Notice

This document contains forward-looking statements. These statements are based on the current views, expectations, assumptions and information of the management, and are based on information currently available to the management. Forward-looking statements shall not be construed as a promise for the materialization of future results and developments and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those described in such statements due to, among other things, changes in the general economic and competitive environment, risks associated with capital markets, currency exchange rate fluctuations, changes in international and national laws and regulations, in particular with respect to tax laws and regulations, affecting the Company, and other factors. Neither the Company nor any of its affiliates assumes any obligations to update any forward-looking statements.
innogy at a glance

Financial review

innogy’s credit profile
We are delivering on our IPO promises

IPO promises

1. Unique European asset base
2. Stable business
3. Resilient financial profile
4. Focus on value creation
5. Platform for growth

Achievements since IPO

1. Clean play, no legacy liabilities, truly independent
2. Financial guidance 2016 achieved, guidance 2017 confirmed
3. Leverage factor 2016 of 3.7, independent Fitch Rating of BBB+, first innogy bond issued
4. ~100 MW renewable capacity added in 2016, >130 MW expected in 2017 - Belectric acquisition
5. Dividend of €1.60 (~80% payout ratio)
Unique asset mix and diversified European footprint

Leading positions across countries in Europe ...

- 3.7 GW renewable capacity\(^1\)
- 574,000 km grid length\(^2\)
- 5x #1 positions\(^3\)

Market presence
- Renewables
- Grid & Infrastructure
- Retail
- Strategic partnership

... with a distinct asset profile

- Focus on Europe – anchored in Germany
- Largely CO\(_2\) free
- Limited exposure to commodity prices
- No nuclear liabilities
- Enabler of energy transition

Source: Group data as well as company estimates based on competitor publications, regulatory reports and analyst reports. 1 Capacity in the Renewables division as of 31 December 2016. Includes 0.4 GW of renewable generation capacity in the Grid & Infrastructure and Retail divisions. 2 Positions in the Grid & Infrastructure division are based on distributed volumes in 2015. 3 Market positions based on volumes sold; for Belgium, Poland and the Czech Republic, based on customer numbers and for the Netherlands, based on market research – all based on the latest information available as of 31 December 2016.
innogy at a glance

innogy is infrastructure-like with roughly 60% regulated\(^1\) earnings driven by stable grid business

Renewables EBITDA (€bn)  Grid & Infrastructure EBITDA (€bn)  Retail EBITDA (€bn)

Note: numbers may not add up due to rounding differences.

1 Includes long-term contracts.
Renewables – leverage value in core markets

Capacity ramp-up\(^1\)
MW, pro-rata

<table>
<thead>
<tr>
<th>Year</th>
<th>Offshore</th>
<th>Hydro</th>
<th>Onshore</th>
<th>Solar/other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>3,220</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>3,356</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>3,530</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>3,660</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3,660</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2017-19: ~440 MW addition expected

Short-term growth drivers

- **Operations**: Operational excellence – reduce costs, increase yield
- **Construction**: Execute Onshore construction pipeline
- **Development**: Complete Galloper and Nordsee One in time, budget and quality
  - Offshore auctions: Triton Knoll and Kaskasi (2nd round in 2018)
  - Take FID for onshore projects with secured remuneration of ~100 MW
  - Further growth opportunities/pipeline

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1 Excluding any growth potential in new technologies/markets. Ramp-up only includes Renewables division.
innogy at a glance

G&I – deliver robust results and optimise capex/opex strategy under regulatory frameworks

Key pillars of value creation for core business

Operational excellence

Regulatory management

Capex/opex strategy

Regulatory frameworks are mostly confirmed providing stability

Germany
Important parameters set for new regulatory periods from 2018/2019.
Clarity on outstanding items expected in 2017/2018.

Czech Republic
Most parameters for gas distribution stable.
Positive change of allocation of the allowed revenues.

Hungary
Allowed revenues agreed for new regulatory period from 2017.
In total, positive outcome of cost review.

