

Press release

Final compensation for the former BKW transmission grid decided

The Federal Electricity Commission ElCom determines regulatory value of assets

Bern, 11 February 2021

As a result of a legally mandated expropriation, BKW and other former transmission grid owners were obliged to cede their shares of the transmission grid to the national grid company Swissgrid at the beginning of 2013. The compensation received at the time of the transfer did not adequately represent the value of the expropriated assets. In pursuit of a total compensation commensurate with the economic value of the transmission grid assets, BKW filed multiple successful legal suits. With its ruling of 9 February 2021, the Federal Electricity Commission ElCom established the basis for the final compensation that Swissgrid will be obliged to pay BKW for its former transmission grid assets. This compensation will result in a one-off gain for BKW in its annual results for 2020.



The Electricity Supply Act introduced on 23 March 2007 called for the creation of a national grid company as the new owner of the transmission grid and the expropriation of the assets of the then-owners of the transmission grid that was necessary to achieve it. Based on this legally mandated expropriation, BKW and the

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other former owners were obliged to cede their shares of the transmission grid to the national grid company Swissgrid at the beginning of 2013. At the time, proceedings by the owners with ElCom concerning the value of the assets were still pending.

The years of proceedings that ensued are now coming to a positive conclusion thanks to legal cases initiated by BKW. With the regulatory value as of the transfer date now set forth by ElCom, Swissgrid will be obliged to pay BKW final compensation for its former share of the transmission grid assets that is commensurate with the economic value of those assets. The ruling brings to a close all pending proceedings concerning the value of the former BKW assets, eight years after the transfer of the assets to Swissgrid.

Positive impact on 2020 results

The conclusion of the proceedings will result in a positive effect of around 30 to 40 million francs for BKW. The one-off gain will boost 2020 results, with the reported operating profit for the year coming in at over CHF 460 million.

Disclaimer

The statements contained in this press release constitute expectations and forward-looking statements. Because these statements are subject to risks and uncertainties, actual future results may differ materially from those expressed or implied by the expectations and statements. This press release is issued in German, French, English and Italian. The German version is authoritative.

BKW

The BKW Group is a Bern-based international energy and infrastructure company employing around 10'000 people. Its company network and extensive expertise allow it to offer its customers a full range of overall solutions. The Group plans, builds and operates infrastructure to produce and supply energy to businesses, households and the public sector, and offers digital business models for renewable energies. Today, the BKW Group portfolio comprises everything from engineering consultancy and planning for energy, infrastructure and environmental projects, through integrated offers in the field of building technology, to the construction, servicing and maintenance of energy, telecommunications, transport and water networks.

The registered shares of BKW AG are listed on the SIX Swiss Exchange.