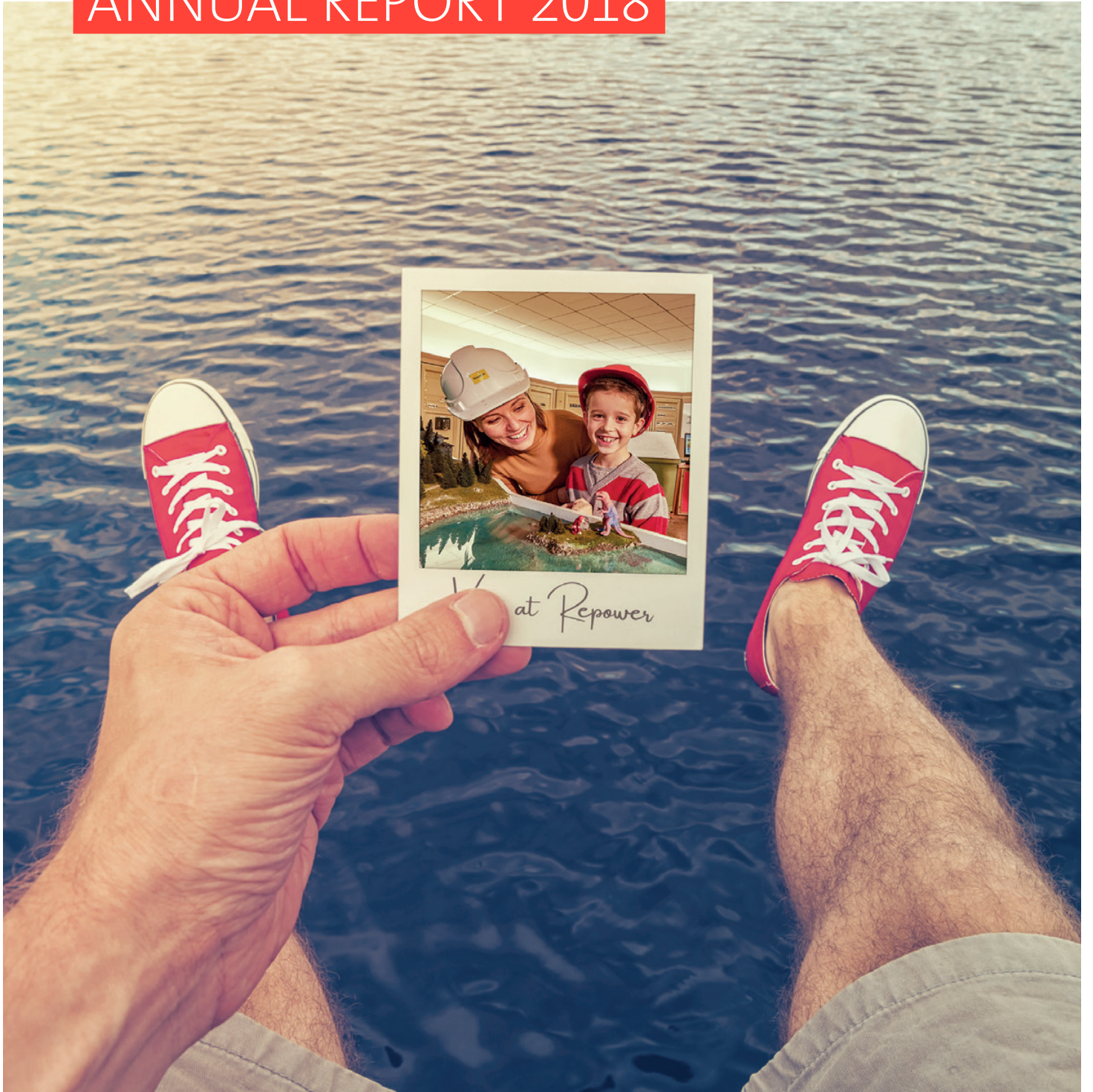


ANNUAL REPORT 2018



Overview

THE YEAR 2018

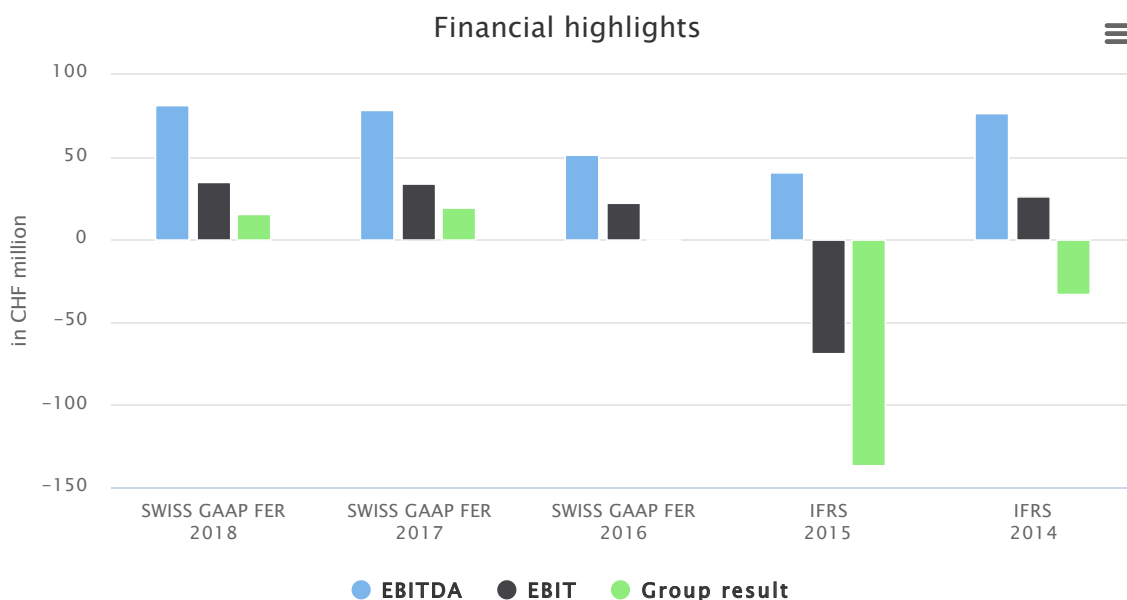


THE MOST IMPORTANT EVENTS

- Repower recorded a gratifying business result, with total operating revenues of 2.1 billion francs and EBIT of 35 million francs.
- To some extent Repower was already able to take advantage of improved conditions on the market when it came to capitalising on its assets.
- In 2018 Repower continued to follow through on its promise of “made by the pros for the pros” to acquire very attractive work from third parties.
- The annual general meeting held on 16 May 2018 elected Dr Monika Krüsi as the new chair of the board of directors.
- The beginning of December saw the creation of the Italian subsidiary Repower Renewable, which considerably increases Repower Italy’s interests in renewable electricity generation assets. The Repower Renewable portfolio comprises hydropower, solar and wind power installations.
- Repower Italy has designed a new, completely digital distribution channel which now enables customers to get a flat quote for electricity and gas packages.
- The company continues to drive the electro-mobility theme forward in Switzerland and Italy. New partnerships, product innovations and tools, and gratifying sales figures, confirm the importance of electric vehicle-related services.
- At the end of 2018 the Customer Value Centre, a centre of competence designed to serve as a single point of contact, went into operation. It enables Repower to give its customers an optimised experience and channel their needs even more effectively.
- In the Landquart area Repower dismantled 13 electricity pylons and constructed a new underground cable line. The new line is higher-capacity and easier to maintain, as well as returning the landscape to its original state.
- Despite a technical failure, the performance of the Teverola power plant in Italy was well above expectations.

