

Balance sheet press conference 2024



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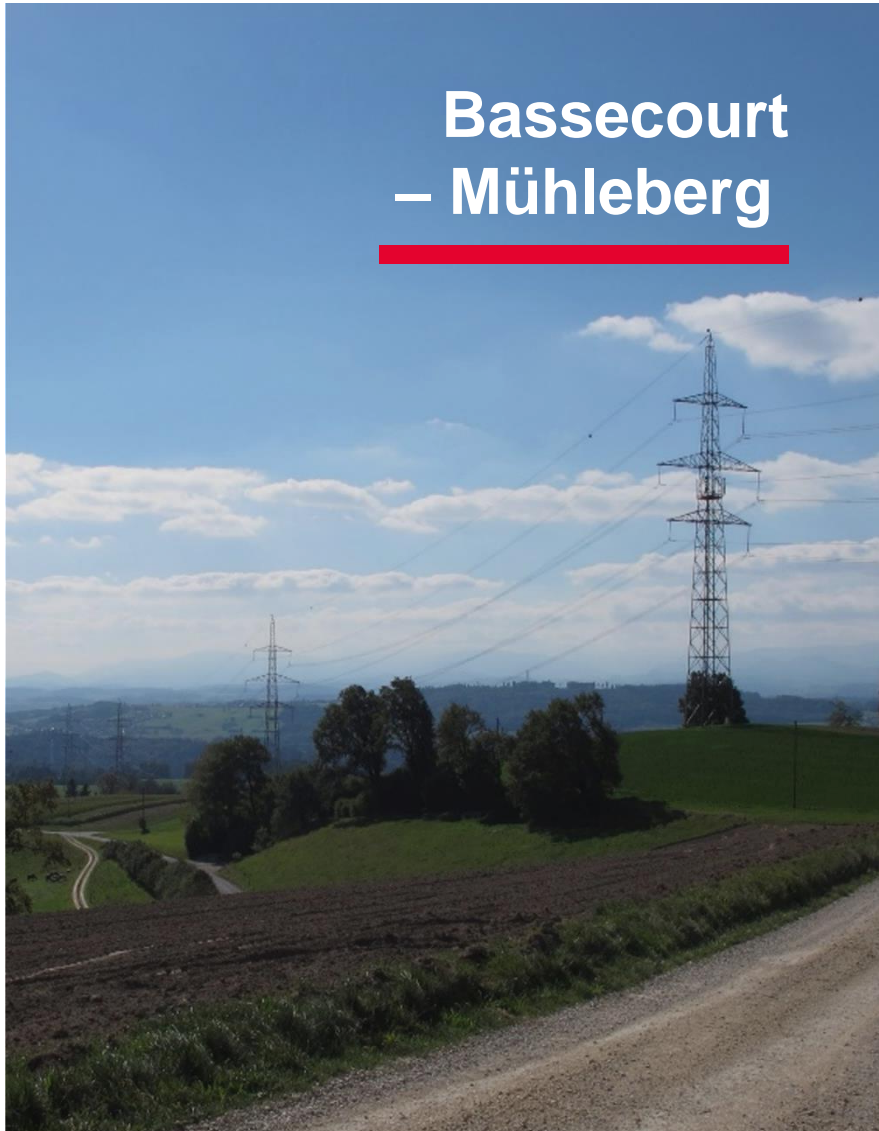


2023 in review



Electricity flows through us – progress on implementing the Strategic Grid 2025

**Bassecourt
– Mühleberg**



**Samstagern
– Obfelden**



**Bonaduz
substation**



Switzerland needs a robust, reliable and smart transmission system that will remain efficient in the long term.



Successful launch of Strategy 2027 – digitalisation

Pylonian 2.0

Sensors on pylons monitor the condition of the pylons over their entire life cycle.



Pilot project: use of drones and artificial intelligence

Drones flew over 1,000 pylons to record their condition and identify damage.

Successful launch of Strategy 2027 – transmission system management

OPTESO

Development of a decentralised mechanism to allow grid operators to carry out joint grid security calculations.



Photovoltaic forecasts for improved system operation

A project that aims to improve the internal data basis for feeding photovoltaic energy into the grid.



Winter measures



2023 financial result



2023 financial headlines

Major challenges successfully overcome



CHF **100.0** million

Net income
increased by 3.7%



CHF **4.2** billion

Balance sheet total rose
by 10.0%



32.1 %

Solid
equity ratio



CHF **279.5** million

Rise in investment volume
(+8.6%)



