

BKW GROUP

Half-Year Report 2022



We create spaces for life.

 **BKW**

Our contribution

We make a major contribution to achieving a balance between prosperity and the environment by offering solutions for a future worth living.

In brief

BKW is continuing on its path of successful growth and will achieve its strategic objectives for 2026. This is also reflected in the 2022 half-year figures.

+46%

EBIT

In the first half of the year, BKW achieved another good result of CHF 330 million.

CHF 462 mill.

Investments and acquisitions

BKW invested some CHF 400 million of this in new renewable energies and expansion of services.

11,500

Number of employees

More than 700 new employees joined BKW since the beginning of the year.

+37%

Revenue

High electricity prices and further expansion of the service business increased sales to around CHF 2.3 billion.

CHF 191 mill.

Operating net profit

Net profit before tax-adjusted performance from state decommissioning and disposal funds increased by 35%.

CHF 153 mill.

Operating cash flow

Operating cash flow increased by 18% compared to the previous year.



By 2026, BKW aims to increase its portfolio of new renewables to over one gigawatt, thus making a contribution to a sustainable energy future.

Table of Contents

6 Letter to Shareholders

6 Confidently into the Future

9 Renewable in Every Way

9 Into the Renewable Future with BKW

12 Financial Result

12 BKW Reports good Half-Year Results

21 Half-Year Financial Statements of the BKW Group

22 Consolidated Income Statement

23 Consolidated Statement of Comprehensive Income

24 Consolidated Balance Sheet

25 Changes in Consolidated Equity

26 Consolidated Cash Flow Statement

27 Notes to the Half-Year Financial Statements

39 Information for Investors

40 Important Information on the BKW Share, Bonds,
and Financial Calendar

LETTER TO SHAREHOLDERS

Confidently into the Future

BKW is presenting a good half-year result, having been able to increase both sales and EBIT over the previous year. Although the geopolitical situation and economic ups and downs are giving rise to great uncertainty in the short-term outlook, BKW's successful strategy allows it to look to the future with confidence and make a crucial contribution to solving the challenges faced by society.

Dear Shareholders,
Ladies and Gentlemen,

BKW has a strong strategy that it has been implementing with success in recent years, and this strategy was updated at the Capital Markets Day held at the end of October 2021. The 2022 half-year results demonstrate that BKW is well on its way to achieving its updated growth targets. Compared to the first half of 2021, the company increased sales by 37% to around CHF 2.3 billion and EBIT by 46% to CHF 330 million. As announced on Capital Markets Day, BKW's sales are growing in both the Energy and Services businesses.

This came about in an exceptional environment marked by the war in Ukraine as well as extremely high electricity and gas prices. Such circumstances prevent us from using the half-year financial statements to draw any firm conclusions about the full-year results. There is, therefore, great uncertainty regarding developments in the second half of the year. We are currently assuming that BKW will achieve annual results in line with the previously expressed expectations.

BKW is fulfilling its supply mandate

There is one thing we can say with certainty: BKW is in a robust position. Unless an extreme scenario occurs in which the authorities take control of the production facilities or order temporary shutdowns of the grid, BKW will continue to be able to provide its customers with electricity in the upcoming winter. BKW will not increase its distribution grid usage fees for the basic supply of power in 2023, therefore avoiding placing an additional burden on its customers' wallets.

It can first and foremost be said that BKW is well positioned for the future. The company is systematically continuing on its path of growth. BKW already made substantial investments in the first half of 2022, particularly in the expansion of renewable energies and services, and additional investments will follow. If the framework conditions allow, such investments will also be made in Switzerland. The company has corresponding projects it would like to implement on the Lake Trift and Lake Grimsel reservoirs as well as at the Tramelan and Jeanbrenin wind farms. BKW is also investing hundreds of millions of francs in upgrading and digitally transforming the distribution grid, which must remain stable for the energy transition to succeed.

Creating spaces for life

With its expansion of renewable energies and what these can offer to energy-efficient buildings and infrastructure, BKW is making a crucial contribution to confronting the challenges faced by society. The company is helping to mitigate the impacts of climate change and creating spaces for life.

We would like to extend our thanks to our roughly 11,500 employees for their great commitment, to our customers for the trust they have placed in us, and to our shareholders for their ongoing support.

Kind regards,



Roger Baillod
Chairman of the Board



“BKW has projects it would like to implement on the Lake Trift and Lake Grimsel reservoirs as well as at the Tramelan and Jeanbrenin wind farms.”



RENEWABLE IN EVERY WAY

Into the Renewable Future with BKW

Renewable energies make our future worth living. BKW is focused on wind, water, and photovoltaics – and has comprehensive capabilities as a producer and service provider.



Facts & Figures

Just under one billion CHF: **that's how much BKW will be investing in the energy and services business in the coming years.**

Growth target for new renewables: **from 700 to 1,000 MW by 2026; focus countries: CH, DE, ES, FR, IT, NO, PT, SE.**

Wind power: **BKW operates Juvent, Switzerland's largest wind farm with an installed capacity of 37.2 MW.**

Photovoltaics: **Over the last 25 years, Solstis has implemented more than 4,500 projects with around 100 MW of capacity.**

BKW has long been a pioneer in new renewable energies, breaking new ground early on by building what was then Europe's largest solar installation on Mont-Soleil in the Bernese Jura. BKW also operates Juvent, the most powerful wind farm in Switzerland. The new renewables are playing a key role in the company's strategy for growth. On Capital Markets Day at the end of October 2021, BKW announced specific growth targets – which included the addition of 300 megawatts (MW) of renewable energy in order to increase its total installed capacity to more than 1,000 MW by 2026. The company is focusing on wind and solar power installations in Switzerland, France, Germany, Italy, Norway, Portugal, Spain, and Sweden.

In the first few months since then, BKW has already taken major steps toward achieving its goals, having acquired six wind farms in France with an installed capacity of 106 MW. And in Italy, the company concluded a cooperation agreement that enables the acquisition of photovoltaic plants with an installed capacity of up to 250 MW. BKW has already acquired its first projects in Puglia.

Hydroelectric power is also an important pillar of the company's electricity production and will continue to remain so. The small hydroelectric power plants of Arvigo, Augand, and Soubach will be commissioned in the coming years. Kraftwerke Oberhasli AG, in which BKW holds a 50% stake, is in the process of rebuilding the Spitallamm dam wall on the Grimsel. With the new structure on the Trift and the raising of the dam wall on the Grimsel, Kraftwerke Oberhasli will have access to a considerable expansion in its hydroelectric power capacity.

However, BKW is expanding not only its renewable production capacity but also its wind and solar energy services. The company supports its customers with services ranging from advice to installation through to operation of photovoltaic systems. It reached another milestone with the acquisition of Solstis, a company headquartered

in western Switzerland. This acquisition has enabled BKW to further contribute to the expansion of solar energy in Switzerland and make an important contribution to the country's energy future.

Solutions for a future worth living

Powerful and stable electricity grids are also essential for the energy world of tomorrow. With the modernization and digital transformation of its grids, BKW is ensuring that the backbone of the electricity supply is keeping pace with the demands of the new energy world.

Climate change and the energy transition are presenting society and the economy with enormous challenges. With the expansion of renewable energies, with stable and digitally transformed power grids, and with comprehensive, efficient, and resource-saving services, BKW is accompanying its customers on the path to a sustainable energy system and a future worth living.



Our contribution to sustainability SDG 7: Affordable and clean energy

Access to sustainable energy services, greater energy efficiency, and the expansion of renewable energies are among BKW's key strategic areas. The company is expanding its portfolio of wind farms and now also putting its focus on photovoltaics. By employing trailblazing solutions, BKW is supporting its customers on the journey to a CO₂-neutral world and demonstrating its commitment to the UN's Sustainable Development Goals (SDG). You can find more information on BKW's sustainability management at:

www.bkw.ch/sustainability



BKW is making targeted investments in renewable energies and is engaging in trail-blazing solutions to support its customers on their path to a sustainable world.