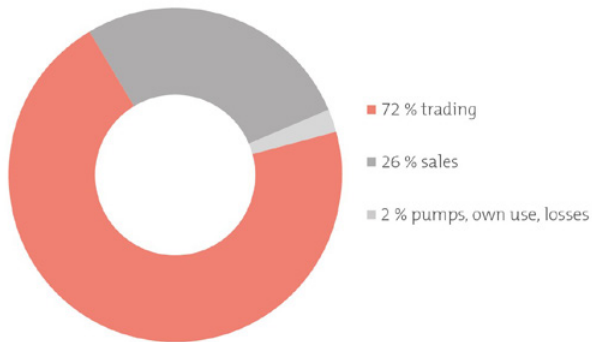
FINANCIAL HIGHLIGHTS

	2018	2017	2016	2015	2014
	Swiss GAAP FER	Swiss GAAP FER	Swiss GAAP FER	IFRS	IFRS
CHF million					
Revenue and income					
Total operating revenue	2,090	1,847	1,724	1,890	2,273
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	82	79	52	41	77
Depreciation/amortisation and value adjustments	-47	-45	-30	-109	-51
Earnings before interest and taxes (EBIT)	35	34	22	-69	26
Group earnings	16	20	-1	-136	-33
Balance sheet					
Balance sheet total at 31 December	1,873	1,822	1,701	1,828	2,126
Equity at 31 December	807	769	737	600	766
Equity ratio	43%	42%	43%	33%	36%
Further key figures					
Energy gross margin	223	208	194	178	240
Economic value added	-20	-18	-29	-112	-57
Funds from Operations (FFO)	60	72	30	11	63
Cash flow from operating activities	55	43	78	17	98
Net debt	45	-2	-9	270	234
Net debt factor	0,5	0.0	-0,1	4,5	2,6
FFO/net debt	134.1%	< 0%	< 0%	4,1%	26,8%
Investments	35	32	33	31	35
Headcount (FTE)	591	578	563	632	666

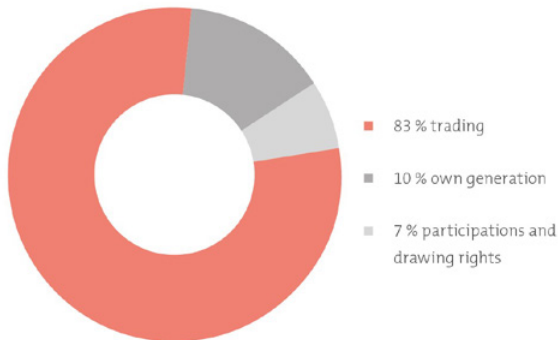


ENERGY BALANCE SHEET

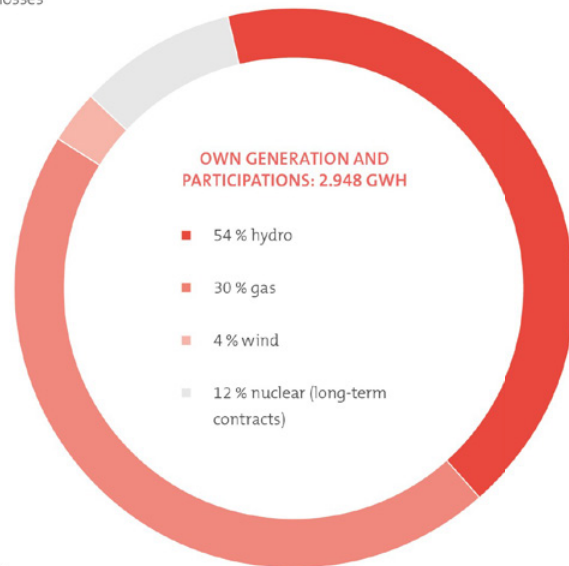
ELECTRICITY SALES 2018: 17.310 GWH



ELECTRICITY PROCUREMENT 2018: 17.310 GWH



OWN GENERATION AND PARTICIPATIONS: 2.948 GWH

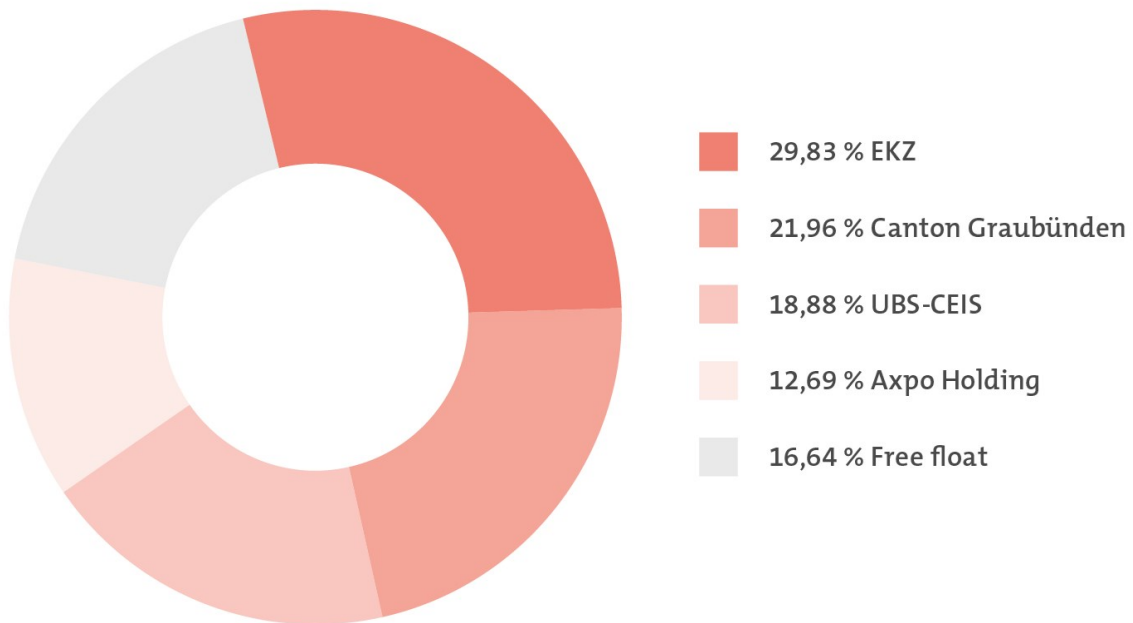


STOCK STATISTICS

Share capital	7,390,968	registered shares	@ CHF	1.00	CHF 7.4 million
				2018	2017
Prices (CHF) on OTC-X, Berner Kantonalbank					
Registered share			High	80	68
			Low	66	55
Dividends (CHF)					
	2018 ¹⁾	2017	2016	2015	
Registered share	0.50	0.00	0.00	-	
Bearer share	-	-	-	0.00	
Participation certificate (PC)	-	-	-	0.00	

1) The 2018 dividend is subject to the decision of the annual general meeting. There are no restrictions or limitations on voting rights.

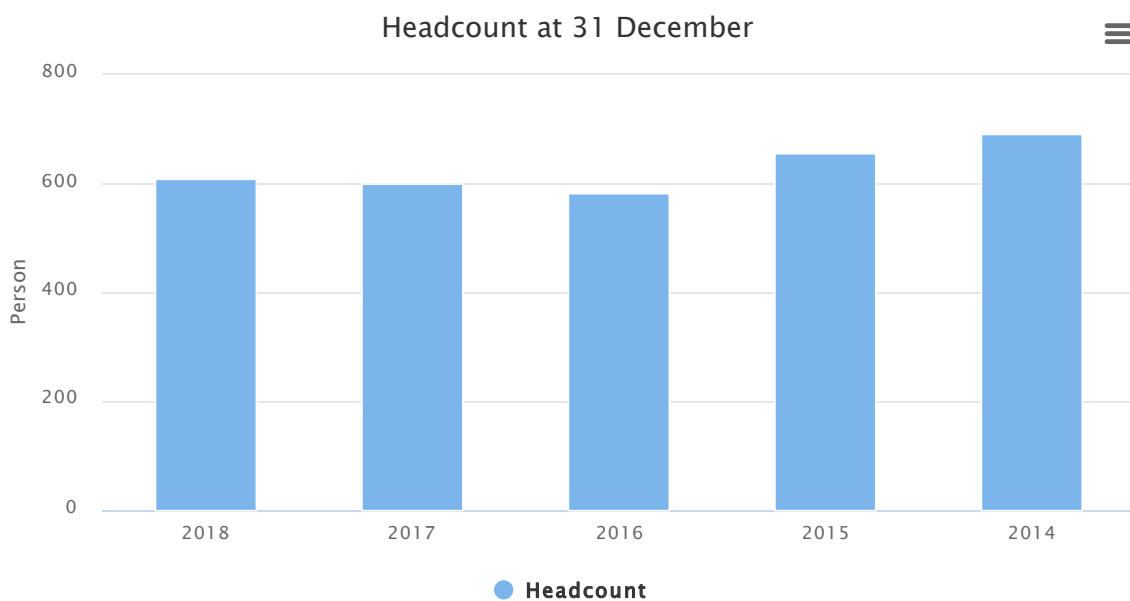
REPOWER'S SHAREHOLDER STRUCTURE



HEADCOUNT

at 31 December	2018	2017
Total ¹⁾	610	599
Switzerland	442	438
Italy	168	161
Trainees	30	30
Sales consultants Italy	599	602

1) For the numbers in full-time equivalents (FTEs) see "Financial highlights" table.



