

# FOCUS ON EXECUTION



**ENEXIS**  
HOLDING N.V.



**INTERIM REPORT 2021**



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## FOCUSING ON FACILITATING THE ENERGY TRANSITION

In the first few months of 2021, day-to-day life was constricted both literally and figuratively by the coronavirus. The Netherlands was in a lockdown. In vital sectors - such as healthcare, education and the energy sector - all available resources were mobilised to keep society up and running. In addition, Enexis Groep also continued to do everything in its power to facilitate the energy transition optimally. However, it is becoming increasingly clear that the world is changing faster than our electricity grid can handle.

Consequently, expansion of the capacity of our electricity grids has top priority. The demand for electricity continues to rise and more and more customers want to feed the renewable energy that they generate back into the grid. Customers are queuing up for a connection. Again in the first half of 2021, we connected more customers than in the same period last year (+13%) and we invested € 240 million in our electricity grid (first half 2020: € 229 million). No less than 467 megawatt onshore renewable energy generation capacity was connected in our service area in the same period. With this additional capacity, electricity can be supplied to over 140,000 households. The total installed renewable energy generation capacity in our service area increased to nearly 7,000 MW.

Every single day, we are dedicating all our resources to helping our customers and to ensuring that the energy supply remains safe and reliable. However, this is not always enough. Our electricity grid is becoming increasingly congested due to all the developments that are taking place. In some areas, there is insufficient capacity to handle all the demand. We are not happy about this situation, as customers have to wait longer for a new connection as a result.

It is important for customers that they can rely on an uninterrupted energy supply at all times. Our energy grids are among the most reliable in the world with an availability of 99.99%. The average electricity outage time amounted to 9.9 minutes in the first half of 2021. We also aim to ensure a high degree of reliability during the transition to a new sustainable energy system. For us, this means that we will remain open for business while modernising our electricity grids. Besides reliability, the safety of our employees and the environment are the most important preconditions governing our work. Working safely is always our number one priority. This is essential now that we are facing one of the greatest infrastructural challenges in history, which also has to be realised at an ambitious pace.

### MISMATCH BETWEEN AMBITIONS AND FEASIBILITY

Enexis Groep has committed itself to the Dutch climate goals and is confident that at least the agreed goal of 35 TWh renewable energy generation in 2030 is possible. However, the demand for electricity is bigger and is rising much faster. This is apparent from the Regional Energy Strategies (RES) which were finalised on 1 July 2021. Instead of the agreed 35 TWh, together, the regions intend to realise at least 55 TWh renewable energy generation capacity before 2030 in particular via solar energy. A noble aim from the point of view of sustainability and, at the same time, an expensive solution with major consequences for the energy infrastructure and public space. Nearly half of the total RES target falls within Enexis Groep's service area. In combination with increasing the sustainability of the industry and installing charging infrastructure for electric transport, this will result in a huge amount of work for us up to 2030. This workload is so large that all the work cannot be carried out at the same time. Throughout the whole sector, we are facing a shortage of technical personnel and long lead times for permits and public consultation procedures. As a result, a mismatch threatens to occur between the regional ambitions and the speed with which we can carry out the necessary work. Choices will have to be made on the regional, provincial and RES level in the approach or in the timeframe. What are we going to install first, what are we going to install later and what are we not going to install? With more coordination from the government and clear priorities, the conditions will be created to make smart choices for the energy system of the future.

No matter how fast we would like to proceed, we have to have the people who can carry out this work. In the sector, we are carrying out joint campaigns to recruit colleagues, we are working together with educational institutions and we have also built new training locations. In addition, we strive to recruit people from other fields and professions and from a variety of age groups. Despite the inflow of new colleagues, experienced colleagues also left the company in the first half of 2021. The shortage of technical personnel continues to form an obstacle.

### TRANSPARENCY REGARDING OPPORTUNITIES AND CHALLENGES

On the road to the energy system of the future, we have to set priorities in the realisation and make well-balanced choices. By starting to draft the execution programmes right away and then making the plans more concrete, we will increase the likelihood of being able to realise the national climate goal. We stimulate system efficiency and we are discussing this matter with, for example, provinces and municipalities. We are transparent about local opportunities and challenges and we clarify which choices have to be made to realise the energy transition in a feasible and affordable manner.

In this context, we are also critically examining our role. What can we do more efficiently and cheaper? How can data and digitalisation help us realise our goals? We will invest in our grids in a smarter manner. We are working on applied innovation together with partners. As the smart choices that we make now in order to make more efficient use of the grid will contribute to the affordability for society in the future. The expenditure for work on our grids remains high; this year almost one billion euros. We successfully issued a green bond of € 500 million again in April 2021. Nevertheless - based on the proposed method decisions of the Authority for Consumers & Markets (ACM) - we remain concerned that the grid operators have to pre-finance the increasingly high investments. There is too large a delay in the manner in which the costs are changed to customers through the tariffs.

### LOOKING AHEAD

In the coming months, we will continue to increase the capacity of our grids and connect customers. But no matter how hard we work, we cannot help everyone on time. Building a sustainable energy system for the future takes time. Therefore, we ask for understanding from the government, local authorities and customers. We are continuing our consultations with other provinces and municipalities about the coordinating role that is urgently required to set priorities and to achieve the climate goals together. In these challenging times, our employees deserve our sincere appreciation. Their dedication and flexibility is invaluable. Together with other grid operators, we will continue our search for skilled technical personnel. We hope to be able to recruit around 350 new colleagues to strengthen our team and help us facilitate the energy transition. Finally, we are conducting a dialogue with our supervisory board members, shareholders, employees and other stakeholders about a clear strategy for the coming years. With a strong focus, Enexis is confident that it will be able to deal with the challenges that it will be facing in the future.