CHF **899.9** million

Procurement costs at a high
level



CHF **403.2** million¹

Additional costs for the power
reserve

¹ Cost allocation in the
reporting year

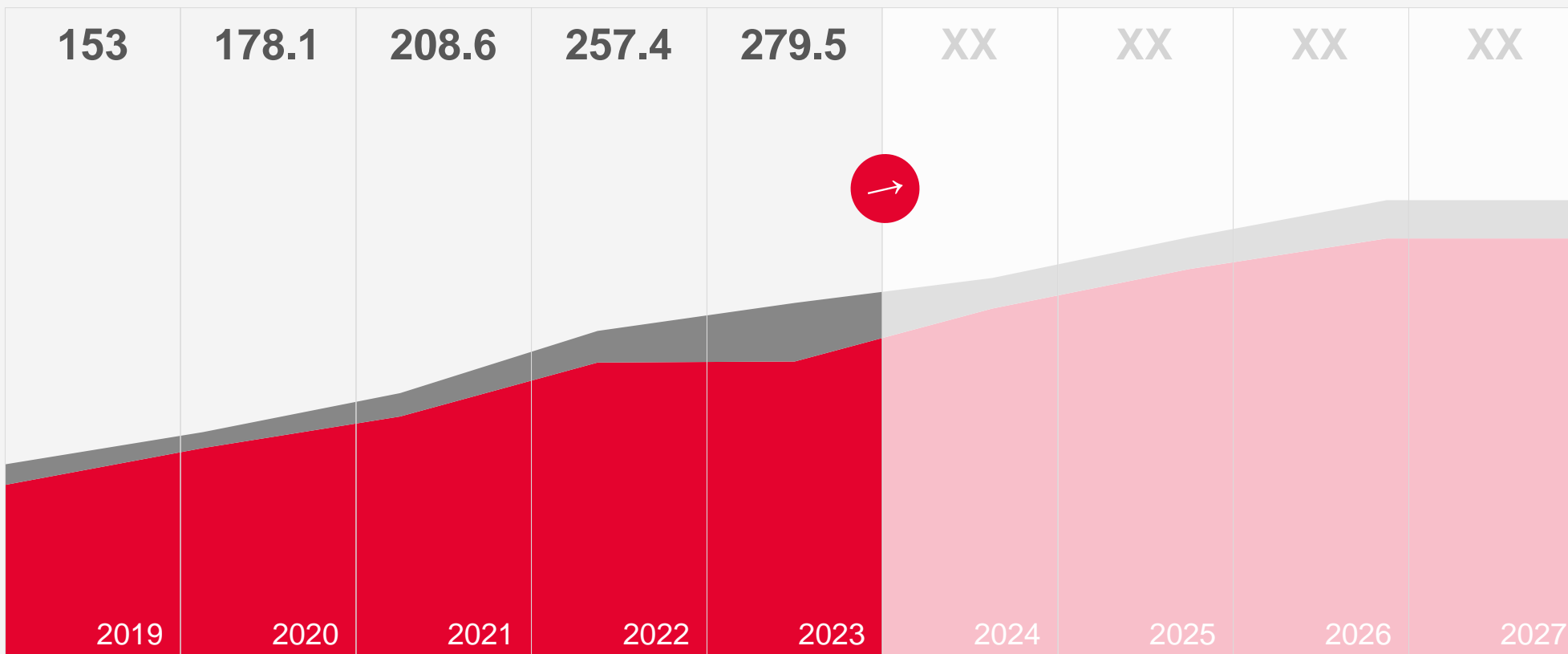
Total investments

Gross investments

in CHF million

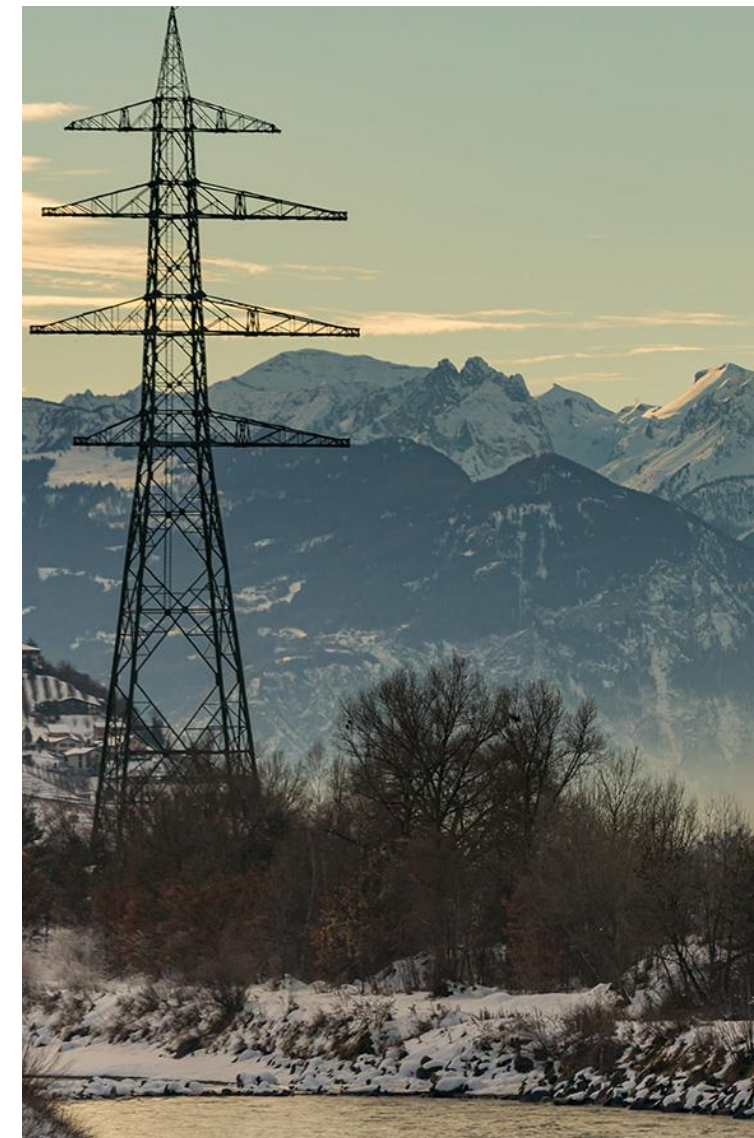
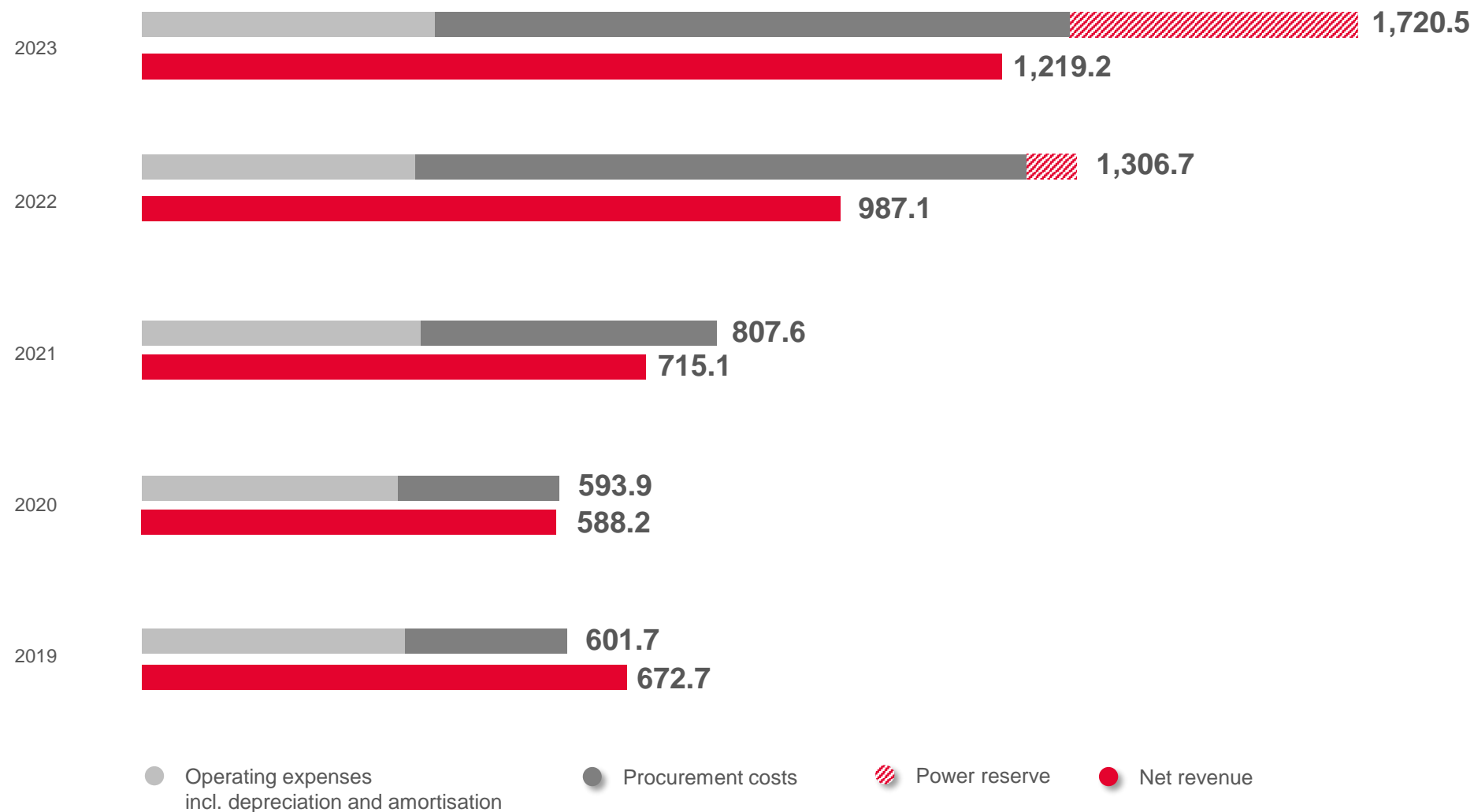


- Intangible assets
- Grids



The investment volume has increased and will continue to rise in the future in order to guarantee grid-related security of supply and support the energy transition.

