

HALF-YEAR REPORT 2024



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Disclaimer

This report may contain forward-looking statements and projections. These can be identified by words such as ‘anticipate’, ‘intend’, ‘estimate’, ‘assume’, ‘expect’ or the negative equivalents of these terms and similar terms. Such forward-looking statements and projections are based on current expectations and assumptions concerning potential developments and other factors that can affect Stedin Group. These are not historical facts or guarantees of future results. Actual results and events can differ from the current expectations due to factors such as economic trends, technological developments, changes in laws and regulations, behaviour of suppliers and consumers, currency risks, tax developments, financial risks or political, economic and social conditions.

Except as required on the basis of laws and regulations, Stedin Group rejects any obligation or liability to revise or adjust projections and forecasts in this document on the basis of new information, future events or otherwise, or to publicly disclose such adjustments or revisions.

This half-yearly report will be published on 25 July 2024.

This half-yearly report has not been audited or reviewed by an independent auditor. The report is published in Dutch and English. In case of any discrepancy between the two versions, the Dutch version will prevail.

A photograph of four people (three men and one woman) in a modern office environment. The woman is standing in the center, wearing a tan suit. The three men are dressed in business attire; two are standing on the sides and one is sitting on a red stool in the center. They are all smiling. The background features a wooden shelving unit with various green plants, a long wooden table, and a wall-mounted lamp. The word "Foreword" is overlaid in large white text on the left side of the image.

Foreword

Foreword by the CEO

Stedin is continuously building on expanding the electricity grid. Even so, the electricity grid is becoming congested in ever more places. In recent months, we have had to inform more companies that we have to put their application for a new or larger electricity connection on a waiting list. As we expect this to continue in the coming years, we are asking our customers to help.

We are seeing more customers willing to help us. We have already made agreements totaling 56 megawatt (MW) with five companies this year. In which we agree that at set times, they will consume or feed-in electricity or will not consume or feed-in electricity. Added to the contracts from 2023 and we have now contracted over 100 MW of power. This is comparable to what is needed to supply all homes in a city such as Zoetermeer or Dordrecht with electricity. This power saving allows us to help other companies or ensure the security of the electricity supply.

In addition, we invested € 517 million (+35% compared to the first half of 2023) in expanding grid capacity and quality. We have already laid 383 kilometres of new cables this year and installed 173 new transformer substations. This ensures the electricity grid does not become congested as quickly. Sustainably generated energy, however, has many more highs and lows. It is important for the new energy mix that companies are willing to make agreements with us to avoid peaks on the grid. We are hopeful that we will continue to find flexible power on a voluntary basis and thus avoid mandatory cut-offs. Our ambition is to contract 500 MW of flexible power by the end of this year.

We announced six new congestion areas in 2024. In total, there are now 453 companies (274 MW) on the waiting list for feed-in and 1,277 companies (868 MW) for consumption. The urge for consumption – the demand for electricity – is highest in Utrecht, as security of supply is under pressure here on certain cold winter days. Together with national grid manager TenneT, Stedin announced a series of concrete measures in April that we are working on for this province, such as pausing charging stations on very cold days.

Operating profit for the first half of 2024 was € 147 million, which was higher than in the same period last year (2023: € 115 million), mostly due to higher rates. Net profit came in slightly lower at € 56 million (2023: € 62 million) due to a one-off charge resulting in higher financial expenses. Our investments led to a negative free cash flow of € 274 million (2023: € 133 million negative). Stedin welcomed 21 new shareholders this spring; besides the Provinces of Utrecht and Zeeland, 7 municipalities in Utrecht and 12 municipalities in Zeeland have become shareholders. With this, more and more public parties are putting their weight behind the new energy system. The new shareholders together strengthen Stedin Group's equity by € 33 million. We also issued a new green bond of € 500 million. That is how, together, we will create an environment filled with new energy!

Koen Bogers, CEO Stedin



About us



Profile

With our gas and electricity grids, we are a vital link for economic activities in our coverage area. We collaborate with other players in the energy supply chain. These include electricity and gas producers, the national distributors of electricity and gas TenneT and Gasunie, our suppliers, the other regional grid managers and the organisations that monitor the reliability, affordability, safety and sustainability of our energy supply. Stedin Group is a semi-public organisation: a public limited company whose shares are owned by government authorities, namely 61 municipalities, 2 provinces and the Dutch State.

Our service area

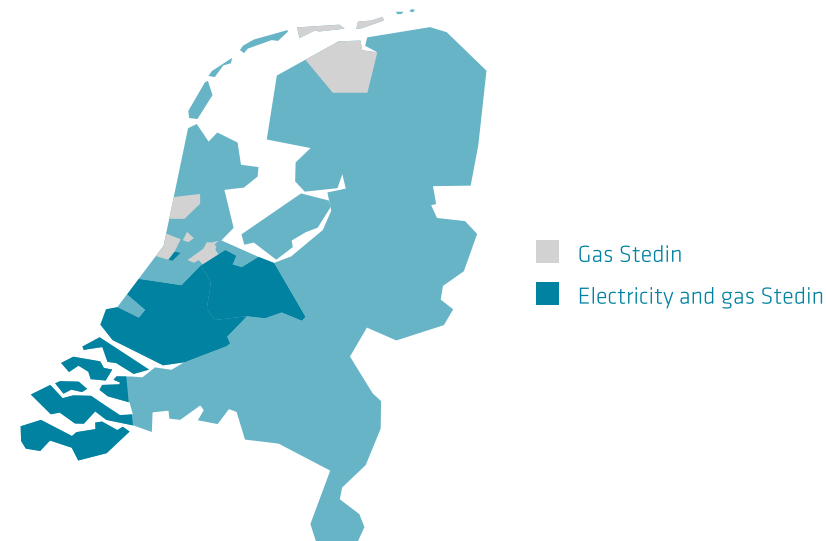
We manage and maintain the energy grids in most of South Holland, Utrecht and Zeeland. Our service area is home to roughly 5.5 million people and includes three of the four largest cities in the Netherlands, the port and industrial areas of Rotterdam and Zeeland, as well as greenhouse horticulture regions. It also includes parts of the provinces of North-Holland and Friesland. Stedin Group operates and has its registered office in the Netherlands. Our head office is located at Blaak 8, 3011 TA in Rotterdam.

Our activities

Stedin Group focuses on all activities relating to constructing, managing and maintaining energy grids. In addition, Stedin Group facilitates the energy market. Stedin Group consists of several business units: grid manager Stedin operates in the regulated market, while our infra partners NetVerder and DNWG Infra carry out non-regulated activities. Stedin Netbeheer, NetVerder and DNWG Infra are separate subsidiaries of Stedin Holding. In the first half of 2024, the non-regulated activities contributed 1.3% of revenue (2023: 1.6%). On the [Stedin Group website](#), you will find more information on the various business units.

Joint arrangements and other collaborations

We form joint arrangements with other parties for specific activities. **Utility Connect B.V.** is a joint arrangement with network group Alliander. Utility Connect operates its own wireless telecommunications network, which it uses to read metering data provided by smart meters and to communicate with smart-grid applications. This network allows us to supply metering data to market parties and shorten or prevent energy supply disruptions. **TensZ B.V.** is the joint organisation of TenneT and Stedin for managing and maintaining high-voltage grids. Each party are a 50% shareholder. **Stichting Zeeuwse Publieke Belangen** is an alliance between the province of Zeeland, the municipalities of Zeeland and Stedin Group.



Strategy

Grid access for all

The energy transition is one of the greatest challenges the Netherlands has ever faced. At the same time, our mission is to give everyone in our service area access to the grid. To make that possible, we will need to expand our grid capacity and maintain the high quality of our grid. Because this is what we do: working together to create an environment filled with new energy. This is our social mandate, as well as the core of our strategy for the period 2023-2027. We will speed up construction, improve the utilisation of grids and continue their reliable management.

