ALPIQ

Key financial figures

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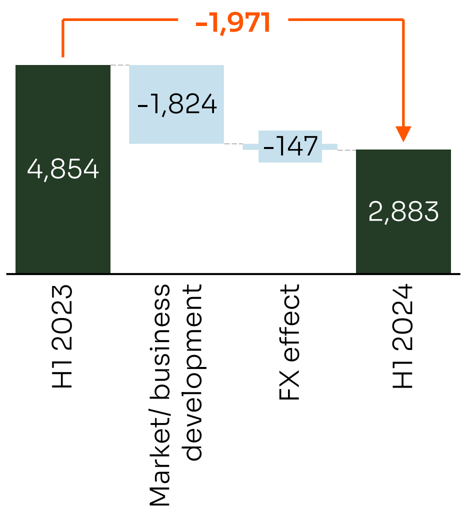
23 August 2024

Alpiq Group generated a **very good result** in an increasingly normalised market environment

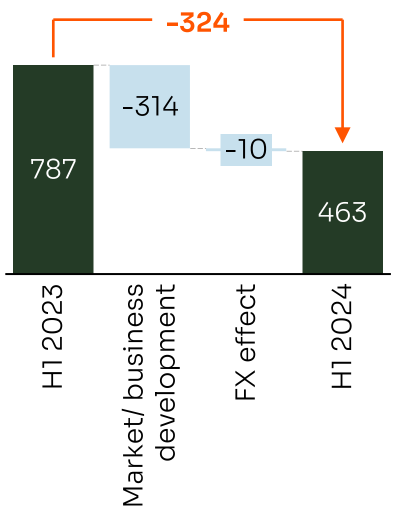
Key financial figures (in CHF million)

Net revenue (adjusted)



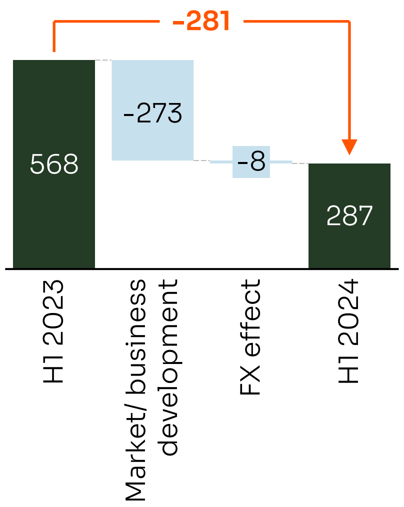
Adjusted net revenue decreased in line with energy prices.

EBITDA (adjusted)



Adjusted EBITDA below the previous year despite a positive contribution from all three value chain elements.

Net income (adjusted)

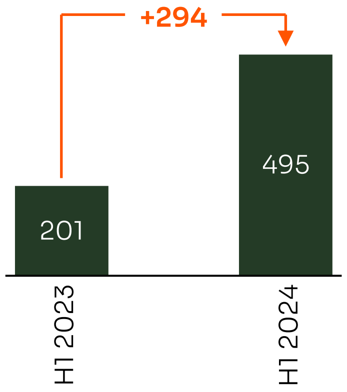


Very good result for Alpiq Group in a normalising market environment thanks to the integrated steering along the value chain.

Alpiq Group further **improved liquidity situation**

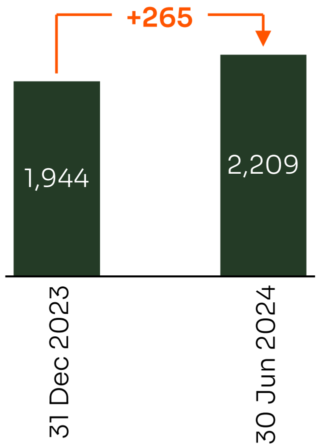
Key financial figures (in CHF million)

Net cash flows from operating activities



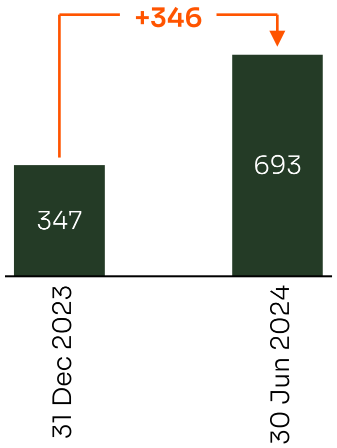
Higher cash flow from operating activities thanks to the very good operational performance in the first half of 2024.

Liquidity



Increased liquidity despite the dividend payment and first investments in the strategy in the first half of 2024.

