

2024 Results

alliander

5 March 2025

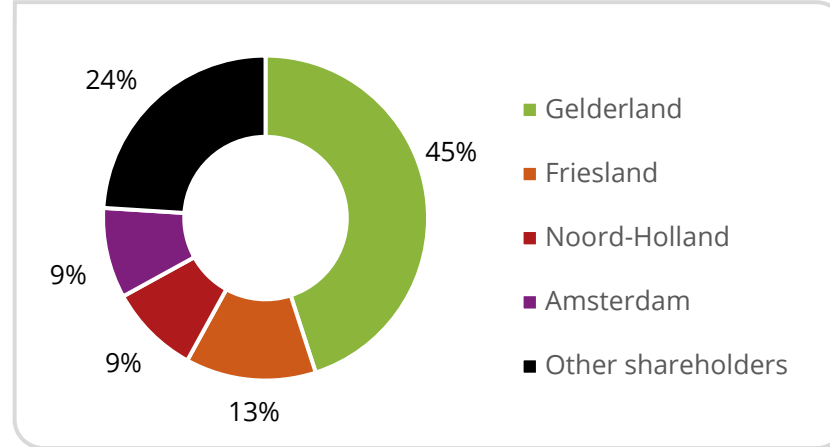
Alliander at a glance



Service area



Shareholders



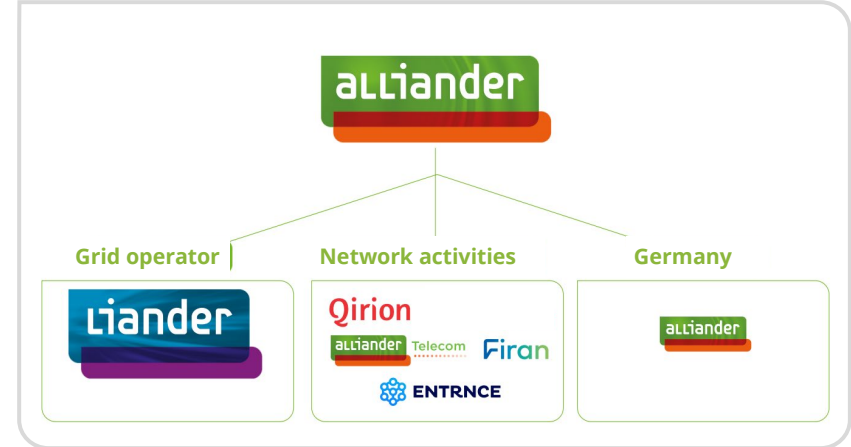
Electricity grid
97,000 km
96,000 km in 2023

→ Transported volumes: 47 TWh

Gas grid
42,000 km
42,000 km in 2023

→ Transported volumes: 5.0 billion m³

Organization



Operational data 2024

- Number of customer connections: **5.9 million**
- Electricity outage duration: **24.6 minutes**
- Gas outage duration: **104 seconds**
- Installed wind energy capacity: **1.8 GW**
- Installed solar energy capacity: **8.2 GWp**
- Number of employees: **9,421 fte**

A high-angle photograph of a worker in a trench. The worker is wearing a bright yellow high-visibility vest over dark clothing and is kneeling on the ground. They are working on a yellow pipe that runs along the length of the trench. Several orange cables are bundled together and run parallel to the pipe. A metal tool with a long handle is visible on the right side of the trench. The trench walls are made of dark soil.

Results 2024

Key highlights 2024



Operations

- More grid expansion and reinforcement projects started and more work done, but projects could not be finished completely according to schedule due to:
 - labour shortages
 - transformer house delivery problems
- Extra space on the existing grid created through flexible use

Financial

- Solid results achieved, partly thanks to the sale of Kenter
- Investments will continue to increase in the coming years
- Financial policy and dividend policy adjusted while maintaining a solid A rating profile

