Agenda

- Key points in brief
- Financial results
- Areas of focus in 2017
- Operating environment and outlook
- Questions followed by individual interviews
- Closing remarks and drinks
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Repower is on course

- EBIT well above expectations
- Sales and total operating revenues up on last year
- Sales business in Italy develops very well
- Efforts to reinforce capacity and preserve value of assets in hydro driven forward
- Gratifying progress in expanding services
- Core generation and supply operations run successfully
Gratifying operating earnings exceed expectations

**2017 financial year at a glance**

EARNINGS
- Total operating revenue CHF 1.8 bn
- EBIT CHF 34 m
- Group earnings CHF 20 m
- Cash flow CHF 43 m

POSITIVE EFFECTS
- Slight recovery in market prices
- Market opportunities successfully exploited
- Substantial contribution from Italian market
- Growing earnings from contracts for third parties
- Stable earnings from energy supply business

STRATEGY
- Sales and services stepped up
- SME segment in Italy expanded
- Positioning as expert service provider
- Digitalisation a key driver
- Preserving value of hydro assets
Systematic implementation of Repower’s strategy

**Partnerships**
Expand strategic partnerships
Be a partner to our customers

**Digitalisation**
Develop innovative and efficient solutions for our customers, partners and ourselves

**Service provider**
Draw on our generation, grid and trading know-how to become a leading service provider

**Italian market**
Drive forward growth strategy and build market position in the SME segment
Green bond to refinance renewable generation portfolio

- Two green bonds placed successfully
- Focus generation exclusively on renewables
- Value of bonds: EUR 50 m
- Repower’s generation portfolio in line with Green Bond Principles
- First financing of this sort in Switzerland
- Earned Green Bond Pioneer Award 2018
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“Innovation and sustainability, also in portfolio management”
Operating income above expectations

- Operating income well above expectations in all segments
- Market Switzerland segment managed to exploit slight firming in market prices in second half of 2017
- Substantial contribution to income from Market Italy, especially Teverola power plant and sales business
- Corporate Centre further reduces costs
- Switch from IFRS to Swiss GAAP FER reporting standard completed successfully
Operating income up around 10 per cent on prior year

### Overview of FY 2017

<table>
<thead>
<tr>
<th>CHF m</th>
<th>FY 2017</th>
<th>FY 2016 before extraordinary items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total operating revenue</td>
<td>1,847</td>
<td>1,724</td>
</tr>
<tr>
<td>Gross margin (energy)</td>
<td>208</td>
<td>196</td>
</tr>
<tr>
<td>EBITDA</td>
<td>79</td>
<td>75</td>
</tr>
<tr>
<td>EBIT</td>
<td>34</td>
<td>30</td>
</tr>
<tr>
<td>Group earnings</td>
<td>20</td>
<td>7</td>
</tr>
<tr>
<td>FFO (funds from operations)*</td>
<td>72</td>
<td>55</td>
</tr>
<tr>
<td>CFO (cash flow from operating activities)</td>
<td>43</td>
<td>78</td>
</tr>
<tr>
<td>Investments**</td>
<td>32</td>
<td>33</td>
</tr>
<tr>
<td>FFO/net debt***</td>
<td>&lt;0%</td>
<td>&lt;0%</td>
</tr>
<tr>
<td>Net debt/EBITDA</td>
<td>0.0</td>
<td>0.2</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>42%</td>
<td>43%</td>
</tr>
<tr>
<td>Headcount on December 31 (FTEs)</td>
<td>578</td>
<td>563</td>
</tr>
</tbody>
</table>

Comparison with prior year (2016)

- 2016 figures adjusted for extraordinary items
- 2016 figures in accordance with FER, i.e. contain effects from switch to Swiss GAAP FER

*FFO = cash from operating activities before change in net current assets (without energy derivative valuation effect) and taxes paid
**Includes investment in tangible assets, intangible assets and associates, and investment-type loans
***Net debt running at CHF -2 m (prior year CHF -9 million); FFO/net debt is therefore lower than -100%
Higher energy margin offset by reduction in divestments

- Substantial increase in gross margin in Switzerland on positive/volatile market conditions
- Decline in proceeds from divestments (prior year CHF 11.2 m for real estate, group companies)
- Costs reduced thanks to further savings and disposals of group companies
Gross margin stable – decline in other income