### Executive Board Enexis Holding N.V.,

Evert den Boer, CEO  
 Mariëlle Vogt, CFO  
 Rutger van der Leeuw, COO  
 Jeroen Sanders, CTO



# KEY FIGURES

We have completed a lot of work in the first half of 2021. With all our activities and all the work carried out by our employees, we keep the energy supply safe, reliable, affordable and sustainable.

The acceleration of the energy transition is visible in the increase in investments. We are adapting our grids and realising new connections every day to enable our customers to feed renewable energy back into the grid. Safety and a reliable energy supply are important points of departure. And of course caring for one another, which is difficult to express in figures but which is extremely valuable.

## KEY FIGURES 30 JUNE 2021

### REVENUE

In millions of euros

# 811

30 June 2020: 753

### PROFIT FOR THE YEAR

In millions of euros

# 99

30 June 2020: 81

### LTIF ENEXIS

Safety index

# 0.85

30 June 2020: 1.15

### BALANCE SHEET TOTAL

In millions of euros

# 9,239

30 June 2020: 8,523

### WORK PACKAGE

In millions of euros

# 440

30 June 2020: 403

### EMPLOYEES ENEXIS

In numbers

# 4,869

30 June 2020: 4,627

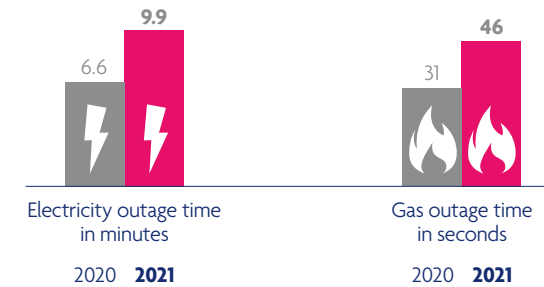


### Electricity grid ⚡









142,900 km  
2,897,000 connections

### Gas grid 🔥

46,300 km  
2,320,000 connections



# OBJECTIVES AND PERFORMANCE

CRITICAL SUCCESS FACTOR	KPI	1ST HALF YEAR 2021	OBJECTIVE 2021	1ST HALF YEAR 2020	REALISATION 2020
 Reliable energy supply	Annual outage time <sup>1</sup>	16.0 min	≤ 17.5 min	13.9 min	13.0 min
 Achievable, affordable and sustainable energy system	Expanding transmission capacity	740 MVA	≥ 1,000 MVA	430 MVA	710 MVA
 Smarter and better every day	Quantitative progress year order book <sup>2</sup>	€ 440 million	≥ € 941 million	€ 403 million	€ 882 million
 Satisfied customers	Customer Effort Scores (CES) <sup>3</sup>	Installation of Primary Infrastructure 16% Standard Connections 24% Outages 10%	Q4 score Installation of Primary Infrastructure ≤ 20% Q4 score Standard Connections ≤ 24% Q4 score Outages ≤ 15%	Installation of Primary Infrastructure 33% Standard Connections 27% Outages 16%	Q4 score Installation of Primary Infrastructure 20% Q4 score Standard Connections 26% Q4 score Outages 13%
 Working safely together	Lost Time Injury Frequency Enexis	0.85	Every accident is one too many	1.15	0.81
	Lost Time Injury Frequency contractors	1.08		2.85	2.64
 Healthy employees	Absenteeism, short, medium and long term total	4.61%	Moving average ≤ 5%	5.2%	4.85%
	Employee satisfaction: engagement	7.7	≥ 7.8	7.9	7.8
	Employee satisfaction: teamwork	6.6	≥ 6.6	6.7	6.4
 Sufficient skilled employees	Increase/decrease # FTE scarce technical personnel	26 FTE	# Number of extra FTEs technical personnel employed by Enexis ≥ 145 FTEs (balance growth in- and outflow)	-	-
 Every euro well spent	Controllable costs and revenues <sup>4</sup>	€ 240 million	≤ € 492 million	€ 225 million	€ 452 million

<sup>1</sup> Annual electricity outage time is presented in the columns 1st half year 2021 / 1st half year 2020 as a 12-month moving average score as at 30 June. The outage time in the 1st half year 2021 was 9.9 minutes; this was 6.6 minutes in the same period last year.

<sup>2</sup> Based on standard costs.

<sup>3</sup> A CES year runs from December through November, each quarterly score is calculated over the period: Q1: Dec, Jan, Feb; Q2: Mar, Apr, May; Q3: Jun, Jul, Aug; Q4: Sept, Oct, Nov. For the Customer Effort Score, it is the case that 'the lower the score the better'.

<sup>4</sup> Enexis Netbeheer (including staff departments).

For definitions, please refer to the glossary of the Annual Report 2020 of Enexis Holding N.V. (which can be found at [www.enexisgroep.com/annualreport](http://www.enexisgroep.com/annualreport)).



## STEERING ON RESULTS

The energy transition places heavy demands on our organisation. We are steering on results in order to be able to meet the growing demands of our customers in a safe, reliable and predictable manner.

