

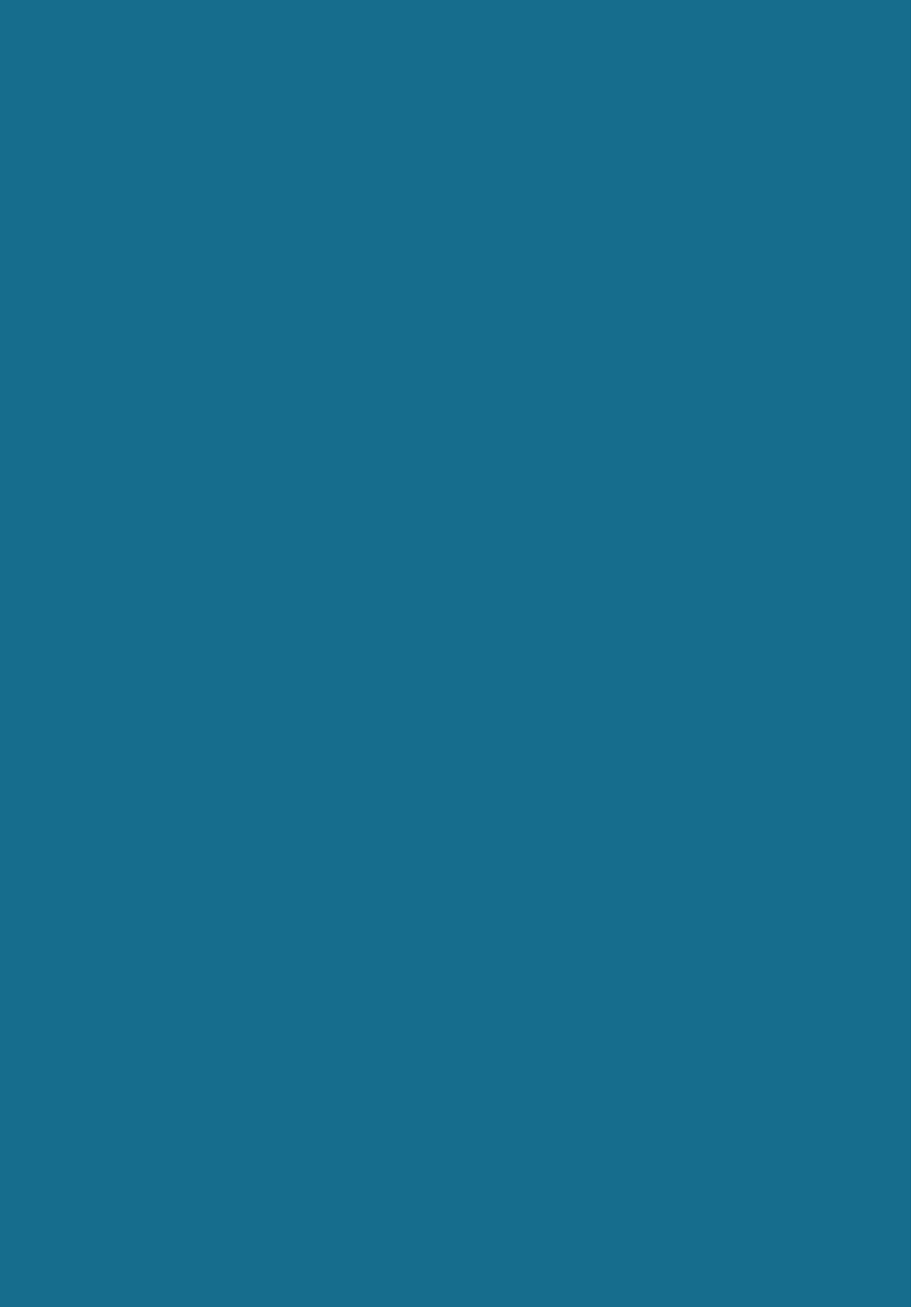


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Annual Report

24





**Report of the Board of Directors
of the Azienda Elettrica Ticinese
to the Grand Council and the Council of State
of the Republic and Canton of Ticino**

Ladies and Gentlemen,
Chairmen,
State Councillors,
Parliamentary Representatives,

in accordance with the provisions contained in article 6 of the Act of the Azienda elettrica ticinese (LAET), we hereby submit:

- the report of the Board of Directors for the year 2024;
- the auditors' report;
- the financial statements for the year 2024;
- the proposal for allocation of result.

The english version of the AET 2024 Annual Report is merely a translation:
the official version is the italian text.

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At the origin of our story

Water is an integral part of AET's identity: a source of energy, a driver of development, and a resource to be protected. Its connection to the company will be the common thread running through this first edition of our integrated report.





2024 in summary

	2024	2023	2022	2021	2020
In CHF million					
Operating income	981	1'044	1'109	790	867
Operating result	46	10	-48	33	23
Net result	45	-18	-56	19	13
Equity	315	272	294	356	340
Equity in % of balance sheet total	34.8%	23.5%	18.5%	36.5%	43.9%
Non-current assets	604	608	563	518	512
Balance sheet total	903	1'158	1'588	976	773
Distribution of dividends to the State	5	-	-	3	-
Interest on capital, due to the State	3	3	3	3	3
Employees of the Group (full time equivalent)	335.0	319.6	302.7	298.2	285.8
	2024	2023	2022	2021	2020
In GWh					
Production AET Group	1'158	569	555	945	981
Production participations	1'404	1'178	1'262	1'514	1'069

Employees

354

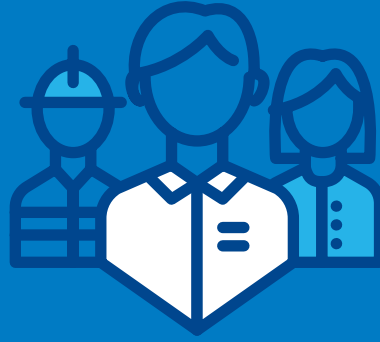
(335.0 FTE)

Total number of employees, including apprentices and subsidiaries

of which

51

Apprentices



54

Women



300

Men

Environmental impact



259'811 t

CO₂ Emissions

-10%

emissions than in 2023

Management Report



From left to right: Marika Codoni-Sulmoni, Alberto Passoni, Roberta Pantani Tettamanti, Giovanni Leonardi, Dino Cauzza, Claudio Cereghetti and Fabiana Gianora.

Governing Bodies

Board of Directors

The Board of Directors (BoD) of AET is responsible for determining the strategy of the company and for the overall supervision of its activities. Its main tasks include the appointment and, if necessary, the dismissal of the Executive Management. Appointed by the Council of State in accordance with article 8 of the LAET, the BoD elects from among its members the Chairman, the Vice-Chairman and the members of the Project and Management Committees.

The BoD consists of seven independent members, all Swiss citizens resident in the Canton of Ticino. Their expertise spans various professional fields, including engineering, law, economics and technical disciplines. To ensure independence, no BoD member is part of the Executive Management, has held such a role in the last three years, or maintains significant business relationships with AET Group companies.

The members of the Board of Directors are appointed by the Council of State for renewable three-year term. The Chairman, who is elected from among the BoD members, also serves a three-year renewable term of office.

Giovanni Leonardi ♂ Chairman
From 01.08.2013 to 31.07.2025

Claudio Cereghetti ♂ Vice-Chairman,
Head of the Projects Committee
From 19.08.2014 to 31.08.2025

Alberto Passoni ♂ Member,
Member of the Projects Committee
From 22.09.2015 to 31.08.2025

Fabiana Gianora ♀ Member,
Member of the Projects Committee
From 01.02.2020 to 31.08.2027

Dino Cauzza ♂ Member,
Head of the Management Committee
From 01.01.2018 to 31.08.2026

Marika Codoni-Sulmoni ♀ Member,
Member of the Management Committee
From 05.06.2020 to 31.08.2027

Roberta Pantani Tettamanti ♀ Member,
Member of the Management Committee
From 01.12.2021 to 31.08.2027

Activities of the Board of Directors and Committees in 2024

In 2024, the BoD met eight times and organized an in-depth workshop on energy and electricity topics in Switzerland, with a particular focus on photovoltaic production.

The Projects Committee, which is responsible for analysing and advising the BoD on capital investments and equity participations, met eight times during the year.

The Management Committee met nine times, focusing on risk management oversight, internal and external auditing, and the internal control system.

On a quarterly basis, the Executive Management provides the BoD with a comprehensive report on the company's performance, including financial data, market and energy analysis, operational and managerial aspects (such as risks, human resources, subsidiaries, etc.), as well as the collection of private interests of BoD and Executive Management members.

Code of Ethics, Good Governance, and BoD Compensation Policy

The conduct of the BoD, Executive Management, and AET employees is governed by the company's Code of Ethics, which sets out its principles and operational guidelines. Each year, BoD members, as well as Executive Management and senior staff, are required to certify their compliance with the Code through a self-declaration.

To ensure transparent corporate governance, the private interests of BoD members are assessed annually through self-disclosure. This assessment includes mandates in other boards of directors, personal transactions, relationships with third parties conducting business with AET, and significant financial interests.

The performance of BoD members is subject to self-evaluation, the results of which are submitted to the Department of Finance and Economy (DFE) of the Canton, responsible for overseeing AET.

The remuneration of BoD members is determined by the Council of State (see 2024 Financial Report, page 42, note 22 "Personnel Costs").

Executive Management

In accordance with the principles laid down in the LAET and the Management and Organization Regulations (RO), AET's Executive Management is responsible for the management, coordination, and development of the company. It prepares and make recommendations on matters within the BoD.

The Executive Management is headed by the CEO, and a Co-CEO, appointed by the BoD. The other members hold the position of Vice Directors, each with specific responsibilities over operational areas.

Roberto Pronini ♂ CEO

Claudio Nauer ♂ Deputy-CEO
Head of Executive Services

Flavio Kurzo ♂ Vice Director,
Head of Finance

Edy Losa ♂ Vice Director
Head of Energy Production

Fiorenzo Scerpella ♂ Vice Director
Head of Grids

Giorgio Tognola ♂ Vice Director
Head of Energy Trading

Executive Management meetings are held regularly (weekly or biweekly), and decisions are made collectively. In the absence of the CEO, the Deputy CEO assumes their responsibilities.

Executive Management Compensation Policy

AET's salary system is approved by the BoD, taking into account comparative salary data collected within the industry. The compensation of Executive Management members is detailed in the Financial Report (see page 42, note 22 "Personnel Costs").

Representation expenses: Lump-sum reimbursements comply with the regulations approved by the tax authority.

Boards of Directors: The compensation (annual allowances and attendance fees) received by Executive Management members as AET representatives in the governing bodies of affiliated companies is collected by AET itself.



From left to right: Fiorenzo Scerpella, Giorgio Tognola, Claudio Nauer, Roberto Pronini, Flavio Kurzo and Edy Losa.

Introduction by the Chairman of the Board of Directors

Positive results in a changing environment

AET ended the 2024 financial year with a consolidated profit of 45 million Swiss francs, confirming the soundness of a long-term strategy in an ever-changing and uncertain context. The turnaround was made possible by weather conditions that finally favoured hydropower south of the Alps, after two years of severe drought. Significant snowmelt in the spring months and regular rainfall throughout the year resulted in electricity generation well above the ten-year average.

This strong production was offset by an increasingly complex market environment. Electricity prices were significantly lower than in the previous year, reducing operating margins. Even more impactful from a financial perspective was the growth in photovoltaic production, whose excess output in the spring and summer led to major imbalances in the grid, triggering a record number of hours with negative prices. For AET, this represents a completely new challenge, that has resulted in, and will continue to result in, significant unforeseen costs. In this scenario, characterised by both favourable and unfavourable factors, the flexibility of hydropower once again proved to be the key element enabling the company to adapt to sudden changes and to contribute to the stability and security of supply.

The context in which AET operates will be increasingly characterised by uncertainty and low predictability, as recent years have made abundantly clear. Geopolitical dynamics, extreme weather events, and the technological changes associated with the energy transition have a direct impact on the market and the way electricity is produced, traded, and consumed. Today, more than ever, flexibility and adaptability are essential requirements for the success of companies in the sector. AET's strategy – focused on the development of Ticino's renewable energy resources, in particular hydroelectric power – is moving in this direction and is proving effective. However, we are only at the beginning of a long process of change.

The Government has finally acknowledged the problem and is now providing the necessary tools to intervene. The Federal Energy Act, approved by the Swiss people on 9 June 2024, represents a first concrete step. AET is ready to seize this opportunity by focusing on the renovation of existing plants and the development of new projects to increase the system's overall flexibility. These include the new Ritom SA power plant (in which AET manages the Canton's minority interest alongside SBB) and the raising of the Sambuco dam by Officine Idroelettriche della Maggia SA (in which the Canton holds a minority shareholding).

The ongoing transformation process must be supported and its evolution closely monitored. If necessary, additional measures must be adopted to ensure a secure and sustainable energy supply, both – environmentally and economically.



Giovanni Leonardi
Chairman of the Board of Directors

CEO's Perspective

We invest energy for a sustainable future

Since 1958, Azienda Elettrica Ticinese (AET) has been enhancing the natural resources of the Ticino region by producing renewable electricity for the benefit of the Canton and its inhabitants.

The economic, social, and environmental well-being of Ticino is an integral part of our history and mission. The scientific evidence of the climate crisis has made us more aware of our responsibilities and our role in addressing this global challenge. Today, activities that affect sustainability are monitored in a structured way to identify areas for improvement and measure progress over time.

Our guiding principles are in line with cantonal and federal energy policies and are consistent with our mission, which seeks to balance the corporate economic sustainability with our commitment to environmental, social, and governance objectives.

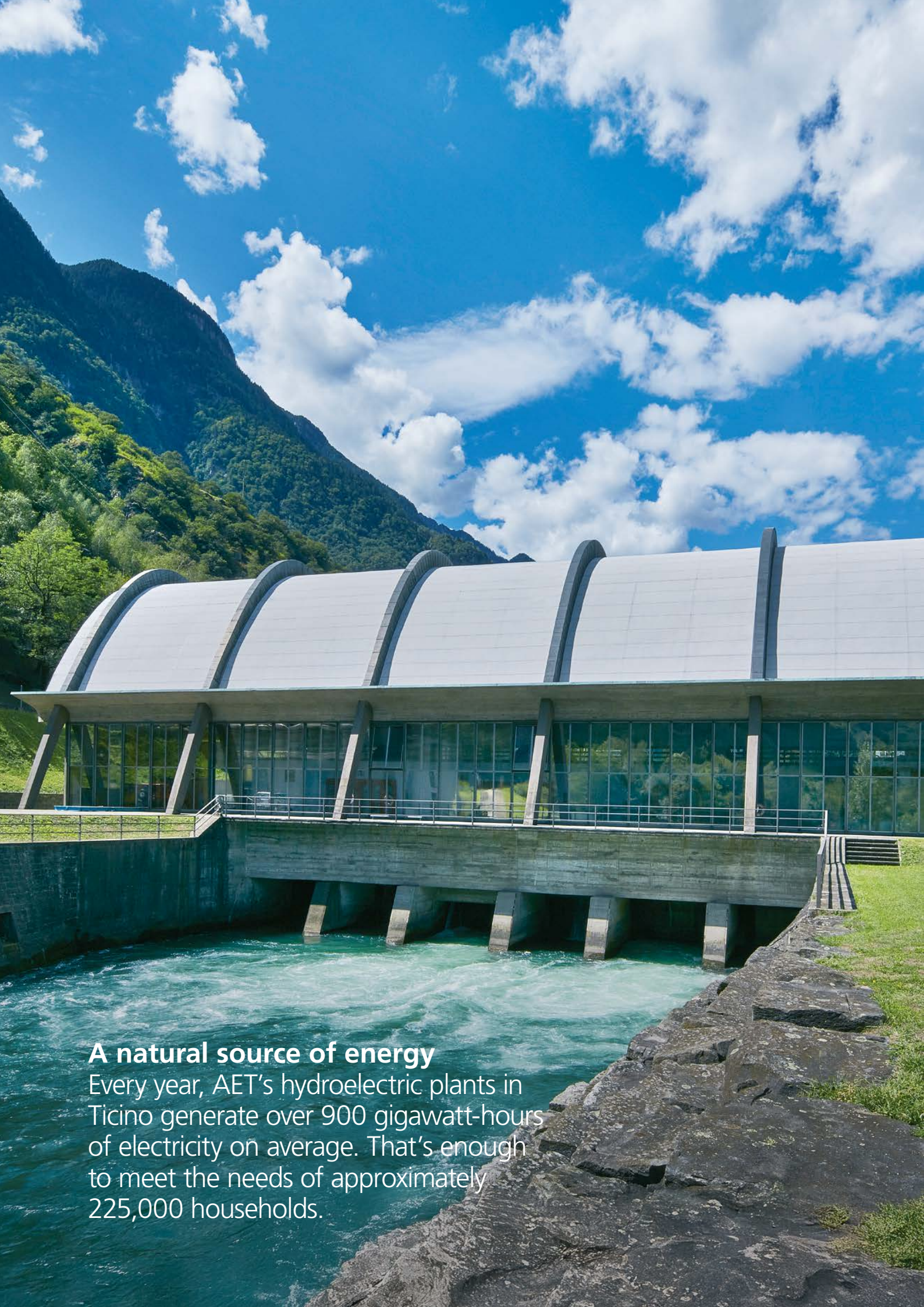
Thanks to our privileged role in managing numerous infrastructures deeply rooted in the region, we are fully aware of the impact of our activities. For this reason, we are committed to applying techniques and methods aimed at improving these impacts and, where necessary, adopting compensatory measures to mitigate them.

For us, sustainability also means focusing on our employees, the community, and the territory in which we operate. Sharing the principles that guide us with the people who work with us and those around us is a fundamental step in advancing our transformation journey. In particular, the safety of our employee is a cornerstone for AET: in 2024, we reached a significant milestone by becoming the first company in Ticino to be certified according to the principles of the Safety Culture Ladder.

If sustainability is the journey we have chosen to take, then this Report is its travel log. Now in its second edition, this year the report has been integrated into the Annual Report, demonstrating the alignment between our sustainability goals and our corporate management objectives.



Roberto Pronini
CEO



A natural source of energy

Every year, AET's hydroelectric plants in Ticino generate over 900 gigawatt-hours of electricity on average. That's enough to meet the needs of approximately 225,000 households.

Management report

Leading trough change

AET closed the 2024 financial year with an operating result of CHF 46 million (2023: CHF 10 million) and a consolidated net profit of CHF 45 million (2023: – CHF 18 million). This result, driven by good hydrological conditions, was achieved despite the emergence of new destabilising factors linked to the transformation of the electricity supply model, such as costs of balancing energy management and a sharp increase in the number of hours with negative market prices.

Production

Electricity

Driven by significant snowmelt and steady rainfall throughout the year, hydroelectric production in Ticino in 2024 exceeded the ten-year average by 32%, marking a clear recovery from the previous two financial years.

Production from AET's hydroelectric plants reached 1,142 GWh, compared to 555 GWh in 2023 – a year marked by eight months of drought and the extended shutdown of the Piottino plant for refurbishment. The hydropower production of the participations in Ticino amounted to 781 GWh, an increase of 55% compared to the previous year (503 GWh).

AET's share of production from the Lünen plant in Germany was 267 GWh, 11% lower than in 2023. The year was again affected by an unfavourable ratio between operating costs and electricity market prices, but thanks to contracts concluded under advantageous market conditions in previous years, energy margins still produced a positive return (CHF 4.5 million).

The St. Gotthard wind farm generated 12 GWh, a 10% decrease compared to the 13.4 GWh produced in 2023. Operations were affected by extended shutdowns to protect birds and bats, as well as blade icing during the winter months.

Nuclear power production from participations in Switzerland and France fell by 6% compared to 2023, reaching 311 GWh.

Thermal energy

TERIS Teleriscaldamento del Bellinzonese SA – 60% owned by AET and 40% by the Azienda Cantonale dei Rifiuti (ACR) – continued to advance the projects launched in recent years. In the first quarter, the Camorino thermal power plant entered operation following the completion of the refurbishment work started in 2023, and new users were connected to the grid.

In Coldrerio, the building permit application was published for the new biomass thermal power plant project in the Motta Valley, while the process to develop the Bellinzona Nord plant in Lumino is currently stalled due to municipal-level objections.

In Locarno, Calore SA – jointly owned by AET and Società Elettrica Sopracenerina SA (SES) – continued progress on the “Verbano 2030” project, which includes construction of a new plant and expansion of the district heating network. Construction works have begun, with excavation underway at the Verbano Wastewater Treatment Consortium site. The company also finalised the agreement with FART for the acquisition of the Campagna district heating plant and network in Solduno.

Capriasca Calore SA – owned in equally by AET, Azienda Elettrica di Massagno (AEM) and the Municipality of Capriasca – recorded an increase in consumption compared to 2023. The company is evaluating a network extension to the San Giuseppe elderly care home in Tesserete and has revised its operating model, appointing +calore SA (owned by AET, SES, AMB, AEM and ACR) as main service provider.

Metanord SA, 33% owned by AET, closed 2024 with strong margins, supported by cooler spring temperatures and the recovery of activity among certain industrial clients. The net result was positive, despite a strategic decision by the Board to significantly increase depreciation of the natural gas network in view of a possible accelerated phase-out of this energy carrier by 2050, in line with the federal Energy Strategy 2050.

Energy trade

The market

In 2024, the downward trend in average electricity prices across European markets – observed since autumn 2022 – was confirmed. Price decreases ranged from -40% in France to -14% in Italy. Switzerland recorded a record number of hours with negative prices: 292 (3.3% of total hours), compared to 76 in 2023. Nevertheless, the average price of EUR 76/MWh (-29% year-on-year) was the fourth highest recorded since the creation of the Swiss electricity exchange in 2006, with access to EPEX SPOT (European Power Exchange).

Driven by fluctuations in gas markets and CO₂ certificates, forward electricity prices remained highly volatile, albeit without the excesses seen in recent years. In general, after a bearish start to the year, prices gradually regained ground.

Sales

The market trends during the year, together with the introduction of new structured supply models, favoured the renewal of many contracts in Ticino and the acquisition of new customers in the German speaking part of Switzerland. However, uncertainties related to price volatility, regulatory changes, and the transformation of supply models increased competitive pressure in the open market, resulting in the loss of some long-standing customers.

Sales figures were also affected by the dramatic increase in the costs of managing balancing energy, which multiplied compared to previous years due to the exponential growth of non-dispatchable renewable generation injected into the grid.

kwick SA – a company jointly owned by AET, Società Elettrica Sopracenerina SA (SES), Azienda Multiservizi di Bellinzona (AMB), Azienda Elettrica di Massagno SA (AEM), the Faido electricity cooperative (CEF), and the municipal utilities of Ascona and Airolo – was established to provide electricity purchasing and management solutions for large consumers. In 2024, the company acquired new customers and achieved results in line with expectations. Its service dedicated to managing energy communities (RCPs) proved particularly successful.

Grid

AET continued work to modernise its supra-regional distribution grid, including the cabling of 50 kV lines between Stalvedro and Rodi and between Pollegio and Acquarossa. Work also got underway on the cable tray required for the planned 50 kV grid extension between Sigirino and Manno.

Substation upgrades also progressed: in Cadenazzo with Azienda Multiservizi di Bellinzona (AMB) and in Pollegio with Società Elettrica Sopracenerina SA (SES). Transformers were replaced at the Piottino, Lucendro and Olivone substations (220/150 kV and 220/50 kV).

In the field of electromobility, the fast-charging infrastructure was upgraded along the A2 motorway service areas, and slow-charging points were installed for the Cantonal Administration's fleet at the Via Tatti parking facility.

AET also carried out numerous control, maintenance and high-voltage grid management activities on behalf of third parties. On behalf of Swiss Federal Railways (SBB), the company supervised the project to replace underwater cables between Brusino and Morcote, while it also performed several installations for Swissgrid at the new 220 kV Biasca substation.

