



Financial Report

2023/24

Axpo Holding AG | 1 October 2023 – 30 September 2024



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Financial
review

The energy markets continued to normalise during the reporting period (1 October 2023 to 30 September 2024). Wholesale electricity prices fell further, stabilising in the second half of the financial year. There was also a substantial reduction in market volatility compared with the previous year. Amid this market environment, Axpo recorded adjusted EBIT of CHF 1,848 million (previous year: CHF 2,689 million) and a result for the period of CHF 1,509 million (previous year: CHF 3,389 million). This result is significantly below the extraordinary year-earlier figure, but still represents a good operating performance in all business areas. As expected, the Trading & Sales business area was unable to repeat the previous year's exceptional result,

but it did again contribute substantially to the strong result in the reporting year. The year-on-year drop in market volatility reduced market opportunities, making the earnings potential considerably smaller. Among other things, the normalisation of market prices significantly increased interest in long-term power purchase agreements among industrial companies, which contributed to the strong performance of the origination business. The Generation & Distribution business area improved its operating result year on year thanks to higher production from nuclear and hydropower plants, while CKW's operating result was down compared with the previous year due to the lower electricity prices.

Adjusted for one-off effects, EBIT fell year on year from CHF 2,689 million to CHF 1,848 million. Reported EBIT was CHF 1,754 million (previous year: CHF 4,192 million), while the result for the period fell from CHF 3,389 million in the previous year to CHF 1,509 million. Cash flow from operating activities came in at CHF 1,466 million. This was CHF 2,393 million lower than the previous year's figure, which had benefited not only from the operating results but also from portfolio optimisation measures and falling electricity prices, and by extension from return flows of collateral payments. Net investments totalled CHF 367 million (previous year: CHF 93 million), which resulted in free cash flow of CHF 1,099 million (previous year: CHF 3,766 million). Equity grew by CHF 1,586 million in the reporting period to CHF 13,151 million. As a result of the positive free cash flow, the net financial position also increased from CHF 390 million to CHF 1,791 million.

CHF million	2023/24	2022/23	Change
Adjusted EBIT	1 847.9	2 689.0	- 841.1
Result for the period	1 509.2	3 388.7	- 1 879.5
Free cash flow	1 098.6	3 765.7	- 2 667.1
Equity	13 150.9	11 565.4	1 585.5
Net debt	1 790.6	390.4	1 400.2

CHF million	2023/24 adjusted	Performance STENFO	Impairment	Hedges Swiss production (accounting mismatch)	2023/24 reported	2022/23 adjusted	Performance STENFO	Impairment	Hedges Swiss production (accounting mismatch)	Significant sales gains	2022/23 reported	Change, adjusted
Total income	7 878.7	0.0	0.0	- 244.1	7 634.6	8 378.2	0.0	0.0	1 913.0	159.3	10 450.5	- 499.5
Expenses for energy procurement, grid usage and goods purchased	- 3 638.1	186.8	- 105.8	0.0	- 3 557.1	- 3 453.7	28.6	- 1.2	0.0	0.0	- 3 426.3	- 184.4
Operating expenses	- 1 987.7	0.0	0.0	0.0	- 1 987.7	- 1 852.0	0.0	0.0	0.0	0.0	- 1 852.0	- 135.7
Share of result of partner plants and other associates	78.2	0.0	0.0	0.0	78.2	87.9	0.0	0.0	0.0	0.0	87.9	- 9.7
EBITDA	2 331.1	186.8	- 105.8	- 244.1	2 168.0	3 160.4	28.6	- 1.2	1 913.0	159.3	5 260.1	- 829.3
Depreciation, amortisation and impairment losses/reversals	- 483.2	0.0	69.0	0.0	- 414.2	- 471.4	0.0	- 596.6	0.0	0.0	- 1 068.0	- 11.8
EBIT	1 847.9	186.8	- 36.8	- 244.1	1 753.8	2 689.0	28.6	- 597.8	1 913.0	159.3	4 192.1	- 841.1

The results for the financial year were influenced by the following one-off effects, which are stripped out of the reported operating performance (adjusted EBIT):

The decommissioning and waste disposal funds (STENFO) generated a return of +13.1% (previous year: +4.4%), contributing CHF 187 million to EBIT and CHF 348 million to the financial result (previous year: CHF 29 million to EBIT and CHF 114 million to the financial result).

Due to the lack of liquidity on the Swiss market, Swiss production is largely hedged in Germany and France. The accounting treatment of the

financial instruments used for hedging led to a negative effect of CHF 244 million from temporary shifts in income (previous year: positive effect of CHF 1,913 million).

The fall in electricity prices since autumn 2023 also led to lower medium-term electricity price expectations, meaning that non-cash impairment losses on power plants totalling CHF 37 million (previous year: CHF 598 million) had to be recognised in the reporting year as part of the annual impairment test of the company's own power plants and energy procurement contracts.

Overall, these one-off effects had a negative impact of CHF 94 million (previous year: positive effect of CHF 1,503 million) on the reported result. The following sections contain a commentary on the adjusted results.

Total income was CHF 7,879 million (previous year: CHF 8,378 million), representing a year-on-year fall of CHF 499 million. The decrease in energy sales was largely attributable to lower energy prices in Switzerland and in the end-customer business in Italy and Portugal. Energy procurement expenses in the end-customer business were also lower, however. Income from energy derivatives trading was

CHF 1,814 million lower than in the previous year. Production from nuclear power plants increased by 2% or 0.4 TWh year on year to 19.1 TWh thanks to the higher availability of Swiss and French nuclear power plants. Swiss hydropower plants produced 10.7 TWh of electricity, an increase of 1.7 TWh or 20% compared with the previous year. Thanks to the continued expansion of solar technology, energy production from solar plants rose by 8% year on year. The slight dip in wind production is linked to the sale of wind farms and wind conditions that were less favourable than in the previous year. Both wind farms and solar plants from the development portfolio were sold during the reporting year.

Expenses for energy procurement, grid usage and goods rose slightly year on year. This increase was largely attributable to higher grid usage expenses and costs of obtaining certificates. Expenses for materials and third-party supplies increased by CHF 46 million year on year to CHF 316 million due to the continued expansion of the wind and solar development business. Personnel expenses rose by CHF 99 million year on year to CHF 1,068 million (previous year: CHF 969 million), with the increase attributable to general inflation, the higher headcount and deferred payments of variable remuneration. The number of full-time equivalents increased by 603 to 7,023 in the reporting year. New jobs were created in the growth areas of renewable energy, origination and building technology in particular. Other operating expenses fell slightly year on year, by CHF 9 million to CHF 604 million, with the increase of CHF 17 million in IT expenses offset by a decrease of CHF 28 million in risk provisions on receivables.

Scheduled depreciation and amortisation was practically unchanged year on year. The annual impairment test carried out for power plants and energy procurement contracts resulted in

a non-cash impairment loss of CHF 37 million (previous year: CHF 598 million).

Adjusted earnings before interest and tax (EBIT) were CHF 1,848 million in the reporting year (previous year: CHF 2,689 million). Taking one-off effects into account, reported EBIT was CHF 1,754 million (previous year: CHF 4,192 million).

The financial result increased by CHF 165 million year on year to CHF +85 million (previous year: CHF -80 million). The STENFO return of 13.1% was once again significantly higher than in the previous year (2022/23: 4.4%) and resulted in non-cash income of CHF 348 million (previous year: CHF 114 million). Income taxes decreased to CHF 329 million (previous year: CHF 724 million), which corresponds to an income tax rate of 17.9% (previous year: 17.6%). Axpo closed the 2023/24 financial year with a result for the period of CHF 1,509 million (previous year: CHF 3,389 million).

Generation & Distribution

CHF million	2023/24	2022/23	Change
Total income	3 205.7	5 333.5	- 2 127.8
Operating expenses	- 2 275.9	- 2 238.3	- 37.5
Share of result of partner plants and other associates	61.1	72.1	- 11.0
Depreciation, amortisation and impairment losses/reversals	- 334.2	- 984.3	650.1
EBIT	656.7	2 183.0	- 1 526.2
One-off effects	- 254.8	- 1 831.2	1 576.4
Adjusted EBIT	401.9	351.8	50.2

The Generation & Distribution segment reported EBIT of CHF 657 million for the reporting year (previous year: CHF 2,183 million). Adjusted EBIT – in other words excluding the higher/lower STENFO return, the impairment losses on power plants and the temporary shifts in income from hedging electricity pro-

duction – rose by CHF 50 million year on year to CHF 402 million. The main drivers of this increase in earnings were higher generation from nuclear and hydropower plants and the gains from the sale of wind farms and solar plants from the development portfolio.

Trading & Sales

CHF million	2023/24	2022/23	Change
Gross margin asset-backed trading	329.9	647.6	- 317.7
Gross margin origination	998.9	1 167.6	- 168.6
Gross margin proprietary trading	358.4	504.4	- 146.0
Gross margin	1 687.2	2 319.6	- 632.5
Operating expenses	- 644.3	- 620.2	- 25.5
EBIT performance view	1 042.8	1 699.4	- 657.9
Hedging effects/other reconciliation items	69.2	- 11.2	81.7
EBIT	1 112.0	1 688.2	- 576.2

As expected, Trading & Sales was unable to repeat the previous year's exceptional result, as wholesale prices fell back further during the reporting year, while energy market volatility also decreased. The operating performance (performance view) fell compared with the extraordinary year-earlier figure to CHF 1,043 million (previous year: CHF 1,699 million). The international customer business (origination) was the biggest contributor to this still very good result. The gross margin on international customer business shrank only slightly, from CHF 1,168 million in the previous year to CHF 999 million. Demand for customer-specific solutions – and in particular for long-term power purchase agreements – remained high during the reporting year, which contributed to

the good performance of the origination business. Operating results in asset-backed and proprietary trading were significantly below the extraordinary year-earlier levels as a consequence of the lower market volatility. The operating performance (performance view) for asset-backed trading came in at CHF 330 million (previous year: CHF 648 million). The gross margin on proprietary trading business fell from CHF 504 million in the previous year to CHF 358 million. The shifts in income from hedging and other effects totalled CHF 69 million (previous year: CHF -11 million), meaning that Trading & Sales closed the 2023/24 financial year with a reported profit of CHF 1,112 million (previous year: CHF 1,688 million).

CKW

CHF million	2023/24	2022/23	Change
Total income	1 111.5	1 353.3	- 241.8
Operating expenses	- 886.9	- 965.3	78.3
Share of result of partner plants and other associates	14.9	14.7	0.2
Depreciation, amortisation and impairment losses/reversals	- 60.0	- 64.5	4.4
EBIT	179.5	338.2	- 158.9
One-off effects	- 63.2	- 178.4	115.2
Adjusted EBIT	116.3	159.8	- 43.7

CKW reported a decrease in both adjusted EBIT and reported EBIT compared with the previous year. Adjusted EBIT fell from CHF 160 million to CHF 116 million, while reported EBIT came to CHF 180 million in the reporting year (previous year: CHF 338 million). Higher generation at the Leibstadt nuclear power plant and the French nuclear power plants had a positive impact on the result. At the same time, however,

lower market prices and lower revenues from profile management had a negative impact on operating profit. As expected, temporary shifts in income from previous years totalling CHF 35 million (previous year: CHF 100 million) had a positive effect on reported profit in the reporting year.

Cash flow statement

CHF million	2023/24	2022/23	Change
Cash flow from operating activities	1 465.5	3 858.6	- 2 393.1
Net investment in non-current assets	- 366.9	- 92.9	- 274.0
Free cash flow	1 098.6	3 765.7	- 2 667.1
Cash flow from investing activities	42.0	46.0	- 4.0
Cash flow from financing activities	- 1 654.5	- 410.5	- 1 244.0
Cash and cash equivalents as at 30.9.	7 202.2	7 394.2	- 192.0

Cash flow from operating activities decreased by CHF 2,393 million year on year to CHF 1,466 million (previous year: CHF 3,859 million). In the previous year, the completion of electricity deliveries, the optimisation of the Trading & Sales portfolio in terms of liquidity risk, and lower prices led to return flows of financial collateral totalling CHF 8,283 million. These return flows were lower in the reporting year at CHF 1,462 million. Income taxes paid also rose substantially in 2023/24 to a total of CHF 637 million (previous year: CHF 253 million).

Axpo adjusted its price hedging strategy in the 2022/23 financial year, meaning that electricity production from its own power plants is no longer sold in full up to three years in advance.

This adjustment will reduce future liquidity requirements in the event of market fluctuations. As at 30 September 2024, production hedged for three years in advance stood at 47 TWh overall (previous year: 52 TWh) and is broken down across the individual financial years as follows:

- 2024/25: 20.4 TWh at an average hedged price of EUR 76/MWh
- 2025/26: 16.1 TWh at an average hedged price of EUR 95/MWh
- 2026/27: 10.3 TWh at an average hedged price of EUR 83/MWh

Gross investments in the 2023/24 financial year rose slightly versus the previous year (CHF 475 million) to CHF 509 million, with the majority of investments being made in wind and solar energy and in the grids. After making large-scale divestments totalling CHF 382 million in the previous year (EWA-energieUri Group and Trans Adriatic Pipeline), Axpo's divestments in the reporting year were just CHF 142 million. Major divestments in 2023/24 included sales of solar plants and of loans, along with repayments from STENFO.

As a result of the significantly lower operating cash flow and the higher net investments, free cash flow fell to CHF 1,099 million (previous year: CHF 3,766 million). Cash and cash equivalents decreased by CHF 192 million over the reporting period to CHF 7,202 million (previous year: CHF 7,394 million).

The continuing fall in energy prices in the reporting year led to further balance sheet contraction. Total assets as at 30 September 2024 stood at CHF 34.0 billion (previous year: CHF 41.3 billion). The lower energy prices reduced both the positive and negative replacement values of derivative financial instruments compared with the previous year. Equity grew by CHF 1,586 million in the reporting period to CHF 13,151 million. Liquidity decreased slightly in the reporting period, falling by CHF 187 million to CHF 7,355 million. At the same time, financial liabilities fell from CHF 7,152 million to CHF 5,564 million as at the end of September 2024. As a result, the net financial position improved from CHF 390 million as at 30 September 2023 to CHF 1,791 million as at 30 September 2024.

At the Annual General Meeting of 17 January 2025, the Board of Directors of Axpo Holding AG will propose the payment of an ordinary dividend of CHF 241 million plus a special dividend of CHF 429 million.

Balance sheet

CHF million	30.9.2024	30.9.2023	Change
Non-current assets	17 036.3	18 817.4	- 1 781.1
Current assets	16 988.8	22 526.4	- 5 537.6
Total assets	34 025.1	41 343.8	- 7 318.7
Equity	13 150.9	11 565.4	1 585.5
Non-current liabilities	11 752.7	14 433.5	- 2 680.8
Current liabilities	9 121.5	15 344.9	- 6 223.4
Total liabilities and equity	34 025.1	41 343.8	- 7 318.7
Net debt	1 790.6	390.4	1 400.2

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Consolidated financial statements of the Axpo Group

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Consolidated statement of comprehensive income

CHF million	Note	2023/24	2022/23
Income statement			
Revenue	2.1	7 383.4	10 125.9
Capitalised production costs		67.1	67.8
Other operating income		184.1	256.8
Total income	2.1	7 634.6	10 450.5
Expenses for energy procurement, grid usage and goods purchased	2.2	- 3 557.1	- 3 426.3
Expenses for materials and third-party supplies		- 316.0	- 269.9
Personnel expenses	5.1	- 1 068.0	- 969.4
Other operating expenses	2.3	- 603.7	- 612.7
Share of result of partner plants and other associates	6.3	78.2	87.9
Earnings before interest, tax, depreciation and amortisation (EBITDA)		2 168.0	5 260.1
Depreciation, amortisation and impairment losses/reversals	2.4	- 414.2	- 1 068.0
Earnings before interest and tax (EBIT)		1 753.8	4 192.1
Financial income	2.5	776.7	486.2
Financial expense	2.5	- 692.1	- 566.1
Earnings before tax (EBT)		1 838.4	4 112.2
Income tax expense	2.6	- 329.2	- 723.5
Result for the period		1 509.2	3 388.7

Consolidated statement of comprehensive income

CHF million	Note	2023/24	2022/23
Other comprehensive income			
Result for the period		1 509.2	3 388.7
Currency translation differences	4.1	- 68.5	1.8
Share of currency translation differences – other associates	4.1, 6.3	0.0	0.2
Changes to cash flow hedges – group companies	4.1	- 47.2	438.3
Changes to cash flow hedges – other associates	4.1, 6.3	- 2.6	9.4
Income and expenses to be reclassified subsequently to profit or loss, net after income tax		- 118.3	449.7
Remeasurement of defined benefit plans – group companies	4.1	157.1	- 2.3
Remeasurement of defined benefit plans – other associates	4.1, 6.3	39.9	- 0.8
Income and expenses not to be reclassified subsequently to profit or loss, net after income tax		197.0	- 3.1
Other comprehensive income after tax		78.7	446.6
Total comprehensive income		1 587.9	3 835.3
Allocation of the result for the period:			
Axpo Holding shareholders		1 472.5	3 301.5
Non-controlling interests		36.7	87.2
Allocation of total comprehensive income:			
Axpo Holding shareholders		1 531.4	3 653.2
Non-controlling interests		56.5	182.1
Earnings per share:			
Earnings per share in CHF		39.8	89.2

There are no circumstances that would lead to a dilution in earnings per share.

Consolidated balance sheet

Consolidated balance sheet

CHF million	Note	30.9.2024	30.9.2023
Assets			
Property, plant and equipment	3.1	5 966.0	5 823.3
Right-of-use assets	3.2	166.8	160.5
Intangible assets	3.3	921.9	1 079.4
Investments in partner plants and other associates	6.3	1 643.3	1 572.8
Derivative financial instruments	4.5	4 356.4	6 856.4
Financial receivables	4.3	421.9	328.2
Investment properties		37.4	37.8
Other receivables	3.5	3 364.7	2 770.1
Deferred tax assets	2.6	157.9	188.9
Total non-current assets		17 036.3	18 817.4
Assets held for sale	6.2	123.9	278.1
Inventories	3.4	918.7	815.8
Trade receivables		1 333.2	1 581.0
Financial receivables	4.3	218.3	279.9
Current tax assets		165.6	123.8
Derivative financial instruments	4.5	2 434.6	5 218.6
Other receivables	3.5	4 592.3	6 835.0
Cash and cash equivalents	4.2	7 202.2	7 394.2
Total current assets		16 988.8	22 526.4
Total assets		34 025.1	41 343.8

Consolidated balance sheet

CHF million	Note	30.9.2024	30.9.2023
Equity and liabilities			
Share capital	4.1	370.0	370.0
Retained earnings	4.1	12 395.1	10 720.0
Other reserves	4.1	- 584.2	- 446.2
Total equity excluding non-controlling interests		12 180.9	10 643.8
Non-controlling interests	4.1	970.0	921.6
Total equity including non-controlling interests		13 150.9	11 565.4
Financial liabilities	4.4	4 171.6	4 616.5
Derivative financial instruments	4.5	3 264.0	5 688.1
Other liabilities	3.6	627.0	684.8
Deferred tax liabilities	2.6	322.0	235.2
Provisions	3.7	3 368.1	3 208.9
Total non-current liabilities		11 752.7	14 433.5
Liabilities held for sale	6.2	78.0	77.7
Trade payables		821.1	1 159.7
Financial liabilities	4.4	1 392.4	2 535.0
Current tax liabilities		240.9	618.8
Derivative financial instruments	4.5	1 768.2	5 308.5
Other liabilities	3.6	4 648.6	5 458.8
Provisions	3.7	172.3	186.4
Total current liabilities		9 121.5	15 344.9
Total liabilities		20 874.2	29 778.4
Total equity and liabilities		34 025.1	41 343.8

Consolidated statement of changes in equity

Consolidated statement of changes in equity

CHF million	Share capital	Retained earnings ¹⁾²⁾	Other reserves ²⁾	Total equity excluding non-controlling interests	Non-controlling interests	Total equity including non-controlling interests
Equity as at 1.10.2022	370.0	7 408.3	- 786.5	6 991.8	440.6	7 432.4
Other comprehensive income after tax		- 2.7	354.4	351.7	94.9	446.6
Result for the period		3 301.5		3 301.5	87.2	3 388.7
Total comprehensive income		3 298.8	354.4	3 653.2	182.1	3 835.3
Dividend		0.0		0.0	- 10.3	- 10.3
Change in scope of consolidation		14.9	- 14.2	0.7	- 99.2	- 98.5
Non-controlling interests acquired/sold		- 2.0	0.1	- 1.9	401.5	399.6
Increase/decrease in capital of non-controlling interests		0.0		0.0	6.9	6.9
Equity as at 30.9.2023	370.0	10 720.0	- 446.2	10 643.8	921.6	11 565.4
Other comprehensive income after tax		182.1	- 123.2	58.9	19.8	78.7
Result for the period		1 472.5		1 472.5	36.7	1 509.2
Total comprehensive income		1 654.6	- 123.2	1 531.4	56.5	1 587.9
Dividend		0.0		0.0	- 38.2	- 38.2
Change in scope of consolidation		20.1	- 14.8	5.3	- 2.3	3.0
Non-controlling interests acquired/sold		0.2	0.0	0.2	28.3	28.5
Increase/decrease in capital of non-controlling interests		0.2		0.2	4.1	4.3
Equity as at 30.9.2024	370.0	12 395.1	- 584.2	12 180.9	970.0	13 150.9

1) Retained earnings comprise own registered shares in CKW AG with a nominal value of CHF 29,692.

2) See note 4.1 "Development of retained earnings and other reserves"

Consolidated cash flow statement

Consolidated cash flow statement

CHF million	Note	2023/24	2022/23
Earnings before tax (EBT)		1 838.4	4 112.2
Financial result	2.5	- 84.6	79.9
Earnings before interest and tax (EBIT)		1 753.8	4 192.1
(Gain)/loss on disposal of non-current assets and non-current assets and liabilities held for sale		- 19.2	- 169.1
Non-cash expenses and income	4.2	- 710.5	- 7 614.2
Change in net working capital	4.2	1 106.9	8 603.5
Change in derivative financial instruments and other financial result		- 122.4	- 47.6
Change in provisions (excluding interest, net)	3.7	44.2	- 915.9
Dividends received		49.7	62.9
Income taxes paid		- 637.0	- 253.1
Cash flow from operating activities		1 465.5	3 858.6
Property, plant and equipment:			
Investments net of capitalised borrowing costs	3.1	- 488.7	- 435.0
Disposals and cost contributions		12.8	3.1
Leases:			
Receipt of deferred considerations		- 2.2	2.9
Disposals and repayments		10.7	0.0
Intangible assets:			
Investments (excluding goodwill)	3.3	- 16.0	- 11.9
Disposals		0.2	1.1
Acquisition of subsidiaries (net of cash acquired)		1.7	- 7.8
Disposals of subsidiaries (net of cash transferred)		27.2	144.3
Cash flow from non-current assets and liabilities held for sale		58.5	0.0

Consolidated cash flow statement

CHF million	Note	2023/24	2022/23
Investments in partner plants and other associates:			
Investments	6.3	- 4.0	- 19.6
Disposals and capital repayments		0.5	179.3
Other financial assets:			
Investments		- 83.7	- 61.3
Disposals and repayments		0.0	37.2
Receivables from state funds		32.2	50.7
Investment properties and change in other financial assets		0.1	2.1
Financial receivables (current)		75.6	- 89.8
Interest received		417.1	250.7
Cash flow from investing activities		42.0	46.0
Financial liabilities (current and non-current):			
Proceeds	4.4	3 737.0	7 859.1
Repayment	4.4	- 5 046.2	- 8 466.4
Other liabilities (non-current):			
Proceeds		12.5	12.4
Repayment		- 0.2	0.0
Other cash flows from financing activities		37.0	406.5
Dividend payments (including non-controlling interests)		- 38.2	- 10.3
Interest paid		- 356.4	- 211.8
Cash flow from financing activities		- 1 654.5	- 410.5
Foreign currency translation effect on cash and cash equivalents		- 45.3	- 6.1
Change in cash and cash equivalents		- 192.3	3 488.0
Cash and cash equivalents at the beginning of the reporting period	4.2	7 394.6	3 906.6
Cash and cash equivalents at the end of the reporting period ¹⁾	4.2	7 202.3	7 394.6

1) Cost of acquisition without loss allowances of CHF 0.1 million in 2023/24 (previous year: CHF 0.4 million).

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Notes to the consolidated financial statements

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1. About this report

1.1 General information

Axpo Holding AG is a public limited company incorporated under Swiss law and was established on 16 March 2001 with its registered office in Baden. Axpo Holding and its subsidiaries constitute the Axpo Group. An overview of the Group's principal investments is provided in Note 6.6 "Investments". The Axpo Group owns and operates power-generating plants and distribution grids. The company also engages in international energy trading. The Axpo Group employed 7,023 staff as at 30 September 2024 (previous year: 6,420).

1.2 Basis of accounting

General principles

The consolidated financial statements for the 2023/24 financial year provide a true and fair view of the assets, financial position and results of operations of the Axpo Group in accordance with IFRS Accounting Standards and comply with Swiss law. The consolidated financial statements were approved by the Board of Directors of Axpo Holding AG on 4 December 2024 and are still to be approved by the Annual General Meeting on 17 January 2025.

Measurement bases

The consolidated financial statements are based on the historical cost principle and are prepared on a going-concern basis. Exceptions are described in the accounting policies of the respective notes.

Presentation currency and foreign currency translation

The presentation currency, which is Axpo Holding AG's functional currency, is the Swiss franc. Transactions in foreign currencies are translated at the exchange rate prevailing on the date of the transaction or at an exchange rate which approximates the transaction rate. At the end of the reporting period, monetary assets and liabilities in foreign currencies are translated at the exchange rates prevailing at the balance sheet date. Any resulting translation differences are recognised in the income statement.

Assets and liabilities of subsidiaries and of associates accounted for using the equity method whose functional currency is not the Swiss franc are translated on consolidation into Swiss francs at the exchange rate prevailing at the balance sheet date. The income statement, cash flow statement and other

movement items are translated at the average exchange rate for the reporting period. Exchange differences arising from the translation of the balance sheet and income statement of foreign subsidiaries and associates accounted for using the equity method are recognised directly in other comprehensive income and disclosed separately in the notes. Non-current receivables or loans to foreign group companies for which repayment is neither planned nor likely to occur in the foreseeable future are, in substance, a part of the Group's net investment in that foreign group company. Foreign exchange differences resulting from such non-current receivables or loans are recognised in other comprehensive income and in the income statement on liquidation or disposal of the foreign operation.

1. About this report

Foreign currency exchange rates

The following exchange rates were applied:

Currency	Unit	Year-end rates		Average rates	
		30.9.2024	30.9.2023	2023/24	2022/23
EUR	1	0.9439	0.9669	0.9573	0.9790
USD	1	0.8431	0.9127	0.8828	0.9177

Application of new IFRS Accounting Standards and interpretations

All accounting standards and interpretations effective at the end of the reporting period were applied when preparing the consolidated financial statements. The Axpo Group applied the following new or revised accounting standards and interpretations for the first time as at 1 October 2023:

Standard	Title	Effective from
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policy	1 January 2023
Amendments to IAS 8	Definition of Accounting Estimate	1 January 2023
Amendments to IAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023

The new accounting standards have no material impact on the Axpo Group's consolidated financial statements.

Future application of new IFRS Accounting Standards and interpretations

The Axpo Group is currently analysing the potential impact of the following new and revised accounting standards and interpretations that have already been issued but whose application in the consolidated financial statements is not yet mandatory. They will be adopted by the Axpo Group no later than the financial year beginning on or after the date specified.

Standard	Title	Effective from
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 1	Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 7 and IFRS 7	Disclosures – Supplier Finance Arrangements	1 January 2024
Amendments to IAS 21	Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

The Axpo Group will review its reporting on those new or amended accounting standards that come into force on or after 1 January 2024 and for which the Axpo Group has opted against early application. Based on the analysis to date, the Axpo Group does not expect any significant impact on its results and financial position, with the exception of IFRS 18.

IFRS 18 – Presentation and Disclosure in Financial Statements was published by the IASB in April 2024 and is effective for reporting periods beginning on or after 1 January 2027 with retrospective prior-year restatement. Early application is permitted. IFRS 18 will replace IAS 1 – Presentation of Financial Statements in future.

1. About this report

The main changes resulting from the introduction of IFRS 18 are:

- Companies are required to classify all income and expenses in the income statement into five categories, namely operating activities, investing activities, financing activities, discontinued operations and income taxes. Companies are also required to disclose a newly defined subtotal for the operating result.
- The management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided for the aggregation and disaggregation of information in the financial statements.
- In addition, there are amendments to IAS 7 – Statement of Cash Flows, such as the rules on the allocation of cash flow from interest and dividends or that all companies are required to use the subtotal of operating activities as the starting point for the cash flow statement if they present operating cash flow using the indirect method.

Axpo is currently assessing the impact of the introduction of IFRS 18, particularly with regard to the structure of the income statement, the cash flow statement and the additional disclosures required for MPMs. The Group is also examining the impact on the way in which information is grouped in the financial statements.

1.3 Significant judgments and estimation uncertainties in the application of accounting principles

In the process of preparing the consolidated financial statements in accordance with IFRS, Axpo Group management makes judgments, estimates and assumptions which have an effect on the applicable accounting principles and the amounts recognised under assets, liabilities, income and expenses as well as their presentation. The estimates and assumptions are based on existing knowledge and various other factors which are regarded as relevant under the given circumstances. These serve as a basis for recognition in the balance sheet of assets and liabilities which cannot be measured directly on the basis of any other source. The actual values may deviate from these estimates.

The estimates and assumptions are regularly reviewed. Where necessary, adjustments are made to estimates if the circumstances on which they were based have changed or if new information and additional facts have become known. Such adjustments are recognised in the period in which the estimates were adjusted.

1. About this report

The key assumptions concerning the future development and other sources of estimation uncertainty, which could result in material adjustments to the recognised assets and liabilities, are listed below.

Description	Significant judgments	Estimation uncertainties	Further information see Note
Impairment and impairment reversals on property, plant and equipment, right-of-use assets and intangible assets		X	2.4
Provisions for onerous energy procurement contracts		X	2.4
Income taxes		X	2.6
Receivables from state funds		X	3.5
Provisions for post-operation, decommissioning, disposal		X	3.7.1
Other provisions		X	3.7.1
Value added tax		X	3.7.2
Accounting for energy derivatives	X		4.5
Fair value of financial instruments		X	4.5
Defined benefit plan		X	5.3
Classification of partner plants	X		6.3

1.4 Events after the balance sheet date

There are no events after the balance sheet date which have to be disclosed.

2. Operational performance

2. Operational performance

2.1 Segment information

The Axpo Group's segment reporting is based on the internal organisational and management structure and on internal financial reporting to the key management committees. This complies with the provisions of IFRS 8, applying the management approach. Axpo uses earnings before interest and tax (EBIT) for internal control purposes and as an indicator of the long-term earnings power of a reporting segment. All operational assets are recognised by the reporting segment. There are no differences between the accounting principles used for segment reporting and those used for the consolidated financial statements.

The reporting segments pursuant to IFRS 8 encompass the three business areas of Generation & Distribution, Trading & Sales and CKW. These are individually assessed by the management to measure performance levels and for the purpose of allocating resources. No operating business areas have been combined to form the reporting segments.

Segments	Activity
Generation & Distribution	The Generation & Distribution business area operates and expands the Axpo power plant portfolio (hydraulic power plants, nuclear power plants, gas-fired combined-cycle power plants, new renewable energy power plants) in Switzerland and abroad, as well as infrastructure such as grids and substations. This business area is also responsible for optimising the power plant portfolio and developing new power plant projects.
Trading & Sales	The Trading & Sales business area encompasses the areas of energy trading, risk and portfolio management, customer service, and the optimal deployment of the power plant portfolio.
CKW	With its production portfolio, investments in power plants, long-term contracts and grid infrastructure, the CKW business area supplies energy to Central Switzerland and ensures optimum use of hydropower in this region through existing exchange agreements.
Reconciliation	In compliance with IFRS 8, Axpo Holding AG and corporate functions, which are not operating segments, and consolidation effects are combined under "Reconciliation".