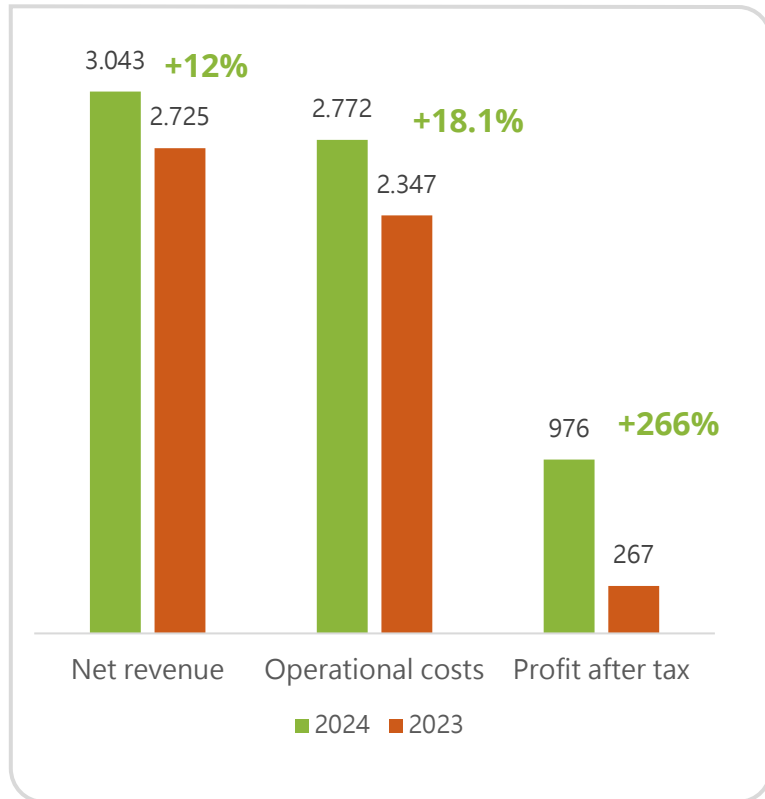
Legislation/regulations

- New integral Energy Act adopted
- Preparations for new regulatory period started
- Heat Act not yet adopted
- Long lead times for projects due to nitrogen issues and procedures

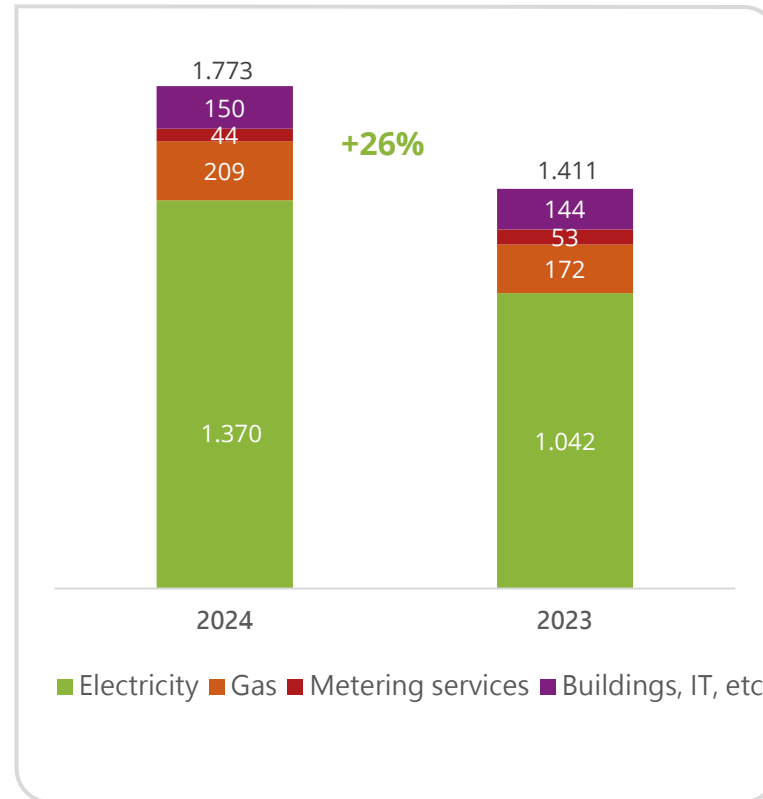
Solid financial results driven by the sale of Kenter



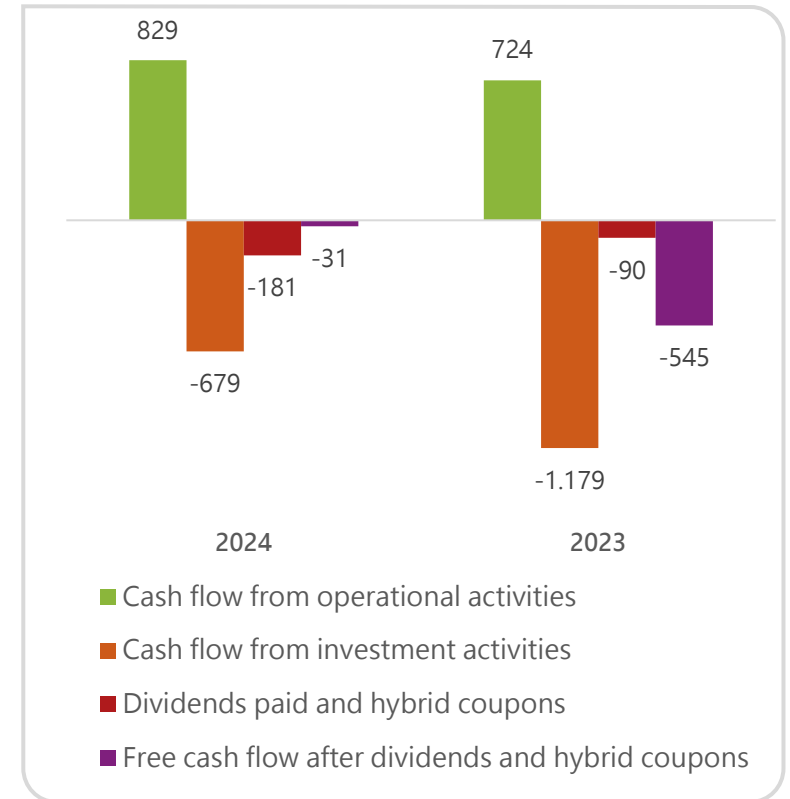
Results increased due to the sale of Kenter