Strategic projects

AET continued to support the various phases of construction and commissioning of the new Ritom SA plant, which is 75% owned by Swiss Federal Railways (SBB) and 25% by the Canton of Ticino. In 2024, work continued on the shielding of the surge shaft. Inside the power station, the 50 Hz production unit and the pump were installed, while the 16.7 Hz unit is being completed. In parallel, the renaturation project along the Ticino River between Airolo and Rodi was completed, and the construction of a fish lift at the Airolo reservoir entrance began.

In terms of concessions for major hydroelectric plants, an important agreement was reached at the end of the year between the governments of Ticino and Uri on the future operation of the Lucendro SA facilities. The agreement grants rights for the next 60 years to a new company jointly owned by the two cantons (50–50), headquartered in Airolo. Uri will hold the majority share of production (based on water contribution), while the Canton of Ticino, through AET, will manage operations and maintenance.

nance. AET will thus continue to optimise the production of the entire Leventina chain using the Lucendro facilities.

The renovation plan for the Piottino plant remains on schedule, with project optimization completed and the main contracts awarded. Renovation will be carried out in multiple phases between 2025 and 2029, for a total investment of approximately CHF 80 million.

Investments in photovoltaics continued, with several new installations designed and launched in 2024, totaling around 1.5 MWp. Most of these projects fall under the agreement with the Canton to harness the PV potential of public buildings.

Analyses and initial planning for the potential expansion of the St. Gotthard wind farm were completed in 2024. AET has opted to postpone further steps until more technically suitable solutions become available for the challenging conditions in the pass.

federal and cantonal authorities have updated their regulatory frameworks, through the new Federal Energy Act and the Cantonal Energy and Climate Plan (PECC), creating favorable conditions. For its part, AET has equipped itself with the necessary resources and expertise to face the future, as evidenced by the numerous projects launched and completed in recent years.

Conclusion

The year 2024 clearly illustrates the scale of the ongoing transformation of the energy system and its impact on electricity production and trade models. The energy transition is no longer a goal: it is a reality – as demonstrated by the exponential growth of electricity from new renewable sources in Ticino, Switzerland and Europe. The increasing share of non-dispatchable energy brings with it new operational challenges. The emergence of negative market prices and the growing costs of imbalance management were key developments for AET in 2024. All this unfolded against a backdrop of geopolitical instability, increasing uncertainty in energy supply and markets.

Flexibility and adaptability to technological and market changes are essential for AET to successfully navigate this phase and ensure a secure, renewable and economically sustainable energy supply. The company's strategy – focused on enhancing Ticino's energy potential by optimising the complementarity of hydropower and photovoltaics – has proven effective, leading to a return to profitability in 2024.

To continue this strategy, it is necessary to accelerate investments in the renovation of hydroelectric plants, the expansion of storage capacity, the development of new renewable generation and the modernisation of grid infrastructure. The

The Leventina chain

Water collected on the Gotthard flows through the 31 km of the Leventina Valley via tunnels, penstocks, and reservoirs, overcoming a total drop of 1,958 metres.

A constant, clean, and silent cycle that transforms potential energy into electricity.



Proposals for approval to the State Council and the Grand Council

The Board of Directors, in accordance with article 18 LAET (respectively article 672 of the Swiss Code of Obligations), proposes to allocate the result as follows:

In CHF 1,000	
Net result 2024	39,287
– to the State: 8% interest on the endowment capital	–3,200
– dividend to the State	–5,000
– allocation to the general reserves	–
Allocation to the results carried forward	31,087

The Board of Directors proposes to the State Council and the Grand Council the approval of:

- the financial statements for the year 2024;
- the proposal for allocation of result;
- the discharge to the Board of Directors and the Management for their activity.

Financial Report

Consolidated financial statements

Consolidated balance sheet

Assets

		31.12.2024	31.12.2023
In CHF 1,000	Notes		
Plants and equipment		259,064	257,425
Land and buildings		51,533	52,292
Tangible fixed assets under construction		66,180	63,315
Other tangible fixed assets		6,278	4,646
Tangible fixed assets	2	383,055	377,678
Participations in associates	3	103,063	98,708
Long-term securities	4	52,857	54,130
Advances and loans to participations	5	17,863	17,841
Other financial assets		15	242
Financial assets		173,798	170,921
Usage rights		12,757	6,873
Energy procurement rights		20,536	27,382
Intangible assets under development		1,816	1,829
Other intangible assets		2,552	1,872
Intangible assets	6	37,661	37,956
Other non-current assets	7	9,368	21,497
Non-current assets		603,882	608,052
Other short-term assets	8	29,020	37,664
Prepayments and accrued income	9	196,783	439,198
Receivables from goods and services	10	40,235	46,080
Cash and cash equivalents	11	33,459	26,209
Current assets		299,497	549,151
Assets		903,379	1,157,203

Liabilities and equity

In CHF 1,000	Notes	31.12.2024	31.12.2023 ¹
Endowment capital		40,000	40,000
Conversion differences		-8,750	-8,869
Goodwill		-4,742	-4,742
Retained earnings		230,781	252,390
Net result		45,150	-18,415
Equity attributable to AET		302,439	260,364
Minority interests		12,287	11,176
Group equity		314,726	271,540
Long-term provisions	12	3,464	7,226
Other long-term liabilities	13	15,784	13,011
Long-term financial liabilities	14	303,044	413,259
Long-term liabilities		322,292	433,496
Short-term provisions	12	7,096	3,408
Other short-term liabilities	15	21,666	19,257
Short-term financial liabilities	16	140,391	318,622
Accrued liabilities and deferred income	17	79,859	87,589
Payables from goods and services	18	17,349	23,291
Current liabilities		266,361	452,167
Liabilities		588,653	885,663
Liabilities and equity		903,379	1,157,203

¹ The 2023 data has been restated because of the first time adoption of the Swiss GAAP FER 30 standard (revised 2022).

Consolidated income statement

		2024	2023
In CHF 1,000	Notes		
Operating income			
Energy income	19	906,041	971,280
Grid income		49,798	49,372
Other operating income	20	25,598	23,314
Operating income		981,437	1,043,966
Operating expenses			
Energy purchases	21	-802,020	-912,586
Grid expenses		-23,182	-22,754
Personnel expenses	22	-37,957	-34,716
Service and material expenses		-11,765	-10,341
Depreciation, amortisation and impairment	23	-30,768	-27,636
Other operating expenses	24	-29,893	-26,317
Operating expenses		-935,585	-1,034,350
Operating result		45,852	9,616
Financial result	25	-8,104	-35,420
Result from associates	3	6,909	7,423
Ordinary result		44,657	-18,381
Non-operating result		-	-
Extraordinary result	26	-57	333
Result before income taxes		44,600	-18,048
Income taxes	27	1,661	-338
Group net result		46,261	-18,386
Minority interests		-1,111	-29
Net result attributable to AET		45,150	-18,415

Consolidated cash flow statement

	2024	2023
In CHF 1,000		
Net result	45,150	-18,415
Minority interests to income statement	1,111	29
Depreciation, amortisation and impairment	30,768	27,636
Change in provisions	-161	-21,101
Profit / loss from disposal of non-current assets	-78	-31
Result from associates	-4,591	-4,617
Other non cash expenses and income	8,405	-22,990
Change in other short-term assets	8,794	60,208
Change in prepayments and accrued income	249,511	394,747
Change in receivables	5,854	-19,819
Change in other short-term liabilities	2,385	-33,068
Change in accrued liabilities and deferred income	-8,660	-45,934
Change in payables	-5,942	13,503
Cash flow from operating activities	332,546	330,148
Outflows for investment in tangible fixed assets	-35,128	-34,225
Inflows from disposal of tangible fixed assets	251	31
Outflows for investment in intangible assets	-1,012	-517
Inflows from disposal of intangible assets	1,289	-
Outflows for investment in financial assets	-	-13,209
Inflows from disposal of financial assets	98	758
Cash flow from investing activities	-34,502	-47,162
Issuance / repayment of short-term financial liabilities	-288,640	-529,646
Issuance / repayment of long-term financial liabilities	1,032	209,847
Payments related to minority shareholders	-	-262
Interests on capital, due to the State	-3,200	-3,200
Distribution of dividends to the State	-	-
Cash flow from financing activities	-290,808	-323,261
Cash and cash equivalents at the beginning of the year	26,209	66,557
Cash flow	7,236	-40,275
Conversion differences on cash and cash equivalents	14	-73
Cash and cash equivalents at the end of the year	33,459	26,209

Statement of changes in consolidated equity

	Endowment capital	Conversion differences	Goodwill ¹	Retained earnings	Net result	Equity attributable to AET	Minority interests	Group Equity
In CHF 1,000								
Equity at 01.01.2023¹	40,000	-8,232	-4,742	311,190	-55,758	282,458	11,409	293,867
Allocation of result	-	-	-	-55,758	55,758	-	-	-
Interests on capital, due to the State	-	-	-	-3,200	-	-3,200	-	-3,200
Distribution of dividends	-	-	-	-	-	-	-262	-262
Capital increases	-	-	-	-	-	-	-	-
Conversion differences	-	-637	-	-	-	-637	-	-637
Change in consolidation scope	-	-	-	158	-	158	-	158
Offset consolidation difference	-	-	-	-	-	-	-	-
Net result 2023	-	-	-	-	-18,415	-18,415	29	-18,386
Equity at 31.12.2023¹	40,000	-8,869	-4,742	252,390	-18,415	260,364	11,176	271,540
Allocation of result	-	-	-	-18,415	18,415	-	-	-
Interests on capital, due to the State	-	-	-	-3,200	-	-3,200	-	-3,200
Distribution of dividends	-	-	-	-	-	-	-	-
Capital increases	-	-	-	-	-	-	-	-
Conversion differences	-	119	-	-	-	119	-	119
Change in consolidation scope	-	-	-	6	-	6	-	6
Offset consolidation difference	-	-	-	-	-	-	-	-
Net result 2024	-	-	-	-	45,150	45,150	1,111	46,261
Equity at 31.12.2024	40,000	-8,750	-4,742	230,781	45,150	302,439	12,287	314,726

¹ The 2023 data has been restated because of the first time adoption of the Swiss GAAP FER 30 standard (revised 2022).

The item "Conversion differences" includes the difference from the conversion in CHF of the financial statements of subsidiaries and participated companies, those differences are booked into the equity without impact on the income statement.

The "Retained earnings" include "General reserves", "Statutory reserves" and "Results carried forward". Any distribution of these reserves occurs in accordance with the Act of the Azienda elettrica ticinese.

Notes to the consolidated financial statements

1. Accounting principles

The 2024 group financial statements of Azienda Elettrica Ticinese (AET) were prepared in accordance to the Swiss GAAP FER as a whole. In 2024 the AET Group applied for the first time the Swiss GAAP FER 30 standard (revised in 2022). In accordance with the framework and the transitional provisions, the previous-year statements have been adapted (restatement) as if the new principles had always been applied. According to the provisions of Swiss GAAP FER 30/37 conversion differences and offset goodwill are reported in the statement of changes in equity separately. The application of this change had no other impact on the consolidated annual financial statements.

On the 29.04.2025 the Board of Directors approved the 2024 group financial statements.

1.1. Consolidation principles

1.1.1. Companies consolidated according to the full consolidation method

The following controlled companies, of which AET holds the majority of the voting rights, were consolidated according to the full consolidation method:

Subsidiaries ¹	Currency	Share capital	Shareholding at 31.12.2024	Shareholding at 31.12.2023
		in 1,000	%	%
AET Italia Srl	EUR	871	100.00	100.00
Calore SA	CHF	2,000	65.00	65.00
CEG Srl	EUR	120	100.00	100.00
Lucendro SA	CHF	3,000	100.00	100.00
Parco eolico del San Gottardo SA	CHF	6,000	70.00	70.00
Senco Holding SA	CHF	150	65.00	65.00
SESCO Sagl	CHF	220	65.00	65.00
SPE Società per Partecipazioni Energetiche SA	CHF	8,000	100.00	100.00
TERIS Teleriscaldamento del Bellinzonese SA	CHF	10,000	60.00	60.00

¹ Direct and indirect subsidiaries

All consolidated companies have closed their financial year on the 31.12.2024.

At the time of acquisition, all acquired net assets are valued at fair value. Any difference between the acquisition price and the value of the acquired net assets is recognised as consolidation difference and immediately compensated with group equity. All transactions between group companies and the related income and expenses were eliminated in the consolidation process.

For participations of which the AET Group holds less than 100%, the minority interests in shareholders' equity and in shareholders' result are reported as separate items on the balance sheet and income statement.

1.1.2. Changes in consolidation scope

During 2024 and 2023 there has been no change in the consolidation scope of the AET Group.

1.1.3. Companies recognised according to the equity method

The shareholdings in companies over which the AET Group exercises significant influence but no control are recognised in the Group consolidated financial statements according to the equity method (recognition of the share of shareholders' equity and net profit according to the Group accounting principles, with neutral treatment of the conversion differences arising from foreign exchange translation adjustment).

As for the fully consolidated companies, any positive or negative difference between acquisition price and the value of the net assets acquired is immediately compensated with group equity without impact on the net result.

Associates ¹	Currency	Share capital	Shareholding at 31.12.2024	Shareholding at 31.12.2023
		in 1,000	%	%
Capriasca Calore SA	CHF	1,313	33.33	33.33
kwick SA	CHF	2,000	42.90	44.20
Metanord SA	CHF	18,000	33.33	33.33
Nord Energia SpA	EUR	10,200	40.00	40.00
PIUCALORE SA	CHF	1,000	31.20	31.20
Società Elettrica Sopracenerina SA (SES)	CHF	16,500	30.00	30.00

¹ Direct and indirect associates

1.1.4. Other participations

The shareholdings in companies over which AET does not exercise significant influence are valued at their cost value adjusted for any impairment, they are booked within long-term securities.

1.1.5. Conversion of financial statements held in foreign currency

The consolidated financial statements are reported in thousands of Swiss francs (CHF 1,000). The assets and liabilities of foreign subsidiaries are converted at the balance sheet date exchange rates. The income statement figures are converted at the yearly average exchange rates.

Conversion differences are recorded within Group equity, without impact on the net result.

Exchange rates applied (EUR / CHF)	2024	2023
Exchange rate on the balance sheet date 31.12	0.9385	0.9297
Average exchange rate	0.9524	0.9717

1.2. Accounting principles

Assets and liabilities are valued in accordance to uniform principles. The most significant accounting principles are described in the following.

1.2.1. Tangible fixed assets

Tangible fixed assets are valued at their acquisition or construction cost, taking into account the necessary technical-economical depreciation and any necessary impairment. Depreciation is computed on a straight-line basis, considering the technical life of the assets generally accepted within the sector. Land is not depreciated. Tangible fixed assets under construction are reported at construction cost, tangible fixed assets under construction are not depreciated. The following minimum and maximum depreciation periods for each tangible fixed asset category are applied:

Civil works	40 – 80 years
Electromechanical installations	40 – 50 years
Electrotechnical equipments	15 – 35 years
Power lines	30 – 55 years
Substations and transformers	20 – 35 years
Buildings	40 – 50 years
Photovoltaic plants	20 – 30 years
Machinery and tools	5 – 25 years
Vehicles	3 – 10 years
IT equipments	3 – 5 years

Renewal or optimisation investments on plants are capitalised if useful life, capacity or performance of the involved plant are significantly improved.

1.2.2. Financial assets

Financial assets are reported at their cost value, adjusted for any impairment. For production participations, organised according to the principle of energy withdrawal at generation costs, the investment value exceeding the expected equity value at the end of the useful life of the power plant is depreciated on a straight-line basis according to the useful life of the power plant. Long-term advances in foreign currency are converted at the year-end exchange rates.

1.2.3. Intangible assets

Intangible assets are capitalised at their acquisition cost taking into account the necessary technical-economical amortisation and any necessary impairment. Amortisation is computed on a straight-line basis, considering the useful life of the asset. Usage right without expiration are amortised on the basis of the technical life of the involved plant (40-80 years).

1.2.4. Energy related and similar certificates

Energy related and similar certificates, acquired for the purpose of hedging of the generation portfolio of AET, are booked at their weighted average purchase price.

1.2.5. Inventories

Inventories include small tools, spare parts and consumables. They are valued at their weighted average purchase price, taking into account any impairment for slow-moving items or obsolescence.

1.2.6. Receivables

Receivables are reported at their face value, taking into account potential losses. Foreign currency receivables are converted at year-end exchange rate.

1.2.7. Cash and cash equivalents

Cash and cash equivalents are reported at their face value and include cash in hand and account balances at financial institutions. Balances in foreign currencies are converted at year-end exchange rate.

1.2.8. Impairment

At each balance sheet date, all assets are tested for any impairment indicators. In case of existence of such indicators, the recoverable amount, that is the higher between the net selling price and the value in use, is computed. The value in use is generally computed on the basis of the present value of the expected future cash flows. If necessary, the carrying value is adjusted to the recoverable amount through the recording of an impairment. In case of improvement of the recoverable amount, the carrying value is revaluated at maximum to the value according to the original depreciation scheme.

1.2.9. Provisions

Provisions are deemed to cover probable future disbursements related to legal or implicit obligations arising from past events. Long-term provisions are reported at the present value at the balance sheet day of the expected future disbursement.

1.2.10 Liabilities

All liabilities are reported at their nominal value. Liabilities in foreign currency are converted at year-end exchange rate.

1.2.11. Contingent liabilities

All contingent liabilities and other non-recognisable commitments existing at the balance sheet date are disclosed in the notes to the consolidated financial statements.

1.2.12. Energy forward sale and purchase transactions

Energy forward sale and purchase transactions, as well as the economic result of energy related transactions with financial instruments, made within the trading portfolio are booked at their market value at the balance sheet date (mark to market). Positive and negative replacement values (the difference between the market price at the balance sheet date and the contract price) are booked within other short-term assets and other short-term liabilities respectively. Changes in market value incurred during the financial year are recorded in the income statement within other energy income.

Energy forward sale and purchase transactions, as well as the economic result of transactions with energy related financial instruments, entered for the purpose of hedging of AET's generation portfolio are recognised in the income statement in the financial period of power delivery.

1.2.13. Revenues

Energy income, grid income and other operating income are recognised within the income statement when they are incurred. All revenues are recorded net of price reductions, sale taxes and value added taxes.

1.2.14. Pension funds

Pension benefits for employees hired by Swiss entities are covered by autonomous pension funds. The financial implications of the pension schemes in place, regardless of their structure and legal form, are included in the consolidated financial statements. Surplus payments or deficits are determined on the basis of the latest available financial statements of the pension funds involved. Any liabilities (economic obligations) or any assets (economic benefits) in addition to the payment of the regular premiums are recorded in the financial statements. Economic obligations are recognised when pension liabilities are undercovered, generating a future cash outflow for the company in the form of restructuring contributions. Economic benefits consist of future positive cash flow resulting from the use of employer's contribution reserves or other benefits. The personnel employed in Italy is covered for pension according to the ordinary Italian pension scheme. The Group companies operating abroad thus have no obligation or benefit related to the pension schemes, which are not recorded in the financial statements. The yearly contributions, the yearly change in any economic obligations and economic benefits, as well as the change in the employer's contribution reserve, are recorded in the income statements under personnel expenses.

1.2.15. Income taxes

Income tax expense includes all current and deferred taxes. Deferred taxes arise from valuation differences between the tax financial statements and the financial statements used for consolidated reporting purposes. The Group parent company AET is legally exempt from income tax. Nevertheless, because of its characteristics it is subject to the global minimum taxation of multinational groups according to the OECD/G20 Pillar 2 model and aimed at ensuring a minimum taxation level of 15%.

1.2.16. Related party transactions

Transactions with associates include all transactions and debit / credit relationships with companies of which AET holds between 20% and 50% of the voting rights. Transactions with other related parties include transactions with the power generation / procurement companies Officine idroelettriche della Maggia SA, Officine idroelettriche di Blenio SA, Verzasca SA, Ritom SA held by the Repubblica e Cantone Ticino as well as Kraftwerke Mattmark AG, AKEB Aktiengesellschaft für Kernenergie-Beteiligungen Luzern and Trianel Kohlekraftwerk Lünen GmbH & Co. KG held by AET for less than 20%. AET offtakes the respective share of energy and pays the related production / procurement costs.

2. Tangible fixed assets

	Plants and equipment	Land and buildings	Tangible fixed assets under construction	Other tangible fixed assets	Total
In CHF 1,000					
Cost value at 01.01.2023	728,722	68,706	46,173	10,387	853,988
Change in consolidation scope	–	–	–	–	–
Reclassification	13,270	670	–16,205	2,265	–
Additions	57	–	33,347	821	34,225
Disposals	–5,889	–	–	–687	–6,576
Conversion differences	–	–	–	–	–
Cost value at 31.12.2023	736,160	69,376	63,315	12,786	881,637
Change in consolidation scope	–	–	–	–	–
Reclassification	26,641	1,553	–30,523	2,227	–102
Additions	2,925	–	33,483	522	36,930
Disposals	–107,545	–2,196	–95	–532	–110,368
Conversion differences	–	–	–	–	–
Cost value at 31.12.2024	658,181	68,733	66,180	15,003	808,097
Accumulated depreciation at 01.01.2023	–467,682	–16,029	–	–7,975	–491,686
Change in consolidation scope	–	–	–	–	–
Reclassification	–	40	–	–40	–
Depreciation	–16,942	–1,095	–	–812	–18,849
Additions	–	–	–	–	–
Disposals	5,889	–	–	687	6,576
Conversion differences	–	–	–	–	–
Accumulated depreciation at 31.12.2023	–478,735	–17,084	–	–8,140	–503,959
Change in consolidation scope	–	–	–	–	–
Reclassification	–	–	–	–	–
Depreciation	–19,463	–1,170	–	–1,097	–21,730
Additions	–1,802	–	–	–	–1,802
Disposals	100,883	1,054	–	512	102,449
Conversion differences	–	–	–	–	–
Accumulated depreciation at 31.12.2024	–399,117	–17,200	–	–8,725	–425,042
Net carrying amount at 01.01.2023	261,040	52,677	46,173	2,412	362,302
Net carrying amount at 31.12.2023	257,425	52,292	63,315	4,646	377,678
Net carrying amount at 31.12.2024	259,064	51,533	66,180	6,278	383,055

On the 31.12.2024 the operating concession for the Lucendro plant expired. Upon the expiration of the concession, the involved plants became the property of the concession granting Cantons (50% Canton Ticino and 50% Canton Uri). This transfer of ownership results in a decrease in fixed assets for CHF 108.5 million and related accumulated depreciations for CHF 101.1 million. In accordance with the agreements signed between the granting Cantons and the Department of the environment, transport, energy and communications (DETEC), from 01.01.2025 AET continues to use these plants in order to optimise its share of the hydropower. Usage rights have thus been increased by the corresponding of net book value of the plants subject to reversion.

3. Participations in associates

	31.12.2024	31.12.2023
In CHF 1,000		
Opening balance	98,708	93,880
Acquisitions / capital increases	–	390
Disposals	–20	–
Change in consolidation scope	6	68
Conversion differences	67	–285
Result from associates	6,909	7,423
Received dividends	–2,318	–2,806
Reversal of impairments	–	38
Impairment	–289	–
Closing balance	103,063	98,708

Equity method values of associates as of 31.12.2024 (according to Swiss GAAP FER).

	Metanord SA	Nord Energia Group	SES Group ¹	Various	Total
In CHF 1,000					
Non-current assets	52,725	–	508,866	2,882	564,473
Current assets	3,322	15,228	73,722	2,623	94,895
Assets	56,047	15,228	582,588	5,505	659,368
Equity	15,577	14,998	320,669	2,390	353,634
Long-term liabilities	39,088	–	166,155	2,034	207,277
Current liabilities	1,382	230	95,764	1,081	98,457
Liabilities and equity	56,047	15,228	582,588	5,505	659,368
Revenues	13,781	0	197,078	2,763	213,622
EBITDA	3,798	–15	47,241	209	51,233
Net result	867	422	21,641	–77	22,853
AET's shareholdings, in %	33.33%	40%	30%	various	
AET's share of the equity	5,192	5,999	96,201	863	108,255
Impairments	–5,192	–	–	–	–5,192
Value of participations in associates	0	5,999	96,201	863	103,063

¹ Excluding the participations:

- Calore SA, Senco Holding SA and SENCO Sagl, because fully consolidated
- PIUCALORE SA and kwick SA, which are considered within the participation share of the group.

