

ANNUAL RESULTS 2021 ENEXIS HOLDING N.V.

▪ 10th MARCH 2022



KEY INVESTMENT HIGHLIGHTS

CORPORATE PROFILE

- A leading publicly owned DSO in the Netherlands
- Enexis is at the heart of national climate strategies
- Operating in a stable and transparent regulatory environment
- Improvements following a constructive dialogue between DSO's and the regulator
- Proposed new strategy: focus on core tasks and regulated business

THE ENERGY TRANSITION

- Growing demand to connect renewable energy, households and industry
- Focus on sustainable grid expansion in our service area

CSR & ESG POLICY

- Committed to sustainable development goals
- Industry leading and improved ESG ratings

GREEN FINANCING

- A green approach to finance the energy transition
- Alignment with market standards and best practices

STRONG FINANCIALS & PRUDENT FINANCIAL POLICY

- Sound financial performance
- Growing investments due to sustainability projects
- Increasing investments leading to an increasing regulated asset base
- Financial ratios comfortably meet required hurdles





CORPORATE PROFILE

Corporate profile

The energy transition

CSR & ESG policy

Green financing

Strong financials & prudent financial
policy

ENEXIS 2021 AT A GLANCE

A LEADING PUBLICLY OWNED DSO IN THE NETHERLANDS

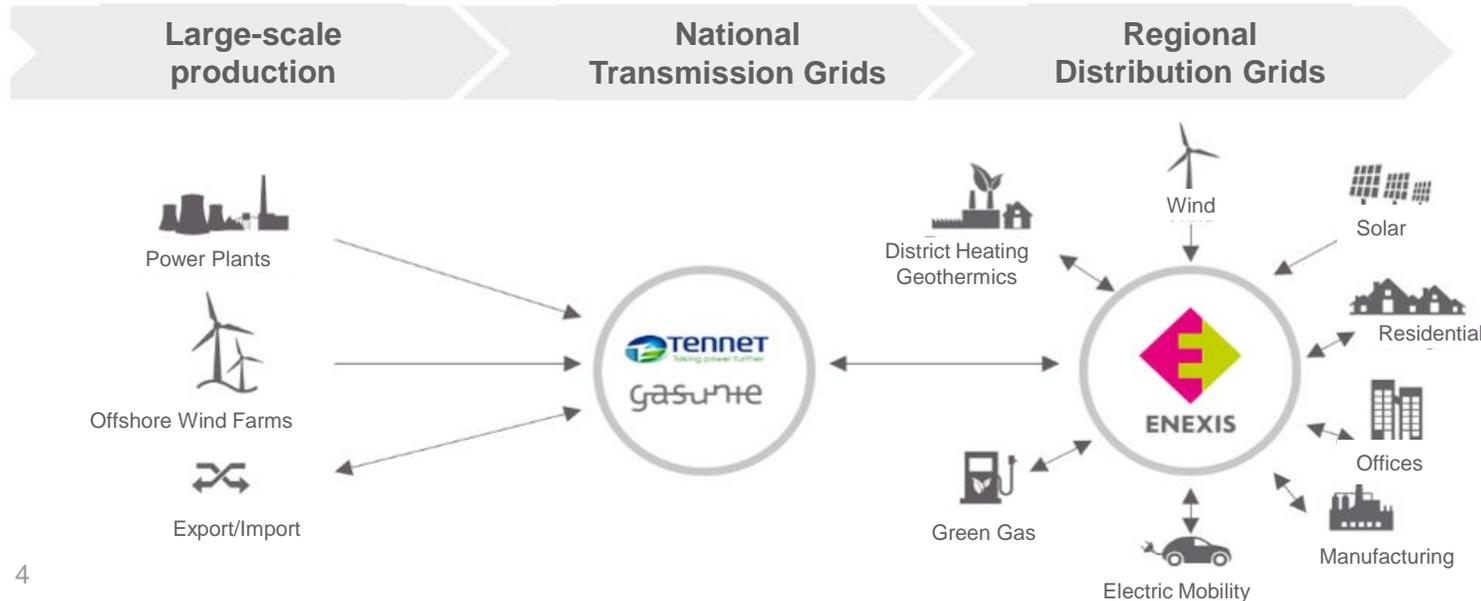
Key financials 2021 (€ million) Other

| | | | |
|---------------------|-------|----------------------|-------------|
| Balance sheet total | 9,395 | FTE | 4,947 |
| Net turnover | 1,634 | Connections (E+G) | 5.2 million |
| Profit after tax | 199 | % regulated turnover | >90% |