FINANCIAL RESULT

BKW Reports good Half-Year Results

BKW significantly increases both revenue and EBIT in the first half of 2022. Increases in revenue in the Energy and Services segments contributed to its 37% growth to CHF 2,263 million. EBIT reached a value of CHF 330 million, up 46% over the previous year. Higher prices in the Energy business, investments in new renewable energies, and increased production at thermal power plants boosted revenue by 70% in the Energy business alone. The good energy management and trading result more than offset the negative effects of higher energy procurement costs. Operating net profit, which excludes the performance of the state funds, increased by 35% to CHF 191 million.

Excellent EBIT exceeds previous year's result by 46%

The EBIT achieved in the first half of 2022 improved against the previous year by 46% to CHF 330 million, setting a historically high value for the company. This strong result demonstrates the potential of BKW's business model, which combines stable business divisions with strong areas of growth.

The good operating result is primarily attributable to the Energy Division. The successful energy management and trading performance more than offset the negative effects of the high replacement costs due to overhaul-related outages of the French nuclear power plants. Renewable energies were also further expanded with the acquisition of over 100 MW of wind power in France, significantly increasing their contribution to the Group result.

In the stable Grid business, the announced distribution grid usage fee reductions led to slightly lower revenue and EBIT figures as expected.

The Services segment was able to further expand revenue, also thanks to good organic growth and acquisitions in the first half of 2022. While the backlog situation remains good, the rising cost of materials negatively affected margins, as it has not yet been possible to pass on the price increases across the board.

Excluding the performance of the state funds for decommissioning and waste disposal, operating net profit amounted to CHF 191 million, around 35% above the previous year. This was achieved despite the greater tax burden due to the additional windfall tax introduced in Italy. The negative performance of the assets in the decommissioning and waste disposal funds led to a reported net profit of CHF 71 million, which is 66% lower than in the previous year.

Despite the continued high level of uncertainty in regard to developments on the European energy markets, BKW confirms its EBIT guidance of CHF 460 to 500 million.

Increased revenue, EBIT, and operating net profit

CHF millions	1 st half-year 2021	1 st half-year 2022	% change
Sales	1,654.9	2,263.3	37 %
Energy procurement/transport	-500.0	-846.7	69 %
Operating costs	-833.6	-978.2	17 %
EBITDA	321.3	438.4	36 %
Depreciation, amortization, and impairment	-122.5	-133.9	9 %
Income from associates	26.5	25.1	-5 %
EBIT	225.3	329.6	46 %
Financial result excluding change in value of state funds	-36.4	-41.3	13 %
Income taxes excluding change in value of state funds	-47.2	-97.6	107 %
Operating net profit¹	141.7	190.7	35 %
Change in value of state funds net of tax	67.1	-119.3	
Net profit	208.8	71.4	-66 %

1 "Operating net profit" corresponds to the net profit before proceeds from the state decommissioning and disposal funds and is more suitable as a measure of operating performance than the reported net profit, since the proceeds from these funds are not operational in nature and BKW has no direct influence on how they are invested.

Financial result, special tax in Italy, negative fund performance

The comparable financial result, excluding the performance of the state funds, amounts to CHF -41 million. Lower interest hedging gains explain the slight deterioration of CHF 5 million compared to the previous year.

The comparable income tax expense doubled to CHF 98 million. This includes special levies of CHF 19 million for the new windfall tax, a mechanism that Italy is employing to skim off additional profits generated by energy companies as a result of the Ukraine conflict. Excluding the wind-

fall tax, the tax rate for the first half of the year is 27%. Due to timing effects, there are limits to the interpretation of the applicable taxes at mid-year.

During the reporting period, assets in governmental funds achieved a negative performance of 10.9%. Inflation fears and the threat of interest rate hikes had a negative impact on stock markets, particularly in June. A recovery could already be observed in July. Compared with the positive fund result in the previous year, the difference at the net profit level amounts to CHF -186 million.

Cash flow from operating activities strengthened

CHF millions	1 st half-year 2021	1 st half-year 2022	% change
Cash flow from operating activities before utilization of nuclear provisions	182.8	205.1	12 %
– Payments for decommissioning and disposal	–54.9	–54.6	
Cash flow from operating activities	127.9	150.5	18 %
Cash flow from investing activities before reimbursement from state funds	–128.0	–439.7	
+ Reimbursements from decommissioning and disposal funds	28.5	21.0	
Cash flow from investing activities	–99.5	–418.7	
Cash flow from financing activities	–175.6	223.5	
Liquidity as of 30.06.	1,047.0	951.7	

To improve comparability and assist with interpretation, BKW uses the cash flow indicators before utilization of nuclear provisions and payments for decommissioning and disposal of the Mühleberg Nuclear Power Plant. Operating cash flow before utilization of nuclear provisions is 12% higher at CHF 205 million. The reported cash flow from operating activities of CHF 150 million is on par with the 10-year average.

Current liquidity, including current financial assets, was slightly lower than at the end of the year remaining at a high level of CHF 952 million despite the high level of investment.

BKW invested CHF 462 million in tangible assets and acquisitions in the first half of 2022 (previous year: CHF 180 million). Around 85% of this went into growth investments. In the Energy business, six wind farms were acquired in France, and additional investments were made in small hydroelectric power plants and district heating projects. In the Services business, acquisitions were made in all areas (BKW Building Solutions, BKW Infra Service, and BKW Engineering). Most of the CHF 76 million investment in replacement and maintenance was dedicated to modernization of the distribution grid, with a total investment of CHF 47 million.

Operational flexibility secured by the equity and financing situation

CHF millions	31.12.2021	30.06.2022	% change
Current assets	4,354.5	5,151.0	18 %
Non-current assets	7,725.6	8,370.8	8 %
Current liabilities	4,106.9	4,940.8	20 %
Non-current liabilities	3,746.9	4,789.0	28 %
Shareholders' equity	4,226.3	3,792.0	-10 %
Balance sheet total	12,080.1	13,521.8	12 %

BKW's balance sheet is marked by the effects of ongoing energy price distortions. The balance sheet total grew by 12% to CHF 13.5 billion at half-year. This increase is largely contingent on the valuation of the energy derivatives open on the balance sheet date. Due to further price increases for electricity and CO₂ certificates, this is higher than on the last balance sheet date for both purchase and sales contracts.

Equity decreased by 10% or CHF 0.4 billion and amounted to CHF 3.8 billion as of the balance sheet date. In addition to net profit being encumbered by the strongly negative performance of the decommissioning and waste disposal funds, equity was reduced by actuarial losses from the calculation of pension liabilities (IAS 19) and the recognition of hedging gains and losses. Due to

offsetting effects – including a higher balance sheet total and lower equity – the equity ratio fell to 28% (35% at the end of 2021).

BKW's financing situation remains solid despite an increase in net debt. Net debts (financial liabilities less current financial assets and cash and cash equivalents) were higher by CHF 0.6 billion at the half-year point at CHF 1.7 billion. With cash and cash equivalents of CHF 1 billion, BKW continues to have sufficient short-term liquidity and remains operationally flexible. The syndicated loan, which remains unused, was also doubled to CHF 500 million in the spring. The financial framework necessary for implementing and safeguarding financial and operational flexibility is sufficient and thus ensured at all times.

Energy: Energy management and trading result more than compensates for production outages

The Energy business is consistently geared to the opportunities and challenges of the changing energy market. It comprises the production, sale, and trading of electricity, certificates, and energy-related raw materials. It also includes production-related wind and solar power services.