The shares of Metanord SA are pledged in favour of creditors of the company. The assets of the company are impaired on the basis of the present value of the expected cash flows.

4. Long-term securities

	31.12.2024	31.12.2023
In CHF 1,000		
Swissgrid AG	25,575	25,575
Kraftwerke Mattmark AG	10,546	10,703
Trianel Kohlekraftwerk Lünen GmbH & Co. KG	7,958	9,094
AKEB Aktiengesellschaft für Kernenergie-Beteiligungen Luzern	6,300	6,300
Terravent AG	2,250	2,250
Aliunid AG in Liquidation	690	690
./ impairment	-690	-690
Other	228	208
Total	52,857	54,130

5. Advances and loans to participations

	31.12.2024	31.12.2023
In CHF 1,000		
Terravent AG	9,574	9,574
Metanord SA	8,200	8,200
Other	89	67
Total	17,863	17,841

The advances to Terravent AG and Metanord SA are entirely subordinated.

6. Intangible assets

	Usage rights	Energy procurement rights	Intangible assets under development	Other intangible assets	Total
In CHF 1,000					
Cost value at 01.01.2023	27,101	144,555	1,549	12,279	185,484
Change in consolidation scope	–	–	–	–	–
Reclassification	–	–	–228	228	–
Additions	9	–	508	–	517
Disposals	–	–	–	–	–
Conversion differences	–	–	–	–12	–12
Cost value at 31.12.2023	27,110	144,555	1,829	12,495	185,989
Change in consolidation scope	–	–	–	–	–
Reclassification	–	–	–947	1,049	102
Additions	7,385	–	934	70	8,389
Disposals	–13,803	–	–	–121	–13,924
Conversion differences	–	–	–	2	2
Cost value at 31.12.2024	20,692	144,555	1,816	13,495	180,558
Accumulated amortisation at 01.01.2023	–19,953	–110,327	–	–10,235	–140,515
Change in consolidation scope	–	–	–	–	–
Reclassification	–	–	–	–	–
Amortisation	–284	–6,846	–	–400	–7,530
Additions	–	–	–	–	–
Disposals	–	–	–	–	–
Impairments	–	–	–	–	–
Conversion differences	–	–	–	12	12
Accumulated amortisation at 31.12.2023	–20,237	–117,173	–	–10,623	–148,033
Change in consolidation scope	–	–	–	–	–
Reclassification	–	–	–	–	–
Amortisation	–212	–6,846	–	–439	–7,497
Additions	–	–	–	–	–
Disposals	12,514	–	–	121	12,635
Impairments	–	–	–	–	–
Conversion differences	–	–	–	–2	–2
Accumulated amortisation at 31.12.2024	–7,935	–124,019	–	–10,943	–142,897
Net carrying amount at 01.01.2023	7,148	34,228	1,549	2,044	44,969
Net carrying amount at 31.12.2023	6,873	27,382	1,829	1,872	37,956
Net carrying amount at 31.12.2024	12,757	20,536	1,816	2,552	37,661

Usage rights include rights for utilisation of third party plants, in particular related to exclusive usage of third party power grid plants, as well as concession fees paid in respect of hydro power concessions. The 2024 addition pertains to the transfer to AET of the quota of usage rights for the Lucendro plants and the associated energy, allocated to the Canton of Ticino.

The energy procurement rights mainly refer to an energy procurement contract with EDF (expiration 31.12.2027).

7. Other non-current assets

As of 31.12.2024 this item includes in particular the deficit arising from volume- and tariff-related timing differences of the distribution grid for CHF 9.4 million (2023: CHF 10.6 million).

8. Other short-term assets

	31.12.2024	31.12.2023
In CHF 1,000		
Other short-term receivables from associates	–	–
Other short-term receivables from other related parties	455	431
Other short-term receivables from third parties	22,259	30,202
./. allowance for doubtful receivables	–2,864	–249
Positive replacement values of transactions valued at market value	–	636
Energy related and similar certificates	5,494	2,789
Inventories of spare, spare parts and consumables	3,676	3,855
Total	29,020	37,664

“Other short-term receivables from third parties” include in particular the “initial margin” part of the margin call payments made by AET to the energy exchanges in relationships with forward sale and purchase activity.

9. Prepayments and accrued income

	31.12.2024	31.12.2023
In CHF 1,000		
Associates	9,438	6,936
Other related parties	28,997	26,534
Third parties	128,276	154,585
Deposits to energy exchanges for hedging operations	26,024	247,875
Work in progress	4,048	3,268
Total	196,783	439,198

The balance includes amounts in foreign currency for EUR 108.3 million (EUR 392.7 million at 31.12.2023).

Accrued income mainly includes the value of energy sold during the last reporting month and not yet invoiced.

AET Group hedges part of its energy generation portfolio through the use of financial products traded on the energy exchanges. These operations foresee the payment of the negative mark to market values of the hedging transactions entered into (margin call). In 2022 the mark to market value of hedging transactions made in the past has become negative, AET Group had to cover the corresponding margin call with cash deposits. As these transactions are made for hedging purposes, negative mark to market values are accrued on the balance sheet on the line “Deposits to energy exchanges for hedging operations”; the related positions are recognised within the profit and loss statement in the period of power delivery, the decrease of the balance incurred in 2024 is due to the delivery of hedged positions and to the, at least partially, reduced market price volatility.

10. Receivables from goods and services

	31.12.2024	31.12.2023
In CHF 1,000		
Associates	8,464	8,836
Other related parties	439	428
Third parties	31,774	38,221
./. allowance for doubtful receivables	-442	-1,405
Total	40,235	46,080

The balance includes amounts in foreign currency for EUR 1.9 million (EUR 7.3 million at 31.12.2023).

11. Cash and cash equivalents

	31.12.2024	31.12.2023
In CHF 1,000		
Balances in CHF	19,676	12,734
Balances in foreign currencies	13,783	13,475
Total	33,459	26,209

12. Provisions

	Energy onerous contracts	Current and deferred taxes	Personnel related expenses	Other	Total
In CHF 1,000					
Carrying amount at 01.01.2023	17,200	391	2,315	12,117	32,023
<i>thereof long-term</i>	-	114	-	7,822	7,936
<i>thereof short-term</i>	17,200	277	2,315	4,295	24,087
Change in consolidation scope	-	-	-	-	-
Increase	-	220	568	-	788
Utilisation	-17,095	-261	-340	-511	-18,207
Release	-105	-18	-	-3,847	-3,970
Carrying amount at 31.12.2023	-	332	2,543	7,759	10,634
<i>thereof long-term</i>	-	100	-	7,126	7,226
<i>thereof short-term</i>	-	232	2,543	633	3,408
Change in consolidation scope	-	-	-	-	-
Increase	900	1,730	2,629	143	5,402
Utilisation	-	-195	-340	-2,889	-3,424
Release	-	-34	-78	-1,940	-2,052
Carrying amount at 31.12.2024	900	1,833	4,754	3,073	10,560
<i>thereof long-term</i>	900	86	-	2,478	3,464
<i>thereof short-term</i>	-	1,747	4,754	595	7,096

Deferred income taxes are computed considering a 20% income tax rate.

The provision for personnel related expenses represents the value of overtime worked and not-taken holidays.

13. Other long-term liabilities

As of 31.12.2024 this item includes in particular a timing difference surplus related to pluriannual contracts for CHF 3.6 million (as of 31.12.2023 this difference resulted in a deficit of CHF 10.9 million booked within Other non-current assets).

14. Long-term financial liabilities

	31.12.2024	31.12.2023
In CHF 1,000		
Liabilities due between 1 and 5 years	166,486	250,080
Liabilities due between 5 and 10 years	96,622	123,243
Liabilities due after 10 years	39,936	39,936
Total	303,044	413,259

The position "Liabilities due after 10 years" includes a loan for CHF 10 million made by the Repubblica e Cantone Ticino.

15. Other short-term liabilities

	31.12.2024	31.12.2023
In CHF 1,000		
Other short-term liabilities towards associates	51	53
Other short-term liabilities towards other related parties	3,530	3,280
Other short-term liabilities towards third parties	18,085	15,349
Negative replacement values of transactions valued at market value	–	575
Total	21,666	19,257

16. Short-term financial liabilities

	31.12.2024	31.12.2023
In CHF 1,000		
Financial liabilities in CHF	121,622	318,622
Financial liabilities in foreign currency	18,769	–
Total	140,391	318,622

In 2022 the need to fund the margin call payments to the energy exchanges on which AET has made transactions to hedge its generation portfolio has caused an important increase in short-term financial liabilities. The decrease of short-term financial liabilities in 2024 (which followed a similar pattern of 2023) reflects the normalisation of these payments.

17. Accrued liabilities and deferred income

	31.12.2024	31.12.2023
In CHF 1,000		
Associates	20	11
Other related parties	1,034	2,555
Third parties	78,805	85,023
Total	79,859	87,589

The balance includes amounts in foreign currency for EUR 44.3 million (EUR 51.6 million at 31.12.2023).

Accrued liabilities mainly includes the value of energy purchased during the last reporting month and not yet invoiced.

18. Payables from goods and services

	31.12.2024	31.12.2023
In CHF 1,000		
Associates	130	60
Other related parties	3,713	3,617
Third parties	13,506	19,614
Total	17,349	23,291

The balance includes amounts in foreign currency for EUR 6.1 million (EUR 3.4 million at 31.12.2023).

19. Energy income

	2024	2023
In CHF 1,000		
Energy sales in Switzerland	597,857	665,947
Energy sales in Germany	158,707	155,547
Energy sales in France	146,105	124,041
Other energy income	3,372	25,745
Total	906,041	971,280

20. Other operating income

	2024	2023
In CHF 1,000		
Income from services	14,237	13,129
Own work capitalised	5,022	5,052
Other	6,339	5,133
Total	25,598	23,314

21. Energy purchases

	2024	2023
In CHF 1,000		
Purchases from participations	-89,314	-93,841
Long-term contractual purchases	-42,166	-40,001
Purchases on the market	-670,540	-778,744
Total	-802,020	-912,586

The expenses related to the energy offtaken from the production participations held by the Repubblica e Cantone Ticino (Officine idroelettriche della Maggia SA, Officine idroelettriche di Blenio SA and Verzasca SA) are included within purchases from participations.

22. Personnel expenses

	2024	2023
In CHF 1,000		
Salaries and other compensation	-31,103	-28,014
Social contributions	-6,461	-6,353
Other expenses	-803	-630
Recoveries from insurance companies	410	281
Total	-37,957	-34,716

In 2024 the total compensation (gross of the legal contributions) of the six executive committee members has been of CHF 1.5 million, respectively of CHF 0.3 million for the seven members of the Board of Directors.

Employees of the Group

	31.12.2024	31.12.2023
Full time equivalent		
Permanent employees	271.1	258.7
Auxiliary employees	12.9	10.9
Apprentices	51.0	50.0
Total	335.0	319.6

23. Depreciation, amortisation and impairment

	2024	2023
In CHF 1,000		
Depreciation on tangible fixed assets	-21,730	-18,850
Amortisation on intangible assets	-7,497	-7,529
Other depreciation and amortisation	-1,295	-1,295
Reversal of impairments on non-current assets	43	38
Impairments of non-current assets	-289	-
Total	-30,768	-27,636

24. Other operating expenses

	2024	2023
In CHF 1,000		
Water fees	-15,539	-15,239
Local taxes and other contributions	-4,458	-4,406
Other	-9,896	-6,672
Total	-29,893	-26,317

Other contributions include the payment of accumulation contributions to power plants upstream to AET's plants for CHF 1.0 million.

25. Financial result

	2024	2023
In CHF 1,000		
Interest income	1,591	1,737
Income from participations	1,510	1,848
Exchange rate differences	2,975	-16,171
Interest payments	-14,023	-21,856
Other financial expenses	-157	-978
Total	-8,104	-35,420

Exchange rate differences include the cost of foreign exchange currency hedging operations.

26. Extraordinary result

	2024	2023
In CHF 1,000		
Profit from disposal of non-current assets	78	31
Release of provisions	-	10
Other extraordinary income	37	412
Other extraordinary expenses	-172	-120
Total	-57	333

27. Income taxes

On the 01.01.2024 the Pillar 2 rules on a global minimum corporate tax rate have come into force, these are part of the OECD's BEPS 2.0 framework. The Pillar 2 rules foresee a top-up tax on corporate income whose effective tax rate is less than 15%. Although AET is a public law institution exempt from income taxes, it is subject to the rules relating to the global minimum tax. For the 2024 financial year, the parent company provisioned for top-up tax for CHF 1.4 million. Furthermore the net income tax expenses 2024 include a CHF 3.5 million income generated by the reduction of tax risk provisions related to prior year risks.

28. Goodwill

The positive difference between the acquisition cost of a participation and its equity value is treated as goodwill. It is offset with retained earnings without impact on the income statement in the acquisition year.

If the goodwill paid were capitalised on the balance sheet and amortised on a straight-line basis over 5 years, the consolidated balance sheet and the consolidated income statement would present the following variations:

	2024	2023
In CHF 1,000		
Goodwill, historical cost	–	1,493
Goodwill, net book value	–	0
Equity (retained earnings)	–	297
Amortisation goodwill of the year	–	–297
Net result	–	–297

29. Contingent assets and liabilities

In 2023, AET requested the initiation of an arbitration under the Energy Charter Treaty at the International Center for Settlement of Investment Disputes with the aim to obtain financial compensation from the German government with respect to the loss caused by German coal power exit. The procedure is ongoing and it is not possible to estimate the amount of a potential indemnification.

30. Other non-recognisable commitments

In the context of the management of its energy portfolio, the AET Group has entered into transactions on the futures markets and finalised various long-term energy sale and purchase agreements involving irrevocable obligations.

Energy transactions on the market and with wholesale counterparts

31.12.2024	Energy sales		Energy purchases	
	Replacement values	Volume	Replacement values	Volume
CHF 1,000				
2025	134,595	1,735,438	–56,122	1,501,277
from 2 to 5 years	67,309	621,550	–7,503	359,390
over 5 years	10,383	14,119	–	–

31.12.2023	Energy sales		Energy purchases	
	Replacement values	Volume	Replacement values	Volume
CHF 1,000				
2024	529,564	1,386,243	–324,216	1,050,231
from 2 to 5 years	248,442	908,232	–156,282	560,421
over 5 years	11,559	16,777	–	–

None of the above reported replacement values are recognised on the balance sheet.

All transactions are made for hedging purposes.

Long term energy sale and purchase agreements

31.12.2024	Energy sales	Energy purchases
	Volume	Volume
CHF 1,000		
2025	43,898	42,977
from 2 to 5 years	150,733	101,368
over 5 years	190,800	35,342

31.12.2023	Energy sales	Energy purchases
	Volume	Volume
CHF 1,000		
2024	38,887	42,527
from 2 to 5 years	169,435	133,118
over 5 years	204,887	45,646

AET Group further has an offtake commitment for the energy produced by its own power generation participations and the participations held by the Repubblica e Cantone Ticino, paying its production cost quota. The duration of these obligations is undetermined and depends on the future developments of those participations.

At 31.12.2024 AET Group has derivative financial instruments subscribed for interest rate hedging purpose for a contractual volume of CHF 8.0 million (31.12.2023: CHF 8.0 million).

Forward currency operations

31.12.2024	Maturity year 2025		Maturity year from 2 to 5 years	
	Amount in currency (in 1,000)	Average exchange rate (currency/CHF)	Amount in currency (in 1,000)	Average exchange rate (currency/CHF)
Operation				
Buy EUR	145,000	0.95	48,000	0.92
Sell EUR	30,000	0.93	–	–

31.12.2024	Maturity year 2025		Maturity year from 2 to 5 years	
	Amount in currency (in 1,000)	Average exchange rate (currency/EUR)	Amount in currency (in 1,000)	Average exchange rate (currency/EUR)
Operation				
Buy USD	1,323	0.87	–	–
Sell USD	1,323	0.90	–	–

31.12.2023	Maturity year 2024		Maturity year from 2 to 5 years	
	Amount in currency (in 1,000)	Average exchange rate (currency/CHF)	Amount in currency (in 1,000)	Average exchange rate (currency/CHF)
Operation				
Buy EUR	–	–	–	–
Sell EUR	82,000	0.94	–	–

31.12.2023	Maturity year 2024		Maturity year from 2 to 5 years	
	Amount in currency (in 1,000)	Average exchange rate (currency/EUR)	Amount in currency (in 1,000)	Average exchange rate (currency/EUR)
Operation				
Buy USD	8,334	0.90	1,323	0.87
Sell USD	1,825	0.91	–	–

Forward foreign currency transactions have been entered into with the purpose of hedging expected future foreign currency cash flows.

At 31.12.2024 Group AET has no off-balance sheet lease commitments (31.12.2023: unchanged).

31. Pension fund obligations

	Coverage rate	Economic benefit/economic obligations for the Group	Change recognised in the income statement	Expense for contributions of the period	Pension fund expense within personnel expenses
CPE Fondazione di Previdenza Energia					
In CHF 1,000					
31.12.2024	120.3%	–	–	–3,201	–3,201
31.12.2023	113.9%	–	–	–3,143	–3,143

32. Transactions with related parties

Transactions with associates

	2024	2023
In CHF 1,000		
Energy income	60,359	49,448
Service and other income	15,536	14,464
Financial income	353	82
Energy purchases	706	904
Service and other expenses	2,447	3,801

Transactions with other related parties

	2024	2023
In CHF 1,000		
Energy income	570	1,349
Service and other income	4,358	4,007
Financial income	873	788
Energy purchases	88,741	92,698
Service and other expenses	1,735	1,843

33. Risk assessment

The Board of Directors and Management give the utmost attention and deploy the necessary resources for the valuation and management of risks in order to adhere to the standards of the sector. The management and valuation of the company's risks have been integrated into the company's operating procedures, in order to guarantee the maximum effectiveness.

From a financial point of view the AET Group is exposed to following main risk factors:

Volume risk: is the risk associated with the variation in the sales volume, respectively of production volumes compared to forecasts. Its main cause is the meteorological risk in that weather deviations from the long-term averages cause variations in consumption and production from hydroelectric and photovoltaic solar plants, which are difficult to forecast. In the long-term the AET Group manages this risk by diversifying its supplies with long-term contracts and participations. In the medium to short-term this risk is managed with a gradual rebalancing of the portfolio using updated forecasts and historical data. In addition the AET Group can count on reserve capacity from its own hydroelectric plants.

Market risk: is the risk associated with the variations of energy market price, the fluctuation of exchange rates and of interest rates. The AET Group manages this risk by monitoring the evolutions and the expectations of market prices and consequently hedges the positions. The foreign exchange risk is managed through hedging operations. The risk associated with change in interest rates is mainly managed through diversification of the expiration dates of the financial debt. Market risks mostly have an effect on the quantity of energy sold and produced resulting from the volume risk that can not be efficiently hedged in advance because unknown.

Liquidity risk: hedging made through the use of financial instruments are associated with liquidity risk because of the margin calls commanded by those transactions. AET Group manages this risk by keeping sufficient liquidity and credit lines to operate and through the constant monitoring of the open positions and of the related portfolio management activities on the financial markets.

Counterparty risk: is the risk of loss related to payment default of commercial counterparties. The wholesale activity is mainly performed with large Swiss and bordering countries power companies. Exposure limits are determined for each counterparty, based on their economic and financial situation. Counterparty risk related to the Swiss commercial / distribution activity is managed through the constant monitoring of the receivable positions, the subscription of receivables insurances, the request of bank guarantees or deposits.

Operating risk: this risk is associated to malfunctions of installations, processes, systems, to human mistakes or external circumstances (e.g. cyber attacks). This risk is managed through internal control, regular maintenance, training of involved employees and the definition of preventive and corrective measures.

Regulatory risk: relates to the implementation or modification of laws, acts or rules at Swiss or European level, which might have an impact on the activity of the AET Group. In order to ensure an high level of surveillance and compliance, the AET Group constantly monitors regulatory developments, acting on internal policies and making appropriate corrections whenever necessary.

34. Subsequent events

2024: no significant event.

2023: no significant event.

Audit report by KPMG SA on the consolidated financial statements



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Report of the Statutory Auditor to the Gran Consiglio of Repubblica and Cantone Ticino of Azienda elettrica ticinese, Bellinzona

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Azienda elettrica ticinese and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024 and the consolidated statement of income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (page 24 to 47) give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law and Act of Azienda elettrica ticinese.

Basis for Opinion

We conducted our audit in accordance with Swiss law, Act of Azienda elettrica ticinese 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, 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.

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 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.



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Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law and Act of Azienda elettrica ticinese, 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, Act of Azienda elettrica ticinese 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, Act of Azienda elettrica ticinese and SA-CH, we exercise professional judgment and maintain professional skepticism 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.



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- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors 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.

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 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 SA

Silvan Jurt
Licensed Audit Expert
Auditor in Charge

Sarah Cereghetti
Licensed Audit Expert

Lugano, 29 April 2025



An energy reserve

Water from melting snow and high-altitude rainfall is collected during the warmer months and used in winter, when energy demand is higher. The reservoirs thus act as natural batteries.

Financial statements

Balance sheet

Assets

		31.12.2024	31.12.2023
In CHF 1,000	Notes		
Plants and equipment		195,831	187,304
Land and buildings		49,896	49,622
Tangible fixed assets under construction		64,224	60,807
Other tangible fixed assets		6,278	4,645
Tangible fixed assets	2	316,229	302,378
Participations	3	43,571	43,841
Long-term securities	4	52,629	53,922
Advances and loans to participations	5	36,851	34,285
Other financial assets		8	233
Financial assets		133,059	132,281
Usage rights		12,666	6,724
Energy procurement rights		20,536	27,382
Intangible assets under development		1,809	1,682
Other intangible assets		2,552	1,872
Intangible assets	6	37,563	37,660
Other non-current assets	7	9,368	21,497
Non-current assets		496,219	493,816
Other short-term assets	8	20,826	30,686
Prepayments and accrued income	9	195,885	438,594
Receivables from goods and services	10	37,586	44,124
Cash and cash equivalents	11	18,624	14,411
Current assets		272,921	527,815
Assets		769,140	1,021,631

Liabilities and equity

		31.12.2024	31.12.2023
In CHF 1,000	Notes		
Endowment capital		40,000	40,000
General reserves		67,000	67,000
Statutory reserves		51,000	51,000
Results carried forward		18,561	45,831
Net result		39,287	-24,070
Equity		215,848	179,761
Long-term provisions	12	2,275	2,779
Other long-term liabilities	13	3,640	971
Long-term financial liabilities	14	284,900	393,494
Long-term liabilities		290,815	397,244
Short-term provisions	12	6,204	2,593
Other short-term liabilities	15	23,598	18,184
Short-term financial liabilities	16	138,769	317,000
Accrued liabilities and deferred income	17	78,605	86,562
Payables from goods and services	18	15,301	20,287
Current liabilities		262,477	444,626
Liabilities		553,292	841,870
Liabilities and equity		769,140	1,021,631

Income statement

		2024	2023
In CHF 1,000	Notes		
Operating income			
Energy income	19	895,219	960,808
Grid income		49,798	49,372
Other operating income	20	26,440	24,510
Operating income		971,457	1,034,690
Operating expenses			
Energy purchases	21	-809,195	-915,775
Grid expenses		-23,092	-22,649
Personnel expenses	22	-37,903	-34,665
Service and material expenses		-10,732	-9,398
Depreciation, amortisation and impairment	23	-20,480	-20,187
Other operating expenses	24	-23,020	-22,723
Operating expenses		-924,422	-1,025,397
Operating result		47,035	9,293
Financial result	25	-6,283	-33,418
Ordinary result		40,752	-24,125
Non-operating result		-	-
Extraordinary result	26	-65	55
Result before income taxes		40,687	-24,070
Income taxes		-1,400	-
Net result		39,287	-24,070

Cash flow statement

	2024	2023
In CHF 1,000		
Net result	39,287	-24,070
Depreciation, amortisation and impairment	20,480	20,187
Change in provisions	3,107	-19,233
Profit / loss from disposal of non-current assets	-78	-31
Other non cash expenses and income	8,359	-22,723
Change in other short-term assets	4,960	59,104
Change in prepayments and accrued income	249,803	393,792
Change in receivables	5,604	-18,466
Change in other short-term liabilities	3,871	-31,410
Change in accrued liabilities and deferred income	-7,957	-44,857
Change in payables	-4,986	11,644
Cash flow from operating activities	322,450	323,937
Outflows for investment in tangible fixed assets	-28,645	-29,034
Inflows from disposal of tangible fixed assets	251	31
Outflows for investment in intangible assets	-1,000	-429
Inflows from disposal of intangible assets	1,289	-
Outflows for investment in financial assets	-	-15,392
Inflows from disposal of financial assets	86	2,376
Cash flow from investing activities	-28,019	-42,448
Issuance / repayment of short-term financial liabilities	-287,018	-528,024
Issuance / repayment of long-term financial liabilities	-	211,159
Interests on capital, due to the State	-3,200	-3,200
Distribution of dividends to the State	-	-
Cash flow from financing activities	-290,218	-320,065
Cash and cash equivalents at the beginning of the year	14,411	52,987
Cash flow	4,213	-38,576
Cash and cash equivalents at the end of the year	18,624	14,411

Statement of changes in equity

	Endowment capital	General reserves	Statutory reserves	Results carried forward	Net result	Equity
In CHF 1,000						
Equity at 01.01.2023	40,000	67,000	51,000	108,789	-59,758	207,031
Allocation of result	-	-	-	-59,758	59,758	-
Interests on capital, due to the State	-	-	-	-3,200	-	-3,200
Distribution of dividends	-	-	-	-	-	-
Net result 2023	-	-	-	-	-24,070	-24,070
Equity at 31.12.2023	40,000	67,000	51,000	45,831	-24,070	179,761
Allocation of result	-	-	-	-24,070	24,070	-
Interests on capital, due to the State	-	-	-	-3,200	-	-3,200
Distribution of dividends	-	-	-	-	-	-
Net result 2024	-	-	-	-	39,287	39,287
Equity at 31.12.2024	40,000	67,000	51,000	18,561	39,287	215,848

Any potential distribution of reserves and results carried forward occurs in accordance to the Act of the Azienda elettrica ticinese.

