

# Subordinated federal credit facility

Media conference on 6 September 2022



# Extreme turbulence

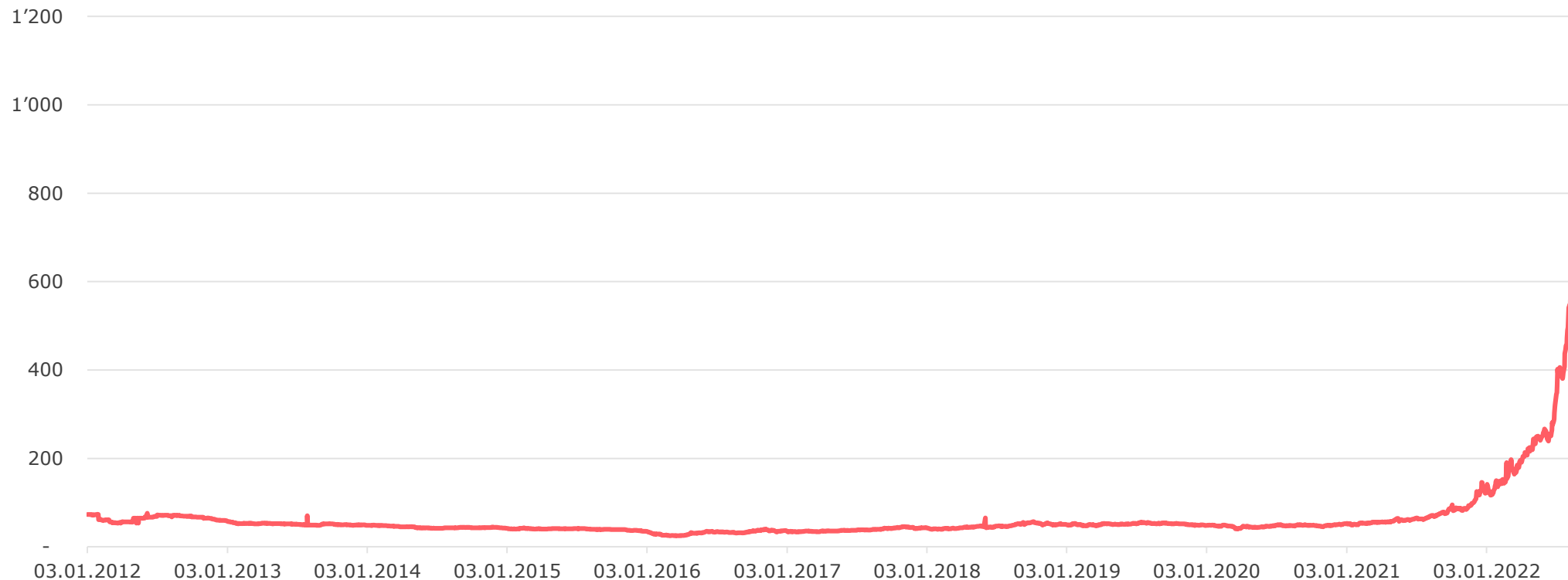
Christoph Brand, CEO



# European electricity prices at record highs

## Electricity price development 2012–2022

