

Annual Media Conference 2020

ALPIQ

Olten, 2 March 2020



1. Alpiq strong in the international business
2. 2019 Key Financial Figures
3. Alpiq benefits from increased prices in 2020
4. Alpiq is part of a climate-friendly energy future
5. Questions and answers



EBITDA before EI of CHF 106 million, as expected, down on the previous year

- Good year for new renewable energies in Europe and international energy trading
- Phase-out of coal negatively impacts business figures for 2019
- Despite market premium, Swiss hydropower operating at a loss



Solid balance sheet thanks to systematic financial strategy

- Net debt reduced to CHF 206 million
- Sound liquidity at CHF 1.1 billion
- Equity ratio increased to 49.8 %

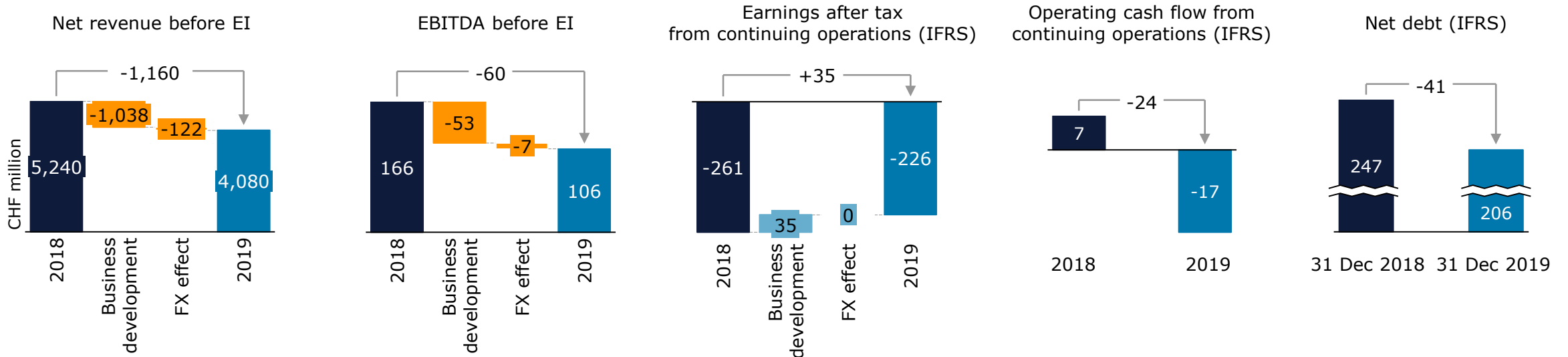


Alpiq ready for the next step

- CSA Energy Infrastructure Switzerland invests in Alpiq
- André Schnidrig elected as new CEO
- Earnings expected to recover in 2020

2019 Key Financial Figures

Phase-out of coal influences business figures for 2019

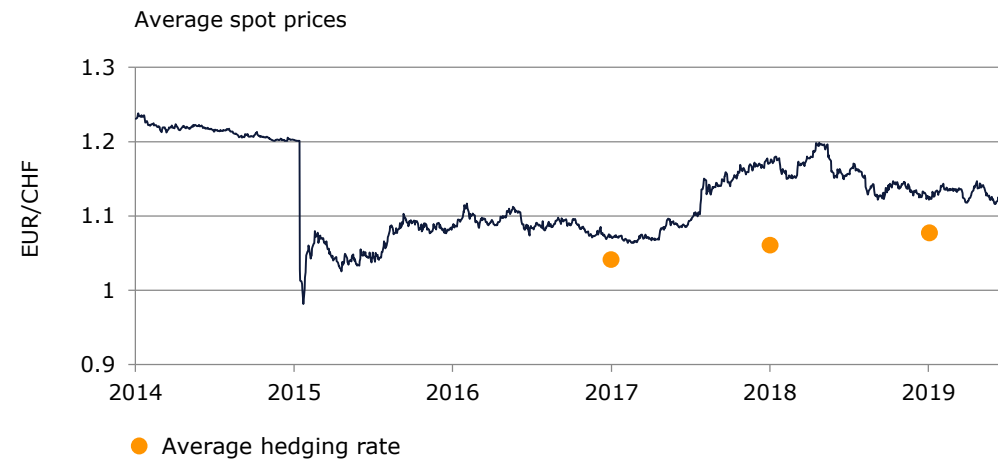
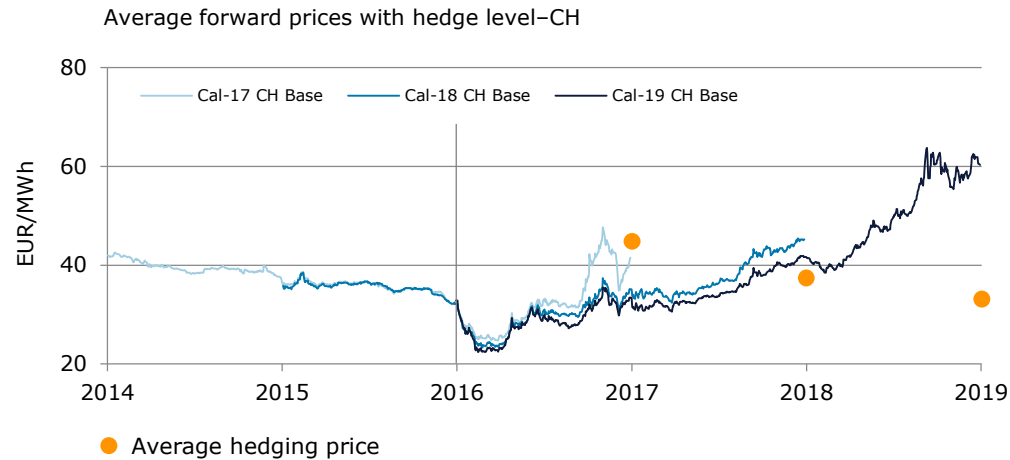


