Refined strategy and first steps towards execution
Bernhard Günther · CFO

21 November 2017 · innogy Credit Day
innogy sets course for the future with ‘4P-Strategy’

**Performance**
We are among the most profitable companies in the industry

**Position**
We are among the three leading providers on the market

**Portfolio**
We pursue activities that fit our purpose

**Partnership**
We are the number 1 energy partner for customers, municipalities, cooperation companies and financial partners
We consequently implement 4P across our business

**WHAT**
- Core business
- Growth focus

**HOW**
1. We will continue to focus on functional steering by segment.
2. We will grow – from our own resources, via portfolio measures and partnerships.
3. We will focus on developing our corporate culture – with digital expertise and an agile organisation.

**WHERE**
- Our key market is Europe, our growth market is North America.
- We will also have selective growth in other countries.
Renewables – developing value-accretive growth options

**Capacity**

GW, pro-rata

<table>
<thead>
<tr>
<th>Capacity</th>
<th>1.0</th>
<th>2.5</th>
<th>1.5</th>
<th>5.0</th>
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<tbody>
<tr>
<td>In operation</td>
<td>3.3</td>
<td>0.4</td>
<td></td>
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<tr>
<td>Currently under construction</td>
<td></td>
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<tr>
<td>2017-19</td>
<td></td>
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<td>2020-23</td>
<td></td>
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<tr>
<td>Post 2023</td>
<td>1.0</td>
<td>0.4</td>
<td>1.3</td>
<td>1.8</td>
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<tr>
<td>Total pipeline</td>
<td></td>
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**MID-TERM STRATEGY**

- **Foster growth**
  - New markets
- **Business beyond core markets**
  - Lead developer/operator
- **Utility-scale**
  - Belectric integration

**SHORT-TERM ACTIONS TAKEN**

- **US office**
  - Market entry
  - Ireland
- **Triton Knoll success**
  - Partnering for promising growth projects
- **Belectric acquisition**
  - Opportunities in Europe and North America
  - Project rights
  - Canada

**Notes**

1. As of October 2017. Numbers only include Renewables division.
2. Incl. 860 MW Triton Knoll offshore wind project (UK CfD awarded, FID planned for mid-2018).
3. Based on planned commissioning dates, excluding M&A activities and project-specific auctions.

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Renewables – Triton Knoll support secured & full ownership provides flexibility in maximising value

- **UK Triton Knoll offshore wind farm with 860 MW planned capacity**
- **Investment of ~£2 billion (incl. up to £0.5 billion grid connection)**
- **Fully developed and 100% ownership since October 2017**
- **UK CfD support scheme with clearing price of £74.75/MWh for a total period of 15 years**


1 innogy to review all options regarding the future ownership structure.
2 CfD strike price is real on 2012 prices.
innogy SE · Credit Day · November 2017
Retail – innogy and SSE to combine retail activities in Great Britain

Indicative structure of the transaction

- **SSE shareholders**: 65.6%¹
- **innogy shareholders**: 34.4%¹
- **SSE**:
- **Retail (B2C & Energy+)**: 65.6%¹
- **innogy**: 34.4%¹
- **npower**:
- **SSE Retail**
- **npower**

Combined Retail Entity

Envisaged timetable

- **8 Nov 17**: Announcement
- **Q4 2018/Q1 2019**: Demerger, listing and closing
- **Up to c. 12 months**: Regulatory approval, listing preparation

¹ On equity value basis.
Retail – innogy will benefit from upside potential of planned combined retail entity

Most recent example of our 4P-strategy execution

Proactive partnership approach offering value enhancing solution for all stakeholders

Creation of a fungible asset providing flexibility and additional optionality

Financial interest instead of operational exposure allowing innogy management to stronger focus on core businesses and earnings drivers

No earnings dilution for innogy shareholders