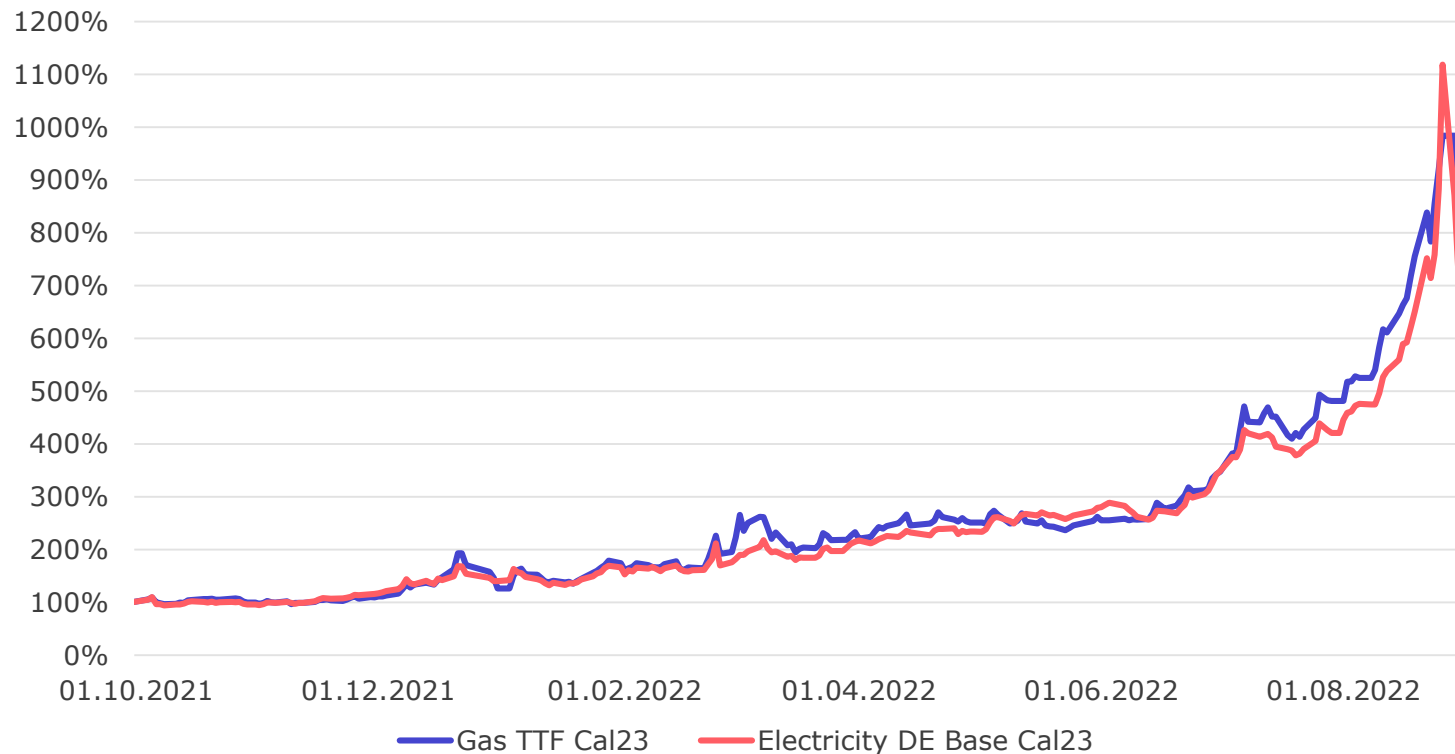
(CH Power Cal23)



# Sharp rise in prices since autumn 2021

## Prices (Cal 2023 average)

\*Indexed on 1 October 2021



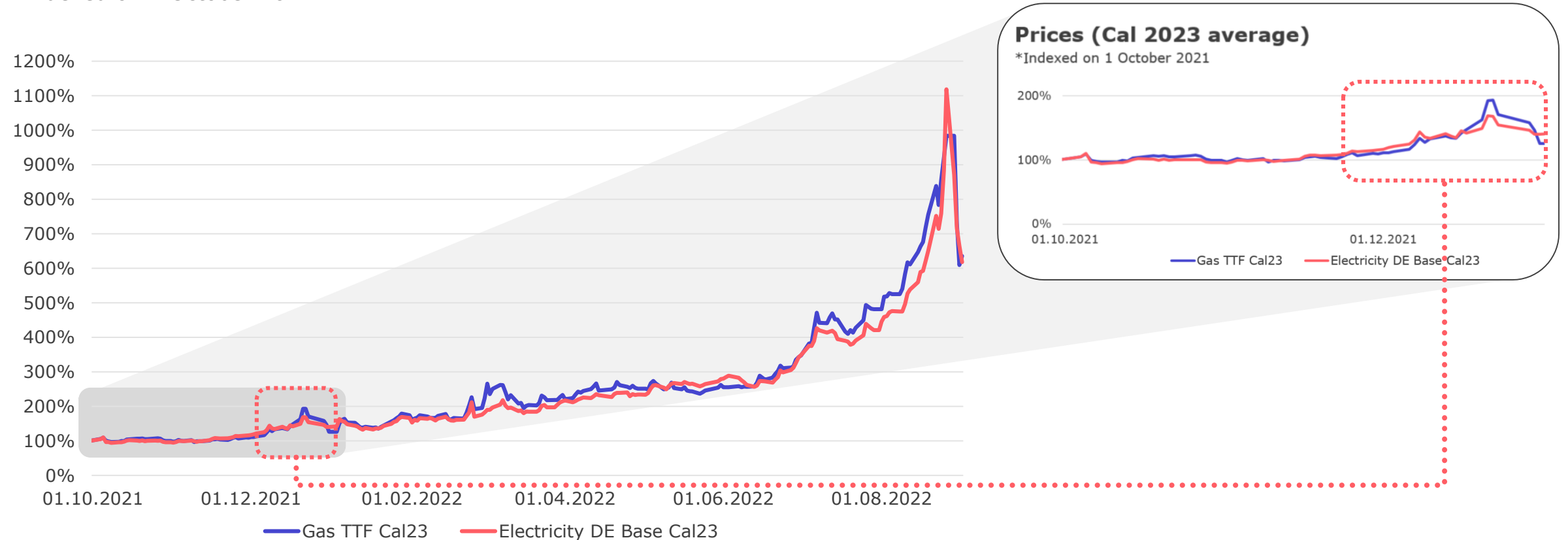
### European market participants currently face:

- Unprecedented price levels unrelated to fundamentals
- High volatility
- High security deposits for electricity contracts
- Risk of domino effect

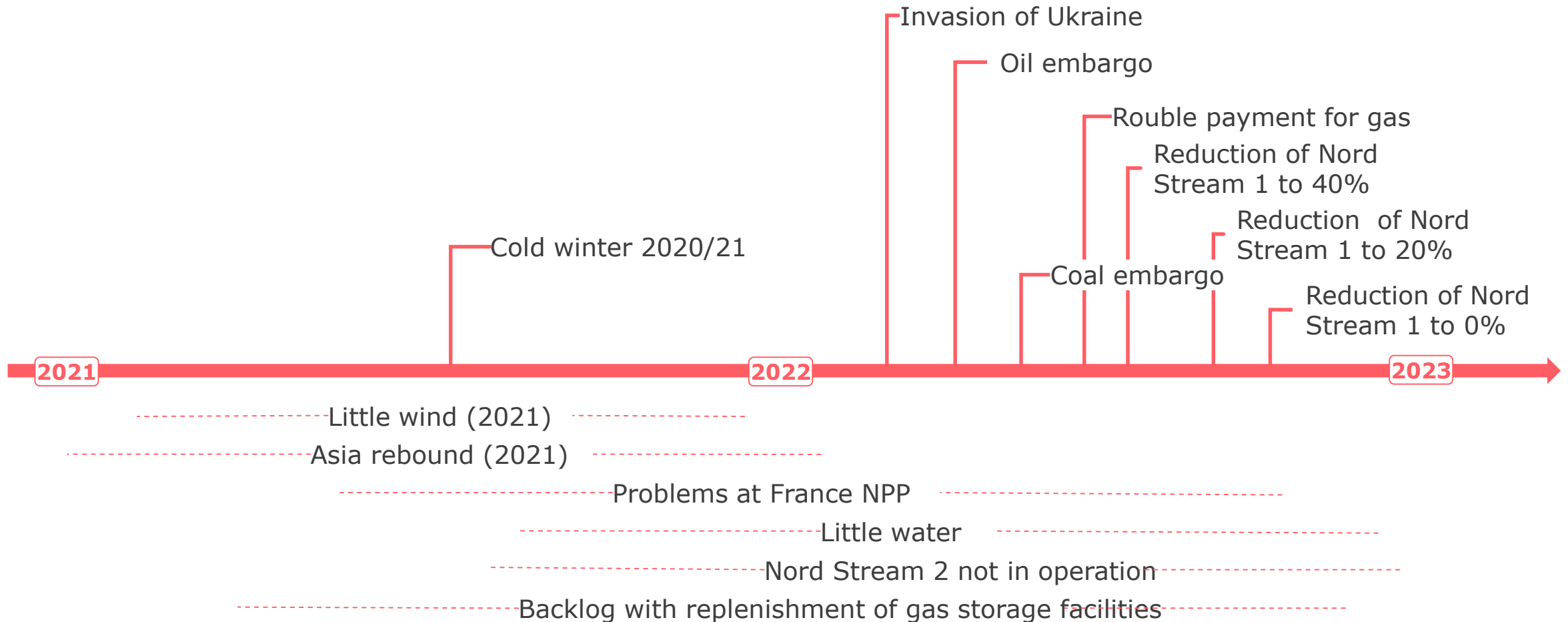
# Compared with the situation at the end of 2021