Notes to the financial statements

1. Accounting principles

The financial statements 2024 of the Azienda Elettrica Ticinese (AET) were prepared in accordance to the Swiss GAAP FER as a whole and approved by the Board of Directors on the 29.04.2025.

Assets and liabilities are valued in accordance to uniform principles. The most significant accounting principles are described in the following.

1.1. Tangible fixed assets

Tangible fixed assets are valued at their acquisition or construction cost, taking into account the necessary technical-economical depreciation and any necessary impairment. Depreciation is computed on a straight-line basis, considering the technical life of the assets generally accepted within the sector. Land is not depreciated. Tangible fixed assets under construction are reported at construction cost, tangible fixed assets under construction are not depreciated. The following minimum and maximum depreciation periods for each tangible fixed asset category are applied:

Civil works	40 – 80 years
Electromechanical installations	40 – 50 years
Electrotechnical equipments	15 – 35 years
Power lines	30 – 55 years
Substations and transformers	20 – 35 years
Buildings	40 – 50 years
Photovoltaic plants	20 – 30 years
Machinery and tools	5 – 25 years
Vehicles	3 – 10 years
IT equipments	3 – 5 years

Renewal or optimisation investments on plants are capitalised if useful life, capacity or performance of the involved plant are significantly improved.

1.2. Financial assets

Financial assets are reported at their cost value, adjusted for any impairment. For production participations, organised according to the principle of energy withdrawal at generation costs, the investment value exceeding the expected equity value at the end of the useful life of the power plant is depreciated on a straight-line basis according to the useful life of the power plant. Long-term advances in foreign currency are converted at the year-end exchange rates.

1.3. Intangible assets

Intangible assets are capitalised at their acquisition cost taking into account the necessary technical-economical amortisation and any necessary impairment. Amortisation is computed on a straight-line basis, considering the useful life of the asset. Usage right without expiration are amortised on the basis of the technical life of the involved plant (40-80 years).

1.4. Energy related and similar certificates

Energy related and similar certificates, acquired for the purpose of hedging of the generation portfolio of AET, are booked at their weighted average purchase price.

1.5. Inventories

Inventories include small tools, spare parts and consumables. They are valued at their weighted average purchase price, taking into account any impairment for slow-moving items or obsolescence.

1.6. Receivables

Receivables are reported at their face value, taking into account potential losses. Foreign currency receivables are converted at year-end exchange rate.

1.7. Cash and cash equivalents

Cash and cash equivalents are reported at their face value and include cash in hand and account balances at financial institutions. Balances in foreign currencies are converted at year-end exchange rate.

1.8. Impairment

At each balance sheet date, all assets are tested for any impairment indicators. In case of existence of such indicators, the recoverable amount, that is the higher between the net selling price and the value in use, is computed. The value in use is generally computed on the basis of the present value of the expected future cash flows. If necessary, the carrying value is adjusted to the recoverable amount through the recording of an impairment. In case of improvement of the recoverable amount, the carrying value is revaluated at maximum to the value according to the original depreciation scheme.

1.9. Provisions

Provisions are deemed to cover probable future disbursements related to legal or implicit obligations arising from past events. Long-term provisions are reported at the present value at the balance sheet day of the expected future disbursement.

1.10. Liabilities

All liabilities are reported at their nominal value. Liabilities in foreign currency are converted at year-end exchange rate.

1.11. Contingent liabilities

All contingent liabilities and other non-recognisable commitments existing at the balance sheet date are disclosed in the notes to the financial statements.

1.12. Energy forward sale and purchase transactions

Energy forward sale and purchase transactions, as well as the economic result of energy related transactions with financial instruments, made within the trading portfolio are booked at their market value at the balance sheet date (mark to market). Positive and negative replacement values (the difference between the market price at the balance sheet date and the contract price) are booked within other short-term assets and other short-term liabilities respectively. Changes in market value incurred during the financial year are recorded in the income statement within other energy income.

Energy forward sale and purchase transactions, as well as the economic result of transactions with energy related financial instruments, entered for the purpose of hedging of AET's generation portfolio are recognised in the income statement in the financial period of power delivery.

1.13. Revenues

Energy income, grid income and other operating income are recognised within the income statement when they are incurred. All revenues are recorded net of price reductions, sale taxes and value added taxes.

1.14. Pension funds

The personnel of AET is affiliated to a multi-employer independent pension institution of the energy sector. The financial implications of the pension schemes in place, regardless of their structure and legal form, are included in the financial statements. Surplus payments or deficits are determined on the basis of the latest available financial statements of the pension funds involved. Any liabilities (economic obligations) or any assets (economic benefits) in addition to the payment of the regular premiums are recorded in the financial statements. Economic obligations are recognised when pension liabilities are undercovered, generating a future cash outflow for the company in the form of restructuring contributions. Economic benefits consist of future positive cash flow resulting from the use of employer's contribution reserves or other benefits. The yearly contributions, the yearly change in any economic obligations and economic benefits, as well as the change in the employer's contribution reserve, are recorded in the income statements under personnel expenses.

1.15. Income taxes

AET is legally exempt from income tax. Nevertheless, because of its characteristics it is subject to the global minimum taxation of multinational groups according to the OECD/G20 Pillar 2 model and aimed at ensuring a minimum taxation level of 15%.

1.16. Related party transactions

Transactions with subsidiaries include all transactions and debit / credit relationships with companies controlled by AET through its voting rights majority. Transactions with associates include all transactions and debit / credit relationships with companies of which AET holds between 20% and 50% of the voting rights. Transactions with other related parties include transactions with the power generation / procurement companies Officine idroelettriche della Maggia SA, Officine idroelettriche di Blenio SA, Verzasca SA, Ritom SA held by the Repubblica e Cantone Ticino as well as Kraftwerke Mattmark AG, AKEB Aktiengesellschaft für Kernenergie-Beteiligungen Luzern and Trianel Kohlekraftwerk Lünen GmbH & Co. KG held by AET for less than 20%. AET offtakes the respective share of energy and pays the related production / procurement costs.

2. Tangible fixed assets

	Plants and equipment	Land and buildings	Tangible fixed assets under construction	Other tangible fixed assets	Total
In CHF 1,000					
Cost value at 01.01.2023	542,284	63,997	43,305	10,358	659,944
Reclassification	7,776	670	-10,711	2,265	-
Additions	-	-	28,213	821	29,034
Disposals	-5,889	-	-	-687	-6,576
Cost value at 31.12.2023	544,171	64,667	60,807	12,757	682,402
Reclassification	20,679	1,553	-24,706	2,227	-247
Additions	-	-	28,123	522	28,645
Disposals	-1,205	-173	-	-532	-1,910
Cost value at 31.12.2024	563,645	66,047	64,224	14,974	708,890
Accumulated depreciation at 01.01.2023	-350,853	-14,055	-	-7,948	-372,856
Reclassification	-	40	-	-40	-
Depreciation	-11,903	-1,030	-	-811	-13,744
Additions	-	-	-	-	-
Disposals	5,889	-	-	687	6,576
Accumulated depreciation at 31.12.2023	-356,867	-15,045	-	-8,112	-380,024
Reclassification	-	-	-	-	-
Depreciation	-11,803	-1,106	-	-1,096	-14,005
Additions	-	-	-	-	-
Disposals	856	-	-	512	1,368
Accumulated depreciation at 31.12.2024	-367,814	-16,151	-	-8,696	-392,661
Net carrying amount at 01.01.2023	191,431	49,942	43,305	2,410	287,088
Net carrying amount at 31.12.2023	187,304	49,622	60,807	4,645	302,378
Net carrying amount at 31.12.2024	195,831	49,896	64,224	6,278	316,229

3. Participations

	31.12.2024	31.12.2023
In CHF 1,000		
Società Elettrica Sopracenerina SA (SES)	21,052	21,052
Metanord SA	11,505	11,505
./ impairment	-11,505	-11,505
SPE Società per Partecipazioni Energetiche SA	8,000	8,000
./ impairment	-8,000	-8,000
Parco eolico del San Gottardo SA	7,861	7,861
TERIS Teleriscaldamento del Bellinzonese SA	6,000	6,000
Lucendro SA	5,551	5,801
Senco Holding SA	1,149	1,149
Calore SA	1,000	1,000
Capriasca Calore SA	438	438
kwick SA	280	300
PIÜCALORE SA	240	240
Total	43,571	43,841

The shares in Metanord SA are pledged in favour of creditors of the company, the impairment has been determined on the basis of the present value of expected cash flows.

4. Long-term securities

	31.12.2024	31.12.2023
In CHF 1,000		
Swissgrid AG	25,575	25,575
Kraftwerke Mattmark AG	10,546	10,703
Trianel Kohlekraftwerk Lünen GmbH & Co. KG	7,958	9,094
AKEB Aktiengesellschaft für Kernenergie-Beteiligungen Luzern	6,300	6,300
Terravent AG	2,250	2,250
Aliunid AG in Liquidation	690	690
./ impairment	-690	-690
Other	0	0
Total	52,629	53,922

5. Advances and loans to participations

	31.12.2024	31.12.2023
In CHF 1,000		
SPE Società per Partecipazioni Energetiche SA	10,855	10,754
./. impairment	-4,355	-6,792
Terravent AG	9,574	9,574
Metanord SA	8,200	8,200
Parco eolico del San Gottardo SA	5,414	5,414
TERIS Teleriscaldamento del Bellinzonese SA	4,000	4,000
AET Italia Srl	3,096	3,068
Other	67	67
Total	36,851	34,285

The advance to SPE Società per Partecipazioni Energetiche SA (SPE) is subordinated and has been impaired because of the deterioration of the financial and economic conditions of the participations held by SPE.

The advances to Terravent AG and Metanord SA are entirely subordinated.

6. Intangible assets

	Usage rights	Energy procurement rights	Intangible assets under development	Other intangible assets	Total
In CHF 1,000					
Cost value at 01.01.2023	15,586	144,555	1,481	12,074	173,696
Reclassification	–	–	–228	228	–
Additions	–	–	429	–	429
Disposals	–	–	–	–	–
Cost value at 31.12.2023	15,586	144,555	1,682	12,302	174,125
Reclassification	–	–	–802	1,049	247
Additions	7,377	–	929	70	8,376
Disposals	–2,374	–	–	–121	–2,495
Cost value at 31.12.2024	20,589	144,555	1,809	13,300	180,253
Accumulated amortisation at 01.01.2023	–8,643	–110,327	–	–10,030	–129,000
Reclassification	–	–	–	–	–
Amortisation	–219	–6,846	–	–400	–7,465
Additions	–	–	–	–	–
Disposals	–	–	–	–	–
Impairments	–	–	–	–	–
Accumulated amortisation at 31.12.2023	–8,862	–117,173	–	–10,430	–136,465
Reclassification	–	–	–	–	–
Amortisation	–146	–6,846	–	–439	–7,431
Additions	–	–	–	–	–
Disposals	1,085	–	–	121	1,206
Impairments	–	–	–	–	–
Accumulated amortisation at 31.12.2024	–7,923	–124,019	–	–10,748	–142,690
Net carrying amount at 01.01.2023	6,943	34,228	1,481	2,044	44,696
Net carrying amount at 31.12.2023	6,724	27,382	1,682	1,872	37,660
Net carrying amount at 31.12.2024	12,666	20,536	1,809	2,552	37,563

Usage rights include rights for utilisation of third party plants, in particular related to exclusive usage of third party power grid plants, as well as concession fees paid in respect of hydro power concessions.

The energy procurement rights mainly refer to an energy procurement contract with EDF (expiration 31.12.2027).

7. Other non-current assets

As of 31.12.2024 this item includes in particular the deficit arising from volume- and tariff-related timing differences of the distribution grid for CHF 9.4 million (2023: CHF 10.6 million).

8. Other short-term assets

	31.12.2024	31.12.2023
In CHF 1,000		
Other short-term receivables from subsidiaries	–	4,900
Other short-term receivables from associates	–	–
Other short-term receivables from other related parties	455	431
Other short-term receivables from third parties	11,466	18,445
Positive replacement values of transactions valued at market value	–	636
Energy related and similar certificates	5,494	2,789
Inventories of spare parts and consumables	3,411	3,485
Total	20,826	30,686

“Other short-term receivables from third parties” include in particular the “initial margin” part of the margin call payments made by AET to the energy exchanges in relationships with forward sale and purchase activity.

9. Prepayments and accrued income

	31.12.2024	31.12.2023
In CHF 1,000		
Subsidiaries	1,210	844
Associates	9,438	6,936
Other related parties	28,997	26,534
Third parties	126,091	152,496
Deposits to energy exchanges for hedging operations	26,024	247,875
Work in progress	4,125	3,909
Total	195,885	438,594

The balance includes amounts in foreign currency for EUR 108.3 million (EUR 392.7 million at 31.12.2023).

Accrued income mainly includes the value of energy sold during the last reporting month and not yet invoiced.

AET hedges part of its energy generation portfolio through the use of financial products traded on the energy exchanges. These operations foresee the payment of the negative mark to market values of the hedging transactions entered into (margin call). In 2022 the mark to market value of hedging transactions made in the past has become negative, AET had to cover the corresponding margin call with cash deposits. As these transactions are made for hedging purposes, negative mark to market values are accrued on the balance sheet on the line “Deposits to energy exchanges for hedging operations”; the related positions are recognised in the income statement in the financial period of power delivery, the decrease of the balance incurred in 2024 is due to the delivery of hedged positions and to the, at least partially, reduced market price volatility.

10. Receivables from goods and services

	31.12.2024	31.12.2023
In CHF 1,000		
Subsidiaries	315	774
Associates	8,450	8,821
Other related parties	419	394
Third parties	28,402	34,135
Total	37,586	44,124

The balance includes amounts in foreign currency for EUR 2.1 million (EUR 7.5 million at 31.12.2023).

11. Cash and cash equivalents

	31.12.2024	31.12.2023
In CHF 1,000		
Balances in CHF	9,174	3,987
Balances in foreign currencies	9,450	10,424
Total	18,624	14,411

12. Provisions

	Energy onerous contracts	Current and deferred taxes	Personnel related expenses	Other	Total
In CHF 1,000					
Carrying amount at 01.01.2023	17,200	–	2,315	5,090	24,605
<i>thereof long-term</i>	–	–	–	3,240	3,240
<i>thereof short-term</i>	17,200	–	2,315	1,850	21,365
Reclassification	–	–	–	–	–
Increase	–	–	568	–	568
Utilisation	–17,095	–	–340	–461	–17,896
Release	–105	–	–	–1,800	–1,905
Carrying amount at 31.12.2023	–	–	2,543	2,829	5,372
<i>thereof long-term</i>	–	–	–	2,779	2,779
<i>thereof short-term</i>	–	–	2,543	50	2,593
Reclassification	–	–	–	–	–
Increase	900	1,400	2,629	–	4,929
Utilisation	–	–	–340	–1,404	–1,744
Release	–	–	–78	–	–78
Carrying amount at 31.12.2024	900	1,400	4,754	1,425	8,479
<i>thereof long-term</i>	900	–	–	1,375	2,275
<i>thereof short-term</i>	–	1,400	4,754	50	6,204

The provision for personnel related expenses represents the value of overtime worked and not-taken holidays.

13. Other long-term liabilities

As of 31.12.2024 this item includes in particular a timing difference surplus related to pluriannual contracts for CHF 3.6 million (as of 31.12.2023 this difference resulted in a deficit of CHF 10.9 million booked within Other non-current assets).

14. Long-term financial liabilities

	31.12.2024	31.12.2023
In CHF 1,000		
Liabilities due between 1 and 5 years	154,900	243,494
Liabilities due between 5 and 10 years	95,000	115,000
Liabilities due after 10 years	35,000	35,000
Total	284,900	393,494

The position "Liabilities due between 1 and 5 years" includes a loan for CHF 1.9 million made by the participated company SPE Società per Partecipazioni Energetiche SA.

The position "Liabilities due after 10 years" includes a loan for CHF 10 million made by the Repubblica e Cantone Ticino.

15. Other short-term liabilities

	31.12.2024	31.12.2023
In CHF 1,000		
Other short-term liabilities towards subsidiaries	2,010	–
Other short-term liabilities towards associates	51	53
Other short-term liabilities towards other related parties	3,530	3,280
Other short-term liabilities towards third parties	18,007	14,276
Negative replacement values of transactions valued at market value	–	575
Total	23,598	18,184

16. Short-term financial liabilities

	31.12.2024	31.12.2023
In CHF 1,000		
Financial liabilities in CHF	120,000	317,000
Financial liabilities in foreign currency	18,769	–
Total	138,769	317,000

In 2022 the need to fund the margin call payments to the energy exchanges on which AET has made transactions to hedge its generation portfolio has caused an important increase in short-term financial liabilities. The decrease of short-term financial liabilities in 2024 (which followed a similar pattern of 2023) reflects the normalisation of these payments.

17. Accrued liabilities and deferred income

	31.12.2024	31.12.2023
In CHF 1,000		
Subsidiaries	768	452
Associates	17	4
Other related parties	1,034	2,555
Third parties	76,786	83,551
Total	78,605	86,562

The balance includes amounts in foreign currency for EUR 44.0 million (EUR 51.3 million at 31.12.2023).

Accrued liabilities mainly includes the value of energy purchased during the last reporting month and not yet invoiced.

18. Payables from goods and services

	31.12.2024	31.12.2023
In CHF 1,000		
Subsidiaries	29	791
Associates	68	18
Other related parties	3,680	3,607
Third parties	11,524	15,871
Total	15,301	20,287

The balance includes amounts in foreign currency for EUR 6.1 million (EUR 3.4 million at 31.12.2023).

19. Energy income

	2024	2023
In CHF 1,000		
Energy sales in Switzerland	586,902	657,145
Energy sales in Germany	158,707	155,547
Energy sales in France	146,105	124,041
Other energy income	3,505	24,075
Total	895,219	960,808

20. Other operating income

	2024	2023
In CHF 1,000		
Income from services	16,559	15,343
Own work capitalised	4,902	4,935
Other	4,979	4,232
Total	26,440	24,510

21. Energy purchases

	2024	2023
In CHF 1,000		
Purchases from participations	-98,645	-101,173
Long-term contractual purchases	-42,166	-40,001
Purchases on the market	-668,384	-774,601
Total	-809,195	-915,775

The expenses related to the energy offtaken from the production participations held by the Repubblica e Cantone Ticino (Officine idroelettriche della Maggia SA, Officine idroelettriche di Blenio SA and Verzasca SA) are included within purchases from participations.

22. Personnel expenses

	2024	2023
In CHF 1,000		
Salaries and other compensation	-31,062	-27,974
Social contributions	-6,448	-6,342
Other expenses	-803	-630
Recoveries from insurance companies	410	281
Total	-37,903	-34,665

In 2024 the total compensation (gross of the legal contributions) of the six executive committee members has been of CHF 1.5 million, respectively of CHF 0.3 million for the seven members of the Board of Directors.

Employees of the company

	31.12.2024	31.12.2023
Full time equivalent		
Permanent employees	270.1	257.7
Auxiliary employees	12.9	10.9
Apprentices	51.0	50.0
Total	334.0	318.6

23. Depreciation, amortisation and impairment

	2024	2023
In CHF 1,000		
Depreciation on tangible fixed assets	-14,005	-13,745
Amortisation on intangible assets	-7,431	-7,464
Other depreciation and amortisation	-1,544	-1,544
Reversal of impairments on non-current assets	2,500	2,566
Total	-20,480	-20,187

24. Other operating expenses

	2024	2023
In CHF 1,000		
Water fees	-12,873	-12,873
Local taxes and other contributions	-3,895	-3,799
Other	-6,252	-6,051
Total	-23,020	-22,723

Other contributions include the payment of accumulation contributions to power plants upstream to AET's plants for CHF 1.0 million.

25. Financial result

	2024	2023
In CHF 1,000		
Interest income	1,968	2,113
Income from participations	2,590	3,238
Exchange rate differences	3,056	-16,300
Interest payments	-13,740	-21,492
Other financial expenses	-157	-977
Total	-6,283	-33,418

Exchange rate differences include the cost of foreign exchange currency hedging operations.

26. Extraordinary result

	2024	2023
In CHF 1,000		
Profit from disposal of non-current assets	78	31
Other extraordinary income	29	24
Other extraordinary expenses	-172	-
Total	-65	55

27. Contingent assets and liabilities

	31.12.2024	31.12.2023
In CHF 1,000		
Guarantees in the interest of:		
Subsidiaries	6,231	6,178
Associates	–	–
Third parties	–	–
Total	6,231	6,178

Guarantees are issued as security of financing facilities granted to group companies or as security for operating commitments. In 2023, AET requested the initiation of an arbitration under the Energy Charter Treaty at the International Center for Settlement of Investment Disputes with the aim to obtain financial compensation from the German government with respect to the loss caused by German coal power exit. The procedure is ongoing and it is not possible to estimate the amount of a potential indemnification.

28. Other non-recognisable commitments

In the context of the management of its energy portfolio, AET has entered into transactions on the futures markets and finalised various long-term energy sale and purchase agreements involving irrevocable obligations.

Energy transactions on the market and with wholesale counterparts

31.12.2024	Energy sales		Energy purchases	
	Replacement values	Volume	Replacement values	Volume
CHF 1,000				
2025	134,595	1,735,438	–56,122	1,501,277
from 2 to 5 years	67,309	621,550	–7,503	359,390
over 5 years	10,383	14,119	–	–
31.12.2023				
CHF 1,000				
2024	529,564	1,386,243	–324,216	1,050,231
from 2 to 5 years	248,442	908,232	–156,282	560,421
over 5 years	11,559	16,777	–	–

None of the above reported replacement values are recognised on the balance sheet. All transactions are made for hedging purposes.