Key grid figures 2021

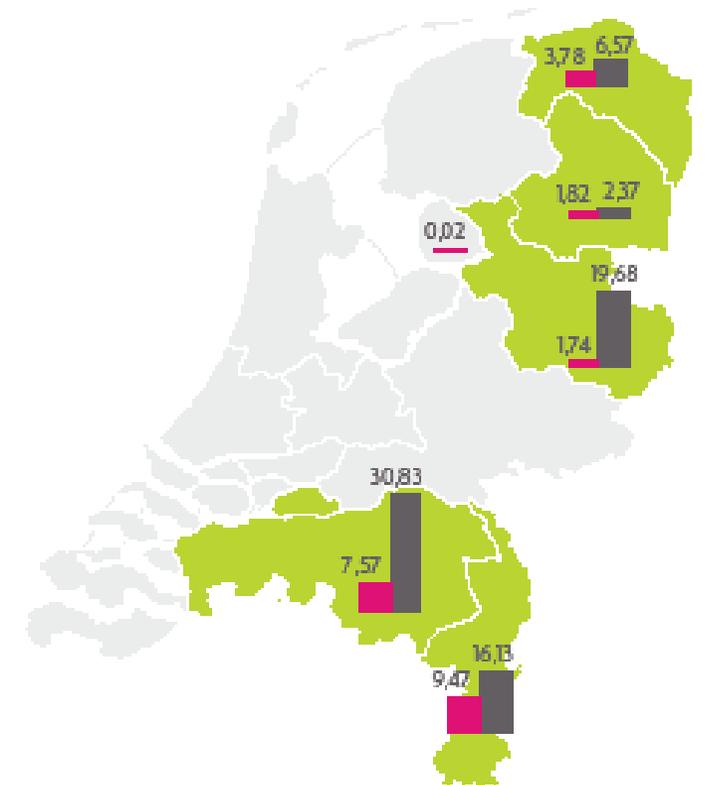
| | | | |
|---|---|--|---|
|  | 143,500 km 2,9 million connections 31,989 GWh |  | 46,300 km 2,3 million connections 5,368 Mm ³ |
|---|---|--|---|

ENEXIS as linking pin within the energy chain



Service area

Shares owned by **5 provinces (75.6%)** and **88 municipalities (24.4%)**



ENABLING THE ENERGY TRANSITION IN ITS SERVICE AREA

ENEXIS IS AT THE HEART OF NATIONAL CLIMATE STRATEGIES



The Netherlands

- 49%

CO2 reduction by 2030

- Coalition agreement to further reduce CO2 emissions by 55% in 2030
- 95% reduction of CO2 by 2050
- 100% CO2 -neutral electricity supply by 2050



European climate law

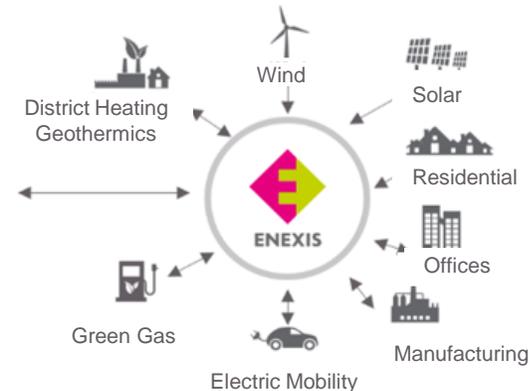
- 55%

CO2 reduction by 2030

- Ambition to be the first climate neutral continent by 2050
- Investment plan to become a clean and circular economy



ENEXIS position in the energy transition



- Enexis is a dedicated partner in developing energy plans
- Focus on increased grid investments, efficiency and smart solutions



REGULATORY ENVIRONMENT (1 / 2)

OPERATING IN A STABLE AND TRANSPARENT REGULATORY ENVIRONMENT

New method decision is in place for the period 2022-2026

Dutch regulatory framework has a high degree of stability and support creditworthiness of Dutch utilities:

- Well-developed tariff setting procedure structure
- Ability to recover and earn a fair return on the regulated asset base, supporting long-term network infrastructure investment
- Limited exposure to volume risk, mainly capacity based tariffs
- Of the 3 largest Dutch grid operators Enexis is the most efficient