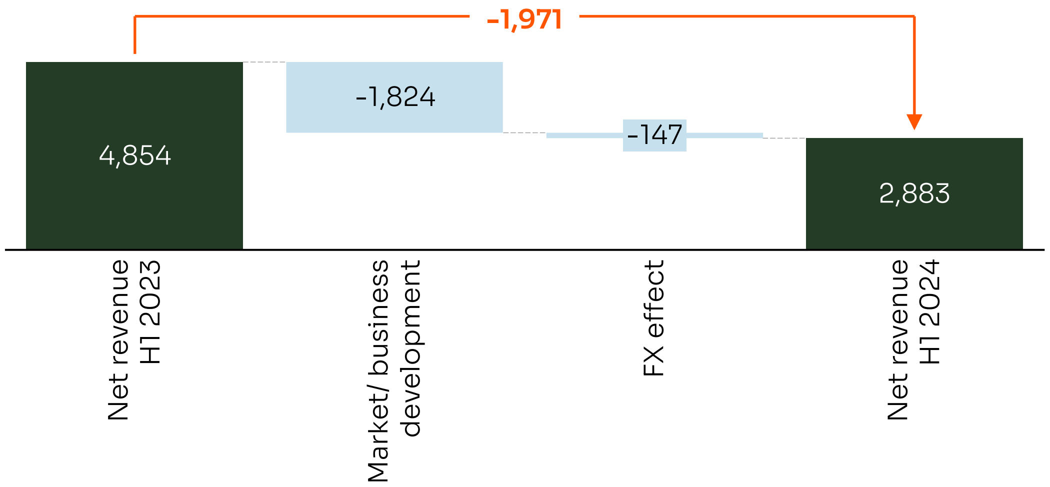
Net cash

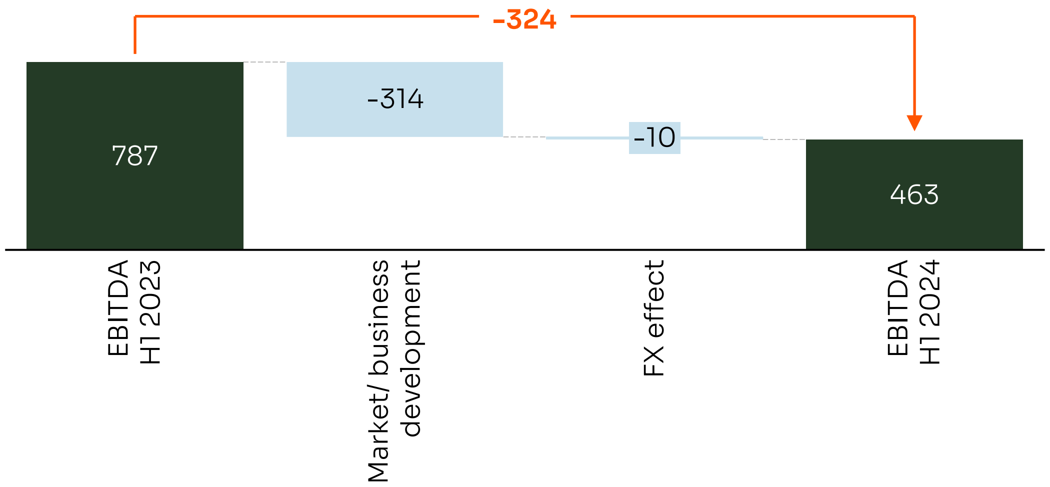


The strong financial position will allow Alpiq to continue to invest in its strategic initiatives.

Positive results from operations of all three value chain elements

Adjusted figures (in CHF million)



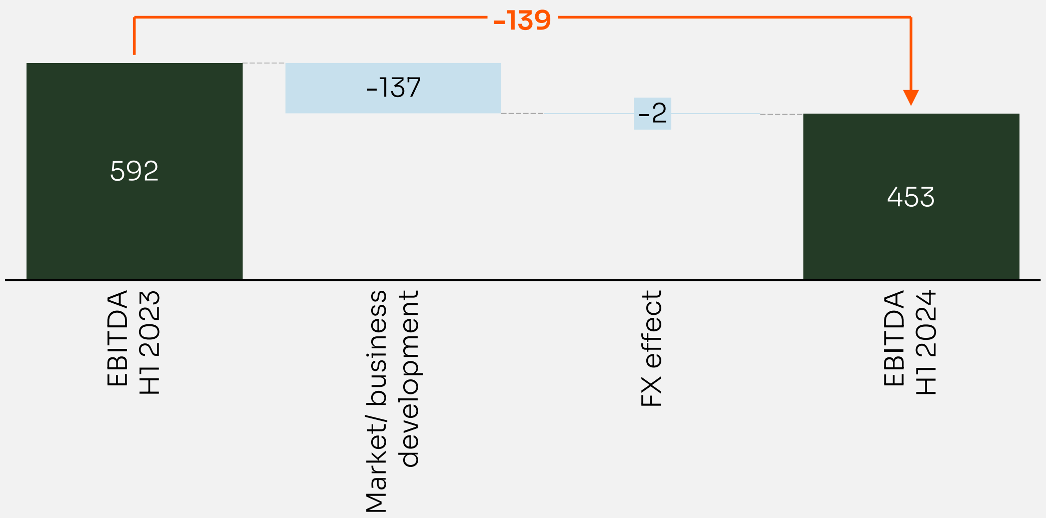


Net revenue H1 2024	
Assets	1,755
Trading	1,435
Origination	2,097
Corporate	0
Consolidation & Reconciliation	-2,404