Investments grew by 26%



Negative free cash flow reduced due to better earnings



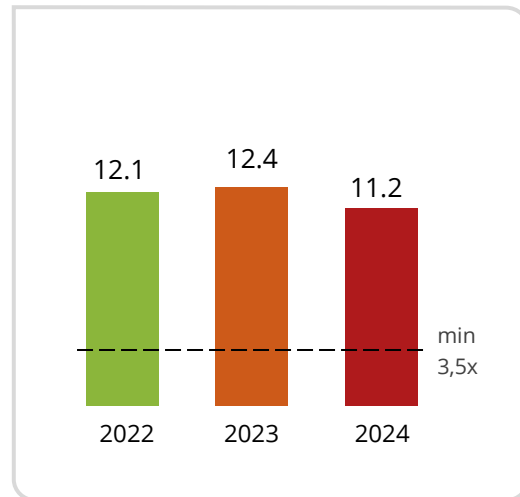
Financial ratios satisfy financial policy standards



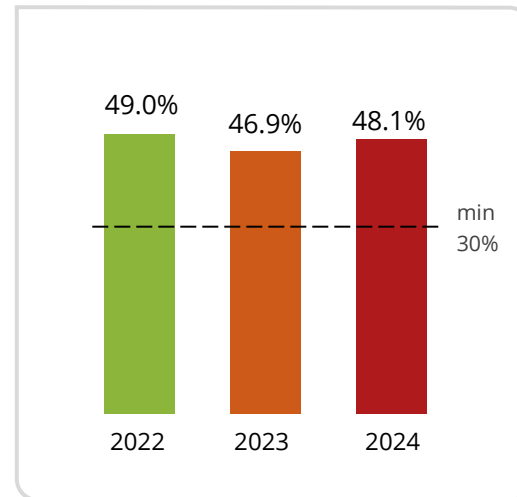
FFO / net debt



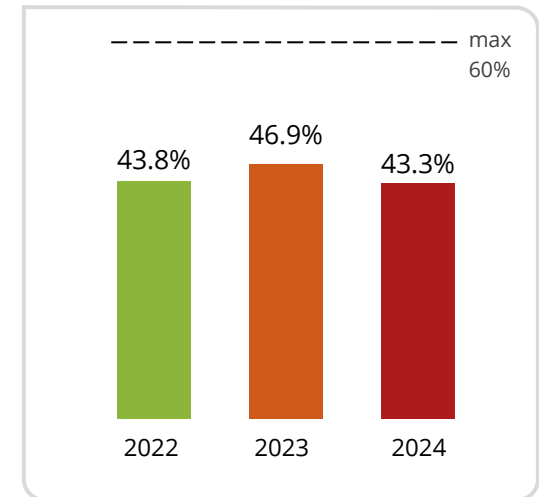
Interest coverage



Solvency ratio



Net debt/(net debt+equity)



A high-angle photograph of a worker in a trench. The worker is wearing a bright yellow high-visibility safety vest over dark clothing and is kneeling on the ground. They are working on a yellow pipe that runs along the length of the trench. Several orange cables are bundled together and run parallel to the pipe. A metal tool with a long handle is visible on the right side of the trench. The trench walls are made of dark, moist earth.

Energy transition developments

Trends and developments

Environmental risks (e.g. climate) are worsening, while energy transition momentum is slowing somewhat

Draghi Report: need for increased capital to drive renewable energy and decarbonization to improve EU competitiveness

Global energy investment is set to exceed \$3 trillion for the first time in 2024, with \$2 trillion going to clean energy technologies and infrastructure

Deepening geopolitical and geoeconomic tensions, which could impact supply lines

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CONTEXT

NL: annual grid investments will increase to €15.1 billion in 2040 compared to €8.4 billion in 2024

ACM is working on a new regulatory method for DSOs & TSOs

Congestion: demand for electricity and new or upgraded connections continues to exceed what we can build

New legislation, e.g. the new Energy Act, create the legal foundation of the energy transition

