

LETTER TO SHAREHOLDERS

A strong BKW continues to invest in the energy transition

The BKW Group¹ continued its successful trajectory in the first half of 2024. It generated strong EBIT, to which the Energy business made a significant contribution. The outlook for 2024 as a whole is also positive. Due to the successful Energy business, stable results in the Grid business, and the expected upward trend in the Services business, BKW is increasing its EBIT guidance for the 2024 fiscal year.



Roger Baillod and Robert Itschner in the BKW trading room.

Dear Shareholders,
Ladies and Gentlemen,

We are pleased to report an extremely positive first half of 2024. Approval of the Electricity Act on June 9 by the Swiss people is both a mandate and an incentive for BKW to continue driving forward projects for the expansion of renewables in dialogue with all stakeholders. BKW continued its successful course and can report strong results for the first half of the year.

BKW increased its EBIT by 3.2 percent year-on-year to CHF 438 million. Operating net profit amounted to CHF 303 million.

Strong Energy business

The Energy business once again made a significant contribution to the overall result. Although revenue was lower than in the same period of the previous year due to the lower price level on the energy markets, EBIT was maintained at the previous year's level. The main drivers of this

positive development were the successful energy management and trading result, higher hedged electricity prices, and increased production of hydropower plants.

Solid Grid business

The Grid business again made a stable contribution to earnings in the first half of 2024. The electricity grid must be expanded quickly so that it can cope with the expansion of photovoltaic systems. Every year BKW invests over CHF 120 million in a secure grid infrastructure. BKW has also launched the nationwide expansion of smart meters, which will last until 2028.

Upward trend in the Services business

Revenue in the Services business was higher in the first half of 2024 than in the same period of the previous year. BKW has a growing order backlog – from building technology to supply infrastructure and engineering. The two-year program to increase profitability is also showing results: In the first half of 2024, BKW was able to match the previous year's performance in the Services business.

Implementation of the sustainability strategy

BKW made further important progress in the area of sustainability in the first half of 2024. It has started to convert its 3,000 vehicles to electric drive. BKW's goal is to fully electrify its vehicle fleet by 2030. BKW has also started working with the responsible purchasing organizations to integrate suppliers in a sustainable procurement process. BKW has also integrated sustainability into its remuneration system.

Increase in EBIT guidance

With its three business areas of Energy, Grid and Services, BKW will continue to invest along the entire energy value chain in the second half of 2024. This ranges from energy production, storage and trading to distribution, supply infrastructure, energy-efficient buildings and electro-mobility.

Driven by the successful energy management and trading performance in the first half of 2024, BKW has revised its guidance upwards. BKW now expects EBIT in the range of CHF 700 to 800 million for the 2024 fiscal year. In addition, BKW is currently focusing on revising its 2030 Strategy. BKW will present the details at the Capital Markets Day on November 8, 2024.

These expectations indicate that: BKW has also been very successful this year. This is only possible thanks to our customers, suppliers, shareholders, and our employees, who are committed to BKW every day. We look forward to continuing on this successful path with all of you in the second half of the year.

Kind regards

Roger Baillod
Chairman of the Board

Robert Itschner
CEO

Investments in domestic electricity production

BKW wants to continue investing in domestic electricity production – despite objections from associations. The company pressed ahead with construction planning for the Tramelan wind farm in the first half of the year. BKW is pleased that the municipality of Saint-Imier approved the expansion of the ground-mounted solar plant on Mont-Soleil on June 9. With annual electricity generation of around eleven gigawatt hours, the expanded plant will contribute to regional winter electricity production. In addition, KWQ, in which BKW holds a stake, submitted the license application at the end of May for the Grimsensee enlargement. This will enable Switzerland to shift 240 gigawatt hours of summer electricity to the winter and thus significantly increase security of supply during the cold months.

¹ The BKW Group comprises BKW AG and its Group companies. For better readability, the Group will be referred to below as BKW. Where the text relates to BKW AG or BKW Energie AG, this is expressly mentioned.