Poland
Our DSO in Warsaw achieves ‘best in class’ recognition.

Slovakia
Regulatory environment for 2017 with no major changes.
Retail – operational excellence and growth in Energy+

Keeping our excellent position in B2C and staying competitive in B2B

Operational excellence
- Churn prevention
- Improve customer satisfaction

Digital customer journey end-to-end
Cost excellence

B2C

B2B

Cost excellence

Accelerate growth in Energy+ to support retention and create viable stand-alone products

Growth in Energy+

Diversification of existing business (stand-alone Energy+)
Build customer loyalty and support retention (commodity-linked Energy+)

B2C

B2B

Build up the Energy+ business by pushing existing and launching new offerings

Target 2018

>€100m\(^1\)

1 Adjusted EBIT (B2B+B2C).
Corporate governance – innogy with high degree of independence

Key principles governing innogy/RWE relationship

• Both parties – RWE and innogy – shall be in the position to pursue their strategic, operational and financial targets individually and independent from each other
• Shortly prior to the IPO the domination agreement between innogy and RWE has been terminated
• All intercompany relations and agreements are carried out at arm’s length
• Non-compete clause states that RWE is largely restrained from competing in innogy’s core businesses until 31 December 2019
• RWE manages innogy as a financial investment
  – RWE will not impose strategic and financial targets and is not involved in planning and management incentive discussions
  – Investment decisions at innogy are not subject to approval by RWE

Board structure

• Two-tier board structure:
  – Executive board (6 members)
  – Supervisory board (20 members, thereof 10 shareholder and 10 employee representatives)

Composition supervisory board

• RWE AG represented by one management board member (CFO Markus Krebber)
• Werner Brandt and Frank Bsirske in personal union as supervisory board chairman and supervisory board deputy chairman for RWE AG and innogy SE
• Audit committee mainly composed of independent supervisory board members
Key messages Q1 2017

Outlook 2017 confirmed on group and segmental level for adjusted EBITDA, adjusted EBIT and adjusted net income

Q1 2017 financials

Adjusted EBITDA: €1,617m (+4% y-o-y)
Adjusted EBIT: €1,261m (+6% y-o-y)
Adjusted net income: €684m

Dividend of €1.60 per share for fiscal 2016 approved by AGM

€20bn debt issuance programme launched – successful issuance of first senior bond (€750m)
Financial Review

Negative free cash flow in line with seasonal patterns and main driver for increase in net debt in Q1 2017

Cash flow statement (extract)\(^1\)

<table>
<thead>
<tr>
<th>€ million</th>
<th>Q1 2017</th>
<th>Q1 2016</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA</td>
<td>1,617</td>
<td>1,555</td>
<td>62</td>
</tr>
<tr>
<td>Funds from operation (FFO)</td>
<td>1,273</td>
<td>1,590</td>
<td>(317)</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td>(1,936)</td>
<td>(2,196)</td>
<td>260</td>
</tr>
<tr>
<td>Cash flow from operating activities (CFOA)</td>
<td>(663)</td>
<td>(606)</td>
<td>(57)</td>
</tr>
<tr>
<td>Capex(^2)</td>
<td>(288)</td>
<td>(230)</td>
<td>(58)</td>
</tr>
<tr>
<td>Divestments</td>
<td>128</td>
<td>160</td>
<td>(32)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>(823)</td>
<td>(676)</td>
<td>(147)</td>
</tr>
</tbody>
</table>

Net debt composition (extract)