New energy systems

The Netherlands is moving from a fossil energy system to a sustainable energy system – from centrally generated energy to decentralised generation using solar panels or offshore wind turbines, for example. Even if the sun doesn't shine or the wind doesn't blow for a while, the energy system based on supply and demand must be kept in balance. This requires a well-functioning grid with sufficient capacity and high quality. This is where our focus lies.

Ensuring grid capacity

- **Construction:** we are laying even more cables and pipelines, and building additional stations. In this way, we can connect our customers to our energy grid, including new customers and electricity generators.
- **Utilisation:** construction alone will not suffice. We will improve the utilisation of the grid by optimally matching supply and demand, and by using the available grid capacity in the smartest possible way. This will reduce grid congestion.

Ensuring grid quality

- **Management:** we want to maintain the quality of our performance. Among other things, we do so by safeguarding the quality of our energy grid. Our top priority is to continue to ensure a reliable and safe energy supply.

Caring for people and the environment

- **Sustainability:** where possible, we build, use and manage as sustainable as possible. We pursue a broad sustainability ambition, which involves boosting our positive impact on our social and environmental goals while minimising negative consequences.

Mission, vision and strategy 2023-2027

Mission

Working together to create an environment filled with new energy

Vision

Enabling the energy transition through the rapid construction, optimisation and effective management of the grids

Strategy

PRIORITIES

Grid capacity (construction & optimisation)

Grid quality (management)

OTHER OBJECTIVES

Services and efficiency | Market facilitation | Sustainability | Renewable gases & alternative heating

PRECONDITIONS

Financially healthy | Staff, leadership & culture | ICT & change capacity | Safety & cybersecurity

Developments



Developments in society

In this half-year report, we briefly discuss the developments that have had or will have the most impact on our business over the past six months.

Political developments

The four coalition parties (PVV, VVD, NSC and BBB) outlined their agreement on 16 May, which indicates that current climate targets will remain in force. In addition, the coalition parties have announced their intention to abolish the netting scheme from 2027. The obligation as of 2026 to install a heat pump when replacing a boiler has also been dropped. The agreement states that resolving grid congestion will be prioritised. The orchestration of which lies with the cabinet, including reprioritising who is connected to the grid and by when. The impact of this is not yet known, as feasibility still needs to be worked out, for example in terms of staffing and usage of space.

Geopolitical developments

Geopolitical developments continue to influence the energy landscape, facilities and, in turn, our operations. Gas, as in 2023, has become more affordable. Dependence on foreign energy is a hot topic, following international developments and their impact on energy production, supply and price. The new Dutch government's coalition agreement includes a greater commitment to energy independence and producing its own renewable energy. Global demand for raw materials is growing, partly due to the energy transition. Moreover, production based on international, just-in-time supply is more difficult and risky.

National Energy System Plan (NPE)

The National Energy System Plan (NPE) was published in late December 2023. It contains guiding choices that lay the foundation to develop the energy system. These include increasing the maximum supply of renewable energy and energy infrastructure, saving energy, and deploying scarce energy and infrastructure where it is needed most – together with residents and businesses. In the first half of 2024, grid managers called on the Dutch House of Representatives

to translate the NPE into policy and laws and regulations. Further elaboration of policy and additional choices are necessary for the longer term.

EU elections

In the second week of June, all EU member states went to the polls to vote for the European Parliament. The political trend towards the 'right' is visible in several European countries, where right-wing and Eurosceptic parties won. It is not yet clear what this means for the energy transition and climate goals. A tentative assumption, made by interest groups and others, is that there will be somewhat less focus on the climate over the next five years and more focus on migration, defence and the economy.

Energy Act

In early June, the Energy Act was passed by the House of Representatives. This new law replaces the Electricity Act 1998 and the Gas Act, introducing new rules for the electricity and gas markets and the energy system. The new law focuses on more sustainable local energy production, storage and flexibility. Together with the other grid managers, we have raised our interests with the ministry and MPs to the best of our ability. The House of Representatives amended the law in several respects, including clarifying the group prohibition. This means that when the grid is congested and the market fails, grid managers may deploy emergency measures for generation and storage, with the explicit permission of the Netherlands Authority for Consumers and Markets (ACM).

Increased focus on grid congestion and unconventional measures

Recently, attention to grid congestion has increased, both in the media and in the House of Representatives. In late April, Rob Jetten, former Minister for Climate and Energy, sent a letter to the House of Representatives about stepping up and expanding grid congestion measures in the areas of Utrecht, Flevoland and Gelderland. The situation in these provinces calls for unconventional measures, such as smart charging of electric vehicles. The increased focus has

put the issue on political and administrative agendas more often. This gives grid managers a chance to outline what is and isn't possible when it comes to grid congestion and work with the ministry towards more action, more quickly.

Environment and Planning Act

The Environmental and Planning Act (Omgevingswet) came into force on 1 January 2024. This law aims to speed up planning application procedures. Currently, however, the law is slowing things down rather than speeding them up, as it leaves more room for a local interpretation of regulations that previously applied nationally. This will increase the level of support but also the lead time, which is risky for us as a grid manager as it could cause delays for us.

Nitrogen

Nitrogen regulations seem to have a limited impact on our work at the moment. There is a preliminary test carried out to see if they do not exceed the threshold values. If they do, a license process will automatically start. For now, our projects pass this preliminary test, so they will go ahead, subject to some delays. Where possible, Stedin uses electric construction equipment and we support the sector-wide nitrogen reduction. The Ministry of Climate Policy and Green Growth is now investigating whether there could be some kind of 'group exemption' on nitrogen for energy infrastructure projects. We are closely involved in its elaboration and are concurrently investigating how we can build with as little damage and emissions as possible.

Municipal Instruments for the Heat Transition Act

In April, the House of Representatives passed the Municipal Instruments for the Heat Transition Act (Wet gemeentelijke Instrumenten Warmtetransitie or Wgiw). The law provides clarity from the municipalities, which now have the option to determine when natural gas may no longer be used in a particular neighbourhood. Provided there is a good and affordable alternative, the grid manager in that area will then cease supplying gas. In addition, the Wgiw lays down the frameworks to ensure the affordability of heat grids.

Communal Heating Act

The Communal Heating Act (Wet collectieve warmte or Wcw) was amended in June following advice from the Council of State and sent to the House of Representatives. This legislation is an important building block in the energy transition and allows grid companies to play a full role in heat grids. The law is expected to be debated in the autumn and is likely to enter into force in mid-2025.

