Analyst Call 2017

Growth areas generate entire results of operations
Swiss electricity production operating at a loss

Olten, 28 August 2017
Low wholesale prices negatively impact electricity production

**SNB decision from 2015 has negative currency effect on H1/2017**
Consequences of the decision to abolish the minimum EUR exchange rate in 2015 only now apparent in H1/2017

<table>
<thead>
<tr>
<th>Year</th>
<th>Hedging rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>CHF 1.19/EUR</td>
</tr>
<tr>
<td>2016</td>
<td>CHF 1.19/EUR</td>
</tr>
<tr>
<td>2017</td>
<td>CHF 1.04/EUR</td>
</tr>
</tbody>
</table>

**Drop in wholesale prices leads to lower hedge level**

<table>
<thead>
<tr>
<th>Year</th>
<th>Hedge level</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>EUR 54/MWh</td>
</tr>
<tr>
<td>2016</td>
<td>EUR 47/MWh</td>
</tr>
<tr>
<td>H1/17</td>
<td>EUR 44/MWh</td>
</tr>
</tbody>
</table>

**Forward prices at a low level for now**

<table>
<thead>
<tr>
<th>Year</th>
<th>Forward prices 2018 to 2020:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EUR 29/MWh (CAL Base DE)</td>
</tr>
<tr>
<td></td>
<td>EUR 35/MWh (CAL Base CH)</td>
</tr>
</tbody>
</table>
Partial liberalisation of the market distorts competition

End customer price (household) in regulated Swiss market (incl. grid and compensatory feed-in remuneration)

Energy price for end customers in regulated market

Hydropower production costs

Nuclear power production costs

Wholesale price

20.2 ct./kWh

7.6 ct./kWh

6.5 ct./kWh

5.2 ct./kWh

3.5 ct./kWh

Nuclear energy

Hydropower

Regulated end customer price

Electricity production operating at a loss in the partially liberated Swiss market

1 ElCom (2017), median values
2 Swisselectric
3 Gösgen and Leibstadt nuclear power plants
4 Cal-17 Baseload CH (0 01.01.2016-31.12.2016)

Wholesale price

End customer price

Hydropower production costs

Nuclear power production costs

Compensatory feed-in remuneration

Duties

Grid utilisation fee

Energy price

Decommissioning & waste disposal funds

Taxes & duties

Amortisation & financing

Operation & maintenance

Nuclear energy

Hydropower

Regulated end customer price

Compensatory feed-in remuneration

Duties

Grid utilisation fee

Energy price

Decommissioning & waste disposal funds

Taxes & duties

Amortisation & financing

Operation & maintenance
Opening up the hydropower portfolio suspended

- Not all criteria for the transaction fulfilled
- Political measures for immediate action under discussion as a transitional solution
Alpiq is on track

As announced, EBITDA down on the previous year
• Low wholesale prices
• Negative currency effects
• Downtime at Leibstadt nuclear power plant

Strengthening the balance sheet
• Net debt reduced to CHF 726 million
• Sound liquidity of CHF 1.5 billion
• Stable equity ratio of 40.9%

First strategic pillar
• Generation Switzerland business division operating at a loss
• Opening up the hydropower portfolio suspended

Second strategic pillar
• Growth areas generate entire results of operations
• Structuring of growth areas for investors is on schedule
Results of operations before exceptional items (EI)

- As announced, EBITDA of CHF 81 million down on the previous year
- Cash flow from operating activities includes compensation from Swissgrid (CHF 95 million)
- Net debt reduction of CHF 130 million compared to the end of 2016
### Development of EBITDA

Results from Swiss electricity production lowers results

<table>
<thead>
<tr>
<th>Category</th>
<th>CHF million</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA H1 2016 before EI</td>
<td>239</td>
</tr>
<tr>
<td>Currency effect</td>
<td>-40</td>
</tr>
<tr>
<td>Wholesale prices</td>
<td>-16</td>
</tr>
<tr>
<td>Production volumes</td>
<td>-30</td>
</tr>
<tr>
<td>Portfolio Switzerland*</td>
<td>10</td>
</tr>
<tr>
<td>Cost reduction and</td>
<td>163</td>
</tr>
<tr>
<td>efficiency improvement</td>
<td></td>
</tr>
<tr>
<td>EBITDA H1 2017 before EI</td>
<td></td>
</tr>
<tr>
<td>FX effect</td>
<td>-5</td>
</tr>
<tr>
<td>EBITDA H1 2017 before EI</td>
<td>158</td>
</tr>
</tbody>
</table>

* incl. unscheduled downtime KKL

Alpiq Holding Ltd.