«Repower operates power generation assets in the same region as we do, so they understand our needs. They spare us the glossy brochures. Instead they give us cost-efficient, practical solutions.»

Michael Roth, director at the Engadiner
Kraftwerke utility



Foreword from the chair of the board of directors and the CEO



Further innovations and an ever-growing number of exciting third-party contracts set the tone in 2018. When it comes to capitalising on its assets, to some extent Repower has already been able to take advantage of the improved conditions on the market. The creation of Repower Renewable, a new joint venture encompassing renewable energy plants and projects in Italy, underscores Repower's strategy of investing exclusively in renewable generation assets. Operating income (EBIT) was higher than the previous year at CHF 35 million.

In its core business, Repower was already able to capitalise to some extent on better market conditions and profitably exploit price volatility in its own trading activities. The company was also able to further extend its position as a service provider in the electricity and gas business, as well as its sales business in Italy. In 2018 Repower continued to focus on rigorously positioning itself as a sales and service organisation; as in 2017,

these efforts were successful. Repower won third-party contracts worth around 15 million francs, making a significant contribution to the successful financial year. Since the launch of its Customer Value Centre in December 2018, Repower has been even more focused on its customers. It has also driven digitalisation efforts further ahead: thanks to a completely new digital distribution channel, customers in Italy can now get quick and easy flat quotes for electricity and gas packages. The company has also continued to develop and refine its existing SMARTPOWER, EASYASSET, ENERGYSpace and REPRICER products (more on products [here](#)).

Repower Renewable, Repower Italy's new subsidiary, is part of a systematic strategy to invest exclusively in renewable generation assets. One wind farm acquired from Elettrostudio Energia is still under construction. Once this installation is completed, Repower Renewable's generation assets will together have a total capacity of 85 megawatts and produce 170 gigawatt hours annually. Repower has enhanced its product range with the addition of SUN@HOME, a solution for using and storing energy from the sun that also enables customers to optimise their consumption of their own energy. In 2018 Repower entered into new partnerships promising to yield beneficial synergies; they included Minergie, Jaguar and SwissPass. In the coming years Repower will continue to invest in the future and in product innovations revolving around the needs of customers.

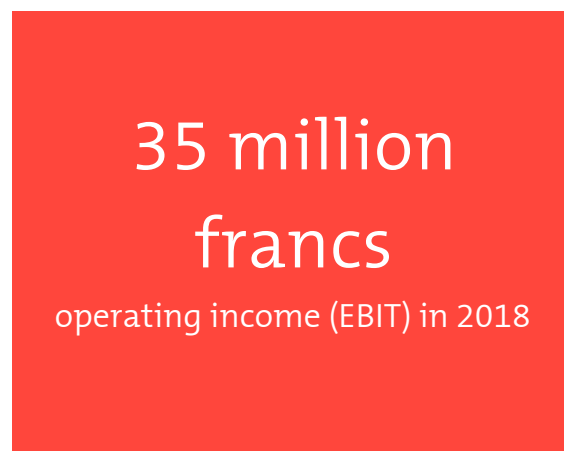
ENVIRONMENT

The market environment remained challenging in 2018; one of the challenges was volatility, including volatility in the EUR/CHF exchange rate. The positive but volatile development of prices led to uncertainty in the market. Prices can be expected to continue to recover in the next few years. In the context of amendments to the Electricity Supply Act, in October the Swiss Federal Council again debated the full liberalisation of the Swiss electricity market. Repower would welcome complete liberalisation, but not over-regulation. In Italy a general recovery in the renewable energy market is expected. Repower has responded to this development with the establishment of Repower Renewable.

EARNINGS

Despite the difficult market conditions, Repower again recorded positive results in 2018. At CHF 2.1 billion, Repower's 2018 total operating revenues were 13 per cent up on the previous year's figure. At CHF 35 million, operating income (EBIT) was higher than in 2017 and significantly better than the expectations communicated with the half-year results. The main reasons for this were positive results in generation, trading and sales thanks to improved market conditions in both Switzerland and Italy, and the unexpectedly strong performance of the Teverola combined cycle gas turbine plant in Italy. The good results were likewise helped by revenues of 15.1 million francs from third-party contracts in Switzerland. Last but not least, cost-awareness and efforts on the part of staff also made a positive contribution.

The equity ratio is a solid 43 per cent. There was a significant year-on-year increase in cash flow from operating activities to CHF 55 million; this figure exceeded investment by a clear margin.

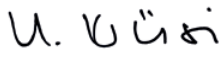


THANK YOU

The people who work for Repower are at the heart of the progress without which the business could not have developed last year. We would like to express our warm thanks for their contribution. We would also like to thank our customers, partners and shareholders for the trust they have placed in us.

OUTLOOK AND OBJECTIVES

Conditions on the market remain challenging, not least thanks to the volatile EUR/CHF exchange rate. In the next few years electricity prices can be expected to remain at a positive level for Repower, creating the basis for solid growth prospects. All in all, Repower can look to the future with confidence. The reorganisation is bearing fruit, and we anticipate an even greater number of third-party contracts next year. A healthy balance sheet creates the basis for a positive outlook. Electromobility continues to gather pace, and with it the development of new and existing products. SMARTPOWER, Repower's intelligent all-in package for future-proof smart metering and energy management, makes a concrete contribution to the goals of Energy Strategy 2050, and was evolved further in 2018. Repower maintains and modernises its grids and production facilities on an ongoing basis. In the next few years there will be considerable investment in generation assets in the Valposchiavo in particular. For 2019 Repower anticipates operating results higher than 2018 levels.



Dr. Monika Krüsi
Chairman of the
Board of Directors



Kurt Bobst
CEO



Annual report

Repower: recommended by apprentices

In 2018 Repower was awarded the “Great Place to Start” label as one of the best Swiss companies to do an apprenticeship. This result was thanks to the responses of Repower’s apprentices themselves in a survey conducted by the workplace culture experts at A Great Place to Work: 96 per cent of Repower apprentices said that overall Repower was an excellent place to train. In addition to their responses, the evaluation took account of Repower’s training concept and policy. The Great Place to Start label was first awarded in 2017, and since 2018 has been a firm feature of the Great Place to Work Switzerland portfolio of labels.

Repower is proud of this award, which shows that young people feel well at Repower:

“Motivated people are the key to the success of any business venture. It’s particularly important to have motivated young people: they’re our most precious asset.”

Kurt Bobst, CEO of Repower

FOUR QUESTIONS TO AN UPCOMING REPOWER GENIUS

Zanin Baltic, who is doing her commercial apprenticeship at Repower, gave an interview to the experts at a Great Place to Work:

[Siehe Video: https://www.whatchado.com/de/stories/embed/zanin-baltic](https://www.whatchado.com/de/stories/embed/zanin-baltic)

REPOWER DEVELOPS POTENTIAL

In May 2018 a new advertising campaign for apprenticeships was launched with the slogan “We help you fulfil your potential”. The campaign revolved around the characters of famous mathematical, musical and scientific geniuses played by five Repower apprentices. Among other things the campaign included posters, print ads, advertorials and screen features in public transport raising awareness of information events held in June 2018. The campaign was a great success and will be continued in 2019.



Zanin Baltic at the photoshoot for the new advertising campaign

MAKING OF THE CAMPAIGN

Siehe Video: <https://player.vimeo.com/video/323710792>

AN APPRENTICESHIP AT REPOWER COMES WITH MANY BENEFITS:



“I love working for Repower: every morning I leave for work in a good mood because I know my teammates will guide and support me. My trainers are always very patient and professional, and give me enough time to get to know new topics and explore them in more depth.”

Alan Raselli, 4th-year apprentice automation technician

- An apprentices' camp
- LAP preparatory camp
- Share of public transport expenses paid
- School materials paid
- Special bonus for particularly good school marks
- Motivated team
- Optimum training facilities
- Achievement-friendly company

REPOWER OFFERS APPRENTICESHIPS IN DIFFERENT TRADES:

- **Commercial employee (E or M profile)**
Landquart, Poschiavo
- **Grid electrician (EFZ/CFC/AFC/AFQ)**
Küblis, Landquart, Ilanz/Disentis, Bever, Poschiavo
- **Automation technician (EFZ/CFC/AFC/AFQ)**
Poschiavo
- **Electricity planner (EFZ/CFC/AFC/AFQ)**
Ilanz, Poschiavo/Bever
- **Polymechanic (EFZ/CFC/AFC/AFQ)**
Poschiavo, Küblis
- **Draughtsperson (EFZ/CFC/AFC/AFQ) (architecture)**
Poschiavo
- **IT technician (EFZ/CFC/AFC/AFQ)***
Poschiavo

* Apply via Informatik Ausbildungszentrum Engadin IT training centre

**We develop
your potential**
Your apprenticeship
at Repower

The slogan of the advertising campaign.