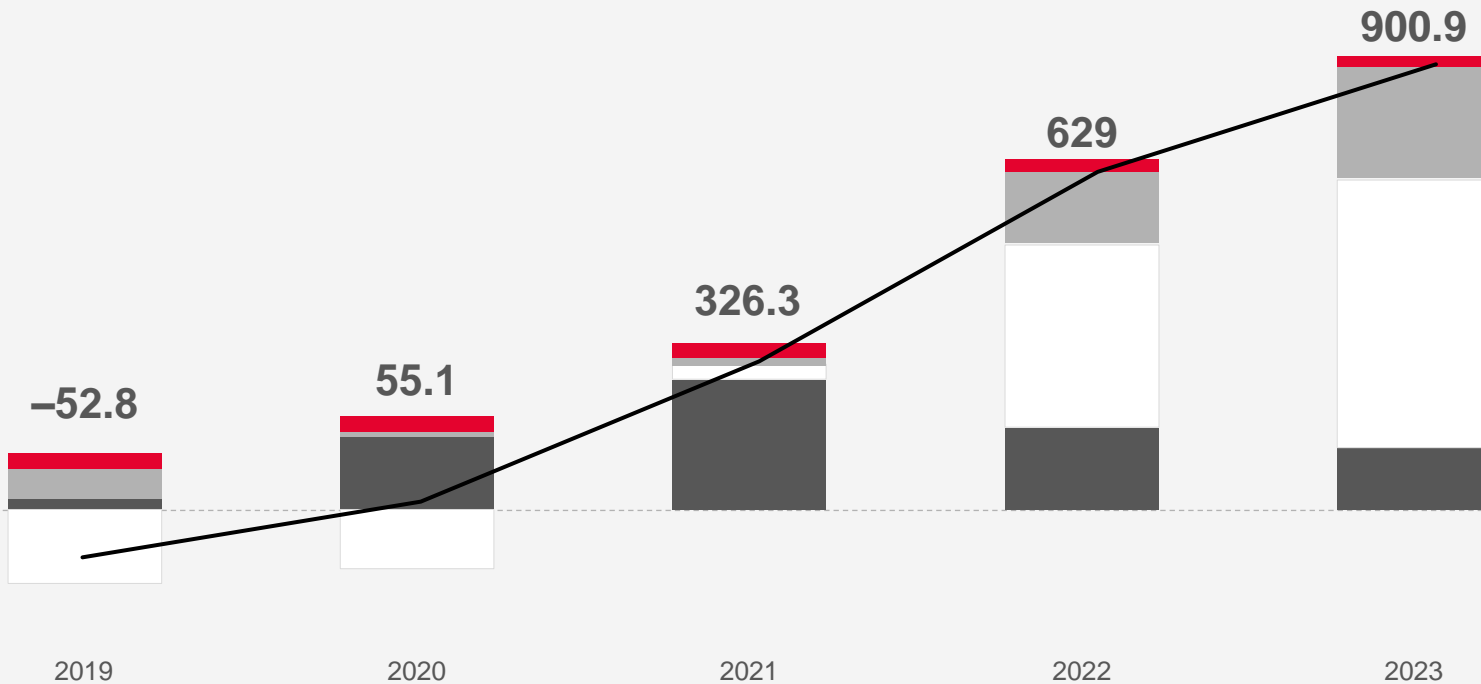
Net turnover versus procurement costs, operating expenses and the power reserve (in CHF million)



Volume- and tariff-related timing differences

Volume- and tariff-related timing differences inventory Total by segment excl. power reserve