We started the year well with regard to safety. We had a record number of well over 140 days without accidents resulting in absenteeism. Unfortunately, several serious incidents occurred in May and June. This shows that there is no room for complacency. Working safely deserves our focus every day. Our safety score and the safety score of the contractors that we work with improved significantly compared to last year. We are pleased with these results.

The number of requests for new connections is growing faster than we can realise on time. For consumers, we were able to complete around two thirds of the requests within the statutory term of 18 weeks. We were able to complete around one third of the custom connections for business customers within the date desired by the customer. We keep customers informed about the status of their request. This provides clarity and we see this reflected in the improved Customer Effort Scores. We expect that long waiting times will become structural in the coming period. Moreover, the shortage of technical personnel remains an obstacle to getting the work done. This matter has our full attention.

Due to the corona measures, we were unable to carry out some of the work behind the front door. As a result, we are slightly behind schedule in the realisation of our year order book. We expect that we will be able to reduce the backlog during 2021 and thus still be able to realise the largest work package in Enexis Netbeheer's history. We are also a little behind where our annual electricity outage target is concerned due to a large outage in the first quarter. We are constantly investing in the prevention of excavation damage, which is often the cause of outages.

In the coming six months, we will continue to follow this course. We consider it important to be transparent about our progress regarding the realisation of our results and to take action where necessary. In doing so, we aim to always pay attention to and care for our employees. We can strengthen each other by being clear. Furthermore, we consider it important that employees are stimulated to grow.

# CONSOLIDATED INTERIM FINANCIAL STATEMENTS 2021

## CONSOLIDATED INCOME STATEMENT

€ Million	1st half year 2021	1st half year 2020
Revenue	811	753
Less: Transmission services and distribution losses	163	156
Balance available for operating activities	648	597
Employee benefit expenses	274	253
Depreciation, impairments and decommissioning	206	197
Costs of subcontracted work, materials and other external expenses	115	109
Other operating expenses	12	13
Capitalised expenses of own production	-111	-100
Operating expenses	496	472
<b>Operating profit</b>	<b>152</b>	<b>125</b>
Financial income	1	2
Financial expenses	22	19
<b>Financial income and expenses</b>	<b>-21</b>	<b>-17</b>
<b>Profit before tax</b>	<b>131</b>	<b>108</b>
Corporate income tax expenses	-32	-27
<b>Profit for the year</b>	<b>99</b>	<b>81</b>
Attributable to:		
Minority shareholders	-	-
Shareholders	99	81
Average number of shares during the financial year	149,682,196	149,682,196
<b>Profit per share<sup>1</sup></b>	<b>0,66</b>	<b>0,54</b>

<sup>1</sup> Stated in euros, dilution of earnings does not apply.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ Million	1st half year 2021	1st half year 2020
Profit for the year	99	81
Released part of non-realised income through hedge reserve	1	0
Tax released on non-realised income through equity	0	0
<b>Total result including non-realised income<sup>1</sup></b>	<b>100</b>	<b>81</b>
Attributable to:		
Minority shareholders	-	-
Shareholders	100	81

<sup>1</sup> The non-realised amounts in the total result solely concern amounts recognised in later periods in the income statement.



## CONSOLIDATED BALANCE SHEET

€ Million	30 June 2021	31 December 2020
<b>Assets</b>		
Property, plant and equipment	8,302	8,091
Intangible assets	270	266
Right-of-use assets	115	116
Associates and joint arrangements	1	8
Other financial assets	16	15
<b>Non-current assets</b>	<b>8,704</b>	<b>8,496</b>
Inventories	34	36
Receivables	184	165
Other financial assets (current)	131	7
Cash and cash equivalents	186	47
<b>Current assets</b>	<b>535</b>	<b>255</b>
<b>Total assets</b>	<b>9,239</b>	<b>8,751</b>

€ Million	30 June 2021	31 December 2020
<b>Liabilities</b>		
Issued and paid-up share capital	150	150
Share premium reserve	2,436	2,436
General reserve	1,456	1,423
Hedge reserve	0	-1
Profit for the year	99	108
<b>Equity</b>	<b>4,141</b>	<b>4,116</b>
Non-current interest-bearing liabilities	3,065	2,872
Non-current provisions	45	44
Advance contributions for the installation of grids and connections	995	947
Deferred corporate income tax	338	335
Other non-current liabilities	1	1
<b>Non-current liabilities</b>	<b>4,444</b>	<b>4,199</b>
Trade and other payables	284	296
Current interest-bearing liabilities	332	104
Corporate income tax	6	6
Current provisions	6	5
Advance contributions to be amortised in the following year	26	25
<b>Current liabilities</b>	<b>654</b>	<b>436</b>
<b>Total liabilities</b>	<b>9,239</b>	<b>8,751</b>

