

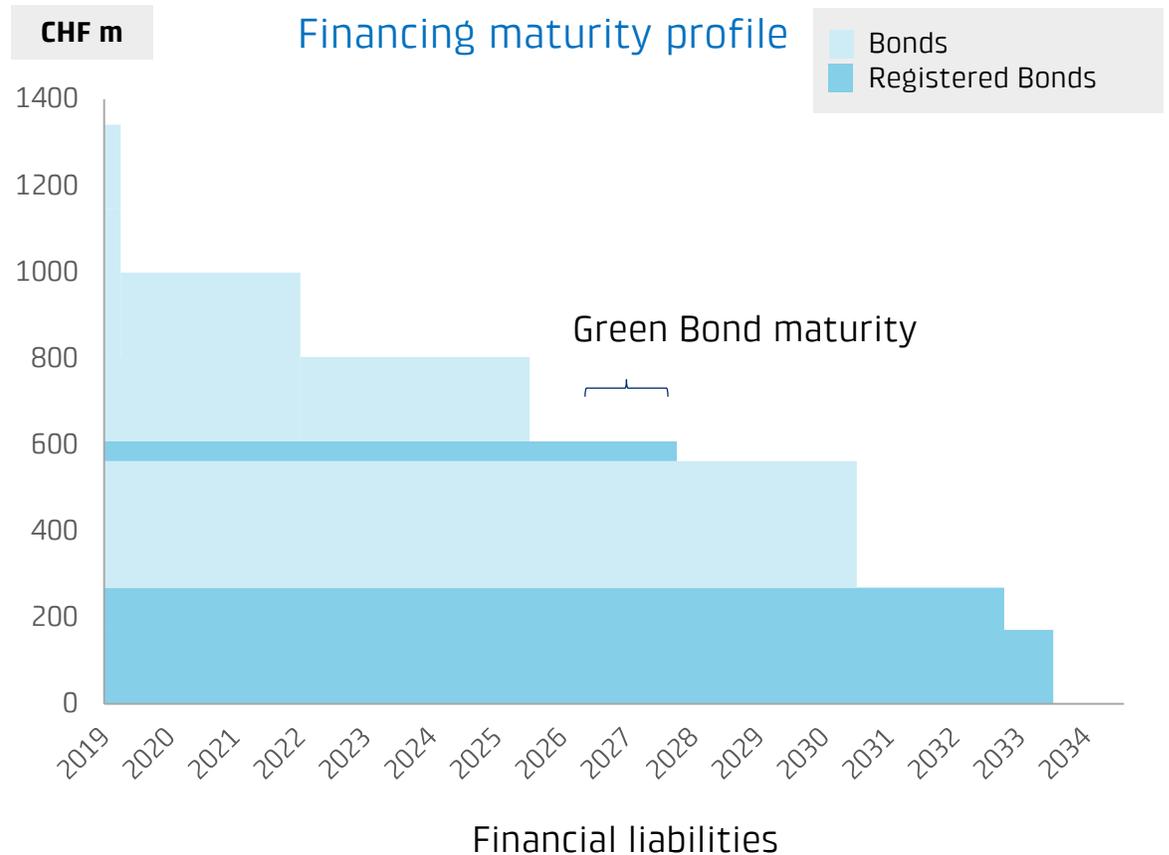


Green Bond 2019

Investor Presentation, 27 June 2019

BKW strives to issue a CHF Green Bond

Target issue date	July 2019
Target size	> CHF Benchmark
Target maturity	7-8 years
Use of proceeds	(Re-)Financing of Green Eligible Projects



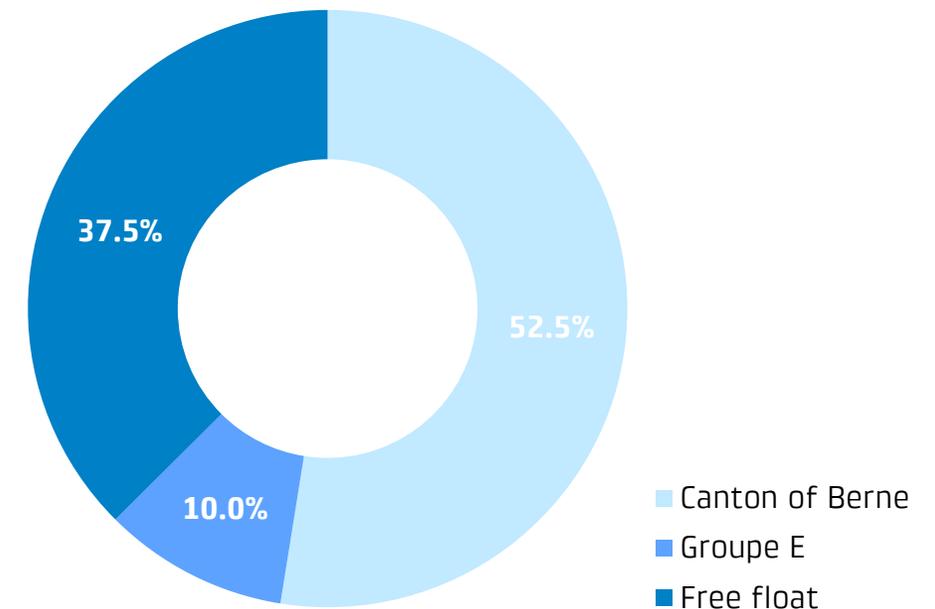
Green Bond with maturity of 7-8 years fits perfectly into BKWs maturity profile