Increasing grid tariffs: impact on affordability and competitiveness

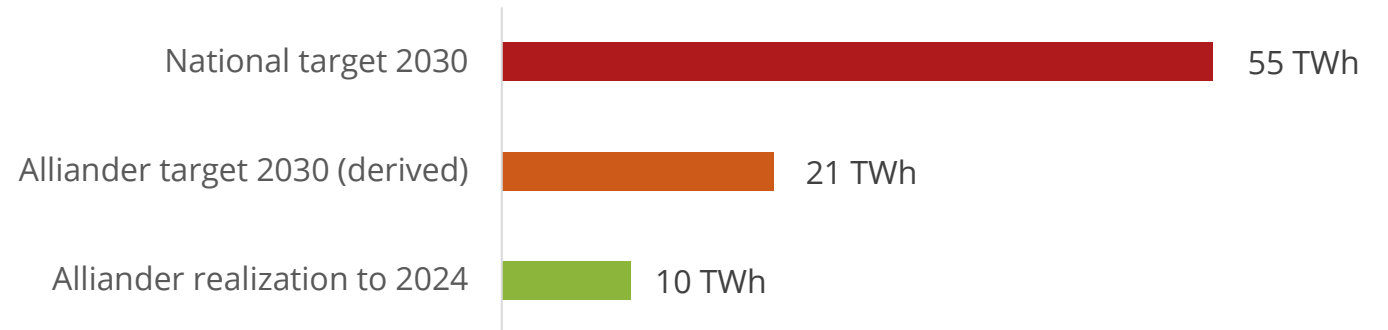
Realization of climate goals requires significant increase in share of renewable energy

Realization is progressing, but pace must increase to achieve 2030 target

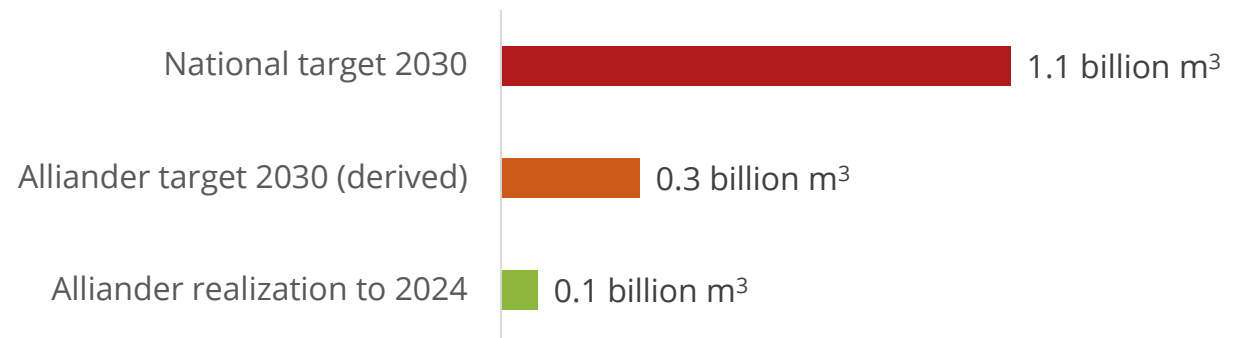
Climate goals

- 55% reduction in carbon footprint by 2030
- Carbon neutral:
 - Electricity system by 2035
 - Energy system well before 2050

Total connected renewable generation of solar and wind on land



Feed-in of green gas from biomass

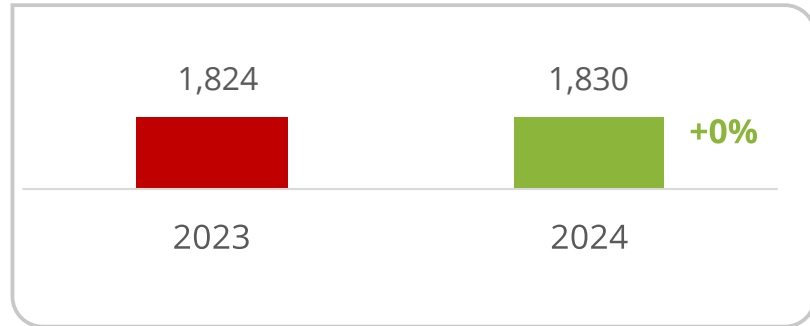


Accelerating grid expansion remains a challenge...

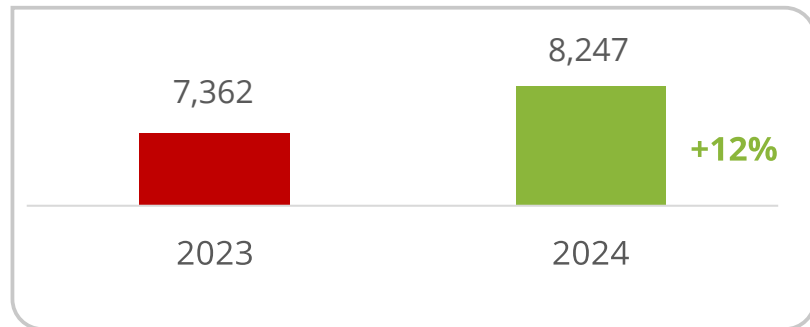
Alliander has connected more customers than last year, but installed fewer cables and transformer houses