Increased total operating revenue and a record-high EBIT

CHF millions	1 st half-year 2021 ¹	1 st half-year 2022	% change
Total operating income	692.1	1,174.7	70 %
Energy procurement	-450.1	-789.3	75 %
Operating costs	-111.0	-115.0	4 %
EBITDA	131.0	270.4	106 %
Depreciation, amortization, and impairment	-39.3	-40.7	4 %
Income from associates	10.8	5.1	-53 %
EBIT	102.5	234.8	129 %
Employees as of 30.06.	780	950	
Investments	38	120	

1 As of the end of 2021, production-related wind and solar services were allocated to the Energy segment (previously shown in the Services segment). The figures for the first half of 2021 have been adjusted accordingly.

The Energy business continues to be marked by a volatile market environment and high electricity prices. The sharp rise in electricity prices in the first half of 2022 can be attributed to the turbulence on the energy markets and uncertainties regarding the supply of natural gas (Ukraine conflict).

At CHF 1,175 million, the total operating income of the Energy business is 70% higher than in the previous year. This development was influenced in particular by a strong trading result, increased thermal power plant volumes, and higher sales figures.

In the first half of the year, the energy management and trading result benefited from the fact that valuation losses as of the reporting date at the end of 2021 were reversed in the first quarter of 2022 due to electricity price trends. In the first half of 2022, it was also possible to provide more as well as better-paid ancillary services due to elevated prices, which additionally benefited energy management.

During the first half of 2022, BKW produced a total of 4.3 TWh of energy (previous year 4.4 TWh). In addition to this slight decrease in production volumes, the production mix also changed during the reporting period. Due to dry

weather, the amount of energy produced with hydroelectric power decreased by 0.3 TWh to 1.4 TWh. Revenue from wind power increased as a consequence of higher volumes from the wind installations purchased in France benefitting from price increases for wind installations generating power for the open market, among other factors. The production volume of the nuclear power plants increased by 0.1 TWh to 1.1 TWh. The Leibstadt Nuclear Power Plant, back operating at full capacity, was thus able to compensate for the reduction in output at the Cattenom Nuclear Power Plant. The low additional volumes of fossil-fuel power plants (+0.1 TWh) sold at higher prices are having a positive effect on revenue.

However, due to the parallel increase in fuel costs, these increased volumes do not affect EBIT. In the electricity sales business with SMEs and industrial customers, volumes sold increased to 3.0 TWh (previous year: 2.8 TWh). Weather conditions resulted in a slight sales reduction in the basic supply business to 1.1 TWh (previous year: 1.2 TWh).

Energy procurement costs increased by 75% to CHF 789 million. The primary driver of this increase was the fuel costs of the thermal power plants. In addition, shortfalls in production volumes from the hydroelectric power plants and

the Cattenom Nuclear Power Plant made it necessary to purchase power on short notice at high market prices. Higher sales volumes also contributed to the increase in procurement costs.

Operating profit increased by 129% to CHF 235 million.

Grid: Stable earnings contribution and planned investments in modernization

The Grid business area builds, operates, and maintains BKW's distribution grid. The grid carries the electricity from where it is produced in the power plants to consumers, measures production and consumption, transforms the voltage, monitors, analyses, and controls load flows, and integrates distributed production systems such as PV systems and wind farms.

Lower result due to announced distribution grid usage fee reductions

CHF millions	1 st half-year 2021 ¹	1 st half-year 2022	% change
Total operating income	279.8	267.3	-4%
Energy transport expense	-50.3	-57.6	15%
Operating costs	-95.9	-102.4	7%
EBITDA	133.6	107.3	-20%
Depreciation, amortization, and impairment	-44.1	-45.3	3%
Income from associates	15.8	20.0	27%
EBIT	105.3	82.0	-22%
Employees as of 30.06.	610	730	
Investments	52	47	

1 To ensure the ability to operate and intervene and to consolidate expertise in the Grid Service area, employees were transferred from the Services segment to the Grid segment as of January 1, 2022. The figures for the first half of 2021 have been adjusted accordingly.

Total operating income in the Grid business fell by 4% to CHF 267 million due to distribution grid usage fee reductions and weather-related drops in distribution volumes. The distribution grid usage fee reduction occurred after the differences in coverage resulting from the revaluation of the BKW distribution grid, which was disputed in 2012, were subsequently charged in full.

Expenses for energy transport include the upstream costs charged by Swissgrid in particular. These costs increased by CHF 7 million due to higher rates and increased volumes. The additional volumes relate to unplanned purchases of energy via Swissgrid's high-voltage transmission grid to replace outage energy production by power plants connected to the distribution grid.

The higher operating costs are due to the price-related increase in expenses for grid losses. The

"other" operating costs of the Grid business remain stable.

The increase of CHF 4 million in the result from associates is due to the higher result of Swissgrid, in which BKW holds a 36.4% stake.

At CHF 82 million, EBIT is 22% below the previous year due to the distribution grid usage fee reductions and lower transmission volumes.

Continued high level of investment in the ongoing renewal of the distribution grid

To ensure safe, efficient, and high-performance operation of its distribution grid, BKW invests roughly CHF 100 million annually. This is also the case in 2022. BKW invested CHF 47 million in the first half of the year (previous year: CHF 52 million).

Services: Increased material costs negatively affect margin development

The Services business comprises BKW Engineering (engineering planning and consulting), BKW Building Solutions (building technology), and BKW Infra Services (services for energy, water, and telecommunications networks and grids). The strong network of specialized companies and their respective competencies enables BKW to be a relevant provider of comprehensive services.

Revenue growth in all service areas

CHF millions	1 st half-year 2021 ¹	1 st half-year 2022	% change
Sales	698.0	834.8	20%
Operating costs	-632.1	-763.2	21%
EBITDA	65.9	71.6	9%
Depreciation, amortization, and impairment	-29.5	-38.2	29%
Income from associates	-0.1	0.0	-100%
EBIT	36.3	33.4	-8%
Employees as of 30.06.	8,510	9,080	
Investments and acquisitions	80	283	

1 As of the end of 2021, production-related wind and solar services are allocated to the Energy segment, while Shared Service billing services are allocated to the "Other" segment (both previously shown in the Services segment). To ensure the ability to operate and intervene and to consolidate expertise in the Grid Service area, employees were also transferred from the Services segment to the Grid segment as of January 1, 2022. The figures for the first half of 2021 have been adjusted accordingly.

The Services business continued on its successful growth trajectory in the first half of 2022. Revenue increased significantly by 20% to CHF 835 million, with all three competency areas contributing to this development.

BKW Engineering grew organically by 5%, putting it clearly above the growth rate of the market. Together with inorganic growth, total growth amounted to 16% and led to half-year revenue of CHF 220 million. Revenue at BKW Infra Services also increased by 6% to around CHF 180 million, primarily due to organic growth. Finally, BKW Building Solutions increased its revenue by a strong 28% to around CHF 430 million, mainly due to inorganic growth in the IT division (UMB Group).

While the acquisitions are having a positive impact both on revenue and EBIT, the difficult market conditions could not be fully compensated for in the existing business. The global difficulties in the material supply chains are putting pressure on the margin development of the Services business. Shortages of materials affect process

efficiency, and price increases could not yet be passed on across the board. This led EBIT decreasing by 8% to CHF 33.4 million. The margin dropped to 4%. A stronger second half of the year is expected due to the heavily seasonal nature of the industry (especially in Infra Services and Building Solutions).

Further strengthening of the competency network through acquisitions

In February 2022, BKW was able to acquire the UMB Group (Cham, Switzerland), allowing the company to greatly expand its IT division service portfolio in the Building Solutions area. As a full-service IT provider, UMB offers a wide range of services for comprehensive technology and business transformation projects, including consulting, engineering, operation services, cloud services, hardware, and software. Through the UMB acquisition, BKW has gained a strong brand that will be utilized in the future for the benefit of the entire IT division of BKW Building Solutions. UMB's performance in the first half of the year completely fulfilled expectations.