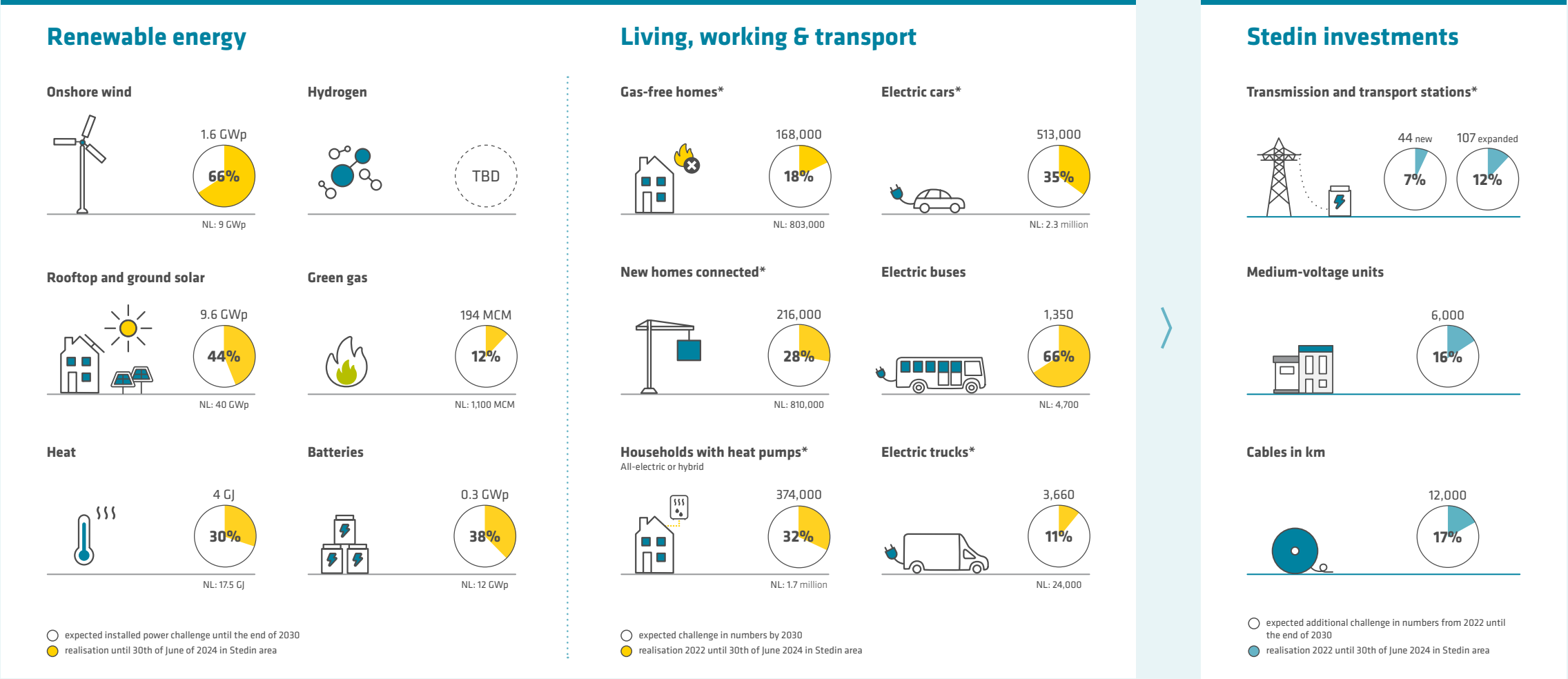
Affordability of energy transition

The national and regional grid managers are working together to look at ways to keep the costs of the new energy system affordable and fundable. Our aim is to give society and politicians perspective and help them make decisions. In the spring of 2024, the Dutch government also commissioned an interdepartmental policy study on the costing of the electricity infrastructure. As grid managers, we are involved in this. We expect the final report of this study to be published in February 2025.

Implementation agreement for acceleration in reinforcing local grids

Netbeheer Nederland, Bouwend Nederland and Techniek Nederland are joining forces to speed up the implementation of reinforcing local grids. The three parties signed the implementation agreement for reinforcing low and medium-voltage grids in June. The agreement states that parties will work in partnership and enter into long-term contracts with each other for a particular area. They have also agreed to jointly invest in innovative techniques and processes, such as the use of compact connection modules, plug-in connections and prefabricated meter cupboards.

Extent of the challenge and progress of the energy transition in the Stedin area until the end of 2030



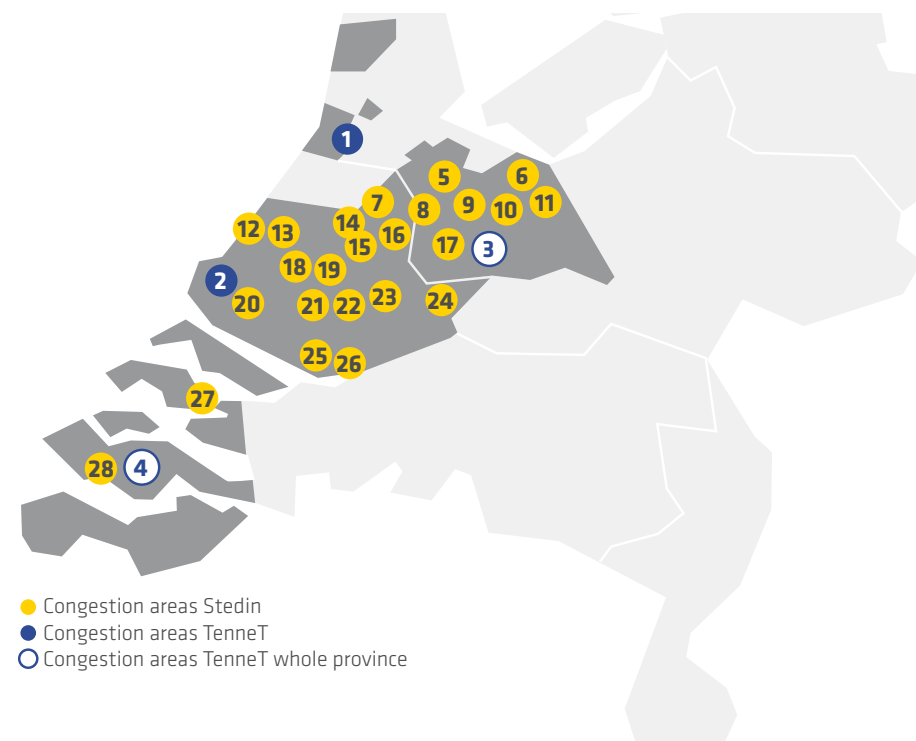
Congestion

Grid congestion is like a rush hour queue, but then on the power grid.. Congestion means that the capacity limit of the electricity grid has been reached, or we expect this limit to be reached before we can achieve the required expansion. Congestion may occur on the consumption side (electricity use) as well as on the feed-in side (electricity generation). It means that we are unable to offer new or existing customers any new or additional transmission capacity. Currently, only heavy-use customers are affected by our inability to allocate any new transmission capacity. However, households are experiencing voltage problems more often, which can result in faults or cause appliances to malfunction.

In 2024, the number of congestion areas increased in both TenneT's high-voltage grid and Stedin's regional electricity grid. The overview of congestion areas below show the situation on 30 June 2024, when there were 28 congestion areas (including TenneT's). For the latest situation, please see [Stedin's website](#)

Societal prioritisation waiting list

The current practice is that grid managers always give customers access to the grid on a first come, first served basis. However, this does not always work out well. The ACM has therefore adopted a prioritisation framework. This will now allow grid managers to prioritise projects of societal value. What matters is offering capacity when it is available. Congestion relievers, such as battery systems that add capacity for other users, are given first priority. The second category concerns security, such as defence, police and acute healthcare. The third category is for several basic needs such as drinking water and education.



TenneT		
1	Heemstede	
2	Port of Rotterdam & Goeree Overflakkee	
3	Province of Utrecht	
4	Province of Zeeland	
Stedin		
5	Mijdrecht	
6	Baarn	
7	Reeuwijk and Gouda-North	
8	Woerden	
9	Maarssenbroek	
10	Bilthoven	
11	Amersfoort	
12	Den Haag Centre-Northwest, Scheveningen and Duindorp	
13	Nootdorp and Ypenburg-East	
14	Waddinxveen - Doelwijk	
15	Waddinxveen - Piet Stuurmanweg	
16	Waarder and Driebruggen	
17	Oudenrijn	
18	Pijnacker - the Boezem	
19	Berkel and Rodenrijs - Noordeinde	
20	Tinte	
21	Berkel and Rodenrijs - Kleinhoogt/Centrum North	
22	Bleiswijk - Bergschenhoek	
23	Zuidplas - 2e Tochtweg	
24	Alblasserwaard-East, Vijfheerenlanden	
25	West Betuwe-Northwest	
26	Hoeksche Waard and Southern Dordrecht	
27	Dordtse Kil III and IV	
28	Tholen en Schouwen-Duiveland (Noordring)	
	Port of Vlissingen-East	

Waiting list information

To offer applicants more insight into the local situation on the grid, Netbeheer Nederland's capacity map has been developed further. The colour-coded capacity map provides insight into the availability of transmission capacity and the congestion situation. The map now also shows how much transmission capacity is available, how much is needed, the number of unique applications on the waiting list and the total power applied for on the waiting list – all for each supply area. Please [see our site](#) for information on waiting lists in congested areas within our service area.