EBITDA H1 2024	
Assets	453
Trading	28
Origination	74
Corporate	-93
Consolidation & Reconciliation	+1

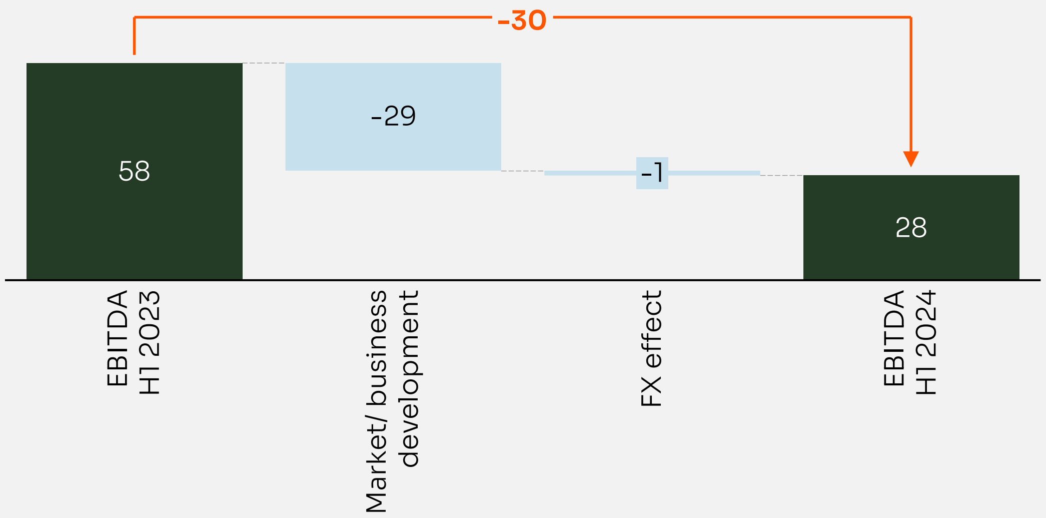
Assets – good result under current market conditions

Adjusted EBITDA (in CHF million)



- Very good performance given the current market conditions of lower prices and market volatility.
- Negative effect on the result due to much lower energy prices and less volatility across all main operating markets for energy and ancillary services.
- Alpiq acquired a majority stake in the Finnish hydrogen pioneer P2X solution and purchased a 30MW battery project in Finland.

Adjusted EBITDA (in CHF million)



Trading – extraordinary result of prior year not repeatable

- Solid trading performance in the first half of 2024, but lower than previous year.
- Year-on-year comparison against the backdrop of an extraordinary previous year of high prices and trading opportunities.

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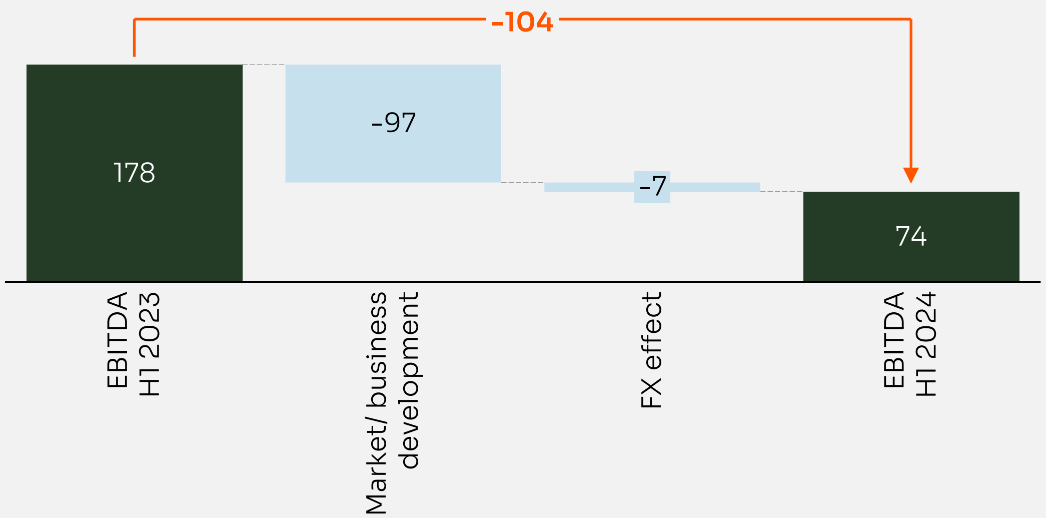
Adjusted EBITDA (in CHF million)