2. Operational performance

Segment income statement

	Generation & Distribution		Trading & Sales		CKW		Reconciliation		Total	
CHF million	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
Revenue with external customers	871.6	729.4	5 539.4	8 074.2	964.7	1 318.6	7.7	3.7	7 383.4	10 125.9
Revenue with other segments	2 228.2	4 445.0	51.9	- 1 795.6	90.1	- 103.9	- 2 370.2	- 2 545.5	0.0	0.0
Capitalised production costs	41.8	43.2	0.0	0.0	21.0	20.4	4.3	4.2	67.1	67.8
Other operating income	64.1	115.9	109.3	47.6	35.7	118.2	- 25.0	- 24.9	184.1	256.8
Total income	3 205.7	5 333.5	5 700.6	6 326.2	1 111.5	1 353.3	- 2 383.2	- 2 562.5	7 634.6	10 450.5
Operating expenses	- 2 275.9	- 2 238.3	- 4 574.2	- 4 623.1	- 886.9	- 965.3	2 192.2	2 548.4	- 5 544.8	- 5 278.3
Share of result of partner plants and other associates	61.1	72.1	2.2	1.1	14.9	14.7	0.0	0.0	78.2	87.9
Depreciation, amortisation and impairment losses/reversals	- 334.2	- 984.3	- 16.6	- 16.0	- 60.0	- 64.5	- 3.4	- 3.2	- 414.2	- 1 068.0
Earnings before interest and tax (EBIT)	656.7	2 183.0	1 112.0	1 688.2	179.5	338.2	- 194.4	- 17.3	1 753.8	4 192.1
Financial result									84.6	- 79.9
Earnings before tax (EBT)									1 838.4	4 112.2
Income tax expense									- 329.2	- 723.5
Result for the period									1 509.2	3 388.7

2. Operational performance

Segment assets and supplementary information

CHF million	Generation & Distribution		Trading & Sales		CKW		Reconciliation		Total	
	30.9.2024	30.9.2023	30.9.2024	30.9.2023	30.9.2024	30.9.2023	30.9.2024	30.9.2023	30.9.2024	30.9.2023
Additions to non-current assets ¹⁾	445.7	347.9	117.7	37.9	90.8	102.2	5.4	25.0	659.6	513.0
Investments in partner plants and other associates	1 302.6	1 244.1	11.5	9.2	329.2	319.5	0.0	0.0	1 643.3	1 572.8
Segment assets ²⁾	8 557.5	8 342.4	13 100.6	20 794.2	2 455.0	2 498.4	9 912.0	9 708.8	34 025.1	41 343.8
thereof "Assets held for sale"	117.7	109.6	0.0	0.0	1.3	0.0	4.9	168.5	123.9	278.1

1) Additions to property, plant and equipment, property, plant and equipment leased out under operating lease agreements, assets under construction, prepayments on assets, right-of-use assets, intangible assets, intangible assets not yet applied, investments in partner plants and other associates, investment properties, capitalised contract costs and receivables from state funds.

2) The reconciliation item "Segment assets" includes assets not allocated (non-operating investments in other associates, derivatives (except energy derivatives), current and non-current financial receivables, investment properties, receivables from state funds, securities and cash, and cash equivalents).

Information by country

CHF million	Revenues from contracts with customers	Non-current assets ¹⁾	Revenues from contracts with customers	Non-current assets ¹⁾
	2023/24	2023/24	2022/23	2022/23
Switzerland	1 983.6	10 315.8	2 722.4	9 948.3
Italy	1 174.2	352.5	1 462.1	302.5
Poland	381.9	2.9	334.4	2.6
Germany	345.6	52.9	227.0	89.9
Portugal	464.5	4.5	574.5	3.0
France	152.0	922.9	244.8	946.6
Other countries	1 467.3	63.4	1 332.7	44.9
Total	5 969.1	11 714.9	6 897.9	11 337.8

1) Property, plant and equipment, right-of-use assets, intangible assets, ownership interests in partner plants and other associates, investment properties and receivables from state funds.

Information by product

CHF million	2023/24	2022/23
Energy	4 691.9	5 829.7
Grid usage	638.3	598.4
Other net revenue	638.9	469.8
Revenue from contracts with customers	5 969.1	6 897.9
Result from energy derivatives trading	1 414.3	3 228.0
Total revenue	7 383.4	10 125.9

2. Operational performance

Marketing of own energy

The Axpo Group markets around 60 TWh of electricity each year from its own power production plants, its investments in power plants and its long-term contracts with nuclear power plants in France. A proportion of the volume that will be produced in the next three years is sold to hedge the sale price on the market. There are also long-term customer supply contracts up to 2032, which are also fulfilled using the company's own energy production at fixed prices. Electricity price hedging is carried out in Germany, France and Switzerland, based on the market liquidity. Physical forwards and physical futures are used. These sales (initial sales) are recognised at cost; the revenue is therefore recognised under revenue with external customers when the energy is delivered (see accounting principles in "Revenue from energy business and grid usage").

Although futures and forwards used to hedge self-produced energy are not measured at fair value, they are capital-intensive because they require cash deposits in the form of daily settlement payments (variation margin payments) for futures and credit support annexes for forwards, in order to reflect changes in market prices. How-

ever, there are no offsetting cash flows from settlement payments on the production side.

The daily settlement payments for futures are recognised under "Other receivables" in the line item "Variation margin futures own use" (see Note 3.5 "Other receivables"). The credit support annexes delivered and received are recognised under "Other receivables" and "Other liabilities" in the line item "Credit support annex" (see Note 3.5 "Other receivables" and Note 3.6 "Other liabilities"). The credit support annexes comprise cash delivered and received from contracts concluded in connection with the sale of self-produced energy and recognised at cost, and from contracts relating to customer-specific business and energy trading, which are measured at fair value.

It is not possible to allocate the credit support annexes delivered and received to contracts that are recognised at cost and those that are recognised at fair value. However, the "Variation margin futures own use" line item only contains settlement payments in connection with contracts relating to the sale of self-produced energy. All these settlement payments flow back to Axpo when the contracts are realised, which takes place at the market price upon physical

delivery of the electricity. As such, these settlement payments should not be equated with a profit/loss. They show the difference between the contractually agreed sales price and the market price as at the balance sheet date. As long as the contractually agreed sales price is higher than the production costs, the sale of the self-produced energy results in a profit irrespective of what happens to the settlement payments.

The table below provides an overview of the Swiss production volume sold, the average sales price and the average market price.

in EUR	2023/24	2022/23
Volume sold in TWh ¹⁾	56.7	59.6
Average selling price ²⁾	83.7	77.8
Average forward price for baseload ²⁾	80.0	116.8

1) Volume for the years 2024 to 2035 and 2023 to 2033 respectively.

2) Weighted average of the relevant products as at the balance sheet date.

Information about major customers

There are no transactions with an individual external customer whose sales amount to 10% or more of the revenues from contracts with customers.

2. Operational performance

Accounting principles**General**

Revenue at the Axpo Group is realised when the service is rendered or when control is transferred to the customer. Accordingly, revenue is recognised when either the products or goods are delivered or the contractually agreed services have been rendered. Performance obligations with regard to returns, refunds, warranties and similar obligations are not material to the Axpo Group. In general, revenue is reported net after deduction of value added tax and other discounts. The payment to which Axpo is entitled for the rendering of the various performance obligations may consist of fixed and variable consideration. For the measurement of the transaction price, variable components are only included if it is highly probable that there will be no significant reversal of the recognised cumulative revenues as soon as the uncertainty in connection with the variable consideration no longer exists. Penalties which might be owed by customers, e.g. for deviations between delivered and contractually agreed energy volumes,

represent a variable component. This component is only included in the measurement of the transaction price if its occurrence is highly probable, which can normally only be estimated towards the end of the delivery period.

Commissions paid to agents as a result of concluding a contract are capitalised as additional costs of obtaining the contract. These costs essentially comprise commissions paid to sales agents when customers are successfully referred to the Axpo Group. Amortisation is in line with the transfer of the goods or services to the customer and is based on the average customer retention period.

The Axpo Group does not adjust the amount of the promised consideration to reflect the effects of a significant financing component if, at the inception of the contract, it expects that the time period between the transfer of a good or service to the customer and payment by the customer will not exceed one year.

Revenue from energy business and grid usage

Energy transactions that are for the management of the Group's own production portfolio and for the physical delivery of energy to retail customers are classified as own-use contracts and recognised over the period of the agreed service provision. As the criteria listed in IFRS 15 are met, energy deliveries are accounted for as a single performance obligation (series of distinct goods or services). For energy deliveries, Axpo has a right to a consideration that is directly equivalent to the value of the energy already delivered to the customer. Axpo applies the exemption in IFRS 15 in such cases and recognises revenue at the amount that can be invoiced. Income is therefore considered realised and recognised as revenue when delivery has taken place. Deliveries to retail customers are largely based on individual meter readings at the end of the financial year. If the meters cannot be read at this time, revenue is estimated and recognised on the basis of statistical values. Revenue from electricity supplies not yet invoiced as at the balance sheet date is shown

as "Revenues not yet invoiced (financial instruments)" under other receivables.

Net revenue from energy business and grid usage includes income from the settlement of transmission fees for the distribution grid (grid usage fees). Income from the transmission of energy is recognised over the duration of the agreed service provision. When energy is transmitted, customers have a direct entitlement to a consideration that corresponds directly to the value of the energy transmitted. This service provision falls under the exception rule of IFRS 15 regarding the recognition of revenue. Axpo applies this exemption and recognises revenue in the amount that may be invoiced. The income is therefore considered realised and recognised as revenue when delivery has taken place. Due to the application of the exemption, the revenue that is expected to be realised in the future in connection with performance obligations is not material, which is why no disclosure is made.

2. Operational performance

Accounting principles

In accordance with IFRS 15, transport costs for energy, such as grid usage fees for grids not owned by Axpo, are reported net in revenue. In such cases, Axpo acts only as the agent of the grid operator, since it collects these charges from the customer on its behalf and forwards them to the grid operator.

The grid supplement, which is invoiced to the customer in Switzerland by the energy supply company and forwarded to the state fund, is reported net in revenue, as Axpo merely acts as an agent for the collection and forwarding of the grid supplement.

The payment terms are usually 30 days and in exceptional cases longer.

Result from energy derivatives trading

Contracts related to customer-specific business (origination) and energy trading are recognised at fair value on the trade date and do not fall within the scope of IFRS 15. As a result, revenue and costs are reported net under "Result from energy derivatives trading". Contracts, portfolios and inventories such as these

are generally entered into or purchased with the intention of generating a profit from short-term fluctuations in price or a dealer's margin. Additionally, risks associated with this business are managed on a portfolio basis. Energy trading transactions entered into for solely speculative purposes are reported net under "Result from energy derivatives trading".

Other net revenue

Other net revenue includes revenue from the areas of building technology, IT services and grids. For customer-specific construction contracts for which Axpo is entitled to receive a consideration for the services rendered under the terms of the contract, revenue is recognised on a periodic basis. Revenue is recognised on the basis of the stage of completion of the order, which is determined separately for each customer order using the cost-to-cost method. Under the cost-to-cost method, the costs already incurred for the customer order are compared with the expected costs. The profit of an order, which is accounted for on a periodic basis, is realised on the basis of the calculated stage of completion. Reve-

nue that cannot be invoiced yet is recognised in the balance sheet as contract assets (see Note 3.5 "Other receivables") less advance payments already made. In the event of a surplus of advance payments, revenue that cannot be invoiced yet is recognised as contract liabilities (see Note 3.6 "Other liabilities"). The provision of services can take place both over a period of time and at a point in time.

2. Operational performance

2.2 Expenses for energy procurement, grid usage and cost of goods purchased

CHF million	2023/24	2022/23
Expenses for energy procurement and grid usage from third parties and associates	- 2 622.1	- 2 622.4
Expenses for energy procurement and grid usage from partner plants	- 592.7	- 650.5
Increase in provisions for onerous energy procurement contracts (excluding interest) (Note 3.7.1)	- 136.3	- 5.6
Reversal of provisions for onerous energy procurement contracts (excluding interest) (Note 3.7.1)	0.6	3.5
Cost of goods	- 206.6	- 151.3
Total	- 3 557.1	- 3 426.3

2.3 Other operating expenses

CHF million	2023/24	2022/23
IT expenses	- 215.5	- 198.7
Charges, fees and capital taxes	- 118.8	- 120.7
Loss allowances on receivables	- 29.7	- 57.6
Creation, release and use of provisions for post-operation, decommissioning, disposal (Note 3.7.1)	28.5	36.0
Other operating expenses	- 268.2	- 271.7
Total	- 603.7	- 612.7

Other operating expenses include consulting expenses, lease expenses for other variable lease payments and leases of low-value assets, general administration costs and other services.

2. Operational performance

2.4 Impairment losses, impairment reversals and changes in provisions for onerous energy procurement contracts

Allocation of impairment losses, impairment reversals and changes in provisions for onerous energy procurement contracts for the 2023/24 financial year

CHF million			Generation & Distribution	Trading & Sales	CKW	Total
Production Switzerland	Property, plant and equipment	Impairment losses	- 70.2	0.0	0.0	- 70.2
	Property, plant and equipment	Impairment reversals	152.9	0.0	0.0	152.9
	Intangible assets	Impairment losses	- 71.4	0.0	0.0	- 71.4
Production abroad	Property, plant and equipment	Impairment losses	- 6.9	0.0	0.0	- 6.9
	Property, plant and equipment	Impairment reversals	67.8	0.0	0.0	67.8
Investments Switzerland	Other associates	Impairment reversals	0.0	0.0	2.5	2.5
Investments abroad	Other associates	Impairment losses	- 12.0	0.0	0.0	- 12.0
Total impairment losses/reversals on assets			60.2	0.0	2.5	62.7
Depreciation and amortisation on property, plant and equipment, right-of-use assets and intangible assets						- 476.9
Total depreciation, amortisation and impairment losses/reversals						- 414.2
Increase in provisions for onerous energy procurement contracts			- 86.8	- 30.5	- 19.0	- 136.3
Release of provisions for onerous energy procurement contracts			0.0	0.6	0.0	0.6
Provisions for onerous energy procurement contracts (net change)			- 86.8	- 29.9	- 19.0	- 135.7

Electricity prices continued to fall in the 2023/24 financial year, which led to a review of the assumptions for the onerous energy procurement contracts with partner plants and the recoverability of the company's own power plants. The reassessment led to an impairment loss of CHF 148.5 million on various production facilities in Switzerland and abroad and on energy procurement rights in Switzerland. On the other hand, reversals of impairment losses of CHF 220.7 million were recognised on production facilities in Switzerland and abroad due to power plant-specific factors and changes in market models.

The review of the energy procurement contracts led to the recognition of additional provisions of CHF 136.3 million, of which CHF 86.8 million relates to procurement contracts in the Generation & Distribution business area, CHF 30.5 million to the Trading & Sales business division and CHF 19.0 million to the CKW business area.

2. Operational performance

Allocation of impairment losses, impairment reversals and changes in provisions for onerous energy procurement contracts for the 2022/23 financial year

CHF million			Generation & Distribution	Trading & Sales	CKW	Total
Production Switzerland	Property, plant and equipment	Impairment losses	- 539.1	0.0	0.0	- 539.1
	Property, plant and equipment	Impairment reversals	7.9	0.0	0.0	7.9
	Right-of-use assets	Impairment losses	- 1.6	0.0	0.0	- 1.6
	Intangible assets	Impairment losses	- 76.2	0.0	0.0	- 76.2
Production abroad	Property, plant and equipment	Impairment losses	- 60.2	0.0	0.0	- 60.2
	Property, plant and equipment	Impairment reversals	32.4	0.0	0.0	32.4
Investments abroad	Other associates	Impairment reversals	57.7	0.0	0.0	57.7
	Goodwill	Impairment losses	- 2.3	0.0	0.0	- 2.3
Total impairment losses/reversals on assets			- 581.4	0.0	0.0	- 581.4
Depreciation and amortisation on property, plant and equipment, right-of-use assets and intangible assets						- 486.6
Total depreciation, amortisation and impairment losses/reversals						- 1 068.0
Increase in provisions for onerous energy procurement contracts			- 5.6	0.0	0.0	- 5.6
Release of provisions for onerous energy procurement contracts			2.3	1.2	0.0	3.5
Provisions for onerous energy procurement contracts (net change)			- 3.3	1.2	0.0	- 2.1

The 2022/23 financial year was characterised by a significantly lower price level compared with the prior year. Volatility remained high, but wholesale prices had fallen continuously since autumn 2022. The annual impairment test of the power plants and energy purchase agreements resulted in an impairment of CHF 583.5 million, of which CHF 516.7 million was attributable to the Linth-Limmern storage power plant.

2. Operational performance

Discount rates

For the value-in-use calculation, a different discount rate was used for each production type and country:

in %	After-tax discount rate (real)	
	30.9.2024	30.9.2023
Gas-fired combined-cycle power plants, Italy	4.4	5.1
Hydraulic plants, Switzerland	3.5	4.2
Nuclear power plants, Switzerland	4.2	n.a.
Long-term contracts, France	4.7	n.a.
Photovoltaic, Switzerland	2.5	n.a.
Biomass, Switzerland	3.3	4.0
Goodwill Axpo Italia S.p.A.	4.9	5.0
Goodwill Urbasolar Group	4.7	4.1
Goodwill other	3.8/3.9	4.3/4.4

Sensitivities

In connection with the impairment tests for goodwill (see Note 3.3 "Intangible assets" for the allocation of goodwill to the cash-generating units), changing the discount rates to the following values would cause the recoverable amount to be exactly the same as the carrying amount of the cash-generating units:

in %	Break-even after-tax discount rate (real)	
	30.9.2024	30.9.2023
Axpo Italia S.p.A.	19.6	8.5
Urbasolar Group	7.8	7.9
Other	6.1–21.4	5.7–18.9

2. Operational performance

Accounting principles

Impairment losses/reversals on non-financial non-current assets – general

Impairment tests are based on a value-in-use calculation using the discounted cash flow (DCF) method. The evaluation of provisions for onerous energy procurement contracts is also based on the DCF method consistent with the value-in-use calculation.

The significant assumptions used for the determination of the value in use and the evaluation of the provisions include forecasts regarding future electricity and gas prices, capital expenditure, the regulatory environment, growth rates, discount rates and forecasts for the proportional annual expenses for energy procurement costs (only for power plants and energy procurement contracts).

The discount rate is based on a weighted average cost of capital (WACC) calculated using the capital asset pricing model (CAPM). The parameters used were determined based on the risk profile of the respective cash-generating unit. For the value-in-use calculation and the evaluation of the provision, a different discount rate

was used for each production type and country. For goodwill testing, a specific discount rate per subsidiary was applied.

Impairment losses/reversals on property, plant and equipment, right-of-use assets, intangible assets and other associates

At the balance sheet date, the Axpo Group reviews the carrying amounts of property, plant and equipment, right-of-use assets and intangible assets (basically energy procurement rights and concessions) and other associates to determine whether there is any indication of impairment losses/reversals. If any such indications exist, the recoverable amount of the asset or, if this is not possible, the recoverable amount of the cash-generating unit to which the asset belongs, is estimated and compared with the carrying amount (impairment test). If the carrying amount exceeds the estimated recoverable amount, an impairment loss is recognised in the amount of the difference. The recoverable amount is equivalent to the higher of the value in use and the fair value less costs to sell. When calculating the value in

use, the estimated future cash flows are discounted using a pre-tax interest rate. This pre-tax interest rate takes into account the current market estimate of the time value of money and the risks inherent in the asset, insofar as these risks have not already been included in the estimate of the cash flows. An impairment loss recognised in a prior period is reversed through profit or loss if no impairment loss is recognised or if the impairment is reduced. The reversal is limited to the carrying amount of the asset systematically amortised.

The value-in-use calculations are performed for each power plant, associate investment or energy procurement/plant usage right. The time horizon for the calculation corresponds to the concession period or the operating life of the asset.

Provisions for onerous energy procurement contracts with partner plants

With regard to long-term energy procurement obligations arising from onerous contracts, identifiable losses are provided for, taking into

account market price trends and future procurement costs. The acquisition of an interest in a partner plant may result in a provision for an onerous energy procurement contract instead of an asset for the energy procurement right, partly because of the legal obligation to assume the annual costs. Due to the obligation to produce energy, provisions are also established for the company's own power plants wherever an impairment test on a plant reveals a negative present value of future estimated cash flows. In accordance with IAS 36, the capitalised carrying amount of the power plant is adjusted and the negative amount is then included in the provision for onerous energy procurement contracts.

The value-in-use calculations are performed for each partner plant or energy procurement contract. The time horizon for the calculation corresponds to the concession period or the term of the procurement contract and the operating life of the plant.

2. Operational performance

Accounting principles

Impairment of goodwill

Regardless of any indicators, goodwill is tested for impairment annually in the fourth quarter of the financial year or earlier if there are indications of impairment.

The projected cash flows are based on past experience and various assumptions made by management concerning market developments.

Significant judgments and estimation uncertainties

Impairment losses/reversals on property, plant and equipment, right-of-use assets and intangible assets

The Axpo Group has property, plant and equipment with a carrying amount of CHF 5,966.0 million (previous year: CHF 5,823.3 million; see Note 3.1 "Property, plant and equipment"), right-of-use assets of CHF 166.8 million (previous year: CHF 160.5 million; see Note 3.2 "Leases"), and energy procurement and plant usage rights and concessions of CHF 650.4 million (previous year: CHF 791.3 million; see Note 3.3 "Intangible assets"). These assets are subject to an impairment test if there is any indication that the assets are impaired. To determine whether there is an indication of impairment losses/reversals, these asset values are assessed based on the expected future cash flows from the use of these assets. The actual cash flows may differ significantly from the discounted future cash flows based on these assessments. Material parameters such as useful life, energy price movements, the development of the EUR/CHF exchange rate and the discount rate are, by their nature, subject to major uncertainties. The estimate regarding the development

of energy prices is based on the expected price development in the supply and trading market.

Provisions for onerous energy procurement contracts

The provision for onerous energy procurement contracts (see Note 3.7.1 "Provisions") covers identifiable losses from the procurement of energy from power-generation plants and long-term supply contracts. The amount of the provision depends on various assumptions. In particular, the development of energy prices, the development of the EUR/CHF exchange rate or the discount rate are, by their nature, subject to major uncertainties. The estimate regarding the development of energy prices is based on the expected price development in the supply and trading market.

2. Operational performance

2.5 Financial result

CHF million	2023/24	2022/23
Interest income	418.5	307.3
Income from state funds	347.7	113.8
Income from investment properties	1.4	4.0
Net exchange rate gains	0.0	57.2
Other financial income	9.1	3.9
Total financial income	776.7	486.2
Interest expense	- 353.5	- 342.2
Interest expense provision for post-operation, decommissioning and disposal	- 85.0	- 84.0
Investment property expense	- 1.1	- 1.3
Net exchange rate losses	- 72.4	0.0
Other financial expense	- 180.1	- 138.6
Total financial expense	- 692.1	- 566.1
Total	84.6	- 79.9

The realised and unrealised exchange rate gains and losses are presented net.

Net profit/loss included in the financial result from financial assets and liabilities

CHF million	Income statement 2023/24	Other comprehensive income 2023/24	Income statement 2022/23	Other comprehensive income 2022/23
Net profit/loss included in the financial result				
On financial assets and liabilities at fair value through profit or loss (held for trading)	- 93.8	0.0	- 5.2	0.0
On derivatives designated as hedges	0.0	- 8.6	0.0	35.8
On financial assets and liabilities at fair value through profit or loss (mandatory)	9.5	0.0	1.8	0.0
On financial assets and liabilities at amortised cost	- 82.0	0.0	- 123.4	0.0
Interest income and expense				
Interest income from financial assets not accounted for at fair value through profit or loss	418.0	0.0	307.0	0.0
Interest expense from financial liabilities not accounted for at fair value through profit or loss	- 352.6	0.0	- 341.5	0.0

2. Operational performance

2.6 Income taxes

CHF million	2023/24	2022/23
Current income taxes	- 230.1	- 622.8
Deferred income taxes	- 99.1	- 100.7
Total income taxes directly recognised in the income statement	- 329.2	- 723.5
Total income taxes directly recognised in other comprehensive income	- 20.8	- 67.2

Current income taxes consist of taxes paid or due on the results of the individual companies for the financial year in accordance with local regulations, as well as charges and credits from previous periods.

Reconciliation of tax expenses

CHF million	2023/24	2022/23
Earnings before tax (EBT)	1 838.4	4 112.2
Expected tax rate (ordinary tax rate at head office)	15.07%	16.26%
Income tax at expected tax rate	- 277.0	- 668.6
Non-tax-deductible expenses	- 21.8	- 52.7
Effect from previous periods	6.7	3.4
Effect of tax rate changes	0.0	- 3.1
Effect of income not subject to tax	31.9	131.4
Non-capitalised tax loss carryforwards	- 29.3	- 70.3
Utilisation of non-capitalised tax loss carryforwards from previous reporting years	6.8	10.6
Earnings taxable at different tax rates	- 56.4	- 78.1
Reassessment of deferred tax assets	6.9	0.0
Other effects	3.0	3.9
Total income taxes (current and deferred)	- 329.2	- 723.5

The ordinary tax rate at the head office comprises direct federal tax (8.5%) and cantonal and municipal taxes of the Canton of Aargau (9.24%). Due to the deductibility of both taxes

from taxable income, this results in an effective ordinary tax rate for the head office of 15.07% (previous year: 16.26%).

2. Operational performance

Deferred taxes by origin of temporary differences

CHF million	Assets		Liabilities	
	30.9.2024	30.9.2024	30.9.2023	30.9.2023
Property, plant and equipment	141.1	61.7	175.9	61.4
Right-of-use assets	0.9	28.7	1.0	31.3
Intangible assets	4.8	32.6	4.1	56.3
Investments	4.1	37.4	3.9	34.5
Positive derivative financial instruments (current and non-current)	0.1	160.0	0.9	242.1
Other assets (non-current)	0.6	32.1	0.1	5.1
Trade receivables	34.1	1.7	31.6	0.9
Other receivables (current)	8.4	26.3	55.9	27.7
Provisions (current and non-current)	7.7	232.5	12.0	182.4
Negative derivative financial instruments (current and non-current)	93.2	35.1	184.8	38.4
Other liabilities (non-current)	63.6	3.0	59.0	3.4
Other liabilities (current)	51.9	6.5	38.0	4.8
Capitalised tax loss carryforwards	83.0	0.0	74.8	0.0
Deferred taxes, gross	493.5	657.6	642.0	688.3
Offsetting of assets and liabilities	- 335.6	- 335.6	- 453.1	- 453.1
Deferred taxes, net	157.9	322.0	188.9	235.2

As in the previous year, as at 30 September 2024 there were no temporary differences associated with investments in subsidiaries,

for which no deferred tax liabilities were recognised.

Reconciliation of deferred taxes

CHF million	Assets	Liabilities
Balance as at 1.10.2022, gross	1 596.0	1 474.4
Change in scope of consolidation	- 0.9	- 12.6
Change in other comprehensive income	- 84.0	- 0.5
Change in the income statement	- 873.5	- 772.8
Foreign currency translation	4.4	- 0.2
Balance as at 30.9.2023, gross	642.0	688.3
Offsetting of assets and liabilities	- 453.1	- 453.1
Balance as at 30.9.2023, net	188.9	235.2
Balance as at 30.9.2023, gross	642.0	688.3
Change in scope of consolidation	16.7	- 2.0
Change in other comprehensive income	- 13.6	24.4
Change in the income statement	- 149.7	- 50.6
Foreign currency translation	- 1.9	- 2.5
Balance as at 30.9.2024, gross	493.5	657.6
Offsetting of assets and liabilities	- 335.6	- 335.6
Balance as at 30.9.2024, net	157.9	322.0

2. Operational performance

Expiry dates of tax loss carryforwards, non-capitalised

CHF million	30.9.2024	30.9.2023
Expiring in the following year	48.8	40.1
Expiring within 2 to 5 years	326.3	311.5
Expiring in more than 5 years	321.0	313.2
Total	696.1	664.8

Global minimum tax

The OECD has introduced a new global minimum tax regime based on the rules of the GloBE (Global Anti Base Erosion – BEPS 2.0 Pillar II) model. This applies to multinational companies with a consolidated annual turnover of at least EUR 750 million. The Axpo Group is subject to this new regime with effect from the 2024/25 financial year, i.e. from 1 October 2024. Various countries changed their tax laws accordingly with effect from 1 January 2024. In Switzerland, the Qualified Domestic Top-up Tax (QDMTT) applies from 1 January 2024, while the Income Inclusion Rule (IIR) comes into force on 1 January 2025.

The Axpo Group has carried out an analysis of the potential impact of the global minimum tax on the Group in the area of income taxes.

Based on the analysis performed, the Axpo Group does not expect any material impact on the Group's effective tax rate. The analysis and the current assessment are based on the calculation of the temporary safe harbour from the 2022/23 financial year and on the latest available information on the financial development of the individual Axpo Group companies.

As the Pillar II legislation did not yet apply to the Axpo Group as at the reporting date, the Group is not yet under any such tax obligation. In preparation for the introduction of the global minimum tax, the Axpo Group has applied the temporary mandatory relief from deferred tax accounting for the effects of the global minimum tax.

Accounting principles**Income taxes**

Income taxes include current and deferred income taxes. Normally they are recognised in the income statement unless they are related to transactions that are recognised in other comprehensive income or directly in equity. In this case, income taxes are also recognised in other comprehensive income or directly in equity.

Current income taxes are calculated on taxable income and accrued for the relevant period. The deferred taxes shown in the consolidated financial statements are calculated using the balance sheet liability method, where deferred taxes are recognised for all temporary differences. Temporary differences that will reverse in one or more future periods arise from differences between the carrying amount of an asset or liability and its relevant tax value. Temporary differences resulting from the initial recognition of goodwill, from the initial recognition of assets or liabilities in a transaction which impacts neither the taxable results nor profit for the year, and from investments in subsidiaries, if it is likely that the temporary difference will

not be reversed in the foreseeable future, are not recognised. Company-specific tax rates are used for calculating deferred taxes. Tax assets and liabilities are offset if they involve the same tax subject and the same tax jurisdiction. Deferred tax assets or liabilities are presented as non-current assets or liabilities. Deferred tax assets arising from losses carried forward and deductible temporary differences are capitalised only if it is likely that they can be realised in the future.

2. Operational performance

Significant judgments and estimation uncertainties**Income taxes**

The companies of the Axpo Group are subject to the applicable tax laws in the countries in which they have tax bases. The scope of the tax obligation and the amount of tax owed are determined in each case by the applicable tax laws and their interpretation by tax authorities and the relevant jurisdiction. The individual group companies are regularly audited by the relevant tax authorities. However, these audits, particularly abroad, are sometimes carried out several years after the end of the reporting year. Changes in interpretation and practice may therefore subsequently lead to a reassessment of current and deferred taxes.

Furthermore, there is still a need for clarification regarding the taxation of the partner plants in the Canton of Grisons.

Axpo is also endeavouring to conclude tax rulings in the respective countries for material matters that are subject to uncertainty.

The risks resulting from uncertainties are assessed on an ongoing basis and recorded where necessary. Although the management of the Axpo Group believes that current tax estimates are reasonable, actual tax liabilities and any penalties and interest on arrears may differ from the tax provisions and accrued liabilities.

3. Operational assets and liabilities

3. Operational assets and liabilities

3.1 Property, plant and equipment

CHF million	Power plants	Distribution systems	Land and buildings ¹⁾	Other property, plant and equipment	Assets under construction	Total ²⁾
Carrying amount as at 1.10.2023	3 652.6	1 351.7	260.0	63.2	495.8	5 823.4
thereof acquisition costs	11 630.2	3 344.1	553.5	210.4	683.0	16 421.3
thereof accumulated depreciation and impairments	- 7 977.6	- 1 992.4	- 293.5	- 147.2	- 187.2	- 10 597.9
Change in scope of consolidation	- 139.0	7.3	3.6	2.8	5.3	- 120.0
Additions (investments)	0.3	9.5	0.9	8.3	474.3	493.3
Disposals	- 8.8	0.0	- 0.3	- 3.3	- 0.9	- 13.3
Adjustments to acquisition costs IFRIC 1	18.3	0.0	0.0	0.0	0.0	18.3
Reclassification to/from "Assets held for sale"	2.4	0.0	- 0.8	- 0.1	- 10.8	- 9.3
Reclassifications	192.9	82.8	7.7	39.3	- 309.0	13.7
Depreciation in reporting period	- 254.4	- 73.7	- 12.6	- 21.2	0.0	- 361.9
Impairment losses (Note 2.4)	- 75.4	0.0	- 0.6	- 0.4	- 0.7	- 77.1
Impairment reversals (Note 2.4)	218.5	0.0	0.0	0.0	2.2	220.7
Foreign currency translation	- 16.5	0.0	- 0.1	- 0.6	- 4.5	- 21.8
Carrying amount as at 30.9.2024	3 590.9	1 377.6	257.8	88.0	651.7	5 966.0
thereof acquisition costs	11 622.1	3 362.3	565.0	244.8	838.7	16 632.9
thereof accumulated depreciation and impairments	- 8 031.2	- 1 984.7	- 307.2	- 156.8	- 187.0	- 10 666.9

1) At the balance sheet date, this includes land and buildings with a carrying amount of CHF 26.1 million leased out under operating lease agreements.

2) At the balance sheet date, this includes property, plant and equipment with a carrying amount of CHF 40.4 million leased out under operating lease agreements.