Total installed solar energy capacity in MWp



Total installed wind energy capacity in MW



Newly laid kilometres of electricity cables



Newly built and modified transformer stations

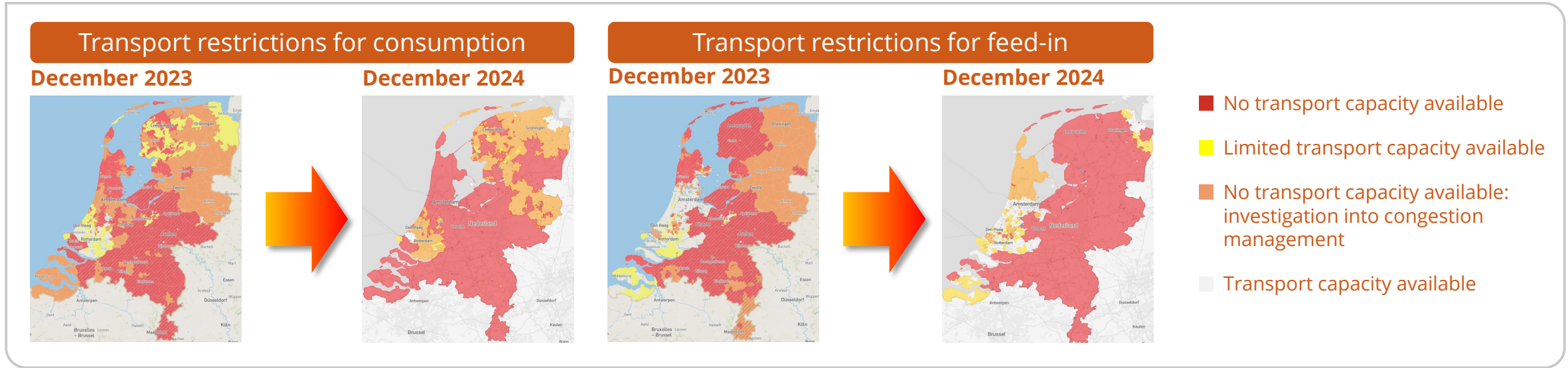


New connections to the electricity grid



- We realized a larger number of connections and were able to connect considerably more production capacity for solar energy.
- At the same time, we were unable to fully complete all planned projects because:
 - the work turned out to be more complex than anticipated and more specialist knowledge was required.
 - the delivery of transformer stations encountered problems.

...leading to an increase in transport restrictions and high costs to society as a result



Grid congestion leads to a delay in investments in new business, housing or infrastructure

**Estimated lost benefits to society:
€10-40 billion per year**

Alliander is upscaling investments and activities



We will focus on three areas in order to reduce the costs to society:



Expanding our grids

- Increasing production
- Long-term agreements with contractors
- Increasing efficiency through better integral planning and more flexible deployment of our workforce



Making our energy system more flexible

- Grid digitization
- Offering flex contracts
- Deployment of grid redundancy
- Increasing the load factor on our assets



Good customer and stakeholder communications

- Communicating that we are not able to immediately fulfil all the ambitions and wishes of individual parties in the years to come
- Drafting and executing multi-year investment programs with municipalities and provinces
- Integrating savings & flexibility solutions in the standard customer proposition

A worker in a high-visibility yellow shirt and dark pants is kneeling in a trench, working on a yellow pipe. The worker is wearing gloves and is focused on the task. The trench is filled with soil and various pipes and equipment.

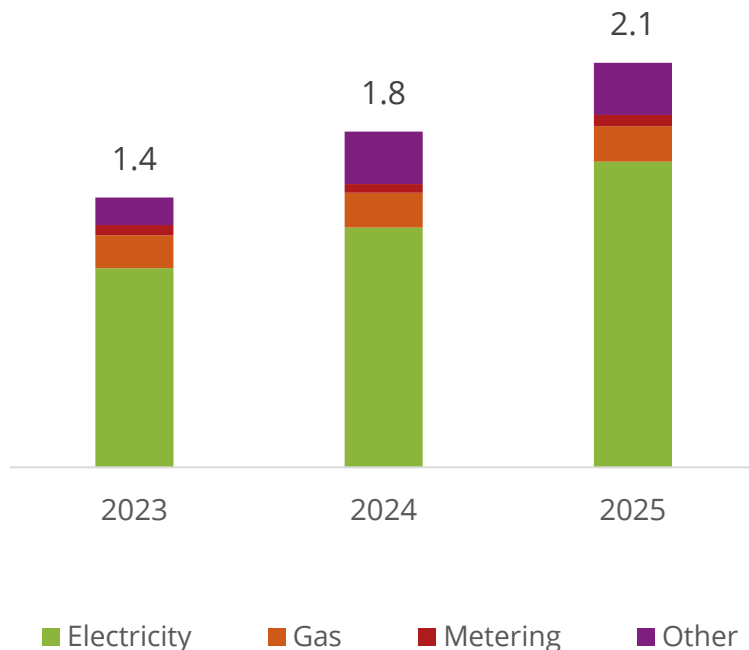
Financial position

Investments will continue to increase in coming years

Current financial framework offers insufficient scope, making adjustments necessary

Investment development

In billion euro



- It is expected to take a relatively long time before congestion is resolved.
- In order to reduce congestion, annual investments are expected to increase to three billion in the coming years.
- The current financial framework does not provide sufficient scope for the expected increase in debt.
- The additional step awarded by S&P in 2023 due to government support (agreement framework with the Dutch State) enables us to create additional financial headroom while maintaining our solid A rating profile.
- The financial framework and dividend policy have been adjusted accordingly.