Going all out to ensure security of supply in the Province of Utrecht

The province of Utrecht is especially seeing a great deal of congestion on the electricity grid. Although we are working on solutions together, the problem cannot be solved overnight. In the short term, we already need more capacity on the grid. Demand is now at the level predicted for 2030. The shortfall in grid capacity in the province between 2026 and 2029 will rise to 250 MW. That is equivalent to powering 160,000 existing homes. The electricity grid must be extended and reinforced by 2029. In the meantime, we are constantly looking for smart solutions to use the grid more efficiently. This resulted in some unconventional concrete measures at the end of April, drawn up in consultation with the Ministry of Economic Affairs.

The four measures with the most impact in Utrecht are:

- *Grid-conscious charging of electric vehicles*: - By pausing public charging stations at peak times, we can save a lot of power. For this measure, we are working closely with the National Charging Infrastructure Agenda (Nationale Agenda Laadinfrastructuur or NAL). Grid-conscious charging could potentially yield 85-100 MW. That's 42,500 to 50,000 homes that could be connected to the grid.
- *Grid-efficient installations in existing buildings* - These include hybrid heat pumps instead of fully electric ones, for example. This measure could generate 100-140 MW in existing buildings.
- *Grid-conscious new-builds* - This concerns new buildings that do not result in peak load on the grid. Grid-conscious new-builds could potentially yield 40-60 MW.
- *Use of adjustable generation* - The road to a green future may not be possible without a bit of 'grey'. For example, the use of temporary gas-driven solutions, such as combined heat and

power (CHP) or gas turbine, helps to solve erratic peaks (e.g. during extreme cold). This is expected to reduce the deficit in Utrecht by 100 MW, perhaps even to 250 MW.

First-time mandatory customer proposal flexible capital

From 1 February 2024, Stedin launched a new congestion management phase for four heavy-use customers on the Noordring in Tholen and Schouwen-Duiveland. This means that customers who feed in more than 8 MW will have to make a mandatory proposal to offer flexible power. This is a legal next step in congestion management that Stedin is implementing according to the Electricity Grid Code (Netcode Elektriciteit), since the voluntary phase did not produce enough flexible capacity. Customers still have a say in the price.

Results



Stedin in Figures

Stedin is working to support the energy transition in cooperation with stakeholders by making substantial investments. We do this by safely accelerating construction, using the current grid more flexibly and ensuring effective grid management. The aim is to ensure a reliable energy supply for our customers. In all this, we are mindful of our staff members: we want them to enjoy their work, to be able to develop themselves and to feel safe within a socially engaged and financially healthy Stedin. By working as sustainable as possible on a new energy system based on locally generated renewable energy, we will help achieve national and international targets to reduce CO₂ emissions. We will do this by minimising the emissions from our own operations and by enabling our customers to reduce their CO₂ emissions.



Investments

€ 517m

Investments



Customers

84%

Customer convenience meters and connections



Construction

0 MVA

Additional capacity

173

Additional MV stations

383 km

Additionally realised cables



Utilisation

28

Congestion areas

102 MW

Flexible capacity

99%

Availability of smart meter data



Management

99.9956%

Supply reliability E

99.9999%

Supply reliability G

121%

Planned maintenance E carried out

110%

Planned maintenance G carried out

87 km

Brittle pipelines replaced



Employees

23

Employee satisfaction score (eNPS)

5,930

FTE

0.3

LTIR



Socially responsible

1.9%

Participation Act jobs



Financial

13.7%

FFO/Net debt

43.9%

Solvency



CO₂ emissions

100%

Greening of grid E losses

4,571 kton

CO₂ equivalent emissions

Grid capacity

Construction

Stedin expects to build nearly 400 megawatts of new power by 2024. That is equivalent to powering the city of Utrecht twice. To achieve this, there will be 700 kilometres of new cables going into the ground and some 500 new medium-voltage substations will be installed. We are investing in grid expansion now more than ever – € 960 million in 2024. An increasingly crowded electricity grid calls for more infrastructure to be constructed. This can only be achieved by working closely with municipalities and nature and environmental organisations, among others, to obtain the space we need for the stations in good time. And we need the people, resources and materials to do that.

KPI	Note	Unit	Result for 30-06-2023	Result 30-06-2024	Target 2024
Investments in our grids	The amount of euros invested annually in our grids	€ million	384	517	960
Execution of grid-driven Scope - E Scope - G	Extent to which scheduled work (capacity expansions and/or replacement investments) has been achieved. * 30-6 compared to half-year target	%	90 100	141 96	100 100
Additional transmission capacity	Net amount of grid capacity in megavolt-ampere added to total capacity in the reporting year.	MVA	0	0	500
Irrevocable zoning plans	Number of zoning plans for transmission grid expansions with a spatial component that became irrevocable.	#	-	5	10

Grid capacity

In the first half of 2024, we again invested heavily to create more grid capacity this year. This concerns 173 medium-voltage substations (expansion and replacement) (2023: 266). In addition, we laid 383 km of power cables (expansion and replacement) (2023: 892 km) and connected 13,000 new-build homes to our electricity grid (2023: 25,000). This brings us on track to achieving our goals.

Starting construction earlier

The preparations for constructing stations often take longer than their actual construction. There are opportunities to speed up this process, particularly by obtaining land holdings (both below and above ground) and permits more quickly. In Zierikzee, we entered into an agreement with TenneT and the municipality to build a substation the size of nine football pitches. Thanks to the smooth collaboration, this process ran smoothly and efficiently.

Accelerating with the neighbourhood approach

The neighbourhood approach allows us to speed up the reinforcing of the low-voltage distribution grid. We make clear cooperation agreements with local authorities in advance. This speeds up the process of finding the best locations for new medium-voltage substations. We signed a cooperation agreement with 12 municipalities in the first half of 2024. We have an oral agreement with 26 other municipalities and expect an official signing soon. Together with 20 municipalities, we have started the joint process of selecting locations. And we started reinforcement work in four neighbourhoods.

Building faster by increasing construction capacity

Stedin faces a major construction challenge in the coming years that we cannot achieve with our own staff and capacity alone. We are therefore engaging the help of contractors on part of the investments. This is crucial for us to cope with the growing number of high-voltage substation projects. A good example of a project that is fully delegated to a contractor is the Zuidplaspolder, where we are placing a station that is completely constructed by our contractor BVR Groep.

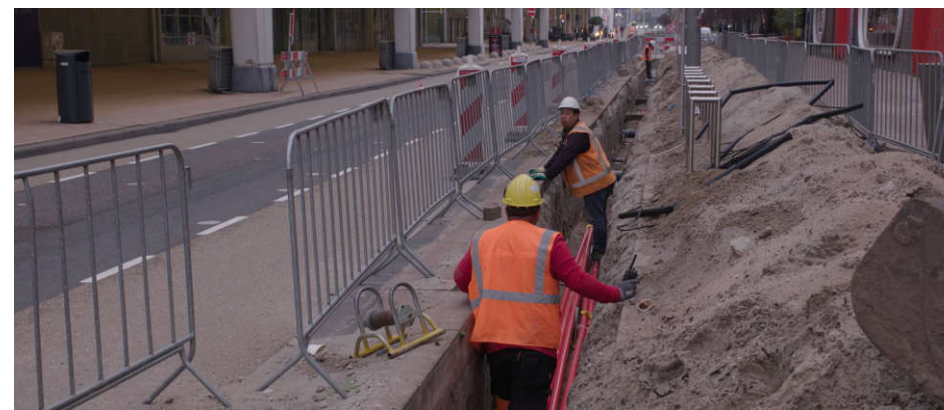
Terneuzen main distribution station

This year, Stedin is completing a capacity expansion at Terneuzen main distribution station. Two new transformers with a capacity of 90 megawatts each will be installed here. The additional power is intended for sustainable projects in the region, including a new solar park. The station also plays an important role for surrounding smaller businesses, suppliers and future solar projects. Land with an area totalling 7,600 m² has been acquired for this expansion, providing ample scope for further expansion in the future.

Expanding and reinforcing our grid

To take decisive and even more proactive action, significant expansion of the low-voltage (LV) and medium-voltage (MV) grids is required. Our aim for the 'Making Metres Together' programme is to accelerate through more structural and timelier involvement of the contractor.

