

Statutory financial statements

Income statement

In millions of CHF	Notes	2024	2023
Net turnover	<u>3</u>	1,825.1	1,219.2
Other operating income	<u>4</u>	18.7	19.9
Change in volume- and tariff-related timing differences		-580.8	218.6
Capitalised self-constructed assets		29.2	22.5
Total operating income		1,292.2	1,480.2
Procurement costs	<u>3</u>	684.5	899.9
Gross profit		607.7	580.3
Cost of materials and third-party supplies	<u>5</u>	120.1	123.8
Personnel expenses	<u>6</u>	145.4	131.1
Other operating expenses	<u>7</u>	40.2	38.9
Earnings before interest, income taxes, depreciation and amortisation		302.0	286.5
Depreciation on property, plant and equipment		127.5	115.8
Amortisation on intangible assets		40.7	36.3
Earnings before interest and income taxes (EBIT)		133.8	134.4
Financial income		3.6	2.0
Financial expenses		19.2	20.8
Profit for the year before taxes		118.2	115.6
Income taxes		21.7	21.6
Profit for the year		96.5	94.0

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Balance sheet

Assets

In millions of CHF	Notes	31.12.2024	31.12.2023
Cash and cash equivalents		354.8	111.1
Trade accounts receivable	<u>8</u>	414.1	222.3
Other receivables	<u>9</u>	19.2	19.0
Inventory		2.5	0.9
Prepaid expenses and accrued income	<u>10</u>	112.7	111.9
Short-term deficits arising from volume-and tariff-related timing differences		209.3	723.7
Assets held on a fiduciary basis	<u>11</u>	98.1	33.9
Current assets		1,210.7	1,222.8
Financial assets		–	0.9
Shareholdings	<u>12</u>	5.0	5.2
Property, plant and equipment	<u>13</u>	2,264.5	2,131.9
Intangible assets	<u>14</u>	256.8	240.0
Long-term deficits arising from volume-and tariff-related timing differences		104.3	611.9
Non-current assets		2,630.6	2,989.9
Assets		3,841.3	4,212.7

Equity and liabilities

In millions of CHF	Notes	31.12.2024	31.12.2023
Trade accounts payable	<u>15</u>	179.3	172.8
Current financial liabilities	<u>18</u>	405.2	510.0
Other liabilities	<u>16</u>	27.3	13.5
Accrued expenses and deferred income	<u>17</u>	98.3	110.8
Current provisions	<u>19</u>	0.1	0.1
Liabilities held on a fiduciary basis	<u>11</u>	98.1	33.9
Current liabilities		808.3	841.1
Non-current financial liabilities	<u>18</u>	1,620.9	2,026.1
Non-current provisions	<u>19</u>	1.8	1.8
Non-current liabilities		1,622.7	2,027.9

In millions of CHF	Notes	31.12.2024	31.12.2023
Liabilities		2,431.0	2,869.0
Share capital	20	334.5	334.5
Legal capital reserves		430.1	430.1
Reserves from capital contributions		430.1	430.1
Legal retained earnings		1.6	1.6
General legal reserves		1.6	1.6
Available earnings		644.1	577.5
Results carried forward		547.5	483.5
Profit for the year		96.5	94.0
Equity		1,410.3	1,343.7
Equity and liabilities		3,841.3	4,212.7

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Cash flow statement

In millions of CHF excluding balance sheet items held on fiduciary basis	Notes	2024	2023
Profit for the year		96.5	94.0
Financial expenses		19.2	20.8
Financial income		–3.6	–2.0
Current income taxes		21.7	21.6
Depreciation and amortisation		168.2	152.1
Change in inventory		–1.6	0.2
Change in trade accounts receivable		–191.8	12.3
Change in other receivables		–0.2	40.2
Change in prepaid expenses and accrued income		–0.8	16.7
Change in volume- and tariff-related timing differences		1,022.0	–621.8
Change in trade accounts payable		6.5	–220.6
Change in other current liabilities		13.8	12.8
Change in accrued expenses and deferred income		–3.5	–12.2
Interest received		2.0	0.6
Income taxes paid		–22.7	–20.6
Cash flow from operating activities		1,125.7	–505.9
Gross investments in property, plant and equipment		–287.3	–254.1
Congestion proceeds received for grid investments		–	216.6
Government grants		6.2	–
Net investments in property, plant and equipment		–281.1	–37.5
Gross investments in intangible assets		–36.4	–25.4
Congestion proceeds received for grid investments		–	21.9
Net investments in intangible assets		–36.4	–3.5
Dividends received		0.7	0.5
Cash flow from investing activities		–316.8	–40.5
Change in current financial liabilities		–510.0	248.9
Change in non-current financial liabilities		–	100.0
Issuing of bonds		–	200.0
Interest paid		–25.6	–16.5
Dividends paid		–30.0	–48.2
Cash flow from financing activities		–565.6	484.2