Results of operations

- As announced, EBITDA before exceptional items down on the previous year. Generation International negatively impacted by phase-out of coal, partly compensated for by excellent results in the ancillary services market in Italy
- IFRS earnings negatively impacted by impairment of coal-fired power plants
- Operating cash flow down on the previous year as a result of investments in net working capital
- Reduction of net debt compared to the end of 2018

Hedging transactions from previous years with time-delayed effect

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 2019

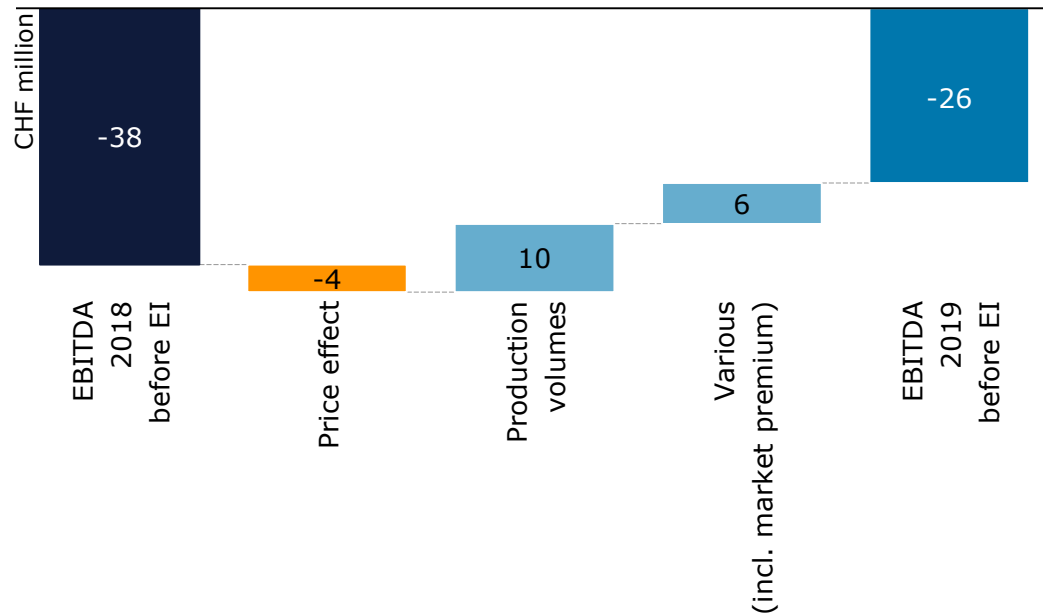
Average hedging price 2017:	EUR 44/MWh
2018:	EUR 38/MWh
2019:	EUR 34/MWh

Currency effect with marginal impact compared to the previous year

Average hedging rate 2017:	EUR 1.04/CHF
2018:	EUR 1.06/CHF
2019:	EUR 1.08/CHF

Development of EBITDA by business division (I)

Despite market premium, climate-friendly Swiss hydropower still operating at a loss

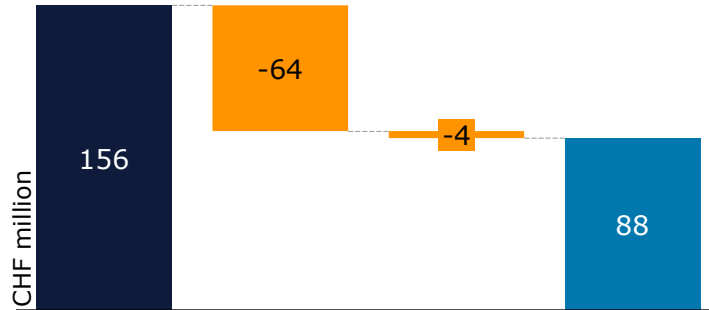


Generation Switzerland

- Alpiq systematically hedges production in the market against price and currency fluctuations
- Positive volume effect primarily attributable to unscheduled maintenance work at Leibstadt nuclear power plant in the previous year
- Despite higher market premium, hydropower operating at a loss

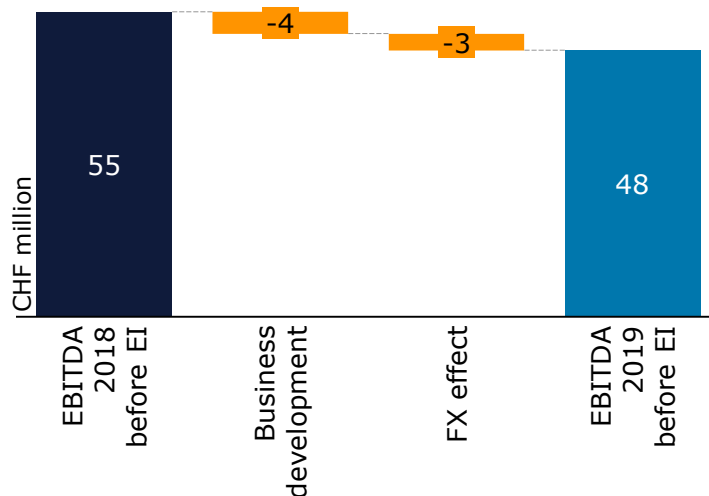
Development of EBITDA by business division (II)

International power production makes biggest contribution



Generation International

- Thermal production down on previous year on account of the strategic sale of the two coal-fired power plants
- New renewable energies slightly lower than in the previous year, mainly due to lower availability and lower prices in Italy