Gross margin better than prior year

- Margin on speculative trading increases in volatile market
- Positive price developments mean less pressure on margins from long positions
- Basic supply hit by increase in procurement costs and lower sales
- Good production figures from generation assets

Lower proceeds from divestments made good by increase in gross margin

- Operating expenses lower than prior year
- Proceeds of disposals (CHF -3 m) and own costs capitalised (CHF -2 m) down on prior year
Strong earnings from marketing of own production and sales business

Gratifying increase in gross energy margin

- Revenue contribution from Teverola combined cycle gas turbine plant well above expectations (maintenance postponed)
- Sales: margins (electricity and gas) well above expectations, thanks among other things to lower procurement and transport costs
- Positive gas trading results not enough to offset lower electricity trading income

Market conditions and deployment of Teverola influence EBIT

- Higher energy margin on medium-sized customers directly impacts operating income
- Optimised accounts receivable management and remedial efforts reduce expenditure in connection with overdue receivables
Decline in divestment of real estate

CHF m

<table>
<thead>
<tr>
<th>EBIT Corporate Centre</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2016</td>
<td>-3</td>
<td>-6</td>
</tr>
<tr>
<td>FY 2017</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

EBIT declines despite lower costs (OPEX)

- With target almost reached, disposals of companies and real estate decline
- Reduction in the costs of third party services, personnel and IT
- Internally billed services remain constant
- Includes negative share of earnings from associates
Equity ratio stable, effect from switch to FER

Equity ratio still at high level

- Equity ratio of 42% within target range of 35% to 45%
- Switch to Swiss GAAP FER has negative impact of around CHF 40 m (at beginning of 2016) and CHF -26 m (at end 2016) on equity ratio

*2015 figures in accordance with IFRS
2016/2017 figures in accordance with FER
Net debt to EBITDA under control

- Net debt reduced
  - Investment strategy still conservative, with positive impact on net debt
  - Switch to FER entails derecognition of pension provisions
  - Cash item from sale of remaining 6% interest in Repartner to EKZ

Further reduction in net debt to EBITDA
- Besides the items described above, better operating income results in further reduction
- Additional positive effect from sharp year-on-year decline in interest expense (down CHF 10 m)

*2015 figures in accordance with IFRS
2016/2017 figures in accordance with FER
Earnings from regulated business contribute to stability

CHF m

- Increase in contribution to EBIT from regulated business owing to higher grid charges and increase in grid use in Switzerland
- Higher volumes of energy generated in Switzerland and Italy also have positive impact on EBIT from regulated business

<table>
<thead>
<tr>
<th>Year</th>
<th>Switzerland EBIT</th>
<th>Italy EBIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>15 CHF m</td>
<td>-15 CHF m</td>
</tr>
<tr>
<td>2016</td>
<td>28 CHF m</td>
<td>-4 CHF m</td>
</tr>
<tr>
<td>2017</td>
<td>34 CHF m</td>
<td>5 CHF m</td>
</tr>
</tbody>
</table>

EBIT contribution of regulated business
EBIT contribution of non-regulated business
Earnings from non-energy business increasingly important

- There was another increase in earnings on services for third parties owing to competitive offerings and healthy order books
- This offset the elimination of earnings from operation of cable network (not containing in chart)
- Earnings on electric transportation business still modest, but significant growth in Switzerland and Italy
- New data management pricing results in lower revenues at Swibi
Increase in FFO thanks mainly to an improvement in gross margin in 2017 (up CHF 12 m)

- 2016 FFO contains effect of clean-up of overdue receivables (CHF -22 m, corrected via change in net working capital)
- While disposals had a positive effect on operating income in 2016 (CHF 11 m), the effect on cash (CHF 16 m) is contained in cash flow from investing activities rather than in FFO
- 2017 saw an increase in other financial cash outflow for currency hedging (CHF -6 m)
Cashflow from operating activities hit by net working capital effects

CHF m

- Negative effect from increase in inventories in 2017 (CHF -8 m for gas and guarantees of origin)
- Substantial increase in energy volumes, particularly in Italy, to a large extent accrued at end-year but not yet recognised (effect of around CHF -30 million)
- Resulting in negative cash flow from operating activities in Italy (CHF -13 million)
- Optimised billing expected to result in positive effect of CHF 15 to 20 m for 2018
Overdue receivables (NPLs) resolved and massively reduced