Introduction

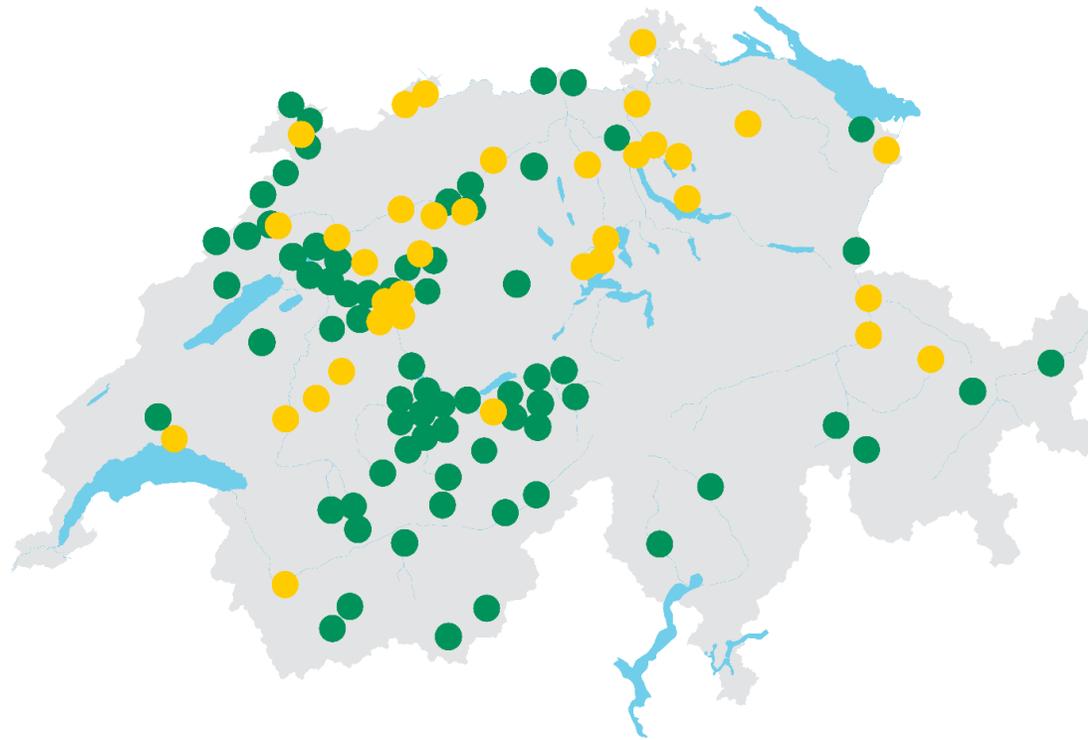
Key figures 2018

Operating revenue	CHF 2.7bn
EBIT	CHF 0.4bn
Operating cash flow	CHF 0.4bn
Liquidity	CHF 1.1bn
Net debt	CHF 0.5bn
Equity / Equity ratio	CHF 3.5bn / 38.4%
Credit Rating	A
Employees (actual)	~8,000