Analyst Call 2017
EBITDA development by business divisions (I)

**Generation Switzerland**
- Persistently low electricity prices on the wholesale markets
- Negative exchange rate effects caused by expired hedges
- Lower production volumes mainly due to unscheduled extension of maintenance work at the Leibstadt nuclear power plant

Results of partner power plants consolidated in full and using the equity method include O&M, amortisation and depreciation, taxes and duties as well as capital costs, either at the partner power plant or at Alpiq directly.
EBITDA development by business divisions (II)

**Digital & Commerce**
- Successful use of price volatilities in Eastern and South-Eastern Europe
- Sales activities in France up on the previous year
- Optimal use of power plant portfolio
- No contribution from AVAG after disposal in July 2016

**Industrial Engineering**
- Stable contributions from thermal production and RES
- Margins lost following invoicing of large-scale projects in the area of energy and power plant technology in the previous year
- Increasing demand in the area of dismantling nuclear facilities

**Building Technology & Design**
- Higher revenue year-on-year
- Increased order intake in all Business Units
- Decrease in EBITDA attributable to the successful completion of the Gotthard Base Tunnel project in the previous year
Development of financial result

Financial result H1 2016 before EI

-68

Finance income

3

Finance costs

18

FX effect

5

Financial result H1 2017 before EI

-42

Reduced interest burden thanks to lower financial debt
Development of net income

- Net income H1 2016 before EI: CHF million 41
- Delta at EBITDA level before EI: CHF million -76
- Depreciation, amortisation and impairment: CHF million 17
- Share of results of partner power plants and other associates: CHF million 9
- Financial result: CHF million 21
- Income tax expense: CHF million -18
- Net income H1 2017 before EI and FX effect: CHF million -6
- FX effect: CHF million 1
- Net income H1 2017 before EI: CHF million -5

Higher tax expenses on account of higher income in high-tax countries (especially France)
Statement of cash flows

- Capital increase Nant de Drance SA
- Investments in fixed assets

Liquidity as at 1 Jan 2017: CHF 1524

Cash flow from operating activities: CHF 179
CAPEX: CHF -78
Dividends from Partner Power Plants and interest received: CHF 39
Proceeds from disposals: CHF 23

Cash flow from financing activities: CHF -220
Repayment of bonds: CHF 7

Currency translation differences:

Liquidity as at 30 Jun 2017: CHF 1474
Change in cash flow from operating activities
H1 2017 compared to H1 2016

-81
155
74
179

1 Includes P/L neutral payments due to change in method nuclear funds in H1 2016 (CHF 93 million; accrued in 2015)
2 Includes compensation from Swissgrid (CHF 95 million)
Financing mix as at 30 June 2017
Degree of centralisation remains high

**Instruments (CHF million)**
- Bonds; 1594 (73%)
- Bank loans and margining; 536 (24%)
- Private placements; 70 (3%)

**Creditors (CHF million)**
- Alpiq Holding Ltd.; 1483 (67%)
- Emosson; 285 (13%)
- En Plus; 178 (8%)
- Wind parks Italy; 105 (5%)
- Rest; 149 (7%)

- The capital market remains the most important source of financing
- The structural subordination of the Alpiq Holding Ltd. remains on a low level (temporary effect from premature refinancing by Emosson)
- Non-utilised committed credit lines of around CHF 400 million
Maturity profile as at 30 June 2017
Financial liabilities staggered over long term

- Maturities are countered by a sound liquidity base of around CHF 1.5 billion
- Maturity profile staggered over long term without significant spikes
- Further systematic reduction of debt in the pipeline

Total: CHF 2,200 million
Financial liabilities
Debt situation improved significantly

- Net debt further reduced by CHF 130 million to CHF 726 million
- Net debt/EBITDA before exceptional items of 2.3
Balance sheet remains stable

<table>
<thead>
<tr>
<th>CHF million</th>
<th>30 Jun 2017</th>
<th>31 Dec 2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidity (incl. term deposits and securities)</td>
<td>1,474</td>
<td>1,524</td>
<td>-3%</td>
</tr>
<tr>
<td>Other current assets</td>
<td>2,252</td>
<td>2,524</td>
<td>-11%</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>2,666</td>
<td>2,705</td>
<td>-1%</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>2,938</td>
<td>2,985</td>
<td>-2%</td>
</tr>
<tr>
<td>Assets held for sale</td>
<td>106</td>
<td>114</td>
<td>-7%</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>9,436</strong></td>
<td><strong>9,852</strong></td>
<td><strong>-4%</strong></td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td><strong>3,860</strong></td>
<td><strong>3,886</strong></td>
<td><strong>-1%</strong></td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>2,200</td>
<td>2,380</td>
<td>-8%</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>3,356</td>
<td>3,566</td>
<td>-6%</td>
</tr>
<tr>
<td>Liabilities held for sale</td>
<td>20</td>
<td>20</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td><strong>9,436</strong></td>
<td><strong>9,852</strong></td>
<td><strong>-4%</strong></td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td><strong>726</strong></td>
<td><strong>856</strong></td>
<td><strong>-15%</strong></td>
</tr>
<tr>
<td>Net debt/EBITDA before exceptional items</td>
<td><strong>2.3</strong></td>
<td><strong>2.2</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Equity ratio</strong></td>
<td><strong>40.9%</strong></td>
<td><strong>39.4%</strong></td>
<td></td>
</tr>
</tbody>
</table>