- The use of credit checks when negotiating contracts with customers together with optimised accounts receivable management processes have led to a significant reduction in overdue receivables since 2012
- In 2016 the NPL portfolio was impaired by way of a substantial increase in the relevant provision
- The situation was completely resolved in 2017 with the sale of a large portion of the NPL portfolio (without a material negative impact on the income statement)
- Recurrent future expenditure in this connection (allowance for doubtful accounts receivables) has been substantially reduced and stabilised
Switch from IFRS to Swiss GAAP FER

- Reasons for the change:
  - Growing complexity
  - Imbalance between outlay and benefits
  - Additional costs

- Swiss GAAP FER also allows true and fair view
- Switch retroactive to beginning of 2017
- Transparent financial reporting and comparability guaranteed
## Equity bridge IFRS -> Swiss GAAP FER at end-2016

<table>
<thead>
<tr>
<th>CHF thousand</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity according to IFRS</td>
<td>763,422</td>
</tr>
<tr>
<td>Swiss GAAP FER restatement</td>
<td></td>
</tr>
</tbody>
</table>
| Connection fees and grid cost contributions | -65,552 | Repower grid access (permanent service) now recognised as a liability in the balance sheet and amortised over time  
| Pension provisions | 45,381 | Dissolution of IAS 19, recognition of ECR and TFR in Italy  
| Reversion provisions | 13,400 | Liability arises from an agreement still to be fulfilled, and is no longer classified as a liability  
| Shareholder loans | -8,812 | The shareholder loan received from the junior partners in Repartner is now recognised at nominal value  
| Goodwill/customer list | -1,433 | The goodwill/customer list from Vendita has already been completely amortised  
| Cash flow hedge | 1,406 | The interest rate swap due on 11 December 2020 qualifies as a cash flow hedge and is not recognised on the balance sheet  
| Shareholdings | -4,230 | Effect of AKEB, KHR at cost, elimination of IAS 19 SES, inclusion of GEAG according to share of equity, derecognition of Aerochetto  
| Linear amortisation of differences | -111 | Linear amortisation of differences instead of effective interest rate method  
| Deferred taxes on loss carryforwards | -9,163 | Deferred taxes on loss carryforwards not capitalised  
| Deferred taxes | 2,627 | Deferred tax effect on restatements mentioned above  
| Total FER restatements | -26,487 |  
| Equity according to Swiss GAAP FER | 736,935 |  

FER: equity bridge
### Effects on profit or loss of switch IFRS -> Swiss GAAP FER for 2016

<table>
<thead>
<tr>
<th>CHF thousand</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group income according to IFRS</strong></td>
<td>-12,753</td>
</tr>
<tr>
<td><strong>Swiss GAAP FER restatement</strong></td>
<td></td>
</tr>
<tr>
<td>Connection fees and grid cost contributions</td>
<td>850</td>
</tr>
<tr>
<td>Pension provisions</td>
<td>2,681</td>
</tr>
<tr>
<td>Reversion provisions</td>
<td>-100</td>
</tr>
<tr>
<td>Shareholder loans</td>
<td>-159</td>
</tr>
<tr>
<td>Goodwill/customer list</td>
<td>349</td>
</tr>
<tr>
<td>Cash flow hedge</td>
<td>-307</td>
</tr>
<tr>
<td>Shareholdings</td>
<td>109</td>
</tr>
<tr>
<td>Linear amortisation of differences</td>
<td>76</td>
</tr>
<tr>
<td>Income from disposals</td>
<td>747</td>
</tr>
<tr>
<td>Deferred taxes</td>
<td>7,486</td>
</tr>
<tr>
<td><strong>Total FER restatements</strong></td>
<td>11,732</td>
</tr>
<tr>
<td><strong>Group earnings according to Swiss GAAP FER</strong></td>
<td>-1,021</td>
</tr>
</tbody>
</table>

- Positive effects at EBIT level more or less offset by reclassification of income from associates (CHF -3.4 m in 2017)
- Greatest impact from effect of elimination of IAS 19 (pension fund) and restatement & correction of deferred taxes
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“We're actively shaping the future of energy”
Managing the energy business for the future