<table>
<thead>
<tr>
<th>€ billion</th>
<th>31 Mar 2017</th>
<th>31 Dec 2016</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financials assets</td>
<td>4.7</td>
<td>4.6</td>
<td>0.1</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>17.3</td>
<td>16.2</td>
<td>1.1</td>
</tr>
<tr>
<td>t/o senior bonds(^3)</td>
<td>10.7</td>
<td>10.3</td>
<td>0.4</td>
</tr>
<tr>
<td>t/o loans towards RWE(^4)</td>
<td>3.8</td>
<td>4.3</td>
<td>(0.5)</td>
</tr>
<tr>
<td>Net financial liabilities</td>
<td>12.6</td>
<td>11.6</td>
<td>1.0</td>
</tr>
<tr>
<td>Provisions for pensions and similar obligations</td>
<td>3.6</td>
<td>3.9</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Provisions for wind farm decommissioning</td>
<td>0.4</td>
<td>0.3</td>
<td>0.1</td>
</tr>
<tr>
<td>Net debt</td>
<td>16.6</td>
<td>15.7</td>
<td>0.9</td>
</tr>
<tr>
<td>Leverage factor</td>
<td>-</td>
<td>3.7x</td>
<td>-</td>
</tr>
</tbody>
</table>

1 The definition of free cash flow has changed: it now includes financial investments and divestments from property, plant and equipment plus intangible and financial assets.
2 Including financial investments.
3 Adjusted for 'step-up' effect of €981m.
4 Related to EIB loans (to be moved to innogy subject to approval by the EIB) and some RWE hybrid bonds.
Financial discipline and strict investment criteria – foundation for growing shareholder value

Indicative capex split 2017-2019E

- **Renewables**
  - Offshore wind: 20-25%
  - Onshore wind: 45-55%
  - Solar: 10-15%
  - Hydro: <10%
  - Other: <10%

- **Grid & Infrastructure**
  - Customer connections: 17%
  - Replacement: 42%
  - ‘Energiewende’ investments: 14%
  - Other grid capex: 10%
  - Non-grid capex: 17%

- **Retail**
  - IT/smart meter/day-to-day: 35-40%
  - Energy+/other: 50-60%
  - Bolt-on M&A: <10%

ROI hurdle rates

- **Energy+**
  - 5-7%
- **Core business**
  - 5-14%
- **New markets/new technologies**
  - 5-7%

€6.5bn – €7.0bn planned capex 2017-2019E

Note: rounding differences may occur. 1 E.g. smart meter investments. 2 Other grid capex includes investments for non-regulated grid assets such as street lightning or telco activities and includes investments in IT infrastructure. 3 Non-grid capex comprises of capex for innogy’s German storage facilities, shares of investment spend related to participations as well as capex for other activities, such as innogy’s water business. 4 Including financial investments. Pie charts do not include ~€0.2bn of centrally accounted capex mainly for innovation projects. 5 Hurdle rates = after-tax WACC + project risk adjustment + country risk adjustment.
Financial Review

Strict investment criteria to focus on value creation

Investment framework – hurdle rate build up

- Base WACC (post-tax)
- Minimum value contribution for new projects
- Risk premia
  - Technology risk
  - Construction risk
  - Regulatory risk
- Country risk premium

Current hurdle rate ranges

<table>
<thead>
<tr>
<th></th>
<th>Core business¹</th>
<th>New markets/technologies¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewables</td>
<td>5-7%</td>
<td>5-14%</td>
</tr>
<tr>
<td>Grid &amp; Infrastructure</td>
<td>5-7%</td>
<td>5-7%</td>
</tr>
<tr>
<td>Retail</td>
<td>6-9%</td>
<td>5-10% (Energy+)</td>
</tr>
</tbody>
</table>

¹ The core business encompasses the conventional retail electricity and gas business as well as the activities in the Grid & Infrastructure division and the construction of renewable energy assets (wind farms and hydro power stations) in our core markets in Europe. We have different return criteria for new energy service products (referred to as the ‘Energy+’ business) in the retail business and for new technologies and/or markets.
Financial Review