## Prices (Cal 2023 average)

\*Indexed on 1 October 2021



# The perfect storm





# Security deposits increase

Christoph Brand, CEO

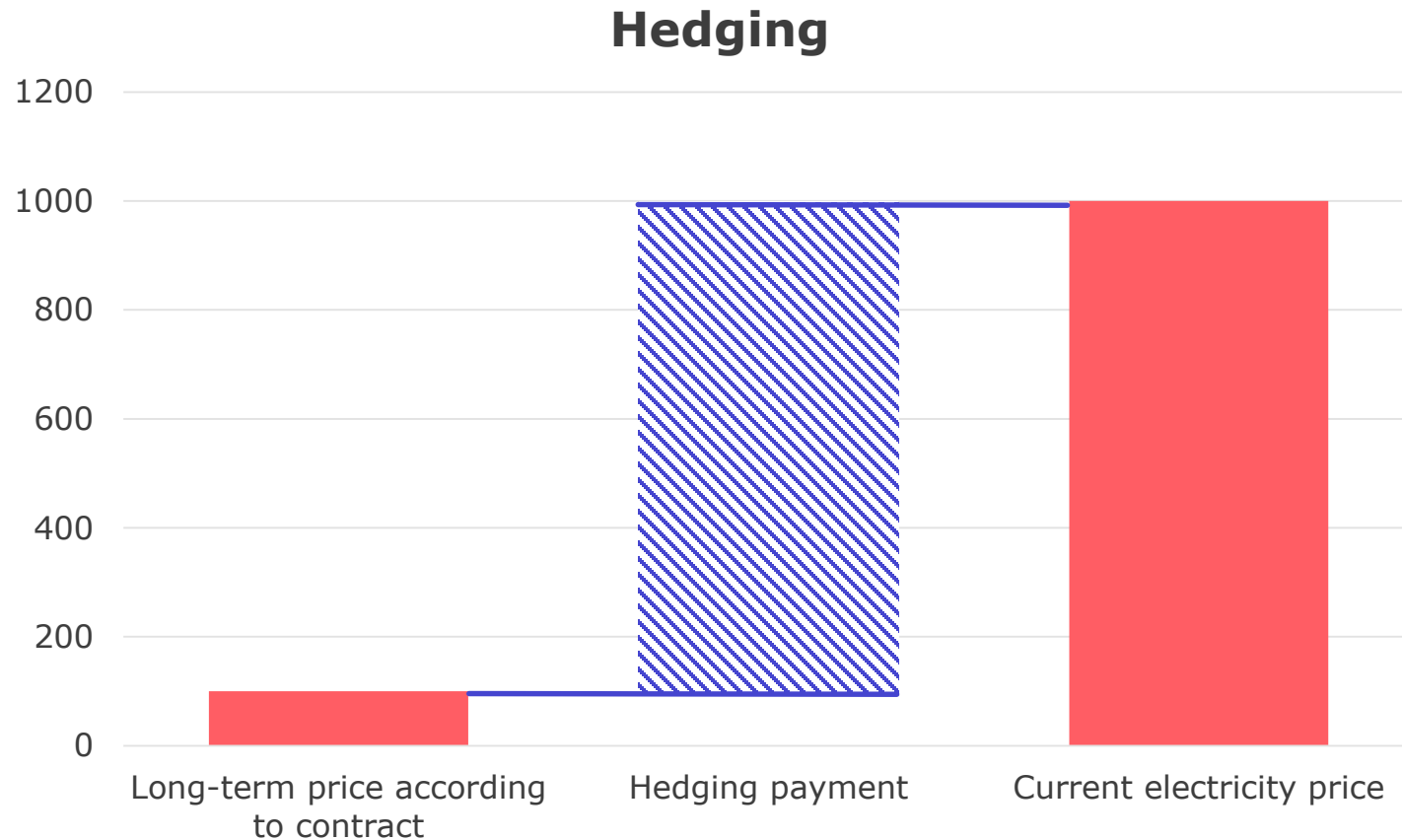


# Conservative hedging strategy

- Axpo hedges its production from Swiss plants (24 TWh per year) up to three years in advance.
- This is an internationally recognised strategy that Axpo applies in a conservative manner.
- Axpo thus minimises its price risk.
- Our customers secure a guaranteed energy supply at a predictable price, from which they benefit in the current climate.
- In order to protect buyers and sellers, security deposits are required. These are then repaid after performance of the contract.



# Security deposits several times higher than the value of a contract



- Security deposits increase as prices rise.
- The extreme price increase can put an enormous strain on liquidity.
- A useful tool also common in other industries, but not designed for such a crisis.

# Federal credit facility

Joris Gröflin, CFO



# Federal credit facility

- Credit facility of max. CHF 4 billion
- Subordinated to existing financing
- No security deposits provided
- Not yet used



# Conclusion

Christoph Brand, CEO



## | Subordinated federal credit facility

- Due to the war, massive market turbulence with no connection to fundamentals; further developments are unpredictable
- Federal credit facility as a precautionary measure
- Paradox: the current situation will put a squeeze on liquidity in the short term, but the medium-term outlook is positive
- In this challenging environment, Axpo benefits from its diversification in terms of geographical markets and range of business activities.





| Your questions