Origination – good results of day-ahead market access

- Customer proximity and well-founded portfolio management enabled the good adjusted EBITDA result of the first half of 2024.
- Reduced volatility in the market compared with recent years negatively affected the result.
- Reduction of operating margin was mirrored widely across geographies for traditional businesses.
- Demand for Intra-day and market access services remained strong as the shift towards renewable, intermittent power production continued.

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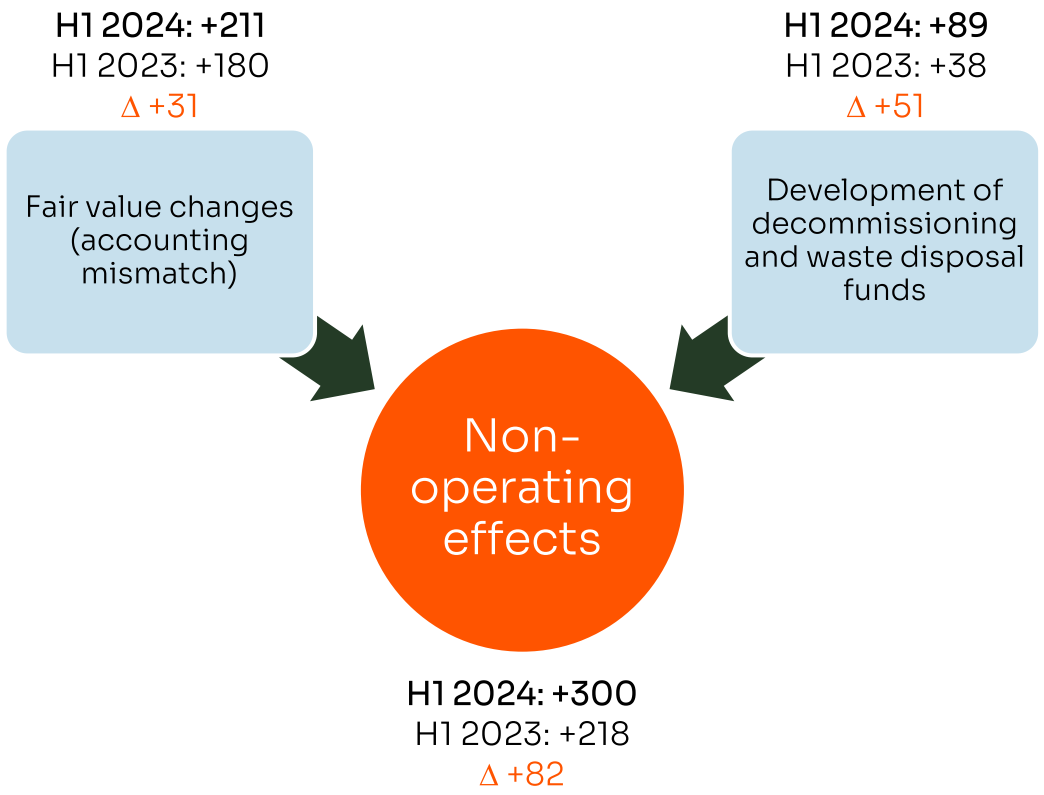
Slight increase of **non-operating effects** in the IFRS result

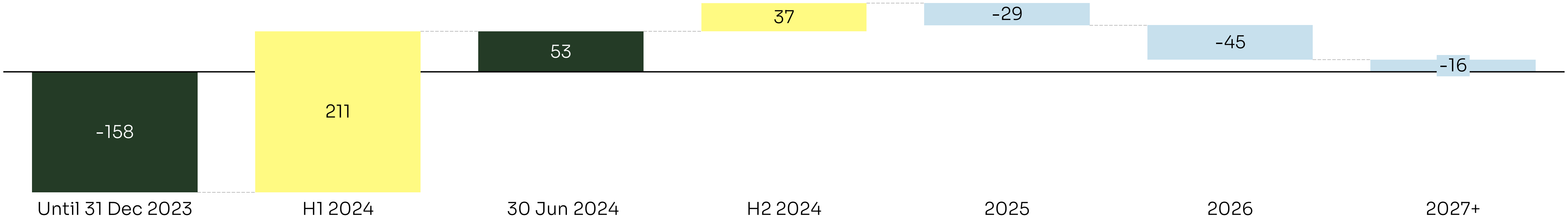
Non-operating effects in EBITDA level (in CHF million)



- **Fair value changes (accounting mismatch):** Future production volumes and physical power purchase agreements are not measured at fair value (off-balance sheet items) while some hedging instruments are revalued through the P&L immediately.
- **Development of decommissioning and waste disposal funds:** These two funds' investments are exposed to market fluctuations and changes in estimates. The difference between the actual return and the budgeted return (2.75%) is classified as non-operating effects.