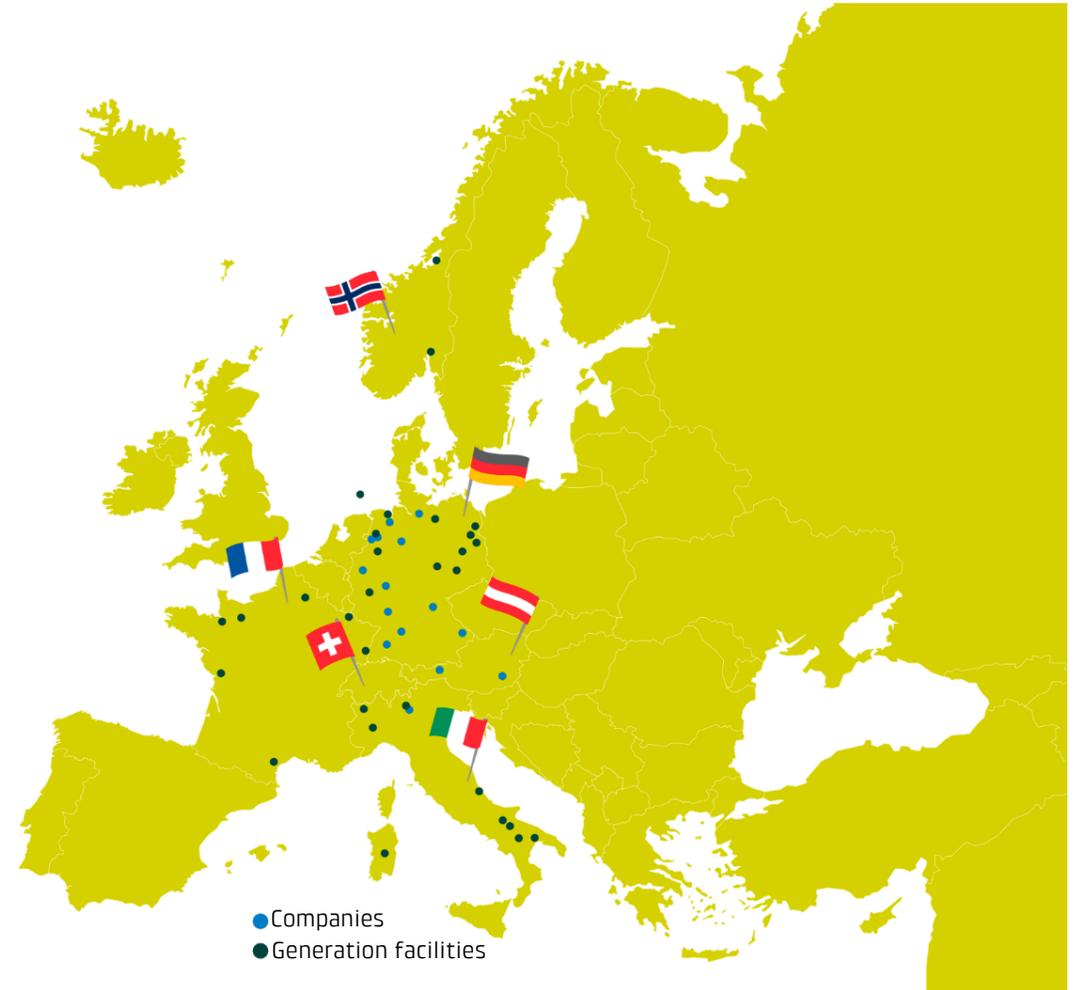
Shareholder structure



Growth in Switzerland and in international markets



- Companies
- Generation facilities



- Companies
- Generation facilities

BKW Business areas

Energy



Generation (capacity: ~3,400 MW),
trading, sales

Revenue:	CHF 1,326m
EBIT:	CHF 142m
Employees:	880

Grid



Distribution grid: ~22,000 km

Revenue:	CHF 555m
EBIT:	CHF 190m
Employees:	630

Services



Services around infrastructure

Revenue:	CHF 880m
EBIT:	CHF 58m
Employees:	6,000

Solutions for a future worth living for

BKW contributes to several of the Sustainable Development Goals*

Solutions for a future worth living for



Committed to generate long-term value for the company, the society, and the environment

* The 17 SDGs are the core element of the United Nations "2030 Agenda for Sustainable Development"

BKW growth strategy contributes to societal needs and sustainability

Megatrends... lead to growing needs for BKW expertise in attractive and expanding markets

Climate change



Urbanisation



Digitalisation



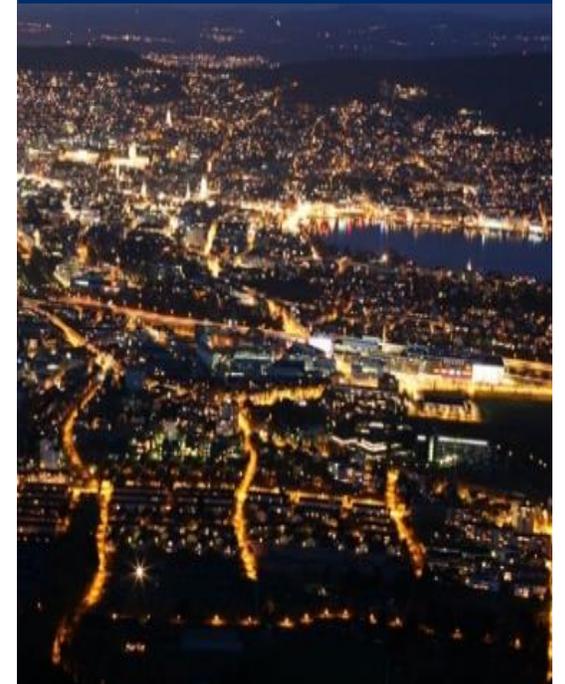
Renewables and infrastructures for an energy hungry world