Digital & Commerce

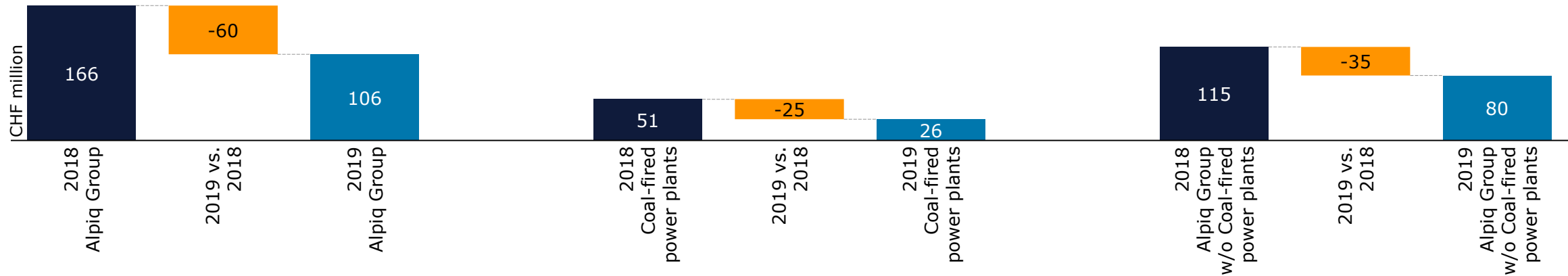
- Excellent results in the ancillary services market in Italy
- Positive development in Eastern Europe
- Alpiq invests in digital technologies and innovations

Development of EBITDA before EI after phase-out of coal

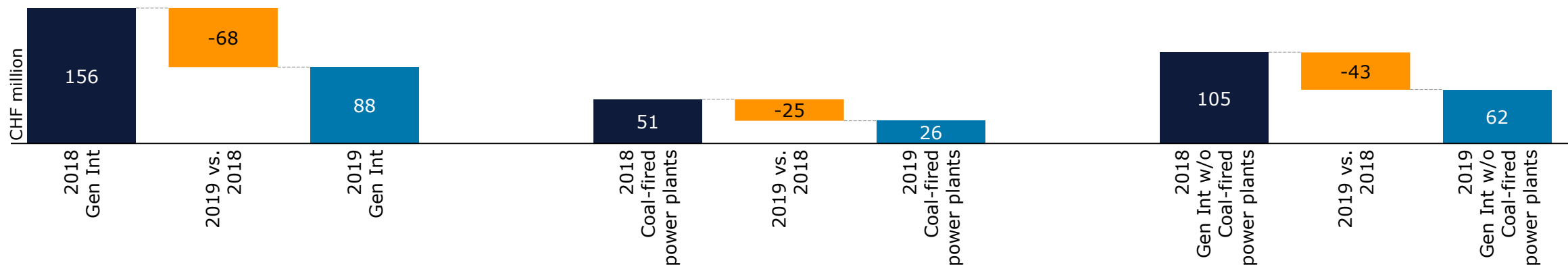


Alpiq has substantially reduced its CO₂ emissions by phasing out coal

Alpiq Group

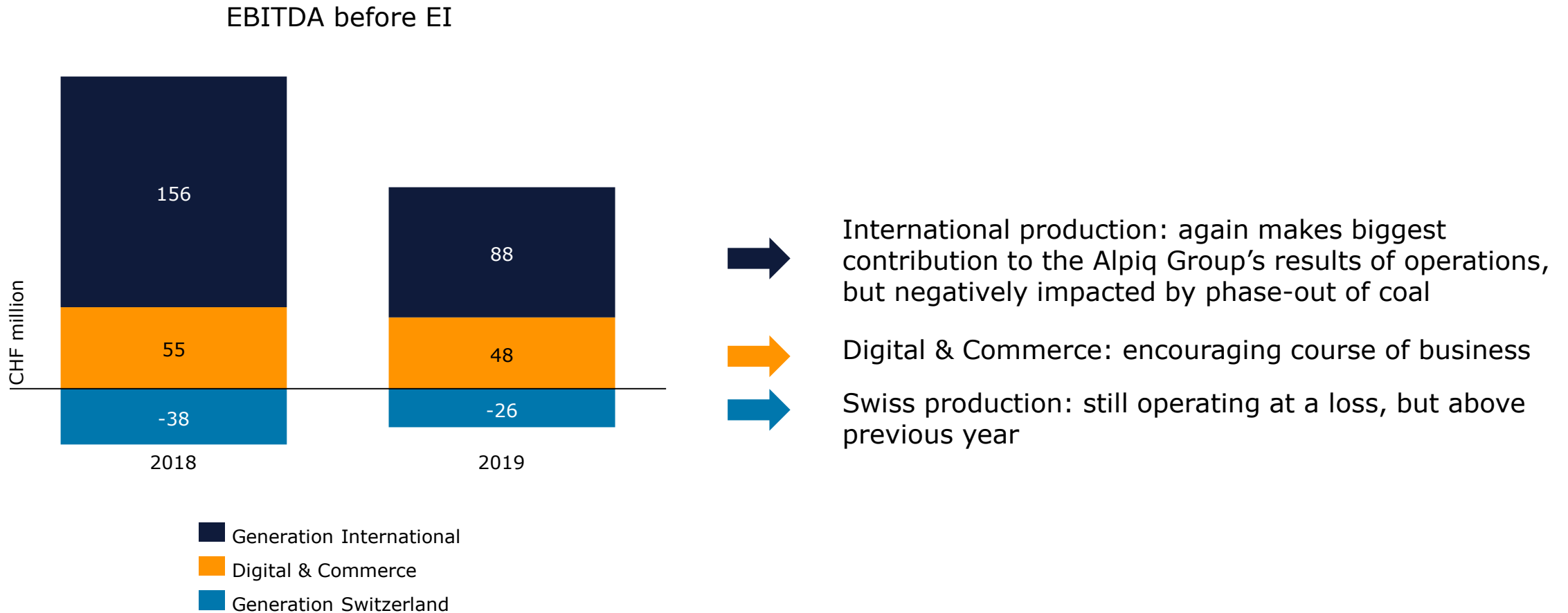


Generation International



Alpiq generates solid operating annual results as expected

Alpiq strong in the international business, but negatively impacted by phase-out of coal