Accounting mismatch from financial hedges has **positive impact** on IFRS results

Accounting mismatch and expected reversals (based on energy prices as of 30 June 2024, in CHF million)



- The accounting treatment of financial energy price hedges in accordance with IFRS leads to earnings being shifted to future periods (accounting mismatch).
- Although the negative accounting mismatch from prior years was overcompensated in the first half of 2024, a remaining negative effect on the results is expected in subsequent financial years.

Reduction of the **accounting mismatch**

The extended application of the own use approach will prospectively reduce the volatility of the non-operating (accounting mismatch) earnings in the IFRS results

- Accounting mismatch is driven by fair value changes of energy derivates under IFRS 9 entered to hedge Alpiq's future power production or to fulfil energy contracts classified as normal executory contracts or under the 'own use' exemption. Only the fair value changes of the energy derivatives under IFRS 9 between the last and the current balance sheet date are recognised in the reporting year.
- In 2023, Alpiq analysed potential changes in its 'own use' concept to reduce the accounting mismatch. From 2024, Alpiq no longer classifies certain cash-settled financial instruments, such as exchange traded futures, to hedge Alpiq's own production and certain customers sales portfolios under IFRS 9 but under the 'own use' exemption. Those changes are expected to minimise Alpiq's accounting mismatch over time. However, a full elimination of any accounting mismatch is not possible under IFRS accounting standards.

Consolidated **income statement**

Pro forma statement before and after non-operating effects (in CHF million)

CHF million	H1 2024 Adjusted	H1 2024 Non-operating effects	H1 2024 IFRS	H1 2023 Adjusted	H1 2023 Non-operating effects	H1 2023 IFRS
Net revenue	2,883	205	3,088	4,854	177	5,031
Total revenue and other income	2,896	205	3,101	4,868	177	5,045
Earnings before interest, tax, depreciation and amortisation (EBITDA)	463	300	763	787	218	1,005
Depreciation, amortisation and impairment	-56		-56	-55		-55
Earnings before interest and tax (EBIT)	407	300	707	732	218	950
Share of results of partner power plants and other associates & Financial result	-53		-53	-41		-41
Earnings before tax (EBT)	354	300	654	691	218	909
Income tax expense	-67	-54	-121	-123	-42	-165
Net income	**287**	**246**	**533**	**568**	**176**	**744**