Flexibility for decentralised energy systems



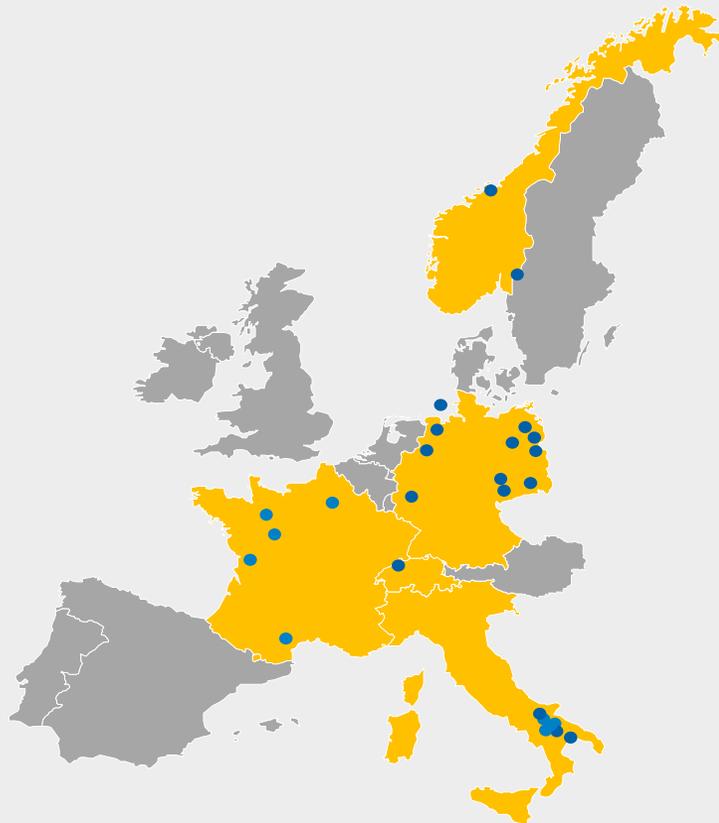
Resource efficiency for urban living and infrastructures



