Annual media conference
2019 financial year

Landquart, 7 April 2020
Agenda

- Key points in brief
- Finance
- Strategy: goals and results
- Operating environment and outlook
- Questions
- Close of media conference
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Operating income almost doubles

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total operating revenue</strong></td>
<td>1,937</td>
<td>2,090</td>
<td>-7 %</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>65</td>
<td>35</td>
<td>+84 %</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>50</td>
<td>16</td>
<td>+213 %</td>
</tr>
<tr>
<td><strong>Cash flow</strong></td>
<td>126</td>
<td>55</td>
<td>+129 %</td>
</tr>
<tr>
<td><strong>Energy gross margin</strong></td>
<td>264</td>
<td>223</td>
<td>+18 %</td>
</tr>
<tr>
<td><strong>Employees</strong></td>
<td>555*</td>
<td>610</td>
<td>-9 %</td>
</tr>
</tbody>
</table>

*Since October 2019 employees of the former SWIBI AG (now esolva ag) have no longer been counted as employees of Repower.
Electricity prices under pressure

Market prices of electricity fell more than 20 per cent in the first quarter of 2019.
Energy industry dynamics

- Everything dominated by the climate debate (decarbonisation)
- Federal Council wants a climate-neutral Switzerland by 2050
- Electric vehicles have made the breakthrough

**Climate debate**

- Federal Council keeping to liberalisation of electricity market
- Urgent warnings of winter power shortages from ElCom
- No progress in electricity agreement with EU

**Politics**

- Mühleberg nuclear plant shut down
- Most investment in renewable generation assets happening abroad
- Wind farm plans in Switzerland encountering major resistance
- Distributed solutions and digitalisation continue

**Industry**
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EXPECTATIONS EXCEEDED DESPITE DIFFICULT MARKET
Operating income sees 84% yoy increase to CHF 65 m

- Operating income well above expectations, up 84% year on year (EBIT CHF 65 m vs CHF 35 m in 2018)
- Switzerland segment well above last year’s level (up CHF 13 m). This is primarily due to very good energy trading results despite lower electricity prices
- Best results in the history of Teverola power plant boost Italian market, which makes very substantial contribution to earnings: up CHF 22 m yoy (without trademark fees and insurance claims)
- Corporate Centre expenses lower than 2018, additional burden from payment into pension fund (CHF -3 m) and cessation of trademark fees to Italy
Operating income 84% above prior-year level, gross energy margin up 19%

<table>
<thead>
<tr>
<th>CHF m</th>
<th>FY 2019</th>
<th>FY 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total operating revenue</td>
<td>1,937</td>
<td>2,090</td>
</tr>
<tr>
<td>Gross margin (energy)</td>
<td>264</td>
<td>223</td>
</tr>
<tr>
<td>EBITDA</td>
<td>117</td>
<td>82</td>
</tr>
<tr>
<td>EBIT</td>
<td>65</td>
<td>35</td>
</tr>
<tr>
<td>Group earnings</td>
<td>50</td>
<td>16</td>
</tr>
<tr>
<td>FFO (funds from operations)*</td>
<td>103</td>
<td>60</td>
</tr>
<tr>
<td>CFO (cash flow from operating activities)</td>
<td>126</td>
<td>55</td>
</tr>
<tr>
<td>Investments**</td>
<td>41</td>
<td>35</td>
</tr>
<tr>
<td>FFO/net debt***</td>
<td>&lt;0%</td>
<td>134%</td>
</tr>
<tr>
<td>Net debt/EBITDA</td>
<td>-0.3</td>
<td>0.5</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>45%</td>
<td>43%</td>
</tr>
<tr>
<td>No. of employees on December 31 (FTEs)</td>
<td>539</td>
<td>591</td>
</tr>
</tbody>
</table>

- Positive development also reflected in a substantial increase in cash flow from operating activities
- Net debt to EBITDA remains at low level with moderate investments

*FFO = cash from operating activities before change in net current assets and taxes paid
**Includes investment in tangible assets, intangible assets and associates, and investment-type loans
***Negative figures for debt ratios
****Decline resulting from discontinuation of MA esolva (ex SWiBi)
Gross margin in Switzerland and Italy improved significantly thanks to trading results and great demand for balancing energy

Increase in other earnings thanks to growth in revenues from services for third parties, Teverola insurance claim

Better results from associates owing to discontinuation of tiko (Engie interest)

Higher personnel expense owing to one-off payment to pension fund

Other expenses increase because of expansion of services, Repower Renewable (ReR) and product development