Outlook for 2017 confirmed

<table>
<thead>
<tr>
<th>€ million unless stated otherwise</th>
<th>Q1 2017 reported</th>
<th>Q1 2016 reported³</th>
<th>FY 2017 guidance</th>
<th>FY 2016 reported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA¹</td>
<td>1,617</td>
<td>1,555</td>
<td>~4,400 (√)</td>
<td>4,203</td>
</tr>
<tr>
<td>Renewables</td>
<td>134</td>
<td>154</td>
<td>~350 (√)</td>
<td>359</td>
</tr>
<tr>
<td>Grid &amp; Infrastructure</td>
<td>708</td>
<td>548</td>
<td>~1,900 (√)</td>
<td>1,708</td>
</tr>
<tr>
<td>Retail</td>
<td>490</td>
<td>540</td>
<td>~850 (√)</td>
<td>844</td>
</tr>
<tr>
<td>Adjusted EBIT¹</td>
<td>1,261</td>
<td>1,195</td>
<td>~2,900 (√)</td>
<td>2,735</td>
</tr>
<tr>
<td>Adjusted financial result</td>
<td>(151)</td>
<td>-</td>
<td>(750)-(800) (↓)</td>
<td>(874)</td>
</tr>
<tr>
<td>Tax rate for adjusted net income</td>
<td>25%</td>
<td>-</td>
<td>at the lower end of 25-30% (↓)</td>
<td>25%</td>
</tr>
<tr>
<td>Adjusted net income</td>
<td>684</td>
<td>-</td>
<td>&gt;1,200 (√)</td>
<td>1,123</td>
</tr>
<tr>
<td>Capex²</td>
<td>323</td>
<td>286</td>
<td>€2.0 – 2.5bn (√)</td>
<td>2,123</td>
</tr>
</tbody>
</table>

1 Includes Corporate/other. 2 Including financial investments. 3 Adjusted net income not shown as transactions to establish the envisaged capital structure and the legal reorganisation of innogy Group were not completed by the end of Q1 2016.
innogy at a glance

Financial review

Credit profile
Key drivers of innogy’s prudent financial policy

A stable and attractive earnings profile ...

... translates into strong cash generation and a solid capital structure ...

... for investors

Credit profile

2016 EBITDA: €4.2bn

By division

- Renewables c. 15%
- Grid & Infrastructure c. 60%
- Retail c. 25%

Leverage

~4.0x net debt/EBITDA

Cash conversion

~70%

(CFOA/EBITDA)

Rating

Solid investment grade rating

Prudent growth

Strict investment criteria
Credit profile

innogy’s credit ratings

- Fitch as the first rating agency assigned innogy a stand-alone rating of BBB+ (outlook stable) on 31 October 2016. Due to assumed high recovery rates, senior unsecured bonds are rated even higher at A-.
- Fitch takes into account innogy’s high degree of independence from RWE (e.g. independent supervisory board, separate financing).

- On 3 November 2016 Moody’s affirmed Baa3 (outlook stable) senior unsecured rating for RWE AG and innogy Finance BV bonds guaranteed by RWE AG.
- However, Moody’s put the debt issuance programme of RWE AG on negative outlook.

- On 14 November 2016, S&P assigned BBB- (positive outlook) corporate and senior bond ratings to innogy.
- The positive outlook reflects the potential for a one-notch differential to RWE’s rating. S&P assesses innogy's stand alone rating at BBB, however it is currently capped by RWE’s rating.
innogy’s funding programmes established, a stand-alone capital market access achieved

<table>
<thead>
<tr>
<th>Debt issuance programme</th>
<th>Commercial paper programme</th>
<th>Revolving credit facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Independent innogy debt issuance programme established</td>
<td>• Stand-alone programme up and running (since end 2016)</td>
<td>• innogy SE has access to RWE AG’s €4bn syndicated credit line (up to €1.5bn)</td>
</tr>
<tr>
<td>• Nominal volume: €20bn</td>
<td>• Nominal volume: €3bn</td>
<td>• Stand-alone RCF to be established in 2017</td>
</tr>
<tr>
<td>• First senior bond successfully issued (€750m due in 2025)</td>
<td>• First commercial papers issued</td>
<td></td>
</tr>
</tbody>
</table>

innogy has established its own capital market access to be able to finance its operational business going forward
innogy issued its first senior bond in April 2017 (€750m, 1%, maturity 2025)