Annual report

Market Switzerland segment

HIGHLIGHTS

Last year Repower was able to profit from recovering prices and price volatility. Good hydrological conditions enabled generation assets to be optimally exploited, and customer relationships were further extended. Even greater proximity to customers enabled by the group's realignment continued to pay dividends, resulting in a gratifying development in contracts and services for third parties. In 2018 Repower made substantial investment in its grid and generation assets.

Repower also moved the electromobility/electric vehicle (EV) business forward. In 2018 PLUG'N ROLL Powered by Repower unveiled new and improved hard and software, as well as entering into new partnerships: Repower and RhB equipped 11 railway stations in Graubünden with PLUG'N ROLL charging points to meet growing demand for facilities for EVs at key tourist stations. Since October 2018, Jaguar Land Rover Schweiz AG has been recommending its customers to use the COPPER charging station from the PLUG'N ROLL range of products. Also since October 2018, SwissPass holders have been able to use Repower's network to charge their vehicles with green power. EKS (Elektrizitätswerk des Kantons Schaffhausen) signed a distribution partnership with Repower. All these new partnerships augment partnerships with EKZ Eltop, Swiss Prime Site Immobilien and Raststätte Thurau AG initiated in the first six months of the year. The multifunctional E-LOUNGE bench received gold in the Public Design category of the 2019 German Design Award – the highest distinction in this international design competition.

«The partnership with PLUG'N ROLL gives us and our customers maximum flexibility and an all-inclusive service coupled with an innovative solution. The Schaffhausen area is now equipped for the future of transport»»

Florian Donno, Head of Energy Services at the Canton Schaffhausen electricity utility



In 2018 Repower launched a blog for utilities to strengthen contact and dialogue with its business partners. The blog is a platform for Repower to regularly share its expert knowledge as an energy industry service provider, adding value for existing and potential partners with highly topical content. To accompany this Repower also initiated a utilities newsletter to propagate its content among experts.

INTERVIEW

IN THIS INTERVIEW MICHAEL HARMS, REPOWER'S SOCIAL MEDIA MANAGER, REPORTS ON REPOWER'S SOCIAL MEDIA ACTIVITIES:

WHY DID REPOWER DECIDE TO LAUNCH A BLOG FOR UTILITIES?

Our utilities blog, written by experts for experts, is primarily designed to transfer our know-how in energy and take our skills and capabilities to an outside audience. These specialist articles, in most cases written without product placement, are a way of entering into dialogue, on an equal basis, with our current and potential customers. We see our utilities blog as a free customer service that also gives our staff and experts a voice to speak for Repower to the world outside.

WHAT TOPICS DOES THE BLOG FOCUS ON?

In 2018 we initiated three categories. Under Energy Strategy we deal with issues such as climate certificates, security of supply and mobility/transport. Under Innovation, interested readers can go into topics such as smart grids and energy management systems in more depth. Under Market and Renewable Energy we report, for example, on the energy transition and electricity market liberalisation. What's important here is to always address topical, relevant energy-industry issues and link them in to the current debate.

WHAT CHANNELS IS THE UTILITIES BLOG AVAILABLE ON?

It's easiest to go to our website blog.repower.com. On the homepage you can also sign up for the utilities newsletter to make sure you don't miss out on new developments. Repower is also present on the [LinkedIn](#) and [XING](#) business networks. Here online-savvy users will find more exciting news around Repower in addition to our blog posts.

IS REPOWER ENGAGED IN OTHER SOCIAL MEDIA ACTIVITIES AS WELL?

Alongside LinkedIn and XING we also have a special [Facebook](#) page for parents of apprentices. And in line with the audience, we've set up an [Instagram account](#) for current and potential apprentices. We run a [Facebook](#), [Twitter](#) and [LinkedIn](#) page for our full-service electromobility provider PLUG'N ROLL. We also have a [blog](#) for electric vehicle fans, and send them an energy-rich [newsletter](#) on a regular basis. At Repower we don't see social media as a challenge. We see it as an opportunity for everyone. For this reason we recently published social media guidelines to help employees active on social media find their way around these different platforms.



To further advance our corporate strategy of placing our customers at the heart of everything we do, at the end of 2018 we launched our Customer Value Centre in Landquart. It's a competence centre designed to serve as a single point of contact for the Swiss market. With one place and a single phone number to call, we can offer our customers an even better experience.

PROJECTS

Collaboration with municipality of Poschiavo extended

In 2011 growing requirements and regulation prompted the municipality of Poschiavo and Repower to embark on a close cooperation to plan, build and operate the distribution grid. At the beginning of 2018 the grid services agreement underlying the partnership was reviewed and adapted to the current circumstances. In February the amended agreement was signed in the course of a visit to the Robbia control centre, entering into force retroactively on 1 January 2018. Added to this, Impresa elettrica comunale Poschiavo (IECP) signed a new electricity supply agreement.

Reinforcement of the Landquart grid

In 2018, 13 electricity pylons in the Landquart area were dismantled to upgrade the natural landscape, with a new underground cable line constructed to replace overhead lines owned by Repower and RhB (50 and 66 kV respectively). The new line is higher-capacity and easier to maintain. In early 2018 its construction was completed, and Repower's Landquart substation was extended and subsequently commissioned. The greatest challenge was assuring security of supply throughout and keeping any necessary shutdowns as short as possible. Another challenge was installing the new cable line, which required substantial work around 60 metres up the lattice tower. In December 2018 the old overhead line and its 13 pylons were dismantled. Investment in this project has come to around seven million francs, split between Repower and RhB on the basis of their shares in the assets. The two 66-kV RhB lines, which for a section used to run parallel to the Repower line, were also rerun underground.

Watercourse restoration and rehabilitation at Miralago

Under the terms of the new concession project, the continued operation of the Campocologno power plant requires measures to connect the river Poschiavino along its length where the Lago di Poschiavo lake discharges, and to regulate the flow of the Poschiavino. The regulating weir at the Miralago water intake is also to be upgraded. For this reason Repower is planning to make improvements to the fish ladders and fish protection set-up in Miralago.

Sale of the Klosters-Davos power line

Repower sold the Klosters-Davos power line, and ceded its ownership interest in the Davos-Filisur line, to EWD. The two companies agreed to a long-term collaboration. Closing of the transaction is anticipated in 2019.

Work and services for third parties

The positive 2018 results were helped among other things by numerous contracts for third parties. Repower's rigorous positioning as a sales and service-oriented organisation continues to bear fruit. In 2018 it won contracts worth around 15 million francs.

Martina power plant and Pradella switchyard

The contract to retrofit the Martina power plant (Lot 2) awarded by Engadiner Kraftwerke (EKW) involved the renewal of the energy transfer system of the Martina hydropower plant. The project encompassed overhauling the existing 110-kV gas insulated switchgear installation, replacing the 16-kV switchgear, and dimensioning, engineering, delivering and assembling the entire replacement secondary systems. In the course of the project Repower also renewed the plant connection at the Pradella control room. Visualisation and control for the two switchgear installations now take place at Pradella via Repower's control system infrastructure. The necessary execution and commissioning work was done largely while equipment was running. The overhauled and new switchgear installations were successfully commissioned and handed over to the customer on schedule. The project was completed at the beginning of December 2018.

Newly constructed substations

NEWLY CONSTRUCTED AVEGNO SUBSTATION

In the course of modernising the Swiss transmission network it was necessary to completely replace Swissgrid's existing Avegno substation in the Vallemaggia in Canton Ticino. The work started back in July 2014. Repower took care of managing construction and commissioning on behalf of Swissgrid. The new substation building, including a new anchor portal, was built parallel to the existing switchyard. After that the overhead lines were progressively rerun and the new installation was commissioned. When the last line was rerun in May 2018, the new Avegno substation went into operation on schedule. Following that, the old switchyard was dismantled.