thereof FX recycling -49

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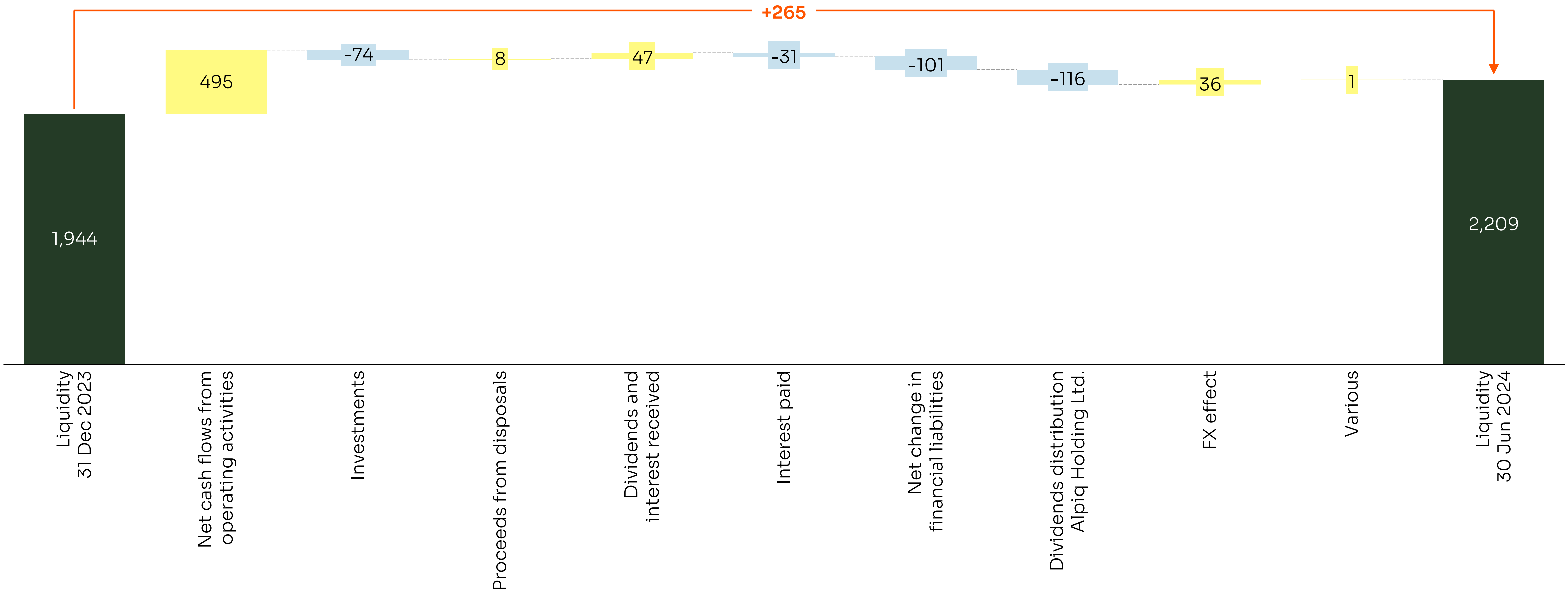
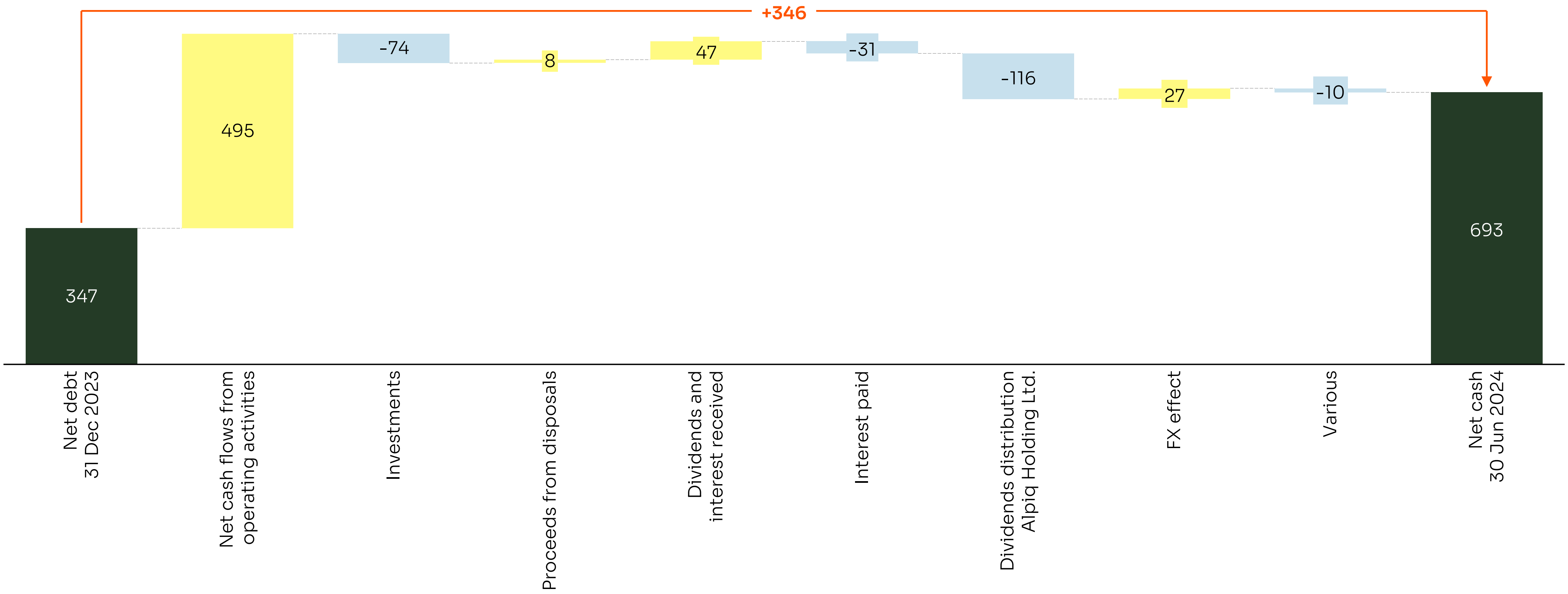
Alpiq further **strengthened its liquidity** situation

Development of liquidity (in CHF million)