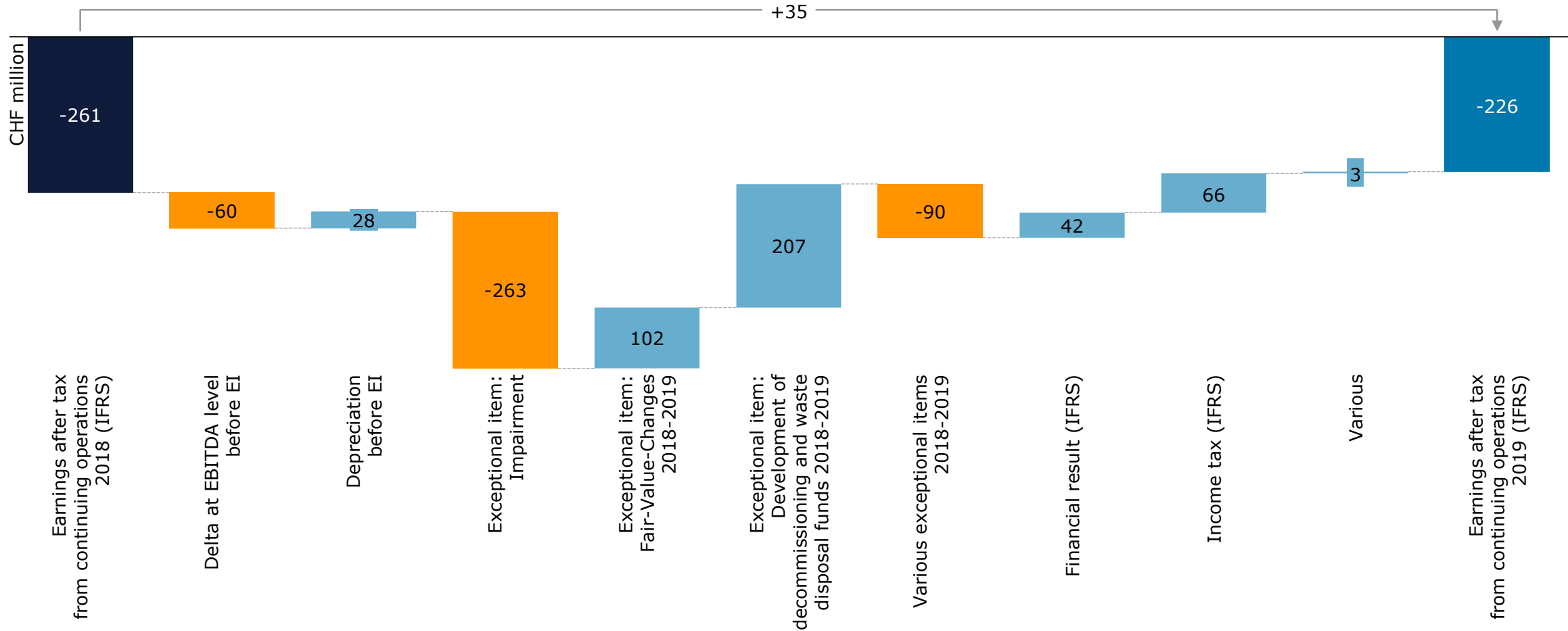
Exceptional items on EBITDA level

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	2019	2018
Development of decommissioning and waste disposal funds	111	-96
Effects from business disposals	-19	0
Impairment losses and onerous contracts	-48	19
Restructuring costs and litigation	-20	-16
Fair value changes (accounting mismatch)	38	-64
Total exceptional items on EBITDA level	62	-157

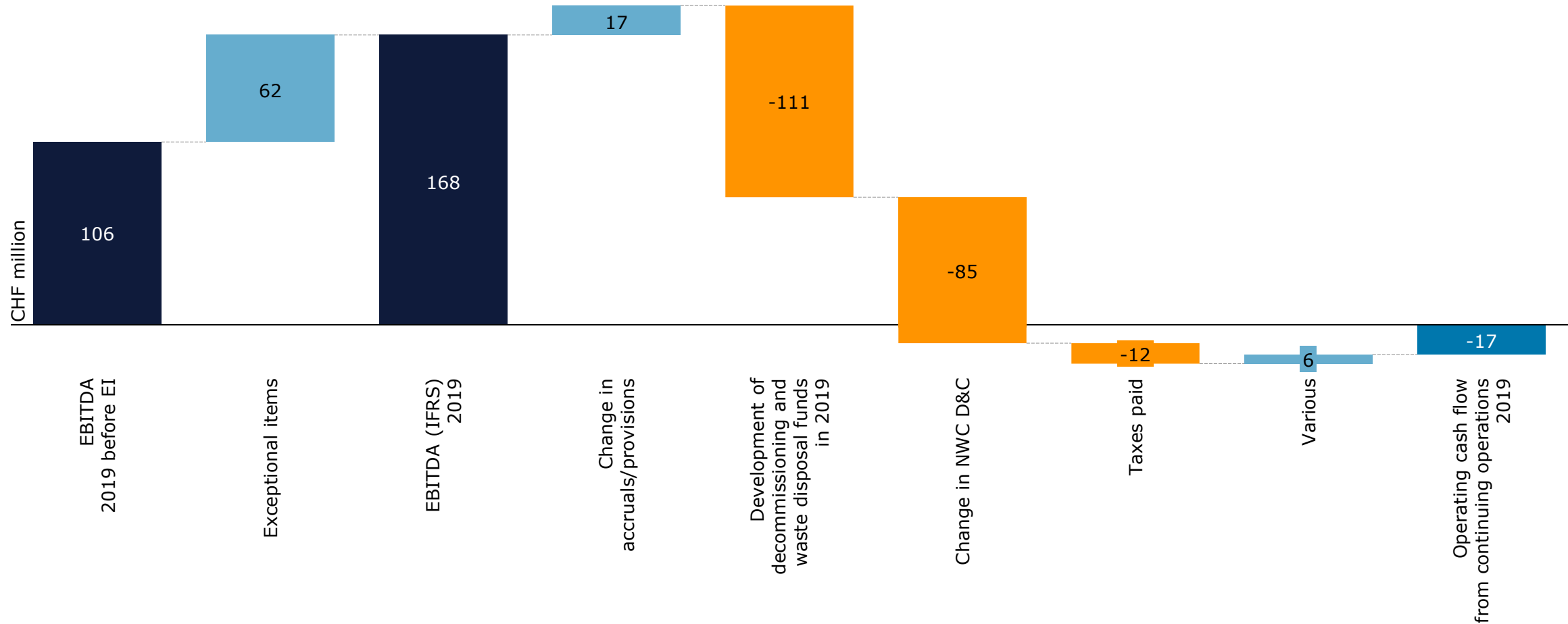
Development of earnings after tax from continuing operations (IFRS)