In millions of CHF excluding balance sheet items held on fiduciary basis	Notes	2024	2023
Foreign currency translation effect on cash and cash equivalents		0.4	0.5
Change in cash and cash equivalents		243.7	−61.7
Composition			
Cash and cash equivalents at beginning of period		111.1	172.8
Cash and cash equivalents at end of period		354.8	111.1
Change in cash and cash equivalents		243.7	−61.7

Statutory financial statements

Notes

1. Accounting principles

General

The financial statements for Swissgrid Ltd, Aarau, have been prepared in accordance with the Swiss Law on Accounting and Financial Reporting (Title 32 of the Swiss Code of Obligations). The valuation principles applied are described below.

Conversion of foreign currency items

The accounting records are maintained in the local currency (Swiss francs, CHF). All short-term monetary assets and liabilities recognised in foreign currencies are converted at the exchange rate as of the balance sheet date. Transactions in foreign currencies are converted at the exchange rate on the day the transaction took place. Foreign exchange gains and losses resulting from transactions in foreign currencies are recognised in the income statement and are presented in the same item as the underlying transaction.

Cash flow statement

«Cash and cash equivalents» form the basis for the presentation of the cash flow statement. The cash flow from operating activities is calculated using the indirect method.

Revenue recognition

The revenue and procurement items result from the activities defined in the Electricity Supply Act (ESA) and include services for the non-discriminatory, reliable and efficient operation of the transmission grid, in particular ancillary services and balance and congestion management.

Revenue is recognised in the income statement upon performance of Swissgrid's obligations. For ESA activities, the measurement of performance is mainly based on energy volumes measured directly on the transmission grid or reported by downstream grid levels. For certain revenue and procurement items, initial billing values are available six weeks after delivery at the earliest, thereby rendering accruals based on historical and statistical data, as well as on estimates, necessary for the revenue recognition of these items.

The activities defined in the Ordinance on the Establishment of a Hydropower Reserve (WResO) are intermediary transactions in accordance with the accounting regulations, which is why only the value of the services provided by the company itself is reported in the power reserve segment.

Activities according to ESA/WResO

Volume- and tariff-related timing differences (surpluses and deficits)

According to Art. 14 of the Electricity Supply Act (ESA), grid usage costs must be allocated to users on a user-pays basis. The tariffs for a financial year are determined based on planned costs. Due to price and volume deviations, actual expenses and income vary from the tariff calculation on both the revenue and procurement side. This results in surpluses or deficits, i.e. the tariff revenues from a financial year are higher or lower than the actual expenses incurred during the same period. These volume- and tariff-related timing differences are transferred to the balance sheet and taken into account in cost and revenue calculations for future tariff periods. The expected reduction in volume- and tariff-related timing differences within twelve months of the balance sheet date is recognised as short-term surpluses or deficits in the balance sheet.

EBIT regulated under ESA

Earnings before interest and taxes (EBIT) from ESA activities are defined in Article 15 of the Electricity Supply Act (ESA) for chargeable costs, and are now defined in Article 18a of the Electricity Supply Ordinance (ESO) for interest on volume- and tariff-related timing differences arising from the 2024 financial year onwards. EBIT corresponds to the interest on invested operating assets (IOA) at the weighted average cost of capital rate for the current reporting year ($= WACC_{t+0}$), the interest on the volume- and tariff-related timing differences arising from the 2024 financial year onwards at the borrowing cost rate $_{t+2}$ included in $WACC_{t+2}$ and taxes. In accordance with ElCom directive 03/2024, volume- and tariff-related timing differences up to and including the end of the 2023 financial year remain subject to interest at $WACC_{t+2}$ until they have been fully eliminated, which also has an impact on EBIT.

Invested operating assets consist of net current assets calculated on a monthly basis, as well as the property, plant and equipment and intangible assets as at the end of the financial year. The weighted average cost of capital rate is based on the current international practice of the capital cost concept with reference to the Capital Asset Pricing Model (CAPM). Besides considering the findings of financial market theory, the regulatory framework conditions in Switzerland and the current situation in the money and capital market are also taken into account. The weighted average cost of capital rate for 2024 ($WACC_{t+0}$) determined by the authorities on the basis of this calculation method is 4.13%, and the borrowing cost rate $_{t+0}$ included in $WACC_{t+0}$ is 2.25%. The weighted average cost of capital rate for 2026 ($WACC_{t+2}$) applicable for the 2024 financial year is 3.43%, and the borrowing cost rate $_{t+2}$ included in $WACC_{t+2}$ is 2.0%.

