

# Financial statements Swiss GAAP FER

## Report of the Independent Auditor



### Report of the independent auditor

to the General Meeting of Swissgrid AG, Aarau

#### Report on the audit of the financial statements Swiss GAAP FER

##### 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, the cash flow statement and the statement of changes in equity 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 give a true and fair view of the financial position of the Company as at 31 December 2024 and of its financial performance and its cash flows for the year then ended in accordance with Swiss GAAP FER.

##### 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 'Independent 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.

<b>Overall materiality</b>	CHF 31.1 million
<b>Benchmark applied</b>	Total "assets"
<b>Rationale for the materiality benchmark applied</b>	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
<p>In the 2024 financial year, Swissgrid reported earnings before interest and taxes (EBIT) of CHF 139.1 million (previous year: CHF 138.2 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 (WRResO), 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 -582.8 million (previous year: CHF +216.4 million). Further information on the regulated business, EBIT and volume- and tariff-related volume- and tariff-related timing differences can be found in the notes to the Swiss GAAP FER financial statements in "1. Accounting principles", "2. Estimation uncertainty", "3. Legal proceedings", "4. Segment reporting" and "15. Volume- and tariff-related timing differences".</p> <p>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).</p>	<p>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:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Mathematical recalculation and plausibility check of the calculation of the volume- and tariff-related timing differences.</li> <li>• Assessing and testing the key controls provided for the calculation.</li> <li>• Verifying compliance with the relevant legal, regulatory and judicial requirements.</li> </ul> <p>We discussed the results of the audit procedures performed with the Finance and Audit Committee.</p>

The respective calculation is described in the “EBIT regulated under ESA” accounting principles.

Volume- and tariff-related timing differences arise due to volume and price variances between actual 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
<p>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 Swiss GAAP FER financial statements in “1. Accounting principles”, “4. Segment reporting” and “5. Net turnover and procurement costs according to ESA/WResO”.</p> <p>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.</p> <p>Net turnover and procurement costs are key figures in financial reporting and are therefore the focus of internal and external stakeholders.</p> <p>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.</p>	<p>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:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Checking the correct transfer of data between the various systems.</li> <li>• Testing the effectiveness of the key controls in the process of revenue accruals and procurement costs as at the balance sheet date.</li> <li>• Performing random checks of the existence of the transaction.</li> <li>• Plausibility check of changes in procurement items.</li> </ul> <p>We discussed the results of the audit procedures performed with the Finance and Audit Committee.</p>

#### Other matter

The financial statements for the year ended 31 December 2023 were audited by another independent 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 financial statements Swiss GAAP FER, the statutory financial statements and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion 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, that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, 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.

### Independent 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

PricewaterhouseCoopers AG

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Zürich, 14 April 2025