Phase-out of coal impacts result



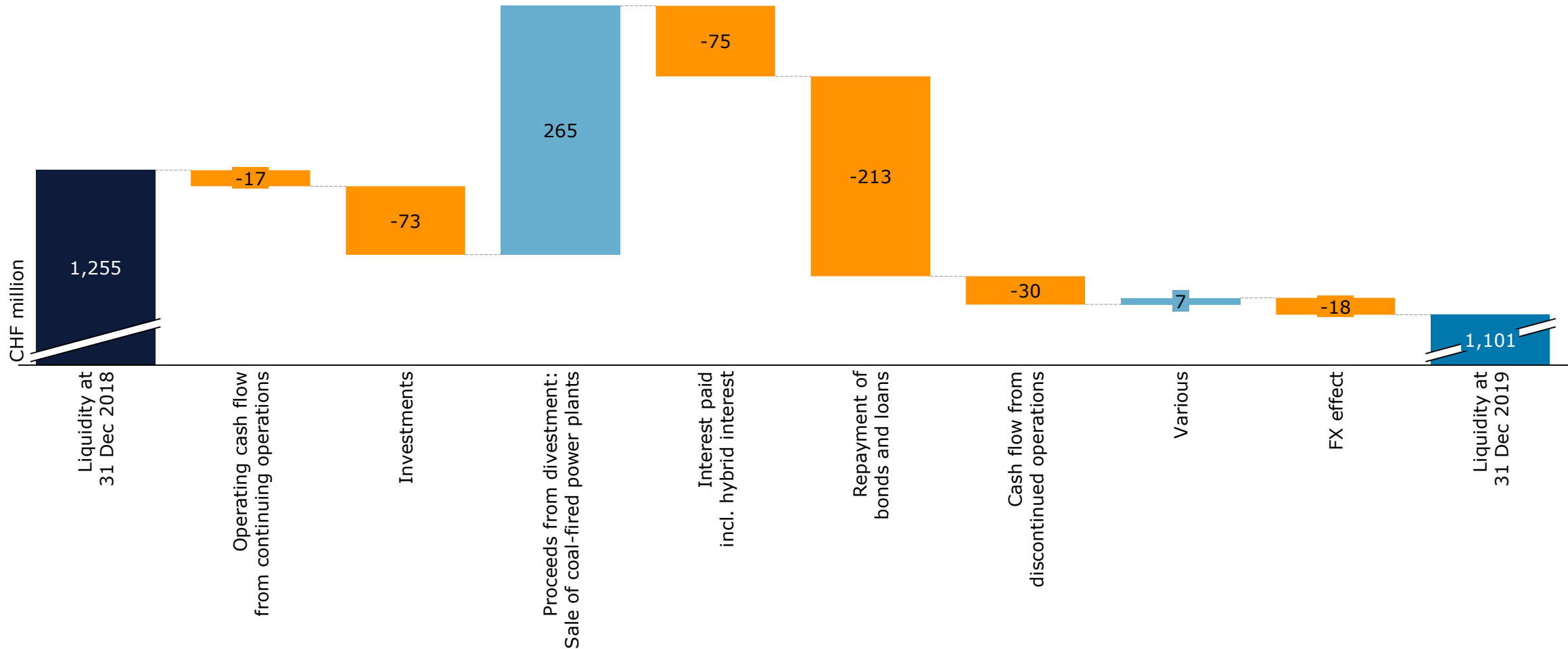
Development of operating cash flow

Operating cash flow negatively impacted by development of decommissioning and waste disposal funds in 2019