REGULATORY ENVIRONMENT (2/2)

IMPROVEMENTS FOLLOWING A CONSTRUCTIVE DIALOGUE BETWEEN DSO'S AND THE REGULATOR

Main changes for the new regulatory period

Nominal WACC pre tax



Real WACC pre tax



Changes

- Real WACC adjustment to:
 - WACC for Gas 100% nominal → Accelerated compensation for capital costs provides a better match with the anticipated downward trend in the gas connections
 - WACC for Electricity 50% nominal → Bringing forward the compensation for capital costs to fund increasing investments
- Accelerated recovery of depreciation expense on Gas
- Subsequent recalculation of the cost of debt and the risk-free rate component of the cost of equity
- Shorter reference period of 3 years (instead of 5 years)
- Reimbursement of costs incurred for increasing grid capacity following decentralized infeed

Pending

- Both the costs and the compensation for congestion management is under investigation



FOCUS ON ENABLING THE ENERGY TRANSITION

*PROPOSED NEW STRATEGY: FOCUS ON CORE TASKS AND REGULATED BUSINESS**

1

Future-Focused

Active role in guiding the design of the energy system

- Developing realistic plans in close cooperation with shareholders
- Help designing the energy system of the future

2

Reliable

An accessible, reliable and secure infrastructure at the lowest possible cost

- Expansion of on average 1 GW per year from 2022 onwards (equivalent of 1,000 hectares of solar energy or 300 large wind turbines (of 3 MW each) or 300,000 homes with solar panels)
- By 2030 this is approximately 50% of the national objective of the climate agreement for sustainable generation on land
- Outage time Electricity below the national average: ≤ 17.5 minutes

3

Transparent

Transparent, reliable and efficient service to customers and market parties

- Connect customers on the desired date
- Easy access to services (Customer Effort Score below 15%)
- Affordable service through efficient and effective processes

* shareholder approval for new strategy anticipated on April 14th, 2022





COPY CORNER

THE ENERGY TRANSITION

- Corporate profile
- The energy transition**
- CSR & ESG policy
- Green Financing
- Strong financials & prudent financial policy

ENABLING THE ENERGY TRANSITION IN ITS SERVICE AREA

GROWING DEMAND TO CONNECT RENEWABLE ENERGY, HOUSEHOLDS AND INDUSTRY



Grid expenditures until 2032

> € 1 billion
In 2022

- Expenditures until 2032 depend on many developments, but likely will at least match current levels

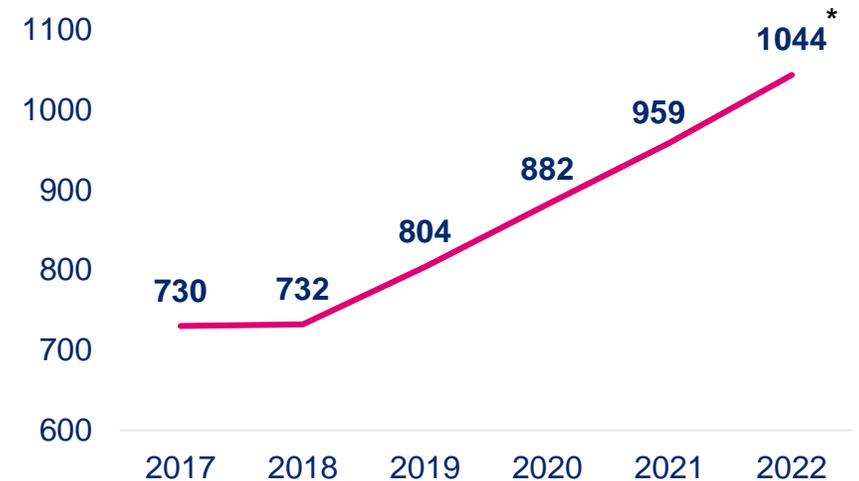


Main drivers

- Growing production of solar and wind energy
- Growing demand due to electrification of houses, offices, industry and transport
- Savings program to boost efficiency and productivity at lower cost



Grid expenditures in million €



Grid expenditures: Gross investments + operational work on E + G grids + activities related to smart meters based on standards tariffs