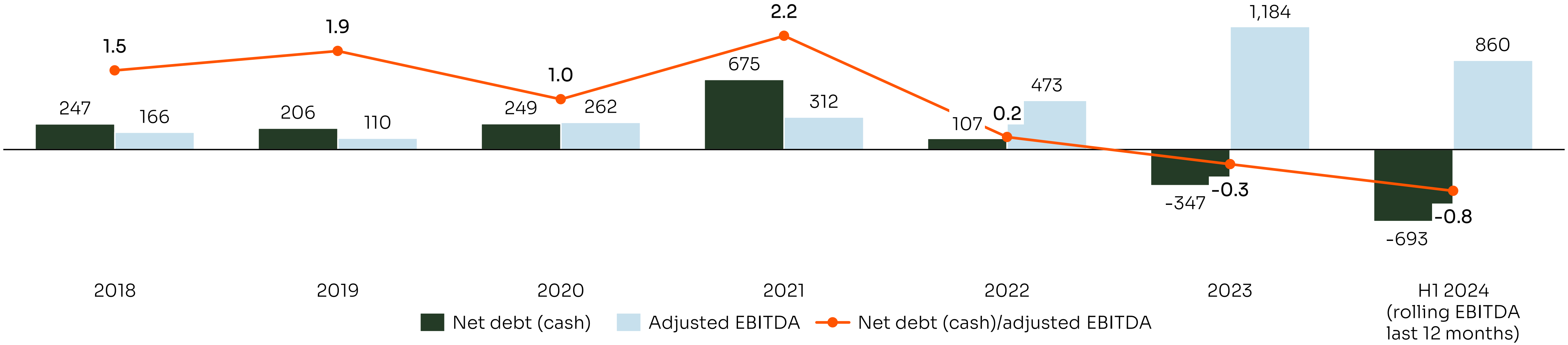
Net cash significantly increased

Development of net cash (in CHF million)



Further **improved net cash/adjusted EBITDA ratio**

Net debt (cash), adjusted EBITDA (in CHF million)



- Net cash of CHF 693 million (31 December 2023: net cash of CHF 347 million)
- Net debt (cash)/adjusted EBITDA ratio of -0.8 (31 December 2023: -0.3)

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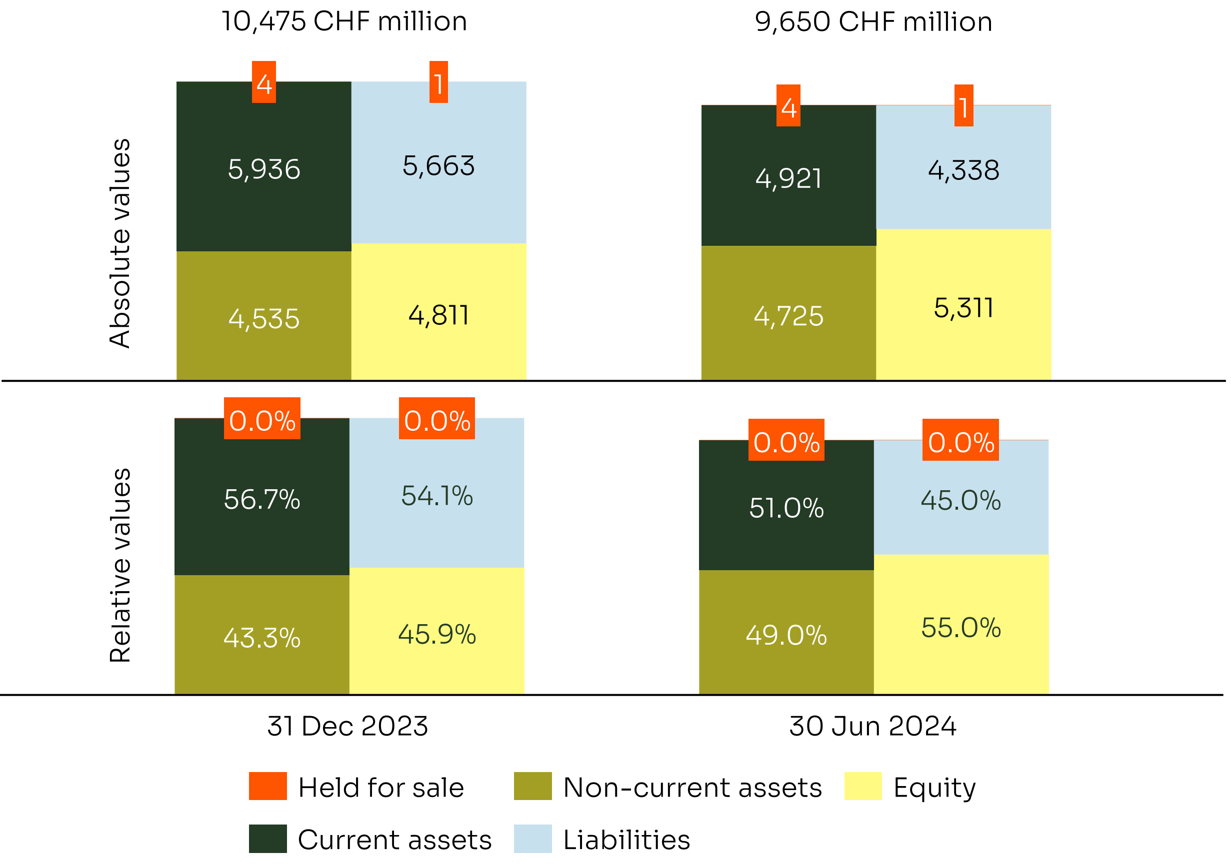
Balance sheet – **equity ratio improved** to 55.0%