Increase in depreciation/amortisation with acquisition of Repower Renewable in Italy
Increase in gross margin thanks to trading

Gross margin better than prior year
- Skilful choice of management strategy boosts development of margins
- Gratifying earnings contribution from speculative trading
- Narrower margin on basic supply (CHF -3.3 million)

Increased margin offsets increase in costs
- Growth in net revenues from services (+7.5 MCHF)
- Other expenses higher, include sale of grid assets (+1.2 MCHF)
- Increase in generation leads to higher concession charges (CHF -1.4 m)
- Lower personnel expense (CHF +1.0 m)
- Higher costs as a result of services for third parties, project expense and costs of project management (CHF -9.9 m)
Good results thanks to ancillary services & gratifying power generation figures

- Further increase in gross energy margin
  - Biggest contribution to earnings from Teverola combined cycle gas turbine plant
  - Sales: lower margin on electricity to end consumers (restructuring of customer segment under way), higher for gas
  - After 2 months in 2018, Repower Renewable made its first whole-year earnings contribution (CHF +13 m)

- EBIT boosted by all-time high at Teverola
  - Teverola brings additional EBIT of CHF 31 m
  - Year-on-year loss for Sales because of positive accounting and campaign effects in 2018 (CHF -6.8 m)
  - Earnings contribution from new unit ReR (CHF +2.7 m)
“Increase in costs” because of one-time effects

CHF m

<table>
<thead>
<tr>
<th>EBIT Corporate Center</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>-11</td>
<td>-15</td>
<td></td>
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</tbody>
</table>

EBIT down because of higher costs

- Corporate Centre costs lower than prior year before additional expenses
  - Higher personnel expense owing to one-off payment to pension fund
  - No more trademark fees to Italy
  - Engie acquires interest in tiko, costs eliminated through associates organisations
- Lower IT costs
- Lower capital taxes
Equity ratio stable

CHF m

<table>
<thead>
<tr>
<th>Year</th>
<th>Assets</th>
<th>Equity</th>
<th>Equity ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>1'822</td>
<td>769</td>
<td>42%</td>
</tr>
<tr>
<td>2018</td>
<td>1'873</td>
<td>807</td>
<td>43%</td>
</tr>
<tr>
<td>2019</td>
<td>1'876</td>
<td>844</td>
<td>45%</td>
</tr>
</tbody>
</table>

Equity ratio at constantly high level

- Equity ratio of 45% within target range of 35% to 45%
- Balance sheet assets stable
Net debt to EBITDA declines

Net debt back below zero
- Financial assets increase while liabilities remain constant
- Net liquidity of CHF 29 m
Decline in EBIT contribution from regulated business in Switzerland, among other things due to lower gross margin on basic supply

2017 includes one-off extraordinary effects in Grid (subsequent adjustment)

Contributions from regulated business in Germany and Italy at prior-year level thanks to so-called feed-in tariffs from electricity generated from renewables (wind, solar and hydro)
Growing importance of revenues from non-energy business

- Substantial increase in earnings from services for third parties
- Sustained growth in earnings on e-mobility business in Switzerland and Italy
- Additional products record growing sales in the marketplace
- Revenues at esolva (ex SWiBi) lower in 2019 because majority interest relinquished (fully consolidated until end 3Q2019)
Clear increase in funds from operations (FFO)

- Increase in FFO (CHF +43 m) essentially due to increase in operating income
- Result substantially influenced by change from foreign exchange and monetary transactions

- FFO gives insight into management of cash from operating activities. FFO is used as guidance when it comes to distribution of dividends to shareholders or company’s future investments

*Cash flow before change in net current assets
Year-on-year increase in cash flow from operating activities

- Higher FFO and improvement in net current assets lead to significantly better cash flow from operating activities
- Effect of change in net current assets comes to CHF +25 m in 2019 (prior year CHF -4 m) and change vs prior year CHF +29.6 m
- Cash flow from operating activities is the result of all cash-relevant events within the scope of normal business operations that are relevant for the period under review. Indicates potential for internal financing to pay off debt and fund investment
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Strategy: goals and results, Markets Switzerland and Italy

- Grow share of electricity market
- Expand technical services
- Step up renewable generation
- Expand digital services
- Sell energy to SMEs
REPOWER’S STRATEGY

Strategy: goals and results, Market Switzerland

- Maintain and increase own domestic hydropower generation
- Augment electricity grids
- Streamline interests and long-term contracts
- Extend partner strategy
- Boost volumes sold to market customers