## CONSOLIDATED CASH FLOW STATEMENT

€ Million	1st half year 2021	1st half year 2020
Profit for the year	99	81
Depreciation and impairments	206	197
Amortised contribution for installation of grids and connections	-12	-11
Received contributions for the installation of grids and connections	61	51
Dividend received from associates	7	0
Change in operational working capital <sup>1</sup>	-28	28
Change in deferred corporate income tax	3	4
Change in non-current provisions	1	4
Others	2	0
<b>Cash flow from operating activities</b>	<b>339</b>	<b>354</b>
Investments in property, plant, equipment	-384	-376
Investments in intangible assets	-21	-23
Loans granted	-4	-2
Increase deposits <sup>1</sup>	-125	0
Decrease deposits <sup>1</sup>	0	0
Repayment of loans granted	5	2
<b>Cash flow from investing activities</b>	<b>-529</b>	<b>-399</b>
<b>Cash flow before financing activities</b>	<b>-190</b>	<b>-45</b>
Green bond issue <sup>2</sup>	491	497
New interest-bearing liabilities <sup>3</sup>	375	1,476
Repayment of interest-bearing liabilities <sup>3</sup>	-445	-1,774
Repayment of lease liabilities	-17	-16
Dividend paid	-75	-105
<b>Cash flow from financing activities</b>	<b>329</b>	<b>78</b>
<b>Total cash flows</b>	<b>139</b>	<b>33</b>
Cash and cash equivalents at the beginning of the financial year	47	62
<b>Cash and cash equivalents at the end of the period</b>	<b>186</b>	<b>95</b>

1 On 30 June 2021, besides the € 125 million in deposits, € 180 million in excess liquidity was placed in money market funds. These money market funds qualify as cash and cash equivalents and are therefore not presented on this line item.

2 The face value amounts to € 500 million. The difference of € 9 million is caused by the difference between the nominal value and the issue price less emission costs.

3 Concerns the issuance and repayment of commercial paper under the Euro Commercial Paper (ECP) programme and the obtaining and repayment of bilateral cash loans.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ Million	Number of ordinary shares	Share capital	Share premium reserve	General reserve	Hedge reserve	Profit for the year	Total equity
<b>At 1 January 2020</b>	<b>149,682,196</b>	<b>150</b>	<b>2,436</b>	<b>1,318</b>	<b>-2</b>	<b>210</b>	<b>4,112</b>
Profit for the year 1st half year 2020	-	-	-	-	-	81	81
Amortisation hedge reserve 1st half year 2020	-	-	-	-	0	-	0
<b>Total result including unrealized results</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>81</b>	<b>81</b>
Profit appropriation for 2019	-	-	-	105	-	-105	0
Dividend paid for 2019	-	-	-	-	-	-105	-105
<b>At 30 June 2020</b>	<b>149,682,196</b>	<b>150</b>	<b>2,436</b>	<b>1,423</b>	<b>-2</b>	<b>81</b>	<b>4,088</b>
Profit for the year 2nd half year 2020	-	-	-	-	-	27	27
Amortisation hedge reserve 2nd half year 2020	-	-	-	-	1	-	1
<b>At 31 December 2020</b>	<b>149,682,196</b>	<b>150</b>	<b>2,436</b>	<b>1,423</b>	<b>-1</b>	<b>108</b>	<b>4,116</b>
<b>At 1 January 2021</b>	<b>149,682,196</b>	<b>150</b>	<b>2,436</b>	<b>1,423</b>	<b>-1</b>	<b>108</b>	<b>4,116</b>
Profit for the year 1st half year 2021	-	-	-	-	-	99	99
Amortisation hedge reserve 1st half year 2021	-	-	-	-	1	-	1
<b>Total result including unrealized results</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>99</b>	<b>100</b>
Profit appropriation for 2020	-	-	-	33	-	-33	0
Dividend paid for 2020	-	-	-	-	-	-75	-75
<b>At 30 June 2021</b>	<b>149,682,196</b>	<b>150</b>	<b>2,436</b>	<b>1,456</b>	<b>0</b>	<b>99</b>	<b>4,141</b>

# NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## GENERAL INFORMATION

Enexis Holding N.V. is a public limited liability company with its registered office in 's-Hertogenbosch in the Netherlands (Chamber of Commerce no. 17238877). This interim report presents the financial information of the company and its group entities for the first half of 2021.

These interim financial statements have been prepared in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

These condensed consolidated interim financial statements are an English translation of the original condensed consolidated interim financial statements prepared in Dutch language.

This interim report has not been audited; however, the independent external auditor did perform a review.

Enexis Holding N.V. uses the euro as its functional currency. Unless otherwise stated, all amounts are presented in millions of euros.

## NEW AND/OR AMENDED IFRS STANDARDS EFFECTIVE 1 JANUARY 2021

### STANDARDS EFFECTIVE IN THE FIRST HALF OF 2021

The following amended IFRS standards came into effect on 1 January 2021:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Phase 2 of the Interest Rate Benchmark Reform;
- Amendment to IFRS 4 Insurance Contracts - deferral of IFRS 9 Financial Instruments.

The above amendments to the standards have no direct consequences for Enexis Groep's equity and result or do not apply to Enexis Groep.

### FUTURE STANDARDS NOT YET EFFECTIVE ON THE REPORTING DATE

The following amendments to IFRS standards are not yet effective on the reporting date:

- IFRS 17 Insurance Contracts (published on 18 May 2017); including amendments to IFRS 17 (published on 25 June 2020);
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current, (published on 23 January 2020 and 15 July 2020);

- Amendments to IFRS 3 Business Combinations, IAS 16 Property, Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets; annual improvements 2018-2020 (published on 14 May 2020);
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Notes to accounting policies (published on 12 February 2021);
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of estimates (published on 31 March 2021);
- Amendments to IFRS16 Leases: COVID-19-related Rent Concessions after 30 June 2021 (published on 31 March 2021);
- Amendments to IAS 12 Income Taxes: Deferred taxation with respect to assets and liabilities resulting from a single transaction (issued on 6 May 2021).