in CHF million

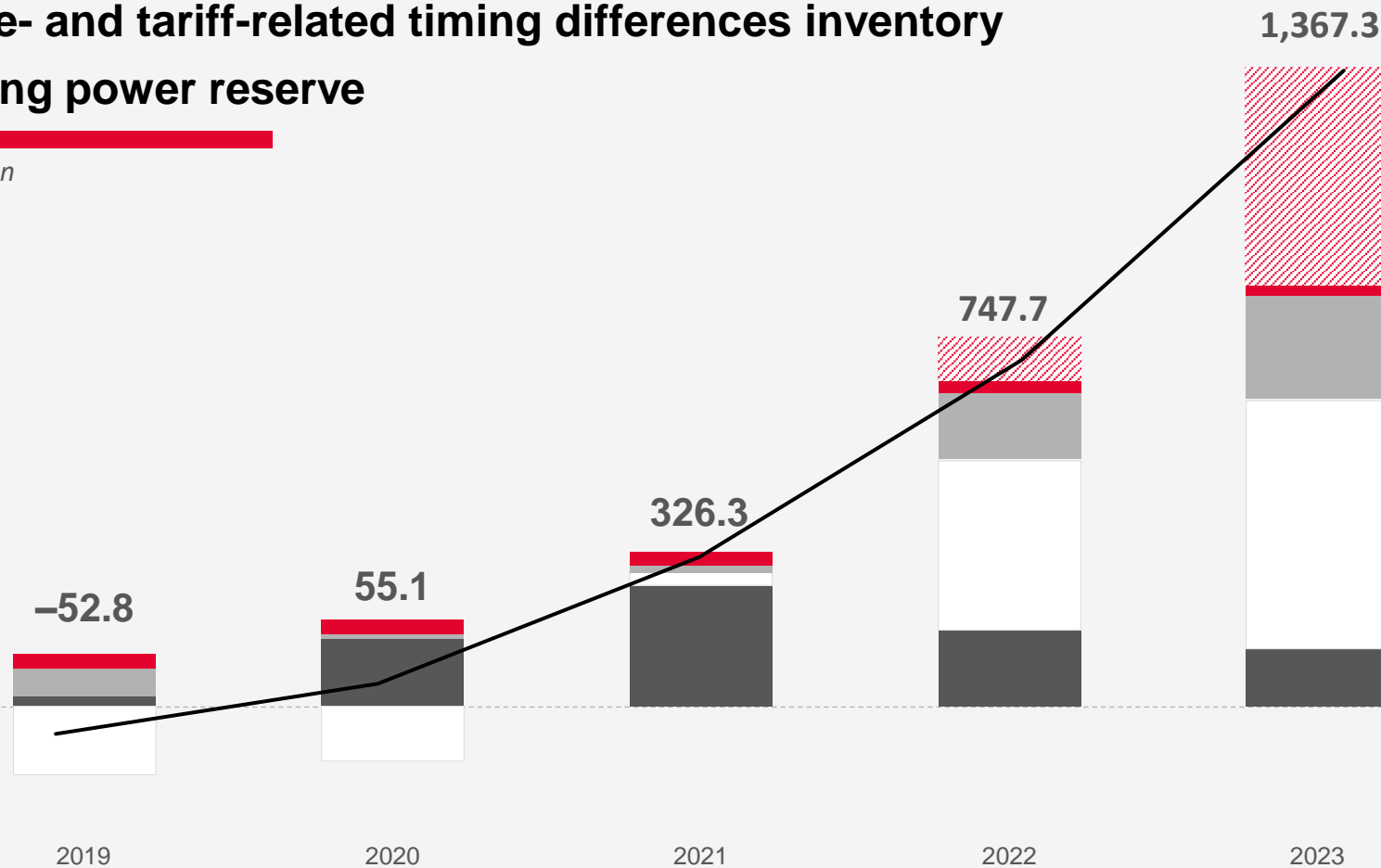


- General AS
- Grid usage
- Active power losses
- Reactive energy
- Total

Volume- and tariff-related timing differences

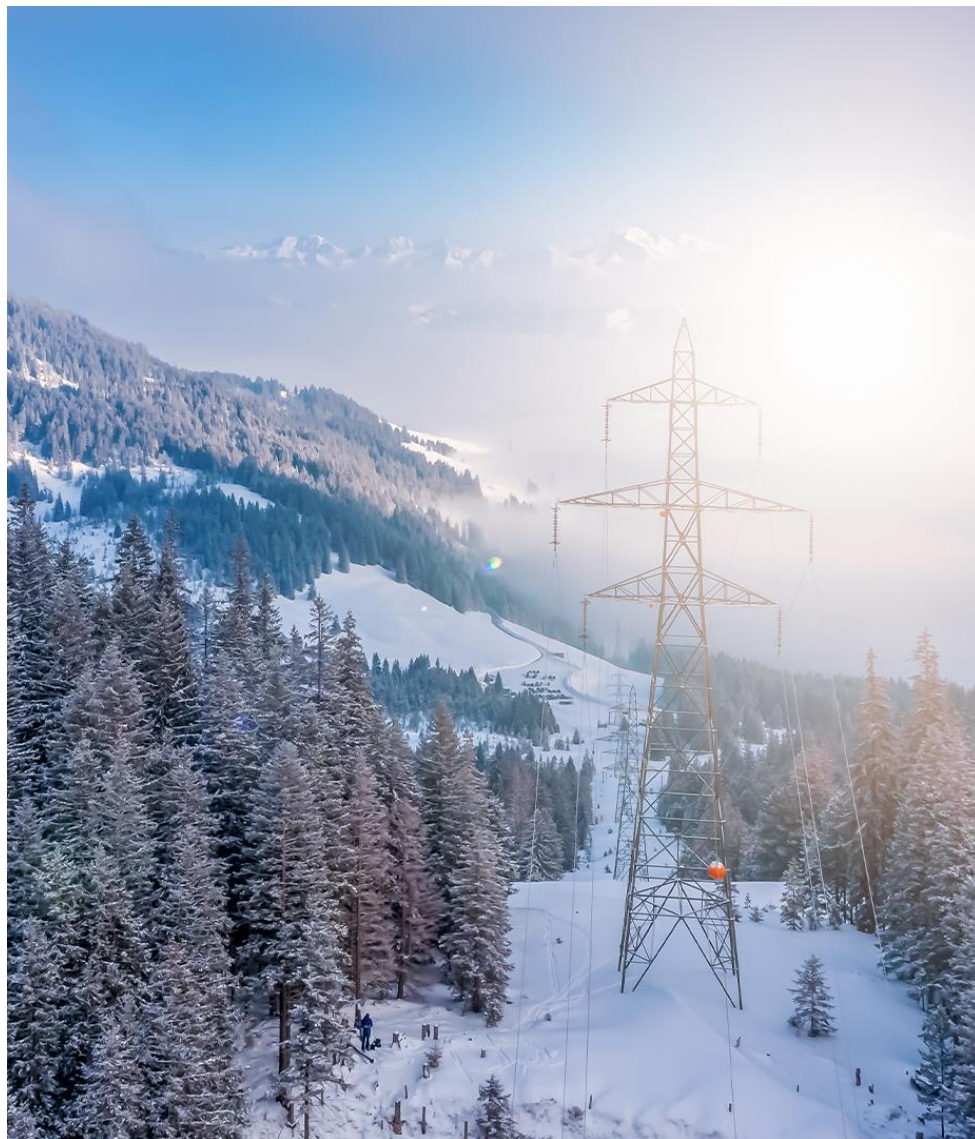
Volume- and tariff-related timing differences inventory including power reserve

in CHF million



- General AS
- Grid usage
- Active power losses
- Reactive energy
- Total
- Power reserve

Costs of the federal government's power reserve



The costs of the power reserve will be charged via Swissgrid's tariffs for the first time in 2024.

CHF 403.2 million
Cost of the power reserve for 2023

Hydropower reserve

Provision of 400 GWh for winter 2022 / 2023

Reserve power plants

At the Birr, Cornaux and Monthey sites

Emergency power groups

Spread throughout Switzerland

Sustainability



Sustainability at Swissgrid: milestones and goals



Swissgrid has published its first integrated Annual Report



Swissgrid obtained «Limited Assurance» for key KPIs in 2023



Swissgrid's Prime Status (ISS ESG) and B-rating (inrate) are being updated



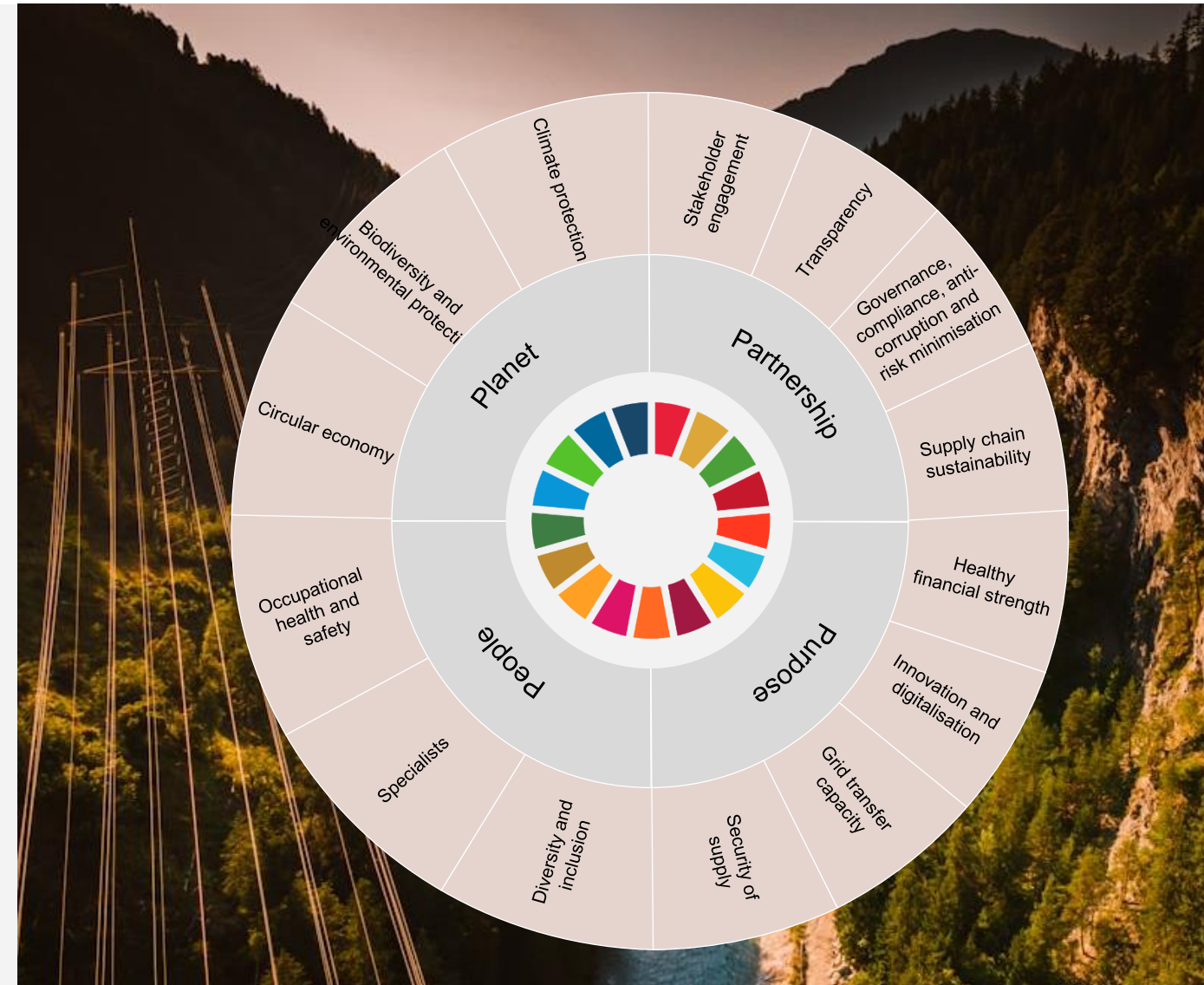
Swissgrid is a member of the UN Global Compact



Swissgrid is setting medium and long-term climate targets for 2024 and preparing a roadmap for achieving them



Swissgrid is developing its sustainability concept and its non-financial reporting



Sustainability at Swissgrid: milestones and goals



Swissgrid is preparing the grid to pave the way for the transformation of the energy system in Switzerland



The company is supporting Switzerland's net-zero climate target



The safety of employees, contractors, residents and partners is a top priority for Swissgrid