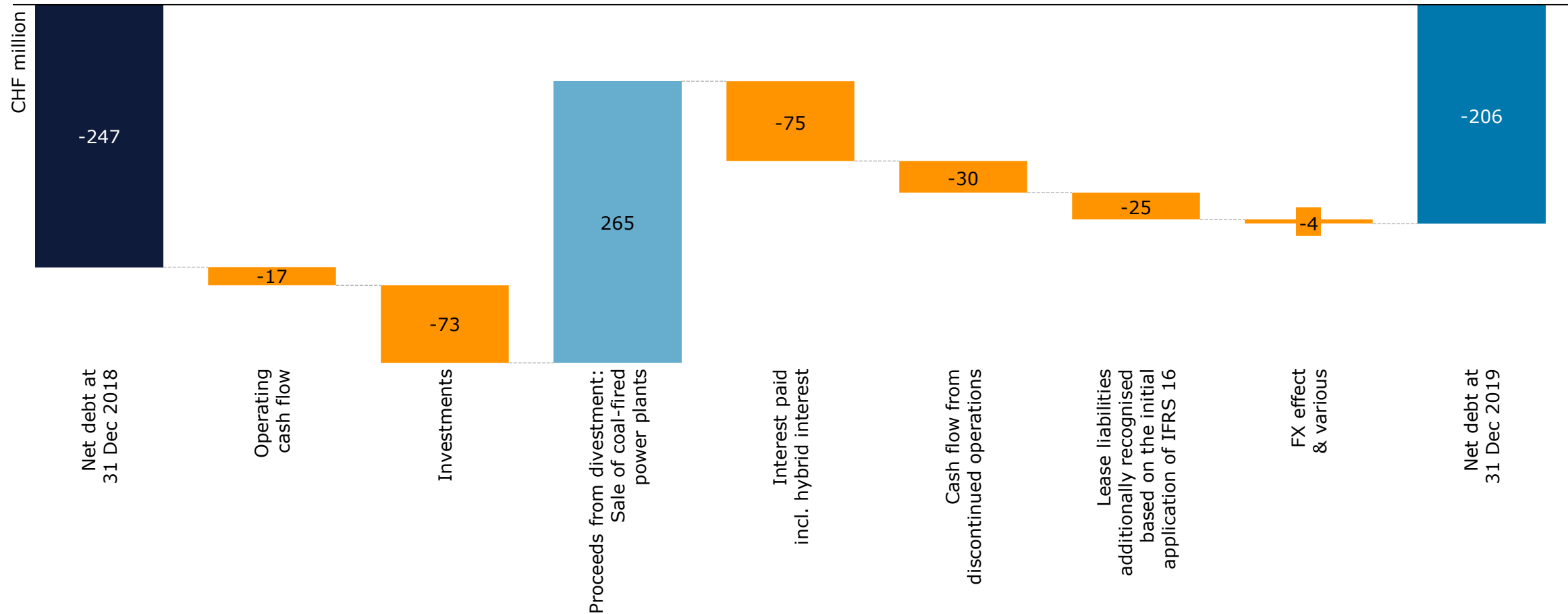
Development of liquidity

Liquidity still sound after repayment of debts



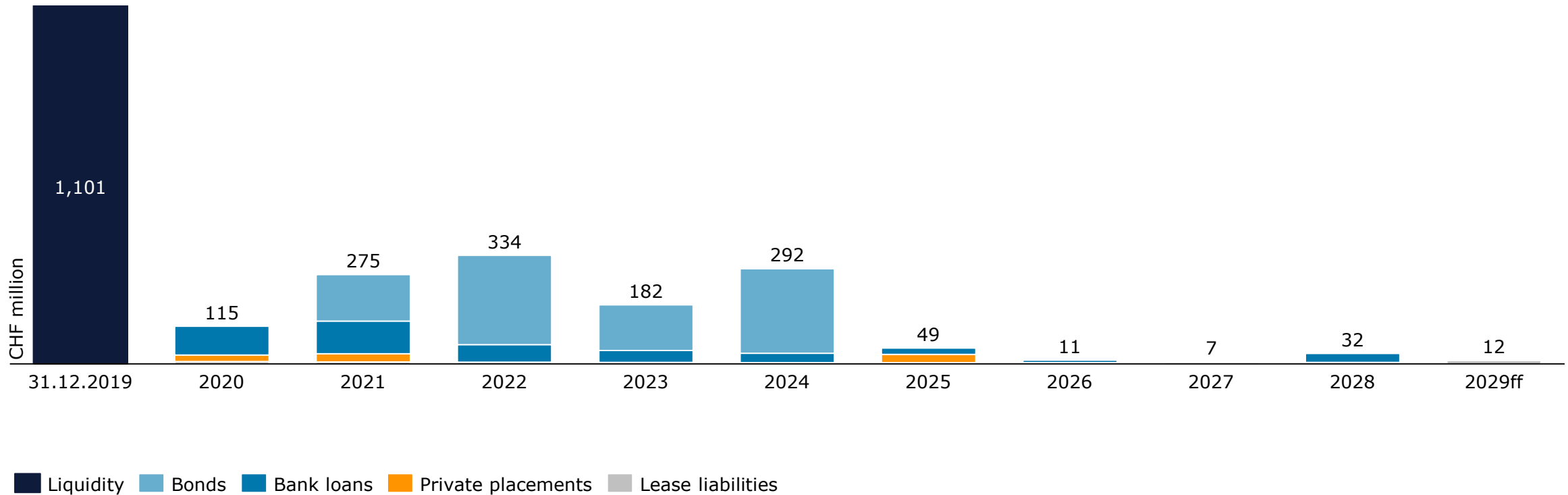
Development of net debt

Further reduction in net debt from phase-out of coal



Maturity profile at 31 December 2019

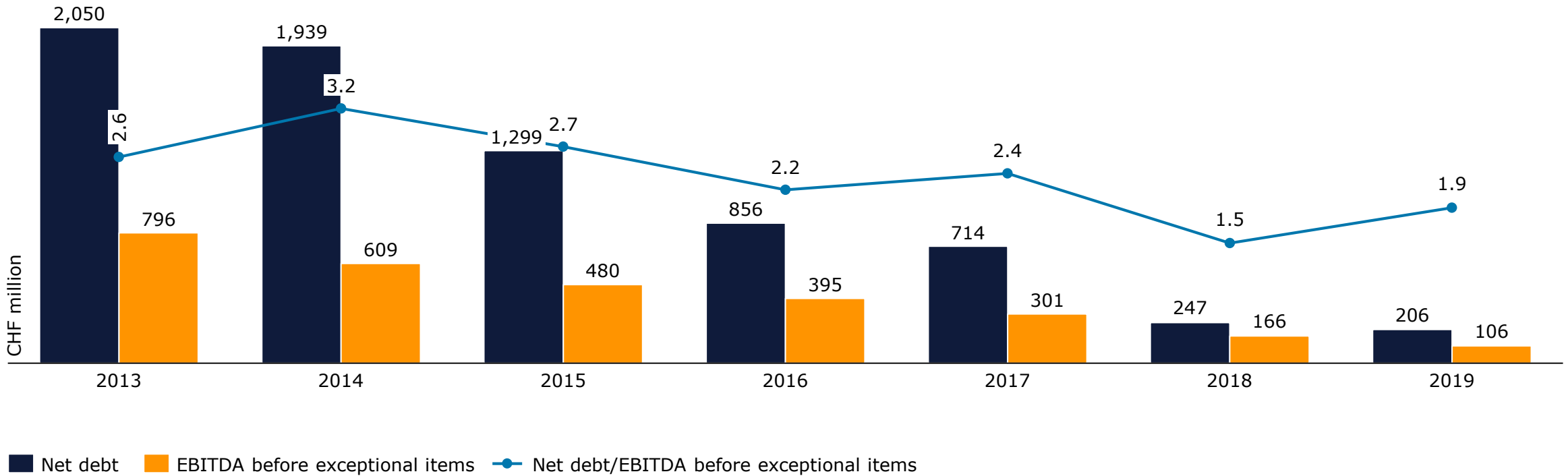
Financial liabilities staggered over long term