The amendments to the standards after 30 June 2021 are not expected to have any direct consequences for Enexis Groep's equity and results or are not applicable to Enexis Groep.

## ACCOUNTING POLICIES FOR THE CONSOLIDATION, VALUATION AND THE DETERMINATION OF THE RESULT

In this interim report, the same accounting policies have been applied as in the financial statements 2020 of Enexis Holding N.V. (available at [www.enexisgroep.nl/jaarverslag](http://www.enexisgroep.nl/jaarverslag)).

### FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Except for the fair value of the interest-bearing loans (see notes on page 14), the fair value of the financial assets and liabilities did not differ materially from their carrying amount at 30 June 2021.

### CORPORATE INCOME TAX

Corporate income tax is based on the best estimate of the expected average tax rate for 2021 and applied to the profit before tax for the first six months of 2021. The effective tax rate in the first half of 2021 was 24%, which is slightly below the nominal rate of 25%.

### SEASONAL INFLUENCES

Enexis Holding N.V. is not affected by seasonal influences that have a material impact on earnings.

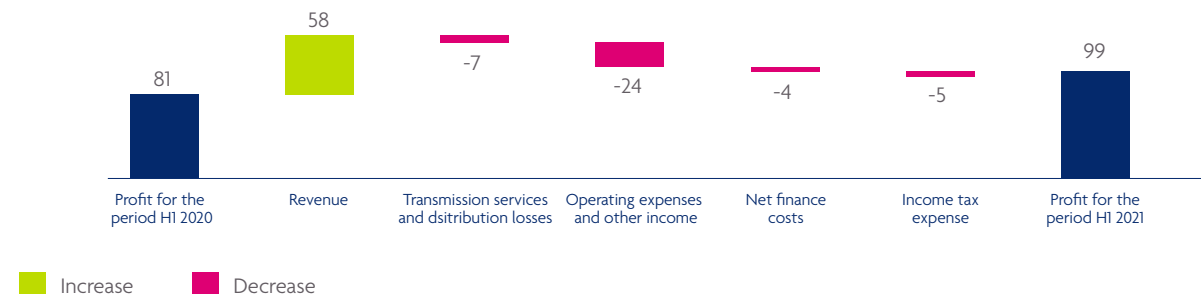
**COVID-19**

The corona crisis has had no consequences for the valuation of intangible fixed assets and property, plant and equipment as at 30 June 2021. We only expect to see a minor effect on our financial result for 2021 as a whole. Given its robust credit rating (see 'Credit Rating'), Enexis Holding N.V. expects that it will continue to have adequate access to the financial resources that are necessary to carry on its business activities and to meet its payment obligations, thus the company's ability to continue as a going concern is ensured.

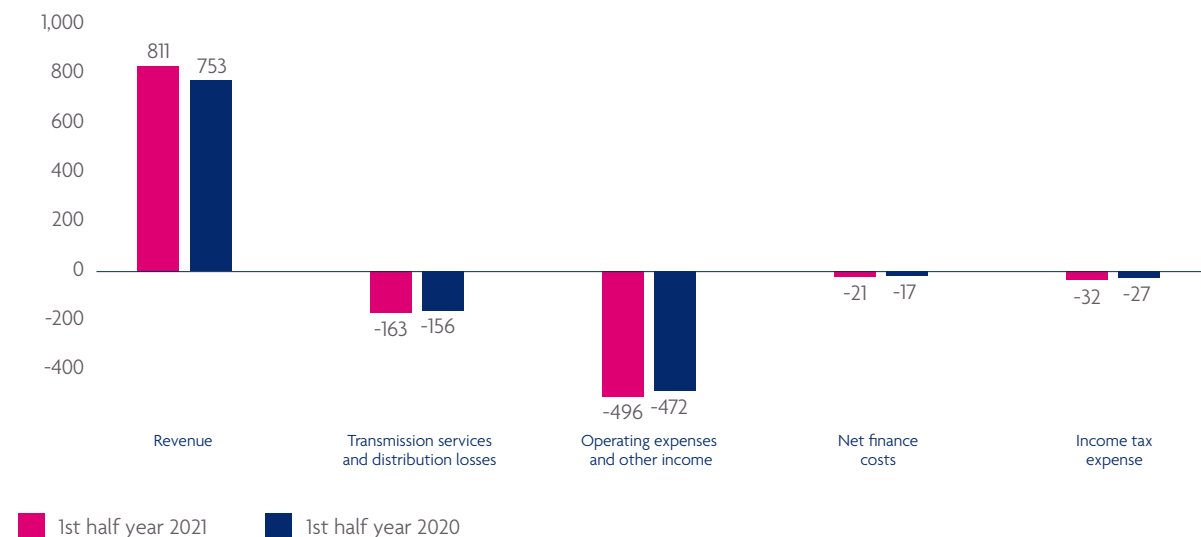
**DEVELOPMENTS IN EARNINGS IN THE FIRST HALF OF 2021**

Net profit was € 99 million, which is €18 million higher compared to the first half of 2020. This increase can mainly be attributed to an increase in revenue of € 58 million, mainly as a result of a tariff increase. On the other hand, there was a limited increase in the costs of transmission services and distribution losses of € 7 million, mainly due to higher TenneT procurement costs. In addition, there was a limited increase in operating expenses by € 24 million. This increase can mainly be attributed to the growth of our work package. Financial income and expenses increased with € 4 million due to an increase in interest-bearing liabilities. Finally, corporate income tax increased with € 5 million in line with the increase in operating profit.

