Half-Year Results 2020

24 August 2020
1. Robust business model, even during a pandemic
2. 2020 Interim Key Financial Figures
3. Positive results of operations expected for the 2020 financial year
4. Strategy focuses on strengthening climate protection and security of supply
5. Questions and answers
Robust business model, even during a pandemic

Alpiq business model has proved to be robust
- EBITDA before exceptional items up on previous year as expected: CHF 116 million
- All three business divisions operated successfully
- Power plants and energy trading have been working with no disruptions during the COVID-19 crisis

Solid balance sheet thanks to a systematic financial strategy
- Net cash flows from operating activities of continuing operations increased: CHF 180 million
- Liquidity increased: CHF 1.16 billion
- Equity ratio stable: 50.3 %

Alpiq is ready for the future
- Stable shareholder structure
- Targeted strategy
- Focus on climate protection and security of supply
Results of operations

- As expected, EBITDA before exceptional items of CHF 116 million is up on the previous year. Higher contribution from Generation Switzerland as well as higher trading results, partly counterbalanced by lower contribution from Generation International (mainly divestment of Kladno/Zlín)
- Operating cash flow increased as a result of lower gas storage levels and realised gains in gas trading
- Reduction of net debt compared to the end of 2019, in particular due to the higher operating cash flow
Hedging transactions for Swiss power production have delayed effect

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

**Delayed wholesale price effect leads to higher earnings in H1 2020**

- **Ø hedging prices**
  - 2018: 38 EUR/MWh
  - 2019: 34 EUR/MWh
  - 2020: 39 EUR/MWh

**Currency effects have positive impact compared to the previous year**

- **Ø hedging rates**
  - 2018: 1.06 EUR/CHF
  - 2019: 1.08 EUR/CHF
  - 2020: 1.16 EUR/CHF
Swiss power production benefits from increased wholesale prices

**Generation Switzerland**
- Higher hedging prices compared to the previous year have a positive influence on earnings
- Higher inflows in the area of hydropower

**Average hedging prices**
- 2019: 34 EUR/MWh
- 2020: 39 EUR/MWh

**Average hedging rates**
- 2019: 1.08 EUR/CHF
- 2020: 1.16 EUR/CHF
Development of EBITDA by business division (II)

Positive European and trading business

**Generation International**
- Thermal power production: Decrease in earnings following strategic divestment of the Czech coal-fired power plants Kladno and Zlin
- New renewable energies: less wind potential and lower prices in Italy

**Digital & Commerce**
- Lower demand in international customer business caused by the COVID-19 pandemic
- Higher trading results by successfully leveraging market opportunities
Alpiq reports solid half-year operating result

All three business divisions have made positive contributions to earnings

International production: positive despite the phase-out of coal
Digital & Commerce: energy trading leverages market opportunities
Swiss production: benefits from increased wholesale prices

EBITDA before EI

<table>
<thead>
<tr>
<th></th>
<th>H1 2019</th>
<th>H1 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generation International</td>
<td>60</td>
<td>24</td>
</tr>
<tr>
<td>Digital &amp; Commerce</td>
<td>53</td>
<td>58</td>
</tr>
<tr>
<td>Generation Switzerland</td>
<td>-56</td>
<td>37</td>
</tr>
</tbody>
</table>

All three business divisions have made positive contributions to earnings.
Exceptional items on EBITDA level

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

<table>
<thead>
<tr>
<th>CHF million</th>
<th>H1 2020</th>
<th>H1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of decommissioning and waste disposal funds</td>
<td>-63</td>
<td>78</td>
</tr>
<tr>
<td>Effects from business disposals</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Impairment losses and onerous contracts</td>
<td>-77</td>
<td>-39</td>
</tr>
<tr>
<td>Restructuring costs and litigation</td>
<td>11</td>
<td>-3</td>
</tr>
<tr>
<td>Fair value changes (accounting mismatch)</td>
<td>8</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total exceptional items on EBITDA level</strong></td>
<td><strong>-121</strong></td>
<td><strong>63</strong></td>
</tr>
</tbody>
</table>
Alpiq has increased net cash flows from operating activities

Operating cash flow H1 2019

Exceptional items on EBITDA level
Positive deviation on EBITDA level before EI
Higher change in provision for Nant de Drance in 2020
Higher liabilities from negative performance of decommissioning and waste disposal funds H1 2020
Reduction in receivables from positive performance of decommissioning and waste disposal funds H1 2019
Change in net working capital D&C (collaterals)
Change in derivatives H1 2019 – H1 2020 (incl. gas storage)
Payment of water taxes
Various
Operating cash flow H1 2020

CHF million

-184
61
28
63
78
-37
119
-31
176
-1

Development of liquidity

Liquidity strengthened thanks to higher operating cash flow

<table>
<thead>
<tr>
<th>CHF million</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,101</td>
<td>Liquidity at 31 Dec 2019</td>
</tr>
<tr>
<td>176</td>
<td>Operating cash flow</td>
</tr>
<tr>
<td>-28</td>
<td>Investments</td>
</tr>
<tr>
<td>21</td>
<td>Dividends and interest received</td>
</tr>
<tr>
<td>-17</td>
<td>Interest paid</td>
</tr>
<tr>
<td>-78</td>
<td>Repayment of current financial liabilities (loans)</td>
</tr>
<tr>
<td>-13</td>
<td>Net cash flows from investing activities of discontinued operations</td>
</tr>
<tr>
<td>11</td>
<td>Conversion of credit into KKL loan</td>
</tr>
<tr>
<td>-1</td>
<td>Various</td>
</tr>
<tr>
<td>-10</td>
<td>FX effect</td>
</tr>
<tr>
<td>1,162</td>
<td>Liquidity at 30 June 2020</td>
</tr>
</tbody>
</table>
Development of net debt