- Sound liquidity of CHF 1,101 million
- Financial liabilities of CHF 1,307 million

Net debt

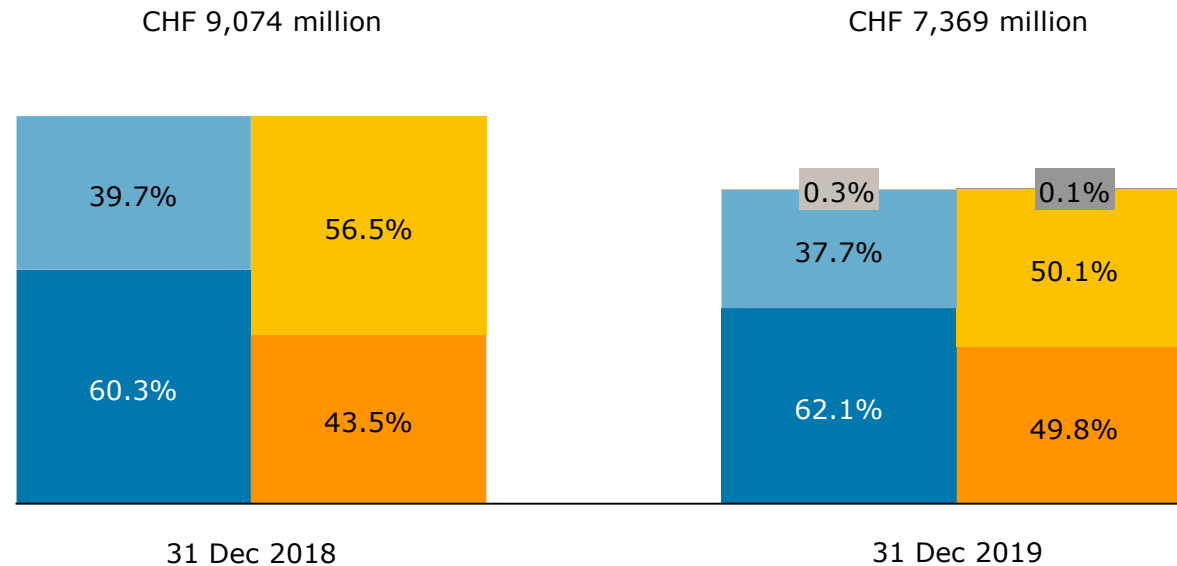
Sound net debt/EBITDA thanks to systematically implementing the financial strategy



- Net debt further reduced by CHF 41 million to CHF 206 million
- Net debt/EBITDA before exceptional items of 1.9

Sound balance sheet

Sound balance sheet thanks to a systematic financial strategy



- Sound **Liquidity**:
CHF 1.10 billion (31 Dec 2018: CHF 1.25 billion)
- **Equity ratio** increased:
49.8% (31 Dec 2018: 43.5%)



Arbitration claim with Bouygues Construction:

- In the request filed for arbitration claim, Bouygues Construction has increased the amount it is demanding from CHF 205.1 million to around CHF 319 million plus interest
- Ruling by arbitration court expected during 2022
- Alpiq continues to contest both in terms of its amount and on its merits

Administrative order imposing a fine from German Federal Cartel Office:

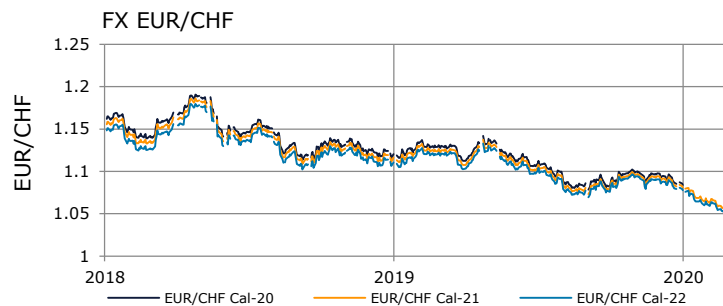
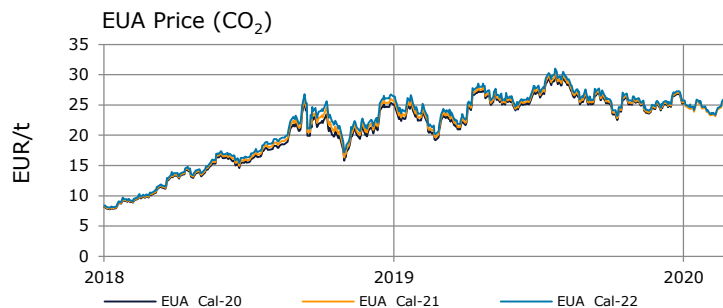
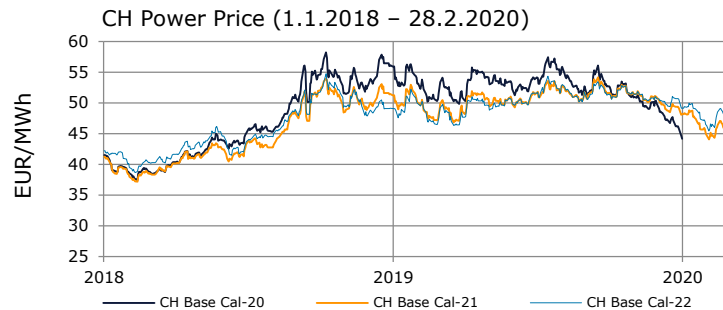
- Outcome of proceedings and any fines are currently unknown
- Alpiq deems conviction unlikely

