

Press release

(Ad hoc announcement pursuant to Art. 53 LR)

BKW AG
Media Relations
Viktoriaplatz 2
3013 Bern

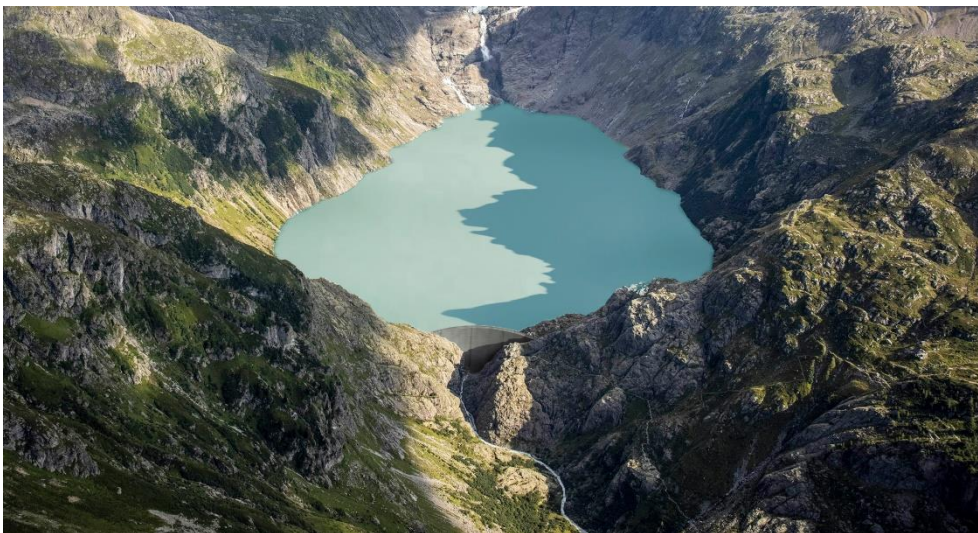
Tel. +41 58 477 51 07
media@bkw.ch
www.bkw.ch

BKW expects outstanding result for 2022

Results forecast increased thanks to risk-appropriate management of energy positions

Bern, 4 January 2023

BKW can look back on a successful 2022. The sharp rise in electricity prices, along with often extreme upheavals on the energy markets, had a positive effect on BKW's result for 2022. With the goal of hedging its own energy positions in mind, BKW made optimal use of major price fluctuations in its management. High electricity prices also saw a rise in costs for ancillary services, which help maintain grid stability. BKW now expects an EBIT for the year of approximately CHF 1 billion (previous year: CHF 395 million). Thanks to this outstanding result, BKW can significantly increase its investments in the expansion of renewable energies in Switzerland.



Trift project (©BKW)

Massive upheavals on the energy markets presented major challenges for BKW in the 2022 financial year, but also offered opportunities in the management of energy positions for its own power plants. Together with higher prices for ancillary services, this led to an outstanding trading result for BKW in the fourth quarter.

As such, BKW currently assumes the EBIT for the 2022 financial year will come in at approximately CHF 1 billion (previous year: CHF 395 million).

This outstanding performance in the management of energy positions aside, BKW has so far withheld the turmoil of the markets. It is continually monitoring the risks associated with the energy crisis. Its three-pillar strategy provides it with a broad base, while its risk framework and strong balance sheet result mean that it was, and is, well positioned to deal with these risks. BKW's solid liquidity management meant that it was always able to deposit the margin calls required by the exchange, and at no point did it face a situation that would have compelled it to apply for state support. In view of the ongoing volatility of energy markets, BKW had begun significantly winding down its trading risks early in 2022.

Strong position accelerates investment in renewables

The upheavals on the energy markets had no impact on the 300,000 or so households that receive basic supply from BKW, as they draw electricity from BKW's own plants at prices based on production costs. Large customers who already procured their electricity for 2023 before the crisis are also not affected. On the other hand, large customers without hedging are confronted with higher procurement costs. This is driven by international market developments and is not caused by BKW's trading activities. BKW has developed innovative, flexible solutions for this customer segment to smooth out higher prices in the coming months and years.

With this outstanding result for 2022, BKW will further strengthen its robust position. Along with the Trift and Grimelsee hydropower projects, this will allow it to make additional investments in renewable energies to further secure reliability of supply in Switzerland.

BKW will publish the definitive annual result for 2022 on 14 March 2023.

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 approximately 11,500 people. Its company network and innovative technologies enable it to offer customers a full range of skills in the areas of infrastructure, buildings and energy. 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 includes everything from engineering consultancy and planning for energy, infrastructure and environmental projects to integrated services in the field of building technology, as well as the construction, servicing and maintenance of energy, telecommunications, transport and water utility networks.

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