Long term energy sale and purchase agreements

31.12.2024		Energy sales	Energy purchases
CHF 1,000		Volume	Volume
2025		43,898	42,977
from 2 to 5 years		150,733	101,368
over 5 years		190,800	35,342

31.12.2023		Energy sales	Energy purchases
CHF 1,000		Volume	Volume
2024		38,887	42,527
from 2 to 5 years		169,435	133,118
over 5 years		204,887	45,646

AET further has an offtake commitment for the energy produced by its own power generation participations and the participations held by the Repubblica e Cantone Ticino, paying its production cost quota. The duration of these obligations is undetermined and depends on the future developments of those participations.

Forward currency operations

31.12.2024	Maturity year 2025		Maturity year from 2 to 5 years	
	Amount in currency (in 1,000)	Average exchange rate (currency/CHF)	Amount in currency (in 1,000)	Average exchange rate (currency/CHF)
Operation				
Buy EUR	145,000	0.95	48,000	0.92
Sell EUR	30,000	0.93	–	–

	Maturity year 2025		Maturity year from 2 to 5 years	
	Amount in currency (in 1,000)	Average exchange rate (currency/EUR)	Amount in currency (in 1,000)	Average exchange rate (currency/EUR)
Operation				
Buy USD	1,323	0.87	–	–
Sell USD	1,323	0.90	–	–

31.12.2023	Maturity year 2024		Maturity year from 2 to 5 years	
	Amount in currency (in 1,000)	Average exchange rate (currency/CHF)	Amount in currency (in 1,000)	Average exchange rate (currency/CHF)
Operation				
Buy EUR	–	–	–	–
Sell EUR	82,000	0.94	–	–

	Maturity year 2024		Maturity year from 2 to 5 years	
	Amount in currency (in 1,000)	Average exchange rate (currency/EUR)	Amount in currency (in 1,000)	Average exchange rate (currency/EUR)
Operation				
Buy USD	8,334	0.90	1,323	0.87
Sell USD	1,825	0.91	–	–

Forward foreign currency transactions have been entered into with the purpose of hedging expected future foreign currency cash flows.

At 31.12.2024 AET has no off-balance sheet lease commitments (31.12.2023: unchanged).

29. Pension fund obligations

	Coverage rate	Economic benefit/economic obligations for the company	Change recognised in the income statement	Expense for contributions of the period	Pension fund expense within personnel expenses
CPE Fondazione di Previdenza Energia					
In CHF 1,000					
31.12.2024	120.3%	–	–	–3,201	–3,201
31.12.2023	113.9%	–	–	–3,143	–3,143

30. Transactions with related parties

Transactions with subsidiaries

	2024	2023
In CHF 1,000		
Energy income	654	724
Service and other income	3,323	2,361
Financial income	740	943
Energy purchases	10,322	8,195
Service and other expenses	28	–

Transactions with associates

	2024	2023
In CHF 1,000		
Energy income	60,359	49,448
Service and other income	15,521	14,449
Financial income	1,343	1,072
Energy purchases	168	217
Service and other expenses	1,857	3,297

Transactions with other related parties

	2024	2023
In CHF 1,000		
Energy income	570	1,349
Service and other income	3,995	3,641
Financial income	613	638
Energy purchases	88,741	92,698
Service and other expenses	1,699	1,800

31. Risk assessment

The Board of Directors and Management give the utmost attention and deploy the necessary resources for the valuation and management of risks in order to adhere to the standards of the sector. The management and valuation of the company's risks have been integrated into the company's operating procedures, in order to guarantee the maximum effectiveness.

From a financial point of view AET is exposed to following main risk factors:

Volume risk: is the risk associated with the variation in the sales volume, respectively of production volumes compared to forecasts. Its main cause is the meteorological risk in that weather deviations from the long-term averages cause variations in consumption and production from hydroelectric and photovoltaic solar plants, which are difficult to forecast. In the long-term AET manages this risk by diversifying its supplies with long-term contracts and participations. In the medium to short-term this risk is managed with a gradual rebalancing of the portfolio using updated forecasts and historical data. In addition AET can count on reserve capacity from its own hydroelectric plants.

Market risk: is the risk associated with the variations of energy market price, the fluctuation of exchange rates and of interest rates. AET manages this risk by monitoring the evolutions and the expectations of market prices and consequently hedges the positions. The foreign exchange risk is managed through hedging operations. The risk associated with change in interest rates is mainly managed through diversification of the expiration dates of the financial debt. Market risks mostly have an effect on the quantity of energy sold and produced resulting from the volume risk that can not be efficiently hedged in advance because unknown.

Liquidity risk: hedging made through the use of financial instruments are associated with liquidity risk because of the margin calls commanded by those transactions. AET manages this risk by keeping sufficient liquidity and credit lines to operate and through the constant monitoring of the open positions and of the related portfolio management activities on the financial markets.

Counterparty risk: is the risk of loss related to payment default of commercial counterparties. Sales are mainly made to large Swiss and bordering countries power companies. Exposure limits are determined for each counterparty, based on their economic and financial situation. Counterparty risk related to the Swiss commercial / distribution activity is managed through the constant monitoring of the receivable positions, the subscription of receivables insurances, the request of bank guarantees or deposits.

Operating risk: this risk is associated to malfunctions of installations, processes, systems, to human mistakes or external circumstances (e.g. cyber attacks). This risk is managed through internal control, regular maintenance, training of involved employees and the definition of preventive and corrective measures.

Regulatory risk: relates to the implementation or modification of laws, acts or rules at Swiss or European level, which might have an impact on the activity of AET. In order to ensure an high level of surveillance and compliance, AET constantly monitors regulatory developments, acting on internal policies and making appropriate corrections whenever necessary.

32. Subsequent events

2024: no significant event.

2023: no significant event.

Proposal for allocation of result

The Board of Directors, in accordance with article 18 LAET (respectively article 672 of the Swiss Code of Obligations), proposes to allocate the result as follows:

In CHF 1,000	
Net result 2024	39,287
– to the State: 8% interest on the endowment capital	–3,200
– dividend to the State	–5,000
– allocation to the general reserves	–
Allocation to the results carried forward	31,087

Audit report by KPMG SA on the financial statements



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Report of the Statutory Auditor to the Gran Consiglio of Repubblica and Cantone Ticino of Azienda elettrica ticinese, Bellinzona

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Azienda elettrica ticinese (the Company), which comprise the balance sheet as at 31 December 2024, the income statement, the cash flow statement and the statement of changes in equity 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 52 to 74) give a true and fair view of the financial position of the Company as at 31 December 2024, and its results of operations and its cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law and Act of Azienda elettrica ticinese.

Basis for Opinion

We conducted our audit in accordance with Swiss law, Act of Azienda elettrica ticinese 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, together with 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.

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 financial statements and our auditor's report 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.



**Azienda elettrica ticinese,
Bellinzona**

Report of the Statutory Auditor
to the Gran Consiglio of Repubblica
and Cantone Ticino on the Financial
Statements

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 requirements of Swiss GAAP FER, the provisions of Swiss law and Act of Azienda elettrica ticinese, 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, Act of Azienda elettrica ticinese 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, Act of Azienda elettrica ticinese 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.

**Azienda elettrica ticinese,
Bellinzona**

Report of the Statutory Auditor
to the Gran Consiglio of Repubblica
and Cantone Ticino on the Financial
Statements

We communicate with the Board of Directors 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.

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 financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors complies with Swiss law and Act of Azienda elettrica ticinese. We recommend that the financial statements submitted to you be approved.

KPMG SA

Silvan Jurt
Licensed Audit Expert
Auditor in Charge

Sarah Cereghetti
Licensed Audit Expert

Lugano, 29 April 2025

Sustainability Report

Ticino's blue gold

Ticino generates an average of 10% of all Swiss hydropower. Today, AET harnesses about half of this valuable resource.



Methodological Note

This is the second edition of the Sustainability Report published by Azienda Elettrica Ticinese (AET). It contains both qualitative and quantitative information intended to illustrate the company's commitment to sustainability topics for the 2024 financial year.

The document is published at the same time as the 2024 Annual Report and forms an integral part of it.

This Report focuses partly on AET alone and partly on AET together with its subsidiaries in which AET has a majority shareholding (more than 50%): the latter are referred to as the "AET Group". Some information may also refer to minority shareholdings; in order to avoid any misunderstanding, readers are invited to refer to the captions/keys associated with graphs and images.

The information in this Report covers the period from 1 January 2024 to 31 December 2024 and is based on the use of GRI indicators — for identifying, prioritizing, and reporting on impacts, as well as communicating contributions to sustainable development — adopted in the "with reference" mode¹.

AET has also drawn inspiration from sectoral standards for electricity companies².

The indicators and other specific information may be consulted in the GRI Index on pages 114 and 115.

This Report has been reviewed and approved by AET's Board of Directors and Executive Management but has not been verified by an independent third party.

AET has notified the Global Reporting Initiative of its application of the GRI Sustainability Reporting Guidelines. The notification was made in 2025.

The qualitative and quantitative information has been reviewed periodically and is presented in the text.

The sustainability section of AET's annual report has been written in the first-person plural, reflecting the Company's strong commitment to making its activities increasingly responsible and sustainable.

¹ www.globalreporting.org

² G4 Sector Disclosure Electric Utilities.

The Company

Our Identity Card

Who we are

AET is an autonomous institution governed by cantonal law, headquartered in Bellinzona, and the largest electricity wholesaler in the Canton of Ticino.

We are established and regulated under the Law on Azienda Elettrica Ticinese (LAET) and fully comply with the applicable legal and regulatory requirements in Switzerland regarding corporate governance. We also adhere to the principles of the "Swiss Code of Best Practice for Corporate Governance" (edition 2023), published by *economiesuisse*.

Our mission is to grow together towards a renewable energy future, to contribute to the implementation of cantonal energy policy decisions, while promoting the rational use of energy and the diversification of energy sources, always with respect for the environment.

Production, transport and distribution

We manage more than a third of Ticino's hydroelectricity on behalf of the Canton and, with six hydroelectric plants under our ownership, make a significant contribution to the production and management of renewable energy in the region.

In collaboration with other partners, we produce wind energy in Ticino's first wind farm and support the development of solar energy through our various installations.

As a wholesaler and grid operator, we supply energy to distribution companies, ensuring a stable and reliable supply of electricity and contributing to the well-being of the entire Canton.



Trade and innovation

Although our focus is on the Swiss market, we are also active in neighbouring countries such as Italy, France and Germany.

We are a recognised counterparty on the major energy exchanges and have established stable business relationships with a growing number of European partners.

Our approach is to build strong and lasting commercial and economic relationships, strengthening trusted partnerships both within the Canton and beyond its borders.

We closely monitor the challenges that are shaping the energy market and are constantly innovating and preparing for the future.

In addition to our focus on traditional renewable energy sources, we are working with our business partners to invest in other energy sources. This diversification of resources allows us to respond to climate and environmental change in a rational way, while remaining true to our corporate mission.

Companies of the AET Group

The following is a list of companies (whose shares exceed 50% or more) that are part of the AET Group. The full list can also be found on the website: www.aet.ch. Further information can be found in the 2024 Annual Report on pages 118 and 119.

Calore SA, CH-Locarno (65%)

Production and distribution of thermal energy

Lucendro SA, CH-Airolo (100%)

Hydroelectric power generation

Parco eolico del San Gottardo, CH-Airolo (70%)

Wind power generation

Senco Holding SA, CH-Locarno (65%)

Holding participation into hydroelectric power generation (micro power plants)

Senco Sagl, CH-Locarno (65%)

Services in favour of hydroelectric power plants promoted by Senco Holding SA

SPE Società per Partecipazioni Energetiche SA (SPE),

CH-Bellinzona (100%)

Holding company

AET Italia Srl, I-Milano (100%)

CEG Srl, I-Milan (100%)

TERIS Teleriscaldamento del Bellinzonese (TERIS),

CH-Bellinzona (60%)

Production and distribution of thermal energy

Membership of organisations and associations

To ensure stable and long-lasting relationships in our field of expertise, AET maintains regular links with industry associations both nationally and internationally, including:

International / European

CIGRE – Conseil International des Grands Réseaux Électriques

European Energy Traders

ISDA – International Swaps and Derivatives Associations

RECS – Renewable Energy Certificate System

National

AES (VSE) – Association of Swiss Electricity Companies

ASEA (SWV) – Swiss Water Management Association

ECS Schweiz Verein Energy Certificate System

VUE – Verein für umweltgerechte Energie

Local

ATEA – Ticino Water Management Association

Canton of Ticino Chamber of Commerce

ESI – Electricity of Italian Switzerland

Sustainability

Sustainability as a tool for growth and transformation.

Sustainability Strategy

Sustainability is not an endpoint, but rather a fundamental tool for fulfilling our mission by improving production processes, strengthening stakeholder trust and contributing to the well-being of the Ticino region.

Our approach to sustainability is based on three fundamental pillars that guide the company's strategic and operational decisions:

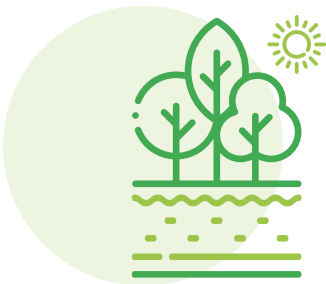


Investing in the development of professional skills

We believe that human capital is the key driver of our growth. That is why we invest in the ongoing training of our employees, encouraging them to develop specialised skills to meet the future challenges of the energy sector. We are committed to promoting a positive, inclusive, and safe work environment, fostering well-being and collaboration among people.

In addition to supporting our employees, we promote community education initiatives to raise awareness and educate future generations on energy and sustainability issues.

Through these efforts, we aim to create quality, long-term employment opportunities and contribute to strengthening the economic and social fabric of Ticino.



Promoting Ticino's renewable resources

The responsible and sustainable use of natural resources is at the core of our activities. We are committed to an energy supply that is environmentally friendly, locally sourced and accessible to all.

We promote the use of hydropower, a key resource for Ticino, and invest in new technologies to integrate renewable sources such as solar, wind, biomass and geothermal energy.

Energy is a valuable asset that should be used wisely and efficiently.

We strive to minimise the environmental impact of our activities by adopting innovative solutions to preserve local ecosystems and actively contribute to the fight against climate change.



Supporting local communities

Our mission extends beyond energy production to support the communities in which we operate. Part of the value generated by our activities is reinvested in the region, providing economic stability to peripheral areas.

Our initiatives include sponsorship programmes, partnerships with local organisations and support for projects that enhance Ticino's cultural and natural heritage.

Applying these principles enables us to develop in a balanced way, improving business performance in three key dimensions: economic, environmental and social.

In accordance with the cantonal Law on AET (LAET), our sustainability strategy is aligned with the strategic guidelines defined by the cantonal authorities in the cantonal energy Plan 2013 (PEC).

This plan serves as a clear and structured roadmap for Ticino's energy transition, based on three main pillars:

- Energy efficiency and savings: reducing energy consumption in end-use applications through the adoption of more efficient technologies and awareness campaigns targeted at citizens.
- Energy conversion: encouraging the gradual phase-out of fossil fuels, with a particular focus on replacing high CO₂-emitting energy carriers. The goal is to stabilize emissions at one ton of CO₂ per capita.
- Energy production and secure, sustainable supply: diversifying energy sources to ensure energy security and maximizing the value of local resources, particularly hydropower, while also promoting other indigenous renewable sources such as solar, wind, and biomass.



Sustainability Governance

As the highest governing body, our Board of Directors is responsible for overseeing sustainability issues and approving the corporate strategy.

During regular meetings, any sustainability issues on the agenda are discussed in detail. The Board provides the management team with the necessary instructions to implement policies.

Legally speaking, we are not subject to the Swiss Civil Code's obligations regarding non-financial reporting. Nevertheless, we continue to do so voluntarily.

The Management Committee of the Board of Directors supports the reporting process and is responsible for formulating opinions on the content of the Sustainability Report, as well as providing suggestions and guidelines.

The Committee meets regularly with technical managers to assess progress and the development of issues, as well as to ensure the accuracy of data collection.

During 2024, the Management Committee met with the technical manager three times.

The sustainability manager and the working group report directly to management, implementing the instructions received and collaborating with the relevant business areas. To maximise internal stakeholder involvement, the working group comprises one representative per business area, who is responsible for disseminating information across the organisation.



A century of energy

Hydropower production in Ticino has a long history: the first plant was built at the end of the 19th century. AET preserves this heritage by modernizing historic facilities with increasingly efficient technologies.

Materiality

The Report has been prepared in accordance with the principles of the GRI 2021 Standard, following a structured and methodical process:

Reassessment and redefinition of key topics

The analyses carried out in previous years have allowed us to build and establish a solid reference framework. In 2024, the key topics were reassessed, and their priorities redefined.

This process took place in several phases. In the first phase, a comprehensive review of all topics was conducted and reassessed by internal experts based on technical and objective criteria. Subsequently, these topics were compared against international standards and benchmarked with those adopted by other industry players. Finally, the topics were reclassified based on their impact on AET.

Changes and improvements

Although most of the topics were confirmed, the analysis carried out for the 2024 Sustainability Report identified some overlaps and the need for improvements:

- **Overlaps:** The topic “Governance strategies, internal policies, and practices” will be integrated into a new area called “Corporate Conduct Principles,” which will replace the chapter “Implementation of national energy policy”.

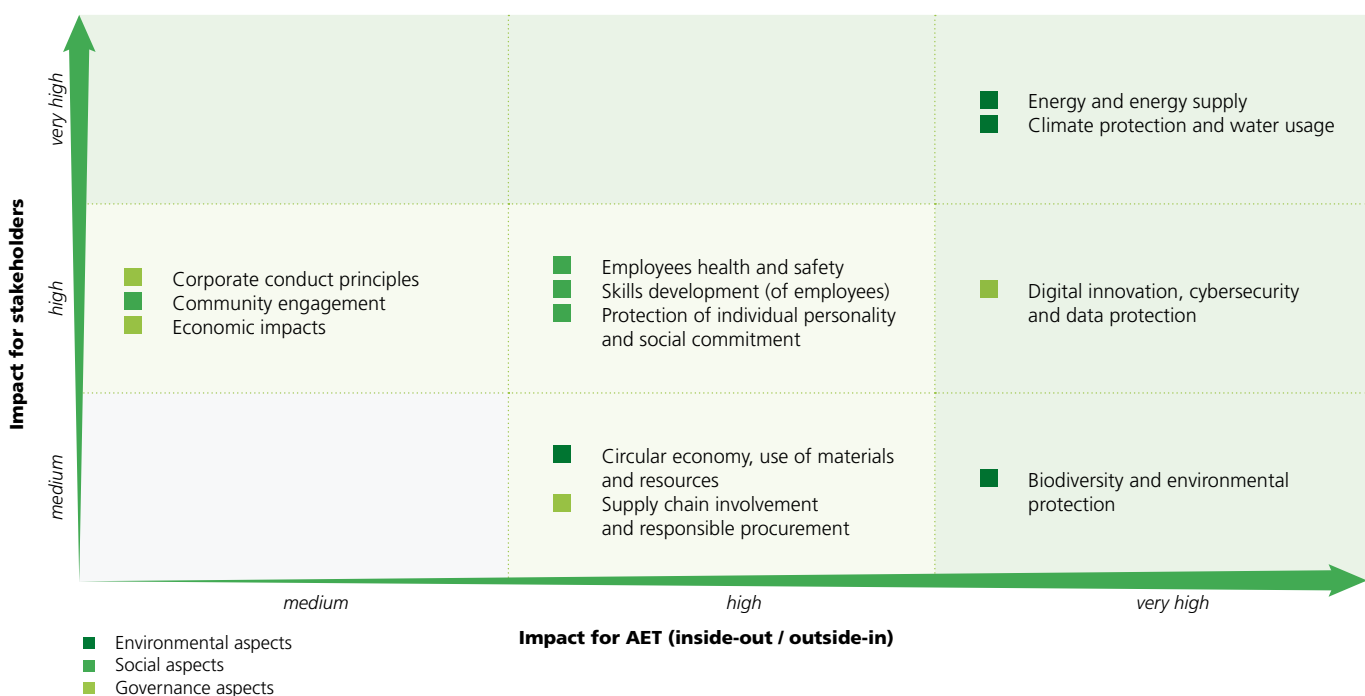
- **Subdivisions:** The topic “Developing professional skills and raising public awareness of energy issues.” will be split into two distinct categories: “Skills Development” (for employees), covering training-related topics and “Community Engagement”, focusing on energy awareness initiatives and sponsorships.
- **Improvements:** The topic “Inclusion and Social Commitment” will be renamed “Protection of individual personality and social commitment.” The broad theme “Energy, supply, climate protection and water usage” will be reorganised into more specific thematic areas.

Among the most relevant topics, “Biodiversity” retains a central position. Additionally, there is a growing focus on “Supply chain involvement and responsible procurement”.

The analysis confirmed that the current list of topics is comprehensive and does not require further expansion.

Materiality matrix 2024

The aggregated results have been compiled in the matrix shown below.



Our contribution to the SDGs

We have identified the Sustainable Development Goals that best represent our commitment to sustainability.

The UN 2030 Agenda, with its 17 Sustainable Development Goals (SDGs), serves as a compass for companies that want to focus on social and environmental responsibility.

At AET, we are committed to the energy transition in Italian-speaking Switzerland. The 2030 Agenda is an integral part of our business model. The 17 SDGs, which cover the three dimensions of sustainable development — social, economic, and environmental — also shape our strategic vision.

Adopting these goals means bringing about tangible change for our region. We achieve this through ongoing dialogue with our stakeholders, the implementation of best corporate practices, and targeted training and awareness initiatives on sustainability.

We have identified the SDGs that best represent our commitment to sustainability:



Good health and well-being

Worker safety and health protection are essential aspects for a company like ours, classified as a “company with specific hazards.”

We continuously strive to improve our processes and reduce risks for our employees. We also expect the same level of commitment from our partners and suppliers.



Quality education

We are a training company and invest in the development of young people’s technical skills. We provide continuous training for our employees, also supporting them in educational paths that go beyond their daily activities



Gender equality

Recognising the technical nature of our industry, we are committed to ensuring true equal treatment between female and male employees, both in terms of opportunities and salary. We actively promote inclusion in all professional and social activities within the company.



Clean water and sanitation

We operate our power plants responsibly managing the Canton’s water resources while striving to prevent incidents or damage to water resources.



Affordable and clean energy

We ensure domestic renewable energy production, investing in projects that support the strategy of both the Canton and the Confederation.



Decent work and economic growth

We make a significant contribution to the local economy, both by employing personnel and through indirect support to the economy of peripheral areas.



Industry, innovation and infrastructure

We support innovation in the design of our infrastructure and in our approach to technical and IT systems.



Climate action

We promote a rational use of energy resources and a climate-friendly mobility approach

Dialogue with Stakeholders

We consider stakeholders to be all those entities with whom we have significant relationships and whose interests are affected in various way by our activities. These stakeholders may be directly involved in exchanges with AET or influenced by our actions.

Ongoing and multidirectional dialogue

The relationship with our stakeholders is not static—it is an ongoing, dynamic, and reciprocal process. For this reason, we have developed specific tools and procedures to identify, analyse, and manage these interactions. [GRI 2-29]

The pillars of our stakeholder engagement model

- Identification: We carry out stakeholder analyses and mapping.
- Information: We communicate through our website and media publications.
- Engagement: We use intranet platforms, events, sponsorships and special initiatives.
- Partnerships: We establish strategic partnership with companies and promote targeted campaigns.

Our main stakeholders' categories

Employees

Our employees are the driving force of the company. Ensuring their stability, safety, and professional growth through continuous training is an absolute priority.

Customers and business partners

We strive to meet their needs by anticipating market trends, offering innovative solutions, and investing in the digitalisation of our processes. We collaborate with local and national distributors to ensure a stable and balanced energy flow, both in Ticino and beyond the Gotthard.

Certification bodies

We have obtained international certifications that validate our commitment to quality, environmental responsibility, workplace health, and safety.

Canton

As the owner of AET, the Canton defines its policies and governance. Our relationship is built on mutual trust, ensuring we fulfil the mandate entrusted to us.