NEWLY CONSTRUCTED MENDRISIO SUBSTATION

The opening of the Gotthard and Ceneri base tunnels has boosted the SBB's rail transportation capacity on the Gotthard axis and increased power requirements. Assuring the supply of electricity to the railway has necessitated the construction of a frequency inverter and a 16.7 Hz substation in the Mendrisio Tana area. The fifty-year-old 50-Hz substation run by the Mendrisio municipal works, Aziende Industriali Mendrisio (AIM), has reached the end of its life cycle and has to be replaced. Since the SBB is planning a new railway electrification installation at the same site, the idea is to optimally exploit synergies in the delivery of the two projects. Repower has taken charge of planning, executing and commissioning two turnkey substations, including all the technical equipment necessary for operation and the preparatory construction work for the new frequency inverter in Mendrisio. The work in connection with SBB's Mendrisio project comes to a total of around 48 million francs, of which some 19 million falls to Repower. The construction work will go on until the end of November 2021.

Optimisation system service for SBB

Repower renewed its optimisation system service for SBB for a further year. The system allows SBB to optimise its entire portfolio, and is used for short-term power plant deployments, in the budgeting process, and for medium- and long-term project management. In addition the service includes price forecasting, market information and market access.

Liechtenstein utility LKW joins Repower balance group

In August 2018, Liechtensteinische Kraftwerke (LKW) joined Repower's balance group with part of its portfolio. The contract includes ENERGYSACE functionalities (more on our products used for portfolio management at LKW [here](#)).

Various assembly contracts for Siemens and ABB

In 2018 Repower was sub-contracted by gas-insulated switchgear manufacturers ABB Schweiz AG and Siemens Schweiz AG to do assembly work on new construction projects at other utilities in Graubünden. The services involved assembling primary systems. These contracts will continue in 2019 with comprehensive work on behalf of ABB Schweiz AG on the gas-insulated switchgear installation at Swissgrid's Pradella B site.

«Building the installation in the Vallemaggia was an important milestone for Swissgrid. This was the first substation project completely delivered by Swissgrid since we took over the Swiss transmission network in 2013. Thanks to Repower's professional approach the project was successfully completed without incident and within the planned timeframe.»

Maurice Dierick, Head of Grid and member of the Executive Board of Swissgrid



REPOWER OFFERS ITS CORE COMPETENCIES IN THE FORM OF SERVICES FOR THIRD PARTIES. IN THIS INTERVIEW, ROLF CANTIENI, HEAD OF EXECUTION, NORTH, REPORTS ON EXCITING CONTRACTS AND THE DAY-TO-DAY CHALLENGES THEY ENTAIL:

WHAT THIRD-PARTY CONTRACTS DID REPOWER WORK ON IN 2018?

We worked on contracts for our customers in all areas of grid and generation: work on transmission grids and on grid and generation assets of other utilities, across the range of voltages. We also delivered public lighting projects for many local authorities. A new and very exciting development is the assembly work Repower has been subcontracted to do by equipment suppliers: I'm talking gas-insulated switchgear installations in the 72-kilovolt range built to extend and reinforce the grid.

HOW OFTEN DOES REPOWER GET AWARDED CONTRACTS FOR THIS SORT OF GAS-INSULATED SWITCHGEAR ASSEMBLY WORK?

Last year Repower did various jobs in this field. It started with a contract from Engadiner Kraftwerke for the retrofit of the switchgear at the Martina plant. Then in summer and autumn we set up more new installations in Canton Graubünden.

WHAT EXACTLY IS THE WORK DONE BY REPOWER?

This type of installation is always delivered in the form of individual components. For the contracts last year Repower supplied the personnel to mechanically assemble these components. For one job we also got to execute the secondary system, in other words the wiring and installation of the electrical control and protection system.

HOW DID REPOWER COME BY THIS CONTRACT?

Basically we were invited to tender. We'd managed to gather the requisite know-how on previous projects, so the customer was able to rely on Repower staff with the skills and experience to provide such highly-specialised services for third parties.

WHERE DO THE PEOPLE COME FROM WHO WORK ON THIS KIND OF CONTRACT?

Basically we try to find a local solution so that we can put together a team from the same region if possible. Sometimes this isn't possible because of other contracts. For this reason we sometimes bring together people from our various sites in the north, from the Surselva and Prättigau.

AREN'T THESE PEOPLE MISSED AT THEIR HOME SITE?

For this sort of contract an average of three or four people are deployed for several weeks or even months. But work on our grid and generation infrastructure still has to go on and be spread over the other people in the regions. This requires a special effort and flexibility from all our staff.

IT MEANS THAT PEOPLE IN THESE TEAMS HAVE TO SPEND MUCH OF THEIR WORKING TIME FAR AWAY FROM WHERE THEY LIVE.

That's correct. They spend more time in hotel rooms. Naturally that affects people's private lives and the hobbies they'd like to be spending time on. Some staff have too many private commitments to do this kind of work, while others are glad to take it on because they see it as a welcome change. Work for external customers can sometimes be very interesting from a technical point of view.

IS IT MOSTLY YOUNGER PEOPLE WORKING ON THESE TEAMS?

No. All age groups are involved, as is the case everywhere else within Repower. We want to keep it that way. Older, experienced staff have a lot of knowledge, and we want them to pass this on to their younger colleagues. Everyone benefits from that kind of knowledge transfer.

WHERE DO YOU SEE THE LIMITS OF THE STRATEGY OF WORKING ON CONTRACTS FOR THIRD PARTIES?

So far we've managed to position ourselves well in Southeast Switzerland, and we want to continue successfully delivering these contracts. In the medium term we want to go further down this path. Our new organisation gives us a very good basis for doing so. But we'll be keeping a close eye on the situation and exercising caution every step along the way. The goal is to increase the quality of our service for existing and new customers.



EBIT CONTRIBUTION

In 2018 Repower's Market Switzerland segment posted operating income (EBIT) of CHF 17.5 million.



Annual report

Market Italy segment

HIGHLIGHTS

Italy is one of the biggest markets in Switzerland for both electricity and gas. At the end of 2018 demand for electricity was 322 terawatt hours, 0.5 per cent above the previous year's level. A total of 167 terawatt hours of electricity were generated using fossil fuels, with 111 terawatt hours produced from renewable resources. Trasmissione Elettricità Rete Nazionale (TERNA), the Italian authority responsible for managing the grid, anticipates growing demand in the next few years. At 73 giga cubic metres, on the other hand, demand for gas came in slightly below the prior year figure.

Repower continued to profit from good market conditions in 2018, posting a very good result. At 81 gigawatt hours, 2018 production from the Giunchetto, Corleto Perticara and Lucera wind farms exceeded expectations. Despite downtime in the first half of the year, the Teverola combined cycle gas turbine plant delivered very good results.

Since December, Repower Renewable has also had a stake in Repower's generation business. Repower Italy's new subsidiary is part of a systematic strategy to invest exclusively in renewable generation assets. The joint venture was initiated in partnership with a leading European fund whose role is portfolio management and developing innovative projects in the field of renewable energy. Through its interests the new subsidiary Repower Renewable has a portfolio of nine wind farms, nine solar installations and two small hydro plants. The total value of the portfolio is around 100 million euros. Between the acquisition of the portfolio in December 2018 and the end of the year, 8.5 gigawatt hours had already been generated.

In this interview, Repower CEO Kurt Bobst gives a more in-depth insight into Repower Renewable:

Siehe Video: <https://player.vimeo.com/video/325827609>

Repower Italy continues to go for growth. In 2018, 175 new agents were hired. This figure underscores the success of the 2018 recruitment campaign. The average acquisition rate exceeded the annual target by a clear margin.

The latest electromobility solution is Repowere, a 100% electrically powered boat which was unveiled in September 2018 at the 58th Salone Nautico in Genoa. Repowere marks the continued evolution of an open boat into a model with a cabin. The boat can be charged using the PALINA and BITTA charging stations developed for electric road vehicles. The Repowere has attracted a great deal of interest, and not just in the media.

Repricer, a direct electricity and gas contract platform for large consumers, was upgraded and continued to generate numerous deals last year. This application plays a major role in customer loyalty and retention.

In 2018 Repower Italy introduced a better method for managing open SEPA direct debits, which helped improve accounts receivable management. It also designed a completely new digital distribution channel that enables customers to get quick and easy flat quotes for electricity and gas packages.