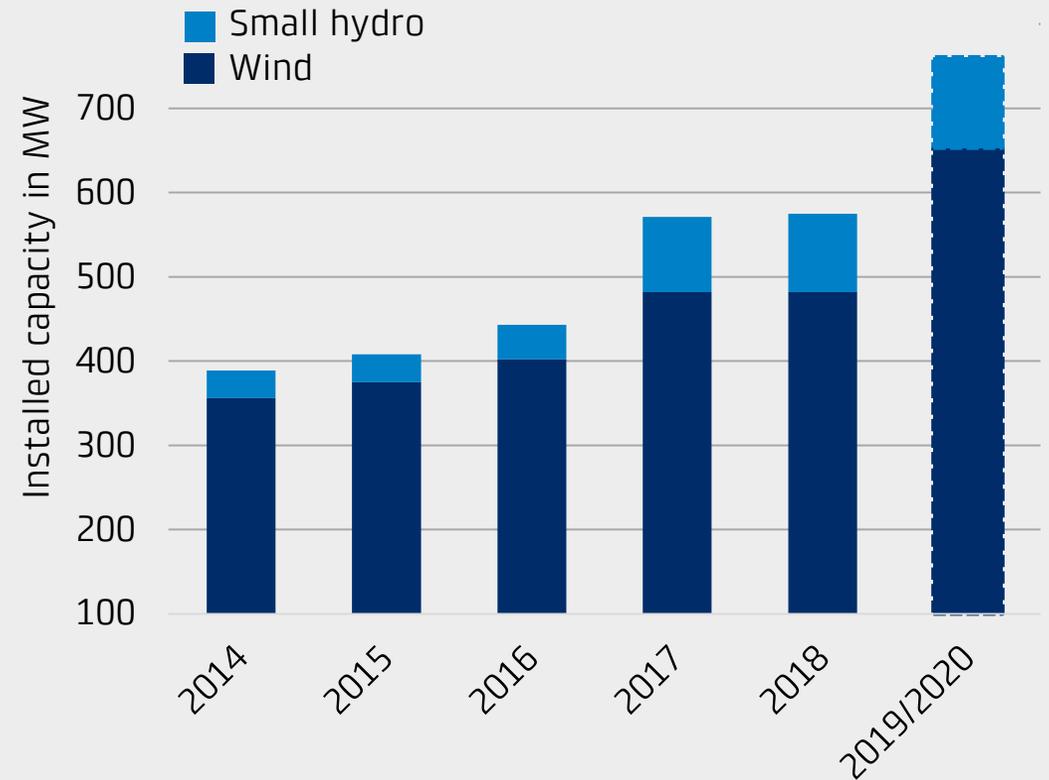
Growing renewables portfolio



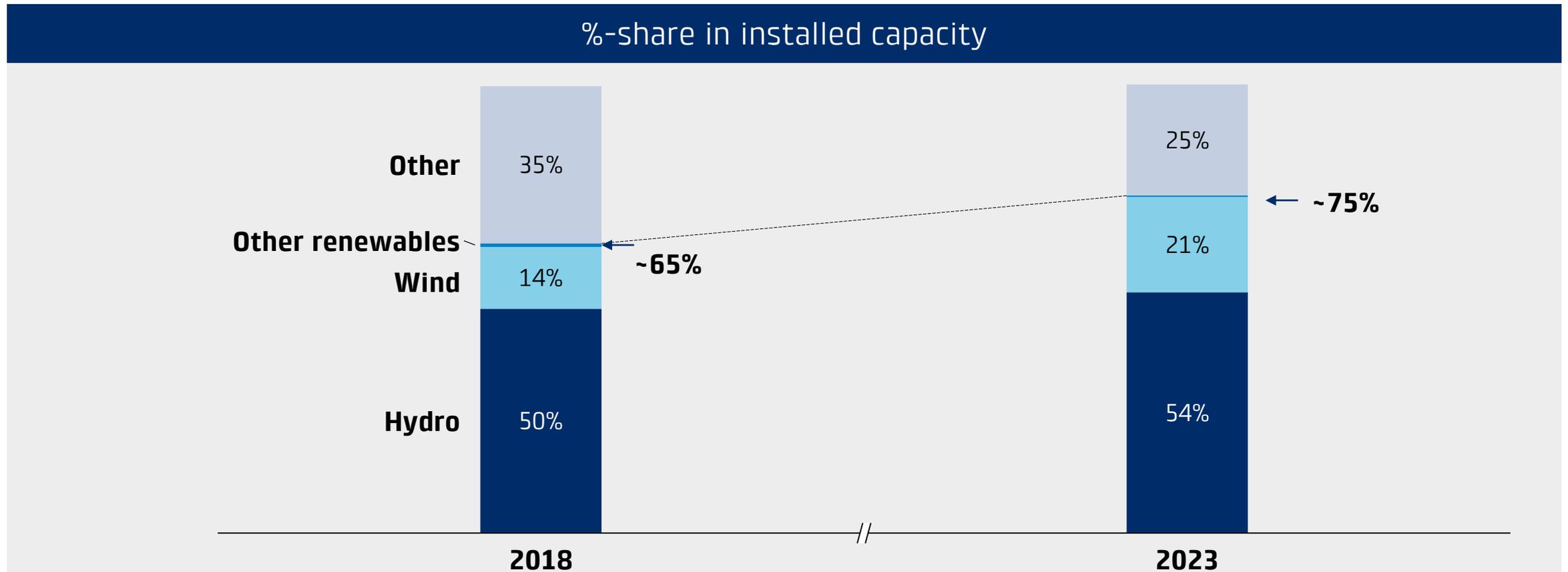
Diversified wind in terms of regulation and weather impact



Growing in wind and small hydro



Growth towards a renewable production portfolio

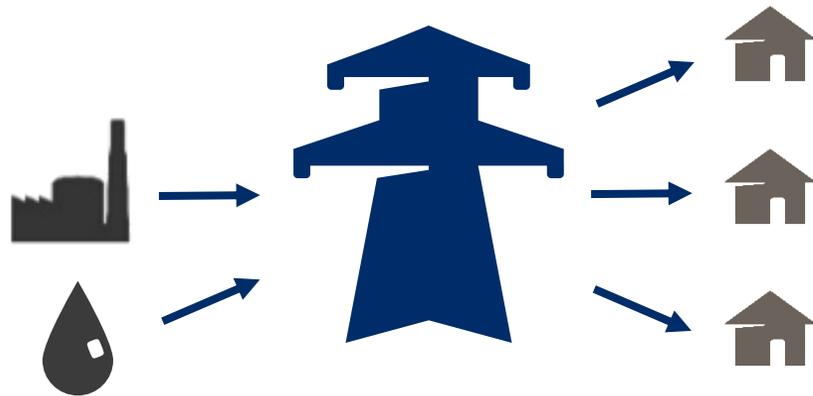


75% of the Production Capacity will be renewable by 2023

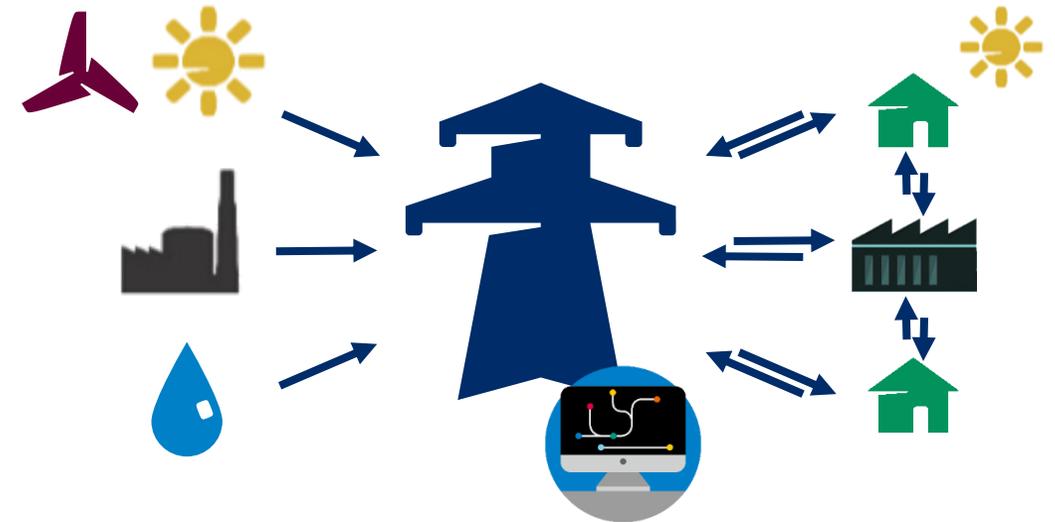
Grid technology for decentralised energy systems