- **Sound Liquidity** of CHF 1.5 billion
- **Stable Equity**
- **Equity ratio at 40.9%**
Stringent cost and balance sheet management dampens the decrease in earnings

**Currency effect & effects of low wholesale prices**
- **Lower results** in Swiss portfolio
- **Price effect**
  - Negative currency effect of CHF 40 million
- **Cost savings** introduced
  - Lower results in Swiss portfolio
  - **Volume effect**
  - Net negative effect of CHF 30 million in 2017

**Downtime at Leibstadt nuclear power plant**
- **Results negatively affected** by the unscheduled downtime
- **Volume effect**
- Net negative effect of CHF 30 million in 2017

**Cost savings introduced**
- Processes and systems sustainably simplified
- Complexity that had developed over time reduced
- Nearshoring continued
- **Efficiency improvement**
- A total of around CHF 400 million saved as a result of cost-reduction and efficiency improvement programmes

**Balance sheet management intensified**
- Non-strategic investments sold
- Selective growth investments made
- Net debt reduced
- **Decrease in total assets**
- Net debt reduced to CHF 726 million
- **Portfolio streamlining**
- Stable equity ratio of 40.9%
Event after the reporting period
Tax field audit in Romania

• Preliminary assessment of Alpiq Energy SE, Prague, issued by Romanian tax authority ANAF in the amount of RON 798 million (CHF 192 million) for the period of 2010 to 2014

• Alpiq has contested on account of its reasoning and the extent of the amount assessed

• Alpiq currently deems it unlikely that this assessment will result in a negative outcome for the company

➤ No liability (provision) of RON 798 million recognised in first half of 2017; disclosed as contingent liability
Structuring the growth areas of investors is on schedule

Alpiq Holding Ltd.

Investors
Investors
Investors

Digital & Commerce
Industrial Engineering
Building Technology & Design

Generation Switzerland

EBITDA before EI: CHF -2 million
128 employees

EBITDA before exceptional items: CHF 162 million
Three growth areas: 8,069 employees

EBITDA before exceptional items: CHF 158 million; thereof Group Centre and other companies CHF -2 million / employees as at 30 June 2017: 8,495
Influencing factors on EBITDA before exceptional items
• Persistently low wholesale prices
• Negative currency effects
• Cost management / increasing efficiency

Generation Switzerland
• Competition distorted by regulatory conditions
• Political measures for immediate action needed

D&C, IE and BT&D growth areas
• Preparatory activities / market investigation 2017
• Open for investors from 2018 onwards
You ask. We answer.
Financial calendar 2018

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 March 2018</td>
<td>Full-year results 2017 Annual Media and Financial Analyst Conference</td>
</tr>
<tr>
<td>16 May 2018</td>
<td>Annual General Meeting of Alpiq Holding Ltd.</td>
</tr>
<tr>
<td>27 August 2018</td>
<td>Interim results 2018 Media Breakfast and Analyst Conference Call</td>
</tr>
</tbody>
</table>
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In particular, these include statements regarding management goals, financial result trends, profit margins, costs, returns on equity, risk management or the competitive situation, and which are speculative in their nature. Terms such as “expect”, “assume”, “target”, “goals”, “projects”, “intend”, “plan”, “believe”, “attempt”, “estimate” and their variations, as well as similar expressions, serve to clarify long-term statements. These statements are based on our current assessments, as well as certain assumptions, and, therefore, bear risks and uncertainties to some degree.

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Development of net revenue

Net revenue H1 2016: 3016 CHF million

Market France: 392 CHF million
smart Energy East: +106 CHF million
Divestment AVAG: -39 CHF million
Building Technology & Design: +33 CHF million
Power & Heat: -15 CHF million
Miscellaneous: +15 CHF million

Net revenue H1 2017 before FX effect: 3508 CHF million
FX effect: -51 CHF million
Net revenue H1 2017: 3457 CHF million
Development of EBIT

EBIT H1 2017 before EI

- 5

EBIT H1 2017 before EI and FX effect

81

EBIT H1 2017 before EI

76

Cost reduction and efficiency improvement

10

Depreciation, amortisation and impairment

17

Currency effect

-40

-16

-30

Production volumes Portfolio Switzerland*

Wholesale prices

EBIT H1 2016 before EI

140

* incl. unscheduled downtime KKL

Alpiq Holding Ltd.

Analyst Call 2017
Shareholder structure as at 30 June 2017

Number of shares outstanding:
27,874,649

Consortium of Swiss minority shareholders (KSM):
31.43%

EdF: 25.04%
EBM: 13.65%
EBL: 7.13%
AIL: 2.13%
WWZ: 2.00%
IBAarau: 0.91%