* 2022 forecast

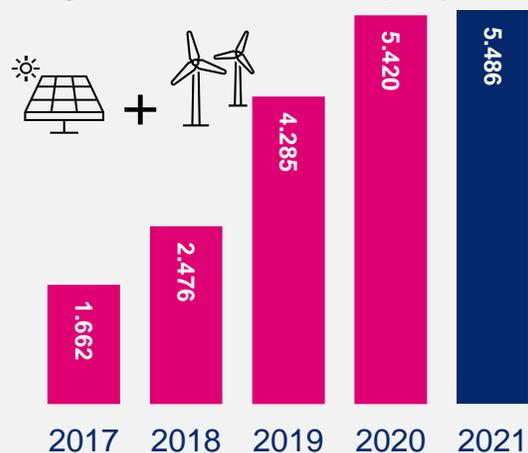


THE CLIMATE AGREEMENT REQUIRES ADDITIONAL INVESTMENTS

FOCUS ON SUSTAINABLE GRID EXPANSION IN OUR SERVICE AREA

- To meet growing demand, Enexis continues to expand its sustainable grid capacity by connecting more wind and solar projects

New large wind and solar projects*



*decentralized renewable generation: solar ≥15 kW and wind projects

Annual sustainable production capacity in GW



Customer feed in connections

- 671,000 customers feed in energy on Enexis' grid
- This is approx. 23% of all Enexis electricity customers



New household connections: electricity vs. gas & electricity





CSR & ESG POLICY

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OUR CONTRIBUTION TO SDG'S

COMMITTED TO SUSTAINABLE DEVELOPMENT GOALS

MAIN FOCUS

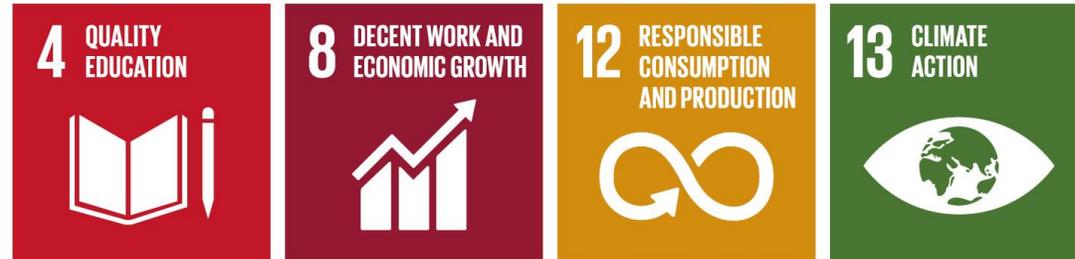


Main focus (core activities)

Results in 2021:

- High grid reliability (average outage time for electricity is 17,6 minutes/year and for gas 75 seconds/year)
- Grid expansion of 1.350 MVA for sustainable energy projects

DIRECT CONTRIBUTION



Direct contribution (responsible operations)

Results in 2021:

- Safety of employees (LTIF 2021 1.16 versus LTIF 2020 0.81)
- Internal carbon pricing in all investment and procurement decisions
- Recycling rate of 93% and separation of 85 waste flows
- Net zero carbon footprint (since 2016)