- Complete renovation of Robbia power plant
- Chlus projects/Lago Bianco
- LTCs with cash flow structure similar to hydropower
- Repartner Produktions AG

Grow share of electricity market
MAINTAINING OUR OWN GENERATION ASSETS

Complete renovation of Robbia hydropower plant

Construction likely to commence in May 2020*
Commissioning of last turbine set-up December 2022;
construction ends 2023

Aim: fit for the next 70 years (until 2089)
Investment: CHF 125 m within the next 3 years,
of which an estimated CHF 40 m or so to local contractors
100 people deployed in the most intensive phase
50 Repower staff (engineering, execution & operation)

Expected volumes of power generated
120 GWh/a → 20,000 households

*Provided the protective measures imposed by the federal government in connection with coronavirus allow construction to start
Chlus hydropower project: compensation/support

Even with the possibility of funding to cover investment and compensation for efforts to resolve excessive water level fluctuations, viability is currently not assured!
Trading is the central component of asset optimisation and services

- Electricity: 13 TWh sold in trading (total electricity sales 17.9 TWh)
- Gas: 3.2 million (in 1,000 m$^3$) sold in trading (total sales 3.5 million)
- 3.6 TWh of electricity sold to market customers and utilities in CH
- Energy supplied to around 65 utilities in CH
- Pan-European collaboration with around 250 trading partners
- Repower balance groups expanded to 4 TWh
### Strategy: review of the Swiss market

| ▪ Extend partner strategy |
| ▪ Cultural change (B2B customer focus) and training/retaining own experts |
| ▪ General contractor job for SBB |
| ▪ Cooperation with Swissgrid extended |

Expand technical services
Repower changing in response to changes in the market

- Smart metering
- Renewable energy
- Sustainability
- Decentralising generation
- Regulation
- Optimising self-consumption
- Climate
- Convergence
- Load management
- Liberalisation
- Digitalisation
- Smart grid
- Smart home
- Solar power
- E-mobility
- CO2

Products & services with customer utility

Energy (elec./gas) GoOs
Technical services
Trading services
New services

EXPANDING TECHNICAL SERVICES
Strategic Review of the Swiss Market

- Extend partner strategy
- Establishment of esolva ag
- Establishment of EVUolution
New fields of business, digitalisation and innovation

51%  
65%  
40%  
46%
Strategy: review of the Swiss and Italian markets

- Further expansion in Italy following establishment of Repower Renewable
- Complete renovation of Robbia power plant
- Chlus/Lago Bianco projects
- Repartner Produktions AG 1)
Growth continues in the liberalised Italian market

** GENERATION **
- Gratifying production from subsidiary Repower Renewable
- Teverola above expectations
- Wind farm generation above expectations

** INNOVATION & DESIGN **
- Repower e: electromobility on water
- LAMBROgio and LAMBROgino cargobikes shown at fairs
- Repower on board supports vertical farming
- Successful partnerships (e.g. Vinibuoni d’Italia)

** TRADING **
- 93 TWh gas delivered
- 9 TWh electricity delivered
REPOWER’S STRATEGY

Strategy: review of the Italian market

- Improve agent system, IT support and handling of counterparty risk

  - “I’ve got Repower” advertising campaign
  - New DUCALE electricity offering

Sell energy to SMEs
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Major challenges remain

**OPERATING ENVIRONMENT/MARKET**
- Coronavirus leading to uncertainty in the market
- Market prices set to increase medium and long term
- EUR/CHF exchange rate putting pressure on margins
- Market conditions remain challenging
- Electricity Supply Act the subject of controversial debate

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

**RESULTS**
- Operating results expected to be lower than 2019, among other things because of COVID-19
- Stable cash and capital base
- Earnings underpinned by contributions from regulated business and new products
Questions
Questions to CEO and CFO

If you have a question, use the function bar on the top right of the screen to...

- Raise your hand
- Unmute your microphone
If you’d like to interview Roland Leuenberger or Brigitte Krapf, please email us your contact details now to the following address:

stefan.bisculm@repower.com
<table>
<thead>
<tr>
<th>Events</th>
<th>Key dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020 Annual General Meeting</td>
<td>20 May 2020</td>
</tr>
<tr>
<td>2020 interim results</td>
<td>19 August 2020</td>
</tr>
<tr>
<td>2020 media conference for analysts and investors</td>
<td>7 October 2020</td>
</tr>
<tr>
<td>Annual media conference</td>
<td>8 April 2021</td>
</tr>
</tbody>
</table>
Many thanks for your interest!