In June 2022, a significant step was taken in the promising business with photovoltaic plants. With the acquisition of Solstis SA (Lausanne, Switzerland), a company founded in 1996 as a spin-off from the École Polytechnique Fédérale de Lausanne (EPFL), BKW now controls an enterprise with a leading position in Western Switzerland's photovoltaic sector. With Solstis and the existing companies from the network, BKW Building Solutions is a nationwide provider in the field of photovoltaics and is also continuing to pursue its growth strategy in the area of new renewable energies in the Service business.

At the end of April 2022, BKW Infra Services expanded its activities and competencies in the field of high-voltage plant engineering with the

acquisition of Cteam Anlagetechnik GmbH, Geisenhausen, Germany. This company focuses on planning, construction, and commissioning of switchgear that needs to be expanded in parallel with the high-voltage grid. This marks an additional step in BWK's development as a service provider in Germany's energy infrastructure sector.

In the first half of 2022, BKW Engineering acquired the companies Dr. Blasy – Dr. Øverland Ingenieure AG (Eching am Ammersee, Germany), Geotechnik Tauchmann GmbH (Steinhaus, Austria), and Collignon Architektur und Design GmbH (Berlin, Germany). On this basis it was possible to further consolidate its extensive engineering network while also extending its market leadership in the area of multidisciplinary projects.

BKW Group

Half-Year Financial Statements

21 Half-Year Financial Statements of the BKW Group

- 22 Consolidated Income Statement
- 23 Consolidated Statement of Comprehensive Income
- 24 Consolidated Balance Sheet
- 25 Changes in Consolidated Equity
- 26 Consolidated Cash Flow Statement
- 27 Notes to the Half-Year Financial Statements

Consolidated Income Statement

CHF millions	1 st half-year 2021	1 st half-year 2022
Net sales	1,590.8	2,201.0
Own work capitalized	35.3	36.7
Other operating income	28.8	25.6
Total operating income	1,654.9	2,263.3
Energy procurement/transport	-500.0	-846.7
Material and third-party services	-257.9	-338.8
Personnel expenses	-470.3	-519.7
Other operating expenses	-105.4	-119.7
Total operating expenses	-1,333.6	-1,824.9
Operating profit before depreciation, amortization, and impairment (EBITDA)	321.3	438.4
Depreciation, amortization, and impairment	-122.5	-133.9
Income from associates	26.5	25.1
Operating profit (EBIT)	225.3	329.6
Financial income	87.4	3.4
Financial expenses	-39.9	-193.8
Profit before income taxes (EBT)	272.8	139.2
Income taxes	-64.0	-67.8
Net profit	208.8	71.4
attributable to:		
– BKW shareholders	196.8	58.7
– Non-controlling interests	12.0	12.7
Earnings per share in CHF (basic and diluted)	3.73	1.11

Consolidated Statement of Comprehensive Income

CHF millions	1 st half-year 2021	1 st half-year 2022
Net profit	208.8	71.4
Actuarial gains/losses (Group companies)		
– Actuarial gains/losses (–)	159.3	– 39.4
– Income taxes	– 34.5	8.3
Actuarial gains/losses (associates)		
– Actuarial gains/losses (–)	22.7	– 17.7
– Income taxes	– 1.9	1.2
Total items that will not be reclassified to income statement, net of tax	145.6	– 47.6
Currency translations		
– Currency translations	27.6	– 45.0
– Reclassification to the income statement	0.0	2.7
Hedging transactions		
– Value adjustments	3.0	– 366.5
– Reclassification to the income statement	0.0	31.5
– Income taxes	0.0	71.0
Total items that may be reclassified to income statement, net of tax	30.6	– 306.3
Other comprehensive income	176.2	– 353.9
Comprehensive income	385.0	– 282.5
attributable to:		
– BKW shareholders	368.9	– 292.7
– Non-controlling interests	16.1	10.2

Consolidated Balance Sheet

CHF millions	31.12.2021	30.06.2022
Assets		
Cash and cash equivalents	931.0	872.1
Trade accounts receivable and other receivables	1,269.7	1,294.1
Contract assets	182.3	259.4
Current tax receivables	29.6	43.6
Financial assets	116.0	79.6
Derivatives	1,585.4	2,319.3
Inventories	93.0	118.9
Prepaid expenses and accrued income	147.5	164.0
Total current assets	4,354.5	5,151.0
Financial assets	1,406.1	1,237.8
Derivatives	197.4	465.1
Investments in associates	1,461.7	1,426.4
Property, plant and equipment	3,523.3	3,806.3
Intangible assets	1,096.5	1,391.1
Deferred tax assets	40.6	44.1
Total non-current assets	7,725.6	8,370.8
Total assets	12,080.1	13,521.8
Shareholders' equity and liabilities		
Trade accounts payable and other liabilities	897.4	1,004.7
Contract liabilities	94.3	87.0
Current tax liabilities	51.5	55.4
Financial liabilities	862.2	803.2
Derivatives	1,769.8	2,472.6
Provisions	152.2	145.5
Deferred income and accrued expenses	279.5	372.4
Total current liabilities	4,106.9	4,940.8
Financial liabilities	1,215.9	1,840.2
Derivatives	285.7	703.4
Pension liability	9.1	76.2
Other liabilities	349.2	359.6
Provisions	1,399.5	1,351.9
Deferred tax liabilities	487.5	457.7
Total non-current liabilities	3,746.9	4,789.0
Total liabilities	7,853.8	9,729.8
Share capital	132.0	132.0
Capital reserves	41.3	41.3
Retained earnings	3,987.0	3,908.4
Other reserves	-238.9	-590.3
Treasury shares	-3.5	-4.3
Equity attributable to BKW shareholders	3,917.9	3,487.1
Equity attributable to non-controlling interests	308.4	304.9
Total shareholders' equity	4,226.3	3,792.0
Total shareholders' equity and liabilities	12,080.1	13,521.8

Changes in Consolidated Equity

CHF millions	Share capital	Capital reserves	Retained earnings	Other reserves	Treasury shares	Attributable to BKW shareholders	Attributable to non-controlling interests	Total
Equity at 31.12.2020	132.0	41.3	3,810.1	-284.0	-3.7	3,695.7	293.7	3,989.4
Net profit			196.8			196.8	12.0	208.8
Other comprehensive income				172.0		172.0	4.2	176.2
Comprehensive income			196.8	172.0		368.8	16.2	385.0
Dividend			-126.6			-126.6	-4.5	-131.1
Transactions in treasury shares			-6.4		0.0	-6.4		-6.4
Share-based payments			7.1			7.1		7.1
Acquisition of non-controlling interests			-3.6			-3.6	-2.8	-6.4
Contribution to equity from non-controlling interests						0.0	0.1	0.1
Change in liabilities relating to non-controlling interests			1.2			1.2		1.2
Equity at 30.06.2021	132.0	41.3	3,878.6	-112.0	-3.7	3,936.2	302.7	4,238.9
Equity at 31.12.2021	132.0	41.3	3,987.0	-238.9	-3.5	3,917.9	308.4	4,226.3
Net profit			58.7			58.7	12.7	71.4
Other comprehensive income				-351.4		-351.4	-2.5	-353.9
Comprehensive income			58.7	-351.4		-292.7	10.2	-282.5
Dividend			-137.2			-137.2	-13.7	-150.9
Transactions in treasury shares			-6.7		-0.8	-7.5		-7.5
Share-based payments			6.6			6.6		6.6
Equity at 30.06.2022	132.0	41.3	3,908.4	-590.3	-4.3	3,487.1	304.9	3,792.0

