

Media release

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Swissgrid in the 2022 financial year: challenges successfully overcome

- **High availability of the transmission system ensured in a challenging environment**
- **Significant progress made on key grid construction projects as part of the «Strategic Grid 2025» programme**
- **Net income in 2022: CHF 96.4 million, investment volume up by 23.4 percent to CHF 257.4 million**
- **Procurement costs for grid operations more than doubled to CHF 866.2 million due to higher market prices**
- **Expenses for additional measures to maintain Switzerland's security of supply amounted to CHF 55.0 million**
- **Successful completion of Strategy 2022 established the basis for Strategy 2027**

Swissgrid's 2022 financial year was dominated by the challenges on the European energy market and the additional tasks entrusted to Swissgrid by the Federal Council to maintain Switzerland's security of supply. This concerns in particular the operational implementation of measures to guarantee the hydropower reserve and to integrate emergency power groups, as well as the grid connection of the reserve power plant in Birr (AG). The additional tasks also include the temporary voltage increase of the Bickigen (BE) – Chippis (VS) and Bassecourt (JU) – Mühleberg (BE) lines, as well as the establishment of a monitoring system for the early detection of power shortages, which will allow the prompt activation of measures to support the National Economic Supply. Swissgrid did everything in its power to implement these additional tasks to maintain Switzerland's security of supply during the winter of 2022/23 and in the future. Despite the challenging framework conditions, high availability of the transmission system was ensured at all times.

«Our employees show great personal commitment and a sense of responsibility and make an important contribution to ensuring Switzerland's supply of energy both now and in the future,» says Yves Zumwald, CEO of Swissgrid.

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Important milestones from the «Strategic Grid 2025»

Swissgrid reached a number of important milestones in 2022 in various projects from the «Strategic Grid 2025». Among other things, the new extra-high-voltage line between Chamoson and Chippis (VS) and the upgraded extra-high-voltage line between Pradella and La Punt (GR) were put into operation. In addition, the connection of the Nant de Drance pumped storage power plant was completed and activated. These lines strengthen the transfer capacity for electricity generated from hydropower and form an important pillar of the Energy Strategy 2050.

Strong business performance and solid financing structure

Net income stood at CHF 96.4 million (2021: CHF 106.2 million). Adjusted to take into account the regulatory special effects related to the takeover of the transmission system, Swissgrid recorded an increase in net income of around 6 percent on a comparable basis. Total assets rose to CHF 3.8 billion (2021: CHF 3.5 billion) and the equity ratio represented 33.9 percent (2021: 35.7 percent).

The Board of Directors will propose a dividend payment of CHF 48.2 million for the 2022 financial year to the General Assembly to be held on 23 May 2023, which is CHF 4.9 million lower than the previous year (2021: CHF 53.1 million).

Higher investment volume, rising procurement costs and higher net turnover

Following significant progress on important grid construction projects as part of the ongoing «Strategic Network 2025» programme, the investment volume in the 2022 financial year rose by 23.4 percent to CHF 257.4 million (2021: CHF 208.6 million). Thanks to its planned investments, Swissgrid is on target to ensure Switzerland's grid-related security of supply.

At CHF 866.2 million, procurement costs more than doubled in the reporting year (2021: CHF 417.5 million). The marked increase is mainly due to higher market prices for procurements to guarantee stable grid operation.

Furthermore, the costs for the additional tasks assigned to Swissgrid by the Federal Council to maintain Switzerland's security of supply, such as guaranteeing the hydropower reserve, amounted to CHF 55.0 million in the reporting period (2021: CHF 0). The rising procurement costs resulted in an increase in tariffs.

The 9.8 percent increase in operating expenses to CHF 250.6 million (2021: CHF 228.4 million) is attributable in particular to costs associated with the implementation of a programme of measures to ensure Switzerland's grid-related security of supply as part of the accomplishment of Strategy 2022. The successful completion at the end of the reporting year of Strategy 2022, which had been launched in spring 2018, enabled Swissgrid to lay the foundations for its new

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Strategy 2027, which will address the challenges presented by a dynamically changing energy system.

The net turnover of CHF 987.1 million (2021: CHF 715.1 million) reflects the market dynamics. The increase is due in particular to higher tariff revenues for grid usage and income from balance group balancing energy.

Strategy 2027: new thrusts consolidate proven strengths

A new five-year strategy period was initiated at the beginning of the 2023 financial year. The strategy includes measures to ensure Switzerland's grid-related security of supply in the long term, regardless of the degree of integration into EU processes, while at the same time supporting the Confederation's energy strategy. For its Strategy 2027, Swissgrid has defined five closely related strategic priorities, four of which were taken over from the previous strategy and adapted to the current and future framework conditions. A new priority, «Innovation and Digitalisation», has also been added. Another focus is on the integration of Corporate, Social & Environmental Responsibility (CSER).

Sustainability strategy: anchor sustainability more firmly throughout the company

Swissgrid has laid the foundations for its sustainability strategy by drawing up a materiality analysis in accordance with the GRI standards. The plan is to publish a full report for the first time with the 2023 annual report. This brings Swissgrid a major step closer to its goal of making a significant contribution to the implementation of the Energy Strategy 2050 and to the establishment of a secure and sustainable supply of electricity.

Outlook

Swissgrid again expects a high investment volume in the 2023 financial year. Annual grid investments of between CHF 200 million and CHF 290 million are envisaged over the medium-term planning horizon for the implementation of the «Strategic Grid 2025» and measures for a sustainable energy future. The need for financing will increase further due to the additional tasks assigned to Swissgrid by the Federal Council to maintain Switzerland's security of supply. Swissgrid will therefore cover the financing requirements associated with these additional tasks on the financial markets until the necessary funds can be collected via tariffs.

For more information, visit media@swissgrid.ch or call +41 58 580 31 00.

Powering the future

Swissgrid is the national grid company. As the owner of Switzerland's extra-high-voltage grid, it is responsible for operating the grid safely and without discrimination and for maintaining, modernising and expanding the grid efficiently

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and with respect for the environment. Swissgrid has more than 600 highly qualified people from 28 countries at its sites in Aarau, Prilly, Castione, Landquart, Laufenburg, Ostermundigen and Uznach. As a member of the European Network of Transmission System Operators for Electricity (ENTSO-E), it is also responsible for grid planning, system management and market design in the European exchange of electricity. The majority of Swissgrid's share capital is jointly held by various Swiss electricity companies.