**YEAR-ON-YEAR DEVELOPMENT OF FINANCIAL PERFORMANCE 1<sup>ST</sup> HALF YEAR 2021 VS 1<sup>ST</sup> HALF YEAR 2020 (X € 1 MILLION)**



**YEAR-ON-YEAR INCOME STATEMENT 1<sup>ST</sup> HALF YEAR 2021 VS 1<sup>ST</sup> HALF YEAR 2020 (X € 1 MILLION)**



## BALANCE AVAILABLE FOR OPERATING ACTIVITIES

The balance available for operating activities increased with € 51 million compared to the first half of 2020 and amounted to € 648 million. The increase of the balance was largely attributable to higher tariffs and a limited increase in the costs of transmission services.

Revenue can be broken down as follows:

€ Million	1st half year 2021	1st half year 2020
<b>Regulated</b>		
Periodic transmission and connection fees for electricity		
High-volume consumers	182	162
Low-volume consumers	305	276
Periodic transmission and connection fees for gas		
High-volume consumers	22	22
Low-volume consumers	151	146
Metering services	68	67
Amortised contributions	12	11
Other	4	3
<b>Total regulated</b>	<b>744</b>	<b>687</b>
<b>Non-regulated</b>		
Income from sale of products and services	31	32
Metering services	17	16
Rental income	19	18
<b>Total non-regulated</b>	<b>67</b>	<b>66</b>
<b>Total</b>	<b>811</b>	<b>753</b>

Revenue increased with 7.7% compared to the first half of 2020. This increase is largely attributable to an 8.2% increase in regulated revenue, which is mainly due to an increase in tariffs for periodic transmission and connection fees for electricity of 9.7% and for gas of 3.7%. This increase in tariffs is largely due to the fact that the TenneT procurement costs can be taken into account directly in the tariffs in the financial year as of 2021. Previously, the TenneT procurement costs were taken into account in the tariffs with a delay of two years. Therefore, the revenue of 2021 contains both the direct payment of the TenneT procurement costs for 2021 as well as the subsequent calculation of the TenneT procurement costs for 2019. Finally, regulated revenue from electricity and gas metering services increased with 0.9% compared to the first half of 2020 due to a tariff increase.

Total non-regulated revenue increased with 2.8% compared to the first half of 2020. This increase is mainly attributable to the growth of the activities at Fudura B.V.

Costs of transmission services and distribution losses increased with € 7 million to € 163 million in the first half of 2021. This increase can mainly be attributed to higher TenneT procurement costs for transmission services.

## OPERATING EXPENSES

Total employee benefits expenses increased with € 21 million to € 274 million in the first half of 2021, mainly due to a € 17 million increase in the costs of own personnel. This increase is mainly attributable to an increase in our workforce due to the growth of our work package. The increase can also be attributed to the effects of a pay rise under the Collective Labour Agreement as of 1 January 2021, which also led to an increase in pension costs and social security contributions. Travel and accommodation expenses decreased due to the COVID-19 restrictions.

The costs of external hires increased with € 4 million to € 68 million due to the larger work package and having to fill part of the vacancies with other personnel.

Depreciation and amortisation amounted to € 206 million in the first half of 2021. This concerns an increase of € 9 million compared to the first half of 2020 due to an increase in property, plant and equipment and intangible assets in connection with the growth of our work package and improvement and transition projects.

The cost of work contracted out, materials and other external expenses increased with € 6 million, reaching € 115 million. This increase was mainly attributable to higher maintenance and outage costs.

Own production capitalised increased with € 11 million to € 111 million. This increase was mainly attributable to the growing work package.

## FINANCIAL INCOME AND EXPENSES

The negative balance of financial income and expenses in the first half of 2021 amounted to € 21 million and is thus € 4 million higher compared to the first half of 2020.

Interest expenses increased in the first half of 2021 compared to the first half of 2020 due to the issue of the first green bond in June 2020 for a nominal amount of € 500 million as well as due to the issue of the convertible hybrid shareholders' loan in July 2020 (Tranche A) and November 2020 (Tranche B) with a nominal value of in total € 500 million. Interest expenses also rose due to the issue of the second green bond in April 2021 which also has a nominal value of € 500 million. This was counteracted by a decrease in interest expenses due to the repayment of a bond loan of € 500 million in November 2020.

## TAX

Profit before tax in the first half of 2021 amounted to € 131 million. The corporate income tax liability for the first half of 2021 amounted to € 32 million. The effective tax rate was 24%, slightly below the nominal rate of 25%.

## CAPITAL EXPENDITURES

Gross capital expenditures amounted to € 405 million in the first half year, € 6 million higher than in 2020. Non-customer driven gross capital expenditures increased with € 22 million to € 134 million, mainly due to higher costs for replacing gas assets as a safety measure. Customer-driven gross capital expenditures amounted to € 226 million and were thus at the same level as last year. Other gross capital expenditures amounted to € 45 million and are in line with the first half of 2020. Customer contributions increased with € 10 million to € 61 million. Consequently, net capital expenditures amounted to € 344 million, a decrease of € 4 million compared to the first half of 2020.