Swissgrid offers a modern, innovative, inclusive and non-discriminatory working environment for its employees



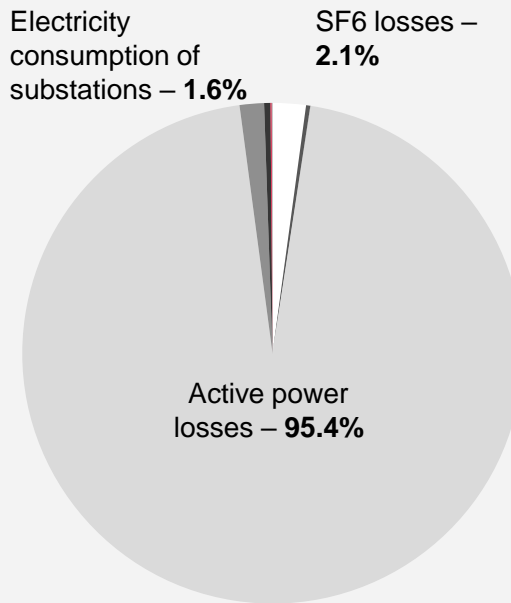
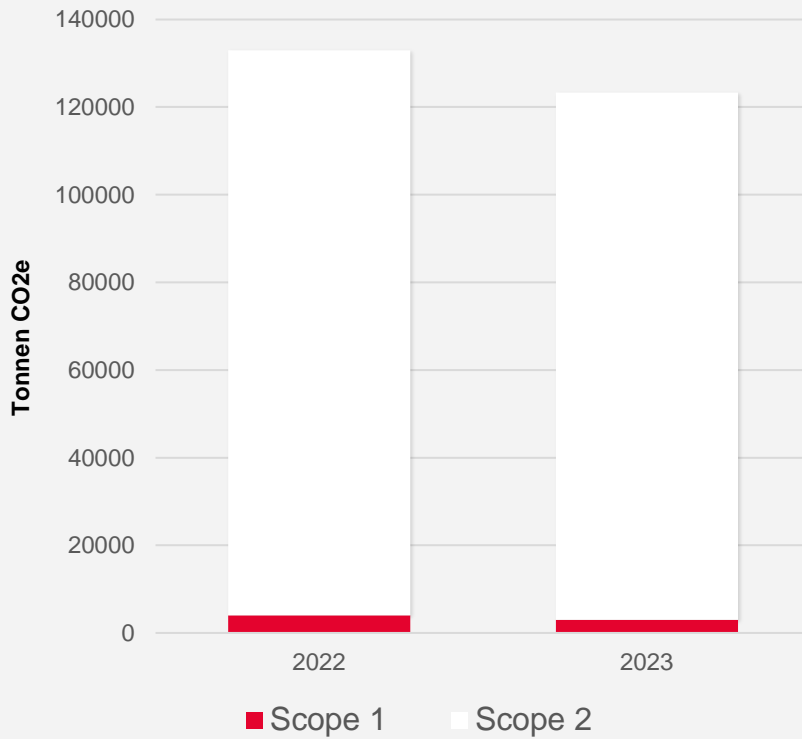
Swissgrid ensures high-quality, innovative and sustainable public procurement



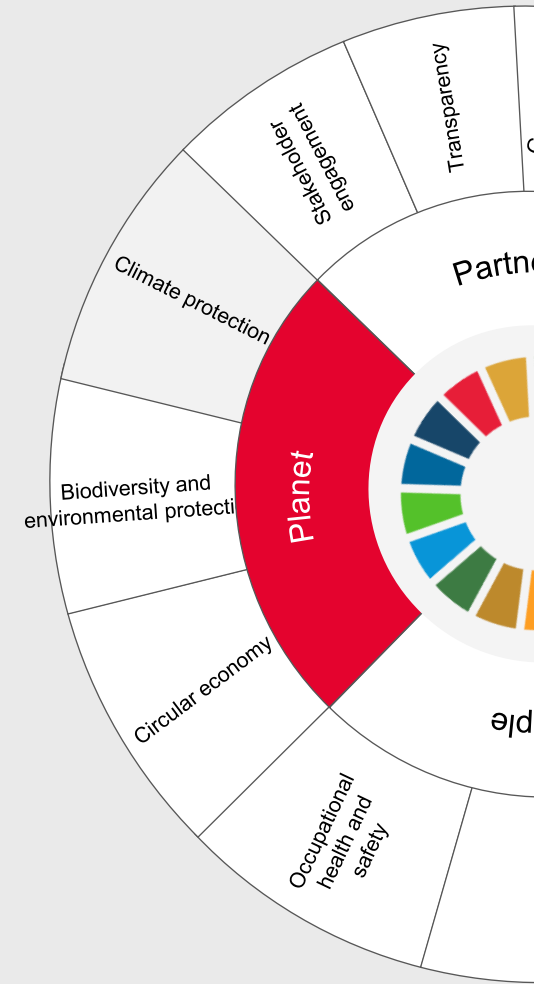
Swissgrid imposes ecological and social requirements on its suppliers in order to promote a sustainable value chain

PLANET – climate protection: Swissgrid fulfils its social mandate to protect the environment

Swissgrid reduced its emissions by over 7% in 2023

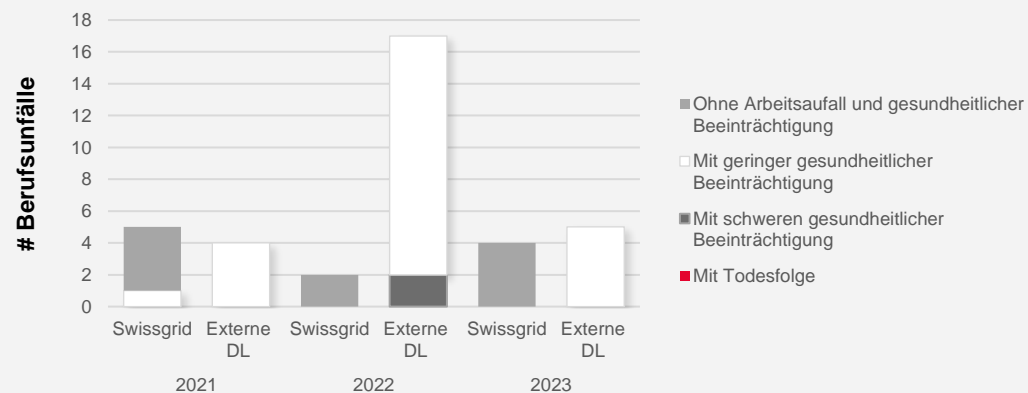


- 1 ISO 14001-certified environmental management system
- 2 «Limited assurance» for all reported emission and energy consumption data
- 3 Climate reporting and risk assessment according to TCFD



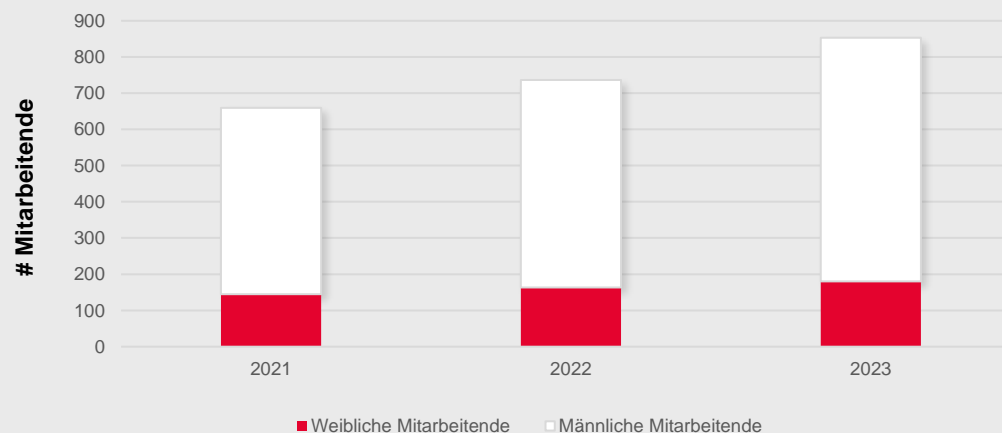
PEOPLE – occupational safety and diversity: Swissgrid offers a safe, diverse and inclusive working environment