Suppliers

With over 900 active suppliers and average annual purchases of CHF 32-35 million (excluding energy), we closely monitor the supply chain, from initial selection to supply management.

Public opinion

We use traditional and digital channels to communicate transparently, maintaining an open and constructive dialogue.

Banks and insurances

Through transparent relationships, we access the necessary funding to support our activities while ensuring the protection of employees and investments.

Educational institutions

We support the Bodio Training Campus and are committed to training young professionals, welcoming over 50 apprentices each year.

Local communities

Aware of our social impact, we support sporting, cultural, and social initiatives with transparency and responsibility.

Associations

We are members of various industry associations, where we play an active role in decision-making processes, share expertise and professional knowledge, and keep abreast of industry developments.

Environment

Compliance with environmental regulations

We are committed to complying with all relevant federal and industry regulations. Particular attention is given to analysing and implementing any significant regulatory updates.

Relevant legal references [Federal Laws (FL) and related Ordinances (O) and Cantonal Laws (CL)]:

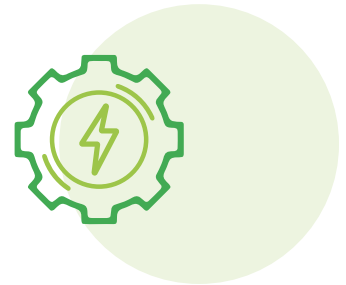
- FL on reducing CO2 emissions
- FL on the utilization of hydraulic forces
- FL on energy
- FL on electricity supply
- FL on environmental protection
- FL on water protection
- FL on fishing (LFSP)
- O on reducing risks related to chemical products
- CL on water utilization
- CL on groundwater
- CL on energy (Len)

In 2024, we did not identify any cases of non-compliance with environmental legislation or regulations.

Similarly, we did not receive any reports of pollution or other disturbances caused by ongoing projects.



Energy and energy supply



Energy production

Energy transition and valorisation of local resources

The progressive transition to renewable energy sources is the foundation of a sustainable energy system.

This transition, which is now well established, poses new challenges related to the integration of increasingly unpredictable energy production.

In this context, we have stepped up our strategic investments, focusing on renewing existing hydroelectric plants, the expansion of storage capacity, the development of new renewable sources and modernising grid infrastructure. The updated regulatory framework - defined by the Federal Energy Act and the Cantonal Energy and Climate Plan (PECC) - is an enabling factor, creating favourable conditions for the implementation of projects in line with long-term objectives.

In a global context characterised by growing geopolitical and climate instability, we remain committed to system resilience and decarbonisation.

The supplied electricity comes mainly from plants located in Switzerland, almost entirely in Ticino, and generated using low environmental impact technologies: hydroelectric, photovoltaic, wind and thermal plants. This approach allows us to make the best use of our local resources, reduce our dependence on fossil fuels and actively contribute to achieving the climate targets set by the Federal and Cantonal governments.

Hydroelectric production

In 2024, favourable weather conditions - in particular abundant snowfall at high altitudes followed by spring thaw and regular rainfall throughout the year - contributed to a significant increase in hydroelectric production in Ticino, which exceeded the average of the previous decade.

The production of our hydroelectric plants doubled compared to 2023, a year marked by a prolonged drought and a major renovation of the Piottino power plant, which limited its operational availability for three months. Our production

portfolio is characterised by its high level of responsiveness to hydrological conditions.

Evolution of solar production

Photovoltaics is a key factor in the energy transition. In Switzerland and Ticino, solar production is growing steadily, supported by incentives, technological innovation and self-consumption models. We recognise the central role of this renewable, local and low-impact source in strengthening security of supply and achieving climate targets.

In collaboration with the Canton, we are continuing to install photovoltaic systems on public buildings, making the most of the state's real estate assets' potential. Such collaborations further enhance the effectiveness of these initiatives, demonstrating the importance of synergy between the public sector and other sectors of the economy in accelerating the energy transition.

Wind power production

Production at the San Gottardo wind farm decreased compared to the previous year. This was due to extended shutdowns to protect birds and bats, as well as the presence of ice on the blades during the winter months. These measures, in line with the precautionary approach to environmental management, reflect our commitment to reconciling the production of renewable energy with the protection of biodiversity.

Aggregated volumes of AET's production

in GWh	2024	2023	2022
Hydropower	1'109	527	517
PV	5	4	4
Wind*	9	10	9
Total production	1'123	541	530

* AET production share (70%)

District heating

Our subsidiaries Calore SA and TERIS SA continued to develop projects to extend and improve the efficiency of district heating networks. A new thermal power station was commissioned following the renovation work started in the previous year, allowing new users to be connected and the existing infrastructure to be upgraded. At the same time, initiatives for the construction of biomass power plants have progressed with the start of the relevant approval procedures.

Among the ongoing projects, the "Verbano 2030" power plant promoted by Calore SA has entered the construction phase: work is underway on the construction of a new thermal power plant and the extension of the distribution network to various districts of the city of Locarno. These developments confirm the commitment to more efficient and sustainable heating based on the use of local renewable sources.

Minority shareholdings: nuclear and conventional thermal energy³

Compared with 2023, nuclear power generation from our minority shareholdings in Switzerland and France decreased. The volume of electricity generated by the German plant in Lünen was also lower than the previous year.

Electricity supply and promotion of renewable energies

In 2024, we made a significant contribution to the electricity supply of the Canton of Ticino, distributing around 1'700 GWh of energy through local electricity companies and, to a lesser extent, directly to end users.

The latter includes our organisation, which has been covering its entire energy consumption with *tacqua*: certified *naturemade* renewable energy produced mainly from sources in Ticino.

In line with our values, we also encourage our end customers to adopt sustainable energy sources.

Customers can choose their own energy mix; where non-renewable options are available, we engage in constructive dialogue to raise awareness of more informed, environmentally friendly choices.

In accordance with Swiss electricity labelling regulations, we guarantee transparency regarding the origin of the energy supplied and communicate this annually to each customer. Our goal remains to constantly increase the proportion of renewable, local and certified energy, both in direct supply and through distribution networks.

³ For more information, see Sustainability Report 2023 pp.55

Emissions

Decarbonisation and emissions reduction

Reducing emissions is a pillar of our commitment to sustainability and regional responsibility. As a producer and supplier of energy with deep roots in the Canton of Ticino, we are pursuing decarbonisation through plant efficiency, electrification of internal consumption, use of local renewable sources and continuous improvement of infrastructure.

The Emissions Reduction Project, launched in 2023, allows us to systematically monitor our environmental performance and implement concrete measures for the future. The analyses started in 2023, which will also be applied to the data collected in 2024, show overall stable but slightly decreasing emissions.

Current initiatives

Vehicle fleet

The company vehicle fleet is being updated with the introduction of low-emission vehicles. In 2024, AET's electric vehicles travelled a total of approximately 93,000 km for work-related trips, contributing to the reduction of emissions related to internal mobility (approximately 8 t CO₂).

Real estate assets

We continue to work on the company's real estate assets to improve their energy efficiency and sustainability. An important example is the redevelopment of the AET site in Bodio, which was developed from the winning project of the international competition and subsequently optimised to meet the specific needs of the company.

Employee involvement

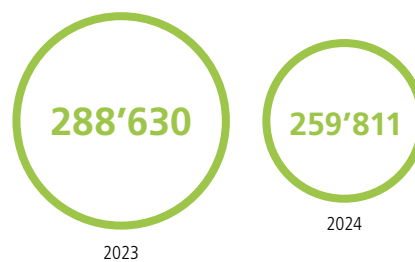
In 2024, the company mobility questionnaire was again proposed, which received a high response rate and provided us with valuable data on employee commuting.

During the summer, we relaunched the "Bike to work" initiative: a dozen employees travelled over 2,000 km by slow means of transport, avoiding the emission of around 0.3 tonnes of CO₂.

We also participated in a study sponsored by SUPSI⁴ on the well-being, travel and environmental impact of teleworking, involving a group of employees who work from home.

	Definizione dello scopo	Origine dei dati
Scope 1	Direct emissions from sources that AET owns or controls	Stationary combustion, mobile sources, gas and network leaks.
Scope 2	Indirect emissions from purchased energy produced outside of AET	Electricity purchases
Scope 3	Other indirect emissions across the entire value chain	Relevant investments (e.g., thermal power plant in Lünen, DE), employee commuting

Total emissions [CO₂ eq(t)]



Additional information, are available at pg.128 of Report 2024.

⁴ SUPSI: University of Applied Sciences and Arts of Southern Switzerland

From rivers to algorithms

AET's control center remotely manages almost all hydroelectric plants in Ticino. It's a smart system that optimizes water use based on demand, weather conditions, and many other factors.



Climate protection and water usage



Climate protections measures

Climate protection is of primary importance and requires the adoption of concrete and reportable measures. By assessing our activities and their associated impacts, we have identified two key areas of intervention:

- Monitoring and responsible management of SF6 gas, to reduce the risk of leakage of this greenhouse gas and minimise our environmental impact.
- Support for the development of electric mobility, promoting the adoption of transportation means alternative to combustion vehicles, thus contributing to the reduction of CO₂ emissions.

These actions represent concrete steps to mitigate the environmental impacts of our activities and to promote more sustainable solutions for the future.

Monitoring sulphur hexafluoride (SF6)

Sulphur hexafluoride (SF6) is a gas widely used in the electrical industry for its excellent insulating and arc extinguishing properties; it is a potent greenhouse gas with a global warming potential significantly higher than CO₂.

SF6 gas is used in our plants for technical purposes. Aware of its impact on the environment, we are committed to responsible management, which includes:

- Specialised training for personnel authorised to handle the gas according to industry regulations, in accordance with industry regulations to ensure correct and safe use, minimising the risk of leakage.
- Rigorous handling and containment procedures to prevent accidents and gas leaks.
- Constant monitoring and preventive maintenance to ensure the highest efficiency and safety of the installations.

To ensure the proper functioning of the equipment, we carry out gas quality control using specific tools. High-voltage equipment (meters, switches, and GIS⁵) is inspected according to the manufacturers' instructions, with a standard frequency of five years. The disposal of decomposed gas is entrusted to a specialized company based abroad.

Electric mobility

Electric vehicles are a sustainable mobility solution: they help to reduce CO₂ emissions and atmospheric pollution. Their diffusion is supported by technological innovation and the development of charging infrastructures.

We are continuing to strengthen the network of charging infrastructure at service areas along the A2 motorway and at other strategic points that we own. Our charging stations are 100% powered by local renewable energy. To meet the demand along the motorway axis, we have installed 26 stations, including 23 for cars, 2 of the "drive-through" type and 1 for heavy vehicles. Of these 26, 10 will be operational by 2024.

We have also expanded the charging infrastructure for the cantonal vehicle fleet, with the installation of a 32 kW photovoltaic system in the Via Tatti car park in Bellinzona. This is the first major project planned in the collaboration between the Canton and AET in the field of electric mobility. The solar system, located on the roof of the car park, allows for self-consumption of energy. 46 alternating current (AC) and 2 direct current (DC) charging points have been installed.

In the "Mobility Survey 2024" addressed to our employees, the question was asked: "Would you be willing to replace your car with an electric one?" 30% of respondent said yes, and of those, almost 90% declared they would use it mainly for commuting. This data shows a growing interest in sustainable mobility and highlights the importance of promoting low-emission transport solutions, in line with our commitment to reducing environmental impact.

⁵ GIS "gas insulated switchgear"

Water usage

AET operates hydroelectric power plants powered by water resources owned by the Canton. The water used comes from the Ticino River and the lateral valleys, where the “Leventina Valley Production Chain” (hereafter: “Leventina Chain”) is developed, and from the Ponte Brolla plant located on the Maggia river. Water is our primary source of energy production: we are fully aware of the value of this resource and are actively committed to its protection.

Use of water resources

At the head of the Leventina Chain lies the Lucendro plant, fed by the Sella and Lucendro lakes. This hydroelectric system stretches over approximately 30 km along the valley and includes five main power stations: Lucendro, Stalvedro, Tremorgio, Piottino, and Nuova Biaschina.

Our hydroelectric plants operate without altering the quality of water, eliminating the need for post-production treatments. During specific events, such as river floods, solid materials in the water (wood, debris, gravel, etc.) are collected and disposed of in an environmentally responsible manner. For environmental remediation projects, reusable material is used, subject to approval of the relevant construction procedures. The amount of solid material removed varies between 5,000 m³ and 8,000 m³ per year.

To protect the flora and fauna along the river, renaturation projects are underway to create protective and shelter areas, and to encourage the natural migration of fauna near dams. Due to their complexity, these projects require long planning and implementation periods. The main renaturation works along the Leventina chain are expected to be completed by 2030.

Environmental impact prevention

To reduce the environmental risks associated with water operations, we have implemented strict monitoring and control measures. Regular inspections of the facilities help to limit environmental impact and prevent damage in the event of accidental substance spills, for example, through the use of containment tanks. Additionally, the quality of the products used, such as biodegradable oils, helps to minimise environmental impact in case of accidents.

As part of technological upgrades, priority is given to measures to reduce the risk of pollution. Prevention also includes continuous personnel training, to ensure adequate preparation for unforeseen situations, such as extreme weather events. Periodic drills, involving external experts such as gamekeepers, ensure effective coordination. Moreover, all operational procedures are detailed and shared with both internal and external stakeholders.

Incident management

In the event of an accident or critical situation, a thorough root cause analysis is conducted to prevent future risks. Facility managers conduct regular checks and document inspections through safety mini-audits. If necessary, internal specialists are involved in the analysis and definition of corrective measures.

A significant example is the flooding of the upper Leventina in June 2024, which was classified as an “extreme event” by Meteo Swiss. Heavy rainfall caused significant run off from the Val Canaria, resulting in erosion of the embankment protecting the intake channel of the Stalvedro power plant. Following an in-depth analysis, our specialists prepared safety measures and initiated a project to build a new embankment to protect the entire structure, which is now successfully completed.

Plan safety

Plant safety is ensured through weekly inspections and extraordinary checks following adverse weather events. Any operational anomalies are promptly reported and addressed so that solutions can be implemented to prevent recurring problems. Performance indicators are analysed monthly to monitor key parameters, such as plant availability, water loss, and the number of breakdowns.

Monitoring and optimization of resources

Aware of our impact, we closely monitor water consumption in operational buildings, implement optimisation measures and install monitoring systems to ensure efficient use of resources.

Risk-based approach

We adopt a structured approach to risk management, based on data collection and analysis to optimise the management of production facilities. In particular:

- The Asset Manager oversees risks related to facilities;
- The Projects / Technical Support team is responsible for assessing project risks.

This method supports the Plant Production Manager in strategic decisions and the Project Manager in mitigating critical issues. Each decision is made based on a preventive assessment, and continuous monitoring allows us to verify its effectiveness over time.

We have structured our internal processes in compliance with ISO 55001, which integrates risk and performance management, similarly to ISO 9001. An annual internal review is conducted to assess future action plans and ensure continuous improvement.

Circular economy, use of materials and resources

AET is committed to optimising resource use and reducing waste, applying the principles of the circular economy for more efficient and sustainable materials management. Through recovery, reuse, and recycling, we aim to limit the environmental impact of our activities and promote best practices in the use of non-polluting materials in production processes. Wherever possible, we aim to eliminate or replace substances and products that are hazardous to health and the environment.

To ensure responsible management of resources and to avoid inefficiencies, we have a structured system of audits and regular checks on business processes. Waste is internally tracked through a specialised management system, while the recycling chain is entrusted to specialised waste management companies. Special or hazardous waste is only handled by certified companies, and internal personnel involved are trained and made aware of the proper procedures.

Our actions for responsible resource use

We adopt concrete measures to:

- Extend the useful life of infrastructure through efficient resource management and targeted maintenance.
- Reduce waste production by recovering and recycling the materials used in our plants.
- Optimise energy and water consumption, and limit waste in operational processes.
- Evaluate materials with lower environmental impact, introducing more sustainable solutions where possible.
- Promote a company culture oriented toward sustainability, involving employees and partners in responsible resource management.

The circular economy is a key element of our sustainability strategy, and we will continue to invest in technologies and innovative practices to reduce the environmental footprint of our activities.



A concrete example: the service bridge of the Piottino Plant

A significant example of reusing materials originally intended for disposal, aimed at reducing environmental impact, is the service bridge of the Piottino Plant.

Built in 1929, the bridge connected the Lavorgo railway station to the Piottino plant and served as a railway link for decades. With the construction of the motorway viaducts in the 1980s, the bridge changed its function and became a pedestrian walkway.

Due to the deterioration of the wooden surface, exceptional maintenance was required. To ensure safety and durability, the wooden deck was removed and replaced with reinforced concrete slabs taken from the demolished Monte Carasso road bridge, which was demolished to make way for the new motorway interchange.



Biodiversity and environmental protection

Energy production and transmission: environmental impact and mitigation

The production and transmission of energy—while central to the energy transition—can have varying impacts on natural ecosystems depending on the technology used. Hydroelectric plants may affect waterways and aquatic habitats; photovoltaic systems can influence soil quality and alter the landscape; wind farms may impact bird populations and the visual integrity of the area. Similarly, energy transmission through our networks can have effects, particularly related to ionisation and electromagnetic radiation.

As both an energy producer and network operator, we are fully aware of the potential environmental issues associated with our activities. We therefore adopt a responsible approach based on strict compliance with legal requirements and the implementation of mitigation, compensation, and biodiversity protection measures.

Our goal is to balance security of supply with the preservation of natural heritage, promoting a sustainable energy model that respects the ecological balance of the region.

“Fish lift project” – Aiolo reservoir

In October, work began on the construction of a new fish lift system designed to restore fish migration between the Ticino River and the Aiolo reservoir. The project, which will continue until autumn 2025, is being carried out in parallel with the construction of the new Valnit bridge (a project led by USTRA). The system includes a fish ladder, a holding tank, and a hydraulic lifting mechanism based on the principle of communicating vessels. It will be connected to the reservoir by a pressurised canal integrated into the existing dam. This project represents a concrete step towards improving biodiversity and re-establishing the ecological continuity of waterways.

Click on the [youtube.com⁶](https://www.youtube.com/watch?v=ej2zg7THs1w) to see how the fish lift system works.

Forest enhancement project – San Gottardo Wind farm

As part of the environmental mitigation measures linked to the operation of the San Gottardo wind farm, a forest enhancement project has been launched to help offset residual bat mortality. This initiative is part of a broader biodiversity protection strategy aimed at striking a balance between renewable energy production and ecosystem conservation.

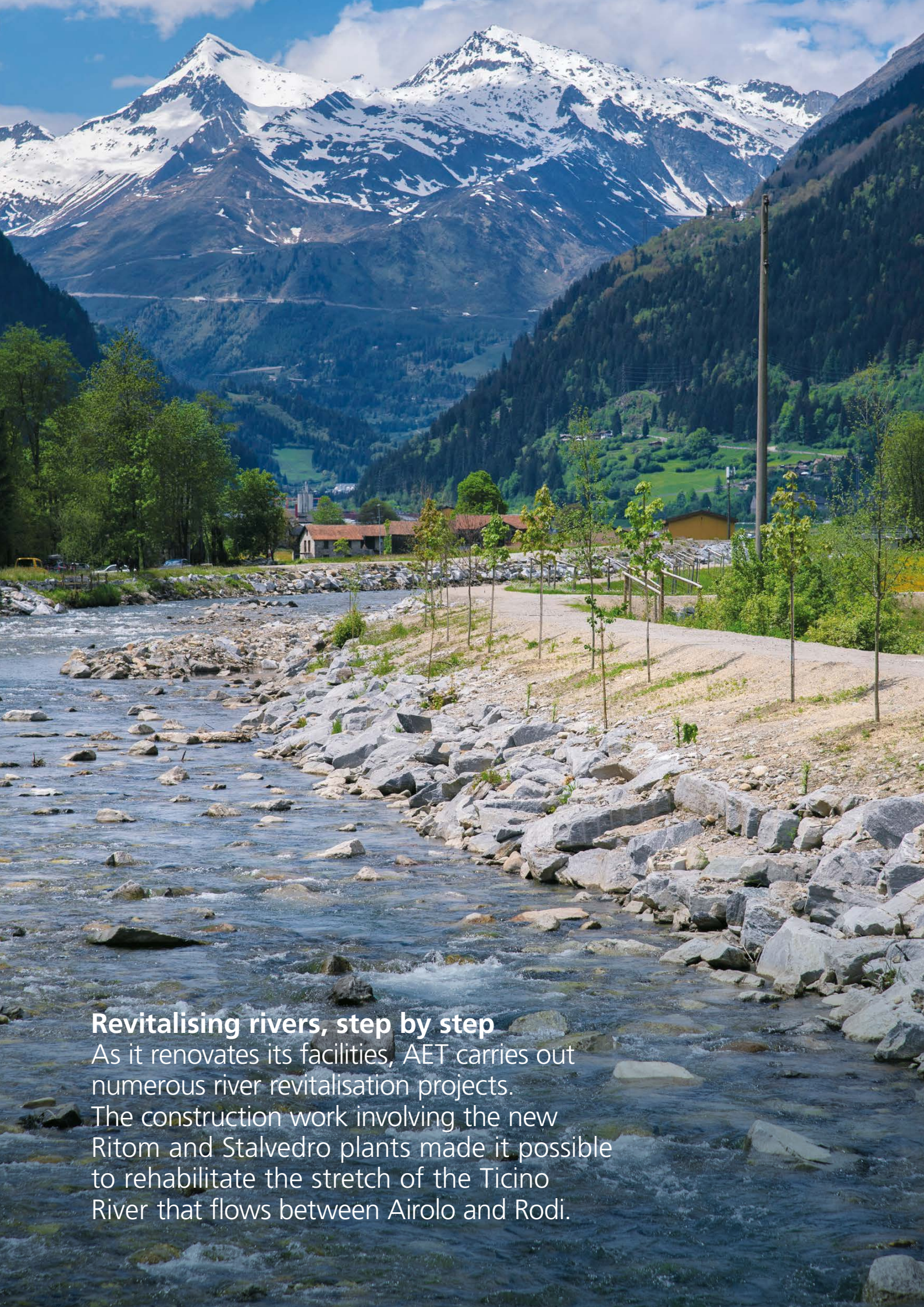
During the design phase of the wind farm, an active mitigation system was implemented: a shutdown algorithm that halts turbine activity during seasonal, hourly, and meteorological conditions favourable to bat presence. The construction permit also includes additional mitigation measures to compensate for remaining impacts.

In 2024, these measures took the form of forestry work in the southern part of the project area, aimed at enhancing the ecological quality and functionality of the habitat. The activities, carried out between February and May, included:

- Selective thinning to promote the development of mature forest;
- Thinning of locust trees to reduce their density;
- Collection and arrangement of wood to support invertebrate fauna;
- Clearing of undergrowth—shrubs and lianas—to improve bat access;
- Dead wood management to encourage herbaceous vegetation growth;
- Litter removal;
- Targeted protection of young plants in preparation for controlled grazing;
- Reseeding of the logging trail and placement of stumps to limit vehicle access;
- Timely control of *Ailanthus* specimens, an invasive plant species.

The project is scheduled to run for twenty years, starting in early 2025.

⁶ <https://www.youtube.com/watch?v=ej2zg7THs1w>



Revitalising rivers, step by step

As it renovates its facilities, AET carries out numerous river revitalisation projects.

The construction work involving the new Ritom and Stalvedro plants made it possible to rehabilitate the stretch of the Ticino River that flows between Airolo and Rodi.

Social responsibility

Compliance with health and safety regulations in the workplace

Below are the main legal references (where federal laws (FL) are mentioned, their related ordinances are implied):

- Federal Constitution
- FL on accident insurance
- FL concerning electrical installations
- FL on cableway installations for passenger transport
- FL on protection against hazardous substances and preparations
- FL on labour in industry, crafts, and commerce
- FL on the information and consultation of employees in enterprises
- FL on pipeline installations for transporting liquid or gaseous fuels
- FL on the safety of technical installations and equipment
- FL on water protection
- FL on environmental protection
- Ordinance on the safety of personal protective equipment
- Directive of the Federal Coordination Commission for Occupational Safety (CFSL 6508⁷).