Updated financial framework remains focused on maintaining solid A rating profile

Changes include a lower FFO/net debt threshold (from 15% to 11%, in line with the S&P A rating), the introduction of a dividend cap and the removal of the interest coverage ratio and the leverage ratio.

Financial framework

- Solid A rating profile
- FFO/Net debt: **Minimum 11%**
- Comply with regulatory criteria for network operators

Dividend policy

- Stable dividend pay-out ratio
- Pay-out: maximum 45% of the profit after tax, **capped at €100 million ***

adjusted for fair value movements, periodic payments relating to loans that are recognized in equity and exceptional items that did not lead to a cash flow,

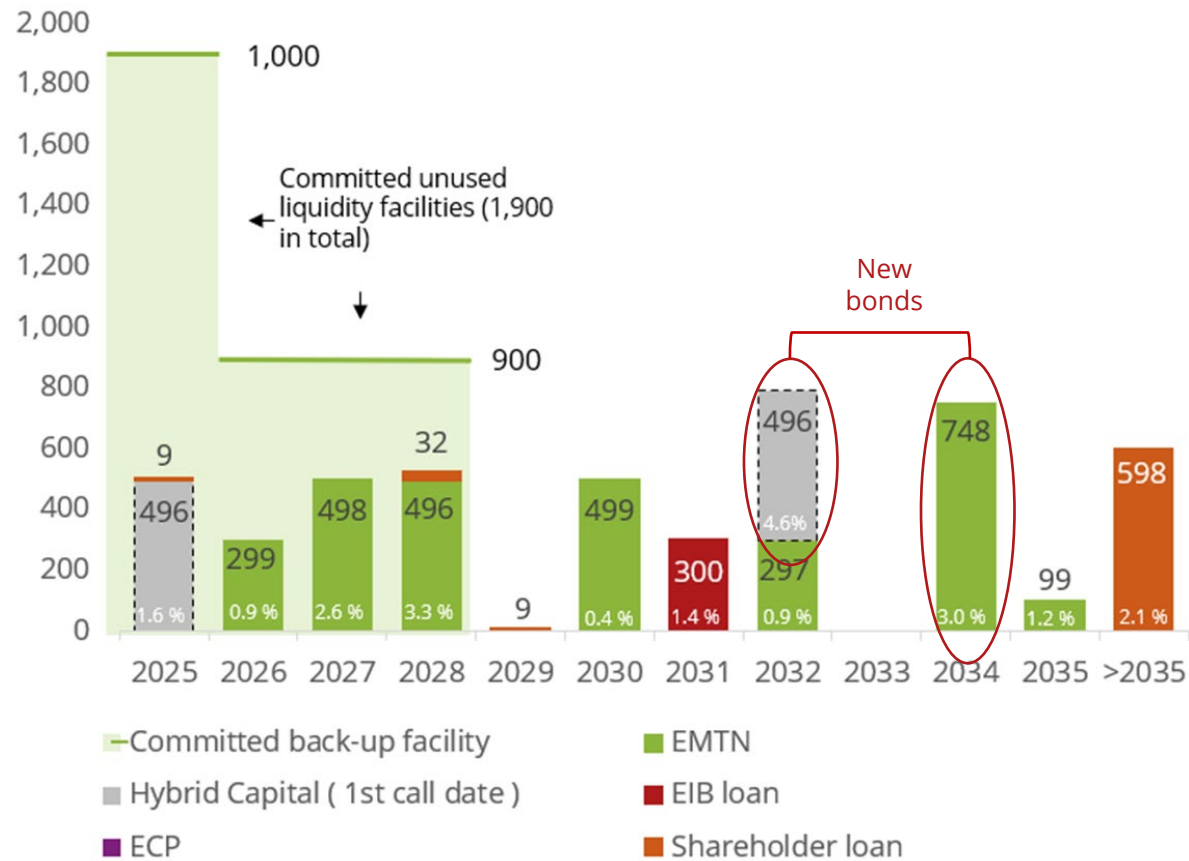
unless investments or financial criteria demand a higher profit retention percentage and/or unless the solvency ratio falls below 30% after payment of dividend.