In addition, we will be planning longer-term work in continuous workflows. The first results of this are positive: delivery targets have been met and the lead time, first-time-right and on-time performance have improved.



Cable route through the middle of Rotterdam

With the shore power connection for Cruiseport Shore Power on the Holland Amerikakade in Rotterdam, diesel generators are no longer needed to supply power to ships when they are docked.

For this project Stedin laid a route of some 2.5 kilometres of cable right through the city between April 2023 and January 2024. With the construction of the cable route, Stedin is helping to make the port more sustainable, ahead of EU laws and regulations requiring cruise ships to connect to shore power at all European ports coming into force from 2030.

Heat grids

Through NetVerder, we are developing, constructing and maintaining energy infrastructure for heat, steam and biogas. In preparation for the Communal Heating Act, NetVerder drafted a new heating strategy, in extensive dialogue with our stakeholders. This will be submitted to our Stedin Group shareholders for approval this autumn. Meanwhile, we are already working on dedicated heating projects. In April this year, for instance, we signed an agreement with housing associations, heating producer GTD and the Municipality of Delft to build and operate a new heat grid in Delft. We are also in discussions with municipalities and provinces on cooperation in the heat transition and work on several project opportunities in Oostland, Vlissingen, The Hague and Rotterdam, among others.

Implementation Environmental and Planning Act

Stedin is energetically working on the implementation of the Environmental and Planning Act (Omgevingswet). Several training days were organised to impart key points of the law to our staff. We have developed a knowledge base for our staff to quickly look up which rules apply per competent authority. Finally, we were the first company to successfully link to the Digital System for the Environmental and Planning Act (DSO) for submitting applications.



Construction Day in Zuidplaspolder

Construction Day took place on Saturday 8 June. Stedin, together with TenneT and Liander, organised a celebration at the joint high-voltage substation in Zuidplaspolder where visitors could take a look behind the scenes. Stedin's station will provide energy for about 90,000 households. We will complete the construction of this station in 2026.

A faster way of working at the main distribution station in The Hague

Stedin wants to build faster by working smarter! A good example is the conversion of the high-voltage substation in The Hague (HVS-C). This is a complex project, being in a busy area and located in a listed building. We therefore chose a form of contract that saved us time: a construction team, where the client, contractor and consultants work closely together.

This way of working together forgoes the whole tender period, which can otherwise last as long as two to three months. That's a huge time saver!

Curious about other projects? Then check out the [project map](#)

Innovation

In order to make our staff members' work more efficient, we are exploring revolutionary technologies. We test these extensively and assess how we can apply them in practice. In the first six months of 2024, we ran pilots for jute detection, material return and remote monitoring of operations.

Jute detection: By deploying artificial intelligence, we can make various operations digital. This includes identifying jute cabling in our customers' meter cupboards. If there is jute cabling in the meter cupboard, it should be removed as this material decomposes. Whereas we used to have to manually browse through photos to spot jute cables, a photo recognition tool now does it for us. We have a great deal of pictures of meter cupboards in our database that this AI tool goes through.

Return of materials: We are also currently exploring whether we can use a photo recognition tool for the materials and items in our warehouses. The AI tool recognises the item and supports warehouse workers with administration. This gives us better insight into the returns we receive in our warehouses.

HoloLens: To ensure safety, several fitters watch over various operations, but fitters are few and far between. By deploying the HoloLens, this can be done a lot more efficiently. The HoloLens is a mixed-reality headset that allows you to view operations remotely. Thanks to this technology, one person can do the work on site, while the second person can watch it remotely, possibly allowing multiple work simultaneously. That saves a lot of time!

Stedin BouwApp

In May, we introduced the Stedin BouwApp for even better neighbourhood management: up-to-date, fast communication with local residents in cooperation with contractors and municipalities. Users of the app can look up their project in the neighbourhood to stay informed about which street reopens when, for example. They can ask questions directly to the relevant contractor or project manager. We can also run small surveys through the app.

Utilisation

Constructing and laying networks is not enough to enable the energy transition. We must also utilise the existing electricity grid more efficiently. But how? For example, by optimally matching supply and demand during peaks in wind and solar energy production. Everyone has a role to play in the new energy system: national and regional politicians, consumers, business and industry. We all need to use energy in a different way. By making optimal use of current grid capacity, we are creating space on the grid to meet growing customer demand. Together with customers and stakeholders, we try to find solutions to reduce or prevent (temporary) capacity bottlenecks on our grid.

KPI	Note	Unit	Result 30-06-2023	Result 30-06-2024	Target 2024
Capacity covered by flexible contracts	The total capacity in MW of customers who offer operational flexibility and have concluded a bilateral contract with Stedin.	MW	46.5	102	500
Digitally metered MV substations	% of MV substations equipped with a digital metering device that is connected to and communicates with the central environment.	%	19	21	27

Our 2024 activities from the optimal use of our grid will once again focus on predicting customer demand as well as possible and improving the understanding, monitoring and control of our grid. We also focus on developing and deploying technical, flexibility and behavioural solutions to maximise the use of available capacity. We are furthermore focusing on improving and implementing our congestion management processes.

Predicting and managing customer demand

In order to prevent more congestion areas, our predictions of customer demand must be as accurate as possible. If we notice that our grid at a specific location is nearing its capacity limits, we can proactively look for alternatives with customers looking for new or expanded transmission capacity. In that case, we look for the most appropriate solutions together with customers, depending on the local situation and the kind of connection. We also publish capacity maps, so that customers looking for a location to establish their business can see where capacity is still available.

Technical solutions

We are trying to get more capacity out of the existing infrastructure through technological measures. This includes, for example, increasing the load on equipment where this can be done safely or linking up power generated by both solar and wind to a single connection – sort of like carpooling, but for electricity.

Cable pooling

In the Koegorspolder in Zeeland, Stedin was the first in the Netherlands to connect as many as three customers simultaneously to one power connection. This can be done through a 'cable pooling', a power connection shared by multiple customers and for multiple purposes. This brings many benefits: it makes better use of the capacity available on the grid, it saves customers costs for an additional connection and the lead time is shorter as customers do not have to be connected separately. It also saves on staff resources as only one connection needs to be made instead of two to four.

Flexible solutions

Flexible solutions can help us make the best use of the electricity grid, for example by making agreements with customers to reduce consumption capacity at peak times or to actively feed in electricity to the grid to keep the grid balanced. We refer to this as flexible control capacity, which is part of congestion management. We lay down customer agreements in flex contracts. Our target for the end of 2024 is 500 MW of flex contracts. Of this, we contracted over 100 MW in the period leading up to 30 June 2024. This number is lower than our target. The preparations made in the first six months give us confidence that we will meet the annual target. This includes scaling up the number of account managers and thus the capacity to engage with our customers.

Behavioural solutions

Apart from technical and flexible solutions, the key to flexibility in the energy system largely lies in our own behaviour. That means using renewable energy when it is available (see eKlok) and opting for using electricity where it is generated or using less energy at peak times. After all, an energy system based on renewable and limited predictable resources requires flexible behaviour. This way, we avoid costly grid expansions to accommodate a few peak moments per year and take into account the scarcity of resources, manpower and space. After all, this also has an impact on grid affordability.

South Holland horticulturists help take pressure off the Stedlin electricity grid

Stedin signed the first contract with a horticulturist in April to help keep the electricity grid reliable. It was previously found that the electricity grid limit had been reached in the Municipalities of Lansingerland, Waddinxveen and Pijnacker-Nootdorp, as local, small-scale horticultural power plants (CHPs) feed energy back at the same time that large solar roofs also feed energy back to the grid. Stedin is now asking horticulturists in these municipalities to help ensure a stable power supply by turning off their CHP for a fee at our request.