EBIT according to WResO

From the 2024 financial year, the chargeable costs for the power reserve are calculated in the same way as ESA activities in accordance with Article 15 ESA. However, interest on the assets required for the power reserve is calculated according to the borrowing cost rate $_{t+0}$ included in $WACC_{t+0}$. In accordance with Article 18a ESO, interest on the volume- and tariff-related timing differences arising since 1 January 2024 is calculated at the borrowing cost rate $_{t+2}$. As previously, no interest is calculated on the volume- and tariff-related timing differences up to and including the end of the 2023 financial year until they have been fully eliminated. EBIT according to WResO is calculated from the interest on the assets required and the volume- and tariff-related timing differences arising since 1 January 2024.

Chargeability of operating and capital costs

ElCom has the right to verify ex post the chargeability of Swissgrid's operating and capital costs for tariff-setting purposes. In case of an ex post cost adjustment, an appeal can be lodged with the Federal Administrative Court with an ultimate possibility of appeal to the Federal Supreme Court. A cost adjustment impacting Swissgrid's operating result is applied whenever no appeal is lodged, or whenever an appeal's prospects for success are judged to be less than 50% on the basis of a reappraisal, or whenever a legally binding ruling is issued.

Property, plant and equipment

Property, plant and equipment are recognised at the cost of acquisition or production less accumulated amortisation and any impairment losses. Significant spare parts which are likely to be used for a longer period and whose use only takes place in connection with a non-current asset item are recognised in non-current assets and depreciated over the remaining useful life of the relevant asset.

Depreciation/amortisation is calculated using the straight-line method on the basis of the estimated useful technical and economic service life. The service life is within the following ranges:

- Lines: 15 to 60 years

- Substations: 10 to 35 years
- Buildings and expansions: 5 to 50 years
- Other property, plant and equipment: 3 to 8 years
- Construction in progress and properties: only applicable in the case of an impairment loss

Intangible assets

Intangible assets are recognised at the cost of acquisition or production less accumulated amortisation and any impairment losses. Depreciation/amortisation is calculated using the straight-line method on the basis of the estimated useful technical and economic service life.

The service life is within the following ranges:

- Rights of use: contract term
- Software: 3 to 5 years
- Intangible assets under development: only applicable in the case of an impairment loss

The merger losses (goodwill) resulting from the mergers on 3 January 2013 and 5 January 2015 are also recognised in this item. Goodwill is depreciated on a straight-line basis over 20 years and is reviewed annually for impairments. The rights of use include easements and rights of use to mixed-use assets that were compensated once before 1 June 2019.

Impairment losses

The value of property, plant and equipment and intangible assets is reviewed annually. If there is an indication of an impairment loss, the book value is reduced to the realisable value and an impairment loss is charged to the results of the period.

Construction in progress/intangible assets under development

Construction in progress and intangible assets under development are non-current assets that are not yet completed or not yet operational. All items of property, plant and equipment and intangible assets, including self-constructed assets, are classified as non-current assets. As of each balance sheet date, a review is performed to determine whether any construction in progress or intangible assets under development have to be impaired. These are recognised as impairment losses in the year of completion. Ordinary depreciation or amortisation of these assets begins once they are completed or are ready for operation.

Financial assets

Financial assets are measured at acquisition costs less any impairment losses. Employer contribution reserves without conditional renounced use are also recognised in financial assets.

Shareholdings

Shareholdings are measured at acquisition costs less any impairment losses. These include shareholdings with a capital share of over 20%, but which do not have a significant impact on the financial statements, as well as shareholdings with a capital share of less than 20% that do have a significant impact.

Inventory

Inventory includes waste material for maintaining the grid systems. Inventory is measured at the lower of acquisition cost or market price.

Accounts receivable

Accounts receivable are reported at their nominal value less any impairment losses required for business reasons.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash at banks and deposits at banks maturing in 90 days or less. They are recognised at their nominal value.

Bonds

Bonds issued on the capital market are recognised at their nominal value. Deviations from the nominal value in the case of below- or above-par issues are recognised as accruals and deferrals and are reversed on a straight-line basis over the term of the bond.