Further reduction in net debt thanks to higher operating cash flow

Net debt at 31 Dec 2019: CHF 176 million
Operating cash flow: CHF -28 million
Dividends and interest received: CHF 21 million
Interest paid: CHF -17 million
Net cash flows from investing activities of discontinued operations: CHF -13 million
Conversion of credit into KKL loan: CHF 11 million
Various: CHF -3 million
FX effect: CHF -5 million
Net debt at 30 June 2020: CHF -64 million

Further reduction in net debt thanks to higher operating cash flow
Maturity profile at 30 June 2020

Financial liabilities staggered over long term

- Sound liquidity of CHF 1,162 million
- Financial liabilities of CHF 1,226 million
Net debt

Further reduction in net debt thanks to systematic implementation of financial strategy

• Net debt further reduced by CHF 142 million to CHF 64 million
• Net debt/EBITDA before exceptional items of 0.4
Solid balance sheet

**Liquidity increased – equity ratio stable**

<table>
<thead>
<tr>
<th></th>
<th>31 Dec 2019</th>
<th>30 June 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets held for sale</td>
<td>37.7%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Liabilities held for sale</td>
<td>62.1%</td>
<td>62.5%</td>
</tr>
<tr>
<td>Current assets</td>
<td>49.8%</td>
<td>50.1%</td>
</tr>
<tr>
<td>Liabilities</td>
<td>0.1%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Non-current assets</td>
<td>0.3%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Equity</td>
<td>50.3%</td>
<td>50.3%</td>
</tr>
</tbody>
</table>

- **Liquidity** increased: **CHF 1.16 billion**
  (31 Dec 2019: CHF 1.10 billion)

- **Equity ratio** stable: **50.3%**
  (31 Dec 2019: 49.8%)
Squeeze-out merger

Transitional phase completed

- 24 June 2020: Alpiq Annual General meeting approves squeeze-out merger with Alpha 2020 Ltd.
- Alpiq Holding merged into Alpha 2020 Ltd.
- The absorption has no effect on Alpiq’s relationships with customers, suppliers, partners or employees
- Merger: entered into the Swiss commercial register and is complete
- Transitional phase completed: change in the core shareholder structure, delisting of the Alpiq share, squeeze-out merger approved
Arbitration proceedings with Bouygues Construction

Diverging views between Alpiq and Bouygues Construction on the definitive sale price

• In the request for arbitration proceedings filed by Bouygues Construction it increased the amount it is demanding from CHF 205.1 million to around CHF 319 million plus interest
• Alpiq filed its response and counterclaim on 14 July 2020
• Alpiq vehemently disputes the claim both in terms of its amount and on its merits
• Ruling by the arbitration court expected at some point in 2022
Higher prices have delayed positive effect on earnings

**Electricity wholesale prices**
- Substantial recovery since the slump in the first half of 2020
- Ø hedging price: 2021: 47 EUR/MWh
  2022: 52 EUR/MWh

**CO₂ prices**
- More than tripled since the start of 2018
- Highly volatile, particularly in 2020

**EUR/CHF exchange rate**
- Delayed positive currency effect
- Ø hedging rate: 2021: 1.14 EUR/CHF
  2022: 1.08 EUR/CHF
Alpiq focused on climate protection and security of supply

Transitional phase completed
- Delisting finalised
- CSA Energy Infrastructure Switzerland as a new shareholder
- Stable shareholder structure

Targeted strategy
- Power production in Switzerland and Europe
- International energy trading and customer business
- Alpiq focused on climate protection and security of supply
Financial calendar 2021

25 February 2021
Annual Results 2020
Annual Media and Financial Analyst Conference
Disclaimer

This communication contains, among other things, forward-looking statements and information. Such statements include, but are not limited to, statements regarding management objectives, business profit trends, profit margins, costs, returns on equity, risk management or the competitive environment, all of which are inherently speculative in nature. Terms such as "anticipate," "assume," "aim," "goals," "projects," "intend," "plan," "believe," "try," "estimate," and variations of such terms, and similar expressions have the purpose of clarifying forward-looking statements. These statements are based on our current estimates and assumptions, and are therefore to some extent subject to risks and uncertainties. Therefore, Alpiq's actual results may differ materially from, and substantially contradict, forward-looking statements made expressly or implicitly. Factors contributing to or likely to cause such divergent outcomes include, but are not limited to, the general economic situation, competition with other companies, the effects and risks of new technologies, the Company's ongoing capital needs, financing costs, delays in integrating mergers or acquisitions, changes in operating expenses, currency fluctuations, changes in the regulatory environment on the domestic and foreign energy markets, oil price and margin fluctuations for Alpiq products, attracting and retaining qualified employees, political risks in countries where the Company operates, changes in applicable law, the realisation of synergies and other factors mentioned in this communication.

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.