Consolidated Cash Flow Statement

CHF millions	1 st half-year 2021	1 st half-year 2022
Profit before income taxes	272.8	139.2
Adjustment for non-cash transactions	48.1	73.5
Change in net working capital (excl. financial assets/liabilities and derivatives)	-88.8	49.4
Income taxes paid	-48.5	-53.9
Other financial income/expenses (-)	-0.8	-3.1
Cash flow from operating activities before utilization of nuclear provisions	182.8	205.1
Utilization of nuclear provisions with a claim to refunds of state funds	-10.0	-11.4
Utilization of nuclear provisions with no claim to refunds of state funds	-44.9	-43.2
Cash flow from operating activities	127.9	150.5
Investments in property, plant, and equipment	-109.0	-109.6
Disposal of property, plant, and equipment	4.6	1.7
Acquisition of Group companies	-63.8	-386.6
Investments in associates	0.0	-0.1
Disposals of associates	8.9	0.0
Payments into decommissioning and waste disposal funds	-21.3	0.0
Refunds of decommissioning and waste disposal funds	28.5	21.0
Investments in other current and non-current financial assets	-40.5	-17.2
Disposals of other current and non-current financial assets	92.1	51.1
Investments in intangible assets	-7.7	-7.0
Disposals of intangible assets	0.1	0.1
Interest received	0.6	0.5
Dividends received	8.0	27.4
Cash flow from investing activities	-99.5	-418.7
Purchase/sale of treasury shares	-6.3	-7.6
Acquisition of non-controlling interests	-5.0	0.0
Contribution to capital from non-controlling interests	0.1	0.0
Increase in current and non-current financial liabilities	30.9	1,031.2
Decrease in current and non-current financial liabilities	-60.5	-648.8
Increase in other long-term liabilities	5.6	11.1
Interest paid	-9.3	-11.5
Dividends paid	-131.1	-150.9
Cash flow from financing activities	-175.6	223.5
Translation adjustments on cash and cash equivalents	4.9	-14.2
Net change in cash and cash equivalents	-142.3	-58.9
Cash and cash equivalents at start of reporting period	825.1	931.0
Cash and cash equivalents at end of reporting period	682.8	872.1

Notes to the Half-Year Financial Statements

1 Business activities

BKW AG, Bern (CH), along with its Group companies (hereinafter “BKW” or the “BKW Group”), is an international energy and infrastructure company. Its company network and extensive expertise allow it to offer its customers a full range of integrated 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. The BKW Group portfolio of services comprises everything from engineering consultancy and planning for energy, infrastructure, and environmental projects to integrated offers in the field of building technology through to the construction, servicing, and maintenance of energy, telecommunications, transport, and water networks.

2 Basis of preparation

2.1 General principles

The unaudited consolidated half-year financial statements for the half-year ended June 30, 2022, have been prepared in accordance with the International Accounting Standard on Interim Financial Reporting (IAS 34) and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2021. These half-year financial statements have been drawn up in accordance with the principles described in

the Financial Report 2021. The consolidated half-year financial statements for the period ended June 30, 2022, were approved by the BKW AG Board of Directors on September 1, 2022, and released for publication.

Preparation of this Half-Year Report entailed assumptions and estimates. Actual results may differ from these estimates.

2.2 Adoption of new or changed standards and interpretations

These have no material effect on BKW's financial position, results of operations, or cash flows.

From January 1, 2022, a number of amended standards that have no material effect on BKW's financial position, results of operations, or cash flows have come into effect.

2.3 Foreign currency exchange rates

The reporting currency is the Swiss franc (CHF). The currency exchange rates in relation to the Swiss franc that were applied to the consolidated financial statements are as follows:

		Closing date 31.12.2021	Closing date 30.06.2022	Average 1 st half-year 2021	Average 1 st half-year 2022
Eurozone	1 EUR	1.0331	0.9960	1.0946	1.0319
Norway	100 NOK	10.3426	9.6246	10.7587	10.3475

3 Business combinations

Business combinations in the first half of 2022

CHF millions	Wind park			Total
	UMB	France	Miscellaneous	
Cash and cash equivalents	11.6	4.4	9.5	25.5
Trade accounts receivable and other receivables	10.8	2.5	7.9	21.2
Other current assets	14.7	3.3	10.2	28.2
Financial assets	0.8	–	0.3	1.1
Property, plant and equipment	25.9	281.8	3.3	311.0
Intangible assets	81.0	–	9.5	90.5
Deferred tax assets	–	–	1.6	1.6
Current liabilities	–26.2	–6.3	–11.8	–44.3
Financial liabilities	–23.4	–167.2	–4.0	–194.6
Provisions	–1.2	–3.2	–1.4	–5.8
Deferred tax liabilities	–9.1	–15.1	–2.2	–26.4
Pension liability	–22.7	–	–0.4	–23.1
Fair value of acquired net assets	62.2	97.6	25.0	184.8
Goodwill	192.8	0.0	38.5	231.3
Purchase price	255.0	97.6	63.5	416.1
Cash and cash equivalents acquired	–11.6	–4.4	–9.5	–25.5
Contingent consideration	–	0.0	–15.3	–15.3
Deferred consideration	–5.0	0.0	–2.7	–7.7
Cash outflow	238.4	93.2	36.0	367.6

BKW made the following corporate acquisitions in the first half of 2022. The values for the transactions listed are provisional, as the purchase price allocations have not been finalized.

UMB

In the area of Services, BKW acquired 100% of the shares in UMB IT AG in February. The UMB Group comprises five companies based in Cham, as well as a subsidiary in Spain, and has been assigned to the Services segment. Its range of service includes consulting and implementation services, managed services, infrastructure solutions and trade of third-party hardware and software.

As of the acquisition date, no contingent purchase price liabilities were recognized. The goodwill recognized is mainly attributable to the expected synergies and the acquisition of a qualified workforce. The transaction costs amounted to CHF 0.8 million.

If the company had already been acquired as of January 1, 2022, total operating income for the

first half of 2022 would have been CHF 12.7 million higher and net profit CHF 0.3 million higher.

Between the point at which the company was fully consolidated and June 30, 2022, the acquired company recorded a total operating income of CHF 69.0 million and a net profit of CHF 3.9 million.

Wind farms in France

In the area of Energy, BKW acquired 100% of 6 wind farms in Somme, France. The acquisition was concluded in March and included 40 wind turbines and a total installed capacity of 106 MW.

No contingent purchase price liabilities and no goodwill were recognized as of the acquisition date. The transaction costs amounted to CHF 0.8 million.

If the acquisition had taken place on January 1, 2022, the total operating revenue for the first half of 2022 would have been CHF 6.4 million higher and the net profit CHF 0.3 million higher. Between the point at which the company was fully consolidated and June 30, 2022, the acquired company recorded a total operating income of CHF 4.0 million and a net profit of CHF 0.3 million.

Miscellaneous

In the first half of 2022, BKW conducted a number of other corporate acquisitions, with all of the acquired businesses being assigned to the Services segment. Due to the number of acquisitions and their key financial figures, aggregated figures are shown with no separate presentation of individual business combinations.

In the Building Solutions area, BKW acquired 100% of the shares in Equinox Holding SA and Solstis SA in western Switzerland.

In the Infrastructure Engineering area, BKW acquired 100% of the shares in Dr. Blasy – Dr. Øverland Ingenieure GmbH, headquartered in Eching am Ammersee, Germany, Collignon Architektur und Design GmbH, headquartered in Berlin, Germany, and Geotechnik Tauchmann GmbH, headquartered in Steinhaus, Austria.

In the Infra Services area, BKW acquired 100% of the shares in Cteam Anlagentechnik GmbH, based in Geisenhausen, Germany.

The transactions included goodwill of CHF 38.5 million. The goodwill recognized is mainly attributable to the expected future synergies and the acquisition of a qualified workforce. The transaction costs amounted to CHF 0.3 million.