Liabilities

Liabilities are recognised at their nominal value.

Provisions

Provisions are recognised if there is a probable obligation based on an event that took place prior to the balance sheet date, the amount and/or due date of which is uncertain but capable of being estimated.

Contingent liabilities

Contingent liabilities are measured as of the balance sheet date. A provision is reported if a cash outflow without a usable countervalue is probable and assessable. Otherwise, contingent liabilities are disclosed in the notes to the financial statements.

Interest on borrowed capital

Interest on borrowed capital is recognised as an expense in the period in which it arises.

Income taxes

Current income taxes are calculated based on the taxable results on an accrual basis.

Derivative financial instruments

Swissgrid may use derivative financial instruments to hedge against currency and market price risks. If the conditions are met, Swissgrid will apply hedge accounting to hedge expected future cash flows. The instruments used for this purpose will be disclosed in the notes to the financial statements until the underlying transaction is realised.

2. Estimation uncertainty

Financial-statement reporting requires estimates and assumptions to be made that may have a significant impact on Swissgrid's financial statements. With respect to assets and liabilities recognised in the balance sheet, accruals and deferrals (prepaid expenses and accrued income/accrued expenses and deferred income) and volume- and tariff-related timing differences in particular are based on various assumptions and estimates that may necessitate significant adjustments. This is due to specific volumes not being available for certain revenue and procurement items when the financial statements are prepared, as well as regulatory uncertainties. The volume- and tariff-related timing differences are also influenced by estimates in the allocation of operating expenses to the segments.

More information is given in the sections on «Revenue recognition» and «Activities according to ESA/WResO»

in [Note 1](#), as well as in [Note 25](#).

3. Net turnover and procurement costs

Net turnover

For the 2024 financial year, net turnover across all segments amounted to CHF 1,825.1 million. This represents an increase of CHF 605.9 million in relation to the previous year's figure of CHF 1,219.2 million. The rise is mainly attributable to the CHF 417.8 million and CHF 156.2 million increase in net turnover in the general ancillary services and active power loss segments respectively. Both segments recorded higher tariff income and were allocated higher pro rata auction income to cover the chargeable costs of the transmission system. The increase in tariff income is due to the regulatory requirement to reduce the deficit from previous years. In addition to higher tariff income and auction income, higher revenue from balance group balancing energy in the general ancillary services segment also led to a rise in net turnover.

Procurement costs

At CHF 684.5 million, procurement costs were CHF 215.4 million lower than the previous year's figure of CHF 899.9 million. This decrease is due to a reduction in costs of CHF 186.1 million and CHF 48.3 million respectively in the general ancillary services and active power loss segments. The reduction in the general ancillary services segment is attributable to lower costs for control power provision. The decrease in the active power loss segment is due to lower procurement costs for the energy required to compensate for active power losses. By contrast, higher national redispatch costs in the grid usage segment led to an increase of CHF 29.1 million in procurement costs. Costs in the reactive energy segment remained at the previous year's level.

More detailed comments on the individual segments, including the effects on the volume- and tariff-related timing differences, can be found in [Note 4](#) to the financial statements in accordance with Swiss GAAP FER.

4. Other operating income

In millions of CHF	2024	2023
Congestion management clearing	16.2	16.3
Other	2.5	3.6
	18.7	19.9

5. Materials and third-party supplies

In millions of CHF	2024	2023
Grid maintenance	23.9	25.1
Grid system control	0.5	0.4
Other services in the grid area	19.4	23.5
Expenses for projects, advisory and non-cash benefits	58.0	56.9
Hardware/software maintenance	18.3	17.9
	120.1	123.8

Other grid-related services consist of remuneration for easements, including easement management services

performed by third parties and operating expenses for mixed-use plants.

6. Personnel expenses

In millions of CHF	2024	2023
Salaries, bonuses, allowances	116.9	105.5
Employee insurance	23.3	20.8
Other personnel expenses	5.2	4.8
	145.4	131.1

Other personnel expenses include, in particular, the costs of training and further education, recruitment, lump-sum expenses, as well as contributions to external catering for employees.

The average number of full-time equivalents exceeded 250 in the reporting period, as was the case in the previous year.