Power control with real-time interface (RTI)

With RTI, we can take immediate action if the electricity grid in an area is or is at risk of becoming overloaded. For instance, we communicate through the RTI about the maximum you are allowed to feed back to our grid at that time. We send a signal containing the frameworks within which the customer feeding in energy must remain. This means we do not directly control the installation. We performed several field tests in the past six months, which all went well. We plan to roll out the programme in the second half of 2024. The benefits:

- When the grid is overloaded, the energy feed-in is not switched off, but we reduce it as a last resort (emergency curtailment). As a result, the customer retains the power and can continue to feed in (to some extent). This maintains the reliability of the electricity grid

- and more capacity is created on the grid for feed-in. Being able to step in where there is an overload means there are more opportunities to connect customers faster or to grant them more capacity.



Energy hub leads to more capacity on electricity grid

The Netherlands' first energy hub was inaugurated at Tholen in Zeeland in June amid great interest. Companies can use this e-hub to share power with each other by combining generation, storage and smart use of the electricity grid, covering peaks in supply and demand. This offers companies at Slabbecoornpolder and Welgelegen business parks in Tholen extra capacity, freeing up capacity on the grid in the wider region. In September 2023, business collective REC Tholen and grid manager Stedin signed a group capacity agreement for this purpose.



CASE STUDY

eKlok: for smart power consumption

We are drawing massive amounts of power from the energy grid and and, conversely, feeding more and more energy in to the grid. As a result, the electricity grid becomes overloaded at times. With the introduction of the digital energy clock, we aim to give people insight into when the grid is operating at its peak, so they can become aware of their own power consumption. Stedin reached 6 million people with this campaign. From research, Stedin discovered that this

campaign made 66% of the target group more aware of the congested electricity grid and prepared to change their behaviour. By doing laundry when the sun is shining, for example. That is an optimal way of utilising sustainably generated energy when it is available. The eKlok is a good tool to encourage consumers to avoid peak hours on the grid as much as possible and instead use power that corresponds with the rhythm of nature.



Net quality

Management

Energy is fundamental to society and the economy. In addition to achieving sufficient grid capacity, our focus is therefore also on grid performance. By resolving failures quickly, managing voltage quality and carrying out maintenance and inspections, we can continue to guarantee proper grid management. The aim is to ensure a safe and reliable energy supply.

KPI	Note	Unit	Result 30-06-2023	Result 30-06-2024	Target 2024
SAIDI LV/MV	The System Average Interruption Duration Index (SAIDI) shows the annual average downtime: the average duration of interruptions in minutes per customer per year.	minutes	13	11	< 22

We continuously work on ensuring our electricity grid is reliable. Supply reliability and voltage quality are key to this. The supply reliability of our electricity grid and gas network has also been high over the past six months; the average duration of an interruption per consumer was 11 minutes for low- and medium-voltage and 15 seconds for gas. This means a supply reliability of 99.9956% for electricity and 99.9999% for gas. This is an improvement over the first half year of 2023 and within our set target. Obviously our aim is zero failures, but at the same time the pressure on our grid is increasing.

Managing better by understanding our grids

Congestion, solar panels, heat pumps, charging stations and gas-free neighbourhoods. All developments that call for major adjustments to our current and future electricity grid. New technologies are helping to better manage and utilise our grid. One of the new techniques is the distribution automation (DA) box. In 2023, we started placing the first DA boxes in our grid. The box gives us more insight into our medium and low-voltage grids. With these DA boxes (smart computer units), we can better monitor, control and manage our grids. Ultimately, we want to equip all our 22,000 medium-voltage substations with this smart technology within seven years.



Roof off for transformer replacement in Doorn

In March, Stedin lifted the damaged transformer out of the transformer station on Amersfoortseweg in Doorn. This was done in spectacular fashion, as the roof had to be removed to get the transformer out. Something that doesn't happen every day; in fact, in most cases, a transformer is taken out through the door. It was an exciting project, because if things went wrong, tens of thousands of households would be without power for an extended period. We consulted the municipalities and local residents to ensure a proper execution, and were also mindful of the bats that live in the station. The repair was needed to secure local power supply and future-proof the electricity grid.

Replacing brittle pipelines

We intend to replace all our brittle gas pipelines (grey cast iron and asbestos cement) before 2028 in order to ensure the safety of our gas grid and because of the potentially profound social impact. In addition, removing brittle pipelines helps reduce CO₂ emissions. In the first half of 2024, we removed and/or replaced about 90 km of brittle pipelines and primary gas connection pipelines.



Service provision

KPI	Note	Unit	Result 30-06-2023	Result 30-06-2024	Target 2024
Customer convenience for meters & connections	Convenience experienced by customers in doing business with Stedin for two types of products: 'connections' and '(smart) meters'	%	80	84	78
Customer convenience for problems in meter cupboards	Convenience experienced by customers in doing business with Stedin for the product: 'meter cupboard problems'	%	86	90	83
Lead time for connections for low-use consumers ¹	Completion of connections for low-use consumers within 12 and 18 weeks or on date preferred by customer.	%	-	83 / 43	≥90 / ≥90
FTR smart meter data provision ²	The full 'first-time-right' provision of smart meter data for energy services and market processes	%	-	99	≥98.5%

1 The KPI lead time for connections for low-use consumers has been changed as of 2024, see note below.

2 'Smart meter data provision' KPI has been changed to 'First-time-right (FTR) smart meter data provision' as of 2024

Customer effort score

For the first half of 2024, 84% (target: at least 78%) of customers reported that they found it easy to do business with Stedin, while 8% (target: not more than 12%) experienced inconvenience. This is higher in terms of convenience (80%) and lower in terms of inconvenience (10%) than in the first half of last year. 90% of customers who had a failure fixed reported that it was easy, 5% experienced inconvenience.

Lead time connections

The ACM has formulated a new definition for the realisation of lead times for customer connections. The new definition distinguishes between connections that are not very labour-intensive (connection <12 weeks) and those that are labour-intensive (connection <18 weeks). Labour-intensive work, for example, requires digging. All lead times for gas connections have also been removed from the new definition. Where previously Stedin reported on the total, Stedin will start reporting according to this new definition in 2024.

In the first half of 2024, 83% of electricity connections were achieved within 12 weeks and, unfortunately, for connections within 18 weeks, 43% were achieved.

This new way of measuring has made it even clearer where the bottlenecks are in our connection process. We are looking realistically at our 90% target set at the beginning of the year based on the old definition. We will make every effort in the coming year to improve the lead times of both labour-intensive and less labour-intensive customer connections.

In addition, the implementation of the ACM's new definition is not yet fully in place, so performance may also be subject to change.

Market facilitation

The delivery of timely and correct data on our customers' energy use to TenneT and market parties is known as market facilitation. The importance of correct and timely metering of energy consumption and feed-in increased significantly in view of congestion management. For instance, in order to prevent grid overload, we check whether the contracted capacity use is not being exceeded. Together with customer demand, data from smart grids provides important information to accurately predict where bottlenecks may arise in our grid in the future. For example, for voltage complaints, we can read the voltage and for power failures, we can query the status of a meter to locate the fault.

Smart meter data provision

The number of smart meters in our service area continues to increase: in June, 87.5% of connections for low-use consumers had a smart meter. Most of the growth currently comes from customer requests. Consumers want more insight into their energy consumption or switch to a smart meter when the connection is reinforced. In 2025/2026, we expect a further acceleration in the number of smart meters due to the lapsing of the netting scheme. From then on, a consumer who wants to feed in will be obliged to have a meter with four counters that measures supply and feed-in separately.

The demand for data from smart meters is also still on the rise. We received some 253 million data requests from external parties, such as energy suppliers, in the first half of 2024. Despite the growth in requests, we consistently met the standard for timely delivery of data in the first six months.



People and environment

Accelerating the energy transition will help the Netherlands achieve its climate ambitions. Stedin plays a major role in this as a socially driven company. In our operations and in the supply chain, we want to do operate in the most sustainable way possible. This means we do so with integrity and transparency, working together with our stakeholders on long-term sustainable value creation. In this way, we steer towards increasing our positive impact and reducing our negative impact on our living environment, in view of our role as a responsible employer.