Maturity profile as of 30 April 2017 (in €bn)

- Total outstanding gross financial debt of innogy amounts to ~€15bn
- It currently consists of senior bonds of innogy (~€11bn) and of intercompany-loans from RWE AG (~€4bn)
Credit highlights

**Business Model**
- Clear focus on grid, renewables and retail business
- No nuclear liabilities
- Experienced management team and sound organisational set-up
- Strict investment criteria

**Financials**
- Stable and highly regulated earnings and investment focus
- Value creation through mix of cash generative and growth assets
- ~70% cash conversion (CFOA/EBITDA)

**Capital structure**
- Solid investment grade ratings
- ~4.0× leverage (Net Debt/EBITDA)
- Solid balance sheet
APPENDIX
## Appendix

### Senior bonds of innogy (As of 31 March 2017, by maturity\(^1\))

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Notional amount (LCY(^2), million)</th>
<th>Carrying amount (in EUR million)</th>
<th>Coupon (%)</th>
<th>Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>innogy SE</td>
<td>EUR 100</td>
<td>100</td>
<td>6M Euribor + 0.67</td>
<td>Nov 17</td>
</tr>
<tr>
<td>innogy Finance B.V.</td>
<td>EUR 980</td>
<td>1,041</td>
<td>5.125</td>
<td>Jul 18</td>
</tr>
<tr>
<td>innogy Finance B.V.</td>
<td>EUR 1,000</td>
<td>1,104</td>
<td>6.625</td>
<td>Jan 19</td>
</tr>
<tr>
<td>innogy Finance B.V.</td>
<td>EUR 750</td>
<td>765</td>
<td>1.875</td>
<td>Jan 20</td>
</tr>
<tr>
<td>innogy Finance B.V.</td>
<td>GBP 570</td>
<td>740</td>
<td>6.50</td>
<td>Apr 21</td>
</tr>
<tr>
<td>innogy Finance B.V.</td>
<td>EUR 1,000</td>
<td>1,206</td>
<td>6.50</td>
<td>Aug 21</td>
</tr>
<tr>
<td>innogy Finance B.V.</td>
<td>GBP 500</td>
<td>634</td>
<td>5.50</td>
<td>Jul 22</td>
</tr>
<tr>
<td>innogy Finance B.V.</td>
<td>GBP 488</td>
<td>619</td>
<td>5.625</td>
<td>Dec 23</td>
</tr>
<tr>
<td>innogy Finance B.V.</td>
<td>EUR 800</td>
<td>845</td>
<td>3.00</td>
<td>Jan 24</td>
</tr>
<tr>
<td>innogy Finance B.V.</td>
<td>GBP 760</td>
<td>981</td>
<td>6.25</td>
<td>Jun 30</td>
</tr>
<tr>
<td>innogy Finance II B.V.</td>
<td>EUR 600</td>
<td>732</td>
<td>5.75</td>
<td>Feb 33</td>
</tr>
<tr>
<td>innogy SE</td>
<td>USD 50(^3)</td>
<td>47</td>
<td>3.173(^4)</td>
<td>Apr 33</td>
</tr>
<tr>
<td>innogy Finance B.V.</td>
<td>GBP 600</td>
<td>655</td>
<td>4.75</td>
<td>Jan 34</td>
</tr>
<tr>
<td>innogy SE</td>
<td>EUR 468</td>
<td>514</td>
<td>3.50</td>
<td>Oct 37</td>
</tr>
<tr>
<td>innogy Finance B.V.</td>
<td>GBP 1,000</td>
<td>1,258</td>
<td>6.125</td>
<td>Jul 39</td>
</tr>
<tr>
<td>innogy SE</td>
<td>JPY 20,000(^3)</td>
<td>198</td>
<td>4.762(^4)</td>
<td>Feb 40</td>
</tr>
<tr>
<td>innogy SE</td>
<td>EUR 100</td>
<td>100</td>
<td>3.50</td>
<td>Dec 42</td>
</tr>
<tr>
<td>innogy SE</td>
<td>EUR 150</td>
<td>150</td>
<td>3.55</td>
<td>Feb 43</td>
</tr>
</tbody>
</table>