7. Other operating expenses

In millions of CHF	2024	2023
Rental and occupancy costs	11.9	10.1
Ground rents	4.7	4.2
Rental costs for communication equipment/telecommunication expenses	2.3	3.4
Board of Directors' fees and expenses incl. social costs	0.9	0.8
Actual expenses for travel and subsistence for employees and third parties	2.5	2.4
Fees, dues and licences	4.9	4.8
Insurance	2.5	2.4
Other administrative costs	10.5	10.8
	40.2	38.9

Other administrative costs included borrowing costs of CHF 6.2 million (previous year: CHF 6.1 million), which were incurred in connection with the additional tasks transferred to Swissgrid by the federal government in the power reserve segment and represent chargeable costs in accordance with Art. 22 WResO.

Board of Directors' fees and expenses represent fixed gross remuneration including the deduction of any employee contributions to the employee pension plan. The remuneration paid to the Chairman of the Board of Directors amounted to CHF 250,000, including lump-sum expenses (previous year: CHF 250,000). The remaining members of the Board of Directors received remuneration of between CHF 57,500 and CHF 77,500 pro rata temporis for 2023, including lump-sum expenses (previous year: between CHF 57,500 and

CHF 77,500).

Further information on the members of the Board of Directors can be found in the Corporate Governance Report.

8. Trade receivables

As at 31 December 2024, trade receivables included CHF 107.2 million (previous year: CHF 57.2 million) in relation to companies with a direct or indirect shareholding in Swissgrid.

9. Other receivables

Other receivables included the receivable for the 2024 enforcement costs for handling congestion management amounting to CHF 16.2 million (previous year: CHF 16.3 million).

10. Prepaid expenses and accrued income

In millions of CHF	31.12.2024	31.12.2023
Accrued revenue for supplies made	97.1	93.4
Other	15.6	18.5
	112.7	111.9

In particular, other prepaid expenses and accrued income include the discount on bond issues and financing and issue costs, which are amortised over the term of the financing instrument.

11. Balance sheet items held on a fiduciary basis

Pursuant to a letter of approval dated 7 February 2023, income from auctions in 2024 amounting to CHF 324.8 million (previous year: CHF 351.7 million) was paid to Swissgrid. At CHF 98.1 million, the balance sheet item was CHF 64.2 million above the previous year's figure of CHF 33.9 million. The increase is due to the higher level of outstanding trade accounts receivable, trade accounts payable and cash and cash equivalents as at 31 December 2024.

12. Shareholdings

		Share capital in m.	Share in %
Joint Allocation Office (JAO)	A	0.125	4.0
TSCNET Services GmbH	B	0.040	6.25
Holding des Gestionnaires de Réseau de Transport d'Electricité SAS (HGRT)	C	52.119	5.0
Pronovo AG	D	0.100	100.0

		Share capital in m.	Share in %
ecmt AG	E	0.100	31.0
Equigy B.V.	F	0.050	20.0

Letters used for locations and currencies:

A = Luxembourg (Lux) | Currency EUR

B = Munich (D) | Currency EUR

C = Paris (F) | Currency EUR

D = Frick (CH) | Currency CHF

E = Winterthur (CH) | Currency CHF

F = Arnheim (NL) | Currency EUR

Swissgrid is not legally obliged to prepare consolidated financial statements. Either the control principle necessary to prepare a consolidated financial statement (Art. 963 of the Swiss Code of Obligations (CO)) is not met, or the subsidiaries do not have a material influence on Swissgrid's financial statements. In particular, Pronovo AG is regulated by the Swiss Federal Office of Energy (SFOE) and is explicitly excluded from any consolidation with Swissgrid based on Art. 64 (5) of the Energy Act (EnA).

The figures are unchanged from the previous year.

13. Property, plant and equipment

The book values of the individual categories are as follows:

In millions of CHF	31.12.2024	31.12.2023
Construction in progress	400.5	276.3
Substations	613.4	647.0
Lines	1,067.3	1,048.8
Properties and buildings	163.3	155.5
Other property, plant and equipment	20.0	4.3
	2,264.5	2,131.9

14. Intangible assets

The book values of the individual categories are as follows:

In millions of CHF	31.12.2024	31.12.2023
Intangible assets under development	27.2	3.7
Usage rights	57.9	62.5
Software	28.5	12.7
Merger losses (goodwill)	143.2	161.1
	256.8	240.0

15. Trade accounts payable

As at 31 December 2024, trade accounts payable included CHF 70.9 million (previous year: CHF 65.6 million) in relation to companies with a direct or indirect shareholding in Swissgrid. No liabilities existed in relation to the external auditor as at 31 December 2024 (previous year: CHF 0.1 million).