3. Operational assets and liabilities

CHF million	Power plants	Distribution systems	Land and buildings ¹⁾	Other property, plant and equipment	Assets under construction	Total ²⁾
Carrying amount as at 1.10.2022	4 205.2	1 420.0	270.3	66.6	443.0	6 405.1
thereof acquisition costs	10 811.7	3 512.6	568.4	212.1	629.6	15 734.4
thereof accumulated depreciation and impairments	- 6 606.5	- 2 092.6	- 298.1	- 145.5	- 186.6	- 9 329.3
Change in scope of consolidation	- 83.2	- 85.1	- 12.8	- 3.2	- 10.0	- 194.3
Additions (investments) ³⁾	87.3	1.8	0.9	5.7	331.6	427.3
Disposals	- 0.8	0.0	0.0	- 2.5	- 5.9	- 9.2
Adjustments to acquisition costs IFRIC 1	15.6	0.0	0.0	0.0	0.0	15.6
Reclassification to/from "Assets held for sale"	126.0	0.0	0.0	0.3	- 52.5	73.8
Reclassifications	120.1	88.4	14.3	14.6	- 208.3	29.1
Depreciation in reporting period	- 264.8	- 73.4	- 12.8	- 18.2	0.0	- 369.2
Impairment losses (Note 2.4)	- 595.6	0.0	0.0	- 0.4	- 3.3	- 599.3
Impairment reversals (Note 2.4)	40.3	0.0	0.0	0.0	0.0	40.3
Foreign currency translation	2.5	0.0	0.1	0.3	1.2	4.1
Carrying amount as at 30.9.2023	3 652.6	1 351.7	260.0	63.2	495.8	5 823.3
thereof acquisition costs	11 630.2	3 344.1	553.5	210.4	683.0	16 421.2
thereof accumulated depreciation and impairments	- 7 977.6	- 1 992.4	- 293.5	- 147.2	- 187.2	- 10 597.9

1) At the balance sheet date, this includes land and buildings with a carrying amount of CHF 26.2 million leased out under operating lease agreements.

2) At the balance sheet date, this includes property, plant and equipment with a carrying amount of CHF 41.2 million leased out under operating lease agreements.

3) Investments in the amount of CHF 7.7 million were capitalised and deferred in previous years. Payment was made in 2022/23.

3. Operational assets and liabilities

In the 2023/24 financial year, the power plant acquisition costs for the Beznau nuclear power plant (KKB) increased by CHF 13.3 million (previous year: CHF 13.3 million). In addition, the acquisition costs for wind farms in France and Germany and the gas-fired combined-cycle power plants in Italy increased by CHF 5.0 million (previous year: CHF 2.3 million). These changes in estimate were taken into account in accordance with IFRIC 1 in the line item "Adjustment to acquisition costs IFRIC 1" in the account "Power plants" as well as in the provision "Post-operation, decommissioning, disposal" and "Other provisions" (see also Note 3.7.1 "Provisions", "Significant judgments and estimation uncertainties", section provisions for "Post-operation, decommissioning, disposal").

Reclassifications totalling CHF 309.0 million (previous year: CHF 208.3 million) from assets under construction to power plants, distribution systems, land and buildings, and other property, plant and equipment were made in the year under review.

In the reporting period, property, plant and equipment of three wind farms and a portfolio of photovoltaic systems with a carrying

amount of CHF 11.8 million (previous year: CHF 78.4 million) that met the criteria "held for sale" were reclassified to the item "Assets held for sale". Assets with a carrying amount of CHF 2.5 million (previous year: CHF 152.2 million), which were reported as "held for sale" in the previous year, had to be reclassified back to property, plant and equipment in the reporting year due to a change of strategy (see also Note 6.2 "Assets and liabilities held for sale").

Investment commitments

Long-term contractual obligations of CHF 442.1 million (previous year: CHF 364.6 million) were assumed in connection with the acquisition of property, plant and equipment (including nuclear fuel rods).

Pledged assets

Property, plant and equipment of CHF 512.4 million (previous year: CHF 654.2 million) was pledged as collateral for financial liabilities. The major part of the pledged property, plant and equipment relates to specific project financing for wind farms and photovoltaic systems.

Assets under construction

Advance payments to contractors and suppliers included in assets under construction amounted to CHF 1.4 million (previous year: CHF 0.2 million).

Capitalised borrowing costs

In the 2023/24 financial year, borrowing costs in the amount of CHF 4.6 million (previous year: CHF 0.0 million) were capitalised.

3. Operational assets and liabilities

Accounting principles

Property, plant and equipment

Property, plant and equipment (including nuclear fuel rods) is recognised at acquisition or manufacturing costs less accumulated depreciation and impairment losses. Unscheduled depreciation is only recognised in the event of damage or impairment, as described in Note 2.4 "Impairment losses, impairment reversals and changes in provisions for onerous energy procurement contracts". The acquisition or manufacturing costs of property, plant and equipment comprise the estimated costs of dismantling and removing the asset and restoring the site. They are recognised as provisions. In the case of long-term investment projects, borrowing costs are capitalised during the construction phase.

The rates of depreciation of the individual asset categories correspond to the estimated useful lives of each asset category or to the date on which the power plant is decommissioned. They are reviewed annually and are within the following ranges:

Land and assets under construction:	Only in the event of impairment
Buildings:	15–60 years
Power plants:	10–80 years
	Depending on the type of installation and concession period
Distribution systems:	10–80 years
Fixtures and fittings:	3–15 years

If significant components of an item of property, plant and equipment have a different useful life, they are depreciated separately (component approach). Ordinary repairs and maintenance of buildings and operating facilities are accounted for directly as expenses. Investments in refurbishments, improvements of facilities or replacement investments are capitalised if they will bring economic benefits to the Axpo Group in the future.

Assets under construction are assets which are unfinished or not yet ready for operation. Assets in this sense refer to all items of property, plant and equipment. Depreciation of these assets begins upon completion or when they are ready for operational use.

3. Operational assets and liabilities

3.2 Leases

Lessee

The following table shows the development of right-of-use assets under leases:

CHF million	Land and buildings	Distribution systems	Other	Total
Carrying amount as at 1.10.2022	140.9	9.7	2.7	153.3
thereof acquisition costs	172.9	13.7	5.7	192.3
thereof accumulated depreciation and impairments	-32.0	-4.0	-3.0	-39.0
Additions (investments)	41.2	1.8	4.7	47.7
Disposals	-1.9	0.0	-1.1	-3.0
Reclassification to/from "Assets held for sale"	-16.9	0.0	0.2	-16.7
Depreciation in reporting period	-15.6	-1.5	-3.0	-20.1
Impairment losses (Note 2.4)	-1.3	0.0	-0.3	-1.6
Foreign currency translation	0.8	0.1	0.0	0.9
Carrying amount as at 30.9.2023	147.2	10.1	3.2	160.5
thereof acquisition costs	191.8	15.3	7.4	214.5
thereof accumulated depreciation and impairments	-44.6	-5.2	-4.2	-54.0
Change in scope of consolidation	-21.1	0.0	0.0	-21.1
Additions (investments)	55.2	0.4	3.2	58.8
Disposals	-3.8	-0.1	-0.4	-4.3
Reclassification to/from "Assets held for sale"	-0.8	0.0	0.0	-0.8
Depreciation in reporting period	-19.4	-1.7	-2.3	-23.4
Foreign currency translation	-2.9	0.0	0.0	-2.9
Carrying amount as at 30.9.2024	154.4	8.7	3.7	166.8
thereof acquisition costs	211.5	15.6	8.0	235.1
thereof accumulated depreciation and impairments	-57.1	-6.9	-4.3	-68.3

The right-of-use assets from leases for "Land and buildings" include right-of-use assets for wind farms and solar parks under construction, which are recognised in inventories (see also Note 3.4 "Inventories").

In the current financial year, right-of-use assets for land and buildings of CHF 0.8 million were reclassified to the balance sheet item "Assets held for sale". In the previous year, the reclassification amounted to CHF 16.9 million, of which CHF 9.0 million related to wind farms held for sale, which in turn were recognised in inventories.

3. Operational assets and liabilities

The following amounts relating to leases are recognised in the income statement in the following items:

CHF million	2023/24	2022/23
Other operating income		
Net gain (+)/loss (-) on remeasurement of leases	0.1	0.6
Other operating expenses		
Expense for short-term leases	0.9	0.7
Expense for low-value underlying lease assets	2.8	2.5
Expense related to variable lease payments not included in lease liabilities (not linked to index or interest rate)	7.8	13.7
Depreciation, impairments and impairment reversals		
Depreciation of right-of-use assets	23.4	20.1
Impairment of right-of-use assets	0.0	1.6
Financial expense		
Interest expense for leases	5.1	3.4

The total cash outflows for leases amounted to CHF 43.2 million in the 2023/24 financial year (previous year: CHF 44.4 million). From leases committed but not yet commenced, Axpo Group as a lessee has a potential cash outflow of CHF 167.3 million (previous year: CHF 60.1 million) over the expected duration of the contract and a cash outflow of CHF 78.0 million (previous year: CHF 49.9 million) for extension options which are deemed as not reasonably certain. Future cash outflows from variable lease payments are expected in the amount of CHF 20.0 million (previous year: CHF 23.3 million).

Lessor

Axpo provides customers with energy production systems such as photovoltaic, wind or combined heat and power plants. As at the reporting date, the receivables from finance leases amounted to CHF 5.4 million (previous year: CHF 12.4 million). The undiscounted future payments from finance leases amounted to CHF 6.2 million (previous year: CHF 14.4 million).

Future payments of CHF 233.4 million (previous year: CHF 232.0 million) are expected from operating leases. These future payments include an agreement for plots of land with substations (lease type: "Distribution grid equipment") that have been granted to Swissgrid for a period of 99 years with building rights.

3. Operational assets and liabilities

Accounting principles**General**

Leases are accounted for in accordance with IFRS 16 "Leases". A lease is a contract that gives the right to use an identified asset for a specified period of time in return for payment of a fee. A right of use for an identified asset can exist in many contracts irrespective of their formal structure, for example in rental, lease and service contracts, but also in outsourcing transactions. The formal designation of an arrangement is not relevant for the purpose of identifying a lease. Axpo concludes contracts both as a lessee and a lessor.

Lessee

Transactions in which Axpo is the lessee are accounted for in accordance with the right-of-use model, irrespective of the economic (ownership) relationship to the leased asset at the inception of the lease. Low-value leases and leases with a term of less than 12 months (short-term leases) are not recognised as right-of-use assets and lease liabilities; instead, the payments are recognised as an expense in the income statement on a straight-line basis. Intercompany leases are

presented as current expenses in the segment reporting.

A lease liability is recognised in the amount of the present value of the existing payment obligation. In determining the binding term of a lease, both contractual penalties and other economic incentives are taken into account. If economic incentives are also taken into account, this may result in longer lease terms and thus in higher right-of-use assets and lease liabilities recognised in the balance sheet. If a contract provides payments for lease and non-lease components, separation is waived in accordance with the exemption option under IFRS 16.5; the lease liabilities are measured from the total of the payments. The present value is determined by discounting using an incremental borrowing rate equivalent to the risk and term or the interest rate on which the lease is based, if this can be determined. The liability is subsequently measured in the following periods using the effective interest method. The short-term portion of the lease liability, which is disclosed separately in the balance sheet, is determined by the principal portion received

in the next 12 months included in the lease instalments. A reassessment of the liability is required whenever there is a change in the expected lease payments or the lease term, for example due to a change in the assessment regarding the exercise of a contractual option. Corresponding to the lease liability, a right-of-use asset is recognised in the amount of the present value of the lease liability. The acquisition value of the right-of-use asset is increased by initial direct costs and advance payments. Any leasing incentives or sublease contracts received that qualify as finance leases will reduce the acquisition value. Depreciation is calculated using the straight-line method over the shorter of the lease term and the useful life of the identified asset. If events or changes in circumstances indicate an impairment, an impairment test is carried out in accordance with IAS 36.

Axpo Group is a lessee in several cases, including in particular the rental or lease of land and roofs for energy production facilities such as wind turbines, photovoltaic plants and distribution facilities. Axpo is also a lessee for commercial properties, easements on land,

land vehicles as well as watercrafts and other movable property, plant and equipment and IT infrastructure. The leases for land and roofs in connection with energy production and distribution facilities are generally concluded for a fixed period of 15 to 20 years. For all other lease contracts, the term is usually three to five years. Some of the leases also include extension and termination options.

Lessor

Axpo Group acts as a lessor to a small extent. In the area of finance leases, energy production plants, in particular photovoltaic, wind power or combined heat and power plants, are made available to customers for their use. In the area of operating leases, the assets leased for use are mainly optical fibres and distribution grid equipment.

Leasing transactions in which Axpo is the lessor are classified as operating or finance leases, depending on the allocation of rewards and risks. If a lease is classified as an operating lease, Axpo recognises the identified asset in its balance sheet and the lease payments as other

3. Operational assets and liabilities

Accounting principles

operating income on a straight-line basis over the term of the lease. For finance leases, the identified asset is derecognised and a receivable is recognised at the net investment value. Payments made by the lessee are treated as amortisation payments or interest income. Income is recognised over the term of the lease using the effective interest method. The classification of subleases is based on the right-of-use asset conferred by the head lease.

3. Operational assets and liabilities

3.3 Intangible assets

CHF million	Energy procurement rights, rights of use for facilities and concessions	Goodwill	Other	Total
Carrying amount as at 1.10.2022	943.8	169.4	123.9	1 237.1
thereof acquisition costs	2 808.3	473.9	468.5	3 750.7
thereof accumulated amortisation and impairments	- 1 864.5	- 304.5	- 344.6	- 2 513.6
Change in scope of consolidation	0.0	6.4	0.8	7.2
Additions (investments)	0.3	0.0	11.6	11.9
Disposals	- 0.1	0.0	- 4.5	- 4.6
Reclassification to/from "Assets held for sale"	0.0	0.0	0.1	0.1
Reclassifications	2.2	0.0	- 3.6	- 1.4
Amortisation in reporting period	- 80.7	0.0	- 16.6	- 97.3
Impairment losses (Note 2.4)	- 76.2	- 2.3	0.0	- 78.5
Foreign currency translation	2.0	1.7	1.2	4.9
Carrying amount as at 30.9.2023	791.3	175.2	112.9	1 079.4
thereof acquisition costs	2 813.9	482.0	434.1	3 730.0
thereof accumulated amortisation and impairments	- 2 022.6	- 306.8	- 321.2	- 2 650.6
Change in scope of consolidation	0.0	0.0	0.7	0.7
Additions (investments)	1.0	0.0	15.0	16.0
Disposals	0.0	0.0	- 4.3	- 4.3
Reclassifications	7.7	0.0	- 7.6	0.1
Amortisation in reporting period	- 77.6	0.0	- 14.0	- 91.6
Impairment losses (Note 2.4)	- 70.7	0.0	- 0.7	- 71.4
Foreign currency translation	- 1.3	- 3.7	- 2.0	- 7.0
Carrying amount as at 30.9.2024	650.4	171.5	100.0	921.9
thereof acquisition costs	2 777.9	478.1	428.0	3 684.0
thereof accumulated amortisation and impairments	- 2 127.5	- 306.6	- 328.0	- 2 762.1

3. Operational assets and liabilities

Significant amounts of goodwill are attributable to the following cash-generating units. Apart from goodwill, there are no intangible assets with an indefinite useful life recognised in the balance sheet. Goodwill is allocated to the cash-generating units as follows:

CHF million	30.9.2024	30.9.2023
Axpo Italia S.p.A.	64.4	65.9
Urbasolar Group	90.9	93.1
Other	16.2	16.2
Total	171.5	175.2

Accounting principles

Intangible assets

Intangible assets are recognised in the balance sheet at acquisition cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised using the straight-line method over the estimated useful life of the asset, unless the useful life is indefinite. Goodwill and intangible assets with an indefinite useful life are not amortised but tested for impairment annually. The useful lives are reviewed at the end of each financial year. The individual contractual useful lives are applied in all cases.

Energy procurement rights comprise advance payments for rights to long-term supply of electricity including capitalised interest. These rights are amortised using the straight-line method over the contract term.

Rights of use for facilities comprise contractually agreed one-time payments to a contracting party as compensation for the use of that party's transmission and distribution systems. These rights are amortised using the straight-line method over the contract term.

Concession rights are rights for the construction and operation of own facilities. These rights are amortised using the straight-line method over the concession period.

For information on impairment testing, refer to Note 2.4 "Impairment losses, impairment reversals and changes in provisions for onerous energy procurement contracts".

3. Operational assets and liabilities

3.4 Inventories

CHF million	30.9.2024	30.9.2023
Inventories held for own use		
Gas inventories	6.4	8.3
Nuclear fuel	112.2	102.0
Certificates	20.0	2.1
Work in progress	257.4	139.6
Materials	134.6	150.0
Inventories of other energy sources	1.8	2.3
Loss allowances	-61.4	-63.1
Total	471.0	341.2
Inventories held for trading		
Gas inventories	317.5	230.7
Certificates	130.2	243.9
Total	447.7	474.6
Total	918.7	815.8

Work in progress mainly comprises wind farms and solar systems that are being built for sale.

Pledged inventories

At the balance sheet date, inventories in the amount of CHF 213.3 million (previous year: CHF 168.0 million) were pledged to secure financial liabilities. CHF 118.5 million (previous year: CHF 95.3 million) of the pledged inventories relate to wind farms built for sale and CHF 94.8 million (previous year: CHF 72.7 million) relate to gas inventories.

3. Operational assets and liabilities

Accounting principles**Inventories held for own use**

Inventories held for own use mainly comprise nuclear fuel and gas inventories for electricity generation at thermal plants, wind farms and photovoltaic systems which are built for sale in the ordinary course of business, stocks of materials for providing operating services, and emission and green certificates.

Fuel for electricity generation as well as green and emission certificates for own use are initially recognised at cost of purchase or production. Fuel is measured at weighted average cost. If the net realisable value is below the purchase or production cost, an impairment loss is recognised in the income statement. Emission certificates which are purchased for own production purposes are initially recognised as inventories and carried at purchase cost. The CO₂ emissions exceeding the stock of emission rights are recognised as a provision at fair value at the balance sheet date. When the company settles its CO₂ emissions with the responsible authority, the purchased inventories and any provisions are reduced. Any excess emission certificates no longer required for own use are

reclassified within inventories and measured at fair value.

Inventories of materials and supplies required for providing operating services are reported in the balance sheet at the lower of purchase or production cost (calculated using the average cost method) or net realisable value.

Wind farms and solar systems are measured at the lower of cost incurred or net realisable value and reported in the line item "Work in progress".

Inventories held for trading

Inventories held for trading mainly include emission and green certificates and gas that have been purchased for resale in the short term with a view to generating a profit from fluctuations in price or dealer's margin. They are measured at fair value less costs to sell. Changes in value are recognised net in the income statement.

3. Operational assets and liabilities

3.5 Other receivables

Other non-current receivables

CHF million	30.9.2024	30.9.2023
Receivables from state funds	2 979.5	2 664.0
Receivables from pension plans (Note 5.3)	205.4	14.8
Other	154.9	77.5
Total non-financial instruments	3 339.8	2 756.3
Other	24.9	13.8
Total financial instruments	24.9	13.8
Total	3 364.7	2 770.1

The financial instruments include non-current lease receivables of CHF 3.8 million (previous year: CHF 9.8 million).

Non-financial instruments include capitalised contract costs of CHF 120.8 million (previous year: CHF 25.6 million). In the 2023/24 financial year, CHF 65.7 million of these were amortised

(previous year: CHF 13.5 million). Amortisation is charged over the term of the customer contracts. No impairment losses were recognised on capitalised contract costs in the current or previous financial year.

Other current receivables

CHF million	30.9.2024	30.9.2023
Accrued income and prepaid expenses	56.9	114.8
Advance payments	59.7	17.0
Contract assets	74.9	62.1
Variation margin futures own use ¹⁾	0.0	921.3
Other	144.1	189.2
Allowance for doubtful debts	- 9.3	- 9.7
Total non-financial instruments	326.3	1 294.7
Accrued income and prepaid expenses	75.4	77.7
Revenues not yet invoiced	3 170.3	3 850.5
Credit support annex receivables	517.4	1 072.4
Initial margin for exchanges	208.0	211.1
Other	297.1	331.3
Loss allowances	- 2.2	- 2.7
Total financial instruments	4 266.0	5 540.3
Total	4 592.3	6 835.0

1) Variation margin for futures which are recognised as first sale of self-produced energy and which are realised upon delivery of energy.

The line item "Other current receivables (financial instruments)" includes CHF 1.6 million in current lease receivables (previous year: CHF 2.5 million).

The netted receivables and payables included in "Revenues not yet invoiced" and "Operating ex-

penses not yet invoiced" totalled CHF 1,147.9 million (previous year: CHF 1,728.4 million; see Note 3.6 "Other liabilities"). The credit support annexes received are reported in Note 3.6 "Other liabilities" (see also Note 4.5 "Risk management").

3. Operational assets and liabilities

Development of contract assets and contract liabilities

CHF million	Contract assets	Contract liabilities
Balance as at 30.9.2022	53.3	25.0
Change in scope of consolidation	- 2.3	- 5.3
Revenues included in contract liabilities at the beginning of the period	0.0	- 14.1
Reclassification from contract assets to trade receivables	- 37.5	0.0
Additions from services rendered that were not yet invoiced in the reporting period	47.1	0.0
Additions from payments received less amounts recognised as revenue in the reporting period	0.0	29.1
Impairment losses	- 0.1	0.0
Foreign currency translation	0.0	0.1
Balance as at 30.9.2023	60.5	34.8
Revenues included in contract liabilities at the beginning of the period	0.0	- 30.1
Reclassification from contract assets to trade receivables	- 44.1	0.0
Additions from services rendered that were not yet invoiced in the reporting period	56.9	0.0
Additions from payments received less amounts recognised as revenue in the reporting period	0.0	30.5
Impairment losses	- 0.2	0.0
Balance as at 30.9.2024	73.1	35.2

The “Other current receivables” table shows the contract assets at cost. In the table “Development of contract assets and contract liabilities”, these are included at their carrying amounts. Contract liabilities are included in other current liabilities (see Note 3.6 “Other liabilities”).

3. Operational assets and liabilities

Accounting principles

Receivables from state funds

The law requires operators of nuclear power plants to make payments to two state-controlled funds for the decommissioning of nuclear power plants and for the disposal of nuclear waste: the Decommissioning Fund for Nuclear Facilities and the Waste Disposal Fund for Nuclear Power Plants (STENFO). These payments are reported in the line item "Receivables from state funds", which comprises exclusively receivables from these two state funds. They do not fall within the scope of IFRS 9. The Axpo Group's share of the funds is capitalised pursuant to the provisions of IFRIC 5 as a reimbursement right in accordance with IAS 37. These receivables are recognised at the pro rata fair value of the net fund assets. Changes in fund values are recognised in the financial result for the period in question (see Note 2.5 "Financial result"), and fund disbursements received are reported in the cash flow statement in the line item "Receivables from state funds".

Other receivables

Other receivables subject to the requirements of IFRS 9 are recognised at fair value less loss allow-

ances. In subsequent measurements, they are measured at amortised cost less loss allowances.

Revenues not yet invoiced

Revenues not yet invoiced include invoices that have not yet been issued for energy supplied in the traditional energy business and in energy trading. Trade receivables from customers who are also suppliers are set off against trade payables, provided a netting agreement has been reached.

Contract assets

Contract assets exist in connection with the rendering of services in the areas of building technology, data net services, grids and hydro-power. The majority of these are customer-specific construction contracts for which a right to a consideration exists for goods or services that are transferred to the customer. Advance payments received are offset against contract assets for each customer order. If a consideration is received before goods or services are transferred to the customer, a contract liability is recognised (see Note 3.6 "Other liabilities").

Significant judgments and estimation uncertainties

Receivables from state funds

The calculation of the annual contribution payments to the Decommissioning Fund for Nuclear Facilities and the Waste Disposal Fund for Nuclear Power Plants is based on model parameters of the Ordinance on the Decommissioning and Waste Disposal Fund for Nuclear Facilities (SEFV). The SEFV currently provides model parameters for inflation at 0.5% and an investment return at 2.1%. The Administrative Commission of the Decommissioning and Waste Disposal Fund (VK STENFO) decreed the provisional contributions for the years 2022–2026 in April 2022 based on the new, unaudited 2021 cost study. As part of this, Axpo did not have to pay any fund contributions for the Beznau nuclear power plant (KKB) for the years 2022 to 2024. In 2022, the 2021 cost study was reviewed by the Swiss Federal Nuclear Safety Inspectorate (ENSI) and by external national and international experts. The definitive fund contributions for the years 2022–2026 will be determined on the basis of the definitive determination of the expected level of decommissioning and disposal costs, which is expected in the course of the new 2024/25 financial year.

The funds saved in the state funds are capitalised by the operators as reimbursement claims. When the costs for decommissioning and disposal are actually incurred, the resources in the funds are paid out to the operators to cover the costs in accordance with the legal provisions. According to the provisions of the SEFV, the operators must pay any future sustainable deficits into the funds in the form of annual contributions, or the operators are entitled to payment of a surplus at the time of the final settlement of the funds. The realisation of any shortfall or surplus can only be determined in the future.

3. Operational assets and liabilities

3.6 Other liabilities

Other non-current liabilities

CHF million	30.9.2024	30.9.2023
Assigned energy procurement and usage rights	53.5	53.3
Other	501.0	560.2
Total non-financial instruments	554.5	613.5
Other	72.5	71.3
Total financial instruments	72.5	71.3
Total	627.0	684.8

Maturities of the other non-current liabilities at the end of the financial year:

Due within 1 year	2.8	3.2
Due within 1 to 5 years	430.2	361.0
Due in more than 5 years	194.0	320.6
Total	627.0	684.8

Other current liabilities

CHF million	30.9.2024	30.9.2023
Accrued expenses and deferred income	156.2	162.6
Advance payments	398.6	770.9
Contract liabilities	35.2	34.8
Variation margin futures own use ¹⁾	35.9	0.0
Other	278.9	340.1
Total non-financial instruments	904.8	1 308.4
Accrued expenses and deferred income	409.0	385.7
Operating expenses not yet invoiced	3 063.2	3 416.3
Credit support annex liabilities	143.6	189.5
Other	128.0	158.9
Total financial instruments	3 743.8	4 150.4
Total	4 648.6	5 458.8

1) Variation margin for futures which are recognised as first sale of self-produced energy and which are realised upon delivery of energy.

The netted receivables and payables included in "Revenues not yet invoiced" and "Operating expenses not yet invoiced" amount to CHF 1,147.9 million (previous year: CHF 1,728.4 million; see Note 3.5 "Other receivables").

The credit support annexes delivered are reported in Note 3.5 "Other receivables" (see also Note 4.5 "Risk management").

The development of contract liabilities is shown in the table "Development of contract assets and liabilities" in Note 3.5 "Other receivables".

3. Operational assets and liabilities

Accounting principles**Assigned energy procurement and usage rights**

Usage rights which have been assigned, i.e. payments received in consideration for rights to use facilities and procure energy, are recognised under other non-current liabilities. The payments received are released to the income statement on a straight-line basis over the life of the relevant usage rights. The individual contractual useful lives are applied in all cases. Usage rights are reviewed at the end of each financial year.

Other (non-financial instruments)

This item includes grid cost contributions (connection fees). They are recognised at the nominal value of the cash received less any reversal affecting the income statement. Liabilities are amortised on a straight-line basis over the term of the connection agreement, or the expected useful life of the connection where there is an open-ended right to be connected.

In addition, the day-one profit resulting from long-term contracts, which is measured based

on partially unobservable input data, is recognised in this item. See Note 4.5 “Risk management” for information about how this is measured.

Contract liabilities

If consideration is received for contracts with customers before goods or services are transferred to the customer, a contract liability is recognised. Advance payments for future physical energy deliveries are also reported as contract liabilities.

Operating expenses not yet invoiced

Operating expenses not yet invoiced relate mainly to accruals for electricity purchases, both for the traditional energy business and for energy trading. Trade receivables from customers who are simultaneously suppliers are offset against trade payables, provided a netting arrangement has been reached. Prepaid expenses and deferred income are offset accordingly.

3. Operational assets and liabilities

3.7 Provisions, contingent liabilities and contingent assets

3.7.1 Provisions

CHF million	Post-operation, decommissioning, disposal	Onerous energy procurement contracts	Other provisions	Total
Balance as at 1.10.2023	3 139.7	31.7	223.9	3 395.3
Change in scope of consolidation	0.0	0.0	- 3.4	- 3.4
Increase	0.0	136.3	73.4	209.7
Interest	85.0	0.2	0.6	85.8
Reversal	0.0	- 0.6	- 90.0	- 90.6
Usage	- 28.5	- 15.4	- 31.0	- 74.9
Adjustment due to IFRIC 1	13.3	0.0	7.9	21.2
Reclassifications	0.0	- 0.2	- 0.2	- 0.4
Foreign currency translation	0.0	- 0.5	- 1.8	- 2.3
Balance as at 30.9.2024	3 209.5	151.5	179.4	3 540.4
Expected cash outflows				
Due within 1 year	58.7	41.4	72.2	172.3
Due in 1 to 5 years	281.0	13.3	91.9	386.2
Due in more than 5 years	2 869.8	96.8	15.3	2 981.9
Total	3 209.5	151.5	179.4	3 540.4

3. Operational assets and liabilities

Provisions for post-operation, decommissioning, disposal

The “Post-operation, decommissioning, disposal” provision contains costs incurred in the disposal of spent fuel rods and radioactive waste (during and after operation), the cost of decommissioning and dismantling the nuclear power plants, and costs pertaining to post-operation obligations and fuel in the last reactor core which can no longer be used.

The line item “Adjustment due to IFRIC 1” of the “Post-operation, decommissioning, disposal” provision contains the amount of CHF 13.3 million not recognised in profit or loss, which is related to the allocation of the acquisition costs of the Beznau nuclear power plant. IFRIC 1 was applied to create the provisions. The same amount was capitalised under “Power plants” (see Note 3.1 “Property, plant and equipment”).

Provisions for onerous energy procurement contracts

The provisions for onerous energy procurement contracts in the amount of CHF 151.5 million relate to identifiable losses from the procurement of electricity from power generation plants and long-term supply contracts (see

Note 2.4 “Impairment losses, impairment reversals and changes in provisions for onerous energy procurement contracts” for accounting principles and significant judgments and estimation uncertainties).

Other provisions

The line item “Adjustment due to IFRIC 1” of “Other provisions” includes the amount of CHF 7.9 million not recognised in profit or loss, which is related to the allocation of the acquisition costs of wind farms in France and Germany as well as gas-fired combined cycle power plants in Italy. The provisions were recognised in accordance with IFRIC 1. The corresponding capitalisation of the acquisition costs was made in “Work in progress” in the amount of CHF 2.9 million (see Note 3.4 “Inventories”) and in “Power plants” in the amount of CHF 5.0 million (see Note 3.1 “Property, plant and equipment”). As at 30 September 2024, the item “Other provisions” includes dismantling costs for the decommissioning of wind farms, provisions for storage contracts and provisions for contracts which belong to the origination business but are measured at cost.

3. Operational assets and liabilities

Accounting principles

Provisions for "Post-operation, decommissioning, disposal"

As the operator of the Beznau nuclear power plant (KKB), Axpo Power AG is required to decommission the plant at the end of its operational life and dispose of the radioactive waste. At the time the plant was commissioned, the present value of the expected costs for post-operation, decommissioning and disposal were both capitalised as part of property plant and equipment and simultaneously accrued. Adjustments due to updated cost estimates are generally taken into account both in the provisions for post-operation, decommissioning and disposal and in the same amount in the associated capitalised asset. If a reversal of a provision exceeds the associated capitalised asset, the adjustment in excess of this amount is made through the income statement. The additional annual disposal costs caused by the operation of the power plant are also capitalised at present value and depreciated on a straight-line basis over the average useful life of the fuel rods, and the provision for waste disposal is recognised at the same time. The compounding of provisions is recognised in the

financial result. As in the previous year, an inflation rate of 1.0% and a discount rate of 2.75% are used to calculate the provision.

The expected costs of decommissioning and dismantling nuclear power plants and disposing of nuclear waste are estimated every five years in accordance with the Ordinance on the Decommissioning Fund and Waste Disposal Fund for Nuclear Installations (SEFV). The last cost study from 2021 was taken into account as the basis for the provision calculations. The 2021 cost study was reviewed in the course of 2022 by the Federal Nuclear Safety Inspectorate (ENSI) and external experts from Switzerland and abroad. The result of the review confirmed the basic assumptions and did not lead to any adjustment of the provisions in the financial year just ended. The Administrative Commission of the Decommissioning and Disposal Funds (VK STENFO) will ultimately determine the anticipated decommissioning and disposal costs; this is expected in the course of the new 2024/25 financial year.

Significant judgments and estimation uncertainties

Provisions for "Post-operation, decommissioning, disposal"

The measurement of the provisions for post-operation, decommissioning and disposal is material for the assessment of the Axpo Group's balance sheet. Changes in cost estimates and in the legal or regulatory requirements governing the decommissioning of nuclear power plants and the disposal of nuclear waste can have a significant impact on the Group's financial performance. The reassessment of the provisions for post-operation, decommissioning and disposal costs incorporates the new findings from the 2021 cost study and the legal, regulatory and other framework conditions.

Other provisions

Other provisions are recognised on the basis of the facts and management's estimates as at the balance sheet date. The legal and accounting assessment involves significant estimation uncertainties and discretionary scope with regard to the probability of occurrence and the amount of a possible cash outflow.

3. Operational assets and liabilities

3.7.2 Contingent liabilities**Capital payment obligation**

The Axpo Group is contractually obliged to pay capital in the amount of CHF 3.8 million (previous year: CHF 5.4 million) to various companies.

Further contingent liabilities

Since February 2021, proceedings have also been pending before the Administrative Court of the Canton of Grisons regarding the reversion base (Heimfallssubstrat), which was initiated by the licensors of the partner plant in question. The maximum obligation is in the mid-single-digit millions.