STRONG ESG RATINGS

INDUSTRY LEADING AND IMPROVED ESG RATINGS

Sustainalytics ESG risk rating

13.3 Low Risk



Momentum Score -5.0

Improved

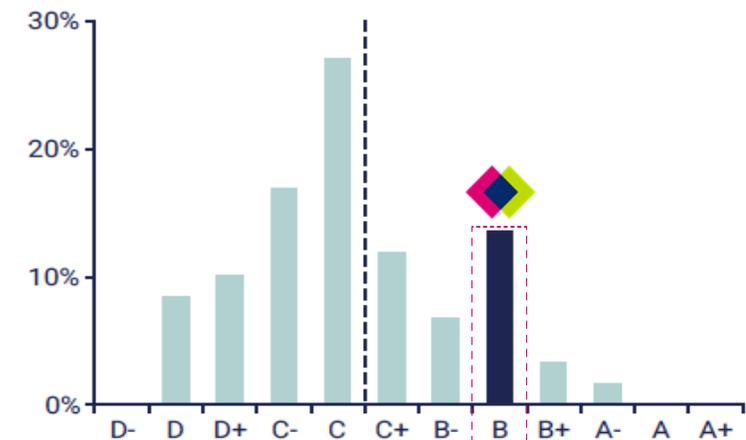
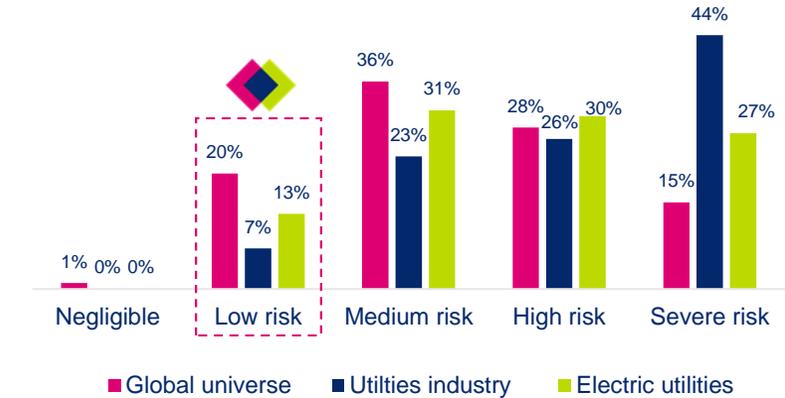
- **ESG risk rating improved** from '18.3 to 13.3' in 2021
- Enexis is ranked 9th 622 out of in the Utilities Industry group, and **ranked 2nd out of 64** in the subindustry Multi-Utilities

ISS ESG Prime rating

- Enexis **improves performance score** from 68 to 71
- Enexis **continuous to hold a B rating with *Prime label***
- Enexis is **ranked among the best ESG performers** in the Gas and Electricity Network operator's industry

SUSTAINALYTICS

Sustainalytics ESG Risk Rating Distribution





GREEN FINANCING

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GREEN FINANCING (1/2)

A GREEN APPROACH TO FINANCE THE ENERGY TRANSITION

Financing the energy transition

- Committed to sustainable development goals, with strong ESG ratings
- A key player in the Dutch energy transition
- The pool of eligible green assets will continue to grow further
- Green financing is an important source to fund the company's investments in the energy transition

2nd Green Bond issued in April 2021

- Size € 500 million
- Maturity 2033
- Coupon 0.375 percent
- Proceeds: Renewable Energy, Energy Efficiency, Clean Energy Transportation and Green Buildings



GREEN FINANCING (2/2)

ALIGNMENT WITH MARKET STANDARDS AND BEST PRACTICES



GREEN FINANCE FRAMEWORK

May 2020

The Enexis Green Finance Framework is aligned with the market standards and best practices*

Use of Proceeds

Green bonds are used to (re)finance investments in grid expansions that are necessary for the accommodation of renewable energy, for automation distribution, smart meters and its sustainable buildings

Use of Proceeds allocation table

Assets values as per 30 April 2021

| Eligible Categories | Amount € mln | Allocated amount € mln | Green Funding | |
|---|-----------------|------------------------------|----------------|-----------------|
| | | | | Amount € mln |
| Renewable Energy | 1.310 | 728 | 1st Green Bond | 500 |
| Energy Efficiency | 455 | 253 | 2nd Green Bond | 500 |
| Clean Transportation | 0 | 0 | | |
| Green Buildings | 34 | 19 | | |
| Total Portfolio of Eligible Assets | 1.799 | 1.000 | | 1.000 |

* Green Bond Principles (2018) of the International Capital Markets Association (ICMA) and the LMA Green Loan Principles (2018)





