



Half-year report 2026

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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. These forward-looking statements and projections are based on current expectations and assumptions concerning expected developments and other factors that can affect Stedin Group. These statements are not historical facts or guarantees of future results. Actual results and events may differ from current expectations due to factors such as economic trends, technological developments, changes in laws and regulations, the behaviour of suppliers and customers, currency risks, tax developments, financial risks or political, economic and social conditions.

Except as required under applicable laws and regulations, Stedin Group disclaims any obligation or liability to revise or update any forward-looking statements or forecasts in this document in light of new information, future events or otherwise, or to publicly disclose such revisions or updates.

This half-yearly report was published on 23 July 2026.

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.

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Jaap Verhoeff CFO, Trudy Onland CEO, Aline Arends COO, Timo Idema CTO

Message from the Management Board

Increasingly, we see solutions emerging in places where you might not expect them. At businesses finding their own ways to keep operating while they wait for a connection. At municipalities working with us to find new possibilities. And among residents using their electric vehicles as batteries to meet their energy needs. At the same time, the limitations of the electricity grid are becoming increasingly visible across society. For the first time, households and small businesses in our service area may have to join a waiting list for a new or higher-capacity electricity connection. That is exactly why we must continue to accelerate grid expansion while learning to make smarter use of the capacity already available. We are seeing this approach deliver results in more and more places.

In the Utrecht metropolitan area, a temporary pause on connections is needed to keep the electricity grid safe and reliable. This has far-reaching consequences for households and businesses that need a new or higher-capacity connection. Demand for electricity during peak periods continues to grow, pushing the existing grid to its limits in many locations. We must therefore allocate the remaining capacity with great care. Since 1 July, the Netherlands Authority for Consumers and Markets (ACM) societal prioritisation framework has helped us do this by giving priority to essential services where capacity is scarce. For the first time, households in our service area may also end up on a waiting list for a new or higher-capacity electricity connection. That is not a situation we want.

In the first half of 2026, our investments increased again, reaching €710 million. We expanded six substations, installed two new transformer stations every day and freed up additional space on the grid by deploying flexible capacity. Even so, we remain behind our targets for the first half of the year. We built less infrastructure and secured less flexibility than planned to keep pace with growing electricity demand. This shows the scale of the challenge.

Today's challenges call not only for more construction, but also for a different way of thinking about the energy system. That says something about the times we live in. The energy transition is continuing, but the path ahead looks different from what many of us once expected.

The solution lies in expanding the grid while also making smarter use of existing capacity, innovating and working together. By thinking and acting differently – as grid operators, public authorities and energy users – we can better utilize the grid and create room for growth.

Over the past six months, we have seen inspiring examples of this. In Zeeland, additional capacity was created, allowing businesses to come off the waiting list for a connection. In Utrecht, we are working with market parties on innovative solutions such as bidirectional charging, enabling electric vehicles to help make better use of the electricity grid. We are also seeing households become part of the solution. Making energy use more sustainable does not always require a higher-capacity connection. By spreading electricity use more evenly throughout the day, we can free up additional capacity within the existing connection. Together with energy suppliers, we are helping households do just that, for example by making it financially more attractive to avoid using electricity during peak periods in their neighbourhood.

We cannot solve pressure on the electricity grid overnight. But especially over the past few months, we have seen that the best solutions emerge through collaboration between customers, public authorities, market parties and grid operators. Not as an alternative to expanding the grid, but as an essential complement. That means making difficult choices sometimes about the limited capacity available today. That is precisely why it is so important that we continue working together as a society to find solutions.

One encouraging development is that more and more people are taking responsibility and actively contributing to the solution. We see this every day, not only within Stedin, but all around us. This gives us confidence for the years ahead.

On behalf of the Management Board,
Trudy Onland CEO Stedin Group

Stedin in the news

27 January

Stedin signs contracts with 12 contractors to upgrade neighbourhood electricity grids

This year, Stedin launched its largest-ever tender, worth €3.5 billion. We have engaged 12 contractors to upgrade neighbourhood electricity grids by installing heavier cables and additional distribution substations. These upgrades will help meet the growing demand for electricity from heat pumps, electric vehicle charging, and new homes and businesses. Work began in April.