There were no serious occupational accidents in 2023

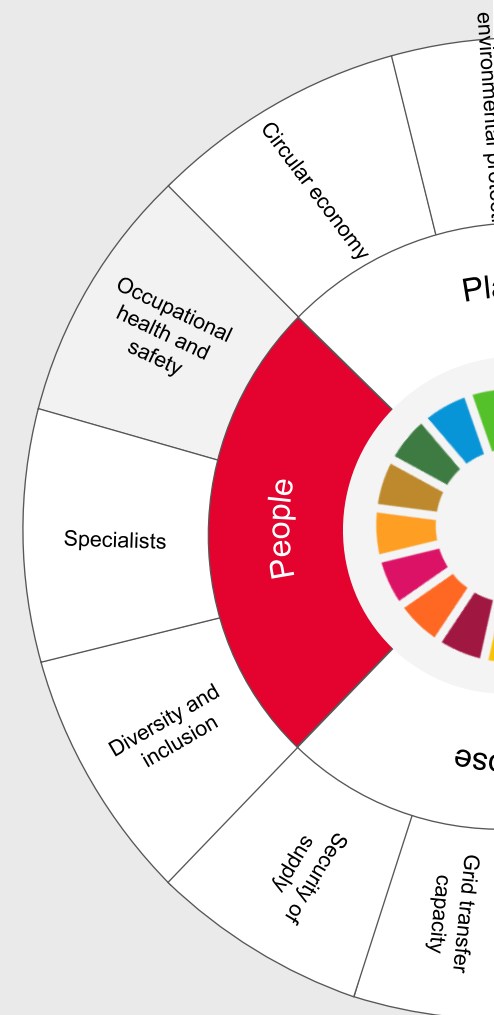


- 1 HSE management system certified according to ISO 45001 and the Safety Culture Ladder (level 3)
- 2 «Limited Assurance» for all reported data on occupational safety, employees and diversity
- 3 Swissgrid carried out over 350 HSE inspections of work sites

Around 20% of Swissgrid's 853 employees are women

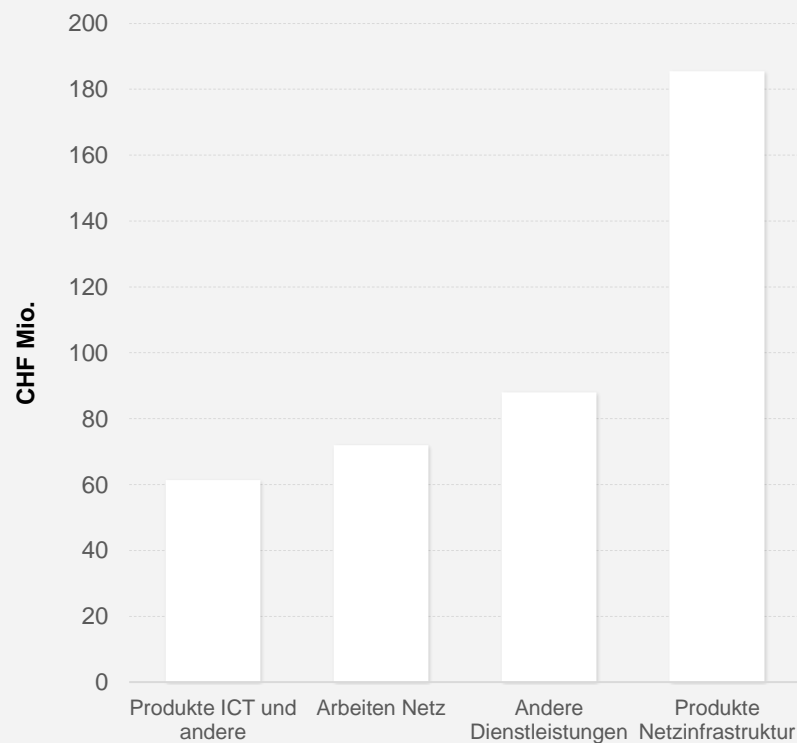


- 1 Employees from 39 nations
- 2 100% of employees continue to work for Swissgrid 12 months after the end of parental leave
- 3 Swissgrid obtained «Fair Compensation» certification for the fourth time in a row
- 4 The proportion of women on the Executive Board was increased to 40%

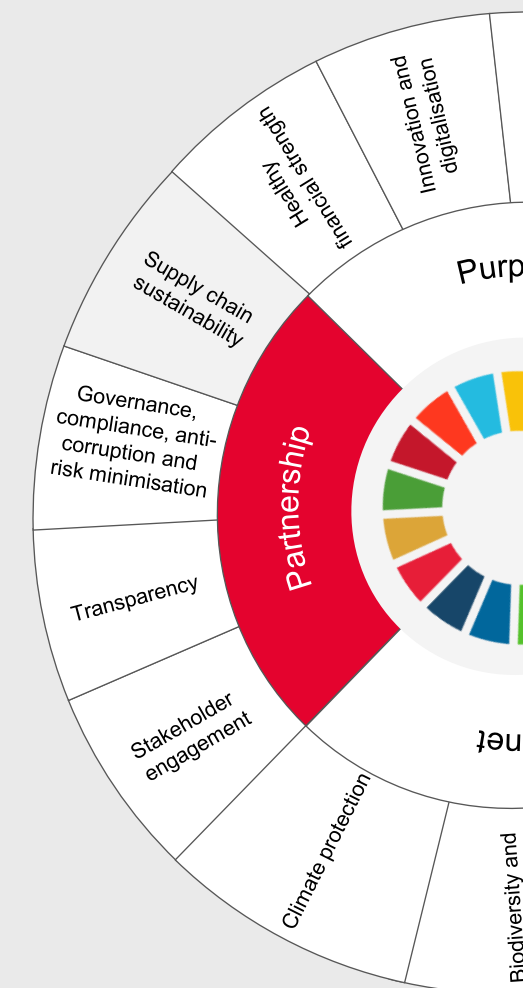


PARTNERSHIP – sustainable supply chain: Swissgrid works with its stakeholders to create added value for society

Suppliers from Switzerland accounted for over 90% of Swissgrid's contract award volume of more than CHF 400 million



- 1 Inclusion of sustainability criteria in > 98% of public tenders
- 2 HSE inspections of 105 suppliers were carried out in 2023. Corrective measures were agreed with 40 partners
- 3 Mandatory Code of Conduct for Suppliers (> CHF 150,000)
- 4 Partnership with other European TSOs for a sustainable supply chain





Focus on Europe: transformation of the electricity system in the European context