STRONG FINANCIALS & PRUDENT FINANCIAL POLICY

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The energy transition

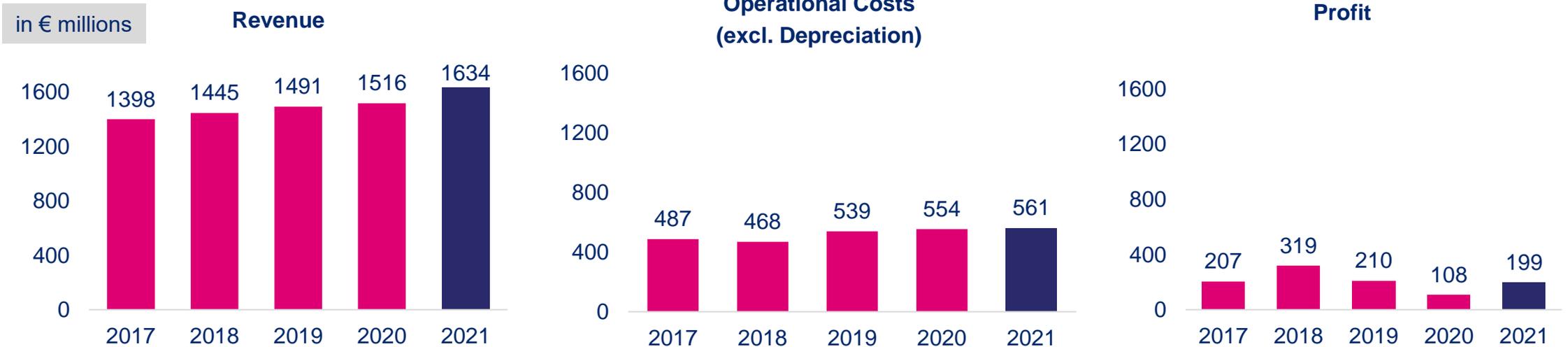
CSR & ESG policy

Green finance framework

**Strong financials & prudent
financial policy**

FINANCIALS

SOUND FINANCIAL PERFORMANCE

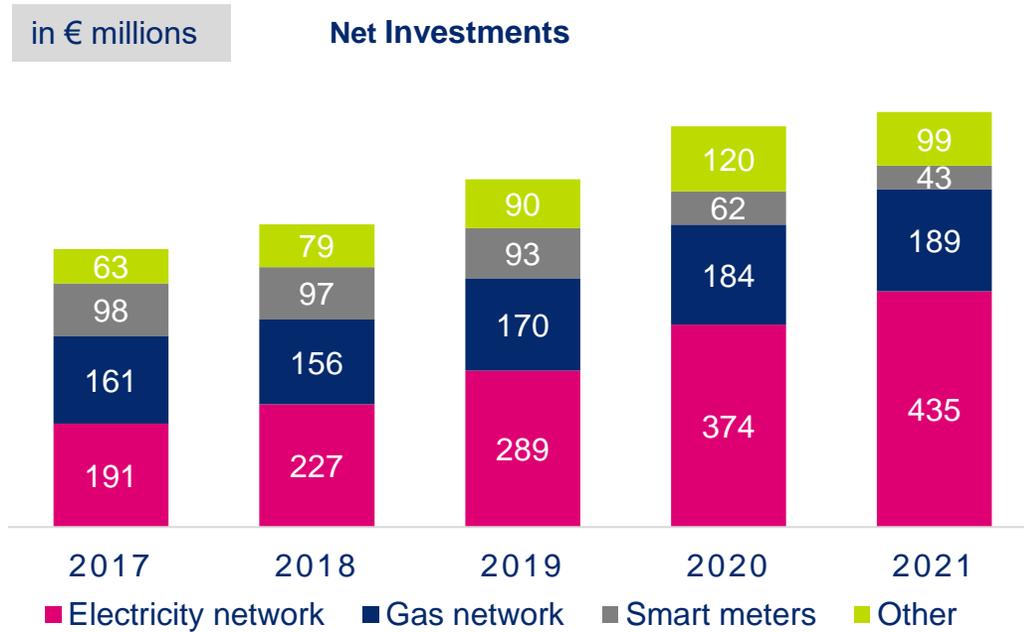


- Revenues showed stable growth due to a rate increase in the periodic transmission and connection fees for electricity and gas
- Operational costs increased due to the growth in the work package and increase of employees employed
- Profit fluctuation mainly attributable to multiple corporate income tax rate revisions (2018-2021) and higher transmissions costs in 2020, while 2021 profit increased due to same-year reimbursement of transmissions costs from 2021 onwards



INVESTMENTS

GROWING INVESTMENTS DUE TO SUSTAINABILITY PROJECTS



Note: Gross investments -/- advanced customer contributions = Net investments

- The energy transition leads to growing net investments for the electricity grid, especially for grid expansions
- Replacement of brittle gas pipes to keep the gas grid safe and reliable requires small additional capex
- Completion of the large-scale roll-out of smart meters resulted in a decrease in smart meter investments
- Decrease in other investments at Fudura and a decrease in the stock of smart meters due to the completion of the large-scale rollout.