## FUNDING

### FAIR VALUE OF INTEREST-BEARING LOANS

Enexis Holding N.V. had € 3,281 million (year-end 2020: € 2,860 million) in interest-bearing loans (excluding lease liabilities) on its balance sheet on 30 June 2020. The fair value of these interest-bearing loans (excluding lease liabilities) was € 3,399 million (year-end 2020: € 3,025 million). The fair value of bonds is based on their listed prices and that of other loans, including the convertible hybrid shareholders' loan, on the calculation method based on the Euro Utility (A) BFV yield curve on 30 June 2020. In the calculation of the fair value of the convertible hybrid shareholders' loan a mark-up for the subordinated and illiquid character of the loan is taken into account.

The fair value and carrying amount of the interest-bearing loans increased mainly due to the issue of the second green bond in April 2021 for a nominal value of € 500 million.

### CREDIT RATING

The credit rating at Moody's (Aa3, stable outlook) remained unchanged in the first half of 2021 and the credit rating at Standard & Poor's changed to A+ with a negative credit watch (formerly A+, stable outlook). The short-term credit ratings of Enexis Holding N.V. are P-1 (Moody's) and A-1 (Standard & Poor's) and have both remained unchanged. In order to achieve the objective of maintaining at least an A credit rating and a financially robust capital structure, the following financial ratios are pursued:

	Hurdle rates / norm	Actual
FFO-interest coverage	≥ 3.5	15.5
FFO/net interest-bearing liabilities	≥ 16%	20%
Net interest-bearing liabilities/(equity + net interest-bearing liabilities)	≤ 60%	41%

The above ratios are calculated as follows:

- FFO Interest coverage ratio: (operating result + depreciation - amortisation + dividend received from associates + financial income - taxes due and payable) / paid interest expenses.
- FFO / net interest-bearing liabilities: (operating income + depreciation - amortisations + dividend received from associates - financial expenses + financial income - taxes due and payable) / net interest-bearing liabilities.
- NET interest-bearing liabilities / (equity + net interest-bearing liabilities): (total interest-bearing liabilities - deposits - cash and cash equivalents.) / (equity + (total interest-bearing liabilities - deposits - cash and cash equivalents)).

### FINANCING REQUIREMENTS

The energy transition forces Enexis Holding N.V. to increase its capital expenditure sharply every year. To meet the resulting financing requirement, Enexis Holding N.V. issued a second green bond in April 2021.

This green bond was issued on 14 April 2021 for a nominal amount of € 500 million with a coupon of 0.375% and a duration of tenor of 12 years to 14 April 2033. The loan will be used to fund existing and new sustainable investments. Which investments qualify as sustainable and which do not is described in Enexis Holding N.V.'s Green Finance Framework. This framework has been assessed by ISS ESG, an external consultancy and credit rating agency ISS ESG. Enexis Holding N.V. will use the bond specifically for investments in grid expansions that are required to accommodate renewable energy, distribution automation, smart meters and its sustainable buildings.

In June 2021, Enexis accounted for the use of the first and second green bond issued on 17 June 2020 and 14 April 2021 in its Green Bond Impact & Allocation Report 2021. The Green Bond Impact & Allocation Report 2021 is available on the Enexis Holding N.V. website: ([www.enexisgroep.com/investor-relations/funding](http://www.enexisgroep.com/investor-relations/funding)).

## SEGMENT INFORMATION

Enexis Holding N.V. has two reporting segments, i.e.:

- Enexis Regulated; and
- Enexis Other.

The above classification is based on the internal reporting structure, in particular the consolidated monthly reports and the annual business plan.

The 'Enexis Regulated' segment comprises Enexis Netbeheer B.V. and Enexis Personeel B.V. jointly and forms by far the largest segment within Enexis (with regard to revenue and total assets, the share of these activities is more than 90%). Enexis Netbeheer B.V. is responsible for the construction, management, maintenance and modernisation of the regional gas and electricity grids over which suppliers deliver gas or electricity to consumers at home or to businesses. Enexis Personeel B.V. provides personnel for the companies in its group as well as providing other services and supplying goods with respect to its own employees. To the extent that Enexis Personeel B.V. works for entities operating outside the 'Enexis Regulated' segment, a settlement of costs has taken place.

The 'Enexis Other' segment comprises the activities of Enexis Vastgoed B.V., Enpuls B.V. (including Enpuls Projecten B.V. and Mijnwater Warmte Infra B.V.) and Fudura B.V. Enexis Vastgoed B.V. leases its own real estate within Enexis. Enpuls B.V. and its affiliated entity Enpuls Projecten B.V. were established with the objective of facilitating energy saving and greening by realising scalable solutions within the context of Enexis's objectives. Mijnwater Warmte Infra B.V. manages and maintains heating and cooling networks, expands existing heating and cooling networks and invests in new heating and cooling networks in the Parkstad region. Fudura B.V. offers additional services to organisations, such as measuring energy flows, design and realisation of infrastructure, rental and maintenance of casings, transformers and switchgear installations and provides advice. Fudura B.V. ensures that companies can organise their energy supply efficiently. Fudura B.V. is also responsible for non-regulated activities that help organisations increase the sustainability of their energy supply.

Enexis Holding N.V., which is responsible for the financing of all entities operating within Enexis cannot be assigned to a segment and therefore forms part of the column 'Normalisations, eliminations and reconciliations'.