We are responsible for organising our work in such a way that safety is taken into account in all our activities and for providing the necessary human and material resources.

In carrying out our activities, we cooperate both with the sectorial authorities (VSE/AES⁸, SUVA⁹, ESTI¹⁰) and with other companies in the sector.



Employees health and safety protection

Activities carried out in 2024

- Integrated Management System for Quality - Safety - Environment (QSA): In October 2024, the maintenance audit of the integrated QSA system was carried out, confirming the ISO 9001 / 14001 / 45001 certifications.
- Safety Culture Ladder: Certification achieved in March 2024.

Corporate culture for health and safety

As an energy producer and transmission system operator, we are classified as a "company with particular hazards" in accordance with CFSL 6508 directive. This classification is based on the nature of our activities, which involve mechanical, electrical, or fall risks, such as assembly and construction work. We are therefore responsible for ensuring that the organisation of our work integrates safety into each activity and provides the necessary human and material resources. To this end, we have adopted the model solution proposed by AES/VSE.

Protecting the health and safety of all our employees is a fundamental value for us, as demonstrated by:

- The ISO 45001 certification, which confirms the implementation of an integrated health and safety management system in the workplace.
- The Safety Culture Ladder certification, which recognises our ongoing commitment to promoting a safety-oriented corporate culture company. The Swiss Safety Center conducted a five-day audit to award this certification. It is an international certification that assesses awareness of the importance of safety within the company and involves all employees at all levels and departments. The scale has 5 levels, and we exceeded the target of level 3, becoming the first company in Ticino to obtain this recognition.

These certifications confirm our commitment to continuous improvement, with an approach that places the health and safety of our employees and partners at the heart of our priorities.

To ensure effective and responsible management, internal audits are carried out annually in various areas of the business, based on risk analysis. These audits verify the application of the Integrated Management System and help to identify corrective or improvement actions, in full compliance with safety, health, and environmental regulations.

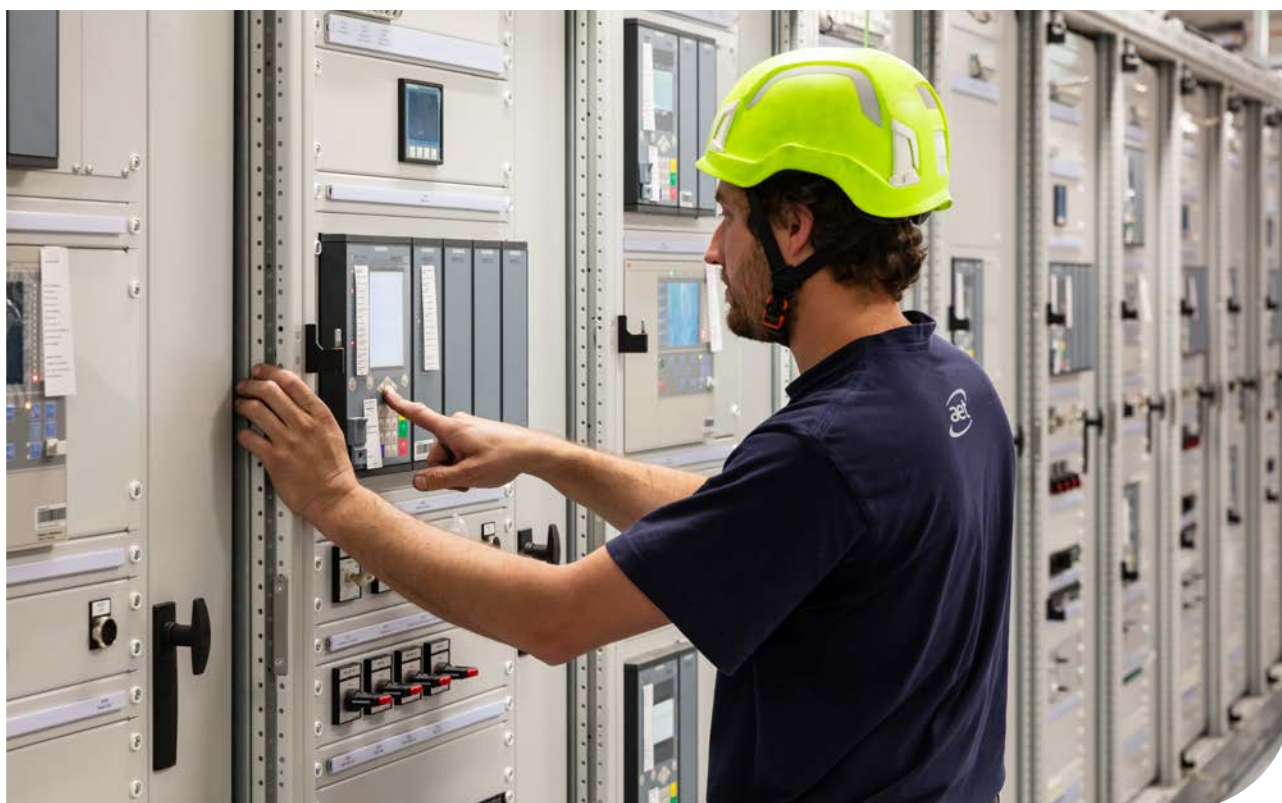
Improvement measures and awareness-raising

As described in the 2023 Sustainability Report, we regularly promote targeted prevention campaigns, developed internally or in collaboration with specialised partners such as UPI¹¹ and SUVA. The choice of topics is based on an analysis of the previous year's

occupational and non-occupational accident statistics. Specific campaigns were analysed in 2024 and will be reviewed for 2025. It remains a priority that, in the event of accidents, hazardous situations, or non-compliance, the QSE service is involved to systematically analyse the causes that led to such events and to propose improvement measures aimed at preventing the recurrence of similar situations.

In 2024, there was a slight increase in work-related injuries resulting in employee absence compared to the previous year, while the total number of incidents remained virtually unchanged.

In response to this increase, we have launched a thorough analysis of the underlying causes, with the aim of implementing targeted awareness campaigns in 2025. These initiatives will be directed at employees and focused on the most common types of injuries identified.



⁷ Directive concerning the use of occupational physicians and other occupational safety specialists (MSSL Directive) - EKAS

⁸ www.strom.ch

⁹ www.suva.ch

¹⁰ www.esti.admin.ch

¹¹ www.bfu.ch

Promotion of health in the workplace

Health promotion is a strategic priority for AET: not only to prevent accidents and illnesses but also to improve the overall wellbeing of employees. Our proactive approach is consistent over time and is based on three main areas of intervention:

- Skills development: we are committed to the continuous development of our employees' professional abilities.
- Active involvement: we encourage direct employee involvement in health and wellness initiatives.
- Optimisation of working conditions: we are constantly improving the working environment to make it healthier and more attractive.

Our integrated health management system, designed to help managers manage emerging or ongoing health issues, enables timely intervention to prevent and manage employee difficulties.

We promote physical health through exercise and outdoor activities. The company premises, equipped with showers and changing rooms, are always open to employees.

Employees at the administrative office also have the possibility to use company electric bicycles and passes for the "Bellinzona Bike Sharing" service.

Policies for work-life balance

A good company is measured not only by its financial results but also by the well-being of its employees. We believe that our success depends on each individual's ability to give their best in a context that respects personal and professional needs. Protecting this balance is a priority for our company.

Family Score

We joined the initiative promoted by Pro Familia Switzerland and invites our employees to complete the questionnaire proposed by the association. The replies confirmed that the working conditions at AET are highly appreciated for the good balance between professional and private life.

In 2024, we were awarded first among the Ticino companies that took part in this initiative.

Our success is due to the adoption of good practices that can also serve as an example for other companies, in particular the paid leave purchase programme: "Employees who request it for justified reasons are allowed to purchase up to 20 days of leave per year, to be used for specific purposes and within the specified period, not as additional vacation days." (Purchase of leave days – Pro Familia Svizzera Italiana)

This measure, which is an alternative to the temporary reduction of the employment rate, can be used for reasons such as caring for family members or educational needs. In 2024, several employees took advantage of this measure.

Among the provisions in force, we highlight:

- Flexible working hours: available to all employees, including those working in field staff.
- New parents: two additional days of parental leave are granted in addition to the statutory leave.
- Remote working: employees have the opportunity to work remotely up to three days a week.



Clean water, clean energy

Hydropower harnesses the force of water without affecting its quality. No treatment is required before or after production, and at the end of the cycle the water is returned to the river's natural course.

Protection of individual personality and social commitment

A well-organised and welcoming working environment has a positive impacts on employees, business partners, and suppliers: at AET we are fully aware of this and work consistently to achieve the best possible result.

We do not tolerate discrimination or intolerance: we value diversity and treat it as an added value for our growth.

Protection of individual personality

“The AET Group condemns any behaviour that is likely to harm the individual’s personality, whether physically or psychologically, and undertakes to take appropriate measures to prevent such behaviour. The AET Group requires that no workplace relationships give rise to harassment, defined specifically as: unjustified interference with the performance of others’ work, creation of an intimidating and hostile work environment, propositions for interpersonal relationships and behaviours of a sexual nature that are unwelcome by the recipient.” [ref. AET Code of Ethics, ed. 2022]

At AET, we have a “zero tolerance” policy towards any violation of the protection of individual personality.

In line with the “Future Perspectives” outlined in the 2023 Sustainability Report, in 2024 a working group focused on analysing and developing an internal strategy centred on training and promoting a culture of personality protection. Two main areas are to be developed in 2025: awareness-raising and training on the topics of mobbing, discrimination, and harassment.

The analysis process also revealed the need to ensure basic training for new employees. To promote a respectful and inclusive work environment, in 2024 new employees received information on harassment, mobbing, and the whistleblowing platform during the company induction day.

To support a culture of feedback, employees also completed a short anonymous survey, which enabled the Human Resources department to gather input and reflections on the training provided.

Pay equity

Pay equity is a concrete priority for AET. Although the law requires companies to carry-out the analysis only once, our Board of Directors has decided that the verification will be conducted annually, and has delegated the task to the Human Resources department according to the principles established by the legislation.

Since 2021, the pay gap between men and women has always been remained below the materiality threshold set by the authority, which establishes a tolerance threshold of 5%. In 2024, we have refined the calculation logic and improved the accuracy of the data collected: the gender pay gap is 2.2% at AET.

Calculation methodology

- 2021–2023: analyses were conducted on all types of contracts, including collective agreements, legal representatives, permanent auxiliaries, and temporary employees.
- 2024: we analysed collective contracts, those of legal representatives, and temporary contracts. Because of their specificity, contracts for permanent auxiliaries were examined separately. For this category too, no unjustified gender pay gap was found across all sites and employee categories.

This information was shared transparently at the twice-yearly staff meetings. As this is a legal requirement, we also provide this data when participating in public tenders.

AET remains publicly registered as a certified companies and is listed on the “white list” of companies on the “Respect 8-3¹²” website, where it appears as a “pioneer” company due to its decision to carry out the analyses by 30 June 2021.

Social commitment

In 2024, AET responded to a request from the Association for Job Integration Services (SIL¹³), welcoming their proposal to assess certain complex cases.

The aim is to assess individuals in order to understand their behaviour in a work context to facilitate their integration. We welcomed several people who are facing challenges in their professional integration or reintegration. These people do not have physical disabilities, but they face obstacles in their return to work.

SIL, which is mandated by the canton, works to provide social support to these people and facilitate their professional integration.

In recognition of our commitment, in 2024 we received an official certificate, confirming that AET is a suitable and actively involved partner in this social initiative.

Integration of new employees

In 2024, we enhanced the orientation programme for new employees by introducing initiatives to promote integration, mutual understanding and awareness of the company's principles.

The main new elements are:

- Introduction Tour: on their first day of employment, new employees are accompanied by their managers on a tour of the offices to meet colleagues and familiarize themselves with the new working environment.
- The "Water Tour" with a new format: the introductory day format was redesigned thanks to the collaboration between the Human Resources (HR) and Quality, Safety and Environment (QSE) departments, offering a more dynamic and welcoming experience. The day is structured in two main parts:
 1. Theoretical introductory part: during a half-day session, QSE representatives present topics related to health and safety at work. HR then addresses the topic of mobbing and sexual harassment prevention, providing targeted awareness. Finally, the anonymous whistleblowing platform is introduced, which allows critical situations to be reported confidentially.
 2. Plant visit: new employees are accompanied by colleagues from production on a tour of the hydroelectric plants in the Leventina chain. This experience provides an overview of how the infrastructure works and offers the benefit of learning from colleagues' experience. The day concludes with a welcome dinner together with members of the Executive Board, which provides an opportunity for socialising and sharing.

The aim of this introductory program is twofold: on one hand, to facilitate integration and understanding of the company's culture and principles, and on the other hand, and to provide an overview of how our hydroelectric production facilities operate.

¹² www.respect8-3.ch

¹³ www.sil.swiss

Skills development (of employees)

In a technically oriented company such as AET, the availability of highly qualified professional resources is essential. Investing in internal training not only improves corporate performance but also ensures optimal working conditions, promoting employee well-being and motivation. Supporting professional growth has a positive and lasting impact on the community, contributing to the creation of long-term shared value.

Continuous training: a pillar for growth and safety

As described in the 2023 Sustainability Report, the continuous training process at AET is driven by both external needs, such as regulatory requirements and technical standards, and internal needs related to the definition of business objectives, staff development, and the updating of job matrices.

No changes have been made to the annual training plan, which still covers several areas:

- Professional: includes all the skills required for daily activities.
- Operational: provides targeted training in response to new assignments or specific work needs.
- Safety: mandatory courses are provided in accordance with regulations, such as first aid, emergency procedures, and application of vital rules (SUVA).

In response to new business needs, front- and back-office staff received specific training in 2024 on how to handle calls from customers in difficult situations to ensure a courteous, effective and professional service.

Our tangible commitment to youth training

As anticipated in the 2023 Sustainability Report, AET, as a training company, closely monitors the educational and professional development of its apprentices, actively contributing to the growth of new generations in the workforce. Of the hundreds of young people who have completed their apprenticeships within the company, more than twenty are currently working in various business areas.

In departments where the presence of apprentices is foreseen, we always have a designated supervisor or instructor, qualified individuals who have obtained the "Apprenticeship Instructor" certificate.

We are proud of our partnership with several companies in the Tre Valli region for the creation of the Bodio Training Campus (CFB), an inter-company center for apprentices offering training courses for polymechanics, automation operators, production mechanics, and cable car mechatronics.

Community engagement

Since its foundation, AET has established a deep and lasting bond with the territory and local communities, aware of the key role it plays in the economic and social development of the areas in which it operates. Through a responsible approach, AET aims to create shared value by combining sustainable growth, innovation, and collective well-being.

At AET, we are committed to promoting initiatives with high social impact, with a focus on spreading a culture of sustainability and social responsibility. This translates into concrete projects that foster the well-being of local communities, strengthen the sense of belonging, and enhance the environmental and cultural heritage of the territory.

Supporting local initiatives

Our sponsorship activities are managed according to clear criteria and a transparent selection process, ensuring that each initiative reflects the company's values and objectives. Support is primarily focused on sport, culture, and environmental awareness, favouring initiatives that have a positive and lasting impact.

- Focus on local projects: we prioritise support for events and projects that directly involve local communities, promoting social cohesion and sustainable growth.
- Responsible choices: we do not get involved in political initiatives or fund the day-to-day running of associations. Instead, we prefer to invest in targeted and concrete projects that can generate tangible value and benefits for the territory.

Emergency and solidarity interventions

We are aware that our role goes beyond the mere provision of services, becoming a point of reference for the territory, especially in times of difficulty. A significant example was our intervention following the floods that hit the Maggia Valley in 2024, when we offered both financial and operational support, providing resources and technical expertise available to help restore normal conditions. During a few days of volunteer work, our employees dedicated their time to help clear the streets of debris and support the operators involved in the restoration work.

These actions demonstrate our concrete commitment to supporting the territory and responding quickly to ensure the safety and well-being of local communities.

Promoting environmental awareness

We believe it is essential to promote greater understanding and responsibility in the use of natural resources, so that environmental protection becomes a shared value.

Through informative pathways and awareness-raising initiatives, we promote activities aimed at:

- Spread knowledge about the importance of sustainable management of natural resources.
- Demonstrate how energy infrastructure works and its environmental impact.
- Engaging schools and citizens in hands-on experiences that raise awareness of renewable energy.

In this way, we aim to strengthen the culture of sustainability and contribute to the protection and enhancement of the natural heritage for future generations.

Our people: the numbers that matter



of which

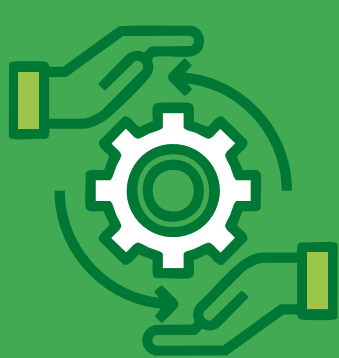
239

Employees in Monte Carasso... and

114

in Leventina

People within governance bodies



18%
Women



82%
Men

Injuries to AET personnel resulting in absences longer than three working days



5

Workplace injuries

678'017

on an annual working hours



Family Score

1^o
position

Equal pay

2.2%



Detected difference
< 5%, maximum acceptable threshold



Compliance with the criteria
the gender pay gap falls within the acceptable tolerance threshold

Governance

Principles of corporate conduct

Corporate ethics guide our operations and inform all our activities according to the principles of responsibility, transparency and integrity, with the aim of ensuring sustainable and responsible business practices. By creating a working environment based on shared values and a strong ethical culture, we can build stakeholder trust and ensure the long-term sustainability of our business.

Impact, risks, and opportunities

Acting with integrity, responsibility and transparency is essential to mitigate legal, financial and reputational risks. This approach not only reduces potential problems, but also creates opportunities for innovation, sustainable growth and value creation. By promoting a culture of responsible and respectful behaviour, both internally and externally, we contribute to a positive working environment, the well-being of our employees and the building of solid and lasting business partnerships. Maintaining high ethical standards also enhances our reputation as a reliable business partner and employer.

Code of ethics and awareness-raising

Our Code of Ethics sets out our commitment to compliance, integrity and ethical behaviour. This document provides guidance to employees and management on critical issues such as anti-corruption, conflicts of interest, data protection and responsible environmental practices

Information on 2024

- No reports have been made through the whistleblowing platform.
- No fines have been imposed on the company for cases of non-compliance with laws or regulations.
- No legal action taken for violations of competition, antitrust or public procurement laws.
- No anomalies were found in the private affairs of Board members, nor were there any negative evaluations of the Board's performance.

An ethical commitment for a sustainable future

Our responsibility extends beyond the internal management of business ethics: we are also actively involved in the sustainable development and energy transition of the region. We work with public institutions to support the implementation of cantonal and federal energy policies by providing our technical and operational expertise. Our role, as defined by the LAET, is in line with the cantonal energy law and the cantonal energy plan (PEC).

As a strategic partner, we participated in the definition of the new Cantonal Energy and Climate Plan (PECC), which was adopted by the Council of State on 10 July 2024 and is currently being reviewed by the Grand Council. This document serves as a strategic reference for the canton's energy and climate policy: anchored in the principles of sustainable development, it integrates and coordinates economic and social objectives with environmental priorities, promoting a balance between growth and territorial protection.

Economic impacts

The economic impact generated by AET is reflected throughout the entire canton, contributing significantly to the energy supply and to the consolidation of a sustainable development model. Thanks to our activities, we ensure a reliable and competitive energy system, an essential element for the economic growth of local businesses and the quality of life of the population.

We play an active role in creating a favourable environment for the canton's economic development, which has a direct and indirect impact on the local economy. In addition to payments to public authorities - such as water resource charges, interest on endowment capital, profit distributions and compensation to local authorities - our presence in the area fosters a wide range of economic spillovers.

Our contribution is felt through employee salaries, which strengthen the local economic fabric, and through the purchase of goods and services from local businesses, supporting employment and the regional manufacturing sector.

Our commitment to sustainability also translates into targeted investment in innovation and energy transformation, creating opportunities for new industrial supply chains. In doing so, we not only ensure the provision of an essential service to the community, but also indirectly contribute to making the canton an attractive hub for investment and long-term economic growth.

Digital innovation, cybersecurity and data privacy protection

Digital innovation

As a highly technology-oriented company, we continuously invest in digital innovation to improve operational efficiency, optimise processes and ensure high quality services. Digitalisation is a key factor in business development and competitiveness: it not only allows us to optimise processes and improve operational efficiency, but also helps to ensure greater safety and quality in the services we provide.

Advanced digital tools are essential to our operations: from optimal asset management, to efficient and controlled energy transport, to energy trading and billing.

In 2024, we allocated significant resources to innovation and implemented several strategic initiatives, including:

- Creation of a cross-divisional centre of excellence for energy forecasting. This activity, involving several business units, is crucial to defining a strategic approach to forecasting analysis, improving data accuracy and energy management.
- Verification of energy data quality to reduce imbalances. Data quality is a central issue for companies in our sector and a top priority for regulatory authorities. Aware of its impact, we are constantly working to improve the reliability of energy data and reduce discrepancies.
- Updating the entire internal management system.
- Analysis of the application of Artificial Intelligence (AI) in business processes through a working group that evaluates the potential use of these technologies to further optimize our operations.

Innovation brings new opportunities, but also new responsibilities. For this reason, data security and privacy protection remain fundamental principles enshrined in our Code of Ethics, and every employee is called upon to respect them, ensuring responsible and secure use of company technologies.

Cybersecurity

Cybersecurity is a key element of our corporate governance and operational risk management. In line with GRI 418-1 standards and international best practices, we are committed to protecting our digital infrastructure and sensitive data through a security management system based on rigorous controls and risk mitigation strategies. Our approach includes continuous assessment of emerging threats, implementation of advanced data protection technologies, and ongoing employee training to reduce the risks associated with human error.

We implement the minimum TIC¹⁴ standard in accordance with the regulatory requirements of the Swiss Federal Office of Energy. For operational technology (OT) infrastructure, we follow the guidelines of the *Grundschutz für Operational Technologie in der Stromversorgung* manual, proposed by VSE/AES. For cybersecurity, we adopt the NIST Cybersecurity Framework 1.1, which also forms the basis of the mandatory minimum ICT standard.

In line with regulatory obligations and stakeholder expectations, we conduct internal audits and periodic reviews to ensure the effectiveness of our security policies and compliance with applicable regulations.

Like all critical infrastructure operators, we actively monitor the telecommunications networks of our company's OT systems, including power plants and substations. This enables us to take prompt actions to prevent and mitigate cybersecurity risks. In 2024, we recorded approximately 295'000 attempted cyber-attacks, resulting in 37 alerts. After thorough analysis, these proved to be "false positives," and no data breaches occurred.

In the area of critical infrastructure, we maintain an active dialogue with cantonal and national authorities to ensure the timely identification of threats and the implementation of appropriate measures. We actively participate in energy sector working groups at both cantonal and federal level to promote regular knowledge sharing and benefit from shared experience in IT/OT security.

To further strengthen our defences, we have begun implementing advanced measures to protect the privacy of our customers and employees and to minimise the risk of unauthorised access to sensitive information. We continue to invest in innovative cybersecurity solutions to enhance our ability to prevent, detect and respond to digital threats in an ever-evolving environment.

Privacy protection and data security

The protection of privacy and personal data is a fundamental principle and is governed by the Federal Act on Data Protection (FADP). This legislation guarantees the right to confidentiality and imposes strict standards on companies when handling the personal data of customers, employees and business partners.

We are fully committed to complying with applicable legislation and to implementing security measures to prevent unauthorised access, data loss or improper use of information. Responsible data management is an integral part of our corporate governance and is continuously monitored to ensure transparency, reliability and compliance with applicable regulations.

Privacy is not only a legal obligation, but also a core value for maintaining stakeholder trust and promoting a corporate culture based on ethics and digital security.

No data breaches involving customers, employees or suppliers in 2024.

¹⁴ www.bk.admin.ch

Supply chain and responsible procurement

Given its importance, AET has over time developed an effective procurement policy. In addition to ensuring optimal supplier management, this policy allows the company to guarantee continuity of supplies and services while maintaining high standards of quality, sustainability, and operational performance.