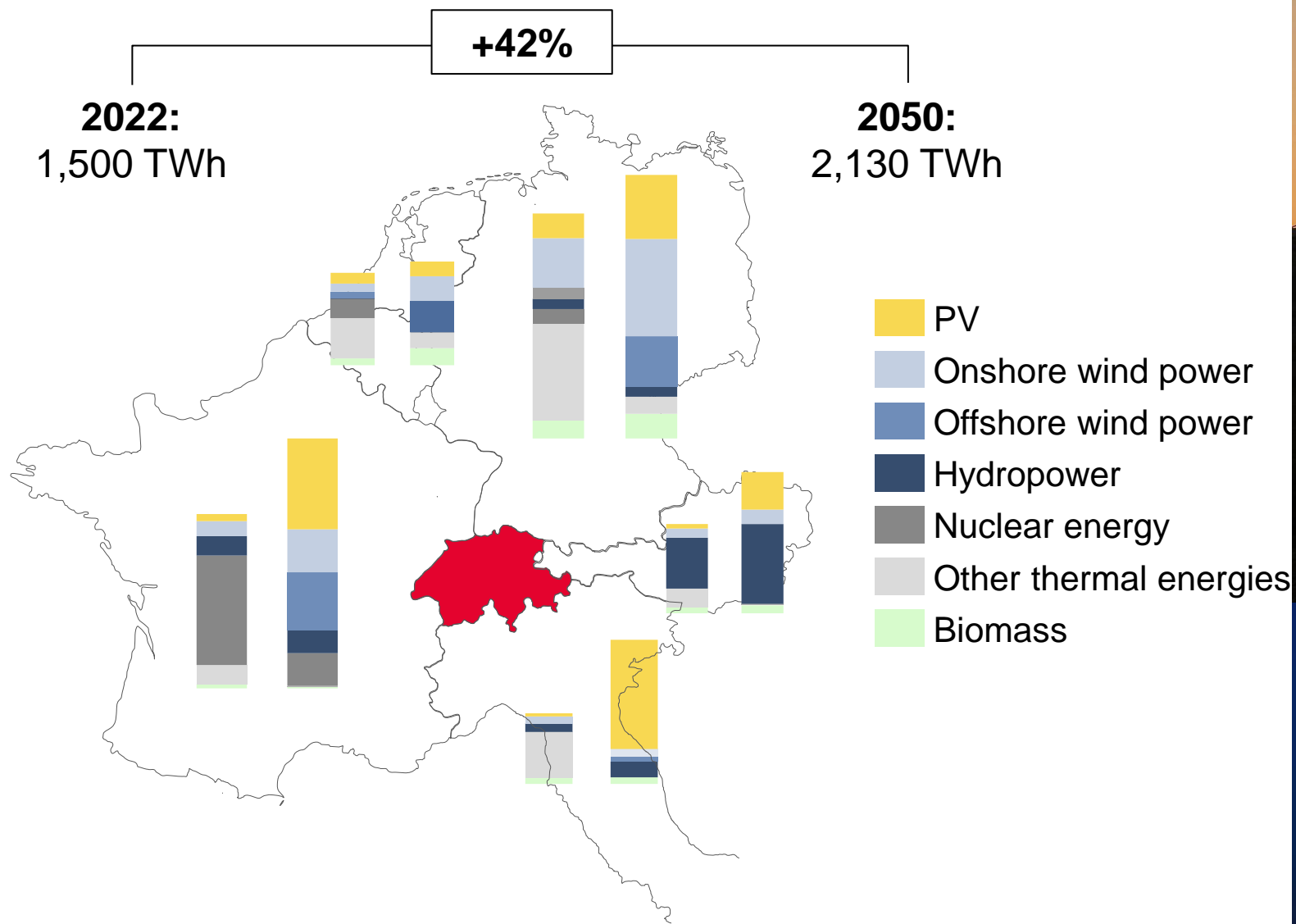


**Climate neutrality in
Europe:
from a grid to a
supergrid**



Development of electricity generation

Electricity generation (TWh) – F, DE, AT, IT, BENELUX region



Sources: transmission managers, government authorities

Compared with year-end 2022 for the region:

+750 TWh

Photovoltaics

+310 TWh

Offshore wind power

+225 TWh

Onshore wind power

-270 TWh

Nuclear energy

-480 TWh

Gas and coal

Consequences of the energy transition for the European interconnected grid



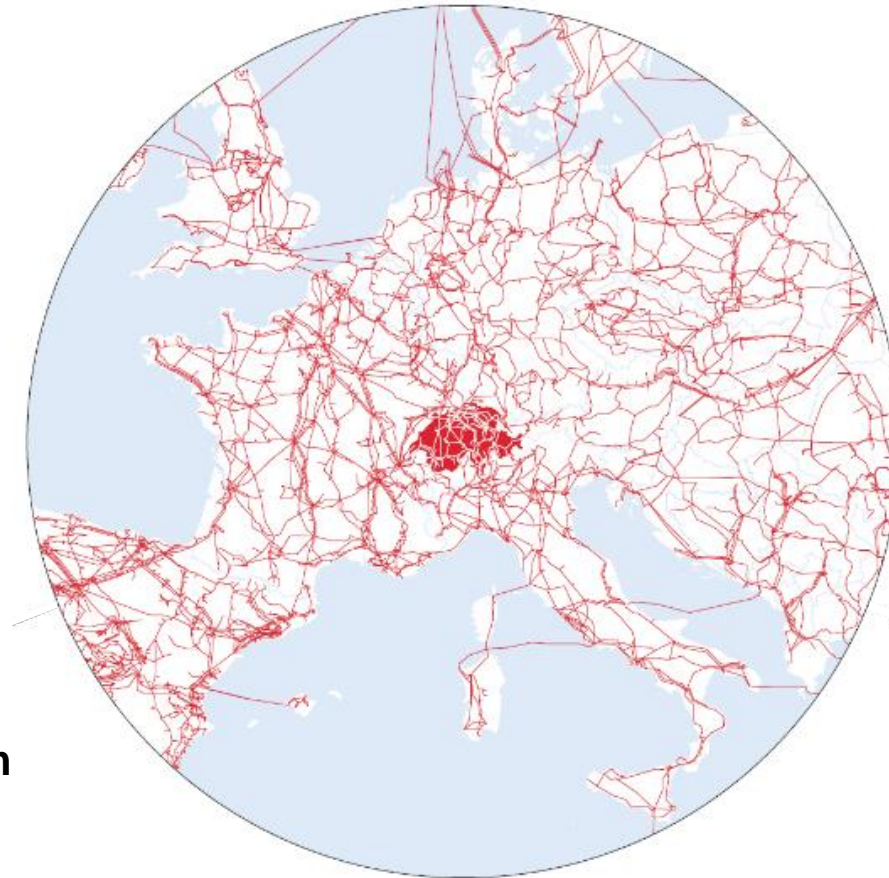
Integration

The widespread use of renewable energies and the internal market in electricity require **an integrated European transmission system** (planning, construction and operation).



System balancing

The aim is to **integrate the volumes of volatile energy sources into the system** whilst maintaining the overall reliability of the electricity system.



Interconnections

The connection capacity of the grids must be increased in order to balance out fluctuations in supply and demand and to connect the production sites to the consumption centres.