Axpo sued a supplier for damages in the 2022/23 financial year for non-delivery of materials. The supplier subsequently filed a counterclaim. Axpo continues to assess the risk from the counterclaim as low.

Additionally, there is an ongoing investigation concerning VAT assets in Spain, the risk of which is assessed as low by Axpo.

There were other contingent liabilities in the amount of CHF 723.4 million during the reporting period (previous year: CHF 197.0 million). These commitments mainly relate to the solar system projects and vary according to the number of projects and the progress of the projects.

Significant judgments and estimation uncertainties**Value added tax**

Complex tax regulations in Switzerland and abroad represent a source of estimation uncertainty for the Axpo Group. Furthermore, any changes in practice by the tax authorities in Switzerland and abroad may lead to a reassessment of tax obligations. The Axpo Group is subject to regular audits by the tax authorities, which may lead to different results with respect to the tax estimates or the discretion of the Axpo Group. Although Axpo's management considers its tax estimates to be reasonable, the final resolution of such tax audits may differ from the tax provisions and accrued liabilities. As a result, the Axpo Group may incur additional tax liabilities, interest, penalties or regulatory, administrative or other related sanctions.

3. Operational assets and liabilities

3.7.3 Contingent assets

With the entry into force of the Energy Act (EnG) on 1 January 2018, operators of large-scale hydropower plants that have to sell their electricity on the market for less than the full generation costs are entitled to a market premium. The EnG stipulated that the market premiums were payable until 2022. In November 2020, the Federal Council decided to combine the revisions of the Energy Act and the Electricity Supply Act in a consolidation bill entitled "Federal Act on a Secure Electricity Supply from Renewable Energy Sources". In the 2021 autumn session, the two councils adopted a parliamentary initiative that offers an interim solution for the promotion of renewable energy sources (water, wind, biogas, geothermal energy and solar) from 2023. The initiative will run until the new consolidation bill enters into force and includes measures such as extending the market premium until 2031.

To claim a market premium, Axpo must submit an application by 31 May of each year based on its results for the previous year. If the claims of all eligible applicants exceed the funds available, all claims are reduced on a linear basis. Since both the total amount of funds available

and the actual claims are still unknown at the time of the initial decision, the Swiss Federal Office of Energy (SFOE) initially pays out only 80% of the provisional amount determined and withholds the remaining 20% for technical reasons. The remaining amount is only paid out when the second decision is issued.

For the 2023 and 2024 application years, Axpo has not submitted an application for market premiums. The 2023/24 financial year does not include any market premium payments (previous year: CHF 31.7 million).

Accounting principles**Market premium for large-scale hydroelectric plants**

The market premium for large-scale hydropower plants in Switzerland relates to government grants as defined by IAS 20. Government grants may not be posted until there is reasonable assurance as to the entitlement. Axpo considers the entitlement to a market premium in the amount of the prospective payment to be sufficiently certain within the meaning of IAS 20 as soon as the order is legally binding. This means that 100% or 80% of the provisional amount assigned by order will be recognised as soon as the first ruling is legally binding, depending on the amount of the payment. The remaining amount will be recognised as soon as the second ruling is legally binding.

4. Capital and risk management

4.1 Capital management and equity

Capital management

The Axpo Group manages capital by setting a maximum risk tolerance relative to liquidity and equity. The Board of Directors of Axpo Holding AG approves the risk tolerance for the entire Axpo Group. The risk tolerance is based on the Axpo Group's ability to bear risks in relation to liquidity and equity. This overall capability is broken down and distributed among individual divisions for the purpose of allocating risk capital (e.g. in the form of trading limits for the Trading & Sales business area) and monitored accordingly. Compliance with the risk tolerance is primarily monitored using funds from operations (FFO) and net debt as the key performance indicators.

erating activities and funds from operations. These effects are temporary in nature and balance out over time.

Funds from operations show the actual amount of cash flow from operating activities. For this purpose, cash flow from operating activities is adjusted for changes in current assets, derivative financial instruments, other financial results and interest paid and received. Hedging using different hedging instruments (futures or forward contracts) and their treatment can have a significant impact on cash flow from op-

CHF million	30.9.2024	30.9.2023
Funds from operations (FFO)		
Funds from operations (FFO)	541.6	- 4 658.3
Gearing		
Current financial liabilities	1 392.4	2 535.0
Non-current financial liabilities	4 171.6	4 616.5
Total eligible debt	5 564.0	7 151.5
Cash and cash equivalents	- 7 202.2	- 7 394.2
Time deposits	- 1.4	0.0
Financial assets at fair value (through profit or loss)	- 151.0	- 147.7
Total liquidity	- 7 354.6	- 7 541.9
Net debt	- 1 790.6	- 390.4

4. Capital and risk management

Additional information on equity**Share capital**

The share capital of CHF 370 million consists of 37,000,000 fully paid-in registered shares with a nominal value of CHF 10.00 per share.

Retained earnings

The retained earnings consist of legal and statutory reserves, non-distributable profits from previous years, gains and losses from the sale of own shares and the reserves for periodical remeasurements on defined benefit plans. The maximum distributable portion of the retained earnings is calculated based on the statutory financial statements of Axpo Holding AG (see Note 22 "Changes in equity" of the statutory financial statements of Axpo Holding AG).

Own shares

Shares held by Axpo or its group companies are deducted from equity at their acquisition cost.

Reserves from hedge accounting

Reserves from hedge accounting comprise unrealised changes in the value of cash flow hedging instruments in the amount of the effective portion of the hedge which are not yet realised in the income statement since the transaction underlying the hedge has not yet been recognised as income.

Foreign currency translation reserves

The foreign currency translation reserve contains the currency differences from the translation of financial statements in foreign currencies of subsidiaries and associates.

4. Capital and risk management

Development of retained earnings and other reserves, and total comprehensive income for the 2023/24 financial year

CHF million	Note	Retained earnings	Reserves from hedge accounting	Foreign currency differences	Total reserves excluding non-controlling interests	Non-controlling interests	Total reserves including non-controlling interests
Balance as at 1.10.2023		10 720.0	182.0	- 628.2	10 273.8	921.6	11 195.4
Result for the period		1 472.5	0.0	0.0	1 472.5	36.7	1 509.2
Foreign currency translation differences		0.0	0.0	- 67.0	- 67.0	- 1.5	- 68.5
Cash flow hedges							
Fair value adjustment for energy price risk	4.5.3	0.0	1.4	0.0	1.4	0.3	1.7
Gains (-)/losses (+) transferred to the income statement	4.5.3	0.0	33.1	0.0	33.1	7.7	40.8
Fair value adjustment for foreign currency risk	4.5.3	0.0	8.0	0.0	8.0	0.0	8.0
Gains (-)/losses (+) transferred to the income statement	4.5.3	0.0	- 105.2	0.0	- 105.2	0.0	- 105.2
Fair value adjustment for interest rate risk	4.5.3	0.0	- 7.9	0.0	- 7.9	- 0.7	- 8.6
Deferred tax/income tax thereon		0.0	14.4	0.0	14.4	- 0.9	13.5
Items recyclable in the income statement		0.0	- 56.2	- 67.0	- 123.2	4.9	- 118.3
Remeasurement of defined benefit plans	5.3	214.1	0.0	0.0	214.1	17.2	231.3
Deferred tax/income tax thereon		- 32.0	0.0	0.0	- 32.0	- 2.3	- 34.3
Items not recyclable in the income statement		182.1	0.0	0.0	182.1	14.9	197.0
Other comprehensive income		182.1	- 56.2	- 67.0	58.9	19.8	78.7
Total comprehensive income		1 654.6	- 56.2	- 67.0	1 531.4	56.5	1 587.9
Dividend		0.0	0.0	0.0	0.0	- 38.2	- 38.2
Change in scope of consolidation		20.1	- 14.9	0.1	5.3	- 2.3	3.0
Non-controlling interests acquired / sold		0.2	0.0	0.0	0.2	28.3	28.5
Increase/decrease in capital of non-controlling interests		0.2	0.0	0.0	0.2	4.1	4.3
Balance as at 30.9.2024		12 395.1	110.9	- 695.1	11 810.9	970.0	12 780.9

4. Capital and risk management

Development of retained earnings and other reserves, and total comprehensive income for the 2022/23 financial year

CHF million	Note	Retained earnings	Reserves from hedge accounting	Foreign currency differences	Total reserves excluding non-controlling interests	Non-controlling interests	Total reserves including non-controlling interests
Balance as at 1.10.2022		7 408.3	- 156.5	- 630.0	6 621.8	440.6	7 062.4
Result for the period		3 301.5	0.0	0.0	3 301.5	87.2	3 388.7
Foreign currency translation differences		0.0	0.0	1.6	1.6	0.4	2.0
Cash flow hedges							
Fair value adjustment for energy price risk	4.5.3	0.0	103.5	0.0	103.5	23.4	126.9
Gains (-)/losses (+) transferred to the income statement	4.5.3	0.0	365.4	0.0	365.4	84.2	449.6
Fair value adjustment for foreign currency risk	4.5.3	0.0	- 19.5	0.0	- 19.5	0.0	- 19.5
Gains (-)/losses (+) transferred to the income statement	4.5.3	0.0	- 77.2	0.0	- 77.2	0.0	- 77.2
Fair value adjustment for interest rate risk	4.5.3	0.0	34.1	0.0	34.1	1.7	35.8
Deferred tax/income tax thereon		0.0	- 53.5	0.0	- 53.5	- 14.4	- 67.9
Items recyclable in the income statement		0.0	352.8	1.6	354.4	95.3	449.7
Remeasurement of defined benefit plans	5.3	- 3.3	0.0	0.0	- 3.3	- 0.5	- 3.8
Deferred tax/income tax thereon		0.6	0.0	0.0	0.6	0.1	0.7
Items not recyclable in the income statement		- 2.7	0.0	0.0	- 2.7	- 0.4	- 3.1
Other comprehensive income		- 2.7	352.8	1.6	351.7	94.9	446.6
Total comprehensive income		3 298.8	352.8	1.6	3 653.2	182.1	3 835.3
Dividend		0.0	0.0	0.0	0.0	- 10.3	- 10.3
Change in scope of consolidation		14.9	- 14.4	0.2	0.7	- 99.2	- 98.5
Non-controlling interests acquired/sold		- 2.0	0.1	0.0	- 1.9	401.5	399.6
Increase/decrease in capital of non-controlling interests		0.0	0.0	0.0	0.0	6.9	6.9
Balance as at 30.9.2023		10 720.0	182.0	- 628.2	10 273.8	921.6	11 195.4

4. Capital and risk management

4.2 Cash and cash equivalents and additional information on the cash flow statement

CHF million	30.9.2024	30.9.2023
Petty cash and cash at banks	2 654.3	2 341.4
Current investments	4 547.9	5 052.8
Total	7 202.2	7 394.2
Thereof		
in CHF	4 827.7	4 765.7
in EUR	1 820.8	1 981.7
in other currencies	553.7	646.8
Total	7 202.2	7 394.2

Total cash and cash equivalents includes a risk provision of CHF 0.1 million (previous year: CHF 0.4 million) on short-term investments.

Accounting principles

Cash and cash equivalents

Cash and cash equivalents comprise petty cash, credit balances in postal and bank accounts as well as sight and deposit accounts with a term of no more than 90 days from the time of acquisition.

The following table shows details of non-cash expenses and income as well as net working capital in the cash flow statement:

Non-cash expenses and income

CHF million	2023/24	2022/23
Depreciation, amortisation and impairment losses/reversals	414.2	1 068.0
Share of result of partner plants and other associates	- 78.2	- 87.9
Unrealised result on derivative financial instruments	- 1 112.2	- 8 646.2
Loss allowances on net working capital	13.1	60.3
Other non-cash items	52.6	- 8.4
Total	- 710.5	- 7 614.2

Change in net working capital

CHF million	2023/24	2022/23
Change in inventories	- 25.1	- 210.5
Change in trade receivables	243.6	1 392.0
Change in other receivables	2 022.5	11 995.6
Change in trade payables	- 285.0	- 403.2
Change in other liabilities	- 849.1	- 4 170.4
Total	1 106.9	8 603.5

4. Capital and risk management

4.3 Financial receivables

CHF million	30.9.2024	30.9.2023
Financial assets at fair value (through profit or loss)	151.0	147.7
Loan receivables	351.5	257.6
Time deposits	1.4	0.0
Loss allowances	- 82.0	- 77.1
Total non-current financial receivables	421.9	328.2
Loan receivables	17.5	18.5
Other financial receivables	201.8	262.5
Loss allowances	- 1.0	- 1.1
Total current financial receivables	218.3	279.9
Total	640.2	608.1

Loan receivables outstanding at the balance sheet date

CHF million	Maturity date	Interest rate 30.9.2024	30.9.2024	30.9.2023
Global Tech I Offshore Wind GmbH	31.12.2030	6.00%	107.1	106.6
Società EniPower Ferrara S.r.l. ¹⁾	28.09.2026	4.44%	0.0	14.2
Terravent AG	31.03.2042	1.75%	16.0	16.8
Trans Adriatic Pipeline AG	28.12.2034	5.05%–5.10% ²⁾	109.5	0.0
Ferme Eolienne les Terres Chaudes SAS ³⁾			0.0	11.2
Other loan receivables < CHF 10 million			136.4	127.3
Total acquisition value			369.0	276.1
Loss allowances			- 82.9	- 78.0
Total carrying amount			286.1	198.1

- 1) All but CHF 0.9 million of the loan receivable from Società EniPower Ferrara S.r.l. was repaid in the 2023/24 financial year, and the remaining loan receivable is shown under "Other loan receivables < CHF 10 million".
- 2) The variable interest rate on the various tranches is linked to 3-month EURIBOR plus 1.70% or 1.75% (positive and negative EURIBOR) and plus 1.75% with 0.0% base rate in case of negative EURIBOR.
- 3) Ferme Eolienne les Terres Chaudes SAS has been a fully consolidated subsidiary since the 2023/24 financial year and the intra-Group loan receivable is eliminated accordingly for the Axpo Group's financial statements.

The loan receivable from Trans Adriatic Pipeline AG was reclassified to "Assets held for sale" in the previous year (see also note 6.2 "Assets and liabilities held for sale"). Part of the loan was sold in the 2023/24 financial year. The remaining loan receivable was reclassified back to "Financial receivables".

Accounting principles

Financial assets at fair value

Financial assets at fair value comprise marketable equity securities and debt securities held primarily in funds.

Funds which qualify as equity instruments and non-consolidated participations in which the Axpo Group does not exercise significant or controlling influence, as well as funds which fall under the exception of IAS 32.16A (puttable instruments), are classified as at fair value through profit or loss.

Loan receivables

Loans include short and long-term loans both to third parties and to associated companies. They are measured at amortised cost using the effective interest method, less loss allowances. If, when the loan is paid out, the agreed interest rate equals the market interest rate and both the disbursement and the repayment are made at nominal value, the amortised cost is equal to the nominal value of the loan.

Time deposits

Current and non-current time deposits are measured at amortised cost using the effective interest method less loss allowances. If at the date of issuing the time deposit, the contractually agreed interest rate corresponds to the market interest rate and the borrowing and repayment amount is at nominal value, the time deposit is measured at nominal value less loss allowances.

4. Capital and risk management

4.4 Financial liabilities

CHF million	Bonds	Loan liabilities	Lease liabilities	Other financial liabilities	Total
Balance as at 1.10.2023	4 947.9	1 734.8	173.2	295.6	7 151.5
Cash-relevant					
Increase	2 007.1	1 622.2	0.0	107.7	3 737.0
Repayment	-3 013.9	-1 929.7	-26.1	-76.5	-5 046.2
Not cash-relevant					
New lease contracts	0.0	0.0	56.7	0.0	56.7
Change in scope of consolidation	0.0	-164.6	-30.8	0.0	-195.4
Reclassification to/from "Liabilities held for sale"	0.4	-2.6	0.0	0.0	-2.2
Contract modifications	0.0	0.0	-2.9	0.0	-2.9
Interest	1.1	0.0	5.1	0.0	6.2
Valuation change	-1.0	-4.4	0.0	0.0	-5.4
Reclassifications	-0.2	-70.3	-3.9	0.1	-74.3
Foreign currency translation	-19.5	-21.9	-3.5	-16.1	-61.0
Balance as at 30.9.2024	3 921.9	1 163.5	167.8	310.8	5 564.0
Maturities as at 30.9.2024					
Due within 1 year	578.8	473.5	29.3	310.8	1 392.4
Due within 1 to 5 years	2 222.8	223.1	51.2	0.0	2 497.1
Due in more than 5 years	1 120.3	466.9	87.3	0.0	1 674.5
Total	3 921.9	1 163.5	167.8	310.8	5 564.0

Loan liabilities are mainly related to wind farms and solar systems. Loan liabilities due within 1 year include, among other things, the financing of wind farms and solar systems for sale, which are reported as "work in progress" in inventories. All lease liabilities in connection with the same wind farms and solar systems are reported as lease liabilities "due within 1 year".

4. Capital and risk management

CHF million	Bonds	Loan liabilities	Lease liabilities	Other financial liabilities	Total
Balance as at 1.10.2022	4 424.1	2 628.6	154.8	537.3	7 744.8
Cash-relevant					
Increase	2 115.3	4 321.4	0.0	1 422.4	7 859.1
Repayment	- 1 622.4	- 5 138.2	- 23.1	- 1 682.7	- 8 466.4
Not cash-relevant					
New lease contracts	0.0	0.0	46.9	0.0	46.9
Change in scope of consolidation	0.0	- 15.6	0.0	0.2	- 15.4
Reclassification to/from "Liabilities held for sale"	- 0.9	- 60.3	- 7.1	0.0	- 68.3
Contract modifications	0.0	0.0	- 2.2	0.0	- 2.2
Interest	1.3	0.0	3.3	0.0	4.6
Valuation change	3.9	25.7	0.1	0.0	29.7
Reclassifications	21.6	- 28.2	- 0.2	29.6	22.8
Foreign currency translation	5.0	1.4	0.7	- 11.2	- 4.1
Balance as at 30.9.2023	4 947.9	1 734.8	173.2	295.6	7 151.5
Maturities as at 30.9.2023					
Due within 1 year	1 283.6	926.8	29.0	295.6	2 535.0
Due within 1 to 5 years	2 326.7	250.4	54.4	0.0	2 631.5
Due in more than 5 years	1 337.6	557.6	89.8	0.0	1 985.0
Total	4 947.9	1 734.8	173.2	295.6	7 151.5

4. Capital and risk management

Bonds outstanding at the balance sheet date

	Nominal value	Duration	Interest rate	Effective interest rate	Carrying amount	
					30.9.2024	30.9.2023
CHF million						
Axpo Holding AG	CHF 300.0 m	2010–2025	3.13%	3.25%	300.0	299.6
Axpo Holding AG	CHF 350.0 m	2016–2024	1.75%	1.79%	0.0	349.9
Axpo Holding AG	CHF 133.0 m	2020–2027	1.00%	1.00%	132.9	132.9
Axpo Holding AG	CHF 200.0 m	2022–2025	0.25%	0.29%	200.4	200.3
Axpo Holding AG	CHF 300.0 m	2022–2026	2.00%	2.05%	300.3	300.1
Axpo Holding AG	CHF 300.0 m	2022–2027	0.63%	0.60%	301.2	301.2
Axpo Holding AG	CHF 200.0 m	2022–2029	2.50%	2.50%	200.0	200.8
Axpo Holding AG	CHF 300.0 m	2023–2026	2.50%	2.56%	300.5	299.5
Kraftwerke Linth-Limmern AG	CHF 125.0 m	2011–2031	2.88%	3.11%	123.5	123.3
Kraftwerke Linth-Limmern AG	CHF 150.0 m	2012–2042	2.88%	2.90%	149.5	149.5
Kraftwerke Linth-Limmern AG	CHF 200.0 m	2012–2052	3.00%	3.01%	199.7	199.7
Kraftwerke Linth-Limmern AG	CHF 175.0 m	2013–2026	2.38%	2.41%	175.0	175.1
Kraftwerke Linth-Limmern AG	CHF 160.0 m	2013–2048	3.00%	2.97%	160.6	160.7
Kraftwerke Linth-Limmern AG	CHF 270.0 m	2014–2024	1.25%	1.31%	0.0	269.9
Kraftwerke Linth-Limmern AG	CHF 245.0 m	2017–2023	2.00%	2.05%	0.0	245.0
Kraftwerke Linth-Limmern AG	CHF 100.0 m	2023–2027	2.35%	2.37%	99.9	99.9
Kraftwerke Linth-Limmern AG	CHF 205.0 m	2023–2030	2.75%	2.78%	204.7	204.6
Kraftwerke Linth-Limmern AG	CHF 100.0 m	2023–2025	2.25%	2.34%	99.9	0.0
Kraftwerke Linth-Limmern AG	CHF 110.0 m	2023–2029	2.38%	2.39%	109.9	0.0
Total					3 058.0	3 712.0

All bonds listed have a fixed interest rate, are carried at amortised cost using the effective interest method and are listed on the SIX Swiss Exchange. The fair value of the fixed-interest bonds outstanding at the balance sheet date amounted to CHF 3,215.1 million (previous year: CHF 3,710.6 million).

4. Capital and risk management

Private placements outstanding at the balance sheet date

CHF million	Maturity	Interest rate	Carrying amount	
			30.9.2024	30.9.2023
Private placements in EUR	2024–2039	2.4%–7.0%	745.0	985.0
Private placements in CHF	2025–2041	0.6%–3.3%	118.9	250.9
Total			863.9	1 235.9

The fair value of the private placements outstanding at the balance sheet date amounted to CHF 857.5 million (previous year: CHF 1,200.2 million).

Loan and lease liabilities outstanding at the balance sheet date

CHF million	Maturity	Interest rate	Carrying amount	
			30.9.2024	30.9.2023
Loan liabilities with a carrying amount > CHF 10 million				
Items in EUR	2024–2049	1.0%–5.6%	679.0	956.1
Items in CHF	2025–2036	0.3%–2.4%	217.0	517.0
Total			896.0	1 473.1
Loan liabilities with a carrying amount < CHF 10 million				
Items in EUR	2024–2049	0.0%–7.6%	196.6	197.3
Items in CHF	2024–2099	0.0%–3.4%	64.4	57.1
Items in other currencies	2025–2037	1.3%–53.4%	6.5	7.3
Total			267.5	261.7
Lease liabilities				
Lease liabilities in EUR	2024–2064	0.7%–7.0%	127.0	127.5
Lease liabilities in CHF	2024–2058	0.0%–4.4%	31.4	35.0
Lease liabilities in other currencies	2024–2043	1.6%–33.7%	9.4	10.7
Total			167.8	173.2

4. Capital and risk management

4.5 Risk management

4.5.1 General principles

Risk management is an integral part of Axpo's corporate governance and is carried out in accordance with the principles laid down by the Board of Directors. It includes the transparent presentation of the risk situation, control of the overall risk within the specifications of the Board of Directors and the firm establishment of a responsible risk culture among the employees. The primary goal of risk management is to make a contribution toward ensuring the company's value over the long term.

Axpo conducts risk management for the following types of risk: market risk, credit risk, volume risk and operational risk. The market risk consists of price, currency and interest rate risks. Managing liquidity risk is pivotally important across all four risk types. Strategic and long-term risks such as climate risks, reputational risks and regulatory risks are analysed as well.

Risks are managed and hedged in accordance with the specifications of the Board of Directors. There are also instructions for the management of liquidity and other financial assets and for short and long-term financing.

The risk arising from derivative financial instruments in the energy sector is mainly bundled in the Trading & Sales business area and follows central risk management directives and the trading mandates based on them. Credit risk management is controlled at business area level (Trading & Sales and CKW) in accordance with the defined credit limits. Counterparty ratings are assessed and defined centrally.

4. Capital and risk management

4.5.2 Financial risk management – overview

Risk	Source of risk	Risk mitigation
Market risk		
Price risk	Price risks arise from unexpected price changes on financial and energy markets.	Value-at-risk limits Profit-at-risk limits Volume and maturity limits
Currency risk	Currency risks arise from business transactions and from recognised assets and liabilities that are not denominated in the functional currency of the respective subsidiary as well as from net investments in foreign operations.	Conclusion of currency forward contracts in accordance with hedging strategy
Interest rate risk	Financial receivables and liabilities as well as cash and cash equivalents that are subject to variable interest rates expose Axpo to interest rate risk. Fixed-interest financial assets expose Axpo to market value risk.	Conclusion of interest rate swaps Time deposits Other financial investments
Credit risk	Risk that counterparties are not able to meet all or part of their obligations.	Credit-at-risk limits Conclusion of netting agreements Establishment of internal credit lines Request of guarantees
Volume risk	Volume risks arise from fluctuations in production, which are influenced, for example, by water, wind and sun levels as well as the production capacity of nuclear power plants, or by a lack of demand or shortages of energy raw materials.	Hedging strategy Diversification of energy production sources
Liquidity risk	Liquidity risks describe the potential risk that Axpo will not be able to meet its financial obligations when they fall due.	Credit lines Subordinated credit facility Capital market (bonds, loans, private placements) Factoring/reverse factoring Prepayments
Operational risk	Operational risks arise from inadequate or non-functioning internal processes and systems, human factors or external events (e.g. cyber attacks).	Measurement and recording of operational risks Cyber resilience Operational risk monitoring Internal controls Day-to-day risk management in legal, tax, etc. matters
Strategic, long-term and non-financial risks	Strategic, long-term and non-financial risks describe potential impacts on business strategy or strategic objectives as well as reputation, compliance or ESG ambitions.	Corporate governance Compliance management programme Medium-term planning

4. Capital and risk management

4.5.3 Market price risks

Market price risks arise from price and exchange rate movements in respect of unhedged positions held in energy and financial transactions. Derivative financial instruments are used as needed to hedge part of the expected future energy procurement or energy sales and to hedge against currency and interest rate fluctuations.

A business model exists for the management and sale of the company's own energy production in Switzerland, according to which the first sale on the market is reported as customer revenue. All subsequent contracts in the management chain concluded for the management of own energy production are considered hedging instruments and measured at fair value through profit or loss.

The current business model for tailor-made contracts (origination) is based on a portfolio approach. As the contracts, portfolios and inventories are principally acquired to generate a broker-trader margin or with the purpose of selling in the near future and generating a profit from fluctuations in the price and the risks of this business are managed on a portfolio basis

as well, Axpo measures all components of this business at fair value.

Energy price risks

Axpo defines energy price risks as risks arising as a result of changes in energy prices. In most of the countries in which Axpo does business, the energy sector is characterised by wholesale markets with freely determined prices and intense competition for sales. By virtue of the Group's international focus and broadly diversified portfolio, energy price risks can arise as a result of the price movements of individual positions as well as through price fluctuations between products (e.g. electricity and gas), countries (e.g. Germany and Switzerland) and terms (e.g. baseload year +1 and baseload year +2).

Axpo is one of the world's leading energy traders. It trades on a decentralised basis via various trading hubs in Switzerland and Europe. In the Trading & Sales business area, energy price risks are monitored and reported daily by the Risk Management & Valuation department. Monitoring is carried out in accordance with the principles set out in the risk management directive as well as the related trading mandates. The market price risk is limited and

permanently monitored by means of a comprehensive limit system. Among other things, this system consists of a value-at-risk and a profit-at-risk add-on limit as well as volume and maturity limits. The total risk limit for energy trading is approved annually by the Board of Directors at the request of Executive Management and subsequently broken down by individual divisions, departments and books within the Trading & Sales business area.

The hedging strategy employed takes market, volume and liquidity risks into account. The Executive Board discusses the hedging mandate at least twice a year, the consequences of which are evaluated by the Risk Management department, factoring in the utilisation of risk capital. A price-dependent mandate is used to transfer a portion of the production from the company's own power plants to the Trading & Sales business area for certain future periods for hedging.

The CKW Group is exposed to energy price risks primarily from energy traded on the international free market. In line with its risk policy, these risks are countered by making optimum use of forward contracts to hedge shortfalls or

surpluses in energy volumes. In addition to actively managing energy surpluses and deficits to supply end-customers and redistributors, the CKW Group also follows proprietary trading strategies to a very limited extent. Relatively small unhedged positions are permitted. According to the existing risk strategy, hedging positions as well as proprietary trading positions may only be entered into for the current financial year and the three subsequent years. This ensures that transactions are only entered into for a time frame in which sufficient market liquidity is available.

4. Capital and risk management

The following table shows the effect of energy hedging transactions on financial positions:

CHF million	Cash flow hedge	
	30.9.2024	30.9.2023
Hedged item		
Nominal amount	7.4	55.8
Line item in the balance sheet	Highly probable forecast transaction	Highly probable forecast transaction
Change in value used for calculating hedge effectiveness	4.3	46.9
Hedging instrument		
Nominal amount	7.4	55.8
Carrying amount asset	0.0	0.2
Carrying amount liability	4.3	47.1
Line item in the balance sheet	Derivative financial instruments	Derivative financial instruments
Change in fair value for calculating hedge effectiveness	- 4.3	- 46.9
Change in the value of the hedging instrument recognised in equity	1.7	126.9
Line item in profit or loss affected by the reclassification of the hedge ineffectiveness	Revenue with external customers	Revenue with external customers
Amount reclassified from the hedge reserve to profit or loss due to the realisation of the hedged item	- 40.8	- 449.6
Line item in profit or loss affected by the reclassification of the hedge reserve	Revenue with external customers	Revenue with external customers

4. Capital and risk management

The following table shows the timing of the nominal amount of the hedging instrument and the average price of the hedging instrument:

	Maturity as at 30.9.2024		Maturity as at 30.9.2023	
	2024/25	2025/26	2023/24	2024/25
Cash flow hedge				
Commodity contracts - purchases				
Nominal amount in CHF million	0.0	0.0	7.5	0.0
Average price CHF/MWh	0.0	0.0	67.8	0.0
Commodity contracts - sales				
Nominal amount in CHF million	7.4	0.0	41.0	7.3
Average price CHF/MWh	53.4	0.0	55.9	52.4

Sensitivity analysis of the energy price risk

The energy price risks from the trading business are quantified daily using a value-at-risk approach, assuming a holding period of five days and a confidence interval of 99% (industry standard holding period of one day, confidence interval of 95%). The value-at-risk (VaR) defines a potential loss which, with 99% probability, will not be exceeded, taking into account past market developments.

The level of market price risk of a single position can be approximated as a linear function

of quantity, price and volatility. As a result, the VaR indicator is directly linked to the level and volatility of the market prices.

The Trading & Sales business area is responsible for hedging production volumes in line with the Group's hedging strategy and is included in the overall VaR as a result.

For illiquid exposures, i.e. market risks that cannot be readily hedged such as long-term or profiled power contracts, the Trading & Sales business area uses the more adequate PaR add-on (profit-at-risk add-on) as a risk mea-

sure. The PaR add-on is a statistics-based risk measure analogous to VaR, but uses a much longer and more adequate holding period depending on the product.

4. Capital and risk management

CHF million	30.9.2024	30.9.2023
VaR Trading & Sales business area	57.6	52.1
VaR CKW business area	1.6	1.9

CHF million	30.9.2024	30.9.2023
PaR add-on Trading & Sales business area	14.4	73.3

In addition to the energy price risks that arise from the asset-backed trading, origination and supply business, there are significant energy price risks that arise from future own electricity production not transferred to Trading & Sales. With the new hedging strategy, a balance must be struck between liquidity, market price, credit and volume risks (see Note 4.5.6 "Liquidity risks").

Currency risk

Axpo is exposed to currency risks. These result from further business transactions and recognised assets and liabilities when they are not denominated in the functional currency of the relevant group company, as well as from net investments in foreign operations.

The energy price, and hence most procurement and sales contracts, are denominated in EUR, and prices are determined by reference to the energy price in EUR. However, the production costs of energy-generating facilities, principally of power plants in Switzerland, are incurred in CHF. This results in currency risk mainly against the EUR and to a lesser extent against other currencies.

The following table shows the main currencies economically hedged through currency forward contracts measured at fair value through profit or loss. In addition other currencies are hedged on a smaller scale.

	Nominal value	Replacement value	Nominal value	Replacement value
CHF million	30.9.2024	30.9.2024	30.9.2023	30.9.2023
Currency forward contracts CHF/EUR	1 755.2	- 41.9	3 468.8	- 76.1
Currency forward contracts CHF/USD	26.1	- 0.6	100.4	- 2.6
Currency forward contracts EUR/CHF	2 519.1	61.7	4 666.3	98.8
Currency forward contracts EUR/GBP	0.0	0.0	42.9	0.1
Currency forward contracts EUR/PLN	166.7	2.3	72.2	4.8
Currency forward contracts EUR/USD	152.2	- 1.3	74.5	1.1
Currency forward contracts GBP/EUR	23.9	- 0.3	68.3	0.2
Currency forward contracts PLN/EUR	310.9	- 11.6	401.2	- 4.5
Currency forward contracts SEK/EUR	96.9	- 0.9	83.4	0.4
Currency forward contracts USD/CHF	219.2	0.9	144.2	- 6.1
Currency forward contracts USD/EUR	25.6	0.2	271.2	- 6.2

4. Capital and risk management

In order to reduce the currency risk from the origination and supply business, most futures are concluded within the framework of the Group's policy on exchange rate risks.