KPI	Note	Unit	Result 30-06-2023	Result 30-06-2024	Target 2024
Total workforce	The total number of employees internally and externally in FTEs.	FTE	5,208	5,930	6,238
Number of Participation Act employees	The percentage of employees, expressed as % FTE (based on 25.5 hours) employed by Stedin Group who belong to the target group for the job arrangement under the Participation Act.	%	2	1.9	2.8
LTIR	Lost Time Injury Rate: Number of fatal workplace accidents + accidents leading to lost-time injuries per 1,000,000 hours worked over the past 12 months.	ratio	0	0.3	≤1.5
RIF	Recordable Incident Frequency: Number of fatal workplace accidents and accidents leading to lost-time injuries, requiring a substitute for the work or requiring medical treatment per 200,000 hours worked.	ratio	0.7	0.5	≤0.9
CO ₂ emissions	Total CO ₂ emissions from scope 1, 2 and 3.	Kton Co ₂ -eq.	4,478	4,571	tbd
Greening of network losses E	The percentage of CO ₂ emissions due to grid losses in our electricity distribution grid which we offset.	%	100	100	100

Early this year, we announced our ESG strategy and our ambitious ESG targets. Below we briefly outline how we are working on the ESG strategy.

Living environment

Stedin is actively contributing to sustainable long-term value creation for the living environment by reducing our CO₂ emissions, increasing our circular use of materials and actively helping to increasing biodiversity in our supply chain.

Our ambition for 2030 is to have reduced our CO₂ emissions by 42% compared to 2021. We are currently drawing up our transition plans, including annual targets for this purpose. We follow the Greenhouse Gas Protocol in monitoring and reporting on our CO₂ emissions. Greenhouse gases have been classified into three different categories (scope 1, 2 and 3). In scope 3, we include our customers' gas consumption. Emissions in this category have been found to be around 95% of our total emissions. Although we have limited direct influence on these, we still include them in our calculations and reduction target. We also have additional requirements from the Science Based Target initiative (SBTi) to scientifically validate our targets, to determine whether they are in line with the Paris Climate Agreement. By playing our part in the energy transition, we are making a positive impact on reducing our customers' emissions.

Stedin wants to use 40% less primary raw materials by 2030. Transition plans are currently being drawn up for this too. We expect to achieve this objective by focusing on designing and procuring circular concrete and cables.

In pursuing our Living Climate strategy, we run into several challenges. For instance, from a good governance point of view, we believe that we should commit to biodiversity - even though this is not a material subject for us. Research we have commissioned shows that 99% of our negative impact occurs in the value chain. Measuring biodiversity in the chain is not feasible at present. We are working to make this possible in the future, though.



Last ICE company car handed in

Stedin handed in its last company car with an internal combustion engine (ICE) in May. This means that all 1,042 of our company cars are fully electric and emissions-free. With more than 2,000 vehicles, Stedin has one of the largest fleets in the Randstad region. Almost a fifth of all the company vans used by technicians are now electric.

Good employment practices

The rapidly growing work package and changing environment require agility from the organisation and from our employees. It's essential to recruit and retain employees to achieve our strategy. The main objectives here are to maintain our employer satisfaction score (eNPS score¹) of at least 20.3 (about 10 points higher than the average score of Dutch companies in 2022) and grow our total number of employees to over 6,000 by year-end.

Stedin aims to be an attractive employer that cares for the health and safety of its employees, encourages their development and offers equal opportunities to all. That is why we focus partly on keeping up our high safety standards, educating, training and developing our employees, and building on the steps we have taken on diversity and inclusion. Despite the focus on expansion, we continue to invest in leadership programmes to ensure that our managers and board are maximally equipped to lead our teams and foster collaboration.

Health and safety

No matter how much we endeavour to accelerate further, this should never come at the expense of our employees' safety. Working on the energy infrastructure involves risks. Safety is and remains our priority and we work to create a safe and healthy working environment to minimise risks and prevent workplace accidents. We define workplace or occupational accidents as those leading to lost-time injuries, requiring a substitute for the work or requiring medical treatment and those resulting in fatality.

The Recordable Incident Frequency (RIF) is the number of workplace accidents with or without lost time per 200,000 hours worked over the last 12 months. This fell further to 0.47 and is below the target of 0.90. The Lost Time Injury Rate (LTIR) is the number of lost-time incidents per million hours worked over the same period. This stood at 0.34 at the end of June and is below the target of 1.50. In the past six months, there was one accident that resulted in lost time. Managers provide a substitute for the work and supervision for colleagues who have had an accident, according to the nature and severity of the incident. We realise this is a snapshot in time.

¹ eNPS refers to the percentage of employees who would recommend Stedin as an employer minus the percentage of employees that would not recommend Stedin as an employer.

Measurable targets on training, learning and development, and on diversity and inclusion are under development.

Good governance

Stedin works with integrity and transparency. Together with our stakeholders, we are working on sustainable value creation for the longer term. We take our responsibility for sustainable and fair working practices, both in our own organisation and in our collaboration with supply chain partners. The main activities for this are already carried out at a high level within Stedin. Our goal is to keep it that way.

For more information on our ESG strategy, please refer to our [website](#).

New in-house training school in Rotterdam

Stedin needs a lot of skilled employees to carry out the energy transition. At the start of 2025, we will start work on building the new premises for the Stedin Academy on Keileweg in Rotterdam, which will provide more training capacity. Demolition of the old building started in April. During the soil remediation, all soil is excavated and removed for cleaning, and we will be reusing most of the soil. We expect to move into the building in the middle of 2026.

Financially healthy

KPI	Note	Unit	Result 31-12-2023	Result 30-06-2024	Target 2024
Credit rating	A rating based on the S&P methodology of assessing a company's creditworthiness in the form of a 'mark'		A-	A-	Retain A- rating
FFO/Net Debt ratio	The extent to which the net debt can be repaid out of the funds from operations	%	14.0%	13.7%	≥10%
Solvency	Ratio of adjusted equity to adjusted balance sheet total	%	45.4%	43.9%	≥40%

To remain financially sound, our financial policy aims to maintain our credit rating of A- by Standards & Poor's (S&P). On 8 February 2024, S&P reaffirmed Stedin's credit rating of A- with a stable outlook.

To achieve our strategy and thereby enable the energy transition, we expect to invest almost € 1 billion in 2024. In the first half of 2024, we invested € 517 million. To finance this and our future investments, we raised new funding in the first half of 2024. This consists of new loans, including a € 500 million green bond, and € 33 million of additional equity.

We repaid a long-term JPY 20 billion loan early in April 2024 at a premium, and expect lower interest costs over the coming years.

New shareholders

Stedin Group shareholders approved the admission of 21 new shareholders at the General Meeting of Shareholders held on 27 March 2024. Besides the Provinces of Utrecht and Zeeland, 7 municipalities in Utrecht and 12 municipalities in Zeeland have become shareholders. Together we broaden the public base to make the energy transition possible. Together, the new shareholders strengthened Stedin Group's equity by € 33 million.

Amended method decisions

In late 2023, the ACM published the amended method decisions for electricity and gas for the 2022-2026 regulatory period. These became final in 2024, after the appeal period expired, and have a positive impact on Stedin's financing by increasing income through tariffs.

You can read more about our financial results in [Consolidated interim financial statements 2024](#).

An aerial photograph of a city skyline, likely Amsterdam, featuring a river, a harbor with many boats, and a dense cluster of modern and historic buildings. A large bridge is visible on the left side of the image.

Consolidated interim financial statements 2024

Consolidated interim financial statements

2024

Condensed consolidated income statement

x € 1 million

		First half of 2024	First half of 2023 ¹
Net revenue and other income		1,017	877
Operating expenses		-870	-762
Operating profit		147	115
Financial income and expenses		-72	-32
Profit before income tax		75	83
Income tax		-19	-21
Profit after income tax		56	62

¹ The comparative amounts have been adjusted due to a change in accounting policy with regard to the measurement of property, plant and equipment. Refer to the Stedin Group 2023 financial statements for more information.