Had the companies already been acquired as of January 1, 2022, total operating income for the first half of 2022 would have been CHF 16.6 million higher and net profit CHF 0.7 million higher. Between the point at which the companies were fully consolidated and June 30, 2022, the acquired companies recorded total operating income of CHF 11.7 million and net profit of CHF 1.3 million.

CHF 13.9 million was paid for contingent consideration and CHF 7.4 million for deferred consideration for acquisitions made in the previous years.

Business combinations in the first half of 2021

CHF millions	R&P Ruffert	Miscellaneous	Total
Cash and cash equivalents	1.8	11.4	13.2
Trade accounts receivable and other receivables	2.2	4.2	6.4
Other current assets	3.7	3.9	7.6
Financial assets	–	0.5	0.5
Property, plant, and equipment	2.2	11.6	13.8
Intangible assets	5.6	2.2	7.8
Deferred tax assets	–	0.8	0.8
Current liabilities	–4.8	–7.3	–12.1
Financial liabilities	–1.9	–13.1	–15.0
Provisions	–	–0.2	–0.2
Deferred tax liabilities	–2.5	–0.3	–2.8
Pension liability	–	–6.5	–6.5
Fair value of acquired net assets	6.3	7.2	13.5
Goodwill	32.2	18.0	50.2
Purchase price	38.5	25.2	63.7
Cash and cash equivalents acquired	–1.8	–11.4	–13.2
Contingent consideration	–6.0	–1.5	–7.5
Deferred consideration	–3.8	–1.2	–5.0
Cash outflow	26.9	11.1	38.0

The values for the transactions conducted in the previous year are provisional since the purchase price allocations had not been finalized. The purchase price allocations are now final and only resulted in very minor changes. BKW made the following corporate acquisitions in the first half of 2021.

R&P Ruffert

In February, BKW purchased 100% of the shares in the German R&P Ruffert Group, which operates in the area of infrastructure engineering. R&P Ruffert Group comprises 5 companies based in Limburg, Halle, Erfurt, Düsseldorf, and Hamburg and has been assigned to the Services segment. Its range of services encompasses civil engineering, structural engineering, structural planning, and constructional testing and evaluation.

The contingent consideration liabilities recognized on the acquisition date are due depending on the future economic growth of the company. The goodwill recognized is mainly attributable to the expected synergies and the acquisition of a qualified workforce. The transaction costs amounted to CHF 0.4 million.

If the company had already been acquired as of January 1, 2021, total operating income for the first half of 2021 would have been CHF 2.5 million higher and net profit CHF 0.3 million higher. Between the point at which the company was fully consolidated and June 30, 2021, the acquired company recorded a total operating income of CHF 6.2 million and a net profit of CHF 1.3 million.

Miscellaneous

In the first half of 2021, BKW conducted a number of other corporate acquisitions, all of the businesses acquired have been assigned to the Services segment. Due to the number of acquisitions,

their key financial figures, and their allocation to the same segment, aggregated figures are shown with no separate presentation of individual business combinations.

In the Building Solutions area, BKW purchased 100% of the shares of networking and security specialist ngworx.AG and Othmar Bürgy AG Schaltanlagenbau.

In the Infra Services area, BKW acquired 100% of the shares of the Duvoisin-Groux Group, which has its headquarters in western Switzerland. Its business focuses in particular on project management, construction, and maintenance of network infrastructure for power, overhead lines, and telecommunications.

In the area of Engineering, BKW acquired 100% of the shares of Munich-based Ranner Projektmanagement GmbH.

The transactions included goodwill of CHF 18.0 million. The goodwill recognized is mainly attributable to the expected future synergies and the acquisition of a qualified workforce. The transaction costs amounted to CHF 0.1 million.

If the companies had already been acquired as of January 1, 2021, total operating income for the first half of 2021 would have been CHF 9.6 million higher and net profit CHF 0.8 million lower. Between the point at which the companies were fully consolidated and June 30, 2021, the acquired companies recorded total operating income of CHF 7.4 million and net profit of CHF 0.2 million.

CHF 26.6 million was paid for contingent consideration and CHF 1.6 million for deferred consideration for acquisitions made in the previous years.

4 Seasonality and fluctuations in business over the year

According to experience, performance of sales in the Services business is subject to seasonal fluctuations.

Business activity is usually higher in the second half of the year than in the first six months.

5 Segment reporting

Segments and segment results are defined on the basis of the management approach. In line with the strategy, BKW's reporting lines are structured around the business areas of Energy, Grid, and Services.

BKW operates the following three reportable business segments:

- The Energy segment builds, operates, and maintains BKW's pool of power plants in Switzerland and abroad. It is also responsible for the sale of energy and heat and for trading in electricity, certificates, and raw materials.
- The Grid segment builds, operates, and maintains BKW's distribution grid.
- The Services segment mainly comprises BKW Engineering (engineering design and consultancy), BKW Building Solutions (building technology), and BKW Infra Services (services for energy, water, and telecommunication networks).

The column "Other" covers activities that are centrally managed within the Group. These are primarily central services, real estate, fleet management, and procurement. Some of the costs that arise in conjunction with the build-up of business areas (acquisition/integration costs, technology development costs, etc.) are borne centrally.

Segment figures are determined in accordance with the same accounting and valuation principles that are applied for the Group-level presentation of consolidated figures. The prices for intercompany transactions (transfer prices) are based on the market price on the transaction date.

Information by business segment

1st half-year 2022	Energy	Grid	Services	Other	Consoli- dation	Total
CHF millions						
External revenue	1,160.1	264.4	818.1	11.9	8.8	2,263.3
– Net sales	1,147.6	240.1	808.5	5.2	–0.4	2,201.0
– Own work capitalized	3.6	22.2	0.2	1.5	9.2	36.7
– Other operating income	8.9	2.1	9.4	5.2	0.0	25.6
Internal revenue	14.6	2.9	16.7	82.5	–116.7	0.0
– Net sales	12.6	0.4	16.1	8.2	–37.3	0.0
– Other operating income	2.0	2.5	0.6	74.3	–79.4	0.0
Total operating income	1,174.7	267.3	834.8	94.4	–107.9	2,263.3
Total operating expenses	–904.3	–160.0	–763.2	–104.7	107.3	–1,824.9
Operating profit before depreciation, amortization, and impairment	270.4	107.3	71.6	–10.3	–0.6	438.4
Depreciation, amortization and impairment	–40.7	–45.3	–38.2	–11.8	2.1	–133.9
Income from associates	5.1	20.0	0.0	0.0		25.1
Operating profit/loss	234.8	82.0	33.4	–22.1	1.5	329.6
Financial result						–190.4
Profit/loss before income taxes						139.2
1st half-year 2021						
CHF millions						
External revenue	680.8	276.1	669.9	14.2	14.0	1,654.9
– Net sales	667.5	256.4	661.5	5.5	0.0	1,590.8
– Own work capitalized	3.3	16.9	0.4	0.7	14.0	35.3
– Other operating income	10.0	2.8	8.0	8.0	0.0	28.8
Internal revenue	11.3	3.7	28.1	81.0	–124.1	0.0
– Net sales	8.7	0.5	26.9	8.3	–44.4	0.0
– Other operating income	2.6	3.2	1.2	72.7	–79.7	0.0
Total operating income	692.1	279.8	698.0	95.2	–110.1	1,654.9
Total operating expenses	–561.1	–146.2	–632.1	–102.8	108.5	–1,333.7
Operating profit before depreciation, amortization, and impairment	131.0	133.6	65.9	–7.6	–1.6	321.3
Depreciation, amortization, and impairment	–39.3	–44.1	–29.5	–11.5	1.9	–122.5
Income from associates	10.8	15.8	–0.1	0.0	0.0	26.5
Operating profit/loss	102.5	105.3	36.3	–19.1	0.3	225.3
Financial result						47.5
Profit/loss before income taxes						272.8

1 Starting in 2021, production-related wind and solar services are allocated to the Energy segment, while shared service billing services are allocated to the segment Other. Previously, these business activities were reported in the Services segment, with total operating income in 2021 of CHF 33.8 million and EBIT of CHF 0.8 million for the half year 2021. The prior-year figures were adjusted accordingly. The total operating income of the segment Energy thereby increased by CHF 14.9 million for the half year and that of the segment Other by CHF 13.1 million. There are no significant changes on the EBIT level. The Services segment thus includes the three competency areas Engineering, Infra Services, and Building Solutions.