| Total                 | -                                    | 11,690                           | 5.19\(^5\)       | -          |
| thereof: step-up effect|                                      | 981                              |                  |            |

---

1 Excl. EUR750m bond issued in April 2017 (matures 2025).
2 Local currency.
3 Swapped in EUR: USD50m in EUR39m; JPY20,000m in EUR159m.
4 Interest rate after swap in Euro.
5 Notional-weighted average coupon.
## Loans from RWE AG

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Notional amount (LCY(^1), million)</th>
<th>Carrying amount (in EUR million)</th>
<th>Coupon (%)</th>
<th>Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercompany loan</td>
<td>EUR 204</td>
<td>204</td>
<td>0.06</td>
<td>Apr 17</td>
</tr>
<tr>
<td>Intercompany loan</td>
<td>EUR 125</td>
<td>125</td>
<td>0.19</td>
<td>Jul 17</td>
</tr>
<tr>
<td>Intercompany loan</td>
<td>EUR 771</td>
<td>771</td>
<td>0.22</td>
<td>Oct 17</td>
</tr>
<tr>
<td>Intercompany loan</td>
<td>EUR 956</td>
<td>956</td>
<td>0.56</td>
<td>Mar 19</td>
</tr>
<tr>
<td>Intercompany loan</td>
<td>EUR 700</td>
<td>700</td>
<td>0.86</td>
<td>Oct 20</td>
</tr>
<tr>
<td>Intercompany loan</td>
<td>EUR 645</td>
<td>699</td>
<td>3.23</td>
<td>Oct 20</td>
</tr>
<tr>
<td>Intercompany loan</td>
<td>GBP 350</td>
<td>376</td>
<td>2.14</td>
<td>Feb 23</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>-</td>
<td><strong>3,831</strong></td>
<td><strong>1.13(^5)</strong></td>
</tr>
</tbody>
</table>

1 Local currency.

As of 31 March 2017
Appendix

‘Bond pushdown’ successfully completed – largest corporate liability management transaction in Europe

**Milestones**

- **15 Nov 2016**: Launch date of
  - consent solicitations/invitation to vote without meeting (CSM I + II bonds)
  - the exchange offer (EO bonds)
- **13 Dec 2016**: Announcement of results of the consent solicitation and exchange offers
- **21 Dec 2016**: EO bonds exchanged to new bonds of innogy SE
- **10/11 Jan 2017**: Adjourned noteholder meetings
- **11 Jan 2017**: Announcement of results of the adjourned noteholder meetings
- **01 March 2017**: Transaction concluded; change of guarantor for all CSM I + II to innogy SE

**Transaction highlights**

- First application of the 2009 German Bond Act in context of an international jumbo liability management transaction (excluding distressed restructurings)
- No solicitation fee was paid to bond investors

Note: For external bonds; transfer of EIB loans still outstanding.
Offshore Wind: strong competition with first subsidy-free auction bids in Germany

Technological levers to reduce costs

- Wind farm development (standardisation in design)
- Offshore installation & logistics
- Innovative foundation concepts
- Next generation turbines (higher annual energy production - AEP)
- More efficient O&M
- Electrical interconnectivity

Beyond the obvious – further levers

- O&M concepts: inhouse & portfolio-based
- EPC: high quality partner with competitive margin
- Economies of scale from project portfolio
- De-risking via asset rotation
- Analysis of future market price assumptions