The principles of cost effectiveness, continuous improvement of the supply chain, and risk management form the basis of our policy. We optimise costs without compromising quality and encourage innovation and efficient logistics. Depending on the nature of the goods, purchasing decisions may also be based on market analysis, always with the aim of assessing fair pricing.

Supplier selection and qualification

The Purchasing Department manages the entire supplier selection and qualification process, evaluating suppliers on the basis of key criteria such as

- Reliability and economic/financial soundness, in order to establish long-term and sustainable partnerships.
- Compliance with quality and safety requirements, both in terms of production processes and worker protection.
- Environmental sustainability, with focus on adopting responsible practices in resource and environmental management.

Selection is based on a structured evaluation system in line with ISO standards, which includes a pre-qualification process to verify the operational and organisational suitability of suppliers. Qualification is maintained through periodic evaluations based on performance indicators and user feedback on the level of service provided. Supplier self-certification processes are currently being reviewed and updated with a view to continuous improvement.

Safety, regulations, and certifications

The entire procurement process complies with safety standards and the ISO 45001 occupational health and safety management standard.

In addition, the procurement of goods and services follows key reference regulations, including

- European Directive 2006/42/EC (“Machinery Directive”), for equipment safety.
- Procedures for the management of chemical substances, for environmental and health protection.

Regarding public procurement, we comply with the latest legislation in force.

Within the company, we ensure that these regulations are also applied to logistics activities, guaranteeing a safe working environment in line with the most advanced standards. Through these principles and tools, our company promotes a transparent, responsible and sustainable supply chain, contributing to the economic, social and environmental growth of the territory in which we operate.

GRI Index

Statement of use:

AET has reported the information cited in this GRI content index for the period from 1 January 2024 to 31 December 2024 with reference to the GRI standards.

Utilizzo GRI 1:

Foundation 2021

Sector standard:

Not applicable

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Contacts

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Annexes

AET Group companies

	Value	Nominal equity at 31.12.2024 In 1,000	Participation at 31.12.2024 %	Participation at 31.12.2023 %
AKEB Aktiengesellschaft für Kernenergie – Beteiligungen Luzern (AKEB), CH-Luzern <i>Nuclear energy participations and offtake rights</i>	CHF	90,000	7.00	7.00
Aliunid AG in Liquidation, CH-Zug <i>Online energy sale platform</i>	CHF	188	4.66	4.66
Calore SA, CH-Locarno <i>Production and distribution of thermal energy</i>	CHF	2,000	65.00	65.00
Capriasca Calore SA, CH-Capriasca <i>Production and distribution of thermal energy</i>	CHF	1,313	33.33	33.33
Geo-Energie Suisse AG, CH-Zürich <i>Development of geothermal power</i>	CHF	2,270	4.41	4.41
Kraftwerke Mattmark AG (KW Mattmark), CH-Saas Grund <i>Sub-participation through Axpo Trading AG. Hydroelectric power generation</i>	CHF	90,000	8.41	8.41
Kwick SA, CH-Locarno <i>Energy sale and related services</i>	CHF	2,000	42.90	44.20
Lucendro SA, CH-Airolo <i>Hydroelectric power generation</i>	CHF	3,000	100.00	100.00
Metanord SA, CH-Bellinzona <i>Gas distribution</i>	CHF	18,000	33.33	33.33
Parco eolico del San Gottardo SA (PESG), CH-Airolo <i>Wind power generation</i>	CHF	6,000	70.00	70.00
PIÙCALORE SA, CH-Bellinzona <i>Development, promotion and services in thermal energy field</i>	CHF	1,000	31.20	31.20
Senco Holding SA, CH-Locarno <i>Holding participation into hydroelectric power generation (micro power plants)</i>	CHF	150	65.00	65.00
CEL Bedretto SA, CH-Bedretto <i>Hydroelectric power generation</i>	CHF	200	13.00	13.00
CEL Buseno SA, CH-Buseno <i>Development of a hydroelectric power plant</i>	CHF	100	13.00	13.00
CEL Campo Vallemaggia SA, CH-Campo Vallemaggia <i>Hydroelectric power generation</i>	CHF	400	14.30	14.30
CEL Cerentino SA, CH-Cerentino <i>Hydroelectric power generation</i>	CHF	200	13.00	13.00
CEL Dalpe SA, CH-Dalpe <i>Hydroelectric power generation</i>	CHF	200	11.70	11.70
CEL Lavizzara SA, CH-Lavizzara <i>Hydroelectric power generation</i>	CHF	200	13.00	13.00
Senco Sagl, CH-Locarno <i>Services in favour of hydroelectric power plants promoted by Senco Holding SA</i>	CHF	220	65.00	65.00

	Value	Nominal equity at 31.12.2024 In 1,000	Participation at 31.12.2024 %	Participation at 31.12.2023 %
Società Elettrica Sopracenerina SA (SES) , CH-Locarno <i>Power distribution company and grid management</i>	CHF	16,500	30.00	30.00
Energie Rinnovabili Losone (ERL) SA , CH-Losone <i>Production and distribution of thermal energy</i>	CHF	2,700	10.00	10.00
Enerti SA , CH-Monteceneri <i>Energy related services</i>	CHF	200	9.27	9.27
GreenGAS Ticino SA , CH-Bellinzona <i>Biogas production</i>	CHF	4,000	15.00	15.00
SES Controlli Sagl , CH-Locarno <i>Service company</i>	CHF	20	30.00	30.00
SES Collaudi Sagl , CH-Locarno <i>Service company</i>	CHF	20	24.00	24.00
Società della Funicolare Locarno - Madonna del Sasso SA (FLMS) , CH-Locarno <i>Ownership and operation of a funicular</i>	CHF	900	4.09	4.09
Società Locarnese di Partecipazioni e Immobiliare SA (SAP SA) , CH-Locarno <i>Real estate company</i>	CHF	2,064	29.99	29.99
SPE Società per Partecipazioni Energetiche SA (SPE) , CH-Bellinzona <i>Holding company</i>	CHF	8,000	100.00	100.00
AET Italia Srl , I-Milan <i>Inactive company</i>	EUR	871	100.00	100.00
CEG Srl , I-Milan <i>Inactive company</i>	EUR	120	100.00	100.00
Nord Energia SpA in liquidazione , I-Milan <i>Management of cross-border interconnection power line (Merchant Line)</i>	EUR	10,200	40.00	40.00
CMC MeSta SA in liquidazione , CH-Bellinzona <i>Detention of Mendrisio – Stabio cross-border power line</i>	CHF	–	–	–
Swissgrid AG , CH-Aarau <i>Swiss transmission system operator</i>	CHF	334,495	2.59	2.59
TERIS Teleriscaldamento del Bellinzonese SA (TERIS) , CH-Bellinzona <i>Production and distribution of thermal energy</i>	CHF	10,000	60.00	60.00
Terravent AG , CH-Luzern <i>Wind power generation</i>	CHF	17,952	12.53	12.53
Trianel Kohlekraftwerk Lünen GmbH & Co. KG (TKL) , D-Aachen <i>Coal fired power generation, Lünen</i>	EUR	147,944	15.84	15.84

Statistical informations

Production and purchases of AET Group

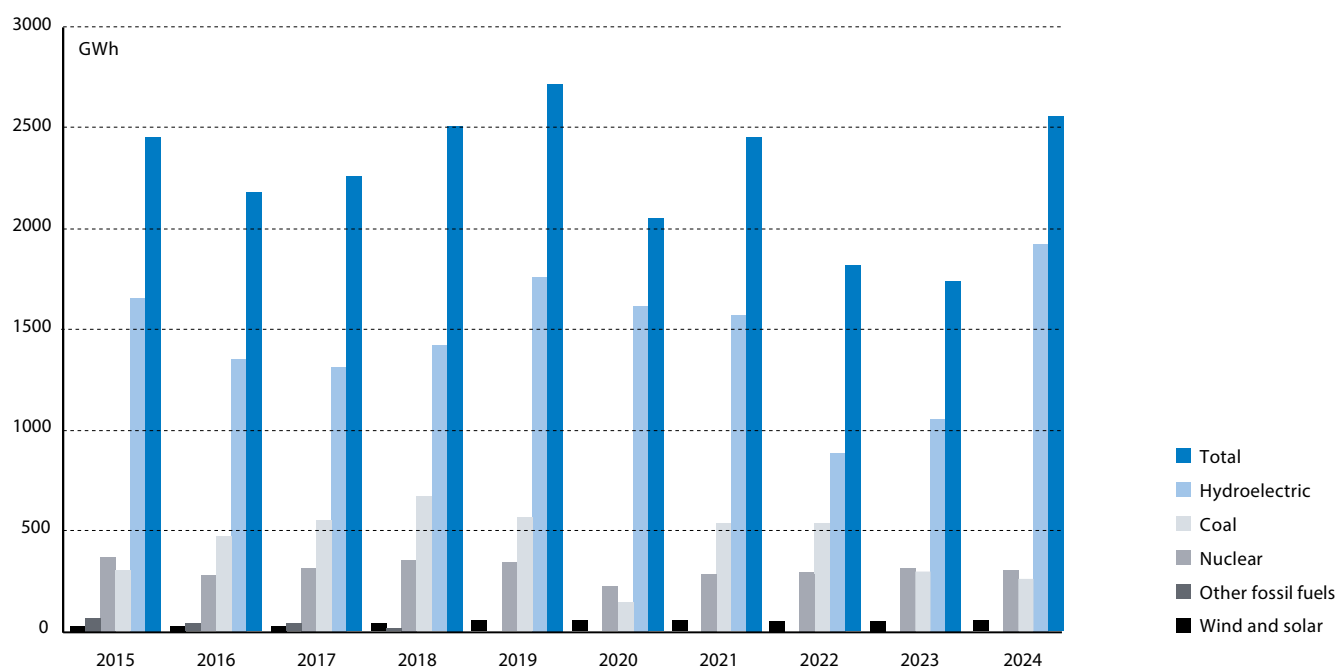
	Winter	Summer	2024	2023
In GWh				
Production AET Group				
AET Biaschina	203	304	507	271
AET Piottino	169	200	369	152
Lucendro	103	42	145	52
AET Stalvedro	28	36	64	38
AET Ofima exchange	10	23	33	28
AET Ponte Brolla	6	9	15	11
AET Tremorgio	8	1	9	3
Parco eolico del San Gottardo (70% share of AET)	5	4	9	10
Photovoltaic	1	2	3	4
Total production AET Group	533	621	1'154	569
Production participations (share attributable to AET Group)				
Maggia	210	171	381	207
Blenio	109	110	219	150
Verzasca	35	58	93	80
KW Mattmark	33	36	69	53
Senco Group	2	3	5	3
SES Giumaglio	4	6	10	7
SES Ticinetto	1	3	4	3
Terravent AG	30	15	45	43
AKEB	166	131	297	317
KK Leibstadt	8	6	14	14
Trianel TKL	146	121	267	301
Total production participations	744	660	1,404	1,178
Long-term contracts ¹	336	357	693	691
Purchases on the market	2,463	2,388	4,851	5,426
Total	4'076	4'026	8'102	7'864

¹ Delivery contractualised for more than 5 years

Supply of AET Group

	Winter	Summer	2024	2023
In GWh				
Sales to distribution companies	834	593	1,427	1,472
Sales to end customers	161	135	296	335
Sales on the market	3,063	3,280	6,343	5,995
Imbalances and other	18	18	36	62
Total	4'076	4'026	8'102	7'864

Production AET Group and participations



Analytical Tables – Personnel, Economy, Environment

Personnel data

Reporting on employees hired by AET:

1. Total number of employees (including apprentices)

	2024	2023	2022
Totale Female ¹	54	52	51
Totale Male	300	287	272
Total	354	339	323

¹ The figure also includes employees from affiliated companies.

1.1. Employees on fixed-term and permanent contracts (including apprentices)

	2024		2023		2022	
	F	M	F	M	F	M
Fixed-term						
15-29 years old	1	5	-	5	-	4
30-49 years old		1	-	-	-	-
50-65 years old	-	-	-	-	-	-
Permanent						
Apprentices	6	45	6	44	7	39
15-29 years old	1	22	3	21	4	20
30-49 years old	28	147	27	132	25	128
50-65 years old	18	80	16	85	15	81
Total¹	54	300	52	287	51	272

¹ The figure also includes employees from affiliated companies.

1.2. Full-time and part-time employees (including apprentices)

	2024		2023		2022	
	F	M	F	M	F	M
Part time						
15-29 years old	-	1	-	1	-	2
30-49 years old	16	6	18	6	18	7
50-65 years old	14	6	12	7	12	7
Full time						
15-29 years old	8	71	9	69	11	61
30-49 years old	12	142	9	126	7	121
50-65 years old	4	74	4	78	3	74
Total¹	54	300	52	287	51	272

¹ The figure also includes employees from affiliated companies.

1.3. Employees by region

(fixed-term and permanent contracts – including apprentices – excluding personnel from affiliated companies)

	Place of work	2024	2023	2022
Fixed term	Bodio	1	1	1
	Monte Carasso	6	3	2
	Personico	-	1	1
	Total	7	5	4
Permanent	Airolo	21	19	15
	Bodio	21	20	19
	Lavorgo	14	15	15
	Monte Carasso	226	216	210
	Personico	13	13	13
	Total	295	283	272
Apprendices	Bodio	44	41	37
	Monte Carasso	7	9	9
	Total	51	50	46
Total		353	338	322

2. People within Governance Bodies

In %	2024		2023		2022	
	F	M	F	M	F	M
31-50 years old	26.9	73.1	20.8	79.2	17.2	82.8
>50 years old	12.2	87.8	11.9	88.1	14.3	85.7
Total	17.9	82.1	15.2	84.8	15.6	84.4

3. Employees by business area and gender

In %	2024		2023		2022	
	F	M	F	M	F	M
a. Management and Services	31.9	68.1	34.9	65.1	35.0	65.0
b. Finance	43.8	56.3	42.1	57.9	42.1	57.9
c. Trading	21.9	78.1	22.6	77.4	18.8	81.3
d. Production	2.1	97.9	1.1	98.9	1.3	98.7
e. Networks	2.2	97.8	1.1	98.9	1.1	98.9
f. Apprentices	11.8	88.2	12.0	88.0	15.2	84.8
g. Auxiliary Staff	72.2	27.8	76.5	23.5	76.5	23.5
h. Temporary Staff	33.3	66.7	0.0	100.0	0.0	100.0
Total	15.0	85.0	15.1	84.9	15.5	84.5

4. Collective bargaining agreements

The rate of coverage under the “Collective Bargaining Agreement for AET Personnel” (CBA), has remained stable at 77% for the years 2022–2024. The CBA also serves as a reference for managers registered in the Ticino Commercial Register, although they are not formally covered by the agreement. The CBA for the 2022–2026 period came into force on 1° January 2022.

5. Young graduates over the years

	2024-2025			2023-2024			2022-2023		
	F	M	Total	F	M	Total	F	M	Total
Automation Technicians	-	60	60	-	55	55	-	51	51
Polymechanics	1	18	19	1	15	16	-	13	13
Distribution Network Electricians	-	2	2	-	2	2	-	3	3
Commercial Employees	20	1	21	18	1	19	17	1	18
Logistics Employees	1	5	6	1	4	5	1	4	5
Maintenance Mechanics	-	3	3	-	2	2	-	1	1
Forestry Workers	-	3	3	-	2	2	-	-	-
Total	22	92	114	20	81	101	18	73	91

6. Graduates hired by AET over the years

	2024-2025			2023-2024			2022-2023		
	F	M	Total	F	M	Total	F	M	Total
Automation Technicians	-	14	14	-	14	14	-	13	13
Polymechanics	-	3	3	-	2	2	-	2	2
Commercial Employees	5	-	5	4	-	4	4	-	4
Logistics Employees	-	1	1	-	1	1	-	1	1
Maintenance Mechanics	-	1	1	-	1	1	-	1	1
Total	5	19	24	4	18	22	4	17	21

7. Appendices of AET and Appendices of CFB

	2024-2025			2023-2024			2022-2023		
	F	M	Totale	F	M	Totale	F	M	Totale
CFB									
Automation Technicians	-	17	17	-	18	18	-	18	18
Polymechanics	3	17	19	2	17	19	3	14	17
Production Mechanics	-	2	2	-	2	2	-	2	2
Mechatronics Technicians	-	5	5	-	2	2	-	-	-
AET									
Distribution Network Electricians	-	1	1	-	1	1	-	1	1
Commercial Employees	3	-	3	4	-	4	4	-	4
Logistics Employees	-	1	1	-	2	2	-	1	1
Maintenance Mechanics	-	1	1	-	1	1	-	1	1
Forestry Workers	-	1	1	-	1	1	-	2	2
Total	6	45	51	6	44	50	7	39	46

8. Work-related injuries among AET personnel resulting in absences longer than three working days (data refers exclusively to employees directly employed by AET)

	2024	2023	2022
Number of work-related injuries	5	3	4
Workplace injury rate (in %)	1.42	0.92	1.30
Number of hours worked per year	678,017	654,040	616,052

9. Injuries among AET personnel, including those without absence or minor injuries (data refers exclusively to employees directly employed by AET)

	2024	2023	2022
Number of work-related injuries	13	12	12
Workplace injury rate (in %)	3.69	3.68	3.90

Economic Impacts

in CHF million	2024	2023	2022
Impact on the region			
Personnel costs	38.0 ²	34.7 ¹	31.8
Salaries and other compensation	31.1 ³	28.0	25.4
Sponsorships	0.3	0.3	0.2
Membership fees	0.3	0.3	0.3
Payments to the Canton			
Profit transfers to the Canton	5.0	-	-
Interest on endowment capital	3.2	3.2	3.2
Water concession fees	12.9	12.9	12.9
FER fund contribution	-	-	3.5

¹ Correction: The figure presented in the 2023 Sustainability Report (34.8) was rounded up. The corrected value is reported in the 2024 Sustainability Report.

² See 2024 Financial Report, p. 26, Consolidated financial statement.

³ See 2024 Financial Report, p. 42, Note 22.

Supply chain / Suppliers

Number of suppliers in the 2022–2024 period, broken down by region

	2024	2023	2022
Foreign Suppliers	63	69	57
Swiss Suppliers	347	327	320
Ticino-based Suppliers	528	537	512
Total Suppliers	938	933	889
Total Turnover (in CHF million)¹	80²	35	35

¹ Estimated value.

² The value varies depending on the projects in which AET is involved.

Environmental Data

1. CO₂ emissions

	2024	2023	2022
Emissions Scope 1 [CO₂-eq(t)]			
Stationary Combustion	1,080	1,044	1,024
Mobile Sources	172	149	147
Purchased Gases ¹	524 ¹	150	93
Network Losses ²	291	243	550
Emissions Scope 2 [CO₂-eq(t)]			
Purchased and Consumed Electricity	46,540	58,178	71,637
Purchased and Consumed Steam	4,069	3,710	3,669
Emissions Scope 3 [CO₂-eq(t)]			
Employee Commuting ³	232	165	-
Waste ⁴	30	51	29
Upstream energy ¹⁵	30 ⁵	2 ⁵	1
Investments ⁶	206,843	224,938 ⁷	424,982

	2024	2023	2022
Location-Based Total Emissions [CO₂-eq(t)]			
Scope 1	2,067	1,586	1,814
Scope 2	50,609	61,888	75,306
Scope 3	207,135	225,156	425,012
Total	259,811	288,630⁷	502,132

¹ The increase in SF₆ gas purchases in 2024 is addressed on page 94 of the 2024 Sustainability Report. Only purchases are considered in the calculation, not actual consumption.

² The calculation of network losses was previously based on data from the construction sector's life cycle assessment. For 2024, we used factors provided by Pronovo (pronovo.ch). The coefficient for 2023 is 19.912, while in 2024 is 20.

³ Reported variations are mainly due to two factors: (a) updates to the questionnaire, and (b) an increase in the number of respondents.

⁴ The count does not include waste related to asbestos disposal, wastewater, used oils, or paints. This is due to the unreliability of conversion factors.

⁵ Correction of the figure compared to the 2023 Sustainability Report (previously: 1 t); the increase in 2024 reflects higher production.

⁶ The "Investments" category includes only data related to the Lünen power plant.

⁷ Corrected data compared to the 2023 Sustainability Report (previously: 250,235 t and 313,927 t).

2. Energy consumption within the organisation covered by renewable sources

	Certificazione	MWh	Production Cycle ¹	Lifecycle ²
			kCO ₂	kCO ₂
Consumptions				
AET Administration	tiacqua	854	-	16,581
Grid losses	tiacqua	14,554	-	292,884
Ancillary Services	tiacqua	1,050	-	23,032
Vehicle Charging	tiacqua	1,505	-	30,012
Production	hydro	2,802	-	34,749
Total		20,765	-	397,258

¹ The tables show the data analysed using Pronovo's production cycle emission factors. AET certifies its energy consumption through the *tiacqua* certification, which guarantees that it is fully renewable and locally sourced.

² The tables present data analysed using Pronovo's emission factors for the lifecycle. AET certifies its energy consumption through the *tiacqua* label, ensuring that it is entirely renewable and locally sourced. The data have been consolidated between the internal data collection system (EDM) and the billing records as of 28 March 2025. Any corrections will be reported in future publications.

3. Data on energy production from AET plants (in GWh)

	2024	2023	2022
Biaschina	507	271	218
Piottino	369	152	184
Tremorgio	9	3	5
Stalvedro	64	38	27
Ponte Brolla	15	11	5
Lucendro	145	52	78
Total	1,109	527	517

4. Wind power plant annual production

	2024	2023	2022
Annual Production (GWh)	12.09	13.4	12.4
AET Quota (70%)	9.0 ¹	9.4	8.7
Annual Downtime Hours	5,962	6,478 ²	6,370

¹ Figure calculated conservatively (rounded up)

² Correction compared to the 2023 Sustainability Report: 2023 downtime was previously reported as 6'370 hours. The corrected figure in the 2024 Sustainability Report for the year 2023 is 6'478 hours.

5. Annual photovoltaic production (AET-owned operational plants)

	2024	2023	2022
Production (AET's share) in GWh	4.9	5.4	5.3
Installed capacity in MWp	5.8	5.9	5.7
Number of plants	32	30	26

6. Energy production from AET affiliates in mwh (AET's share)

	2024	2023	2022
AKEB (share 7%)	297	317	284
KKL (share 0.15%)	14	14	15

7. Measured SF6 leakage values in AET facilities

	2024	2023	2022
Total AET equipment + Reserve (kg)	4,374	5,089	5,259
Amount of SF6 dispensed (kg)	22.9 ¹	6.6	4.1
Amount of SF6 dispensed (%)	0.53	0.13	0.08

¹ The volume recorded in 2024 is mainly attributable to a specific facility that was equipped with a new transformer.

8. Number of reportable water-related incidents

	2024	2023	2022
Reportable	-	-	-

9. Water consumption in company buildings (in m³)

	2024	2023	2022
Water consumption – Administrative headquarters	2,382	2,632 ¹	2,412
Total water consumption	3,345	3,389	3,047

¹ The figure of 2,645 m³ reported in the 2023 Sustainability Report has been corrected.

10. Quantity of waste by type and disposal method

	2024	2023	2022
Recycled waste (t)	101	147	125
Hazardous waste (t)			
Other disposal operations	62	105	93
Non-hazardous waste (t)			
Incineration (with energy recovery)	39	60	55
Landfilling	99	135	129
Other disposal operations	25	18	-

11. Distribution networks, substations, and switchgear owned by AET

	2024	2023	2022
Level 3 networks (High voltage: 36 kV and 150 kV)	288	270	275
Level 5 networks (Medium voltage: between 1 kV and 36 kV)	240	235	228
Level 7 networks (Low voltage: <1 kV)	25	11.3	6.9
Substations (in joint ownership)	19(8)	19(8)	19(8)
Transformer stations	134	138	131

Network levels are determined in km.

Photos:

Foto Atelier Mattei (pp. 4, 5, 16, 93)
Ti-Press, Pablo Gianinazzi (pp. 10 e 13)
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