2 To ensure the ability to operate and intervene and to consolidate expertise in the Grid Service area, employees were transferred from the Services segment to the Grid segment as of January 1, 2022. The figures for the first half of 2021 have been adjusted accordingly, which resulted in a transfer of total operating revenue of CHF 5.8 million, operating costs of CHF 3.9 million, depreciation of CHF 0.1 million, and EBIT of CHF 1.8 million between the Services segment and the Grid segment.

6 Net sales

CHF millions	Switzerland		Abroad	
	1 st half-year 2021 ¹	1 st half-year 2021 ¹	1 st half-year 2022	1 st half-year 2022
Energy	341.3	326.2	513.4	634.2
Grid	256.4	0.0	240.1	0.0
Services	443.9	217.6	564.3	244.2
Other	5.5	0.0	5.2	0.0
Total net sales	1,047.0	543.8	1,323.0	878.4

1 The prior year figures were restated according to footnote 1 and 2 in note 5.

7 Energy procurement/transport

CHF millions	1 st half-year 2021	1 st half-year 2022
Cost of energy procurement from third parties and associates	454.1	811.5
Provision for onerous energy procurement contracts		
– Provisions used	–8.8	–11.0
– Provisions added (+)/released (–)	4.4	–11.6
Total energy procurement expenses	449.7	788.9
Energy transport expenses	50.3	57.8
Total	500.0	846.7

8 Financial result

CHF millions	1 st half-year 2021	1 st half-year 2022
Interest income	0.8	1.5
Dividend income	0.0	0.1
Value adjustment on state funds	83.9	0.0
Net gains on financial assets at fair value through profit or loss	1.3	0.0
Currency translations	0.8	0.2
Other financial income	0.6	1.6
Financial income	87.4	3.4
Interest expenses	–18.3	–19.5
Interest on provisions	–20.0	–18.4
Value adjustment on state funds	0.0	–149.1
Losses from the disposal of financial assets	–0.2	–0.1
Net losses on financial assets at fair value through profit or loss	0.0	–2.2
Impairment of financial assets	0.1	0.0
Other financial expenses	–1.5	–4.5
Financial expenses	–39.9	–193.8
Financial result	47.5	–190.4

9 Dividends

In accordance with the decision made at the BKW AG Annual General Meeting held on May 16, 2022, a dividend of CHF 2.60 (previous year: CHF 2.40) per share was paid for the 2021 financial year.

10 Assets and liabilities measured at fair value

Assets and liabilities measured at fair value are classified according to a hierarchical structure for the purposes of valuation. The allocation is based on the principles described on page 79 of the Financial Report 2021, which remain unchanged. As in the same period last year, there were no transfers between the different levels during the period under review.

CHF millions	Carrying amount at 30.06.2022	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss				
Financial assets (current and non-current)				
– Interest in state funds	1,204.7		1,204.7	
– Debt instruments	0.2		0.2	
Derivatives (current and non-current)	2,685.0		2,685.0	
– Certificates (proprietary trading)	20.3	20.3		
Financial assets at fair value through other comprehensive income				
Derivatives (current and non-current) – Hedge Accounting	99.4		99.4	
– Equity instruments	0.1			0.1
Financial liabilities at fair value through profit or loss				
– Contingent purchase price liabilities in relation to business combinations	56.8			56.8
– Liabilities relating to non-controlling interests	5.5			5.5
Derivatives (current and non-current)	2,474.6		2,377.0	97.6
Financial liabilities at fair value through other comprehensive income				
Derivatives (current and non-current) - Hedge Accounting	701.4		701.4	

In addition, the liabilities on June 30, 2022, include bonds in the amount of CHF 90.7 million (December 31, 2021: CHF 98.2 million) as part of a fair value hedge (Level 2) measured at fair value.

CHF millions	Carrying amount at 31.12.2021	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss				
Financial assets (current and non-current)				
– Interest in state funds	1,374.8		1,374.8	
– Debt instruments	0.1		0.1	
Derivatives (current and non-current)	1,712.3		1,657.7	54.6
Inventories				
– Certificates (proprietary trading)	22.0	22.0		
Financial assets at fair value through other comprehensive income				
Derivatives (current and non-current) – Hedge Accounting	70.5		70.5	
Non-current financial assets				
– Equity instruments	7.3			7.3
Financial liabilities at fair value through profit or loss				
Other financial liabilities (current and non-current)				
– Contingent purchase price liabilities in relation to business combinations	55.2			55.2
– Liabilities relating to non-controlling interests	5.7			5.7
Derivatives (current and non-current)	1,783.2		1,677.9	105.3
Financial liabilities at fair value through other comprehensive income				
Derivatives (current and non-current) - Hedge Accounting	273.3		273.3	

The Level 3 assets and liabilities measured at fair value trended as follows in the first half of the year:

CHF millions	Assets		Liabilities	
	2021	2022	2021	2022
As of 01.01.	29.3	61.9	77.3	166.2
Additions	0.1	0.2	7.5	15.3
Disposals	-1.0	-0.3	-27.7	-13.9
Changes in value included in profit or loss	n/a	-61.7	-0.3	-6.5
Changes in value included in other comprehensive income	0.1	0.0	-0.1	-1.1
As of 30.06	28.5	0.1	56.7	160.0

The changes in value included in profit or loss include:

- CHF –61.7 million (previous year's period CHF 0 million) from derivatives in assets
- CHF –7.6 million (previous year's period CHF 0 million) in liabilities from derivatives and CHF 1.1 million (previous year's period CHF 1.9 million) from contingent purchase price liabilities.

11 Financial assets and liabilities measured at amortized cost

The carrying amounts of the financial assets closely correspond to the fair values.

Due to short residual terms to maturity, the carrying amounts of financial liabilities at amortized cost approximately correspond to the fair value. A difference exists between these values in respect to the bonds, which are included under

financial liabilities. The market price of the bonds (fair value Level 1) as of the reporting date was CHF 1,179.3 million, while the carrying amount was CHF 1,187.6 million.

On December 31, 2021, the corresponding market price was CHF 963.4 million and the carrying amount was CHF 893 million.

12 Additional disclosures on the cash flow statement

CHF millions	31.12.2021	30.06.2022
Bank and cash balances	916.0	871.6
Term deposits	15.0	0.5
Total cash and cash equivalents	931.0	872.1
	1 st half-year 2021	1 st half-year 2022
Depreciation, amortization, and impairment	122.6	133.9
Income from associates	-26.5	-25.1
Financial result	-47.5	190.4
Gains/losses from sale of non-current assets	-3.1	-0.7
Change in non-current provisions (excl. interest and excl. utilization of nuclear provisions)	4.9	-11.0
Change in assigned rights of use	-6.6	-7.0
Change from the valuation of energy derivatives	-11.2	-218.9
Other non-cash positions	15.5	11.9
Total adjustment for non-cash transactions	48.1	73.5

Sub-total "Cash flow from operating activities before utilization of nuclear provisions"

To ensure better interpretability and comparability of the effective operating cash flow, the "Cash flow from operating activities" item includes a subtotal of the cash flow before utilization of provisions for nuclear decommissioning and waste disposal.