TYNDP 2022:

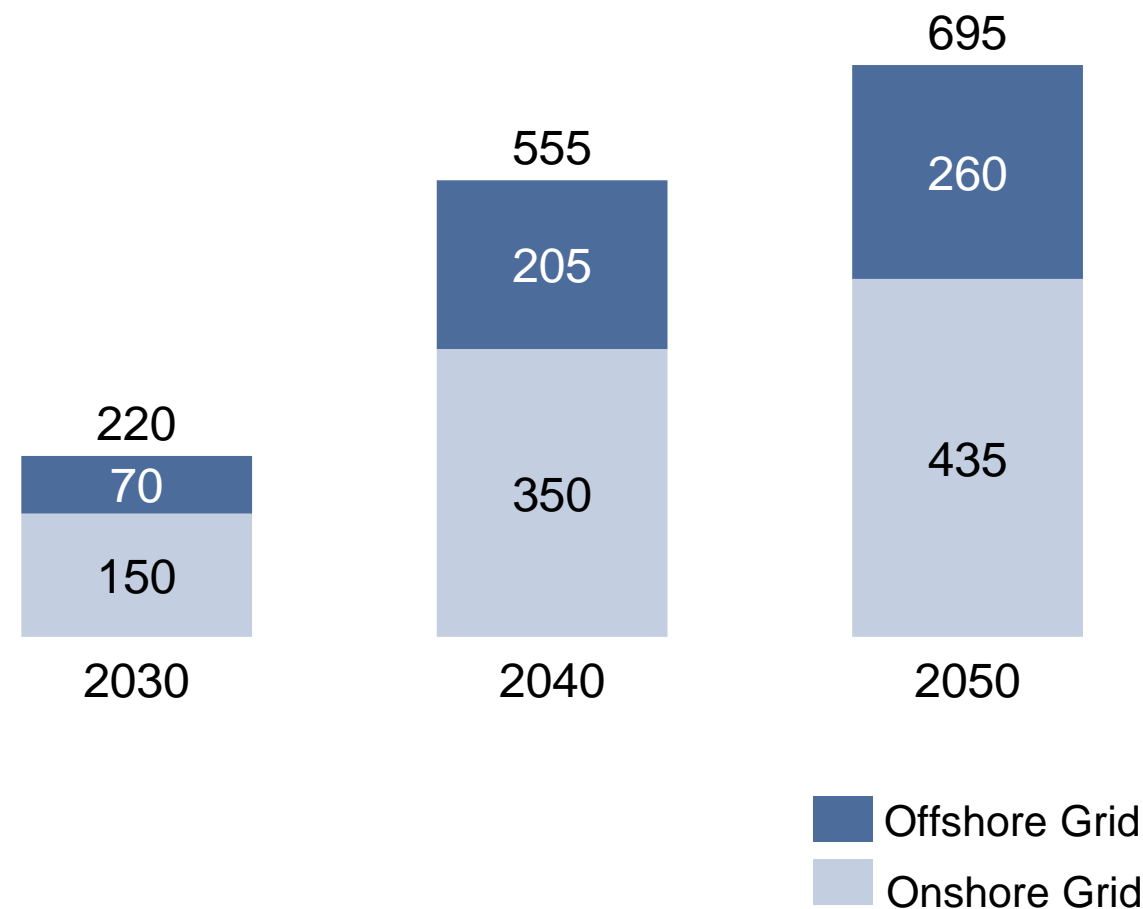
141
transmission projects ...

... of which **70**
projects of common
interest (PCI)

200 GW
grid connection capacity by
2050 (currently 93 GW)

Massive investment required in the expansion of the grid

Planned investments in the European transmission system (EUR billion)



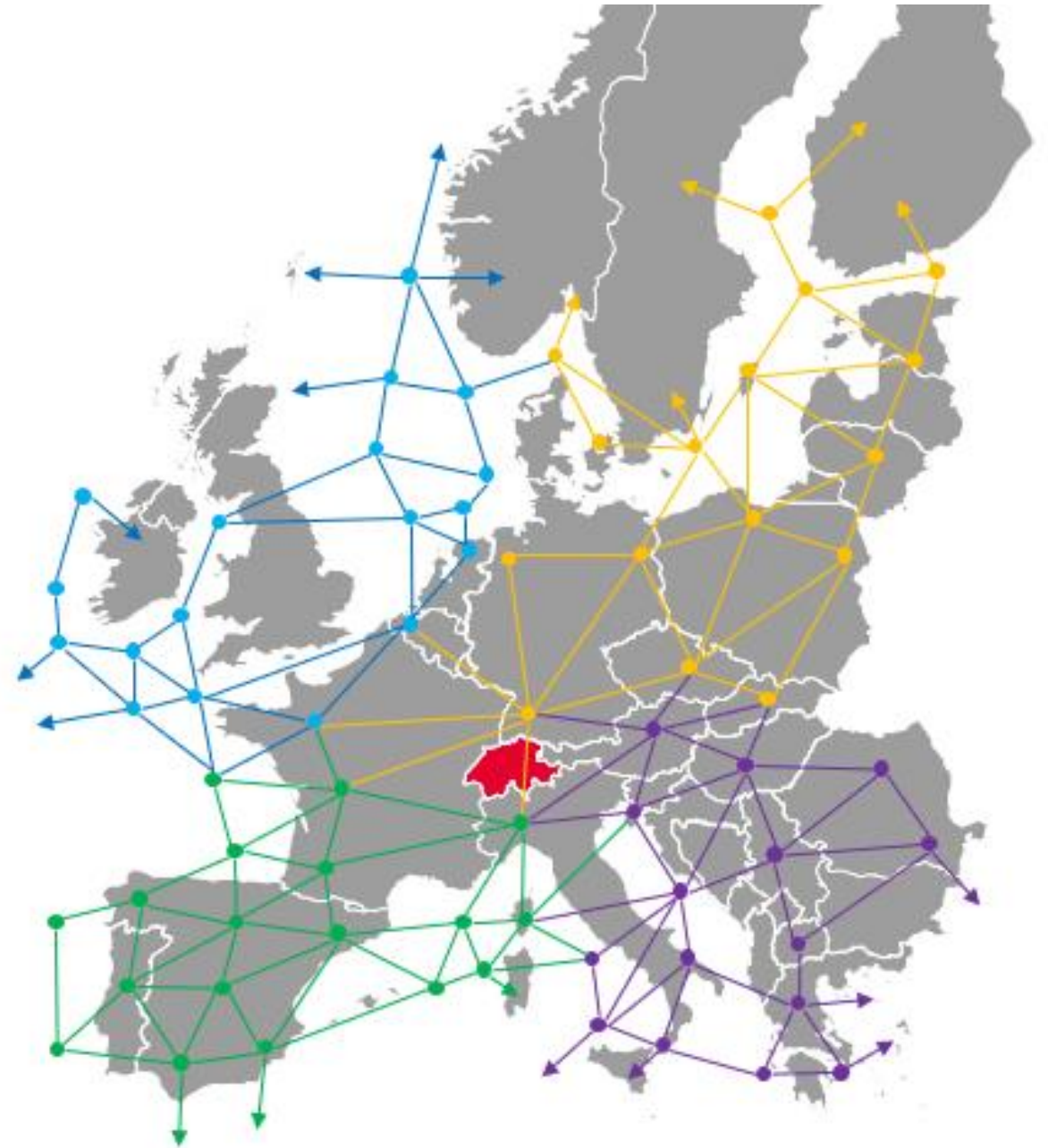
Sources: ENTSO-E (TYNDP 2022) and European Commission

Trends are moving towards a European supergrid to integrate renewable energies and to interconnect markets



European supergrid

- **Expanded, cross-border and visionary** transmission systems
- Grids for energy exchange **between continents**
- Transmission of energy from **sunny** and/or **windy regions** to **centres with high consumption**
- Increasing data interchange, digitalisation and cross-border operations



The Swiss transmission grid must continue to develop...

- Change in **production patterns** and increased international **electricity exchange**
- Internationalisation of **control markets** and integration of **storage technologies**
- **Investments** in the transmission and distribution systems
- Use of **technologies to monitor and control the electricity flow**





... for a long-term European vision rather than a national vision

- Swissgrid is currently planning the **Strategic Grid 2040**; this is based on **federal scenarios for Switzerland's needs, but not for EU integration**
- **European supergrid**: European grid operators are developing a long-term vision (2050+) for the interconnected grid, but without taking Switzerland into account
- With **41 interconnected lines**, **Switzerland is at the heart of the European system**

Conclusions

New production patterns and increased electricity exchange (seasonality, balancing, storage)

Robust, smart grids as a prerequisite for bringing about the energy transition (digitalisation, data interchange and cooperation)

Switzerland: a pivot and hub for Europe, which **must be more closely involved** in the development of the European supergrid



Q&A session



Thank you for your interest

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