Past



Future



- Big data technology for grid and geoinfo systems
- Communication technology for smart meters
- Reducing energy use and increasing efficiency

Services for energy efficiency and resilience



Innovative building solutions for urban living



Intelligent planning for reduced energy consumption



Smart infrastructures for resource efficiency



BKW Green Bond Framework

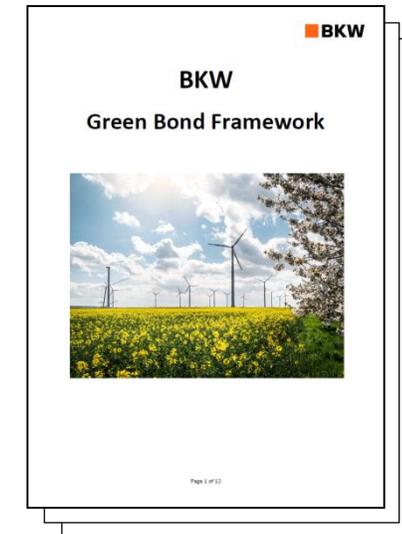
Application of Green Bond Principles as Best Practice

Aim of BKW Green Bond Framework

- Provide transparency to investors

Structure of BKW Green Bond Framework

- Use of proceeds
 - Process for Project Evaluation and Selection
 - Management of Proceeds
 - Reporting
-
- Aligned with the Green Bond Principles (GBPs) 2018*
 - Reviewed by ISS-oekom who provided a positive Second Party Opinion



* Issued by the International Capital Markets Association (ICMA)

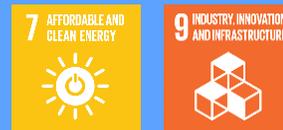
Use of proceeds

The BKW Green Bond Framework allows financing for the following Green Bond Categories

Renewable Energy



Energy Efficiency



Green Buildings



Terrestrial Biodiversity Conservation



Inaugural BKW Green Bond: Proceeds used for Green Bond Category "Renewable Energy"

Process for project evaluation and selection

Dedicated cross-departmental Green Bond Committee (GBC)



The GBC's role is to:

- Define ESG Criteria applied to Renewable Energy Projects
- Review, select, and validate pool of Eligible Green Projects
- Validate annual reporting for investors
- Ensure alignment with market best practices

Management of Proceeds

Refinance Existing Projects

Refinance projects with a commissioning date up to **36 months before** the issuance of the Green Bond (lookback-period)

New Eligible Projects

BKW intends to **fully allocate** the proceeds **within 24 months** after the Green Bond issuance date



Unallocated proceeds will be invested according to investment management policy

Reporting

- Annual reporting until the maturity or as necessary in the event of material development
- Part of BKW Group's annual report; first publication in March 2020

Reporting content

- (Re-)financed Green Projects
 - Description
 - Aggregated amount of allocation of net proceeds
 - Impact measurement metrics
- Proportion of net proceeds used for financing versus refinancing
- Balance of any unallocated proceeds invested in cash and/or cash equivalents

Allocation of Green Bond proceeds and impact metrics will be reviewed by an independent auditor