COMMUNICATION

Premio Speciale Repower innovation award

In November 2018 a special evening was held in the Agora auditorium of the Triennale Design Museum in Milan: the six start-ups in the final of the Premio Speciale Repower innovation award presented their projects to a prestigious panel of experts. The initiative was created in collaboration with the Premio Gaetano Marzotto, the most important start-up award at the European level. Winner of the Repower award was Userbot, a start-up working with artificial intelligence and machine learning in the context of CRM systems. The award ceremony was held as part of the closing event of the Premio Marzotto 2018 in the MAXXI museum in Rome.

In this interview Fabio Bocchiola, Head of Repower Italy and member of the Executive Board, gives an insight into the Premio Speciale Repower:

Siehe Video: <https://player.vimeo.com/video/325828048>

“La mobilità sostenibile” white paper: Repower publication on sustainable transport

Following the 2017 edition, last year also saw the publication of Repower Italy’s annual white paper giving a general overview of sustainable transport and current issues. The idea for the publication was triggered by great demand for information from the world of sustainable transportation – demand that no other publication to date had managed to meet in an appealing, not-too-technical form. La Stampa, Italy’s third-most important daily newspaper, described the white paper as one of the world’s most relevant sources with respect to sustainable transport. [Here](#) you can download the latest edition of the white paper.

Triennale di Milano sponsorship

For years Repower Italy has sponsored the Triennale di Milano. Unique in Italy, the Triennale Design Museum presents Italian design in a mode that changes every year. In a prominent position in front of the Triennale are two PALINA charging stations and an E-LOUNGE from Repower, artistically showcased by illustrator Michele Tranquillini in a work depicting the future of electromobility.

First e-mobility route in Livigno, Italy

In June 2018 the first e-mobility route was inaugurated in the municipality of Livigno. Five PALINA charging stations went into operation on public sites, where for six months drivers could charge their electric vehicles for free. Before the inauguration a media conference was held featuring Fabio Bocchiola, Head of Repower Italy and member of the executive board, the mayor of Livigno, the transport assessor, and the mayor of Poschiavo. This just goes to show that electromobility is yet another good reason to strengthen ties between communities – also across borders.

EBIT CONTRIBUTION

The Market Italy segment’s contribution to the Repower Group’s operating income (EBIT) in 2018 came to CHF 29.3 million.



Annual report

Other activities

REPOWER RANKED AMONG THE 100 BEST EMPLOYERS IN SWITZERLAND

Repower was placed in the top 100 in a national employer rating conducted by Bilanz business magazine, and even made it onto the podium in the industry rankings. In collaboration with the Kununu rating platform, the Statista online portal asked Swiss employees what they liked about their employer and whether they would recommend them to other people. More than 20,000 employees were polled and around 95,000 appraisals considered for the subsequent ranking. The evaluation of the companies (employing at least 200 people) was based on employee responses plus responses from surveys on career portals such as Xing and Kununu.

REPOWER CUSTOMER PORTAL ALSO IN ROMANSH

Since 2018 Repower has been working hard to develop its customer portal. In the future, consumers will be able to use this platform to manage their energy use from the convenience of their own home. Thanks to the integration of SMARTPOWER, customers will be able to see their energy consumption in real time and switch connected equipment on and off as well. There will also be other useful functions for changing personal data or mode of payment, viewing bills and managing tariffs. From mid-2019 the new portal will be available in Romansh as well as in German and Italian.

KURT BOBST: 10 YEARS OF SERVICE

On 1 July 2018, CEO Kurt Bobst celebrated ten years with Repower. The team gave him a surprise to thank him for his many years of service to the company and its people, and for the constancy and stability he gives the business. The board of directors reiterated this vote of thanks.



Annual report

Well prepared for the future

Via alarm clocks, lights, coffee machines and hot showers, electricity accompanies us from the moment we wake right through the day. Without power we couldn't manage our daily lives. All this is putting the electricity grid under growing strain. More and more people want to use environmentally-, climate-friendly energy resources and take control of their own energy consumption. The future of energy will pose many challenges, especially for companies whose job it is to supply it. Repower is prepared, and is constantly working on new solutions to meet the needs of its customers and requirements of the federal government's Energy Strategy 2020.

Electromobility is now!

[Read the article](#)

Energy efficiency and digitalisation

[Read the article](#)

Annual report

Electromobility is now!

Electromobility is no longer a pipe dream. In fact it's the next big thing. Having recognised this development years ago, Repower already offers a wide range of products and matching service packages:

MARKET ITALY

HOMO MOBILIS BY REPOWER: LIVING THE REVOLUTION IN SUSTAINABLE TRANSPORT

People have always been on the move: whether hunting, discovering, fleeing or conquering, through long periods of our history Homo sapiens has forged a path through nature and constantly evolved – also in terms of mobility. With HOMO MOBILIS we want to present our vision of sustainable, comprehensive human mobility. People with a passion for moving around can use the Homo Mobilis by Repower Facebook, Instagram and Twitter channels as a source of current, reliable information (in Italian only) on the subject of sustainable mobility.



Michele Tranquillini produced this illustration exclusively for Repower to represent the mobility of the future.

Siehe Video: <https://player.vimeo.com/video/324249791>

REPOWER: ELECTROMOBILITY ON WATER

The latest electromobility solution is Repower, an all-electric boat. Repower marks the continued evolution of an open boat into a model with a cabin. The boat can be charged using the PALINA and BITTA charging stations developed for electric road vehicles.

RECHARGE AROUND APP: EV CHARGING STATIONS WITHIN RANGE

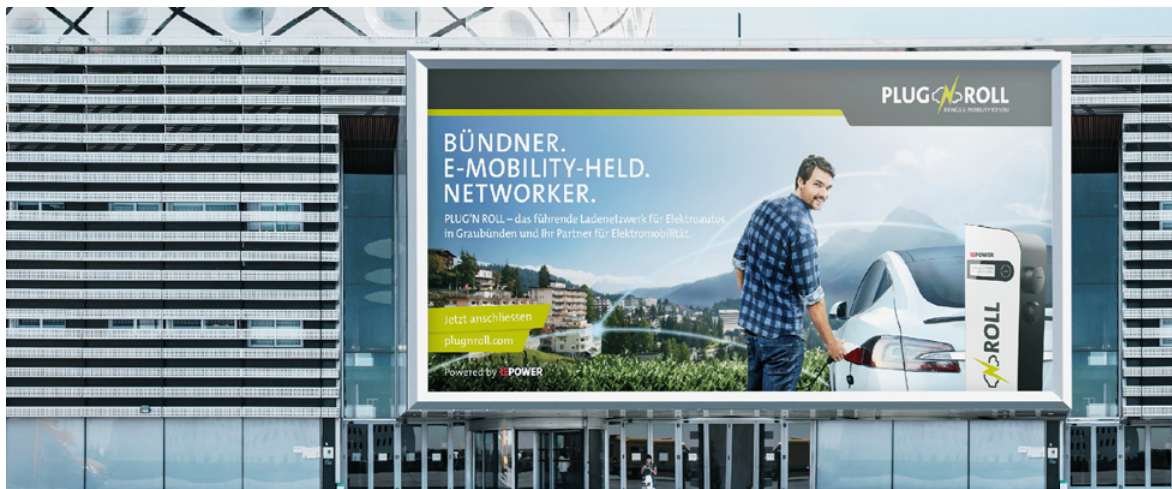
Launched in 2018, the app enables electric vehicle drivers to find an available charging station near them by displaying all EV charging points available in Italy and abroad. Details such as availability, capacity, number of connections, etc., can be viewed remotely, with intelligent filters further refining the search. Then the driver can calculate a direct route to the chosen station. The new app has got a very good response in the marketplace and close media coverage.

MARKET SWITZERLAND

PLUG'N ROLL: THE FULL ELECTROMOBILITY SERVICE PROVIDER

PLUG'N ROLL provides a full range of services for four-wheeled electromobility. The PLUG'N ROLL electric vehicle charging station network already boasts more than 200 charging points in Switzerland, and is being constantly expanded. Thanks to roaming partnerships, people with a PLUG'N ROLL E-DRIVER CARD can charge at more than 40,000 stations in Switzerland and throughout Europe.

The product offering ranges from stations for use at home, by businesses and employers to charging facilities for municipalities, filling stations, providers of parking spots and car park operators, as well as hotels and restaurants. Various service packages round off the one-stop offering of end-to-end solutions.