16. Other liabilities

In millions of CHF	31.12.2024	31.12.2023
Value-added tax	27.0	10.8
Security deposits on blocked bank accounts	0.1	0.7
Other	0.2	2.0
	27.3	13.5

17. Accrued expenses and deferred income

In millions of CHF	31.12.2024	31.12.2023
Accrued expenses for supplies made	52.1	61.2
Personnel expenses and employee insurance scheme	18.9	15.4
Accrued interest and premium from issued bonds	13.7	19.0
Taxes	13.6	15.2
	98.3	110.8

18. Financial liabilities

In millions of CHF	31.12.2024	31.12.2023
Bonds	1,915.0	1,915.0
Convertible loans	11.0	41.1
Loans	100.1	580.0
Total financial liabilities	2,026.1	2,536.1
Current portion	405.2	510.0

Bonds

Nominal amount in CHF	Interest rate	Term	Expiration at nominal value
350 million	1.625%	2013–2025	30.01.2025
150 million	0.000%	2021–2026	30.06.2026
200 million	1.900%	2023–2026	30.06.2026
175 million	1.100%	2022–2027	30.06.2027

Nominal amount in CHF	Interest rate	Term	Expiration at nominal value
150 million	0.000%	2020–2028	30.06.2028
150 million	0.625%	2015–2030	25.02.2030
150 million	0.200%	2020–2032	30.06.2032
110 million	0.050%	2021–2033	30.06.2033
125 million	0.150%	2020–2034	30.06.2034
130 million	0.125%	2020–2036	30.06.2036
100 million	0.200%	2021–2040	29.06.2040
125 million	0.050%	2019–2050	30.06.2050

The maturities of bonds are as follows:

In millions of CHF	Interest rate (bandwidth)	Year 1	Year 2–5	more than 5 years	
Balance at 31 December 2024					
Bonds	0.000–1.900%	350.0	675.0	890.0	1,915.0
Balance at 31 December 2023					
Bonds	0.000–1.900%	–	1,025.0	890.0	1,915.0

Convertible loans and loans

Convertible loans have a term of nine years and one-fifth of the loans become payable annually from year five. Moreover, loans are also assigned a conversion right by Swissgrid in the event of occurrence of contractually defined events and an associated conversion obligation by the creditors. Creditors are compensated by a premium on the interest rate for the conversion right assigned to Swissgrid. Convertible loans are recognised in full in liabilities.

The interest conditions and maturities of convertible loans and loans are as follows:

In millions of CHF	Interest rate (bandwidth)	Year 1	Year 2–5	more than 5 years	Total
Balance at 31 December 2024					
Convertible loans	3.36–3.41%	5.2	5.8	–	11.0
Loans	0.00–2.40%	50.0	50.0	0.1	100.1
Balance at 31 December 2023					
Convertible loans	3.36–3.41%	30.0	11.0	–	41.0
Loans	0.00–2.40%	480.0	100.0	0.1	580.1

Convertible loans and loans are assessed at their nominal value.

As at 31 December 2024, convertible loans of CHF 10.8 million (previous year: CHF 40.1 million) existed towards companies with a direct or indirect shareholding in Swissgrid.

19. Provisions

In millions of CHF	31.12.2024	31.12.2023
Dismantling	1.5	1.5
Procedural costs	0.4	0.4
Total provisions	1.9	1.9
Current portion	0.1	0.1

Procedural costs

The provision amount includes the estimated compensation payable to parties and the court costs imposed on Swissgrid due to the administrative procedures in conducting proceedings.

20. Share capital and reserves from capital contributions

The share capital consists of 334,495,151 (previous year: 334,495,151) fully paid-up registered shares with a par value of CHF 1 per share.

21. Intermediary business

This segment handles the orders regulated by the Winter Reserve Ordinance (WResO) for the use of the hydropower reserve and reserve power plants, pooled emergency power groups and combined heat and power plants (CHP plants). In accordance with the accounting regulations, these activities are intermediary transactions, which is why only the value of the services provided by the company itself (operating and capital costs) and the associated net turnover are reported in the power reserve segment.

The expenses resulting from the intermediary business amounted to CHF 186.5 million in the reporting year (previous year: CHF 403.2 million). In addition, tariff income of CHF 645.2 million was received for the first time in 2024.

22. Derivative financial instruments

Swissgrid made use of derivative financial instruments to partially hedge against market price risk from future procurement costs for active power losses. The nominal amount of these instruments was EUR 116.1 million or CHF 109.3 million (previous year: EUR 208.5 million or CHF 193.1 million). As at 31 December 2024, the positive replacement values stood at EUR 3.3 million or CHF 3.1 million (previous year: EUR 0.1 million or CHF 0.1 million) and the negative replacement values amounted to EUR 15.9 million or CHF 15.0 million (previous year: EUR 97.0 million or CHF 89.8 million), resulting in net negative replacement values of EUR 12.6 million or CHF 11.9 million (previous year: EUR 96.9 million or CHF 89.7 million).