Condensed consolidated balance sheet

x € 1 million

		As at 30 June 2024	As at 31 December 2023
Assets			
Non-current assets		8,072	7,704
Current assets		591	580
Total assets		8,663	8,284
Equity and liabilities			
Equity		3,266	3,221
Non-current liabilities		4,774	4,364
Current liabilities		623	699
Total equity and liabilities		8,663	8,284

Condensed consolidated cash flow statement

x € 1 million

	First half of 2024	First half of 2023 ¹
Cash flow from operating activities	236	242
Cash flow from investing activities	-510	-375
Cash flow from financing activities	221	224
Movements in cash and cash equivalents	-53	91
Cash and cash equivalents as at 1 January	188	53
Cash and cash equivalents as at 30 June	135	144

¹ The comparative amounts have been adjusted due to a reclassification of cash flows from deferred revenue. Refer to the Stedin Group 2023 financial statements for more information.

Accounting principles

Stedin Holding N.V. (hereinafter Stedin Holding) is a public limited liability company under Dutch law, with its registered office at Blaak 8, 3011 TA Rotterdam, the Netherlands, and is registered with the Chamber of Commerce under number 24306393.

The main activity of Stedin Holding and its subsidiaries (hereinafter Stedin Group) is to ensure a safe, reliable and affordable energy supply. The grid manager of Stedin Group, Stedin Netbeheer, achieves this by constructing and managing the electricity and gas grids and preparing them for the future, as well as by facilitating the energy market. Stedin Group operates in the provinces of South Holland, Utrecht and Zeeland, as well as in parts of the Noordoost-Friesland and Kennemerland regions. Its subsidiary DNWG Infra provides construction and maintenance of technical infrastructure in Zeeland (gas, electricity, water and communications). In addition, it maintains and manages the grids of Evides Waterbedrijf and industrial customers entrusted to it. Stedin Group's subsidiary NetVerder helps achieve the energy transition by developing, constructing and maintaining energy infrastructures for heat, steam and biogas. It also focuses on the independent transmission and distribution of other new energy sources or carriers. Utility Connect is a joint arrangement with Alliander with its own communication network to read smart meters and communicate with smart-grid applications.

Stedin Netbeheer operates alongside five other Dutch regional grid managers in a regulated market. Each regional grid manager is a monopolist within its own service area. Regulation means that the work performed by the grid manager is set out in law and that the rates are set by the Netherlands Authority for Consumers and Markets (ACM). The regulatory model encourages grid managers to perform as well as possible (in terms of efficiency and quality) by using a benchmark model.

This half-year report contains the interim financial statements of Stedin Group for the first half of 2024. These financial data were neither audited nor reviewed by an independent auditor. The half-year report does not contain all the information normally included in financial statements and should therefore be read in conjunction with Stedin Group's 2023 financial statements. The accounting policies applied in this half-year report are the same as those described in the financial statements. Due to a change in accounting policy with regard to the measurement of property, plant and equipment and a reclassification of cash flows from deferred revenue in the 2023 financial statements, some comparative amounts for the first half of 2023 have been restated in this half-year report.

In preparing this half-year report, estimates, assumptions and presuppositions have been made by Stedin Group's management that affect the amounts recognised. No significant changes in estimates occurred during the first half of 2024 that require further disclosure.

Significant events and transactions during the first half of 2024

Consolidated statement of income

In the first half of 2024, we recorded an operating profit of € 147 million (first half of 2023: € 115 million) and a profit after tax of € 56 million (first half of 2023: € 62 million). The operating profit rose because of an increase in revenue due to the higher rates for electricity and gas. At the same time, operating expenses increased, partly due to higher transmission costs charged by TenneT and higher personnel expenses as a result of collective labour agreement increases and a higher number of FTEs. In addition, financial expenses rose due to a one-off charge resulting from the early repayment of the long-term Japanese yen (JPY) loan.

Consolidated balance sheet

In the first half of 2024, investments in property, plant and equipment and intangible assets amounted to € 517 million. These increased by 35% compared to the investment level in the first half of 2023 (€ 384 million). Our investments have been funded from the positive cash flow from operating activities, capital contributions by new shareholders and the issue of a new green bond.

Consolidated cash flow statement

The cash flow from operating activities amounted to € 236 million positive and decreased slightly due to higher interest payments as a result of the early repayment of the long-term JPY loan (first half of 2023: € 242 million positive). The cash flow from investment activities amounted to € 510 million negative and increased due to additional investments to expand grid capacity (first half of 2023: € 375 million negative). On a combined basis, this resulted in a negative free cash flow of € 274 million (first half of 2023: € 133 million negative). The cash flow from financing activities amounted to € 221 million positive following the issuance of new shares and a green bond (first half of 2023: € 224 million positive).

Financing, solvency and credit rating

As at 30 June 2024, our solvency was 43.9% (year-end 2023: 45.4%). Stedin Group's policy aims to maintain a long-term solvency ratio of at least 40% in the long-term.

In addition, Stedin Group's goal is to maintain its A- credit rating awarded by S&P in the long-term. On 8 February 2024, this credit rating was reaffirmed by S&P: A- with a stable outlook.

The most important financial measure for Stedin Group is the ratio between Funds from Operations (FFO) and Net Debt. Maintaining the current credit rating requires this ratio to remain 'comfortably above 9%'. Stedin Group has a target annual ratio of at least 10% to meet this.

As at 30 June 2024, Stedin Group's FFO/Net debt ratio was 13.7% (year-end 2023: 14.0%). The FFO for the previous 12 months is higher than at year-end 2023 due to higher operating profit. This increase is partly offset by higher interest payments due to the early repayment of the long-term JPY loan. At the same time, Net Debt also increased as a result of additional financing raised.

In 2023, Stedin Group arranged a revolving credit facility (RCF) of € 800 million with six banks for a term of 5 years. The term can be extended twice for a period of 1 year by mutual consent. There were no drawdowns of the RCF during the first half of 2024.

Early repayment of JPY loan

In April 2024, Stedin Group repaid a long-term loan of JPY 20 billion early (about € 151 million at inception and about € 120 million on repayment). This loan was originally due in late 2039. At the same time as the repayment, the related cross-currency interest rate swaps to hedge currency and interest rate risk were unwound. As a result of these transactions, a one-off charge of € 47 million was recognised in the first half of 2024, partly due to the reclassification of the cumulative cash flow hedge reserve to the income statement ('recycling'). This will be partially offset by lower interest costs over the coming years.

Green bond issue

In June 2024, Stedin Group issued its fourth green bond, for a nominal amount of € 500 million.

This loan has a 7 year tenor, an issue price of 99.563% and a coupon of 3.625%. The effective interest rate excluding transaction costs is 3.697%. In issuing the bond, Stedin Group attracted existing and new sustainable investors.

In total, Stedin Group has € 2.0 billion of green bonds outstanding as at 30 June 2024. These are listed on Euronext Amsterdam. This amount is mainly being invested in expanding and reinforcing the electricity grid to enable the energy transition.

New shareholders

Stedin Group shareholders approved 21 new shareholders at the General Meeting of Shareholders held on 27 March 2024. Besides the Provinces of Utrecht and Zeeland, 7 municipalities in Utrecht and 12 municipalities in Zeeland have become shareholders. Together, the new shareholders strengthen Stedin Group's equity by € 33 million.

Amended method and x-factor decisions

At the end of 2023, the ACM published its amended method decisions for electricity and gas for the current regulatory period (2022-2026). These are used to calculate the tariffs we are allowed to charge. In 2024, the amended method decisions became final and the ACM adjusted the underlying x-factor decisions.

As a result of these amendments, Stedin Group's income will increase and a portion of this is being brought forward in time.

Stedin Group's total allowed compensation for the 2022-2026 regulatory period is expected to increase by € 660 million. The ACM decided to allocate the additional compensation across the tariffs for transmission and distribution services in the period 2024-2026 (with adjustments being calculated up to 2028).

Subsequent events

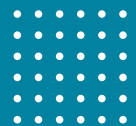
No subsequent events took place.

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STEDIN
GROEP