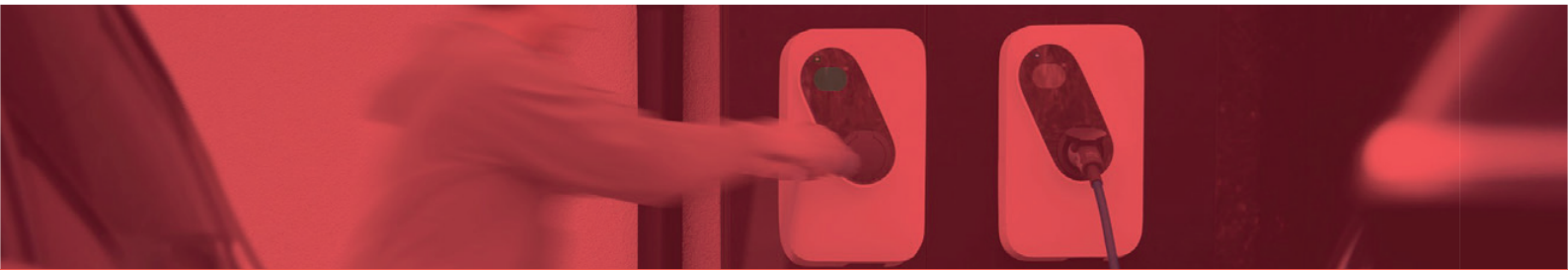
The PLUG'N ROLL electric vehicle charging station network is being constantly expanded

E-LOUNGE: THE MULTIFUNCTION BENCH THAT SITS PERFECTLY IN ANY SETTING

The E-LOUNGE from Repower is a multifunctional solution to many needs. Constructed with oiled larch and coloured iron supports, the E-LOUNGE is an aesthetic object combining a bench and a charging station that looks equally good in urban and rural settings. Users can rest on the bench while charging their electric bikes and mobile devices such as tablets and smartphones via a total of six weatherproofed 230-volt power sockets and four bike stands. The bench also has adjustable LED lighting fitted discreetly to its underside that comes on automatically at nightfall.

The bench, created by the Milan design studio Antonio Lanzillo & Partners, is a blend of Italian design and Swiss technology and craftsmanship. Its good looks and functionality have earned it a gold German Design Award.

Siehe Video: <https://player.vimeo.com/video/244606042>



Energy efficiency and digitalisation: an interplay of money and the environment

Saving energy saves money and the environment. The focus is shifting to renewables. But protecting the climate is more than just moving over to a renewable supply of energy; people's awareness is also an important factor. The Swiss government is leading the way with its Energy Strategy 2050, followed by people and their desire to take control of their own energy needs. They're accompanied by Repower, which is developing the right products and increasingly tapping the power of digitalisation.

MARKET ITALY

VAMPA: FOR A HEALTHY BUSINESS

VAMPA

What is VAMPA?

VAMPA is an energy check-up for businesses done on the basis of thermal imaging that reveals differences in temperature in electrical equipment that could be the result of faults and anomalies.

Functions/services

- Thermographic inspection of electrical systems
- Check to ensure new equipment is installed correctly
- Maintenance by certified Repower technicians
- Analysis of inspection and recommendations for work to be done

Benefits

- Increases workplace safety
- Reduces costs of maintenance and repair
- Ongoing support from experts

Who can benefit from VAMPA?

Companies with electrical systems

EFFETTIVA: FOR COST-EFFICIENT ENERGY USE



eFFettiva

What is eFFettiva?

eFFettiva helps increase companies' energy efficiency by doing an ad-hoc energy analysis to check energy consumption and identify concrete savings potential.

Functions/services

- On-site check of equipment and production processes by Repower experts
- Real-time evaluation
- Analysis of data gathered over a specific period
- Summary of findings with comments and tips from a Repower expert

Benefits

- Precision measurement equipment for very accurate results
- Raises awareness in terms of adapting consumption patterns
- Concrete savings potential
- Ongoing support from experts

Who can benefit from eFFettiva?

Companies with electrical systems



DIODA

What is DIODA?

DIODA is highly efficient technology replacing conventional lighting with energy-saving LED solutions. DIODA enhances the working environment and guarantees firm savings at no additional expense.

Functions/services

- On-site analysis by Repower experts
- Recommendation for the appropriate LED solution
- If desired, dismantling existing lighting and installing the new LED system

Benefits

- Reduces energy consumption
- Reduces costs of maintenance
- Environmentally friendly and sustainable

Who can benefit from DIODA?

Companies with production halls, warehouses and large rooms and offices



FOCUS

What is FOCUS?

FOCUS is a full, personalised energy diagnosis tailored to customers' needs. It shows when a company is using energy and for what.

Functions/services

- Checks of bills and production processes
- Checks of equipment and consumption habits using the most energy
- On-site inspection by Repower experts specialised in this field
- Analysis and recommendation for improving efficiency

Benefits

- Practical tips on boosting efficiency
- Potential savings
- Ongoing support from experts

Who can benefit from FOCUS?

Small and medium-sized manufacturing companies with high energy consumption

SUN@HOME

What is SUN@HOME?

SUN@HOME is a solution for using and storing energy from the sun that also enables customers to optimise their own energy consumption. SUN@HOME involves planning and installing turnkey solar installations with an intelligent control system.

Functions/services

- Repower experts advise on, plan, install and operate system
- Repower obtains necessary authorisations for subsidies and certifications
- If desired, storage of solar energy not consumed
- App provides data in real time

Benefits

- Free and easy package: Repower experts look after everything
- Potential for up to 70% own use
- Concrete savings potential

Who can benefit from SUN@HOME?

Anyone, from owners of a traditional family home to operators of commercial facilities. The service is currently limited to Graubünden and adjacent areas.

«Working with Repower was extremely pleasant. Everything went really well, from the uncomplicated planning to their reliable and expert implementation. I'm very satisfied!»

Bettina Charrière, SUN@HOME pilot customer



SMARTPOWER

What is SMARTPOWER?

SMARTPOWER is an intelligent total package consisting of an output tariff, energy consumption visualisation and a control system. Capable of more than conventional smart metering systems, SMARTPOWER creates the right incentives for people to optimise their consumption habits.

Functions/services

- Innovative tariff based on the electrical output used
- Visualisation of consumption patterns via app
- Measurement data read directly from meters
- Also covers PV installations, heat pumps, batteries and electric vehicle charging sessions

Benefits

- Fair tariff model for end-consumers
- Enhances interaction with end-consumers, boosting loyalty and retention
- Optimises peaks in output
- Meets Energy Strategy 2050 requirements

Who can benefit from SMARTPOWER?

Energy utilities

EASYASSET

What is EASYASSET?

EASYASSET bundles all the important technical, financial and accounting data related to assets on a centralised, structured basis, making asset management considerably easier by capturing data in digital form.

Functions/services

- Viewing and changing asset-related data
- Running asset condition assessments
- Performing inspections and maintenance
- Job management

Benefits

- Makes day-to-day work substantially easier
- Digitalisation saves a lot of paper
- Easy and intuitive to use
- Online and offline access
- Equipment and operating system-neutral

Who can benefit from SMARTPOWER?

Energy utilities and companies with assets and facilities that have to be monitored continuously and maintained regularly.

ENERGYSPACE: FOR AN EASY-TO-MANAGE ENERGY PORTFOLIO**ENERGYSPACE****What is ENERGYSPACE?**

ENERGYSPACE is a web-based platform that enables energy utilities to clearly visualise and manage their energy portfolios. It supports portfolio managers in their day-to-day work and helps utilities achieve their procurement objectives.

Functions/services

- Portfolio management
- Risk assessment - Market access
- Managing and simulating transactions and hedging strategies
- Intelligent balance group management

Benefits

- Bundles market and customer information
- Models and evaluates energy portfolio
- Monitors risk exposure
- Manages energy portfolio

Who can benefit from ENERGYSPACE?

Energy utilities and commercial and industrial customers



Annual report

Sustainability

Any business activity has an impact on staff and the environment. Repower is committed to keeping this impact under control, improving it as far as possible on an ongoing basis, and creating sustainable offerings for its customers.

ENVIRONMENTAL AND WORKPLACE SAFETY

Repower sees its responsibility to its people and the environment as an integral component of the way the entire company is managed.

To maximise employee health and safety, the company has a corresponding management system in place that is certified in accordance with OHSAS 18001:2007 (Occupational Health and Safety Assessment Series).

Repower is committed to the safety of its employees. It conducts regular safety training for staff working on power plants and grid installations with the aim of reducing days of absence due to accidents at work and sickness. These courses are a permanent feature of measures at Repower designed to raise employee awareness of everyday risks and safety.