23. Other off-balance sheet commitments

Off-balance-sheet lease commitments

Swissgrid has the following off-balance-sheet lease commitments for vehicles and office equipment:

In millions of CHF	Year 1	Year 2–5	Total
31.12.2024	1.0	2.8	3.8
31.12.2023	1.2	0.9	2.1

Long-term rental contracts

Long-term rental contracts with fixed terms exist with several parties. These result in the following obligations:

In millions of CHF	Year 1	Year 2–10	More than 10 years	Total
31.12.2024	6.9	40.0	55.7	102.6
31.12.2023	6.3	40.8	59.4	106.5

The long-term rental obligations primarily include the rental commitments for Swissgrid's head office in Aarau.

24. Legal proceedings

Swissgrid's legal mandate and business activities expose the company to costs that can be passed on to the lower grid levels and end consumers in the form of tariff revenues if ElCom deems the costs to be chargeable. ElCom has the right to verify ex post the chargeability of Swissgrid's costs for tariff-setting purposes.

At present, ElCom has not initiated any proceedings to examine Swissgrid's chargeable costs. Swissgrid's Board of Directors and Executive Board believe that all costs were incurred within the framework of Swissgrid's legal mandate and should therefore qualify as chargeable. Based on this assessment, Swissgrid has treated all operating and capital costs as chargeable and consequently recognised them in full in the volume- and tariff-related timing differences. If, contrary to Swissgrid's assessment, the costs claimed are ruled to be non-chargeable, this would be reflected in future financial statements.

Third-party proceedings

The financial impact of third-party proceedings in which Swissgrid is involved are included in Swissgrid's financial statements if the Swiss GAAP FER criteria for recognition have been met. However, they have no direct impact on Swissgrid's results as they are included in the volume- and tariff-related timing differences.

25. Audit fees

In the 2024 financial year, the fees for auditing services amounted to CHF 198,900 (previous year: CHF 214,000) and CHF 34,000 (previous year: CHF 146,200) for other services.

26. Government grants

In the reporting year, Swissgrid received government grants related to assets totalling CHF 6.2 million for the modernisation and maintenance of the grid, which were offset against the asset (no government grants were received in the previous year).

27. Events after the balance sheet date

There are no events after the balance sheet date that would require disclosure or recognition in the 2024 financial statements.

On 14 April 2025, the Board of Directors of Swissgrid Ltd approved the 2024 financial statements for submission to the General Assembly and for publication.

Statutory financial statements

Proposed appropriation of retained earnings

The Board of Directors proposes to the General Assembly that the retained earnings be appropriated as follows:

CHF	2024	2023
Balance carried forward from the previous year	547,525,118.61	483,537,900.53
Profit for the year	96,529,871.40	93,993,597.53
Retained earnings	644,054,990.01	577,531,498.06
Appropriation to the general legal reserves	—	—
Dividend payment	51,883,626.84	30,006,379.45
Balance to be carried forward	592,171,363.17	547,525,118.61
Total appropriation	644,054,990.01	577,531,498.06

Since legal capital reserves and legal retained earnings have reached 50% of the share capital, no more funds will be allocated to these accounts.

Aarau, 14 April 2025

On behalf of the Board of Directors:

Adrian Bult, Chairman

Statutory financial statements

Report of the Statutory Auditor



Report of the statutory auditor to the General Meeting of Swissgrid AG, Aarau

Report on the audit of the statutory financial statements

Opinion

We have audited the financial statements of Swissgrid AG (the Company), which comprise the income statement for the year ended 31 December 2024, the balance sheet as at 31 December 2024 and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach



Overview

Overall materiality: CHF 31.1 million

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matters the following areas of focus have been identified:

- Appropriateness of the calculation of the result from regulated business (EBIT and volume- and tariff-related timing differences)
- Completeness and existence of net turnover and procurement costs

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 31.1 milion
Benchmark applied	Total "assets"
Rationale for the materiality benchmark applied	We chose total "assets" as the benchmark for determining materiality, as we believe that this is the figure that best reflects the company's purpose of ensuring the efficient operation of the transmission grid.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Appropriateness of the calculation of the result from regulated business (EBIT and volume- and tariff-related timing differences)