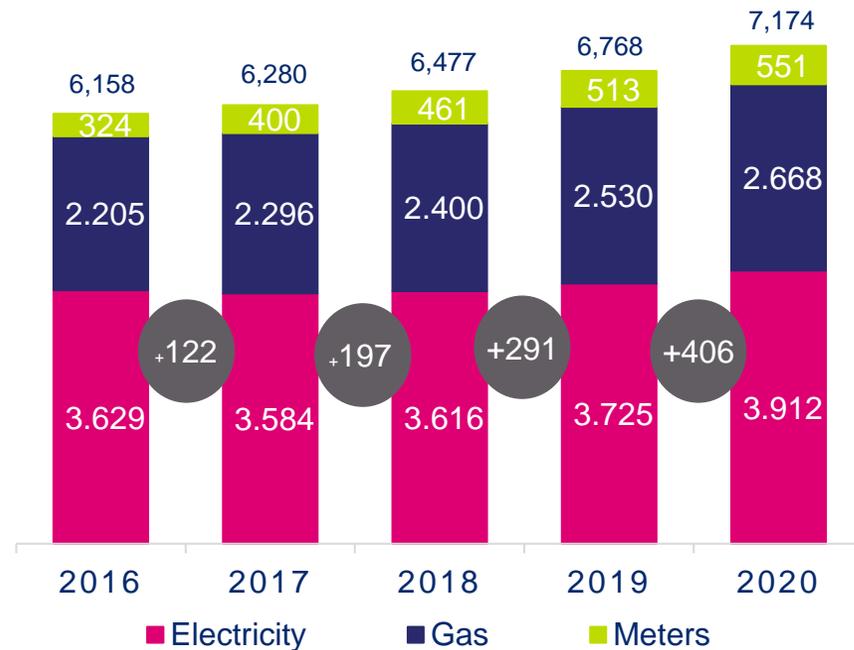


REGULATED ASSET BASE

INCREASING INVESTMENTS LEADING TO AN INCREASING REGULATED ASSET BASE

in € millions

Regulated Asset Base



- Growing sustainable investments increase Regulated Asset Base (“RAB”)
 - The acquisition of Endinet and Weert increased the RAB in 2016 and 2017 respectively
 - In 2018 - 2020 the RAB increased due to investments in electricity grid expansions, replacement of brittle gas pipes and further roll-out of the smart meters
- Increasing RAB contributes to an increasing revenue base
- Final RAB 2021 available in Q2 2022



PRUDENT FINANCIAL POLICY

FINANCIAL RATIOS COMFORTABLY MEET REQUIRED HURDLES



- Enexis is committed to our financial policy, hence safeguarding a minimum A credit rating profile
 - Maximum 50% pay-out of net profit, provided A credit rating is secured
 - All ratios well above hurdle rates
- Increased FFO due to same year compensation of the transmission costs as of 2021
- Decreasing trend in our FFO / Net Debt due to increasing investments in our grids and lower WACC, but improved in 2021 due to increased FFO
- The FFO / Interest Coverage Ratio benefitted from decreasing interest rates and increased FFO
- Issuance of hybrid bonds and conversion of the shareholder loan or retain earnings would improve financial ratio's



OUTLOOK 2022

Regulation

- Tariff increase of 6,7% on Electricity for average household customer
 - contains compensation for increased transmission costs in 2020 and higher transmission costs in 2022 (reimbursed in the same year)
- Tariff increase of 2,8% on Gas for average household customer

Net investments

- Net investments will increase approximately 5-10% in 2022 mainly because of grid investments related to wind and solar projects on land

Finance

- Redemption of a € 300 million bond in January 2022 (prefunded with issuance of 2nd green bond in April 2021)
- Focus on our core tasks: first concrete steps taken in 2021 with the intention to sell Fudura and reducing activities in Enpuls
- In addition to the current shareholders, Enexis is investigating the long-term options for involving the central government in financing the energy transition



REFERENCE LINKS

- For more detailed information please visit our website, in particular the investor-relations section.
<https://www.enexisgroep.com/investor-relations/>
 - Financial statements
 - Credit rating reports
 - Introduction to the regulatory framework
 - Debt redemption schedule
 - Impact and allocation report



TOGETHER WE ARE WORKING ON A
RELIABLE AND SUSTAINABLE
ENERGY SUPPLY FOR TODAY AND
FOR THE FUTURE.



ENEXIS
HOLDING N.V.



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