Critical success factor

Derive valuable bid price propositions to secure remuneration levels for viable growth projects
Renewables – enter new markets and new technologies

<table>
<thead>
<tr>
<th>MID-TERM STRATEGY</th>
<th>Offshore wind</th>
<th>Solar</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Build on core capabilities to foster growth</td>
<td>• Expand business beyond core markets as opportunities arise – also outside of Europe</td>
<td>• Setup utility scale business</td>
</tr>
<tr>
<td>• Successfully enter new markets</td>
<td>• Target role of lead developer and operator</td>
<td>• Integrate Belectric and leverage business capabilities in EPC and O&amp;M</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SHORT-TERM ACTIONS TAKEN</th>
<th>Offshore wind</th>
<th>Solar</th>
</tr>
</thead>
<tbody>
<tr>
<td>• US office opened and support for onshore secured (PTC¹ /‘safe harbour investment’)</td>
<td>• In-depth discussions with potential partners for promising growth projects</td>
<td>• Successful closing of Belectric transaction in Jan 2017</td>
</tr>
<tr>
<td>• Preparation of market entry in Ireland</td>
<td></td>
<td>• Multiple opportunities under review – mainly in Europe and North America</td>
</tr>
<tr>
<td>• Brownfield project development in progress</td>
<td></td>
<td>• Successful acquisition of project rights &gt;200 MW² in Canada</td>
</tr>
</tbody>
</table>

---

1 Production tax credit.
2 Anticipated full project capacity.
Renewables – projects under construction and development pipeline

<table>
<thead>
<tr>
<th></th>
<th>Nordsee 1</th>
<th>Galloper</th>
<th>Brechfa West</th>
<th>Goole 2</th>
<th>Mynydd y Gwair</th>
<th>Bad a Cheo</th>
<th>Eschweiler Nord</th>
<th>Eschweiler Fronhoven</th>
<th>Wiedenfelder Höhe</th>
<th>Grudie</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country</td>
<td>GER</td>
<td>UK</td>
<td>UK</td>
<td>UK</td>
<td>UK</td>
<td>UK</td>
<td>GER</td>
<td>GER</td>
<td>GER</td>
<td>UK</td>
</tr>
<tr>
<td>Technology</td>
<td>Offshore</td>
<td>Offshore</td>
<td>Onshore</td>
<td>Onshore</td>
<td>Onshore</td>
<td>Onshore</td>
<td>Onshore</td>
<td>Onshore</td>
<td>Onshore</td>
<td>Hydro</td>
</tr>
<tr>
<td>Full capacity</td>
<td>332</td>
<td>336</td>
<td>57</td>
<td>35</td>
<td>33</td>
<td>27</td>
<td>13</td>
<td>29</td>
<td>13</td>
<td>2</td>
</tr>
<tr>
<td>(MW)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>innogy stake</td>
<td>15%</td>
<td>25%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>51%</td>
<td>51%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Expected CoD</td>
<td>Q4-17</td>
<td>Q1-18</td>
<td>Q1-18</td>
<td>Q1-17</td>
<td>Q4-18</td>
<td>Q2-19</td>
<td>Q2-17</td>
<td>Q3-17</td>
<td>Q3-17</td>
<td>Q1-17</td>
</tr>
<tr>
<td>Support scheme</td>
<td>EEG ‘14</td>
<td>ROC</td>
<td>ROC</td>
<td>ROC</td>
<td>Cfd</td>
<td>EEG ‘14</td>
<td>EEG ‘14</td>
<td>EEG ‘14</td>
<td>EEG ‘14</td>
<td>Fit/ Wholesale</td>
</tr>
<tr>
<td>Capex1 (innogy share)</td>
<td>€43m</td>
<td>£95m</td>
<td>£89m</td>
<td>£50m</td>
<td>£52m</td>
<td>£35m</td>
<td>£10m</td>
<td>£21m</td>
<td>£19m</td>
<td>£8m</td>
</tr>
<tr>
<td>IRR2 ranges</td>
<td>Offshore: ~13%</td>
<td>Onshore: 6-11%</td>
<td>Hydro: ~9%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Development pipeline

- About 4 GW³ of project opportunities mainly in our established core markets
- ~ 2GW Offshore, ~ 1.2GW Solar, ~ 0.9GW Onshore

Note: Final 15 MW (2 turbines) of onshore wind project Zuidwester (90MW in total) commissioned in February 2017.