Key audit matter	How our audit addressed the key audit matter
In the 2024 financial year, Swissgrid reported earnings before interest and taxes (EBIT) of CHF 133.8 million (previous year: CHF 134.4 million), the components of which are governed in the company's regulated business area by the provisions of the Federal Electricity Supply Act (ESA) and the Ordinance on the Establishment of an Electricity Reserve for the Winter (WResO), as well as requirements of the Federal Department of the Environment, Transport, Energy and Communications (DETEC). The change in volume- and tariff-related timing differences totalled CHF -580.8 million (previous year: CHF +218.6 million). Further information on the regulated business, EBIT and the volume- and tariff-related volume- and tariff-related timing differences can be found in the notes to the statutory financial statements in "1. Accounting principles", "2. Estimation uncertainty" and "24. Legal proceedings". Earnings before interest and taxes (EBIT) from ESA activities are legally defined for the chargeable costs in Article 15 of the ESA and for the interest on volume- and tariff-related timing differences arising from the 2024 financial year onwards in Article 18a of the Electricity Supply Ordinance (ESO). The corresponding calculation is described in the accounting principles "EBIT regulated under ESA". Volume- and tariff-related timing differences arise due to volume and price variances between actual	With regard to the calculation of EBIT and volume- and tariff-related timing differences, we obtained an in-depth understanding of the company's accounting policies, assumptions and estimates, processes and methods and, in particular, performed the following audit procedures: • Checking whether the parameters used in the calculation of the earnings from the regulated business, such as WACC, correspond to the rate specified by DETEC. • Mathematical recalculation and plausibility check of the calculation of the volume- and tariff-related timing differences. • Assessing and testing the key controls provided for the calculation. • Verifying compliance with the relevant legal, regulatory and judicial requirements. We discussed the results of the audit procedures performed with the Finance and Audit Committee.

expenses and income as well as on the tariff-based sales and procurement side. The tariffs are determined on the basis of planned costs. These volume- and tariff-related timing differences are recognised in the balance sheet as “surpluses or deficits” and reversed in future tariff periods in the income statement as “changes in volume- and tariff-related timing differences”.

The risk that the calculation of EBIT and the volume- and tariff-related timing differences are not determined as intended is a key audit matter, as this has a significant impact on the calculation of tariffs and the company's result.

Completeness and existence of net turnover and procurement costs

Key audit matter	How our audit addressed the key audit matter
In the 2024 financial year, Swissgrid reported net turnover of CHF 1,825.1 million (previous year: CHF 1,219.2 million) and procurement costs of CHF 684.5 million (previous year: CHF 899.9 million). Further information on net turnover and procurement costs can be found in the notes to the statutory financial statements in “1. Accounting principles” and “3. Net turnover and procurement costs”. Revenue is recognised in the income statement when the service is provided. For the activities defined in the ESA, the measurement of performance is mainly based on energy volumes measured directly on the transmission grid or registered by downstream grid levels. For individual sales and procurement items, the first billing values are available no earlier than six weeks after the service has been provided, meaning that accruals, estimates and assumptions based on historical and statistical data are required to recognise sales and procurement costs Net turnover and procurement costs are key figures in financial reporting and are therefore the focus of internal and external stakeholders. We consider the completeness and existence of net turnover and procurement costs to be a key audit matter due to their volume and the estimates and assumptions required to determine them.	We obtained an in-depth understanding of the company's accounting policies, assumptions and estimates, processes and methods with regard to revenue recognition and the recognition of procurement costs and, in particular, performed the following audit procedures: • IT-supported verification of the data consistency of the basic data used for revenue accrual and thus verification of the completeness of the invoiced net turnover and the procurement costs. • Checking the correct transfer of data between the various systems. • Testing the effectiveness of the key controls in the process of revenue accruals and procurement costs as at the balance sheet date. • Performing random checks of the existence of the transaction. • Plausibility check of changes in procurement items. We discussed the results of the audit procedures performed with the Finance and Audit Committee.

Other matter

The financial statements for the year ended 31 December 2023 were audited by another statutory auditor who expressed an unmodified opinion on those financial statements on 15 April 2024.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the statutory financial statements, the financial statements Swiss GAAP FER and our auditor's reports thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit

matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

Based on our audit according to article 728a para. 1 item 2 CO, we confirm that the Board of Directors' proposal complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Thomas Wallmer
Licensed audit expert
Auditor in charge

Pascal Wintermantel
Licensed audit expert

Zürich, 14 April 2025

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