Repower has an ISO 14001:2004-certified environmental management system for handling environmentally-relevant processes. In recent years this system has helped the company reduce emissions continuously.

When renovating high-voltage lines Repower lays cables underground wherever it is possible and makes sense to do so. This is preferable in terms of conserving the landscape and limiting the effects of electromagnetic fields, but also involves extra expense. A good example of this is the grid upgrade in Landquart, completed in 2018, which involved dismantling 13 power pylons and running the lines underground.

«We've successfully run very interesting projects with Repower. For example we've worked together to re-run electricity lines underground, and we provide electric vehicle charging points for various railway stations in Graubünden. We also use Repower's EASYASSET, a straightforward and reliable asset management tool that enables us to monitor and efficiently maintain our control systems. We really like Repower's direct and uncomplicated approach, and look forward to collaborating on more exciting projects.»

Christian Florin, Head of Infrastructure and Deputy Director at the Rhaetian Railway



The regulating weir at the Miralago intake is to be upgraded. For this reason Repower is planning to make improvements to the fish ladders and fish protection set-up in Miralago.

Repower also markets its health and safety know-how to other energy utilities. Besides advice and training it provides support with introducing and running health and safety and environmental management systems.

INTERVIEW

THE ENVIRONMENT IS ALSO AN IMPORTANT CONSIDERATION WHEN IT COMES TO REPOWER'S FLEET OF COMPANY VEHICLES. IN THIS INTERVIEW, FLEET MANAGER OLINTO CRAMERI PRESENTS REPOWER'S APPROACH TO FLEET MANAGEMENT:

HOW SUSTAINABLE IS REPOWER'S FLEET OF VEHICLES?

Repower is very committed to the environment and climate protection, so sustainability is a major concern when it comes to our fleet. In Switzerland traffic currently accounts for around a third of carbon emissions. With around 150 vehicles (cars, vans and special-purpose vehicles), a particularly important move is to gradually replace the fleet with electric vehicles (EVs).

WHEN DID ELECTRIC VEHICLES BECOME A CONSIDERATION IN REPOWER'S FLEET MANAGEMENT?

Repower has had energy-efficient vehicles in its sights for years. As the market slowly started opening up in this direction, in 2012 Repower acquired its first hybrid vehicle. In 2013 it was joined by an all-electric Renault Zoe. This was subsequently followed by more electric vehicles at the various sites in Switzerland, and also in Italy. Whenever possible we also make sure our electric vehicles run on green power.

HOW MANY VEHICLES WERE IN THE REPOWER FLEET AT THE END OF 2018?

At the end of 2018 Repower was using nine all-electric vehicles and two plug-in hybrids. So electric vehicles account for seven per cent of the fleet. Given that electric vehicles make up only around two per cent of the overall fleet in Switzerland, we're proud to be among the front-runners. This part of the market is evolving very quickly at the moment, so we're currently testing various models, wherever possible concentrating on all-electric production vehicles. Depending on the site and geographic location we use more or fewer electric vehicles.

WHAT'S THE MEDIUM- TO LONG-TERM PLAN FOR THE STRUCTURE OF THE REPOWER FLEET?

Repower intends to continue playing a pioneering role in EV. The plan is to acquire three or four new electric vehicles every year up to 2020, by which time around 12 per cent of the entire fleet will consist of EVs. From where we stand now it's not unrealistic to expect electric vehicles to account for around 40 or 50 per cent by 2028.

For us it's important for new vehicles to meet certain requirements, notably range and fitness for use in winter. Given the geographic location of our sites we also favour four-wheel-drive vehicles.

At present there are no appropriate alternatives on the market when it comes to replacing the special vehicles needed to maintain our assets. We're monitoring developments, and from mid-2019 or early 2020 we'll be replacing part of our fleet with a number of electric vehicles.

HOW ARE REPOWER STAFF INVOLVED IN THE QUESTION OF ELECTROMOBILITY?

Staff can use our company vehicles on a daily basis and see what they're capable of. If they buy a car they get the same terms (a fleet discount) as Repower. In 2018 we also launched a number of offers for staff: discounts on EV charging stations from PLUG'N ROLL (Repower's full electric vehicle service provider), free use of company vehicles and electric bikes for private purposes on weekends and holidays, and free charging at all PLUG'N ROLL charging stations. All Repower sites are equipped with charging stations. In Landquart there is a modern charging infrastructure with nine charging spots for electric vehicles.



STAFF

Repower employs a total of 610 people in Switzerland and Italy (as of 31 December 2018). In Switzerland, Repower also offers young professionals 30 apprenticeships in seven trades spread over different areas of Canton Graubünden. The group aspires to be an attractive employer and to offer fair conditions of employment. To limit staff turnover, Repower endeavours to develop and retain its staff. The company offers competitive compensation in line with each employee's skills and experience. Repower places the emphasis on systematic employee and management development and transparent internal communications. It also fosters an innovative corporate culture. Employees can help shape the future of the business by actively contributing to projects set up to develop new products and services.

COMPLIANCE

Repower complies with the provisions of the law and keeps close track of upcoming changes in the relevant legislation. This is the responsibility of the Group Compliance Officer (GCO), among other people. The GCO is not just charged with performing regular controls to ensure compliance with the law, but also with identifying compliance risks, doing prevention, and providing advice. He provides training to raise staff awareness of issues such as data and information protection, insider trading, fair market behaviour, correct accounting and dealing with conflicts of interest. He is also the first point of contact for staff wishing to report concerns or violations. The work of the Group Compliance Officer is documented in regular reports.

In 2018 the Group Compliance Officer held diverse trainings: various teams and individual members of staff took courses in combating corruption and internet fraud, data protection, compliance for managers, and a general introduction to compliance. In a simulated phishing campaign the compliance department worked with the IT department to raise staff awareness of the issue of hacker attacks.

PRODUCTS AND GENERATION

Since 1 January 2017 Repower has provided its basic supply customers only with 100 per cent renewable electricity. The retail product portfolio consists of the standard product Aquapower (100 per cent Swiss hydropower), Purepower (at least 5 per cent electricity from photovoltaic, biomass or wind installations in Graubünden; the remainder Swiss hydropower) and Solarpower (100 per cent solar power from Graubünden).

Repower has enhanced its product range with the addition of SUN@HOME, a solution for using and storing energy from the sun that also enables customers to optimise their consumption of their own energy. It covers planning and installing turnkey solar installations equipped with an intelligent control system that can be individually tailored to the needs of its customers.

In Italy, in addition to supplying business customers with TÜV-certified green power, Repower focuses on offering solutions to enable them to boost their energy efficiency. These offerings include eFFettiva (reducing electricity consumption), VAMPA (an energy check-up on the basis of thermal imaging), DIODA (LED lighting) and FOCUS (analysing energy consumption). In 2018 FOCUS was completely overhauled and new functions were added.

The beginning of December saw the creation of the Italian subsidiary Repower Renewable. Its portfolio comprises hydropower, solar and wind power installations. The creation of Repower Renewable, a new joint venture encompassing renewable energy plants and projects in Italy, underscores Repower's strategy of investing exclusively in renewable generation assets.

The two so-called green bonds totalling EUR 50 million issued by Repower in 2017 to fund various renewable electricity generation assets garnered international recognition, receiving the Green Bond Pioneer Award in London in 2018. Repower is the first Swiss company to conduct financing in this form. The two transactions underpin the execution of Repower's strategy and further optimise its financing profile. Every year Ernst & Young performs audit procedures on the basis of the promissory note agreement to verify the corresponding financial information. The insights gained from these procedures are set down in a report on the actual findings on financial information in connection with the continuation of promissory notes. The report confirms that the requirements set down in the promissory note agreement were met in 2018.

During the year under review Repower continued to develop offerings in connection with electric vehicles in both Switzerland and Italy. By the end of 2018 the PLUG'N ROLL Powered by Repower electric vehicle charging

network already included around 190 charging points, 115 of which are located in Canton Graubünden. This is almost double the 100 charging points in place at the end of 2017. The network includes more than 4,300 registered electric vehicle drivers, 1,800 more than at the end of 2017. In 2018, PLUG'N ROLL came out with improved hard and software.

In Italy Repower has achieved a great deal of success with efforts to extend the RICARICA 101 charging network, which already had 265 stations by the end of the year under review, a year-on-year increase of 30 per cent. At the beginning of 2018 Repower Italy also launched an app showing all the available charging points on a specific route. There is now a single app displaying all the charging stations in Italy and abroad. The new app has got a very good response in the marketplace and close media coverage.