

Q&A: Axpo's 2022/23 annual results

Axpo achieved exceptionally good financial results in a challenging 2022/23 financial year. The company is strong and the outlook is positive. Our business model has proven its worth once again and we are going to continue to successfully implement our strategy. This means making a significant contribution to a secure energy supply system, advancing the energy transition and growing renewables as well as growing the customer business with energy trading solutions.

1. Why was the credit line returned untouched and what does this mean for Axpo?

The situation in the energy markets has returned to almost normal since the difficulties of last year. Axpo has also taken several measures to strengthen its resilience and the Group's financial profile has improved significantly compared to a year ago. The Board of Directors and the Executive Board are therefore convinced that Axpo will not have to rely on the credit line granted under the decree to cover its liquidity requirements until the end of the FiREG term at the end of 2026. As a result, the credit line was revoked by the Confederation on 1 December 2023 – at Axpo's request.

Axpo has never utilised the credit line granted by the federal government despite challenging developments.

2. Which business divisions contributed to the results?

All business divisions made positive contributions to our exceptionally good results. They were primarily due to international customer business, strong operating performance, the high availability of power plants and the expected financial effects of market normalisation. The adjusted operating result totalled CHF 2.7 billion.

3. Where did the positive contribution from the international trading business come from?

It came largely from international customer business (origination). This primarily involves supply and purchase agreements with producers and customers in Switzerland and abroad. The demand for tailor-made customer solutions is very high and Axpo, as an established energy solutions provider, was able to conclude new contracts in this environment.

4. How high was the income from business with Swiss sales customers?

Axpo realised an average price of 7 centimes per kWh for the electricity it supplied from Swiss power plants, hedged three years ago. This is why Axpo benefited only slightly from the higher electricity prices on the spot market. Corporate customers such as distribution system operators, which had hedged their electricity prices three years ago by purchasing from Axpo, were able to pass on correspondingly lower prices to end customers. Axpo subsidiary CKW, which operates in the end customer sector, has



regularly supplied electricity at below-average prices in Switzerland and will be one of the best priced suppliers in 2024.

5. How high is Axpo's liquidity at present?

As at 30 September 2023, liquidity amounted to around CHF 7.5 billion. This is around CHF 3.4 billion more than a year earlier.

6. How does Axpo use this profit?

The returned funds will be used to reduce debt as well as support investment in all Axpo business areas, not least in new production capacities and grids in Switzerland.

In the reporting period, Axpo invested a total of CHF 475 million, of which CHF 230 million was invested in Switzerland.

In addition, the results also entail a tax contribution of over CHF 700 million.

7. What ambitions does Axpo have regarding its CO2 emissions?

Axpo aims to reduce the CO2 emissions resulting from its own electricity consumption and the operation of its vehicle fleet to zero by 2030. Emissions within Axpo's direct sphere of influence are to be decarbonised by 2040 (net zero in Scopes 1 and 2). Finally, Axpo aims to achieve net zero for all its emissions by 2050 (Scopes 1, 2 and 3).

Axpo will maintain the necessary flexibility so that we can continue to contribute to the security of supply and actively support customers on their path to decarbonisation.