Our contribution to 2050 energy strategy

Maintain security of supply
- Expansion and maintenance a basic prerequisite
- Investment in distribution grid: CHF 22.7 m
- Maintenance of distribution grid: CHF 21.6 m
- Reinforcing grid in Landquart area

Preserving hydro assets
- Investment in preserving own assets: CHF 5.8 m
- Implementation of partner strategy with Repartner Produktions AG
- “Chlus” project: concession approval procedure
- Loan granted for optimisation of assets in Valposchiavo

Offering for other utilities
- Growing complexity and requirements
- Repower acts as partner to other utilities
- Generation services
- Grid services
- Energy and trading services
Digitalisation driving new solutions

Our contribution to 2050 energy strategy
SMARTPOWER responding to new energy consumption requirements

Past

▪ Generation shifts from centralised to distributed
▪ Customers become producers thanks to photovoltaic
▪ Trend to self-sufficiency
▪ Electric vehicles mean more power is needed
▪ Involving customers
▪ Optimising costs by monitoring and managing power consumption
▪ Storing renewable energy

Present

Our contribution to 2050 energy strategy
acquired as customer for EASYASSET

“EASYASSET enables us to manage our assets optimally and sustainably and boost our efficiency.”

_Urs Deragisch, Rhaetian Railway’s head of control systems and automation_

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**Project manager, control systems**

“With EASYASSET all data are stored centrally and easy to find”

**Field force**

“The tool enables easy handling, with all photos stored centrally and easy to find”

**Foreman**

“Rapid overview of the status of maintenance work and faults and pending items entered in the system”

**Administrator**

“Easy and efficient processing of checklists”
Repower holds its own in the liberalised Italian market

**Electric Vehicles**
- Ricarica 101 charging network more than doubled last year
- The network includes more than 200 organisations
- Repower’s Italian charging network boasts more than 550 charging points

**Innovation & Design**
- Market launch of FOCUS CLICK for efficient energy management at SMEs
- Artistic collaboration with Michele Tranquillini
- Contracts for DIODA smart LED lighting solution up 43 per cent

**Liberalised Market**
- Operating on the liberalised market since 2006
- Extensive customer service with around 600 advisory agents
- 4,000 new customers supplied with electricity
“PLUG’N ROLL: number one in Graubünden”
Transport past and future

Repower expands offering of electric vehicle (EV) solutions

E-LOUNGE: a multifunctional bench mainly built with components produced in the Valposchiavo area

ETREL and WALLBOX: new white label charging solutions for home and business use
“From utility to utility - provider of services to our customers”
Made by the pros for the pros

Repower working for energy utilities, municipalities and industrial customers

Grid and generation assets

- AECB Brusio
- Municipality of Disentis
- EW Maienfeld
- Municipality of Jenins
- IECP Poschiavo
- Municipality of Zuoz
- Martina power plant
- Landquart paper factory
- Avegno substation
- Pradella switching station
- 11 substations in central and northern Graubünden
- Diverse projects for Swissgrid
- ...

Trading

- Around 3 TWh of energy supplied to utilities and industrial customers in 2017
- Pan-European collaboration with around 200 trading partners
- Energy supplied to around 65 utilities in Switzerland
- Trading services such as balance group and portfolio management stepped up substantially
- ...

...
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“Repower is equipped for the future of energy”
Challenges remain, but looking forward with confidence

**OPERATING ENVIRONMENT/MARKET**
- Market prices increasingly volatile
- Market conditions remain challenging
- Various political discussions will continue to dominate 2018
- Slight improvement in EUR/CHF rate

**STRATEGY**
- Systematic gearing to sales and services
- Developing and refining innovative products
- Preserve hydro assets
- Expand SME market in Italy

**EARNINGS**
- Operating earnings expected to be slightly lower than 2017
- Stable capital base
- EUR/CHF rate and market prices remain key driver of earnings
- Earnings underpinned by contributions from regulated business and new products
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Upcoming events

- 2018 annual general meeting 16 May 2018
- 2018 semiannual results 22 August 2018
- 2018 analysts’ conference 30 October 2018
- 2019 annual media conference 9 April 2019
- 2019 annual general meeting 15 May 2019
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Many thanks!