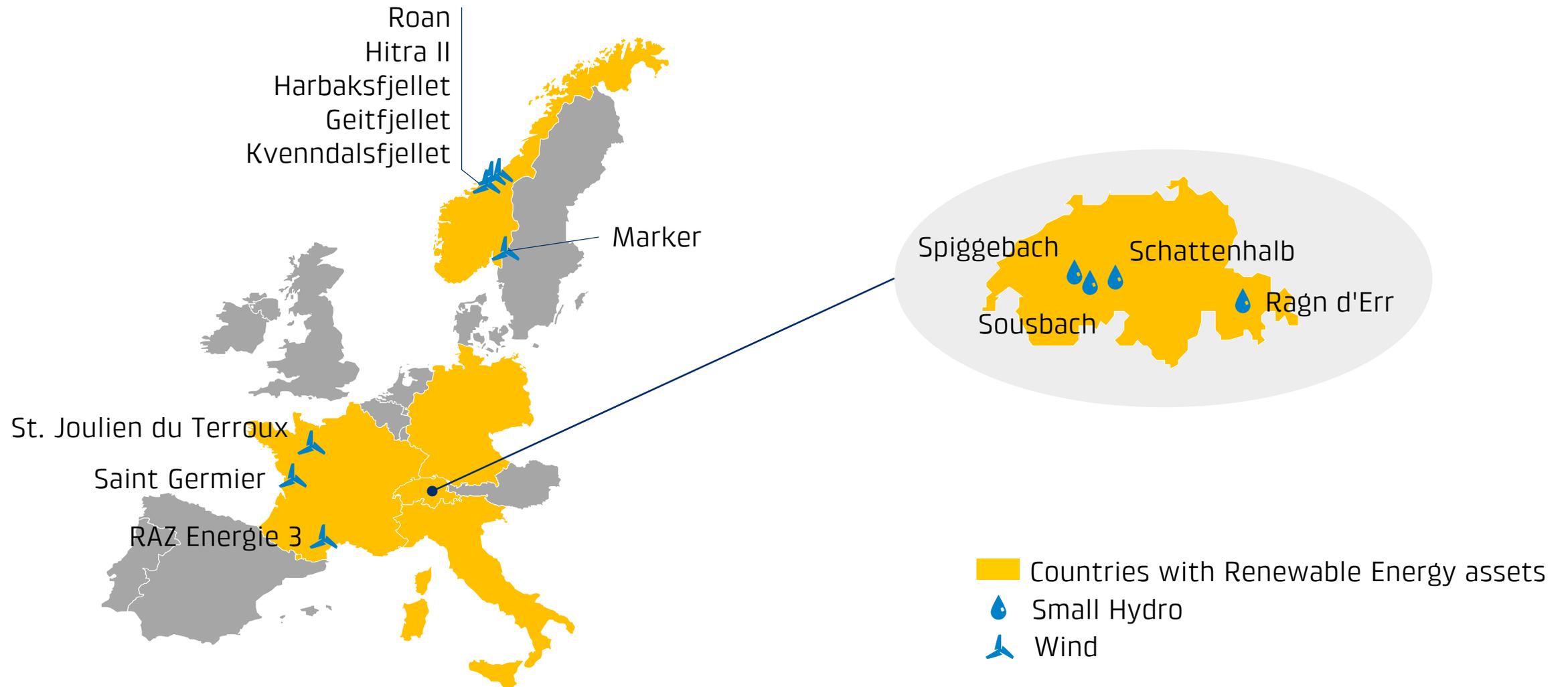
Green Bond Preliminary Allocation

Renewable Energy projects (re-)financed by the Green Bond

Type	Project	Installed Capacity (MW)	Status	Year of Commissioning	Country	Preliminary GB allocation (%)
Small Hydro	Ragn d'Err	5.8	Operation	2016	Switzerland	4
	Schattenhalb	2.3		2017		3
	Spiggebach	1.5		2017		3
	Sousbach	5.5	Planning	2023	2	
Wind	Saint Germier	10.0	Operation	2017	France	10
	St. Joulieu du Terroux	10.3		2017		5
	RAZ Energie 3	18.4		2017		15
	Roan	28.6		2018	10	
	Marker	54.0		2019	30	
	Hitra II	10.5		2019	Norway	3
	Harbaksfjellet	14.1		2019		4
	Geitfjellet	20.2		2020		7
	Kvenndalsfjellet	12.7	2020	4		
Total		193.9				100

Allocation of Green Bond net proceeds reflects CAPEX spent in asset growth over the past 36 months

Green Bond Asset Pool



Small Hydro Power Plant Ragn d'Err in Tinizong

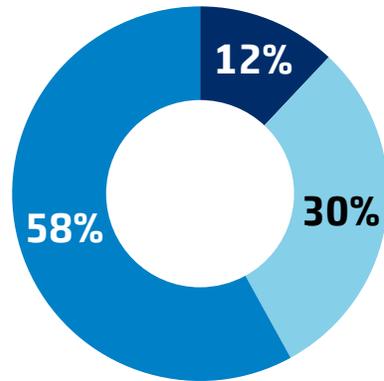
Project	Ragn d'Err
Location	7453 Tinizong-Rona
BKW stake	80%
Year of commissioning	2016
Installed capacity ¹⁾	5.8 MW
Production 2018 ¹⁾	16.8 GWh

¹⁾ BKW stake

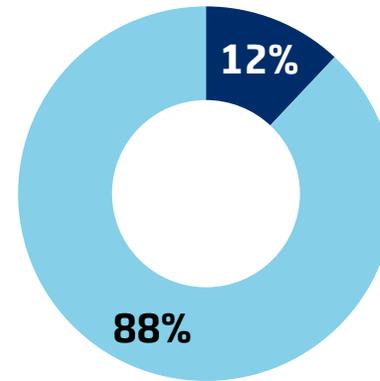


Allocation split by...