1 Excluding historical investments at FID.
2 For Onshore: project (asset) IRR post tax excluding historical costs; for Offshore equity IRR post tax excl. historical costs.
3 Subject to auctions or bilateral PPA negotiations; not probability weighted.
Retail UK turnaround on track – market and regulatory environment remains challenging

Operational KPI development (B2C business)

Incoming complaints (‘000)

<table>
<thead>
<tr>
<th></th>
<th>FY 2015</th>
<th>FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>696</td>
<td>340</td>
</tr>
<tr>
<td>% change</td>
<td>(51)%</td>
<td></td>
</tr>
</tbody>
</table>

Late bills (‘000)

<table>
<thead>
<tr>
<th></th>
<th>31/12/2015</th>
<th>31/12/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>96</td>
<td>88</td>
</tr>
<tr>
<td>% change</td>
<td>(8)%</td>
<td></td>
</tr>
</tbody>
</table>

Market and regulatory environment

Growing risk of further intervention on retail energy prices

Switching is at its highest levels since 2010

Increased commodity and regulatory induced costs

CMA remedies partly implemented

Appendix
Retail UK – around £200m of cost savings will be delivered by year-end 2018

npower opex savings (cumulative, on annual cost base)

Realised so far
Planned delivery

£m

0 50 100 150 200 250

Jan 16 Jul 16 Jan 17 Jul 17 Jan 18 Jul 18

Mar 16: ~20
Mar 17: ~100
Dec 17: ~150
Dec 18: ~200

Key messages

The Recovery Programme is delivering results according to plan: ~£100m by March 2017
Further £100m will be delivered by end 2018

These savings primarily offset additional opex arising from regulatory costs (incl. smart meter)

We are examining further efficiency opportunities in excess of the envisaged £200m cost savings within the context of a sustainable operating model and to reach our goal of a market average cost base
Retail UK - Overview of account and customer mix

<table>
<thead>
<tr>
<th>(Domestic B2C, million)</th>
<th>Standard (SVT)</th>
<th>% of total</th>
<th>Non standard</th>
<th>% of total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts</td>
<td>2.3</td>
<td>52</td>
<td>2.2</td>
<td>48</td>
<td>4.5</td>
</tr>
<tr>
<td>% of dual fuel</td>
<td>54</td>
<td></td>
<td>74</td>
<td></td>
<td>62</td>
</tr>
<tr>
<td>Accounts excl. prepay</td>
<td>1.9</td>
<td>47</td>
<td>2.1</td>
<td>53</td>
<td>4.0</td>
</tr>
<tr>
<td>% of total accounts</td>
<td>80</td>
<td></td>
<td>99</td>
<td></td>
<td>89</td>
</tr>
<tr>
<td>Customers</td>
<td>1.6</td>
<td>55</td>
<td>1.3</td>
<td>45</td>
<td>2.8</td>
</tr>
<tr>
<td>Customers excl. prepay</td>
<td>1.3</td>
<td>49</td>
<td>1.3</td>
<td>51</td>
<td>2.6</td>
</tr>
<tr>
<td>% of total customers</td>
<td>79</td>
<td></td>
<td>98</td>
<td></td>
<td>87</td>
</tr>
</tbody>
</table>

SVT = Standard variable tariff.
As of 31 March 2017
Retail – stable customer basis in the key markets

Number of customers (electricity and gas) in million

- Stable and well diversified portfolio of some 23m customers across Europe
- Increasing competition leads to fluctuation in the customer basis