Exposure to currency risks arising from the subsidiaries' business transactions is reduced by offsetting operating revenue and expenditure in foreign currencies. Remaining net positions in foreign currencies are hedged by appropriate hedging transactions such as currency forward contracts (transaction risk) as part of liquidity planning, in close consultation with the Group's operational units and in accordance with existing hedging policy guidelines.

Part of these hedge transactions are designated as cash flow hedges. The hedging instruments are designated in their entirety. Spot and forward elements are not separated. The hedged item is defined as the currency risk from the highly probable energy sales in a foreign currency. The hedging ratio is 1:1. The economic relationship between the underlying and the hedging instrument is based on the fact that the key parameters of the underlying and the hedging instrument, such as maturity, nominal value and currency, are identical.

4. Capital and risk management

The following table shows the effect of currency hedging transactions on financial positions:

CHF million	Cash flow hedge 30.9.2024	Cash flow hedge 30.9.2023
Hedged item		
Nominal amount	2 313.1	2 592.1
Line item in the balance sheet	Highly probable forecast transaction	Highly probable forecast transaction
Change in value used for calculating hedge effectiveness	- 110.5	- 207.7
Hedging instrument		
Nominal amount	2 313.1	2 592.1
Carrying amount asset	113.1	208.2
Carrying amount liability	2.6	0.5
Line item in the balance sheet	Derivative financial instruments	Derivative financial instruments
Change in fair value for calculating hedge effectiveness	110.5	207.7
Change in the value of the hedging instrument recognised in equity	8.0	- 19.5
Line item in profit or loss affected by the reclassification of the hedge ineffectiveness	Other operating income	Other operating income
Amount reclassified from the hedge reserve to profit or loss due to the realisation of the hedged item	105.2	77.2
Line item in profit or loss affected by the reclassification of the hedge reserve	Other operating income	Other operating income

4. Capital and risk management

The following table shows the timing of the nominal amount of the hedging instrument and the average price of the hedging instrument:

	Maturity as at 30.9.2024			Maturity as at 30.9.2023			
	2024/25	2025/26	2026/27	2023/24	2024/25	2025/26	2026/27
Cash flow hedge							
Currency forward contracts – purchases							
Nominal amount in CHF million	1 000.3	896.2	416.6	970.5	859.3	575.9	186.4
Average price EUR/CHF	1.03	0.93	0.91	1.07	1.05	0.94	0.92

Sensitivity analysis of the currency risks

A possible change in foreign exchange rates of +/-10% would have had the following impact on the income statement and on equity, assuming that all other parameters remained the same:

	+/- effect on income statement	+/- effect on equity	+/- effect on income statement	+/- effect on equity
CHF million	30.9.2024	30.9.2024	30.9.2023	30.9.2023
CHF/USD foreign currency risk	5.6	0.0	12.0	0.0
CHF/EUR foreign currency risk	133.8	- 12.0	39.4	- 18.5
CHF/GBP foreign currency risk	8.2	0.0	9.1	0.0
NOK/EUR foreign currency risk	- 3.1	0.0	- 7.0	0.0
PLN/EUR foreign currency risk	- 28.2	0.0	- 36.3	0.0

Interest rate risk

Financial assets and liabilities subject to variable interest rates, as well as cash and cash equivalents, expose Axpo to interest rate risk. Fixed-interest financial assets, by contrast, expose Axpo to market value risk.

It is the Axpo Group's policy to manage interest rate expenses by means of variable and fixed-rate interest-bearing liabilities and interest-based derivatives in the form of interest rate swaps. Group Treasury monitors the ratio between variable and fixed-rate interest-bearing net debt.

Interest rate risks on energy derivative financial instruments are actively managed by the front office of the Trading & Sales business area and externally hedged by Group Treasury.

4. Capital and risk management

Interest-bearing financial assets and liabilities

The interest-bearing financial assets and liabilities held by Axpo basically include cash and cash equivalents, credit support annexes received and delivered, initial margins for exchanges, time deposits, loans, bonds as well as bank liabilities, received loans and issued bonds. The interest rate profile as at the balance sheet date was as follows:

CHF million	Fixed rate	Variable rate	Fixed rate	Variable rate
	30.9.2024	30.9.2024	30.9.2023	30.9.2023
Financial assets at fair value through profit or loss (mandatory)	137.4	0.0	135.5	0.0
Financial assets at fair value (through profit or loss)	137.4	0.0	135.5	0.0
Financial assets measured at amortised cost	4 878.7	3 599.5	5 371.3	3 794.0
Cash and cash equivalents	4 547.9	2 654.3	5 052.8	2 341.4
Trade receivables	2.8	0.6	1.1	0.0
Financial receivables (non-current)	159.5	111.4	107.3	73.2
Financial receivables (current)	150.2	68.1	188.3	91.6
Other receivables (non-current)	6.5	0.0	12.6	0.0
Other receivables (current)	11.8	765.1	9.2	1 287.8
Total interest-bearing financial assets	5 016.1	3 599.5	5 506.8	3 794.0
Financial liabilities measured at amortised cost ¹⁾	4 621.6	1 150.5	6 247.2	1 159.3
Financial liabilities (non-current)	3 607.8	563.8	4 123.5	493.0
Financial liabilities (current)	1 005.4	383.6	2 117.2	414.5
Other liabilities (non-current)	0.0	0.0	0.0	3.0
Other liabilities (current)	8.4	203.1	6.5	248.8
Total interest-bearing financial liabilities	4 621.6	1 150.5	6 247.2	1 159.3
Net exposure	394.5	2 449.0	- 740.4	2 634.7

1) Variable-rate financial liabilities whose interest rate is converted into a fixed interest rate by an interest rate swap are reported as fixed rate.

4. Capital and risk management

The production of energy and the distribution grids are capital-intensive. Swiss plants are generally financed on a long-term basis at fixed interest rates in order to mitigate the impact of short and medium-term interest rate fluctuations on earnings.

placement value of CHF 42.5 million (previous year: CHF 28.1 million) were concluded to manage the interest rate risk on derivative financial instruments.

Variable-rate interest-bearing financial liabilities relating to the construction of solar systems expose the Axpo Group to interest rate risk. This risk is reduced through adequate use of derivative financial instruments in the form of interest rate swaps. Some of these interest rate swaps were designated as hedging instruments in cash flow hedges. Disbursement of the loans based on the progress of the project and amortisation over a fixed time horizon after completion of the projects leads to a frequent change in the underlying transaction. The hedging instrument is therefore also adjusted quarterly. The aim is to achieve a hedge ratio of 1:1.

In addition to the interest rate swaps designated as hedges and listed in the table on the next page, interest rate swaps with a positive replacement value of CHF 20. million (previous year: CHF 100.7 million) and with a negative re-

4. Capital and risk management

The following table shows the effects of interest rate hedges on financial items:

CHF million	Cash flow hedge	Cash flow hedge
	30.9.2024	30.9.2023
Hedged item		
Nominal amount ¹⁾	267.1	370.6
Carrying amount liability	148.1	269.6
Line item in the balance sheet	Financial liabilities	Financial liabilities
Change in value used for calculating hedge effectiveness	- 10.1	- 45.2
Hedging instrument		
Nominal amount	253.9	370.3
Carrying amount asset	20.1	45.2
Carrying amount liability	0.2	0.0
Line item in the balance sheet	Derivative financial instruments	Derivative financial instruments
Change in fair value for calculating hedge effectiveness	10.3	45.2
Change in the value of the hedging instrument recognised in equity ²⁾	- 5.6	24.8
Line item in profit or loss affected by the reclassification of the hedge reserve	Financial result	Financial result

1) Including already concluded contracts for which the loan amounts have not yet been paid out.

2) Excluding change in fair value of hedging instruments closed by entities classified as held for sale and associates.

4. Capital and risk management

Sensitivity analysis of interest rate risk

A reasonably possible change in interest rates of +/-1% would have had the following impact on the income statement and on equity, assuming that all other parameters remained the same:

	+/- effect on income statement	+/- effect on equity	+/- effect on income statement	+/- effect on equity
CHF million	30.9.2024	30.9.2024	30.9.2023	30.9.2023
Interest rate risk	35.8	0.2	83.2	0.5

Share price risks

Axpo holds a small portfolio of investment funds. These are managed by Treasury. In addition to the investment funds, the financial assets amounting to CHF 151.0 million (previous year: CHF 147.7 million) also include non-consolidated investments in which Axpo Group has no significant or controlling influence.

The receivables from state funds are not a financial instrument according to IAS 32 and therefore are not part of the risk assessment (see Note 3.5 "Other receivables").

Fair value measurement of financial instruments

The fair value of derivative financial instruments is dependent on the development of the underlying market factors. For the measurement of derivatives, prices from active markets, such as stock exchange prices, are used where possible. The relevant fair values are calculated and monitored at regular intervals. If there are no such prices available, fair value is determined using measurement methods accepted and customary in the markets. If available, observable market data are used as input factors. If no observable market data are available, company-specific planning assumptions are applied. The fair value calculated for all derivative financial instruments is the price at which one party would take over the rights and/or obligations of another party.

4. Capital and risk management

The general principles on which the measurement of forward contracts and derivatives is based are as follows:

Contract type	Valuation technique
Forward contracts	Electricity, gas, oil, coal and certificate forward contracts are measured at the balance sheet date based on forward prices. The prices used are prices quoted on the respective exchanges or provided by various brokers. If no published prices are available, internal measurement models are used. In these cases fundamental prices based on internal demand and supply forecasts are applied. In order to account for the risks embedded in any transaction, risk adjustments are used, such as adjustments for credit risk (CVA and DVA), liquidity risk, cannibalisation effects of intermittent energy and others.
Futures	Futures are not measured since, due to the exchange listing, they are offset daily via a margin account.
Currency forward contracts	At the balance sheet date, currency forward contracts are measured using discounted forward rates. The forward rates are quoted on the relevant exchange.
Interest rate swaps	Interest rate swaps are measured at fair value based on the difference between the discounted fixed interest rate payments and discounted variable interest rate payments. Future variable interest rates are calculated based on the discounted forward rates.

Three-level hierarchy

The following overview describes the key parameters used for the measurement of assets and liabilities at fair value. The individual levels are defined in accordance with IFRS 13 as follows:

Level	Key parameters
Level 1	Financial assets/liabilities measured using quoted market prices in active markets (without adjustments or change in composition).
Level 2	Financial assets/liabilities measured using observable market data that flow either directly or indirectly (i.e. derived from prices) into the valuation models.
Level 3	Financial assets/liabilities whose value is determined using valuation methods where significant input parameters are based on non-observable data, such as analyses of fundamental prices based on demand and supply forecasts. Generally, an increase in prices of these non-observable input data would increase (in case of a purchase) or decrease (in case of a sale) the fair value of the level 3 financial instruments.

Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

4. Capital and risk management

Three-level hierarchy

CHF million	30.9.2024				30.9.2023			
	Level 1	Level 2	Level 3	Fair value ¹⁾	Level 1	Level 2	Level 3	Fair value ¹⁾
Assets measured at fair value								
Derivative financial instruments at fair value through profit or loss (held for trading)								
Energy derivatives	37.4	7 370.5	796.3	8 204.2	64.2	16 662.2	805.5	17 531.9
Currency forward contracts	0.0	70.7	0.0	70.7	0.0	118.1	0.0	118.1
Interest rate swaps	0.0	25.7	0.0	25.7	0.0	105.8	0.0	105.8
Derivative financial instruments at fair value through other comprehensive income with recycling (hedge accounting)								
Energy derivatives	0.0	0.0	0.0	0.0	0.0	3.6	0.0	3.6
Currency forward contracts	0.0	113.1	0.0	113.1	0.0	208.2	0.0	208.2
Interest rate swaps	0.0	20.1	0.0	20.1	0.0	45.2	0.0	45.2
Financial assets at fair value through profit or loss (mandatory)								
Financial assets (non-current)	0.0	137.8	13.2	151.0	0.0	135.9	11.8	147.7
Non-financial assets at fair value through profit or loss								
Inventories	15.4	363.8	68.5	447.7	59.0	307.1	108.5	474.6
Total	52.8	8 101.7	878.0	9 032.5	123.2	17 586.1	925.8	18 635.1
Assets not measured at fair value in the balance sheet								
Financial receivables (non-current)	0.0	299.5	0.0	299.5	0.0	192.9	0.0	192.9
Total	0.0	299.5	0.0	299.5	0.0	192.9	0.0	192.9

1) Gross values without considering the netting agreements.

4. Capital and risk management

CHF million	30.9.2024				30.9.2023			
	Level 1	Level 2	Level 3	Fair value ¹⁾	Level 1	Level 2	Level 3	Fair value ¹⁾
Liabilities measured at fair value								
Derivative financial instruments at fair value through profit or loss (held for trading)								
Energy derivatives	48.3	5 854.9	660.0	6 563.2	76.1	16 304.9	367.6	16 748.6
Currency forward contracts	0.0	62.2	0.0	62.2	0.0	106.7	0.0	106.7
Interest rate swaps	0.0	42.5	0.0	42.5	0.0	28.1	0.0	28.1
Derivative financial instruments at fair value through other comprehensive income with recycling (hedge accounting)								
Energy derivatives	0.0	4.3	0.0	4.3	0.0	50.5	0.0	50.5
Currency forward contracts	0.0	2.6	0.0	2.6	0.0	0.5	0.0	0.5
Interest rate swaps	0.0	0.2	0.0	0.2	0.0	0.0	0.0	0.0
Total	48.3	5 966.7	660.0	6 675.0	76.1	16 490.7	367.6	16 934.4
Liabilities not measured at fair value in the balance sheet								
Financial liabilities (non-current)	2 710.9	1 544.9	0.0	4 255.8	2 847.4	1 645.0	0.0	4 492.4
Total	2 710.9	1 544.9	0.0	4 255.8	2 847.4	1 645.0	0.0	4 492.4

1) Gross values without considering the netting agreements.

The table above does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

The fair values of "Financial receivables (non-current)" and "Financial liabilities (non-cur-

rent)" are equivalent to the net present value of the payments associated with these assets and liabilities, calculated using the current interest rates which apply to the loans, or the current bond price of bonds issued without including the interest accrued.

Standard forward contracts and derivatives in energy trading are recognised gross in the three-level hierarchy, before netting of positive and negative replacement values.

4. Capital and risk management

Movements in level 3 instruments

The following table shows the movements in level 3 financial instruments measured at fair value:

CHF million	Assets	Liabilities	Total
Balance as at 1.10.2022	3 779.2	- 1 680.8	2 098.4
Purchases	237.9	0.0	237.9
Sales	- 70.5	0.0	- 70.5
Profit or loss recognised in the income statement	- 2 683.3	1 223.7	- 1 459.6
Transfer to level 3	0.0	- 1.5	- 1.5
Transfer out of level 3	- 331.6	99.6	- 232.0
Foreign currency translation	- 5.9	- 8.6	- 14.5
Balance as at 30.9.2023	925.8	- 367.6	558.2
Purchases	115.9	0.0	115.9
Sales	- 45.5	0.0	- 45.5
Profit or loss recognised in the income statement	65.1	- 379.9	- 314.8
Transfer out of level 3	- 159.6	80.5	- 79.1
Foreign currency translation	- 23.7	7.0	- 16.7
Balance as at 30.9.2024	878.0	- 660.0	218.0

The table shows the financial instruments whose fair value is measured using valuation models in which significant parameters are based on non-observable market data. On initial recognition, financial instruments of this type are accounted for at fair value using the valuation model on day one, although this value may deviate from the transaction price. Any material deviation from the transaction price is accrued as a day-one profit. In most cases, day-one losses are immediately recognised in the income statement.

The transfer from level 3 to level 2 relates to financial instruments whose measurement is now based on observable market data, and the transfer from level 2 to level 3 relates to financial instruments whose measurement is no longer based on observable market data. There were no transfers between level 1 and 2 in the reporting year or the previous year.

A change in energy prices of +/-10% would lead to an increase/decrease in the total fair value of level 3 instruments of CHF 67.3 million (previous year: CHF 165.2 million) and CHF -67.3 million (previous year: CHF -156.5 million) respectively. In order to hedge long-term contracts assigned to level 3, the Axpo Group enters into hedges possibly classified as level 2. Thus, the sensitivity analysis of level 3 instruments does not include the offsetting effect from the hedging position.

4. Capital and risk management

Movements in day-one profits or losses

The following tables show the reconciliation of the changes in the accumulated deviations (movement in the deferred day-one profit or loss) and the accumulated deviations that were not yet recognised in the income statement at the beginning and end of the period.

CHF million	Day-one loss	Day-one profit	Total
Balance as at 1.10.2022	51.3	- 528.2	- 476.9
Deferred profit/loss arising from new transactions	0.0	- 198.4	- 198.4
Profit or loss recognised in the income statement	- 8.8	173.7	164.9
Foreign currency translation	- 3.4	- 6.8	- 10.2
Balance as at 30.9.2023	39.1	- 559.7	- 520.6
Deferred profit/loss arising from new transactions	0.0	- 67.1	- 67.1
Profit or loss recognised in the income statement	- 8.5	157.0	148.5
Foreign currency translation	- 2.4	- 2.5	- 4.9
Balance as at 30.9.2024	28.2	- 472.3	- 444.1

The accrued day-one profits or losses are amortised on a straight-line basis until the underlying market of the contract becomes liquid, and are recognised in the result from energy

derivatives trading. They are also reclassified to the income statement if the transaction is settled.

Profits and losses on level 3 instruments recognised in the income statement including day-one profits or losses

CHF million	Result from energy derivatives trading	
	2023/24	2022/23
Total profit or loss for the financial year recognised in the income statement	- 166.3	- 1 294.7
Total profit or loss recognised in the income statement on financial instruments held at financial year-end	- 457.1	- 1 071.5

Axpo manages energy derivatives on a portfolio basis. No distinction is made between the individual levels in the management of the portfolio.

4. Capital and risk management

Accounting principles

Energy derivatives

Axpo trades in contracts in the form of forward transactions (forwards, futures, swaps) and options with energy as the underlying (electricity, gas, oil, coal, LNG, biomass and certificates). Contracts which are entered into with the sole intention of generating a profit from short-term fluctuations in price or dealer's margin are presented as current, regardless of their contract term. Derivatives which have a term to maturity of more than 12 months and have no speculative purpose are presented as non-current.

The management of Axpo's production portfolio is usually carried out using physical forward or future contracts. First sales of the Group's own production energy with physical forward contracts or futures are treated as own-use contracts. They are not reported as derivative financial instruments at fair value according to IFRS 9, but rather as executory contracts in accordance with the rules of IAS 37. Revenue from such sales is recognised upon delivery. The margin call is recorded as other receivables and other liabilities.

Other transactions in the management chain of the sale of own-production energy are used as hedging instruments and measured at fair value through profit or loss in "Result from energy derivatives trading".

Netting of energy derivatives

If a framework agreement with a netting clause exists for a counterparty and if there is an enforceable legal right to offset and the intention to settle net, the positive and negative replacement values which fall due simultaneously are netted. However, no netting is applied between derivative financial instruments which are held for trading and derivative financial instruments which are designated as hedging instruments.

Foreign currency and interest rate derivatives

To hedge exchange and interest rate risks, derivative financial instruments are used when required. This is done in accordance with existing guidelines on hedging. Realised and unrealised changes in the fair value of financial instruments which are used to hedge foreign exchange risks of the current operating activ-

ities and are generally held for trading are accounted for in "Other operating income".

Realised and unrealised changes in fair value from financial instruments which are used to hedge exchange and interest rate risks on financial assets or debt financing are recognised as "Financial income" or "Financial expense" in the income statement.

In some cases, cash flow hedge accounting is used to hedge foreign exchange and interest rate risks on planned, highly probable forecast energy transactions and interest payments. In this case, the effective portion of the change in fair value of the hedging instrument is first recognised in other comprehensive income outside the income statement and only recognised in the income statement at such time as the planned underlying transaction has an effect on the income statement. The ineffective part of the hedging relationship is recognised in the income statement, in "Other operating income" in the case of foreign exchange hedges and in "Financial income" or "Financial expense" in the case of interest rate hedges.

Day-one profit/loss

When purchasing a financial instrument measured at fair value using unobservable market data on the date the contract is signed, a positive difference between the calculated fair value and the purchase price is accrued as day-one profit. Day-one profit is released using the straight-line method on conclusion of the contract up to the point when the underlying market becomes liquid. It is also reclassified to the income statement when the transaction is settled. In most cases, day-one losses are immediately recognised in the income statement.

4. Capital and risk management

Significant judgments and estimation uncertainties**Accounting for energy derivatives**

Some contracts need to be analysed to ascertain whether they have to be treated as derivatives or, like own-use contracts, as executory contracts. At the Axpo Group, the corresponding accounting of the contracts is based on the allocation to a business model. Contracts concluded under the business model customer solution generally meet the definition of a derivative and are managed on a portfolio basis. Therefore, all contracts of this business model are measured at fair value.

The production portfolio is managed by means of forward transactions and futures contracts, which are accounted for as own-use contracts like executory contracts or are designated as hedging instruments in a cash flow hedge relationship.

The distinction between business models and the subsequent definition of accounting for contracts is a discretionary decision made by the management.

Fair value of financial instruments

Financial assets and liabilities as well as derivatives are recognised in the balance sheet at their fair value. Wherever possible, the fair value applied to financial instruments is based on rates and prices quoted on active markets. The fair value of financial instruments for which no active market or official quoted prices exist is determined using accepted valuation models, applying observable market data, if available, as input factors. If no observable market data are available, the input factors are estimated based on reasonable assumptions. Models always provide an estimation or approximation of a value which cannot be determined with certainty.

The fair value obtained using this method reflects the assumptions of management and may vary depending on the choice of input factors and model. The actually realisable cash flows may therefore deviate from the model values based on estimates and assumptions.

4. Capital and risk management

4.5.4 Credit risks

Credit risks are risks of potential losses that may result from the inability of a business partner to pay or the inability of a trading partner and distributor to meet its contractual obligations. Cluster risks with treasury counterparties are avoided. In general, a sufficient minimum liquidity and an adequate staggering of maturities are required.

The credit risk that arises from operating business activities is managed by setting credit limits, the amount of which is defined for each transaction. Receivables from counterparties are continuously monitored, and new contractual parties are subjected to a credit check. Within the scope of credit risk management, collateral is negotiated with business partners to reduce credit risk to the greatest extent possible. In particular, credit support annexes, guarantees from the respective parent companies, letters of comfort and bank guarantees are accepted as collateral.

By distributing the risk across different counterparties, customers and countries, the credit risk is spread and diversified accordingly.

Carrying amounts of financial assets

The following table shows the carrying amounts of the financial assets, grouped according to the categories defined in IFRS 9:

	Note	Carrying amount	Carrying amount
CHF million		30.9.2024	30.9.2023
Financial assets measured at amortised cost		13 315.5	14 989.7
Loan receivables (current and non-current)	4.3	286.1	198.1
Time deposits (current and non-current)	4.3	1.4	0.0
Other financial receivables (current)	4.3	201.7	262.3
Trade receivables		1 333.2	1 581.0
Revenues not yet invoiced	3.5	3 168.2	3 847.9
Other receivables (non-current)	3.5	24.9	13.8
Other receivables (current)	3.5	1 097.8	1 692.4
Cash and cash equivalents	4.2	7 202.2	7 394.2
Financial assets at fair value through profit or loss (mandatory)		6 808.8	11 969.1
Financial assets at fair value (through profit or loss)	4.3	151.0	147.7
Energy derivatives		6 561.4	11 597.5
Currency forward contracts		70.7	118.1
Interest rate swaps		25.7	105.8
Financial assets at fair value through other comprehensive income with recycling (hedge accounting)		133.2	253.6
Energy derivatives		0.0	0.2
Currency forward contracts		113.1	208.2
Interest rate swaps		20.1	45.2
Total financial assets		20 257.5	27 212.4
Contract assets	3.5	73.1	60.5
./. Total shares and participation certificates accounted for at fair value		13.6	12.2
Maximum credit default risk		20 317.0	27 260.7

4. Capital and risk management

Ageing analysis of trade receivables/revenue not yet invoiced and their loss allowances

Industrial and wholesale customers as at 30 September 2024

CHF million	Not yet due	Past due 1-30 days	Past due 31-90 days	Past due 91-180 days	Past due 181-360 days	Past due > 360 days	Total
Counterparty rating AAA	55.8	0.3	1.5	1.5	0.3	0.0	59.4
Counterparty rating AA	199.7	7.2	2.4	0.4	0.2	1.7	211.6
Counterparty rating A	459.4	33.0	5.8	7.9	9.2	2.0	517.3
Counterparty rating BBB	1 240.5	77.9	13.4	4.1	1.8	18.8	1 356.5
Counterparty rating BB	1 120.9	33.7	7.6	6.4	2.7	24.2	1 195.5
Counterparty rating B	577.9	15.5	4.8	14.8	2.1	16.0	631.1
Counterparty rating CCC	65.2	2.3	2.3	2.5	0.0	39.3	111.6
Acquisition cost	3 719.4	169.9	37.8	37.6	16.3	102.0	4 083.0
Loss allowances	-2.7	0.0	-2.9	-1.6	-1.2	-93.1	-101.5
Net carrying amount	3 716.7	169.9	34.9	36.0	15.1	8.9	3 981.5

Industrial and wholesale customers as at 30 September 2023

CHF million	Not yet due	Past due 1-30 days	Past due 31-90 days	Past due 91-180 days	Past due 181-360 days	Past due > 360 days	Total
Counterparty rating AAA	25.7	0.2	0.3	0.1	0.0	0.0	26.3
Counterparty rating AA	145.8	13.0	0.6	0.9	0.8	0.0	161.1
Counterparty rating A	358.1	18.9	8.2	2.1	1.0	0.7	389.0
Counterparty rating BBB	2 000.2	58.3	11.9	11.6	2.1	25.3	2 109.4
Counterparty rating BB	1 273.4	38.3	8.2	8.2	19.9	23.5	1 371.5
Counterparty rating B	373.1	13.3	8.4	4.3	4.2	10.4	413.7
Counterparty rating CCC	19.8	4.8	11.7	23.5	30.6	30.6	121.0
Counterparty rating < CCC	0.0	0.0	0.0	0.0	0.0	20.1	20.1
Acquisition cost	4 196.1	146.8	49.3	50.7	58.6	110.6	4 612.1
Loss allowances	-3.3	-0.5	-0.5	-6.6	-11.5	-93.6	-116.0
Net carrying amount	4 192.8	146.3	48.8	44.1	47.1	17.0	4 496.1

4. Capital and risk management

Retail customers as at 30 September 2024

CHF million	Not yet due	Past due 1-30 days	Past due 31-90 days	Past due 91-180 days	Past due 181-360 days	Past due > 360 days	Total
Trade receivables and revenue not yet invoiced	475.4	29.6	19.1	12.5	9.7	129.9	676.2
Acquisition cost	475.4	29.6	19.1	12.5	9.7	129.9	676.2
Loss allowances	- 3.0	- 4.3	- 5.2	- 7.7	- 8.4	- 127.7	- 156.3
Net carrying amount	472.4	25.3	13.9	4.8	1.3	2.2	519.9

Retail customers as at 30 September 2023

CHF million	Not yet due	Past due 1-30 days	Past due 31-90 days	Past due 91-180 days	Past due 181-360 days	Past due > 360 days	Total
Trade receivables and revenue not yet invoiced	797.0	117.9	7.1	5.1	23.7	115.6	1 066.4
Acquisition cost	797.0	117.9	7.1	5.1	23.7	115.6	1 066.4
Loss allowances	- 2.2	- 0.5	- 0.7	- 1.5	- 17.1	- 111.6	- 133.6
Net carrying amount	794.8	117.4	6.4	3.6	6.6	4.0	932.8

4. Capital and risk management

Loss allowances created, released or no longer required

The following table shows the development of loss allowances for trade receivables/revenue not yet invoiced:

CHF million	Industrial and wholesale customers	Retail customers	Total
Loss allowances as at 1.10.2022	128.5	97.1	225.6
Financial receivables derecognised during reporting year	-7.1	-13.2	-20.3
Financial receivables recognised during reporting year	20.4	53.8	74.2
Write-offs	-26.6	-5.1	-31.7
Changes in models/risk parameters	0.1	0.0	0.1
Foreign currency translation	0.7	1.0	1.7
Loss allowances as at 30.9.2023	116.0	133.6	249.6
Financial receivables derecognised during reporting year	-18.9	-15.3	-34.2
Financial receivables recognised during reporting year	5.9	44.0	49.9
Write-offs	-1.0	-6.4	-7.4
Changes in models/risk parameters	2.0	2.7	4.7
Foreign currency translation	-2.5	-2.3	-4.8
Loss allowances as at 30.9.2024	101.5	156.3	257.8

Credit risk concentration of trade receivables/revenue not yet invoiced by geographical area

CHF million	Carrying amount 30.9.2024	Carrying amount 30.9.2023
Western Europe	1 650.3	2 088.5
Southern Europe	1 053.8	1 459.7
Central Europe	1 585.5	1 704.7
Rest of Europe	146.2	97.3
Outside Europe	65.6	78.7
Total	4 501.4	5 428.9

4. Capital and risk management

Development of credit quality for the 2023/24 financial year

CHF million	No or low increase in default risk	Significant increase in default risk - credit impaired	Total
Acquisition cost			
Balance as at 1.10.2023	6 871.9	3.3	6 875.2
Transfer between stages	- 0.9	0.9	0.0
Additions	1 972.2	0.0	1 972.2
Repayments	- 2 817.9	0.0	- 2 817.9
Evaluation changes	- 2.4	0.0	- 2.4
Reclassification to/from "Assets held for sale"	114.2	0.0	114.2
Reclassification	- 2.9	0.0	- 2.9
Change in scope of consolidation	- 275.1	0.0	- 275.1
Foreign currency translation	- 17.8	0.0	17.8
Balance as at 30.9.2024	5 841.3	4.2	5 845.5
Counterparty rating AA	1 159.5	0.0	1 159.5
Counterparty rating A	3 645.2	0.0	3 645.2
Counterparty rating BBB	606.8	0.0	606.8
Counterparty rating BB	309.8	0.0	309.8
Counterparty rating B	120.0	0.9	120.9
Counterparty rating CCC	0.0	3.3	3.3
Balance as at 30.9.2024	5 841.3	4.2	5 845.5

CHF million	No or low increase in default risk	Significant increase in default risk - credit impaired	Total
Loss allowances			
Balance as at 1.10.2023	- 75.3	- 3.3	- 78.6
Transfer between stages	0.9	- 0.9	0.0
Financial receivables derecognised during reporting year	3.1	0.0	3.1
Financial receivables recognised during reporting year	- 2.8	0.0	- 2.8
Changes in models/risk parameters	- 6.6	0.0	- 6.6
Foreign currency translation	1.8	0.0	1.8
Balance as at 30.9.2024	- 78.9	- 4.2	- 83.1
Net carrying amount as at 30.9.2024	5 762.4	0.0	5 762.4
Thereof:			
Loan receivables (non-current)			269.5
Time deposits (non-current)			1.4
Loan receivables (current)			16.6
Other financial receivables (current)			201.7
Investments (current)			4 547.9
Credit support annex receivables			517.3
Initial margin for exchanges			208.0

4. Capital and risk management

Development of credit quality for the 2022/23 financial year

CHF million	No or low increase in default risk	Significant increase in default risk - credit impaired	Total
Acquisition cost			
Balance as at 1.10.2022	6 564.5	3.3	6 564.78
Additions	18 946.1	0.0	18 946.1
Repayments	- 18 456.6	0.0	- 18 456.6
Evaluation changes	2.1	0.0	2.1
Reclassification to/from "Assets held for sale"	- 166.9	0.0	- 166.9
Reclassification	- 3.1	0.0	- 3.1
Change in scope of consolidation	- 19.0	0.0	- 19.0
Foreign currency translation	4.8	0.0	4.8
Balance as at 30.9.2023	6 871.9	3.3	6 875.2
Counterparty rating AA	218.3	0.0	218.0
Counterparty rating A	4 760.0	0.0	4 760.0
Counterparty rating BBB	1 587.7	0.0	1 587.7
Counterparty rating BB	157.4	0.0	157.4
Counterparty rating B	148.5	0.0	148.5
Counterparty rating CCC	0.0	3.3	3.3
Balance as at 30.9.2023	6 871.9	3.3	6 875.2

CHF million	No or low increase in default risk	Significant increase in default risk - credit impaired	Total
Loss allowances			
Balance as at 1.10.2022	- 76.3	- 3.3	- 79.6
Financial receivables derecognised during reporting year	2.7	0.0	2.7
Financial receivables recognised during reporting year	- 3.1	0.0	- 3.1
Changes in models/risk parameters	2.7	0.0	2.7
Reclassification to/from "Assets held for sale"	- 0.5	0.0	- 0.5
Foreign currency translation	- 0.8	0.0	- 0.8
Balance as at 30.9.2023	- 75.3	- 3.3	- 78.6
Net carrying amount as at 30.9.2023	6 796.6	0.0	6 796.6
Thereof:			
Loan receivables (non-current)			180.5
Loan receivables (current)			17.6
Other financial receivables (current)			262.3
Short-term investments			5 052.8
Credit support annex receivables			1 072.3
Initial margin for exchanges			211.1

4. Capital and risk management

Transfer of trade receivables

Axpo has transferred trade receivables to banks against cash. The carrying amount of the trade receivables transferred as at 30 September 2024 was CHF 763.3 million (previous year: CHF 601.8 million). The trade receivables were derecognised as substantially all risks and rewards, primarily the default risk, were transferred to banks. The portion of the trade receivables for which the risk remains with Axpo was not derecognised.