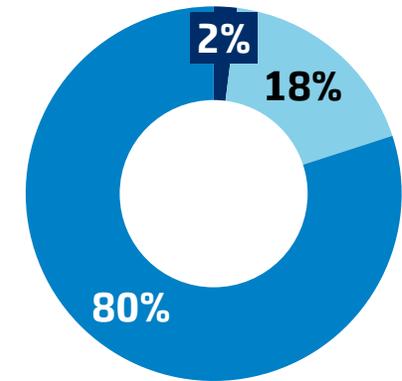
Country



Technology



Status

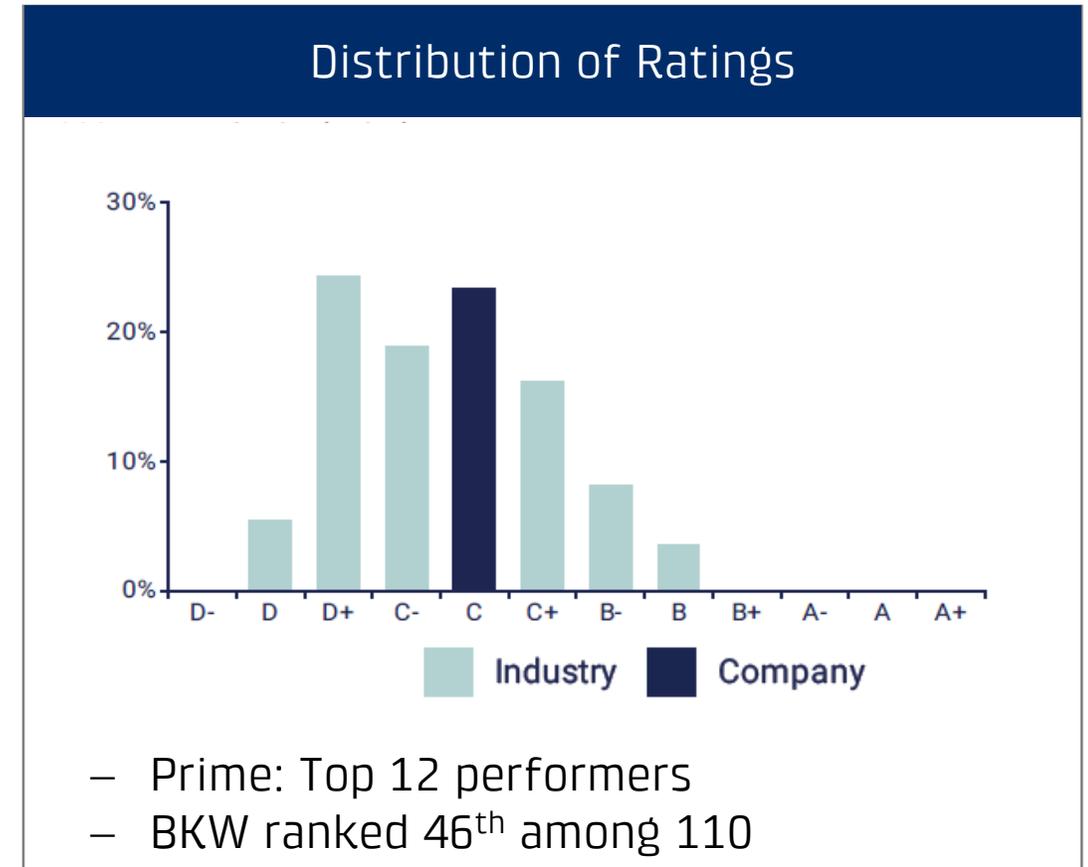


20 % of net proceeds is used to (re-)finance assets in the planning or construction phase

Second Party Opinion

Positive Second Party Opinion from ISS-oekom

Second Party Opinion	Evaluation
Issuer sustainability performance	Rating: C
Performance against the Green Bond Principles	Positive
Sustainability quality of the asset pool	Positive



Assessment sustainability quality of the Asset Pool by ISS-oekom

Use of Proceeds Category	Contribution or obstruction	Sustainable Development Goals	
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Onshore wind power plants

Significant contribution



Small-scale hydropower plants (<10MW)

Significant contribution



5-point scale



Significant contribution of the Green Bond to UN SDGs 7 and 13

Transaction Overview

Transaction Overview

Key Terms and Conditions

Issuer:	BKW AG
Issue Rating:	Non-rated
Issuer Rating:	A; stable (CS) / A; negative (UBS) / A; stable (ZKB) / A; stable (Vontobel) / A; stable (fedafin)
Currency:	CHF
Target Size:	> CHF Benchmark
Maturity:	7-8 years
Format:	Green Unrated Bond with stand-alone Prospectus in Reg S format; Senior unsecured
Denominations:	5k and multiples
Use of Proceeds:	Net proceeds of the Green Bond will be used to (re-)finance Eligible Green Projects
Listing:	SIX Swiss Exchange
Covenants:	Pari Passu, Negative Pledge (with exceptions), Cross Default (with exceptions)
Governing Law:	Swiss Law
Green Structuring Advisor:	BNP Paribas
Joint Bookrunners:	BNP Paribas and UBS

Questions?



Disclaimer

This presentation contains forward-looking statements which are made on the basis of current expectations and assumptions. These forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward-looking statements. Potential risks and uncertainties include, among others, such factors as market and economic conditions, governmental regulations, competitive conditions, interest rates and fluctuation in currency exchange rates. Although BKW believes that its expectations reflected in any such forward-looking statement are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved. BKW undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.