The segment information for the first half of 2021 can be broken down as follows:

€ Million	Enexis Regulated		Enexis Other		Subtotal		Normalisations, eliminations and reconciliations		Enexis total	
	1st half year 2021	1st half year 2020	1st half year 2021	1st half year 2020	1st half year 2021	1st half year 2020	1st half year 2021	1st half year 2020	1st half year 2021	1st half year 2020
<b>Income statement</b>										
Revenue	769	712	46	45	815	757	-4	-4	811	753
Other operating income	3	3	2	2	5	5	-5	-5	0	0
Operating profit	142	116	10	9	152	125	0	0	152	125
<b>Assets</b>										
Total assets	8,574	7,343	291	265	8,865	7,608	374	915	9,239	8,523

## RELATED PARTY DISCLOSURES

In the first half of 2021, an amount of € 75 million was paid to shareholders of Enexis Holding N.V. in the form of dividend. In addition, Enexis Netbeheer B.V. received a dividend payment of € 7 million from associate Zebra Gasnetwerken B.V. in the first half of 2021.

On 15 December 2020, Enexis and other regional grid operators and EDSN agreed to a change in the financing structure of EDSN as from 2021. On 25 February 2021, the outstanding loans at that moment of in total € 18 million were transferred to a new current-account facility. Subsequently, in the first half of 2021, two drawdowns took place under this current account facility of in total € 4 million and repayments were made of in total € 2 million. Two additional drawdowns under the current-account facility of in total € 4 million are expected to take place in the second half of 2021. As at 30 June 2021, € 6 million of the in total € 20 million outstanding loans to EDSN are presented under other financial assets (current).

The new current-account facility with EDSN was agreed under arm's length rates and conditions. Other related-party transactions are conducted in the ordinary course of business and at arm's length rates and conditions.

## CONTINGENT ASSETS AND LIABILITIES

### LONG-TERM FINANCIAL LIABILITIES

The long-term financial liabilities (with the exception of the purchase of materials) amounted to € 233 million on 30 June 2021 (year-end 2020: € 200 million).

€ Million	30 June 2021			31 December 2020		
	< 1 year	1-5 year	> 5 year	< 1 year	1-5 year	> 5 year
Service agreements	6	0	0	12	0	0
ICT	21	20	1	26	30	0
Grid loss	59	105	10	65	50	0
Investment and financing obligation	6	2	0	11	3	0
Others	0	2	1	0	2	1
<b>Total</b>	<b>92</b>	<b>129</b>	<b>12</b>	<b>114</b>	<b>85</b>	<b>1</b>

### EVENTS AFTER THE BALANCE SHEET DATE

There are no events after the balance sheet date that have an impact on this interim report.

#### Executive Board Enexis Holding N.V.,

Evert den Boer, CEO  
 Mariëlle Vogt, CFO  
 Rutger van der Leeuw, COO  
 Jeroen Sanders, CTO

's-Hertogenbosch, 27 July 2021



# REVIEW REPORT

To: the management and executive board of Enexis Holding N.V.

## OUR CONCLUSION

We have reviewed the condensed consolidated interim financial statements included in half-yearly financial report of Enexis Holding N.V. based in 's-Hertogenbosch for the period from 1 January, 2021 to 30 June 2021. Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements of Enexis Holding N.V. for the period from 1 January 2021 to 30 June 2021, is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. The condensed consolidated interim financial statements comprises:

- The consolidated statement of financial position as at 30 June 2021
- The following consolidated statements for the period from 1 January 2021 to 30 June 2021:
  - The income statement and other comprehensive income, changes in equity and cash flows
  - The notes comprising of a summary of the significant accounting policies and selected explanatory information.

## BASIS FOR OUR CONCLUSION

We conducted our review in accordance with Dutch law, including the Dutch Standard 2410, "Het beoordelen van tussentijdse financiële informatie door de accountant van de entiteit" (Review of interim financial information performed by the independent auditor of the entity). A review of interim financial information in accordance with the Dutch Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the Our responsibilities for the review of the condensed consolidated interim financial statements section of our report. We are independent of Enexis Holding N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics). We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## RESPONSIBILITIES OF MANAGEMENT FOR THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Management is responsible for the preparation and presentation of the condensed consolidated interim financial statements in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the condensed interim financial information that is free from material misstatement, whether due to fraud or error.

## OUR RESPONSIBILITIES FOR THE REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion. The level of assurance obtained in a review engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion. We have exercised professional judgement and have maintained professional skepticism throughout the review, in accordance with Dutch Standard 2410. Our review included among others:

- Obtaining an understanding of Enexis Holding N.V. and its environment, including its internal control, and the applicable financial reporting framework, in order to identify areas in condensed consolidated interim financial statements where material misstatements are likely to arise due to fraud or error, designing and performing analytical and other review procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion
- Obtaining an understanding of internal control as it relates to the preparation of interim financial statements
- Making inquiries of management and others within the entity
- Applying analytical procedures with respect to information included in the condensed consolidated interim financial statements
- Obtaining assurance evidence that the condensed consolidated interim financial statements agrees with, or reconciles to, the entity's underlying accounting records
- Evaluating the assurance evidence obtained
- Considering whether there have been any changes in accounting principles or in the methods of applying them and whether any new transactions have necessitated the application of a new accounting principle
- Considering whether management has identified all events that may require adjustment to or disclosure in the condensed consolidated interim financial statements
- Considering whether the condensed consolidated interim financial statements has been prepared in accordance with the applicable financial reporting framework and represents the underlying transactions free from material misstatement

Eindhoven, 27 July 2021

### Ernst & Young Accountants LLP

Signed by P.A.E. Dirks

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