Cash and cash equivalents, financial assets and financial receivables

Time and sight deposits are preferably held with financial institutions which have been rated at least BBB.

Derivative financial instruments

Axpo monitors the creditworthiness of its transaction partners in the energy trading sector on a timely basis and assesses their creditworthiness on the basis of external and internal ratings. Interest rate and currency derivatives are only concluded with banks that have a rating of at least BBB.

Collateral

A significant portion of the energy transactions in the Axpo Group are concluded on the basis of framework agreements such as the EFET (European Federation of Energy Traders) General Agreement on Power or Gas, the ISDA (International Swaps and Derivatives Association) or the DRV (German Master Agreement for Financial Forward Transactions). In the event of the insolvency of a business partner, these provide for an offsetting of open transactions (see the "Additional netting potential" column of the table entitled "Netting of positive and negative derivative financial instruments").

In addition, the credit risk is reduced by the collateral received. In the case of major credit risks, credit support annexes (CSAs) are attached to the framework agreements in which regular reciprocal margin payments are agreed as additional collateral, mostly in the form of cash. The collateral is received and delivered in the form of cash and stand-by letters of credit. Cash collateral is presented in the line item "Credit support annex (CSA)", and the stand-by letters of

credit received in the line item "Bank guarantee". Stand-by letters of credit and bank guarantees delivered are not presented in the table below as they are part of the used credit line (see Note 4.5.6 "Liquidity risks"). Another option for collateral provided and received are payment guarantees. Payment guarantees are irrevocable and undisputable during the term of the contract. Furthermore, they can be drawn immediately on first demand.

Since such collateral is not only received for transactions allocated to a trading book but also for off-balance-sheet items that are assigned to an own-use book, the collateral cannot be meaningfully allocated to individual balance sheet items.

4. Capital and risk management

Financial securities received

CHF million	30.9.2024	30.9.2023
Credit support annex (CSA)	143.6	189.5
Bank guarantees	828.9	1 179.5
Payment guarantees	3 096.0	2 936.3
Other	131.3	100.5
Total	4 199.8	4 405.8

Financial securities delivered

CHF million	30.9.2024	30.9.2023
Credit support annex (CSA)	517.3	1 072.4
Payment guarantees	75.3	28.2
Other	0.0	253.0
Total	592.6	1 353.6

CSAs are recorded at nominal value in the balance sheet, whereas guarantees are recorded at fair value. The fair value of the guarantees is normally CHF 0.0. Guarantees and comfort letters issued within the Axpo Group are only disclosed in the separate statements of the company that granted them.

In some countries Axpo has joint liabilities in the event of the default of another exchange participant, no matter if this participant is a counterparty of Axpo or not.

4. Capital and risk management

Netting of positive and negative derivative financial instruments as at 30 September 2024

CHF million	Assets subject to legally enforceable netting agreements			Assets not subject to master netting agreements or to legally enforceable master netting agreements	Total assets recognised on the balance sheet	Additional netting potential	Assets after recognition of the netting potential
	Gross assets before balance sheet netting	Netting	Net assets after balance sheet netting			Netting potential not reported on the balance sheet	
Positive derivative financial instruments at fair value through profit or loss (held for trading)							
Energy derivatives	6 207.6	- 1 642.8	4 564.8	1 996.6	6 561.4	- 1 248.0	5 313.4
Forward currency contracts	0.0	0.0	0.0	70.7	70.7	0.0	70.7
Interest rate swaps	0.0	0.0	0.0	25.7	25.7	0.0	25.7
Positive derivative financial instruments at fair value through other comprehensive income with recycling (hedge accounting)							
Forward currency contracts	0.0	0.0	0.0	113.1	113.1	0.0	113.1
Interest rate swaps	0.0	0.0	0.0	20.1	20.1	0.0	20.1
Total	6 207.6	- 1 642.8	4 564.8	2 226.2	6 791.0	- 1 248.0	5 543.0

4. Capital and risk management

CHF million	Liabilities subject to legally enforceable netting agreements			Liabilities not subject to master netting agreements or to legally enforceable master netting agreements	Total liabilities recognised on the balance sheet	Additional netting potential	Liabilities after recognition of the netting potential
	Gross liabilities before balance sheet netting	Netting	Net liabilities after balance sheet netting			Netting potential not reported on the balance sheet	
Negative derivative financial liabilities at fair value through profit or loss (held for trading)							
Energy derivatives	4 668.7	- 1 642.8	3 025.9	1 894.5	4 920.4	- 1 248.0	3 672.4
Forward currency contracts	0.0	0.0	0.0	62.2	62.2	0.0	62.2
Interest rate swaps	0.0	0.0	0.0	42.5	42.5	0.0	42.5
Negative derivative financial liabilities at fair value through other comprehensive income with recycling (hedge accounting)							
Energy derivatives	0.0	0.0	0.0	4.3	4.3	0.0	4.3
Forward currency contracts	0.0	0.0	0.0	2.6	2.6	0.0	2.6
Interest rate swaps	0.0	0.0	0.0	0.2	0.2	0.0	0.2
Total	4 668.7	- 1 642.8	3 025.9	2 006.3	5 032.2	- 1 248.0	3 784.2

4. Capital and risk management

Netting of positive and negative derivative financial instruments as at 30 September 2023

CHF million	Assets subject to legally enforceable netting agreements			Assets not subject to master netting agreements or to legally enforceable master netting agreements	Total assets recognised on the balance sheet	Additional netting potential	Assets after recognition of the netting potential
	Gross assets before balance sheet netting	Netting	Net assets after balance sheet netting			Netting potential not reported on the balance sheet	
Positive derivative financial instruments at fair value through profit or loss (held for trading)							
Energy derivatives	13 418.8	- 5 934.4	7 484.4	4 113.1	11 597.5	- 2 205.5	9 392.0
Forward currency contracts	0.0	0.0	0.0	118.1	118.1	0.0	118.1
Interest rate swaps	0.0	0.0	0.0	105.8	105.8	0.0	105.8
Positive derivative financial instruments at fair value through other comprehensive income with recycling (hedge accounting)							
Energy derivatives	3.6	- 3.4	0.2	0.0	0.2	0.0	0.2
Forward currency contracts	0.0	0.0	0.0	208.2	208.2	0.0	208.2
Interest rate swaps	0.0	0.0	0.0	45.2	45.2	0.0	45.2
Total	13 422.4	- 5 937.8	7 484.6	4 590.4	12 075.0	- 2 205.5	9 869.5

4. Capital and risk management

CHF million	Liabilities subject to legally enforceable netting agreements			Liabilities not subject to master netting agreements or to legally enforceable master netting agreements	Total liabilities recognised on the balance sheet	Additional netting potential	Liabilities after recognition of the netting potential
	Gross liabilities before balance sheet netting	Netting	Net liabilities after balance sheet netting			Netting potential not reported on the balance sheet	
Negative derivative financial liabilities at fair value through profit or loss (held for trading)							
Energy derivatives	13 899.9	- 5 934.4	7 965.5	2 848.7	10 814.2	- 2 205.5	8 608.7
Forward currency contracts	0.0	0.0	0.0	106.7	106.7	0.0	106.7
Interest rate swaps	0.0	0.0	0.0	28.1	28.1	0.0	28.1
Negative derivative financial liabilities at fair value through other comprehensive income with recycling (hedge accounting)							
Energy derivatives	50.5	- 3.4	47.1	0.0	47.1	0.0	47.1
Forward currency contracts	0.0	0.0	0.0	0.5	0.5	0.0	0.5
Total	13 950.4	- 5 937.8	8 012.6	2 984.0	10 996.6	- 2 205.5	8 791.1

4. Capital and risk management

Axpo manages its energy contracts on a portfolio basis. The majority of procurement contracts are offset by sales contracts, and vice versa. These contracts are recognised at fair value or as executory contracts. The replacement values of contracts recognised at fair value are a result of the difference between the contract price and the prevailing market price. The risk of counterparty default increases as energy prices rise, as the replacement of procurement/sales contracts is carried out at market price. Axpo mitigates this risk by concluding netting agreements, establishing internal credit limits and demanding collateral (see table "Financial securities received").

The netted receivables and payables included in "Revenues not yet invoiced" and "Operating expenses not yet invoiced" amounted to CHF 1,147.9 million (previous year: CHF 1,728.4 million; see Note 3.5 "Other receivables" and Note 3.6 "Other liabilities").

Accounting principles

Impairment of non-derivative financial assets

Axpo uses the simplified approach permitted by IFRS 9 for the calculation of loss allowances for the balance sheet items trade receivables, revenue not yet invoiced, contract assets, and current and non-current lease receivables. The loss allowances are calculated over the entire term of the contract. The loss allowances for these items are calculated on the basis of a maturity matrix. The same maturity matrix is used per country for retail customers. The loss allowances for all other counterparties are calculated on the basis of a maturity matrix and the counterparty rating.

For all other financial assets for which the simplified approach is not envisaged, the loss allowances are calculated using the three-stage approach. The loss allowances are calculated on the basis of the counterparty rating and the remaining term. Depending on which stage it is allocated to, the risk provision is calculated over 12 months or the contract term if shorter (stage 1) or over the entire contract term (stages 2 and 3). Counterparty ratings are based on both

quantitative and qualitative information and analysis. The probability of default per counterparty rating and contract term is consistent with observable industry values and is based on historical defaults, current information and future expectations.

From Axpo's point of view, a financial asset has a low default risk if its counterparty rating meets the definition of "investment grade". Axpo defines a rating of up to and including BBB as investment grade. Financial assets with such a rating are assigned to stage 1. There is no further review of the increase in credit risk.

Axpo also assumes that the risk of a financial asset defaulting has increased significantly if it is more than 30 days past due or if the counterparty rating has deteriorated by more than two stages since the contract was concluded and is outside investment grade. In this case, a financial asset is allocated to stage 2.

Axpo considers a financial asset to be credit-impaired if the borrower has filed for bankruptcy or if the financial asset is more than 90 days

past due. These assets are allocated to stage 3. Assets remain impaired on the balance sheet until foreclosure has been completed.

The assumptions made when 30 or 90 days are past due can be rebutted if appropriate and supportive information is available.

If there are indications of impairment, loss allowances are calculated on an individual basis and recognised. Axpo assumes a recovery rate of 20% on financial receivables past due for more than 360 days.

Loss allowances for financial receivables of an operating nature and for financial guarantees and credit lines not yet drawn are recognised above EBIT, while loss allowances for financial receivables of a financing nature are recognised in the financial result.

Netting agreements

If a framework agreement with a netting clause exists for a counterparty and if there is an enforceable legal right to offset and the intention to settle net, the positive and negative re-

4. Capital and risk management

Accounting principles

placement values which fall due simultaneously (in the same calendar month) are netted. No netting is applied between derivative financial instruments which are “held for trading” and derivative financial instruments which are designated as hedging instruments. Additionally, credit support annexes received and delivered are not included in netting.

On the other hand, trade receivables from customers who are also suppliers are offset against trade payables, provided a netting arrangement has been agreed and there is the intention to settle net or to settle simultaneously.

4.5.5 Volume risks

Volume risks arise as a result of production fluctuations that are influenced, for example, by water, wind and sun levels, as well as the production capacity of nuclear power plants, a lack of demand or bottlenecks in energy resources. If there are unexpected reductions in production, Axpco still has to ensure the delivery of any energy sold in advance. This previously guaranteed quantity must then be procured on the spot market, which can result in financial losses depending on the price level.

Axpco has established various mechanisms that mitigate volume risks. The broadly diversified origination portfolio ensures, among other things, that fluctuations in procurement and sales can be levelled out. Volume risks are additionally taken into account in the hedging strategy.

4.5.6 Liquidity risks

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group Treasury department is responsible for liquidity management, which encompasses the planning, monitoring, provision and optimisation of liquidity.

The focus on liquidity risk management and more intensive financing activities has made a significant contribution to Axpco’s ability to fulfil its financial obligations at all times, despite enormous market turbulence and large temporary liquidity outflows.

The following key measures are continuously monitored and further improved in order to protect the Group’s liquidity.

Financing

Various measures are used to ensure liquidity, such as liquidity swaps, factoring, green bond issuance and new lines of credit. Cash pooling and smoothing of cash balances within the business areas are used to achieve optimum cash management. Liquidity in the project business is essentially ensured via specific project financing and by refinancing on the money and capital markets.

Liquidity risk methodology

A combination of various liquidity risk indicators are used to identify and assess risks and derive suitable risk mitigation measures. The approaches implemented are a risk modelling system based on historical data (liquidity-

at-risk; LaR) as well as a forward-looking liquidity heatmap based on various extreme price move scenarios. The LaR indicator measures possible liquidity outflows due to market risks (including cash outflows due to collateral in the trading business), credit risks (including cash outflows due to the switch from cash to credit lines and cash outflows due to credit defaults), volume risks (including cash outflows due to replacement purchases on the spot markets) and operational risks. The liquidity heatmap analyses the sensitivities of the most important risk factors. The LaR and the liquidity heatmap are recorded together with the available liquidity and regularly reported to the Executive Board and the Board of Directors.

Portfolio management

The triangular relationship between market, credit and liquidity risk means that measures to reduce liquidity risk increase market risk or credit risk in relation to various counterparties (“trilemma”). The portfolio is regularly reviewed with the aim of optimising the portfolio and ensuring an appropriate balance between these risks.

4. Capital and risk management

Contingency plan

Axpo has a contingency plan with regard to liquidity scenarios. This defines worst-case scenarios, measures and responsibilities, which will allow Axpo to remain able to function in the event of a crisis. The contingency plan is regularly analysed, adjusted and further developed if necessary.

Subordinated unsecured line of credit

In September 2022, Axpo submitted a precautionary application to the Swiss federal government for a subordinated unsecured credit line of CHF 4 billion due to the unprecedented turmoil on European energy markets. In the meantime, significant market factors have changed and Axpo has taken further financing measures to improve its financial profile and liquidity situation. The hedging strategy and portfolio management have also been adjusted. As a result, Axpo is less susceptible to future, unexpected severe market distortions. On 1 December 2023, the decision of the Federal Council and the Finance Delegation concerning the credit line of CHF 4 billion was revoked at Axpo's request. The credit line was never utilised at any time.

Credit lines

CHF million	30.9.2024	30.9.2023
Uncommitted credit lines from banks and financial institutions	5 172.1	5 505.5
Thereof:		
Used for loans and guarantees	1 801.6	3 111.3
Remaining credit lines	3 370.5	2 394.2
Committed credit lines from banks	6 720.6	6 110.8
Thereof:		
Used for loans and guarantees	728.4	1 736.6
Remaining credit lines	5 992.2	4 374.2

4. Capital and risk management

Maturity analysis of financial liabilities and derivative financial instruments as at 30 September 2024

CHF million	Carrying amount	Cash flows	At sight	< 3 months	3-12 months	1-5 years	> 5 years
Financial liabilities measured at amortised cost							
Trade payables	821.1	821.1	0.0	784.4	8.0	28.7	0.0
Financial liabilities (current and non-current)	5 564.0	6 326.4	0.6	809.2	715.6	2 993.8	1 807.2
Other liabilities (current and non-current)	753.1	758.7	143.6	424.7	120.9	63.6	5.9
Operating expenses not yet invoiced	3 063.2	3 063.2	7.1	3 045.4	10.7	0.0	0.0
Total cash outflow		10 969.4	151.3 ¹⁾	5 063.7	855.2	3 086.1	1 813.1
Derivative financial instruments at fair value							
Net carrying amount of energy derivatives	1 636.7						
Gross cash inflow		80 925.4	8 351.3	16 362.6	17 327.7	38 195.8	688.0
Gross cash outflow		69 241.4	6 395.7	15 259.9	14 668.5	31 800.0	1 117.3
Net carrying amount of currency forward contracts	119.0						
Gross cash inflow		7 616.2	0.0	1 792.6	3 168.9	2 654.7	0.0
Gross cash outflow		7 570.0	0.0	1 754.9	3 125.6	2 689.5	0.0
Net carrying amount of interest rate swaps	3.1						
Gross cash inflow		335.5	0.0	60.0	49.7	164.8	61.0
Gross cash outflow		312.5	0.0	56.2	56.7	149.1	50.5
Total net cash inflow (-)/outflow (+)		- 11 753.2	- 1 955.6	- 1 144.2	- 2 695.5	- 6 376.7	418.8

1) Amounts at sight are mainly credit support annexes received. The cash inflows and outflows are not predictable and depend on market movements.

The maturity analysis is based on undiscounted cash flows. In accordance with the applicable standard, liquidity risk relates only to financial liabilities. In order to show the effective liquidity risk arising from derivative financial instruments, the cash inflow/outflow under "Derivative financial instruments" in the adjoining table relates to contracts with positive and negative replacement values.

In order to hedge its own energy production and long-term energy sales and purchase contracts, known as "own-use" contracts, the Axpo Group enters into both energy sales and purchase contracts. These hedging transactions are included in the adjoining maturity analysis. As contracts assigned to own-use books are executory contracts, no cash flow is presented in the table above for these contracts, thus generating significant accounting mismatches. Furthermore, in some cases, the Axpo Group enters into stack and roll hedges to hedge the purchase or sales volume of long-term contracts for a period of around 36 months.

4. Capital and risk management

Maturity analysis of financial liabilities and derivative financial instruments as at 30 September 2023

CHF million	Carrying amount	Cash flows	At sight	< 3 months	3-12 months	1-5 years	> 5 years
Financial liabilities measured at amortised cost							
Trade payables	1 159.7	1 159.7	0.0	1 102.9	55.0	1.8	0.0
Financial liabilities (current and non-current)	7 151.5	7 927.3	0.0	1 503.0	1 199.1	3 100.4	2 124.8
Other liabilities (current and non-current)	805.4	805.7	189.5	377.6	113.7	101.3	23.6
Operating expenses not yet invoiced	3 416.3	3 416.3	0.0	3 412.3	4.0	0.0	0.0
Total cash outflow		13 309.0	189.5 ¹⁾	6 395.8	1 371.8	3 203.5	2 148.4
Derivative financial instruments at fair value							
Net carrying amount of energy derivatives	736.4						
Gross cash inflow		63 378.5	6 869.5	14 286.6	20 536.1	20 878.9	807.4
Gross cash outflow		57 362.1	5 132.0	13 850.4	18 429.5	17 114.2	2 836.0
Net carrying amount of currency forward contracts	219.1						
Gross cash inflow		12 010.5	1.4	1 783.4	4 984.7	5 241.0	0.0
Gross cash outflow		11 913.6	0.0	1 765.7	4 925.3	5 222.6	0.0
Net carrying amount of interest rate swaps	122.9						
Gross cash inflow		4 879.5	0.0	70.2	1 588.5	2 644.8	576.0
Gross cash outflow		4 740.0	0.0	56.6	1 528.3	2 604.2	550.9
Total net cash inflow (-)/outflow (+)		- 6 252.8	- 1 738.9	- 467.5	- 2 226.2	- 3 823.7	2 003.5

1) Amounts at sight are mainly credit support annexes received. The cash inflows and outflows are not predictable and depend on market movements.

These hedges are assigned to trading books. Cash flows from these hedges are not presented in the same time period as cash flows from long-term contracts.

4. Capital and risk management

4.5.7 Liquidity and ability to continue as a going concern

Axpoholding's financial leeway comprises the available liquidity and the committed credit lines. The minimum liquidity required is determined by Axpoholding Risk Management and analysed weekly together with the Executive Board.

Axpoholding also has processes and instruments that identify significant uncertainties at an early stage that could raise serious doubts regarding the company's ability to continue as a going concern. To assess the liquidity situation, sensitivities in relation to future cash flow forecasts over the coming years were taken into account.

Axpoholding complied with the financial covenants at all times during the financial year. There is no significant uncertainty regarding compliance in the coming financial year.

Axpoholding posted a profit in the reporting period and is budgeting for positive results in the coming years.

The Board of Directors and the Executive Board believe that the going concern assumption is reasonable.

With all of the internal and external financing measures that have already been implemented and are still ongoing, Axpoholding considers its liquidity to be secure for at least 12 months from the balance sheet date.

4.5.8 Operational risks

Operational risks are defined as risks that arise as a result of inadequate or non-functioning internal processes and systems, human factors or external events. At Axpoholding, operational risks include in particular cyber, regulatory and tax risks, as well as process risks. Cyber risks, in particular, have become an increasingly important factor in recent years. As an operator of critical infrastructure with close ties to the government, Axpoholding continuously implements measures to strengthen cyber security, cyber resilience and business continuity management (BCM) in order to protect the company as fully as possible.

Axpoholding is active in many different international markets. The regulatory environment and the increasingly complex tax framework are subject to risks and uncertainties. Axpoholding counters these risks by consulting local law firms and tax experts in order to address possible risks and challenges at an early stage. The internal pro-

cesses, controls and systems undergo continuous further improvement.

Axpoholding is also active in the area of renewable energy as a project developer and operator, particularly in the construction and operation of wind farms and solar power plants. Axpoholding additionally operates gas-fired combined-cycle power plants in Italy and other conventional plants in Switzerland. The approval, construction and operation of these facilities are subject to regulatory risks and changes and are monitored continuously.

4.5.9 Strategic, long-term and non-financial risks

Strategic, long-term and non-financial risks are terms used to describe risks that impact the business strategy or strategic goals, such as reputation, compliance or ESG-related aspirations. Many of the strategic and long-term risks are directly related to opportunities and are closely linked to Axpoholding's corporate governance and strategic orientation.

Strategic and long-term risks are regularly identified and reported to the Executive Board and the Board of Directors.

5. Employees

5. Employees

5.1 Personnel expenses and number of employees

CHF million	2023/24	2022/23
Salaries and wages	- 882.0	- 806.9
Employee benefit expense for defined benefit plans (Note 5.3)	- 54.9	- 49.7
Employee benefit expense for defined contribution plans	- 5.4	- 3.8
Social security and other personnel expenses	- 125.7	- 109.0
Total	- 1 068.0	- 969.4
Number of employees as at balance sheet date (full-time equivalents)		
Employees	6 569	5 988
Apprentices	454	432
Total	7 023	6 420

5.2 Remuneration paid to the Board of Directors and the Executive Board

CHF million	2023/24	2022/23
Board of Directors		
Current compensation	1.2	1.2
Total	1.2	1.2
Executive Board		
Current compensation	7.2	3.8
Pension fund contributions	1.4	0.9
Total	8.6	4.7

No share-based payments, severance payments or other long-term benefit payments were made to the members of the Board of Directors or the Executive Board. For further details, please refer to Note 24 "Remuneration paid to the Board of Directors and the Executive Board" of the separate financial statements of Axpo Holding AG.

5. Employees

5.3 Employee benefits

The Axpo Group has several pension plans in accordance with national legislation in each country. Most employees belong to the PKE-CPE Vorsorgestiftung Energie pension foundation, a legally independent pension fund which qualifies as a defined benefit plan under IAS 19. Besides this, there are only a few other defined benefit and defined contribution plans, all of which are insignificant.

PKE-CPE Vorsorgestiftung Energie

PKE-CPE Vorsorgestiftung Energie is a pension fund with the legal form of a foundation and pension fund under the Swiss Civil Code (ZGB) and the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG). The objective of the foundation is to provide occupational benefits in accordance with the BVG and its ordinances, protecting the employees of the affiliated companies and their families and survivors against the financial consequences of old age, invalidity and death. The pension fund is an independent, all-inclusive pension fund, and the contributions and benefits exceed the minimum legal requirements. The Board of Trustees is the most senior governing body of PKE-CPE Vorsorgestiftung En-

ergie. It is composed of an equal number of employee and employer representatives of the affiliated companies and constitutes itself. The benefits provided by PKE-CPE Vorsorgestiftung Energie and their financing, the organisation and administration, and the relationship with the affiliated companies, the active insured members and the pensioners are defined in the pension fund and organisational regulations.

The employer and employee contributions are defined as a percentage of the insured salary. The old-age pension is determined by multiplying the balance of the retirement savings capital at retirement by the conversion rate defined in the regulations. The employee may draw the pension benefits as a lump-sum payment. The invalidity pension and the spouse's pension are defined as a percentage of the insured salary.

The plan assets are invested by PKE-CPE Vorsorgestiftung Energie jointly for all affiliated companies, which share the actuarial and investment risks of the pension fund. The Board of Trustees is responsible for the investment of the plan assets. The organisation of the investment activities and the related competen-

cies are specified in the investment regulations and investment strategy. The pension fund is exposed to actuarial and investment risks. The investments are made such that the benefits can be paid when they become due. In the event of underfunding, the Board of Trustees, in collaboration with a recognised actuarial expert, implements suitable measures to eliminate the underfunding. If necessary, the interest rate on the retirement savings capital, the financing and the benefits in excess of the minimum requirement under BVG may be adjusted to bring them into line with the funds available. If other measures are not sufficient, PKE-CPE Vorsorgestiftung Energie may require the employer and the employee to pay additional contributions to eliminate the underfunding.

Actuarial assumptions

Given persistently low interest rates and increasing life expectancy, the liabilities from defined benefit plans in Switzerland are measured in accordance with the applicable Swiss law and company practice, taking into account risk sharing between the employer and employees. This is based on regulations and the history of cost sharing between Axpo and its employees as part of past restructuring mea-

asures. Axpo has been applying extended risk sharing since 30 September 2020. Compared with 2020, the financial situation of PKE-CPE Vorsorgestiftung Energie has improved significantly due to the very good returns. Therefore, no measures are required to restore the financial balance of the pension fund, which is why the current regulatory conversion rates are applied, as in the previous year.

As at 30 September 2024, all companies of the Axpo Group have an asset surplus with regard to IAS 19. In accordance with IFRIC 14, the portion of the surplus that can be capitalised in the balance sheet is limited to the economic benefit or the value of the existing employer contribution reserve.

5. Employees

Reconciliation of pension assets/liabilities

CHF million	30.9.2024	30.9.2023
Present value of defined benefit obligation as at 30.9.	2 625.7	2 335.9
Fair value of plan assets as at 30.9.	2 907.1	2 616.6
Surplus (-)/deficit (+) as at 30.9.	- 281.4	- 280.7
Adjustment to asset ceiling	76.0	265.9
Asset surplus (-)/deficit (+) recognised as at 30.9.	- 205.4	- 14.8
thereof recognised as separate asset (-) (Note 3.5)	- 205.4	- 14.8

Pension costs in income statement

CHF million	2023/24	2022/23
Current service cost	54.1	48.7
Interest expense on defined benefit obligation	46.8	48.0
Interest income on plan assets	- 52.5	- 53.4
Interest expense (+)/income (-) on effect of asset ceiling	5.3	5.2
Administration cost excluding asset management cost	1.2	1.2
Pension cost recognised in income statement	54.9	49.7
thereof service cost and administration cost	55.3	49.9
thereof net interest expense (+)/income (-)	- 0.4	- 0.2

Pension costs in other comprehensive income

CHF million	2023/24	2022/23
Actuarial gains (-)/losses (+) on defined benefit obligation	231.4	51.1
Gains (-)/losses (+) on plan assets excluding interest income	- 220.6	- 69.5
Change in effect of asset ceiling excluding interest expense (+)/income (-)	- 195.2	21.3
Pension cost recognised in other comprehensive income	- 184.4	2.9

Change in pension asset/liability reported in the balance sheet

CHF million	2023/24	2022/23
Pension asset (-)/liability (+) as at 1.10.	- 14.8	- 10.7
Pension cost recognised in the income statement	54.9	49.7
Pension cost recognised in other comprehensive income	- 184.4	2.9
Employer contributions	- 61.1	- 56.7
Pension asset (-)/liability (+) as at 30.9.	- 205.4	- 14.8

5. Employees

Change in the fair value of plan assets

CHF million	2023/24	2022/23
Fair value of plan assets as at 1.10.	2 616.6	2 638.5
Interest income on plan assets	52.5	53.4
Employer contributions	61.1	56.7
Employee contributions	36.2	34.0
Benefits paid in (+)/out (-)	- 79.9	- 118.4
Effect from change in scope of consolidation	0.0	- 117.1
Gains (+)/losses (-) on plan assets excluding interest income	220.6	69.5
Fair value of plan assets as at 30.9.	2 907.1	2 616.6

Reconciliation of effect of asset ceiling

CHF million	2023/24	2022/23
Adjustment to asset ceiling as at 1.10.	265.9	253.0
Interest expense/(income) on effect of asset ceiling	5.3	5.2
Effect from change in scope of consolidation	0.0	- 13.5
Change in effect of asset ceiling excl. interest expense/income	- 195.1	21.2
Adjustment to asset ceiling as at 30.9.	76.1	265.9

Change in the present value of the defined benefit obligation

CHF million	2023/24	2022/23
Present value of defined benefit obligation as at 1.10.	2 335.9	2 374.8
Interest expense on defined benefit obligation	46.8	48.0
Current service cost	54.1	48.7
Employee contributions	36.2	34.0
Benefits paid in (+)/out (-)	- 79.9	- 118.4
Effect from change in scope of consolidation	0.0	- 103.5
Administration cost excluding asset management cost	1.2	1.2
Actuarial gains (-)/losses (+) on defined benefit obligation	231.4	51.1
Present value of defined benefit obligation as at 30.9.	2 625.7	2 335.9

Breakdown of defined benefit obligation

CHF million	30.9.2024	30.9.2023
Present value of defined benefit obligation for active members	1 502.5	1 302.5
Present value of defined benefit obligation for pensioners	1 123.2	1 033.4

5. Employees

Actuarial gains/losses on defined benefit obligation

CHF million	2023/24	2022/23
Actuarial gains (-)/losses (+) on defined benefit obligation from:		
changes in financial assumptions	235.0	10.3
changes in demographic assumptions	- 18.2	0.0
experience adjustments	14.6	40.8
Actuarial gains (-)/losses (+) on defined benefit obligation	231.4	51.1

Actuarial assumptions

in %	30.9.2024	30.9.2023
Discount rate for active members	1.1	2.0
Discount rate for pensioners	1.1	2.0
Interest rate on retirement savings capital	1.1	2.0
Expected future salary increase	1.9	1.0
Long-term expected rate of change in the CMI model (BVG 2020)	1.25	1.25

Sensitivity analysis of the defined benefit obligation

The calculation of the defined benefit obligation is especially sensitive to changes in the discount rate, assumptions regarding salary trends and changes in life expectancy. The discount rate and expected salary change were reduced/increased by 0.25%. Sensitivity to mortality rates was calculated by redu-

cing/raising the mortality rate by a fixed factor such that the life expectancy for the majority of age categories was raised/reduced by approximately one year. The following table summarises the present value of the defined benefit obligation which would result from applying the above-mentioned assumptions:

CHF million	30.9.2024	30.9.2023
Discount rate (-0.25% change)	2 708.6	2 404.5
Discount rate (+0.25% change)	2 547.6	2 271.2
Interest rate (-0.25% change)	2 605.4	2 319.7
Interest rate (+0.25% change)	2 646.3	2 352.4
Salary increase (-0.25% change)	2 617.0	2 329.6
Salary increase (+0.25% change)	2 634.3	2 342.1
Life expectancy (-1 year change)	2 540.4	2 263.7
Life expectancy (+1 year change)	2 708.9	2 406.3

5. Employees

Estimate of employer and employee contributions for subsequent period

CHF million	30.9.2024	30.9.2023
Expected employer contributions	61.4	56.1
Expected employee contributions	36.5	33.8

Major categories of plan assets

CHF million	30.9.2024	30.9.2023
Cash and cash equivalents	110.1	51.9
Equity instruments	1 115.9	983.8
Debt instruments	884.0	798.0
Real estate	107.4	128.1
Other	260.9	249.3
Total plan assets at fair value (quoted market price)	2 478.3	2 211.1
Real estate	428.8	405.5
Total plan assets at fair value (non-quoted market price)	428.8	405.5
Total plan assets at fair value	2 907.1	2 616.6

Maturity profile of the defined benefit obligation

CHF million	30.9.2024	30.9.2023
Weighted average duration of defined benefit obligation in years	12.5	11.6
Weighted average duration of defined benefit obligation in years for active members	14.0	13.2
Weighted average duration of defined benefit obligation in years for pensioners	10.2	9.7

5. Employees

Accounting principles

Defined benefit plan

The defined benefit obligation of the PKE attributable to the Axpo Group is calculated annually by an independent actuary using the projected unit credit method. The discount rate is determined on the basis of the yield on Swiss and foreign corporate bonds that are listed on the Swiss stock exchange (SIX). Only institutions whose bonds are rated with one of the two highest credit quality categories (AAA and AA) are considered. Wage growth is based on Axpo's long-term expectations. Additionally, wage increases according to valid collective working agreements or other contractual commitments are considered. Life expectancy is calculated using a projection of future improvements in mortality according to the Continuous Mortality Investigation (CMI) model, which is based on actual mortality data observed in Switzerland.