* From financial year 2026 onwards, the amount will be CPI-indexed annually

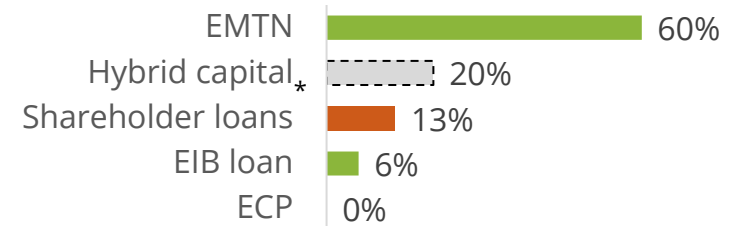
Balanced debt repayment profile and ample liquidity facilities

Issuance of two bonds and increase in back-up credit facilities to 1.9 billion

Debt and liquidity facilities repayment schedule (in € million)



Debt breakdown



* For this purpose, hybrid capital is included as 100% debt

Debt metrics

	2023	2024
Average time to maturity (years)	4.4	5.6
Average interest rate	2.1%	2.5%
Fixed rate debt (% of gross debt)	88%	100%
Undrawn committed liquidity facilities (€ million)	1,300	1,900
Gross debt (IFRS, € million)	4,168	4,011
Available cash (€ million)	244	496
Net debt (IFRS, € million)	3,924	3,515
Net debt (according to financial policy, € million)	3,873	3,959

Solid financial position is supported by the Dutch state



- As of the end of December 2023, Alliander, Enexis and Stedin have an effective framework of agreements with the Dutch State.
- Under this framework, Stedin received a capital contribution of €500 million from the Dutch State in exchange for an 11.9% shareholding in Stedin.
- The framework of agreements contains procedures and conditions under which the State can make capital contributions as a new shareholder in the future.
- Effectively, the State can be asked for capital support if the S&P corporate rating is in danger of falling below A- (minus).
- This ensures a solid financial position, allowing grid operators to finance their extensive investments.
- These agreements strengthen the strategic link between the Dutch State and the network sector.

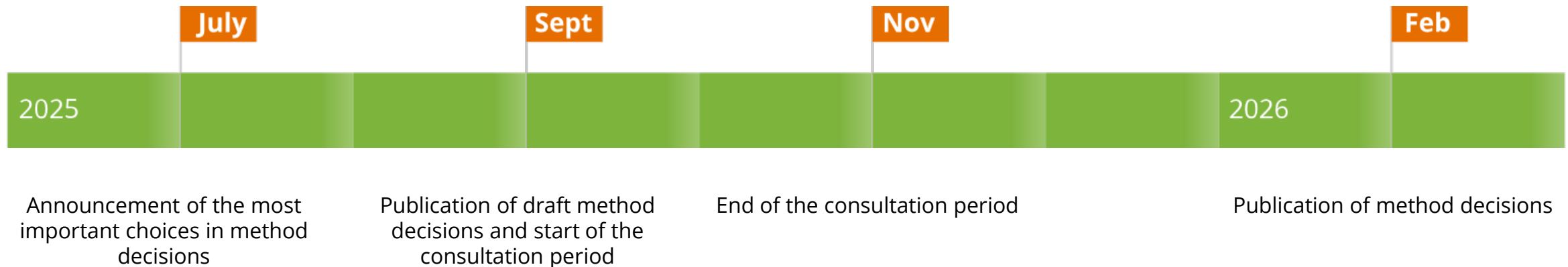
Proposed change in regulatory method

Cost-plus system seems better suited to energy transition



Next regulatory period 2027-2031

- First consultation round completed.
- In the first formal stakeholder meeting, ACM announced its intentions to implement a change in the regulatory method.
- ACM is considering stopping the benchmark regulation for the transport and connection service and replacing it with an individual cost-plus regulation.
- With individual cost-plus regulation, the reimbursements are better aligned with the costs.



A high-angle photograph of a worker in a trench. The worker is wearing a bright yellow high-visibility safety vest over dark clothing and is kneeling on the ground. They are working with a large yellow pipe and several orange cables. A red valve or fitting is visible on the pipe. The trench is dug into brown soil, and a metal tool with a long handle is positioned nearby. The scene is brightly lit, suggesting an outdoor or well-lit indoor environment.

Corporate Social Responsibility

Alliander green finance update

Continued commitment to green finance instruments amidst evolving regulatory expectations

The logo for Alliander, featuring the word "allliander" in white lowercase letters on a green rectangular background with a dark red horizontal bar below it.