Without the energy derivatives the Equity ratio would be 62.0% rather than 55.0%



- **Equity ratio: 55.0%** (31 December 2023: 45.9%)
- Equity ratio increased due to decrease in total balance sheet as a result of energy prices.
- Equity stood at CHF 5,3 billion.
- Sinking energy prices reduced impact of derivative financial instruments in the current assets.

In CHF million	**30 Jun 23**	**31 Dec 23**	**30 Jun 24**
Energy derivatives (assets) *as a % of total assets*	2,411 *22.8%*	2,339 *22.3%*	1,544 *16.0%*
Energy derivatives (liabilities) *as a % of total liabilities*	2,305 *21.8%*	1,786 *17.1%*	1,087 *11.3%*
Equity ratio w/o Energy derivatives (liabilities)	*52.0%*	*55.4%*	*62.0%*

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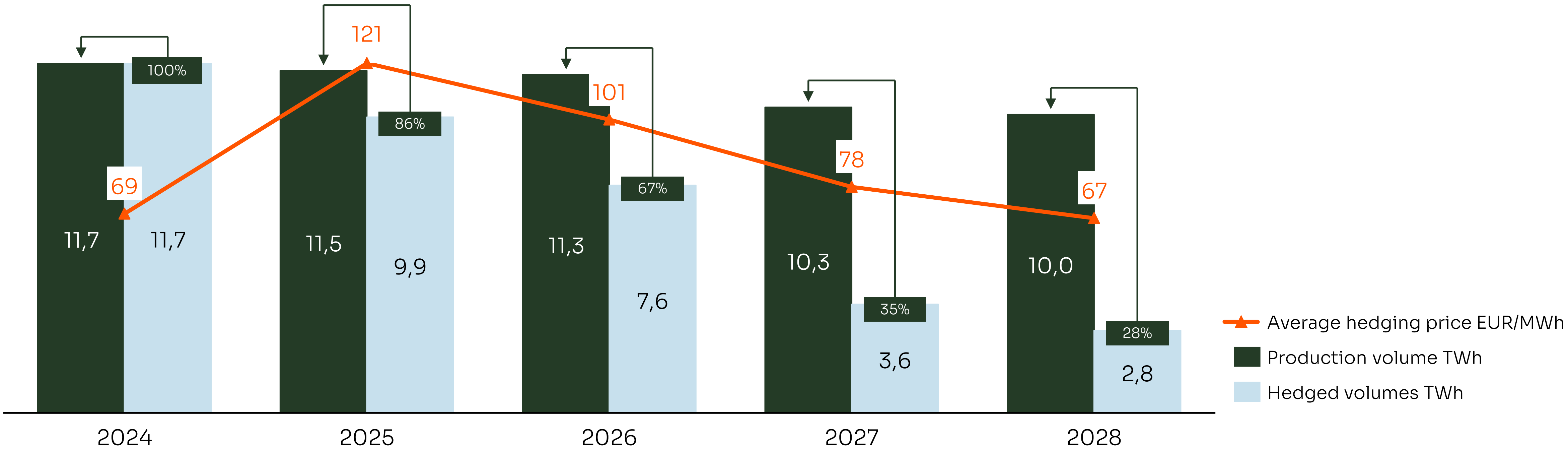
Swiss production portfolio **fully hedged for 2024**

Swiss production portfolio and hedges



- The adjusted hedging strategy proved its reliability in the solid results of the value chain element Assets.

Outlook

Alpiq is committed to facilitating the energy transition through strategic investments & customer solutions

Alpiq is well-positioned in an increasingly normalised market environment through the value chain elements Assets, Trading and Origination. Good results are also expected for the second half of 2024.

Alpiq will continue to drive forward the implementation of the strategy, supported by its strong core business of flexible assets, optimally aligned trading, strongly anchored origination business and the very good financial situation.

Alpiq's activities and promising investments will contribute to security of supply and a better climate in Europe with the aim of achieving net zero by 2040.

Do you have any **questions**?