The service cost encompasses current service cost, past service cost, and gains and losses from plan settlements. Gains or losses from plan curtailments are part of the past service cost. The service cost is recognised in the income statement under personnel expenses.

Net interest expense is calculated by multiplying the net pension liability (or asset) at the beginning of the financial year by the discount rate, taking into account any changes during the year as a result of contributions and pension payments. Remeasurement components comprise actuarial gains and losses from the development in the present value of the defined benefit obligation arising from changes in the assumptions and experience adjustments, as well as the return on plan assets less amounts included in net interest expense, and changes in unrecognised assets less effects included in net interest expense. The net interest expense is recognised in the income statement under personnel expenses.

Remeasurement components are recognised in other comprehensive income and cannot be recycled. The amount recognised in the consolidated financial statements corresponds to the surplus or deficit of the defined benefit plans (net pension liability or asset).

Risk sharing has been factored into financial assumptions since the 2019/20 financial

year. Another factor taken into account is that, under the Swiss pension fund plan (and the corresponding laws, ordinances and directives on occupational pensions), employees are also obligated to pay additional contributions to remedy any underfunding. In such an event, the employer's restructuring contributions must be at least as high as the sum of the employees' contributions.

Defined contribution plans

In the case of pension schemes with defined contribution plans, the employer contributions paid or owed are recognised in the income statement.

Significant judgments and estimation uncertainties

Defined benefit plan

The recognised pension obligation is calculated based on statistical and actuarial assumptions. In particular, the present value of the defined benefit obligation depends on assumptions related to the discount rate, future wage and salary increases, and the expected increase in pension benefits. Additional assumptions include statistical data such as the probability of employees leaving the company and the life expectancy of insured members. The assumptions may deviate substantially from actual results due to changes in market conditions and the economic environment, higher or lower exit rates, longer or shorter life expectancy of insured members and other estimated factors. These deviations may have an impact on the pension obligations reported in future reporting periods.

6. Scope of consolidation

6.1 Significant changes in scope of consolidation

Reporting year 2023/24

Two portfolios of newly built solar parks and three wind farms in France were sold in the 2023/24 financial year. The companies are allocated to the Generation & Distribution operating segment.

Reporting year 2022/23

On 20 June 2023, the sale of 52.3% of the shares in EWA-energieUri AG to a consortium consisting of the Canton of Uri, Korporation Uri and two energy infrastructure funds managed by Swiss Life was completed. CKW continues to hold a 10% stake in EWA-energieUri AG. Due to CKW's remaining significant influence, the shares are now recognised in the line "Investments in partner plants and other associates". The sales price amounted to CHF 185.0 million, resulting in a net addition to cash and cash equivalents of CHF 145.0 million. The gain on disposal of CHF 71.6 million includes the revaluation of the remaining shares in EWA-energieUri AG at fair value in the amount of CHF 23.6 million. The company is allocated to the CKW business area.

Furthermore, the CKW Group made three acquisitions through CKW Gebäudetechnik AG in the 2022/23 financial year, purchasing 100% of the shares in each case. The companies acquired were Rebmann Elektro AG, Burgdorf, Iseli Elektro GmbH, Sumiswald and Soller-Partner Electro SA, Lumnezia. The companies are allocated to the CKW business area.

6. Scope of consolidation

Accounting principles**Scope of consolidation**

Subsidiaries are companies controlled by the Axpo Group and are included in the consolidated financial statements using the full consolidation method. The Group controls a company if it is exposed, or has rights, to variable returns from its involvement with the company and has the ability to affect those returns through its power over the company.

Investments in entities over which the Axpo Group exercises significant influence without having control over its financial and business policy are classified as associates and are accounted for using the equity method. As at the date of acquisition, the fair value of the proportional net assets is calculated and, together with any goodwill, recognised in the balance sheet under "Investments in partner plants and other associates". In subsequent reporting periods, this amount is adjusted for any change in the Axpo Group's share of the additional capital and income earned, impairments, impairment reversals as well as any dividends.

Capital consolidation

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ends. Net assets acquired are measured at their fair value and accounted for using the acquisition method. Any difference between the higher purchase price and the net assets acquired is capitalised as goodwill. A negative difference is immediately recognised in the income statement.

Transaction costs incurred in connection with an acquisition are recognised in the income statement.

Intragroup transactions

Electricity produced by partner plants is invoiced to the shareholders at annual production cost on the basis of existing partnership agreements and regardless of market prices. Market prices generally apply for the invoicing of other goods and services between group companies and related parties. Intercompany

profits and transactions within the Axpo Group are eliminated in the consolidated financial statements.

6. Scope of consolidation

6.2 Assets and liabilities held for sale

CHF million	30.9.2024	30.9.2023
Assets held for sale		
Property, plant and equipment (Note 3.1)	87.4	80.0
Right-of-use assets (Note 3.2)	8.9	17.4
Investments in partner plants and other associates (Note 6.3)	12.3	0.0
Derivative financial instruments (current and non-current)	1.5	1.9
Financial receivables (non-current)	3.0	166.4
Other assets (current and non-current)	10.8	12.4
Total	123.9	278.1
thereof Generation & Distribution segment	117.7	109.6
thereof CKW segment	1.3	0.0
thereof not allocated to any operating segment	4.9	168.5
Liabilities held for sale		
Financial liabilities (current and non-current) (Note 4.4)	73.6	72.7
Other liabilities (current and non-current)	4.4	5.0
Total	78.0	77.7
thereof Generation & Distribution segment	11.2	12.6
thereof not allocated to any operating segment	66.8	65.1

In the 2023/24 financial year, a portion of the shares in ENAG Energiefinanzierungs AG with a carrying amount of CHF 12.3 million was reclassified to "Assets held for sale" due to the impending sale at the beginning of 2025.

Of the loan receivable from Trans Adriatic Pipeline AG held for sale in the previous year, a portion of CHF 49.6 million was sold in the 2023/24 financial year. The remaining loan receivable with a carrying amount of CHF 109.3 million was reclassified back to "Financial receivables" as a sale within 12 months was not considered likely.

In addition, the three wind farms held for sale in the previous year were sold in the reporting year, and the associated assets were derecognised from inventories and the right-of-use assets from "Assets held for sale".

In the 2022/23 financial year, a portfolio of solar installations and the associated assets and liabilities were classified as "held for sale". The requirements for classification as "held for sale" were met at this time. The sales contract could not be concluded as planned in the 2023/24 financial year. However, the management is confident that it will be able to complete the sale in the 2024/25 financial year.

The sale of all assets and liabilities held for sale is expected within the next 12 months.

6. Scope of consolidation

6.3 Investments in partner plants and other associates

CHF million	Partner plants	Other associates	Total
Carrying amount as at 1.10.2023	951.2	621.6	1 572.8
Change in scope of consolidation	0.0	19.7	19.7
Additions	0.3	3.7	4.0
Reclassification to "Assets held for sale"	- 12.3	0.0	- 12.3
Impairment losses (Note 2.4)	0.0	- 12.0	- 12.0
Impairment reversals (Note 2.4)	0.0	2.5	2.5
Reclassification positive/negative investment value	0.0	6.5	6.5
Dividend	- 35.8	- 13.4	- 49.2
Share of result	39.3	38.9	78.2
Cash flow hedges (other comprehensive income)	0.0	- 2.7	- 2.7
Remeasurement of defined benefit plans (other comprehensive income)	37.1	9.6	46.7
Deferred taxes (other comprehensive income)	- 6.0	- 0.7	- 6.7
Foreign currency translation	- 0.4	- 3.8	- 4.2
Carrying amount as at 30.9.2024	973.4	669.9	1 643.3

In the line "Change in scope of consolidation", wind farms and solar parks that were previously included in the scope of consolidation as other associated companies due to the progress of their project were transferred to operations and treated as fully consolidated subsidiaries. The disposal of negative equity is included in the line "Change in scope of consolidation".

The "Additions" line mainly includes the capital increases at various companies and newly established companies.

On 3 January 2025, the Axpo Group will reduce its stake in ENAG Energiefinanzierungs AG. The reclassification of the sold stake in the investment to "Assets held for sale" is carried out via the line "Reclassification to 'Assets held for sale'".

6. Scope of consolidation

With respect to partner plants and other associates, the Axpo Group holds a significant investment in the Kernkraftwerk Leibstadt AG and Kernkraftwerk Gösgen-Däniken AG nuclear partner plants. The tables below show the key financial figures of these two partner plants. These are the figures as they appear in the financial statements of the companies, reconciled to IFRS:

Key financial figures of material partner plants

	Gross value		Gross value	
	Kernkraftwerk Leibstadt AG		Kernkraftwerk Gösgen-Däniken AG	
CHF million	30.9.2024	30.9.2023	30.9.2024	30.9.2023
Balance sheet				
Non-current assets	4 501.0	4 249.5	3 825.1	3 506.0
Current assets	368.5	585.8	314.1	415.0
Total assets	4 869.5	4 835.3	4 139.2	3 921.0
Non-current liabilities	4 053.7	4 206.7	3 438.4	3 415.7
Current liabilities	295.1	138.2	260.2	109.8
Equity	520.7	490.4	440.6	395.5
Total equity and liabilities	4 869.5	4 835.3	4 139.2	3 921.0
Share	34.63%	34.63%	35.95%	35.95%
Carrying amount of the investment	180.3	169.8	158.6	142.4
Dividends received	7.0	7.0	9.6	6.4

	Gross value		Gross value	
	Kernkraftwerk Leibstadt AG		Kernkraftwerk Gösgen-Däniken AG	
CHF million	2023/24	2022/23	2023/24	2022/23
Income statement				
Income	544.1	503.4	427.9	408.9
Expenses	- 522.7	- 482.1	- 399.3	- 382.7
Result for the period	21.4	21.3	28.6	26.2
Statement of comprehensive income				
Other comprehensive income	29.3	- 0.6	43.3	- 0.5
Total comprehensive income	50.7	20.7	71.9	25.7
Share	34.63%	34.63%	35.95%	35.95%
Share of result	7.4	7.4	10.3	9.4
Share of other comprehensive income	10.3	- 0.3	15.6	- 0.2
Share of total comprehensive income	17.7	7.1	25.9	9.2

6. Scope of consolidation

The tables below show the aggregated key financial figures for the other, individually immaterial, investments in partner plants and other associates (pro rata):

Key financial figures of partner plants and other associates as at 30 September 2024 or for the 2023/24 financial year

CHF million	Individually disclosed investments aggregated	Partner plants	Other associates	Total
Carrying amount of the investments	338.9	634.5	669.9	1 643.3
Balance sheet				
Non-current assets	2 933.8	1 885.1	1 527.1	6 346.0
Current assets	240.5	152.4	517.8	910.7
Total assets	3 174.4	2 037.5	2 044.9	7 256.8
Non-current liabilities	2 639.7	1 061.6	1 027.5	4 729.0
Current liabilities	195.8	329.4	389.9	915.1
Equity	338.9	646.5	627.5	1 612.7
Total equity and liabilities	3 174.4	2 037.5	2 044.9	7 256.8
Income statement				
Income	342.3	498.7	622.9	1 463.9
Expenses	- 324.6	- 477.1	- 584.0	- 1 385.7
Result for the period	17.7	21.6	38.9	78.2
Statement of comprehensive income				
Total other comprehensive income	25.9	5.2	6.2	37.3
Total comprehensive income	43.6	26.8	45.1	115.5

Key financial figures of partner plants and other associates as at 30 September 2023 or for the 2022/23 financial year

CHF million	Individually disclosed investments aggregated	Partner plants	Other associates	Total
Carrying amount of the investments	312.2	639.0	621.6	1 572.8
Balance sheet				
Non-current assets	2 732.0	1 928.5	1 743.7	6 404.2
Current assets	352.1	103.0	394.6	849.7
Total assets	3 084.1	2 031.5	2 138.3	7 253.9
Non-current liabilities	2 684.6	963.7	1 200.8	4 849.1
Current liabilities	87.3	429.0	380.2	896.5
Equity	312.2	638.8	557.3	1 508.3
Total equity and liabilities	3 084.1	2 031.5	2 138.3	7 253.9
Income statement				
Income	321.3	601.8	710.5	1 633.6
Expenses	- 304.5	- 580.6	- 660.6	- 1 545.7
Result for the period	16.8	21.2	49.9	87.9
Statement of comprehensive income				
Total other comprehensive income	- 0.5	0.2	9.1	8.8
Total comprehensive income	16.3	21.4	59.0	96.7

6. Scope of consolidation

Accounting principles**Investments in partner plants and other associates**

For associated companies, the Axpo Group differentiates between partner plants and other associates. Partner plants are companies that design, construct, maintain or operate power plants, grids or nuclear storage facilities, or companies that administer energy procurement rights. Shareholders in partner plants have obliged themselves reciprocally within the scope of the partnership agreements to purchase the pro-rata output of energy produced and to pay the pro-rata annual costs (including interest and repayment of loans). Due to the legal obligation to pay the annual costs, the acquisition of an investment in a partner plant may result in a provision for an onerous energy procurement contract rather than an asset for an energy procurement right. Partner plants and other associates are accounted for using the equity method.

Furthermore, the owners of nuclear plants have a limited obligation to make supplementary contributions to the decommissioning and disposal funds in the event that a single pri-

mary contributor is unable to make its payments.

All significant partner plants and other associates are measured using uniform principles in accordance with IFRS. Where no financial statements prepared in accordance with IFRS are available, a reconciliation to IFRS accounts is prepared. The reporting date of certain partner plants and other associates deviates from that of the Axpo Group. The most recent financial statements available for these companies were used for the preparation of the consolidated financial statements of the Axpo Group. Adjustments were made in the consolidated financial statements for the effect of significant transactions and events which took place between the balance sheet date of the most recent financial statements and 30 September.

Significant judgments and estimation uncertainties**Classification of partner plants**

The Axpo Group holds a majority interest in certain partner plants. Due to the special circumstances regarding partner plants, the question of whether the Axpo Group has control over these partner plants through its majority interest must be assessed. The definition of control in accordance with IFRS 10 requires an investor to hold rights that give it power over the relevant activities of the investee. In the case of a corporation, voting rights constitute such rights. However, IFRS 10 also makes it clear that the (voting) rights must not only exist in principle, but also represent (economically) substantive rights. This means that the holder of the rights must have the practical ability to exercise such rights. Therefore, when assessing whether Axpo has control over individual partner plants, other factors in addition to the proportion of voting rights must be considered. Axpo holds a majority interest in certain partner plants and operates these plants jointly with other commercial energy companies in the Swiss market. At the same time, these partners also hold interests in other partner plants in which Axpo does not hold a majority interest.

Given these mutual dependencies/interests and the conditions governing the Swiss energy market, Axpo has concluded that the voting rights it holds in some cases do not represent substantive rights, despite a majority interest being held, and that it therefore does not have control. These partner plants are classified as associates and are accounted for using the equity method. The assessment of whether and in which cases the factors mentioned above prevent Axpo as a majority shareholder from exercising control is a management judgment.

6. Scope of consolidation

6.4 Subsidiaries with material non-controlling interests

A list of subsidiaries can be found in Note 6.6 "Investments". The Axpo Group has material non-controlling interests in the CKW Group and Axpo Volt Beteiligung AG. The latter was founded in January 2023 in order to bundle together the Swissgrid shareholdings held by various Axpo Companies. Axpo Volt Beteiligung AG holds 31.37% of the shares in Swissgrid AG. In June 2023, Axpo sold 49.9% of Axpo Volt Beteiligung AG. The remaining 50.1% of Axpo Volt Beteiligung AG will remain in the hands of Axpo, which means that Axpo will retain full control over its shareholding in the long term.

The tables below summarise the key financial figures of these subsidiaries. The information represents amounts as included in the subsidiaries' financial statements, reconciled to IFRS values before intercompany eliminations:

Key financial figures (before intercompany eliminations)

CHF million	CKW Group		Axpo Volt Beteiligung AG	
	30.9.2024	30.9.2023	30.9.2024	30.9.2023
Non-controlling interests	19.0%	19.0%	49.9%	49.9%
Balance sheet				
Non-current assets	1 729.0	1 478.3	859.5	801.5
Current assets	726.1	1 020.1	0.1	0.1
Total assets	2 455.1	2 498.4	859.6	801.6
Non-current liabilities	185.1	178.0	0.0	0.0
Current liabilities	195.6	341.4	0.0	0.0
Equity	2 074.4	1 979.0	859.6	801.6
Equity attributable to the non-controlling interests	394.1	376.0	428.9	400.0
Total equity and liabilities	2 455.1	2 498.4	859.6	801.6

6. Scope of consolidation

CHF million	CKW Group		Axpo Volt Beteiligung AG	
	30.9.2024	30.9.2023	30.9.2024	30.9.2023
Income statement	2023/24	2022/23	2023/24	2022/23
Total income	1 111.5	1 353.3	0.0	0.0
Result for the period	167.1	312.2	10.1	15.1
Profit for the period attributable to non-controlling interests	31.7	59.3	5.0	7.5
Statement of comprehensive income				
Total comprehensive income	253.0	826.6	10.1	15.1
Total comprehensive income attributable to non-controlling interests	48.1	157.1	5.0	7.5
Dividends paid to non-controlling interests	- 0.2	- 2.0	- 5.0	0.0
Cash flow statement				
Cash flow from operating activities	258.4	115.6	10.0	15.1
Cash flow from investing activities	- 77.3	62.3	0.0	0.0
Cash flow from financing activities	- 153.3	- 54.3	- 10.0	- 15.1

6. Scope of consolidation

6.5 Transactions with related parties

Based on their shareholdings, the Canton of Zurich (18.3%), Electricity Utilities of the Canton of Zurich (18.4%), the Canton of Aargau (14.0%) and AEW Energie AG (14.0%) exert a significant influence over the Axpo Group. Transactions involving these shareholders and other important companies controlled by them are disclosed under "Shareholders".

An overview of the partner plants and other associates is given in Note 6.6 "Investments". Transactions between the Axpo Group and PKE-CPE Vorsorgestiftung Energie are shown in Note 5.3 "Employee benefits". With the exception of regular payments, no transactions were effected between the Axpo Group, members of the Board of Directors, members of the Executive Board and other key parties.

The principal terms and conditions governing relationships with related parties are explained under "Intragroup transactions" in Note 6.1 "Changes in scope of consolidation".

Open balance sheet items with related parties as at 30 September 2024 and transactions between the Axpo Group and related parties in the 2023/24 financial year

CHF million	Shareholders	Partner plants	Associates
Balance sheet			
Non-current assets	184.4	36.5	189.4
Current assets	312.2	254.8	140.1
Non-current liabilities	118.3	6.2	54.1
Current liabilities	144.6	123.1	79.4
Income statement			
Total income	687.4	87.9	301.1
Operating expenses	- 34.9	- 597.5	- 314.5
Financial result	- 0.7	- 0.6	12.4
Income tax	- 127.3	0.0	0.0

6. Scope of consolidation

Open balance sheet items with related parties as at 30 September 2023 and transactions between the Axpo Group and related parties in the 2022/23 financial year

CHF million	Shareholders	Partner plants	Associates
Balance sheet			
Non-current assets	343.2	40.2	245.0
Current assets	312.5	199.2	109.8
Non-current liabilities	221.5	2.3	62.9
Current liabilities	456.2	222.6	89.1
Income statement			
Total income	1 366.8	139.1	356.5
Operating expenses	- 72.1	- 653.8	- 327.4
Financial result	- 1.1	- 0.2	17.5
Income tax	- 386.0	0.0	0.0

6. Scope of consolidation

6.6 Investments

	Registered office	Balance sheet date	Currency	Registered capital in millions	Share of votes in %	Share of capital in %	Purpose
Significant group companies							
Axpo Grid AG	Baden	30.09.	CHF	100.0	100.0	100.0	N
Axpo Systems AG	Lupfig	30.09.	CHF	0.4	100.0	100.0	D
BLUnet Schweiz AG	Lupfig	30.09.	CHF	0.1	100.0	100.0	D
Deltanet AG	Dietikon	30.09.	CHF	0.1	100.0	100.0	D
Axpo Hydro AG	Baden	30.09.	CHF	200.0	100.0	100.0	P
Axpo Biomasse AG	Baden	30.09.	CHF	30.3	100.0	100.0	P
Axpo Kompogas Engineering AG	Baden	30.09.	CHF	2.5	100.0	100.0	S
Axpo Kompogas Samstagern AG	Richterswil	30.09.	CHF	2.0	75.1	75.1	P
Axpo Kompogas Wauwil AG	Wauwil	30.09.	CHF	3.5	97.1	97.1	P
Berom SA	Brügg b. Biel	30.06.	CHF	0.4	100.0	100.0	D
Fricompost Freiburgische Grünentsorgungsgesellschaft AG	Hauterive	30.09.	CHF	0.5	100.0	100.0	S
green2energy AG	Rapperswil-Jona	30.06.	CHF	1.1	51.0	51.0	I
Kompogas Utzenstorf AG	Utzenstorf	30.09.	CHF	2.3	59.3	59.3	P
Kompogas Winterthur AG	Winterthur	30.09.	CHF	4.0	52.0	52.0	P
Axpo Hydro Surselva AG	Domat/Ems	30.09.	CHF	0.1	100.0	100.0	P
Axpo Kleinwasserkraft AG	Baden	30.09.	CHF	11.0	100.0	100.0	P
Axpo Tegra AG	Domat/Ems	30.09.	CHF	2.1	100.0	100.0	P
Kraftwerk Eglisau-Glattfelden AG	Glattfelden	30.09.	CHF	20.0	100.0	100.0	P
Kraftwerk Fätschbach AG	Glarus Süd	30.09.	CHF	1.0	100.0	100.0	P
Kraftwerk Löntsch AG	Glarus	30.09.	CHF	9.0	100.0	100.0	P
Kraftwerk Rüchlig AG	Aarau	30.09.	CHF	20.0	100.0	100.0	P

D = Services / H = Holding / I = Project company / N = Grid / V = Energy supply and trading / P = Production / S = Other company

6. Scope of consolidation

	Registered office	Balance sheet date	Currency	Registered capital in millions	Share of votes in %	Share of capital in %	Purpose
Significant group companies							
Kraftwerke Ilanz AG	Ilanz	30.09.	CHF	50.0	85.0	85.0	P
Kraftwerke Sarganserland AG	Pfäfers	30.09.	CHF	50.0	98.5	98.5	P
Kraftwerke Vorderrhein AG	Disentis/Mustér	30.09.	CHF	80.0	81.5	81.5	P
KWWB Villnachern AG	Villnachern	30.09.	CHF	7.0	100.0	100.0	P
Axpo Power AG	Baden	30.09.	CHF	360.0	100.0	100.0	P
Kraftwerke Linth-Limmern AG	Glarus Süd	30.09.	CHF	350.0	85.0	85.0	P
Muttsee AlpinSolar AG	Linthal	30.09.	CHF	1.6	51.0	51.0	P
Axpo Services AG	Baden	30.09.	CHF	0.1	100.0	100.0	D
AXPO SERVICES CLUJ S.R.L. ¹⁾	Municipiul Cluj Napoca (RO)	30.09.	RON	0.0	100.0	100.0	D
AXPO SERVICES EMEA, S.L.	Madrid (ES)	30.09.	EUR	0.0	100.0	100.0	D
Axpo Service UK Limited	London (GB)	30.09.	GBP	0.0	100.0	100.0	D
Axpo Solutions AG	Baden	30.09.	CHF	1 567.0	100.0	100.0	V
Albula-Landwasser Kraftwerke AG	Filisur	30.09.	CHF	22.0	75.0	75.0	P
Axpo Albania sh.a.	Tirana (AL)	31.12.	ALL	94.4	100.0	100.0	V
Axpo BH d.o.o.	Mostar (BA)	31.12.	BAM	1.0	100.0	100.0	V
Axpo d.o.o. Beograd	Belgrade (RS)	30.09.	RSD	49.3	100.0	100.0	V
Axpo International SA	Luxembourg (LU)	30.09.	EUR	3.8	100.0	100.0	D
Axpo Austria GmbH	Vienna (AT)	30.09.	EUR	0.0	100.0	100.0	V
Axpo Benelux SA	Brussels (BE)	30.09.	EUR	0.5	100.0	100.0	V
Axpo Bulgaria EAD	Sofia (BG)	31.12.	BGN	18.1	100.0	100.0	D
Axpo Deutschland GmbH	Leipzig (DE)	30.09.	EUR	3.5	100.0	100.0	V

D = Services / H = Holding / I = Project company / N = Grid / V = Energy supply and trading / P = Production / S = Other company

1) Formation in the 2023/24 financial year.

6. Scope of consolidation

	Registered office	Balance sheet date	Currency	Registered capital in millions	Share of votes in %	Share of capital in %	Purpose
Significant group companies							
Axpo Energy Romania S.A.	Bucharest (RO)	30.09.	RON	12.0	100.0	100.0	V
Axpo France SAS	Lyon (FR)	30.09.	EUR	0.4	100.0	100.0	V
Axpo Iberia S.L.	Madrid (ES)	30.09.	EUR	11.0	100.0	100.0	V
Axpo Energia Portugal, Unipessoal LDA	Lisbon (PT)	30.09.	EUR	0.1	100.0	100.0	V
Axpo Tunisia S.L.	Tunis (TN)	30.09.	TND	0.2	100.0	100.0	V
BIO MENGIBAR DE AGUACATE SL ¹⁾	Madrid (ES)	30.09.	EUR	0.0	100.0	100.0	I
Axpo Italia S.p.A.	Rome (IT)	30.09.	EUR	3.0	100.0	100.0	V
ASPM Energia S.r.l.	Soresina (IT)	30.09.	EUR	0.2	100.0	100.0	D
Axpo Energy Solutions Italia S.p.A.	Rome (IT)	30.09.	EUR	2.0	100.0	100.0	V
Pulsee S.r.l. ¹⁾	Rome (IT)	30.09.	EUR	0.1	100.0	100.0	V
Axpo Polska Sp.z.o.o.	Warsaw (PL)	30.09.	PLN	241.3	100.0	100.0	V
Axpo Renewable Germany GmbH	Leipzig (DE)	30.09.	EUR	0.0	100.0	100.0	S
Volkswind GmbH ²⁾	Ganderkesee (DE)	30.09.	EUR	0.0	100.0	100.0	D
Axpo Servizi Produzione Italia S.p.A.	Rome (IT)	30.09.	EUR	0.3	100.0	100.0	D
TerraX Grottole Società Agricola S.r.l.	Rome (IT)	30.09.	EUR	0.0	100.0	100.0	I
Axpo Turkey Enerji A.S.	Istanbul (TR)	30.09.	TRY	12.5	100.0	100.0	V

D = Services / H = Holding / I = Project company / N = Grid / V = Energy supply and trading / P = Production / S = Other company

1) Formation in the 2023/24 financial year.

2) Volkswind GmbH is the parent company of the Volkswind Group, which has business activities in the area of wind farm development and operation. The company controls and holds majority stakes in fully consolidated group companies and associates accounted for using the equity method. They are not listed here.

6. Scope of consolidation

	Registered office	Balance sheet date	Currency	Registered capital in millions	Share of votes in %	Share of capital in %	Purpose
Significant group companies							
Axpo UK Limited	London (GB)	30.09.	GBP	9.5	100.0	100.0	V
Axpo UK Trading Limited	London (GB)	30.09.	GBP	0.2	100.0	100.0	V
Calenia Energia S.p.A.	Rome (IT)	30.09.	EUR	0.1	85.0	85.0	P
Gold Energy-Comercializadora de Energía, S.A.	Vila Real (PT)	31.12.	EUR	1.5	83.3 ¹⁾	83.3 ¹⁾	V
Parc éolien de St Riquier 2 SAS	Strasbourg (FR)	30.09.	EUR	0.2	100.0	100.0	P
Parc éolien Plaine Dynamique SAS	Strasbourg (FR)	30.09.	EUR	0.0	100.0	100.0	P
Rizziconi Energia S.p.A.	Rome (IT)	30.09.	EUR	0.5	100.0	100.0	P
Urbasolar SAS ²⁾	Montpellier (FR)	30.06.	EUR	2.2	100.0	100.0	D
Axpo Kosovo L.L.C.	Pristina (XK)	31.12.	EUR	0.1	100.0	100.0	V
Axpo MK dooel Skopje	Skopje (MK)	31.12.	MKD	6.1	100.0	100.0	V
Axpo Nordic AS	Oslo (NO)	30.09.	NOK	59.0	100.0	100.0	V
Axpo Finland Oy	Helsinki (FI)	30.09.	EUR	0.3	100.0	100.0	V
Axpo Sverige AB	Malmö (SE)	30.09.	SEK	52.0	100.0	100.0	V
Axpo Renewables Schweiz AG ³⁾	Baden	30.09.	CHF	10.0	100.0	100.0	I
H2Uri AG	Altdorf	30.09.	CHF	2.8	51.0	51.0	P
Wasserstoff Domat/Ems AG ³⁾	Domat/Ems	30.09.	CHF	3.5	80.0	80.0	P
Axpo Singapore Pte. Ltd.	Singapore (SG)	30.09.	USD	23.0	100.0	100.0	V

D = Services / H = Holding / I = Project company / N = Grid / V = Energy supply and trading / P = Production / S = Other company

1) Axpo Iberia S.L., Madrid, holds a direct share of 16.7%.

2) Urbasolar SAS is the parent company of the Urbasolar Group, which has business activities in the area of solar plant development and construction. The company controls and holds majority stakes in fully consolidated group companies and associates accounted for using the equity method. They are not listed here. The closing date was postponed from 30.04 to 30.06, making the 2022/23 financial year an extended financial year.

3) Formation in the 2023/24 financial year.

6. Scope of consolidation

	Registered office	Balance sheet date	Currency	Registered capital in millions	Share of votes in %	Share of capital in %	Purpose
Significant group companies							
Axpo Trgovina d.o.o.	Zagreb (HR)	30.09.	EUR	0.1	100.0	100.0	V
Axpo U.S. LLC	Wilmington DE (US)	30.09.	USD	80.5	100.0	100.0	V
Energia de la Zarza S.L.	Madrid (ES)	30.09.	EUR	0.1	100.0	100.0	I
Limited Liability Company "Axpo Ukraine"	Kyiv (UA)	31.12.	UAH	29.4	100.0	100.0	V
Axpo Volt Beteiligung AG	Baden	30.09.	CHF	0.1	50.1	50.1	H
CKW AG ¹⁾	Lucerne	30.09.	CHF	3.0	81.1	81.1	V
BiEAG Biomasse Energie AG	Hünenberg	30.09.	CHF	5.4	40.4	74.1	P
CKW Fiber Services AG	Emmen	30.09.	CHF	2.7	100.0	100.0	D
CKW Gebäudetechnik AG	Lucerne	30.09.	CHF	1.0	100.0	100.0	D
CKW Hägendorf AG	Hägendorf	30.09.	CHF	0.1	100.0	100.0	D
CKW Bern-Köniz GmbH	Köniz	30.09.	CHF	0.0	100.0	100.0	D
CKW Lostorf AG	Lostorf	30.09.	CHF	0.1	100.0	100.0	D
Electro Soller SA	Lumnezia	31.12.	CHF	0.2	100.0	100.0	D
Iseli Elektro GmbH	Sumiswald	30.09.	CHF	0.0	100.0	100.0	D
Rebmann Elektro AG	Burgdorf	30.09.	CHF	0.1	100.0	100.0	D
SicuroCentral AG	Lucerne	30.09.	CHF	0.1	100.0	100.0	D
EWS AG	Schwyz	30.09.	CHF	3.0	90.2	90.2	V
Fernwärme Uettligen AG	Wohlen bei Bern	30.06.	CHF	0.5	100.0	100.0	P
Steiner Energie AG	Malters	30.09.	CHF	0.5	100.0	100.0	V

D = Services / H = Holding / I = Project company / N = Grid / V = Energy supply and trading / P = Production / S = Other company

1) Registered shares with a nominal value of CHF 29,692 held as treasury shares.

6. Scope of consolidation

	Registered office	Balance sheet date	Currency	Registered capital in millions	Share of votes in %	Share of capital in %	Purpose
Significant associated companies (partner plants)							
Aarekraftwerk Klingnau AG	Klingnau	30.09.	CHF	40.0	60.0	60.0	P
AG Kraftwerk Wägital	Schübelbach	30.09.	CHF	15.0	50.0	50.0	P
AKEB Aktiengesellschaft für Kernenergie-Beteiligungen Luzern	Lucerne	31.12.	CHF	90.0	46.0 ¹⁾	41.4 ¹⁾	P
Electra-Massa AG	Naters	31.12.	CHF	20.0	13.8	13.8	P
Elektrizitätswerk Rheinau AG	Rheinau	30.09.	CHF	20.0	50.0	50.0	P
ENAG Energiefinanzierungs AG	Schwyz	31.12.	CHF	50.0	61.7 ¹⁾	59.6 ¹⁾	P
Engadiner Kraftwerke AG	Zernez	30.09.	CHF	140.0	30.0	30.0	P
Etrans AG	Baden	31.12.	CHF	7.5	42.3	42.3	N
Forces Motrices de Mauvoisin SA	Sion	30.09.	CHF	100.0	68.3	68.3	P
Grande Dixence SA	Sion	31.12.	CHF	300.0	13.3	13.3	P
Kernkraftwerk Gösgen-Däniken AG	Däniken	31.12.	CHF	350.0	37.5	36.0	P
Kernkraftwerk Leibstadt AG	Leibstadt	31.12.	CHF	450.0	52.7 ²⁾	34.6 ¹⁾²⁾	P
Kernkraftwerk-Beteiligungsgesellschaft AG	Berne	31.12.	CHF	150.0	33.3	33.3	P

D = Services / H = Holding / I = Project company / N = Grid / V = Energy supply and trading / P = Production / S = Other company

1) Due to the disposal or acquisition of sub-participations, the effective financially relevant equity interests in the partner plants deviate from the percentage of capital and voting rights held.