2025 Green Finance Framework update

- Alliander is updating the Green Finance Framework so that going forward, projects will **partially align with the EU Taxonomy**
- Project eligibility criteria will:
 - fully align with the technical screening criteria and Do No Significant Harm criteria; and
 - meet minimum social safeguards on a best-efforts basis
- The updated Framework will go through the process to receive **a refreshed SPO from ISS**, matching the above alignment standards

Rationale and background

- With Alliander in scope of the CSRD for FY2024 reporting, the audit procedures became more stringent in connection with the EU Taxonomy (negative assurance)
- The view of the auditors is that full MSS alignment (and hence full EU Taxonomy alignment) requires setting up procedures and diligence that extend beyond the company's tier-one suppliers and direct contractors
- More insight is therefore needed into the value chain which could not be provided this year and the required work for this will continue in 2025
- This impacts most of Alliander's investments, including the projects in its Green Finance Framework, and will have an implication on the allocation of the 2024 Green bonds issued. Further information will be provided in the upcoming green bond allocation report, due at the end of Q2 2025

Commitment to SDGs and good ESG ratings



Relevant SDGs



ESG ratings

MSCI
ESG RATINGS

AA

CCC B BB BBB A **AA** AAA

(report date: 16 August 2024)

Rated

MORNINGSTAR | SUSTAINALYTICS

Alliander NV
Multi-Utilities Netherlands

ESG Risk Rating **21.7** +8.9 Momentum

Medium Risk

Last Full Update Dec 30, 2024

Corporate ESG Performance

Prime

RATED BY ISS ESG

B rating

Rating	Performance Score	Decile Rank	Trend	Transparency Level	Prime Status
B	67.76	1	↓	Very High	Prime

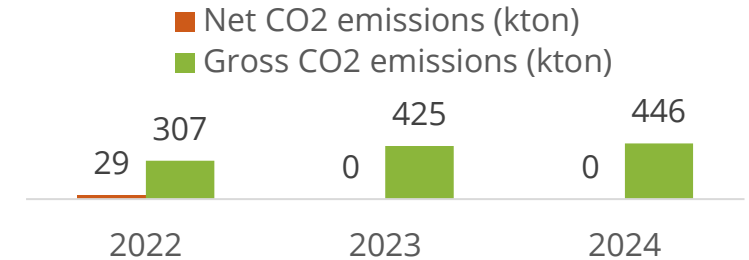
(report date: 9 October 2024)

CSR – Alliander's ambitions and goals



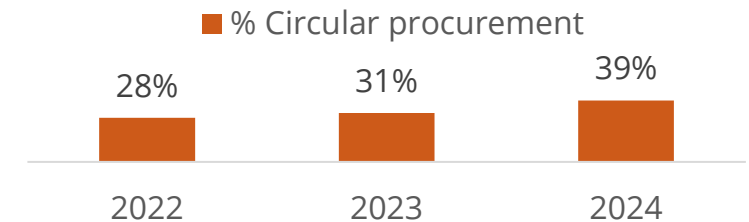
CO2 emissions from our own business operations

- For 2023 and 2024, the goal focused on being climate neutral (net emissions of 0ktons)
- Goal: gross emissions of 171kton by 2025
- Strategic goal: align CO2 emissions with the provisions and scope requirements of SBTi for climate emission reduction.



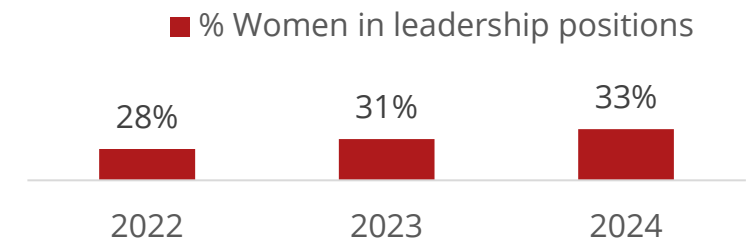
Circular procurement

- Goal : 37% circular procurement in 2024, 45% in 2027



Diverse and inclusive employment

- Goal: in 2025, at least 33% of our leadership positions should be held by women
- Strategic goal: at least 50% of our managers should be female



A high-angle photograph of a worker in a trench. The worker is wearing a bright yellow high-visibility vest over a dark long-sleeved shirt and dark trousers. They are kneeling on the ground, working with a yellow and red pipe. Several orange cables are bundled together and run along the trench. A metal tool with a long handle is visible on the right side of the trench. The trench walls are made of dark soil.

Outlook

Outlook 2025



- Focus on network expansion and better use of the networks
- Expected gross investments €2.1 billion
- Continued negative free cash flow
- Repayment of hybrid bond loan and starting preparations for conversion of shareholder loan
- Agreement with ACM on main points of regulatory methodology under new regulatory period from 2027

Financial calendar and other information



Financial calendar

- 5 March Annual results 2024
- 10 April 2024 Annual Report (English translation)
- June Green Finance Report 2024
- 29 July Half-year results for 2025

Information

- Annual Report
- Green Finance Framework
- Green bond reports

www.alliander.com/nl/investor-relations/



Q & A

Disclaimer



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'We', 'Alliander', 'the company', 'the Alliander group' or similar expressions are used in this presentation as synonyms for Alliander N.V. and its subsidiaries. Liander refers to the grid manager Liander N.V. and its subsidiaries. Alliander N.V. is the sole shareholder of Liander N.V., Qirion B.V., and Alliander AG.

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