This is because the costs for nuclear decommissioning and waste disposal are incurred with the decommissioning of the Mühleberg Nuclear Power

Plant. These costs represent the utilization of existing provisions and are therefore charged to "Cash flow from operating activities" determined in accordance with IAS 7. However, the nuclear decommissioning is not related to BKW's actual operating performance, and reported "Cash flow from operating activities" is therefore not a suitable metric for assessing operating cash generation.

Most of the costs for nuclear decommissioning and waste disposal are borne by the state-run decommissioning and waste disposal funds. BKW is thus entitled to a refund of the costs incurred, although the costs incurred and the refund do not coincide chronologically. Both payments into and refunds from the state funds are classified in the cash flow statement as part of "Cash flow from investing activities." This means there is

therefore a discrepancy in the presentation of these directly related cash flows. To adequately interpret cash flow, the corresponding individual items presented separately in the cash flow statement should be considered together. Therefore, the utilization of provisions with and without claim to refunds is reported separately in "Cash flow from operating activities."

BKW Group

Information for Investors

39 Information for Investors

40 Important Information on the BKW Share, Bonds, and Financial Calendar

INFORMATION FOR INVESTORS

Important Information on the BKW Share, Bonds, and Financial Calendar

Development of the BKW share price

June 30, 2021 to June 30, 2022



The BKW share performed in line with the market at the beginning of the year and dropped in value slightly. With the beginning of the crisis in Ukraine at the end of February, the share price rose again to the previous year-end level and remained at this price until the end of May. Nervousness on the stock market and low volumes led to the share price closing at CHF 99.70 as of June 30,

2022. It subsequently exceeded the CHF 110 mark again towards the end of July. When considered over the last 12 months, the share delivered a positive performance of 4.5%.

The cumulative total shareholder return for the period from 2014 to June 30, 2022, amounts to 359.3%.

Listing

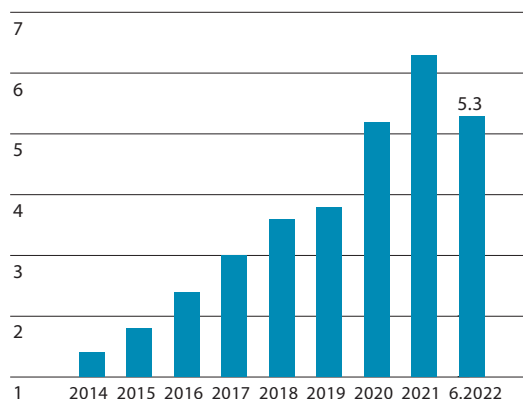
The shares of BKW AG are listed on the main segment of the SIX Swiss Exchange.

Ticker symbol on SIX	BKW
Securities number	13.029.366
ISIN code	CH0130293662

The BKW share is included in the following indices: SPI, SPI Extra, SPI ex SLI, SPI Select Dividend 20 Idx, Swiss All Share Index, UBS 100

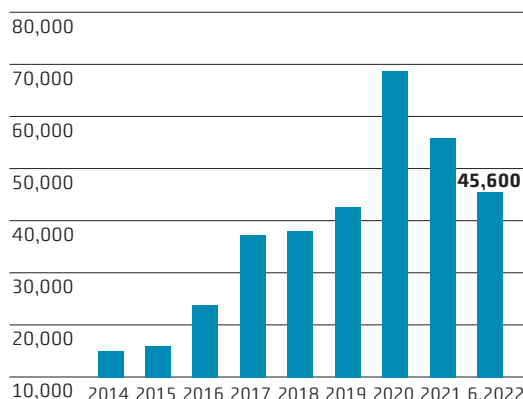
Market capitalization

in CHF billion (as of June 30)



Average daily trading volume on SIX

in units



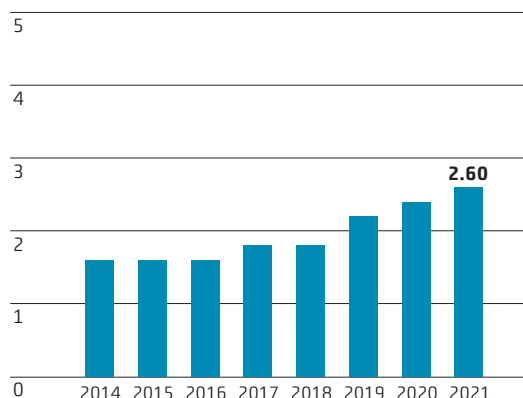
Dividend policy and dividend yield

BKW is committed to a consistent dividend payout based on a ratio of 40% to 50% of adjusted net profit.

For the 2021 financial year, a dividend of CHF 2.60 per share before taxes was distributed. The dividend was paid out on May 20, 2022.

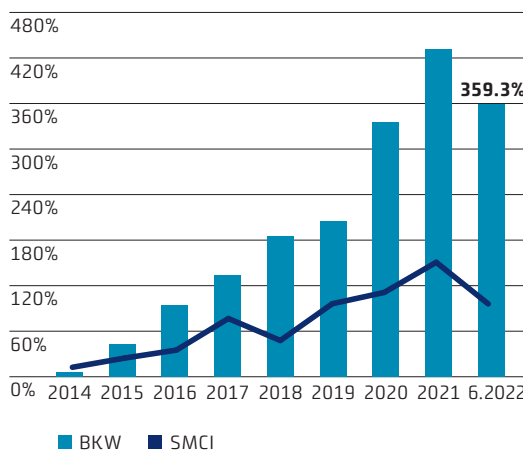
Dividend

in CHF



Total shareholder return

since 2014 as of June 30



Restrictions on share transferability

The Company may refuse to register an acquirer of shares in the register of voting shareholders for the following reasons:

a) If the acquisition results in a natural person, a legal entity, or a partnership (directly or indirectly) holding more than 5% of the entire share capital. The same restriction applies to legal entities, partnerships, groups of persons, or joint ownerships that are bound by capital or voting rights, have shared management, or are otherwise affiliated. Moreover, the restric-

tion applies to all natural or legal persons or partnerships that act in concert to acquire shares.

b) If the acquirer has not expressly declared that they have acquired the shares in their own name and on their own behalf.

Major shareholders

	31.12.2021	30.06.2022
Canton of Bern	52.54 %	52.54 %
Groupe E Ltd.	10.00 %	10.00 %

The free float amounts to 37.5%.

Key figures per share

CHF	31.12.2021	1 st half-year 2021	1 st half-year 2022
Par value	2.50	2.50	2.50
Share price			
– period end	118.60	96.30	99.70
– period high	128.80	109.60	120.80
– period low	94.20	94.20	96.70
Earnings per share ¹	5.77	3.73	1.11
Equity per share ¹	74.24	74.60	66.09
Market capitalization in CHF millions	6,259	5,081	5,260

1 Attributable to shareholders of BKW AG

Bonds

As of June 30, 2022, BKW had the following bonds outstanding:

	Nominal amount	Term	Due	ISIN code
0.00% debenture bond	CHF 200 million	2022–2024	18.10.2024	CH116068141
0.75% debenture bond	CHF 200 million	2018–2025	25.10.2025	CH0435590358
0.875% debenture bond	CHF 200 million	2022–2026	27.04.2026	CH01179184390
2.5% debenture bond	CHF 300 million	2010–2030	15.10.2030	CH0117843745
0.25% green bond	CHF 200 million	2019–2027	29.07.2027	CH0487087295
1.125% green bond	CHF 100 million	2022–2029	27.04.2029	CH1179184408

Financial calendar

Publication of the 2022 annual results	March 14, 2023
General Meeting	May 15, 2023
Ex-dividend date	May 17, 2023
Dividend payment	May 22, 2023

Impressum

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This report contains statements that 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 report is published in German, French, and English. The German text is the authoritative version.

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