2) The direct share of capital held by Axpo in Kernkraftwerk Leibstadt AG is 34.6%. Taking into account the 15% share of capital held by AKEB Aktiengesellschaft für Kernenergie-Beteiligungen Luzern in Kernkraftwerk Leibstadt AG, the indirect share of capital held by Axpo in Kernkraftwerk Leibstadt AG is 38.3%.

6. Scope of consolidation

	Registered office	Balance sheet date	Currency	Registered capital in millions	Share of votes in %	Share of capital in %	Purpose
Significant associated companies (partner plants)							
Kraftwerk Göschenen AG	Göschenen	30.09.	CHF	60.0	50.0	50.0	P
Kraftwerk Pintrun AG ¹⁾	Trin	30.09.	CHF	1.5	20.0	20.0	P
Kraftwerk Reckingen AG	Küssaberg (DE)	31.12.	EUR	1.2	20.0	20.0	P
Kraftwerk Ryburg-Schwörstadt AG	Rheinfelden	30.09.	CHF	30.0	13.5	13.5	P
Kraftwerk Sarneraa AG	Alpnach	30.09.	CHF	2.0	18.0	18.0	P
Kraftwerk Schaffhausen AG	Schaffhausen	30.09.	CHF	10.0	30.0	30.0	P
Kraftwerk Tschär AG	Obersaxen Mundaun	30.09.	CHF	9.2	51.0	51.0	P
Kraftwerke Hinterrhein AG	Thusis	30.09.	CHF	100.0	19.5	19.5	P
Kraftwerke Mattmark AG	Saas-Grund	30.09.	CHF	90.0	66.7 ²⁾	58.3 ²⁾	P
Kraftwerke Zervreila AG	Vals	31.12.	CHF	50.0	21.6	21.6	P
Officine Idroelettriche della Maggia SA	Locarno	30.09.	CHF	100.0	30.0	30.0	P
Officine Idroelettriche di Blenio SA	Blenio	30.09.	CHF	60.0	17.0	17.0	P
Rheinkraftwerk Neuhausen AG	Neuhausen	31.12.	CHF	1.0	40.0	40.0	P
Rheinkraftwerk Säckingen AG	Bad Säckingen (DE)	31.12.	EUR	5.0	25.0	25.0	P

D = Services / H = Holding / I = Project company / N = Grid / V = Energy supply and trading / P = Production / S = Other company

1) Formation in the 2023/24 financial year.

2) Due to the disposal or acquisition of sub-participations, the effective financially relevant equity interests in the partner plants deviate from the percentage of capital and voting rights held.

6. Scope of consolidation

	Registered office	Balance sheet date	Currency	Registered capital in millions	Share of votes in %	Share of capital in %	Purpose
Significant associated companies (other associates)							
Albula Netz AG	Filisur	31.12.	CHF	1.7	33.3	60.0	N
Alleanza Luce&Gas S.p.A.	Villanova Di Castenaso (IT)	31.12.	EUR	5.0	5.0	5.0	D
ARVE HYDROGENE MOBILITE SAS ¹⁾	Marnaz (FR)	31.12.	EUR	0.4	25.0	25.0	P
Axpo Reserve Power AG ¹⁾	Baden	30.09.	CHF	0.1	100.0	100.0	P
BV Kompostieranlage Oensingen AG	Oensingen	30.09.	CHF	0.3	50.0	50.0	P
Energia Pulita S.r.l.	Milan (IT)	31.03.	EUR	0.1	50.0	50.0	V
EWA-energieUri AG	Altdorf	30.09.	CHF	20.0	10.0	10.0	V
Global Tech I Offshore Wind GmbH	Hamburg (DE)	31.12.	EUR	1.0	24.1	24.1	P
Grischelectra AG	Chur	30.09.	CHF	1.0 ²⁾	20.0	20.0	V
Kompogas Bioriko AG	Klingnau	30.09.	CHF	0.1	50.0	50.0	P
NIS AG	Sursee	31.12.	CHF	1.0 ³⁾	25.0	25.0	S
NOGUERA RENOVABLES S.L.	Vallfogona de Balaguer, Lleida (ES)	31.12.	EUR	2.1	40.0	40.0	I
Ökopower AG	Ottenbach	31.12.	CHF	0.5	50.0	50.0	S

D = Services / H = Holding / I = Project company / N = Grid / V = Energy supply and trading / P = Production / S = Other company

1) Formation in the 2023/24 financial year.

2) Of which CHF 0.2 million paid in.

3) Of which CHF 0.8 million paid in.

6. Scope of consolidation

	Registered office	Balance sheet date	Currency	Registered capital in millions	Share of votes in %	Share of capital in %	Purpose
Significant associated companies (other associates)							
Oxygen Technologies GmbH (i.L.) ¹⁾	Freiburg im Breisgau (DE)	31.12.	EUR	0.0	21.0	94.5	D
Realta Biogas AG	Cazis	30.09.	CHF	0.7	41.7	41.7	P
Società EniPower Ferrara S.r.l.	San Donato Milanese (IT)	31.12.	EUR	140.0	49.0	49.0	P
Sogesa Société de Gestion des Energies SA	Val de Bagnes	30.09.	CHF	2.0	30.0	30.0	V
SV Kompostieranlage Bellach AG	Bellach	30.09.	CHF	0.1	50.0	50.0	S
Swiss Green Gas International AG	Berne	31.12.	CHF	7.4	45.0	45.0	V
Swissgrid AG	Aarau	31.12.	CHF	334.5	38.5	38.5	N
Terravent AG	Lucerne	30.09.	CHF	18.0	20.9	20.9	S
Transphorma S.r.l.	Bolzano (IT)	31.12.	EUR	0.0	20.0	20.0	D
Wärmeverbund Marzili Bern AG	Berne	30.06.	CHF	0.4	50.0	50.0	S
Windpark Lindenberg AG	Beinwil (Freiamt)	30.09.	CHF	0.1	25.0	25.0	P
Zwilag Zwischenlager Würenlingen AG	Würenlingen	31.12.	CHF	5.0	24.3	24.3	S

D = Services / H = Holding / I = Project company / N = Grid / V = Energy supply and trading / P = Production / S = Other company

1) In liquidation.

04

Report of the
statutory auditor



Statutory Auditor's Report

To the General Meeting of Axpo Holding AG, Baden

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Axpo Holding AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position at 30 September 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 11 to 137) give a true and fair view of the consolidated financial position of the Group as at 30 September 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters



Valuation of property, plant and equipment (PPE), intangible assets, energy procurement contracts as well as investments in partner plants



Classification and valuation of energy derivatives



Completeness and accuracy of provisions for decommissioning and nuclear waste disposal

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Valuation of property, plant and equipment (PPE), intangible assets, energy procurement contracts as well as investments in partner plants

Key Audit Matter

Our response

As at 30 September 2024, net reversals of impairment losses on property, plant and equipment and intangible assets totalled CHF 62.7 million (previous year: CHF -581.4 million). Together with ordinary depreciation and amortization, "Depreciation, amortization and impairment losses/reversals" amounted to CHF 414.2 million (previous year: CHF 1,068.0 million). The increase in provisions for onerous energy procurement contracts was recognized under "Energy procurement, grid usage and cost of goods" in the amount of CHF 135.7 million (previous year: CHF 2.1 million)

The Axpo Group has property, plant and equipment, intangible assets, energy procurement contracts and investments in partner plants whose profitability and valuation depend on various valuation parameters. There is scope for estimation, which requires significant discretionary decisions, particularly with regard to future energy prices, energy price volatility, expected production costs, exchange rate movements, useful lives and the discount rate.

In this respect, Management assesses every year whether there are indications for material impairments or impairment reversals, or a need to adjust provisions due to significant changes that could influence the relevant valuation parameters.

Should there be such indications, the carrying value is compared to the recoverable amount (value in use) or the expected loss and corresponding impairment losses or reversals of impairment losses are recognized.

The value in use or expected loss is determined by modeling discounted cash flows based on the estimated valuation parameters.

Our audit procedures included, among other things, an assessment of the methodological and computational accuracy of the model used for valuation as well as the appropriateness of the assumptions made for the key valuation parameters.

We critically reviewed Management's assessment regarding indicators for material impairment, impairment reversals or a need to adjust provisions.

For those tangible assets, intangible assets, energy procurement contracts, and participations in partner plants where indications of significant impairments, reversals of impairments, or the need for adjustments to provisions were identified, we performed the following audit procedures on a sample selected based on qualitative and quantitative factors, among others:

- Critical questioning of the key parameters for calculating the recoverable amount or the expected loss, particularly by comparing the future expected energy prices, volatility of energy prices, foreign exchange rates, and discount rates with data from externally prepared studies and market data. These parameters are also used by management as indicators to identify signs of significant impairments, reversals of impairments, or adjustments to provisions;
- Reconciliation of used cost estimates with budget figures and retrospective analysis of previous years' cost estimates regarding their accuracy;
- Verification of the used useful lives of valued tangible assets and intangible assets by comparison with Axpo's internal accounting policies;
- Examine the contractual and concession durations of valued energy procurement contracts and investments in partner plants;
- Recalculation of the difference between carrying amount and recoverable amount or expected loss and verification of the correct recording of any significant impairment or reversal, or adjustment of provisions in the financial accounting.

For further information on PPE, intangible assets, energy procurement contracts as well as investments in partner plants, please consult the following sections of the notes to the consolidated financial statements

- Notes 2.2, 2.4, 3.1, 3.2, 3.3, 3.7.1 and 6.3



Classification and valuation of energy derivatives

Key Audit Matter

Fair value of energy derivatives as at September 30, 2024 are disclosed in the line item "Derivative Financial Instruments" in non-current assets (CHF 4,356.4 million (previous year: CHF 6,856.4 million)) and current assets (CHF 2,434.6 million (previous year: CHF 5,218.6 million)), as well as in the non-current liabilities (CHF 3,264.0 million (previous year: CHF 5,688.1 million)) and current liabilities (CHF 1,768.2 million (previous year: CHF 5,308.5 million)).

Fluctuations in the replacement values as well as the settlement of the relevant contracts affect the income statement, other comprehensive income and equity, depending on their classification as "Own Use Contracts," "Energy Trading Transactions," or for "Hedging" purposes. Furthermore, the classification of derivative financial instruments influences the presentation and disclosure obligations of such contracts.

For subsequent valuation of the energy derivatives as at balance sheet date, models with observable input parameters are used. The definition of such input parameters and the use of suitable valuation models are subject to considerable discretion. Moreover, the assessment of an energy derivative's purpose is decisive for its correct classification and is also subject to considerable discretion.

The valuation is based on the complete and correct recording of all contractual parameters. The recording of the contracts is subject to operational risk in the business workflows that stem from the organizational structure of Axpo Group and the numerous energy products traded.

For further information on the energy derivatives refer to the following sections of the notes to the consolidated financial statements:

- Notes 2.1 and 4.5

Our response

We have performed the following audit procedures with regard to the reported energy derivatives, using both valuation specialists and data analysis techniques:

- Testing of controls implemented to ensure the complete and accurate recording of energy derivatives; we thereby focused on the segregation of duties and the reconciliation of internal contractual data with external confirmations as well as on the IT controls relevant to the business workflows for energy derivatives and interfaces between the IT solutions used in the information flow;
- We examined the calculation methods used in the models for consistency and appropriateness with the support from valuation specialists. Together with valuation specialists, we also reviewed whether appropriate energy price curves had been used;
- We also re-calculated the energy derivatives' valuation for a substantial part of the portfolio using our own valuation methods and applying independently procured market data; the remaining derivatives were assessed on a sample basis to ensure they were correctly valued.



Completeness and accuracy of provisions for decommissioning and nuclear waste disposal

Key Audit Matter

As at September 30, 2024, the Axpo Group discloses provisions in the amount of CHF 3,540.4 million (previous year: CHF 3,395.3 million). Thereof CHF 3,209.5 million (previous year: CHF 3,139.7 million) relate to future obligations for the decommissioning and disposal of nuclear waste.

The Axpo Group is legally obligated to decommission its nuclear power plants after the end of their operating life and to dispose of the nuclear waste in a professional manner. The future costs incurred for this are periodically re-estimated by swissnuclear (the nuclear energy specialist group of swisselectric) and submitted to the Administrative Commission of the Disposal Fund, on whose basis the provisional cost contributions are determined. For the 2023/24 consolidated financial statements, the cost study of 2021 was used as the basis for the recorded provision for decommissioning and nuclear disposal. The provision plan contained in the cost study of 2021, its modeling, and its computational accuracy were reviewed by an external expert. In 2023, the Swiss Federal Nuclear Safety Inspectorate (ENSI), as well as experts consulted by it, reviewed whether the costs in the cost studies were estimated realistically and presented in detail and transparently.

The cost estimates, as well as the used discount rate and thus the accuracy and completeness of the provisions, are subject to significant uncertainties due to the long time horizon and, in some cases, the lack of empirical values - particularly in the area of disposal. Due to the ongoing review of the cost study of 2021 by the ENSI, there is the possibility of future changes in significant valuation parameters.

For further information on the provisions for the decommissioning and nuclear waste disposal, refer to the following sections of the notes to the consolidated financial statements:

- Notes 3.7.1

Our response

For our audit, we primarily relied on the 2021 cost analysis prepared by swissnuclear as well as its methodological review by the external expert. During our audit, we assessed the professional expertise of swissnuclear and of the external expert

Among others we performed the following specific audit procedures:

- Reconciliation of the amount, formation, and use of the provision in the financial accounting as of the balance sheet date with the values in the cost study and their recording in accordance with the requirements of IFRS;
- Reconciliations of the use of the current provision for nuclear waste disposal by inspecting invoices on a sample basis;
- Critical comparison of the discount rate with data from external studies, past experience and market data.
- Critical appraisal of the disclosure to the provisions in the consolidated financial statements in accordance with the requirements of IFRS.



Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the company, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.



- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

Rolf Hauenstein
Licensed Audit Expert
Auditor in Charge

Regula Tobler
Licensed Audit Expert

Zurich, 4 December 2024

KPMG AG, Badenerstrasse 172, CH-8036 Zürich

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05

Statutory financial statements of Axpo Holding AG

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Income statement of Axpo Holding AG

CHF million	Note	2023/24	2022/23
Income			
Income from investments	3	1 234.3	886.6
Financial income	4	784.7	779.2
Other operating income		2.1	2.5
Total income		2 021.1	1 668.3
Expenses			
Financial expenses	4	- 804.5	- 782.5
Personnel expenses		- 0.3	- 0.3
Other operating expenses		- 27.7	- 60.6
Taxes		- 3.3	0.0
Total expenses		- 835.8	- 843.4
Ordinary profit		1 185.3	824.9
Net profit for the year		1 185.3	824.9

Balance sheet of Axpo Holding AG

Balance sheet of Axpo Holding AG

CHF million	Note	30.9.2024	30.9.2023
Assets			
Cash and cash equivalents	5	6 115.7	6 139.0
Trade receivables		1.8	0.0
Current financial receivables	6	541.8	844.5
Current derivatives (positive replacement values)	7	203.8	238.1
Other current receivables	8	29.7	17.9
Accrued income and prepaid expenses	9	15.4	15.9
Total current assets		6 908.2	7 255.4
Financial assets	10	1 105.5	774.1
Non-current derivatives (positive replacement values)	11	51.6	206.6
Investments	12	4 816.7	4 787.7
Other non-current receivables	13	17.6	0.0
Total non-current assets		5 991.4	5 768.4
Total assets		12 899.6	13 023.8

CHF million	Note	30.9.2024	30.9.2023
Equity and liabilities			
Current interest-bearing liabilities	14	2 529.6	3 901.2
Current bonds	15	500.0	526.3
Current derivatives (negative replacement values)	16	182.8	202.5
Other current liabilities		9.5	7.6
Accrued expenses and deferred income	17	45.9	81.0
Total current liabilities		3 267.8	4 718.6
Non-current bonds	18	1 233.0	1 732.6
Loans payable	19	1 434.7	670.0
Non-current derivatives (negative replacement values)	20	107.7	231.2
Other non-current liabilities		2.5	2.8
Total non-current liabilities		2 777.9	2 636.6
Total liabilities		6 045.7	7 355.2
Share capital	21	370.0	370.0
Statutory capital reserves (capital contribution reserve)		2 633.0	2 633.0
Voluntary retained earnings		63.0	63.0
Accumulated profit			
– Profit carried forward		2 602.6	1 777.7
– Result for the year		1 185.3	824.9
Total equity	22	6 853.9	5 668.6
Total equity and liabilities		12 899.6	13 023.8

Notes to the statutory financial statements of Axpo Holding AG

1 General information

Axpo Holding AG is a public limited company incorporated under Swiss law with its registered office in Baden. The annual average number of full-time employees was 1 (previous year: 1).

2 Accounting principles

The annual financial statements are prepared in accordance with Swiss law. The Board of Directors of Axpo Holding AG approved these statutory financial statements on 4 December 2024, and they are still to be approved by the Annual General Meeting on 17 January 2025. The policies applied in the statutory financial statements are presented below unless otherwise required by law. The option to create and release hidden reserves was exercised in order to ensure the long-term growth of the company.

Foreign currency translation

For more information about foreign currency translation, see "Foreign currency exchange rates" in Note 1.2 of the consolidated financial statements of the Axpo Group.

Cash pooling

Axpo Holding AG has a cash pooling system (zero balancing). The current financial receivables and current interest-bearing payables from group companies are transferred daily to the account of Axpo Holding AG at the pool bank. The balance per group company or associated company is recognised under receivables from or liabilities to group companies and related parties.

Trade receivables

Trade receivables are recorded at their nominal value less loss allowances.

Derivatives (replacement values)

Derivative financial instruments are used to hedge foreign currency positions and interest rate risks. The financial derivatives that are open at the balance sheet date are measured at stock market value or at fair value at the balance sheet date and reported in the income statement under financial expense or financial income. The positive and negative derivative financial instruments are recognised in the corresponding balance sheet items.

Financial assets

Loan receivables are recognised at their nominal value less any loss allowances. Securities are measured at the lower of cost or fair value.

Investments

Investments in subsidiaries and associates are recognised at cost, subject to any impairment losses.

Liabilities

Liabilities are recognised at nominal value.

Transactions with shareholders as well as investments and group companies

The investors of Axpo Holding AG are recognised as "shareholders". "Investments and group companies" includes all fully consolidated group companies, equity-accounted associates of Axpo Holding AG and significant investments of shareholders.

Waiver of cash flow statement and additional information in the notes

Since the Axpo Holding AG has prepared its consolidated financial statements in accordance with a recognised accounting standard (IFRS), as stipulated by law, it has dispensed with the presentation of additional information on interest-bearing liabilities and audit fees in the notes as well as a cash flow statement.

3 Income from investments

CHF million	2023/24	2022/23
Dividend income and sale of:		
Axpo Grid AG, Baden	30.0	30.0
Axpo Power AG, Baden	500.0	300.0
Centralschweizerische Kraftwerke AG, Lucerne	130.0	28.9
Axpo Solutions AG, Baden	500.0	500.0
Axpo Hydro AG, Baden	60.0	0.0
Other	14.3	27.7
Total	1 234.3	886.6

4 Financial income/expense

Financial income mainly includes interest income, realised and unrealised gains on financial investments, foreign exchange gains and gains on derivatives.

Due to the high liquidity, more fixed-term deposits were made, which contributed to an increase in financial income.

Financial expense is mainly composed of realised and unrealised foreign exchange losses. Also included are interest expenses and losses on derivatives.

Financing measures initiated in previous years due to high market volatility in energy prices continued to impact the 2023/24 financial year, resulting in increased financial expenses.

5 Cash and cash equivalents

CHF million	30.9.2024	30.9.2023
Bank balances	1 677.8	1 209.0
Monetary investments < 3 months	4 437.9	4 930.0
Total	6 115.7	6 139.0

6 Current financial receivables

CHF million	30.9.2024	30.9.2023
Investments and group companies	541.8	844.5
Total	541.8	844.5

This item contains loans with a remaining term to maturity of less than 12 months and current account receivables.

7 Current derivatives (positive replacement values)

CHF million	30.9.2024	30.9.2023
Third parties	78.4	123.7
Investments and group companies	125.4	114.4
Total	203.8	238.1

Current derivative financial instruments mainly consist of the positive replacement value for currency forward contracts with a maturity of less than 12 months, open on the balance

sheet date. They are used to hedge foreign currency positions. Non-current positive derivatives are shown in both a separate balance sheet line item and in Note 11.

8 Other current receivables

CHF million	30.9.2024	30.9.2023
Third parties	29.5	14.6
Investments and group companies	0.2	3.3
Total	29.7	17.9

9 Accrued income and prepaid expenses

CHF million	30.9.2024	30.9.2023
Third parties	6.0	6.0
Investments and group companies	9.4	9.9
Total	15.4	15.9

10 Financial assets

CHF million	30.9.2024	30.9.2023
Investments and group companies	1 092.2	762.3
Securities	13.3	11.8
Total	1 105.5	774.1

The term to maturity of the loan receivables is longer than 12 months. Securities consist mainly of collective investment instruments (bank in-house funds and investment funds).

11 Non-current derivatives (positive replacement values)

CHF million	30.9.2024	30.9.2023
Third parties	22.0	86.3
Investments and group companies	29.6	120.3
Total	51.6	206.6

Non-current derivatives (positive replacement values) also include interest rate swaps. The current derivative financial instruments (positive replacement values) are stated in Note 7.

12 Investments

The overview in Note 6.6 of the consolidated financial statements of the Axpo Group sets out

the details of Axpo Holding AG's direct or indirect equity interests in subsidiaries and associates.

13 Other non-current assets

CHF million	30.9.2024	30.9.2023
Third parties	17.6	0.0
Total	17.6	0.0

The capitalised RCF transaction costs are reported under non-current receivables.

14 Current interest-bearing liabilities

CHF million	30.9.2024	30.9.2023
Third parties	0.0	305.0
Investments and group companies	2 529.6	3 596.2
Total	2 529.6	3 901.2

This item includes loan liabilities due in less than 12 months and current account liabilities.

15 Current bonds

CHF million		30.9.2024	30.9.2023
Private placements in CHF		0.0	100.0
Private placements in EUR		0.0	76.4
	Nominal value		
Bonds outstanding at the balance sheet date:			
1.750% bond 29.7.2016–29.5.2024	350.0	0.0	349.9
3.125% bond 26.2.2010–26.2.2025	300.0	300.0	0.0
0.250% bond 4.2.2022–4.2.2025	200.0	200.0	0.0
Total		500.0	526.3

16 Current derivatives (negative replacement values)

CHF million		30.9.2024	30.9.2023
Third parties		43.4	49.8
Investments and group companies		139.4	152.7
Total		182.8	202.5

Current derivative financial instruments mainly consist of the negative replacement value for currency forward contracts with a maturity of less than 12 months, open on the balance

sheet date. They are used to hedge foreign currency positions. Non-current derivatives are shown in a separate balance sheet line item as well as in Note 20.

17 Accrued expenses and deferred income

CHF million	30.9.2024	30.9.2023
Third parties	37.1	59.8
Investments and group companies	8.8	21.2
Total	45.9	81.0

18 Non-current bonds

CHF million		30.9.2024	30.9.2023
Bonds outstanding at the balance sheet date:	Nominal value		
3.125% bond 26.2.2010–26.2.2025	300.0	0.0	299.6
1.002% bond 23.7.2020–23.7.2027	133.0	133.0	133.0
0.250% bond 4.2.2022–4.2.2025	200.0	0.0	200.0
0.625% bond 4.2.2022–4.2.2027	300.0	300.0	300.0
2.000% bond 15.9.2022–15.9.2026	300.0	300.0	300.0
2.500% bond 15.9.2022–15.3.2029	200.0	200.0	200.0
2.500% bond 22.9.2023–22.9.2026	300.0	300.0	300.0
Total		1 233.0	1 732.6

19 Loan liabilities

CHF million	30.9.2024	30.9.2023
Due dates:		
Remaining term to maturity 1–5 years	1 434.7	670.0
Total	1 434.7	670.0
of which:		
Investments and group companies	1 434.7	670.0

20 Non-current derivatives (negative replacement values)

CHF million	30.9.2024	30.9.2023
Third parties	9.9	33.9
Investments and group companies	97.8	197.3
Total	107.7	231.2

Non-current derivatives (negative replacement values) also include interest rate swaps. Current derivatives (negative replacement values) are stated in Note 16.

21 Share capital

CHF million		30.9.2024	30.9.2023
The share capital is divided into 37 000 000 registered shares with a par value of CHF 10 each.			
The shareholders are:	in %		
Canton of Zurich	18.342	67.9	67.9
Electricity utilities of the Canton of Zurich	18.410	68.1	68.1
Canton of Aargau	13.975	51.7	51.7
AEW Energie AG	14.026	51.9	51.9
St. Gallisch-Appenzellische Krafwerke AG	12.501	46.3	46.3
EKT Holding AG	12.251	45.3	45.3
Canton of Schaffhausen	7.875	29.1	29.1
Canton of Glarus	1.747	6.5	6.5
Canton of Zug	0.873	3.2	3.2
Total	100.000	370.0	370.0

22 Changes in equity

CHF million	Share capital	General legal reserves	Free reserves	Accumulated profit/loss	Total equity
As at 30.9.2021	370.0	2 633.0	63.0	1 793.1	4 859.1
Dividends				- 79.6	- 79.6
Result for the year 2021/22				64.2	64.2
As at 30.9.2022	370.0	2 633.0	63.0	1 777.7	4 843.7
Result for the year 2022/23				824.9	824.9
As at 30.9.2023	370.0	2 633.0	63.0	2 602.6	5 668.6
Dividends				0.0	0.0
Result for the year 2023/24				1 185.3	1 185.3
As at 30.9.2024	370.0	2 633.0	63.0	3 787.9	6 853.9

23 Collateral provided for third-party liabilities

CHF million	30.9.2024	30.9.2023
Guarantees	6 387.1	7 713.0
Sureties	22.5	23.1
Liabilities to pay in capital on shares	4.3	6.0
Total	6 413.9	7 742.1

24 Remuneration paid to the Board of Directors and the Executive Board

This note was created in accordance with the requirements of the Swiss Code of Obligations and may differ from the remuneration information in Note 5.2 of the consolidated financial statements (in accordance with IFRS) as a result of differing measurement approaches. The amounts disclosed include all remuneration to the members of the Board of Directors of Axpo Holding AG and the Executive Board granted by the fully consolidated companies of the Axpo Group for the 2023/24 financial year even if the time of payment or definitive acquisition of title was after the balance sheet date of the reporting year (accrual basis). Remuneration that was not paid out directly to individual members of the Board of Directors but to their employers is also included in the following amounts.

Notes to the statutory financial statements of Axpo Holding AG

Remuneration paid to members of the Board of Directors

Name		2023/24			2022/23		
		Remuneration for Board of Directors mandate (fixed) ¹⁾	Pension fund and social security contributions ²⁾	Total	Remuneration for Board of Directors mandate (fixed) ¹⁾	Pension fund and social security contributions ²⁾	Total
CHF thousand	Function						
Thomas Sieber	Chairman of the Board of Director	300	87	387	300	87	387
Stephan Kuhn	Vice Chairman of the Board of Directors (since January 2024) Chair of the Remuneration and Nomination Committee (since January 2024) Member of the Audit and Finance Committee Member of the Strategy Committee (until January 2024)	120	7	127	96	5	101
Hanspeter Fässler	Vice Chairman of the Board of Directors (until January 2024) Member of the Strategy Committee (until January 2024) Chair of the Remuneration and Nomination Committee (until January 2024)	78	4	82	133	8	141
Martin Keller	Member of the Board of Directors Member of the Remuneration and Nomination Committee	78	6	84	78	6	84
Stefan Kessler	Member of the Board of Directors Chair of the Audit and Finance Committee	120	9	129	110	8	118
Peter Kreuzberg	Member of the Board of Directors Member of the Audit and Finance Committee Member of the Corporate Risk Council Member of the Remuneration and Nomination Committee	98	11	109	94	10	104
Katja Pluto	Member of the Board of Directors (since March 2023) Member of the Audit and Finance Committee	88	7	95	51	4	55
Jakob Stark	Member of the Board of Directors Member of the Strategy Committee	78	4	82	78	6	84
Roger Wüthrich-Hasenböhler	Member of the Board of Directors Chair of the Strategy Committee Member of the Remuneration and Nomination Committee	93	7	100	93	7	100
Samuel Leupold	Member of the Board of Directors Member of the Strategy Committee (since January 2024)	39	4	43	0	0	0
Dorothee Deuring	Member of the Board of Directors (until March 2023) Member of the Audit and Finance Committee (until March 2023)	0	0	0	44	3	47
Total		1 092	146	1 238	1 077	144	1 221

1) The remuneration for Board of Directors mandate consists of a fixed base compensation plus additional committee allowances.

2) Employer contributions to occupational pension funds are shown under pension fund contributions, and employer contributions to social insurance are reported under social security contributions.

Remuneration paid to the CEO and Executive Board members

CHF thousand	Christoph Brand CEO			Total for Executive Board		
	2023/24	2022/23	2021/22	2023/24	2022/23	2021/22
Gross salaries (fixed)	884	874	821	3 742	3 726	3 546
Gross salaries (variable)	649	0	338	3 387	0	2 046
Non-cash benefits	15	15	10	81	85	53
Pension fund and social security contributions	268	203	215	1 388	897	1 144
Total	1 816	1 092	1 384	8 598	4 708	6 789

Total Executive Board

For the period from 1 October 2021 to 4 September 2022, based on the provisions of the employment contract and the achievement of agreed targets, there was an entitlement to gross variable salaries amounting to CHF 2,046 thousand. In accordance with Article 10 of the Federal Act on Subsidiary Financial Aid to Rescue System-Critical Companies in the Electricity Industry (FiReG) and the official decree, no provisions were recognised for the 2021/22 financial year and no variable compensation was paid out, due to the ban on passing resolutions and payments of variable remuneration. The decree was lifted at Axpo's request on 1 December 2023. During December 2023, a resolution was passed regarding entitlements under labour law relating to the part of the 2021/22 financial year before the decree came into effect

(period from 1.10.2021 to 4.9.2022), and the corresponding payment was made. Although the payment took effect in the 2023/24 financial year, the remuneration table is presented over three years for improved transparency. The presentation of annual compensation reflects the contractual entitlements and the achievement of collective targets. Under the 2023/24 financial year, only provisions for variable remuneration that arose in this financial year are shown.

Gross salaries (variable)

All variable remuneration reported in the 2023/24 column relates to the period from December 2023 onwards, following the lifting of the ban on passing resolutions and payments of variable remuneration. The Board of Directors of Axpo Holding AG regularly reviews the

remuneration of the Executive Board and carries out comparisons with similar companies. The peer group consists of European energy companies, Swiss industrial companies and public sector companies of comparable size and complexity. Based on these comparisons, the variable remuneration of the Executive Board was increased from January 2024 in order to bring it closer to market level.

Non-cash benefits

This item includes private use of company vehicles and SBB rail passes.

Pension fund and social security contributions

Contributions to the company pension funds and social insurance include employer contributions to occupational pension schemes and social insurance systems, i.e. the AHV/IV, occupational and non-occupational accident insurance, and sick pay insurance.

Expenses for performing directorships or Foundation Board mandates on behalf of Axpo are also compensated by means of the remuneration paid to the Executive Board members, i.e. Executive Board members may not claim separate remuneration for the performance of directorships within the Axpo Group or for their membership of the PKE Foundation Board.

Further information

Axpo Holding AG is wholly owned by the cantons of Northeastern Switzerland and their cantonal utility companies. Axpo Holding AG and its group companies have not granted any securities, loans, advances or credits to the members of the Board of Directors and the Executive Board or related parties.

25 Significant events after the balance sheet date

There were no significant events after the balance sheet date that would have an impact on the carrying amounts of the assets or liabilities or that would have to be disclosed at this point.

Appropriation of profits of Axpo Holding AG

Proposal of the Board of Directors

in CHF

We propose that distributable profit be appropriated as follows:

Profit carried forward	2 602 682 479
Reported net profit	1 185 277 159
	3 787 959 638
<hr/>	
Payment of a dividend of CHF 6.50 per share with a par value of CHF 10	240 500 000
Payment of a special dividend of CHF 11.60 per share with a par value of CHF 10	429 200 000
Profit to be carried forward	3 118 259 638
Total	3 787 959 638

06

Statutory
Auditor's Report



Statutory Auditor's Report

To the General Meeting of Axpo Holding AG, Baden

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Axpo Holding AG (the Company), which comprise the balance sheet as at 30 September 2024, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 143 to 153) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Company, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Rolf Hauenstein
Licensed Audit Expert
Auditor in Charge

Regula Tobler
Licensed Audit Expert

Zurich, 4 December 2024

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