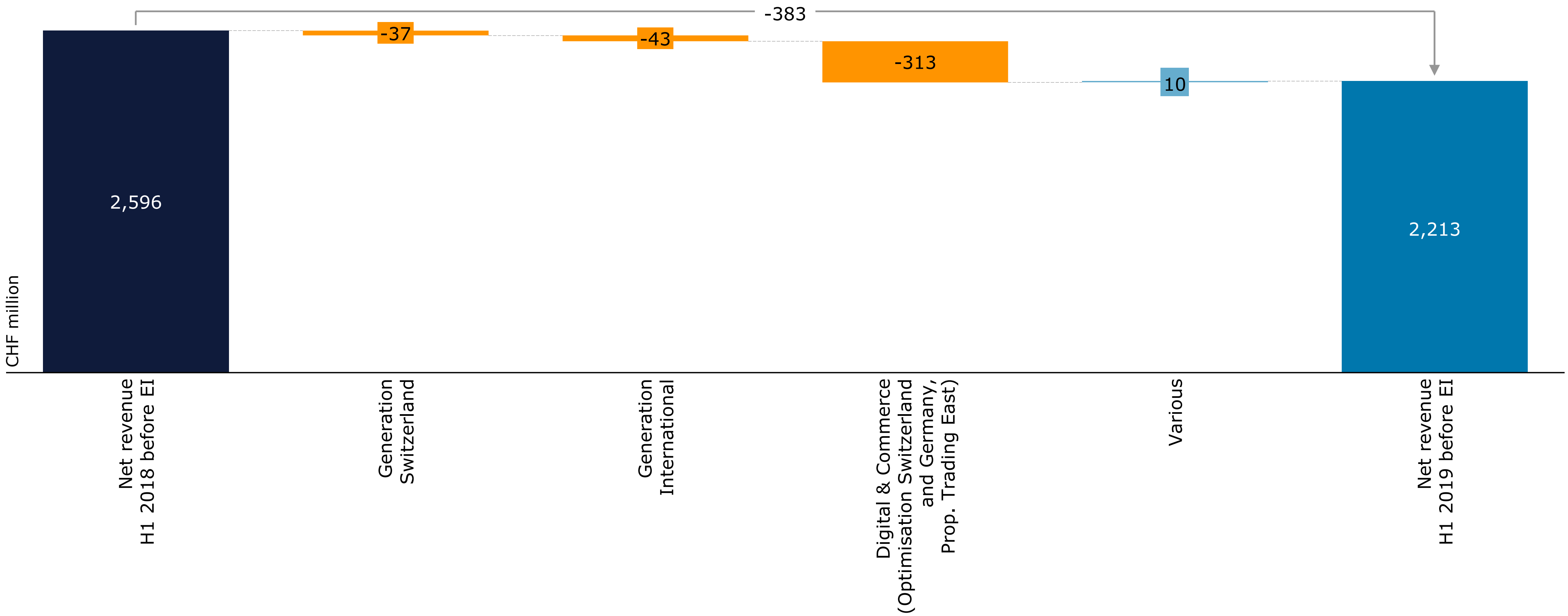
Prosumer

Grid operators

Industry and commerce

Utilities

Development of net revenue before exceptional items



Development of EBITDA

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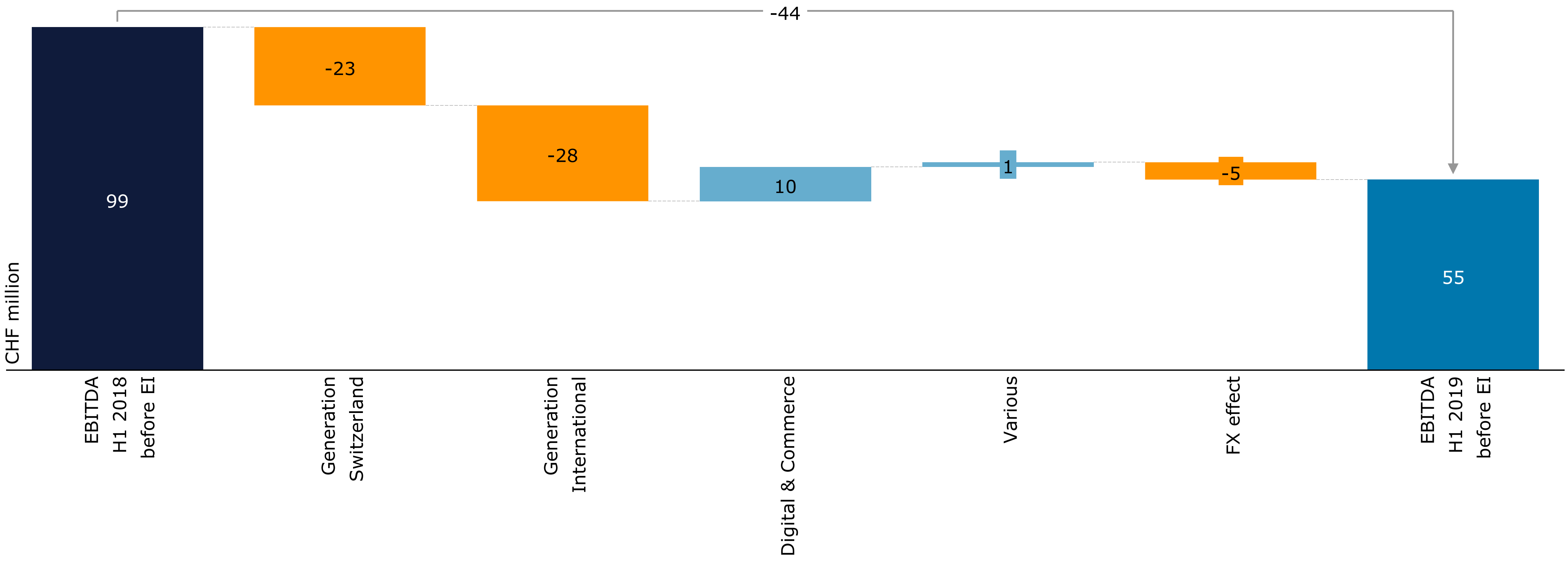
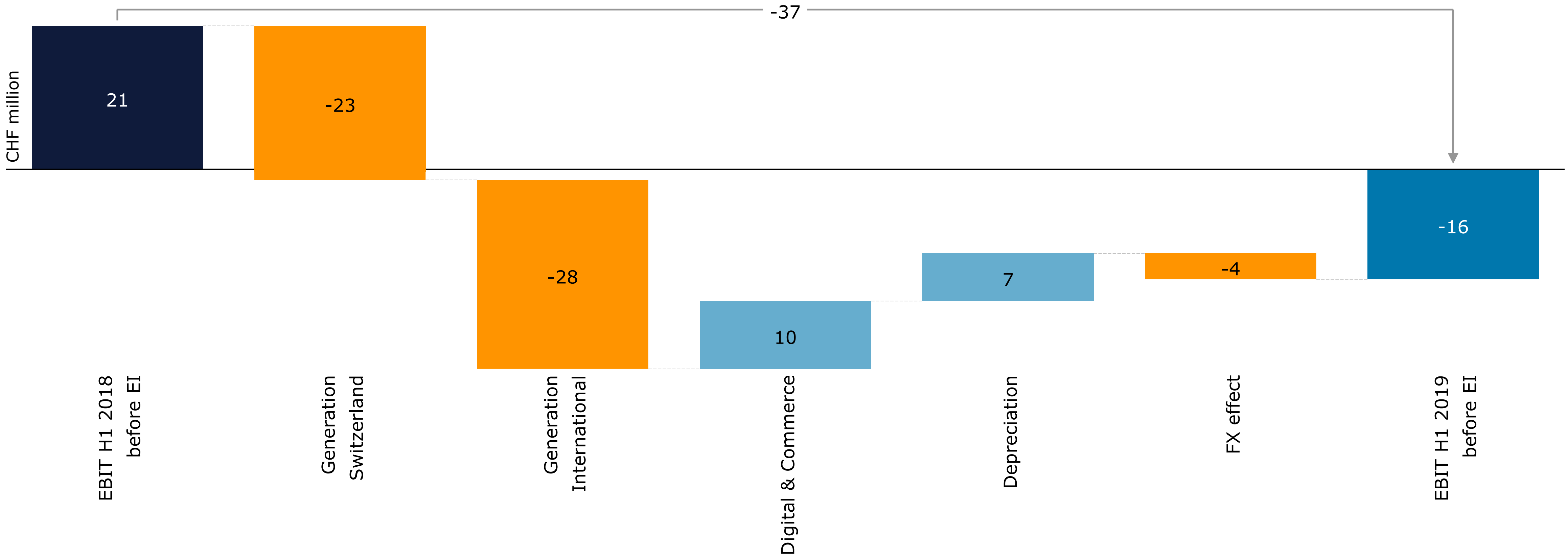
Alpiq generates solid half-year operating result as expected



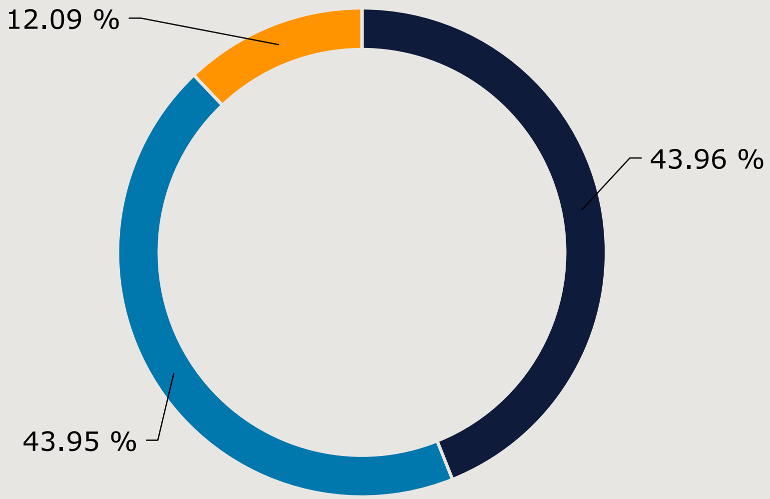
Development of EBIT before exceptional items



Shareholder structure at 30 June 2019

ALPIQ

Alpiq Holding Ltd.



■ EOS HOLDING SA (EOSH) *

■ Consortium of Swiss minortiy shareholders

■ Public (free float)

Consortium of Swiss minority shareholders (shares in %)

EBM (Genossenschaft Elektra Birseck)	26.17
EBL (Genossenschaft Elektra Baselland)	7.13
Canton of Solothurn	5.61
Aziende Industriali di Lugano (AIL) SA	2.13
Eniwa Holding AG	2.00
WWZ AG	0.91
Total	**43.95**

* Shareholders of EOS Holding SA:

- Romande Energie (29.71 %)
- Services Industriels de Genève – SIG (20.39 %)
- Groupe E (23.09 %)
- City of Lausanne (20.74 %)
- Forces Motrices Valaisannes – FMV (6.07 %)