Tax audit in Romania:

- ANAF's tax assessment of RON 589 million (CHF 134 million) is not enforceable until a first-instance 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 benefits from increased prices in 2020

Rising prices have a time-delayed positive effect on earnings



Wholesale prices

- Wholesale prices increased and stabilised
- Average hedging price: 2019: EUR 34/MWh
2020: EUR 39/MWh
2021: EUR 47/MWh

CO2 prices

- Tripled in 2018
- Volatile, sideways movement in 2019

EUR/CHF exchange rate

- Delayed positive currency effect
- Average hedging rate: 2019: EUR 1.08/CHF
2020: EUR 1.16/CHF
2021: EUR 1.14/CHF



Decarbonisation leads to higher electricity consumption

- European Green Deal: 50 % CO₂ reduction by 2030, 100 % climate neutral by 2050
- Second electrification: fossil fuels to be electrified and replaced by climate-neutral fuels
- Investments in fossil fuels becoming a risk, money being directed into renewable energies



Supply security needs flexible, controllable power plants

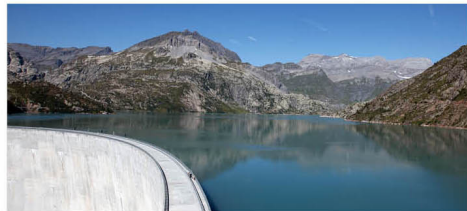
- National economy must be supplied with electricity with no interruptions
- Building additional wind/photovoltaic plants weakens stability of the grid
- Phase-out of coal and nuclear power raises import risk in winter

Alpiq is part of a climate-friendly energy future

Business



- Trading, sales and energy services



 Hydropower plants



 Nuclear power plants

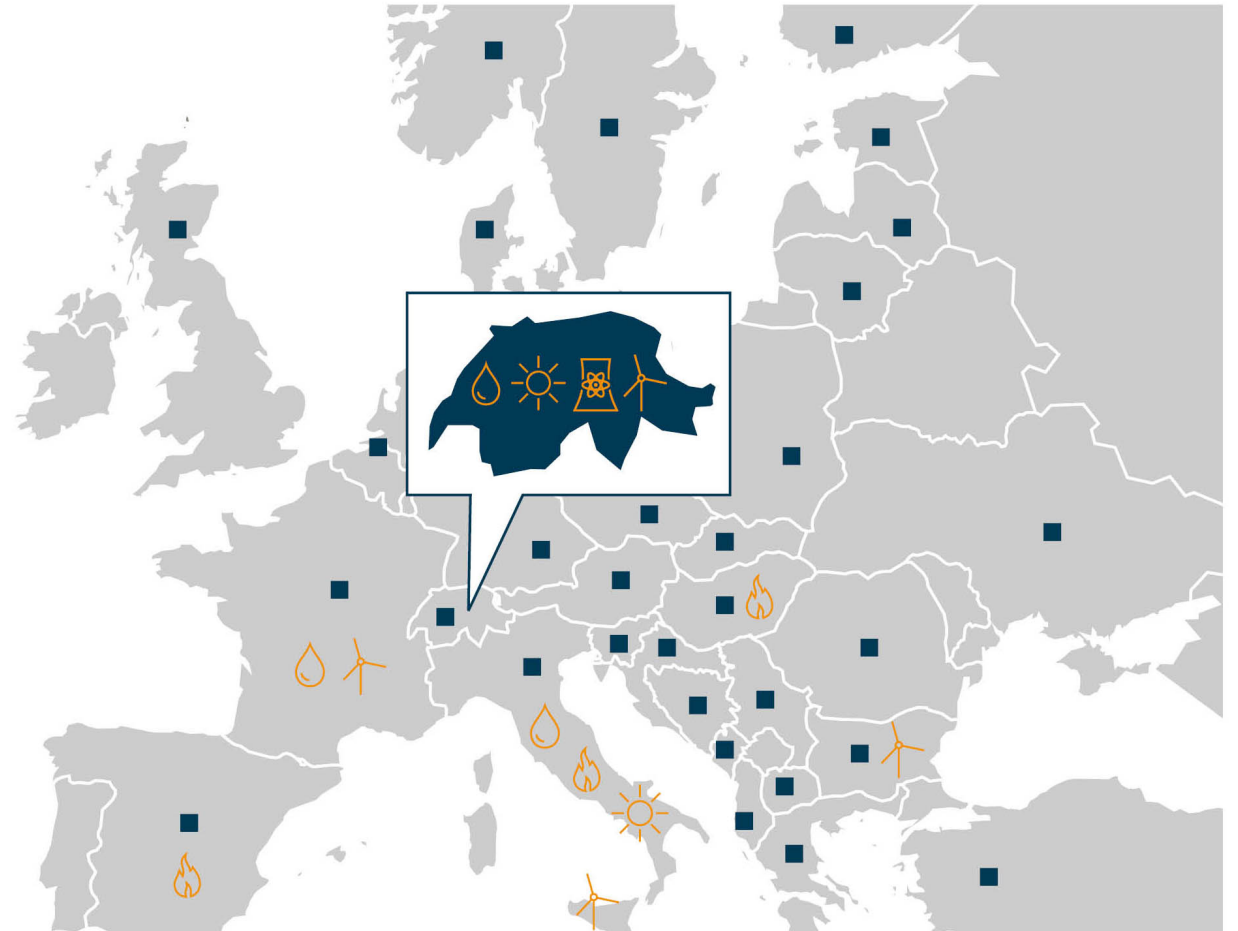


 Gas-fired combined-cycle power plants



 Wind and photovoltaic plants

Market



24 June 2020

Annual General Meeting of Alpiq Holding Ltd. in Lausanne

24 August 2020

Interim results 2020

You ask. We answer.

ALPIQ



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