11 March

Zoetermeer to get five new transmission stations: first pile marks largest grid expansion in decades

Work has begun on the largest expansion of Zoetermeer's electricity grid in decades. The project includes five transmission stations and 200 kilometres of cable, doubling electricity capacity in the area. It will create the capacity needed for thousands of new homes, businesses and renewable energy projects.



21 April

Connection freeze on the Flevopolder, Gelderland and Utrecht electricity grids largely averted

Due to increasing pressure on the electricity grid, a temporary connection freeze will be introduced in part of the province of Utrecht from 1 July 2026. Planned housing developments can continue while grid operators and public authorities work to expand the grid and develop smart solutions to free up capacity.

6 May

Railway tunnel drilling marks a milestone for the Delft Heat Network

Two district heating pipes have been successfully installed beneath the railway tunnel in Delft. The technically complex drilling operation marks a significant step in the construction of the Delft Heat Network, which will supply sustainable heat from local geothermal sources to around 6,000 rental properties. The project demonstrates how innovative engineering and close collaboration between contractors, municipalities and other partners are helping to make the heat transition possible.

4 June

173 businesses in Zeeland to gain access to electricity grid capacity

173 businesses in Zeeland will gain access to capacity for a new or higher-capacity electricity connection. Grid operator TenneT has signed agreements with high-volume consumers to shift part of their electricity consumption to off-peak periods. This frees up capacity on the grid, allowing businesses on the waiting list to be connected sooner.

14 June

Major power cut in Rotterdam-Zuid: rapid response limits impact

On 14 June, nearly 20,000 households and businesses in Rotterdam-Zuid were affected by a major power cut following a short circuit at Rotterdam Zuidwijk substation. Thanks to the swift response of Stedin engineers and close cooperation with the emergency services, power was fully restored within 7.5 hours. The incident highlighted the importance of a reliable energy supply and thorough preparation for large-scale incidents.

17 June

Utrecht's electric cars help tackle grid congestion

Stedin and LomboXnet have launched bidirectional charging in Utrecht. Electric vehicles connected to charging points feed electricity back into the grid during periods of peak demand, reducing pressure on the grid and creating additional capacity for further electrification.



26 June

Energy suppliers and grid operators significantly expand collaboration: smart energy management creates new opportunities on a congested electricity grid

Grid operators and energy suppliers have significantly expanded their collaboration, enabling households to receive compensation for the smart management of charging points, home batteries and heat pumps. This helps free up capacity on the congested electricity grid without affecting customers' comfort. The aim is to free up 255 MW of flexible capacity – equivalent to the electricity demand of the city of Haarlem.

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Stedin in figures

Construction



€ **710** M

Investments

107 MVA

Additional capacity

6

Additional transmission stations

308

Additional medium-voltage substations

560 km

Electricity cables laid

Utilisation



367 MW

Flexible capacity

Management



99.9969%

Electricity supply reliability

99.9999%

Gas supply reliability

Customer convenience in service delivery



84%

Meters & connections

62%

Meter cabinet and network faults¹

49%

Projects²

Renewable gases & alternative heating



625 WEQ

Heat household equivalents

Market facilitation

99.4%

Smart meter data provision

Sustainability



3,850 kt of CO₂-eq

Total Scope 1, 2 and 3 CO₂ equivalent emissions, including gas consumption by customers

31%

CO₂ reduction compared to 2021

Financially sound



A-

Credit rating

Employees, leadership & culture

7,109

FTE

29.0

eNPS

Employee satisfaction

Safety



1.1

LTIR

0.7

RIF

1) Whereas previously only customer convenience in resolving meter cabinet faults was measured, in 2026 the measurement was expanded to include experiences of customers with network faults.

2) The method used to measure customer convenience for projects was revised in 2026 following targeted research conducted on completion of the implementation phase and the project execution.

Strategy update

Stedin is helping to build the energy system of the future. As peaks in electricity demand continue to increase, so too does the pressure on our grid. This calls for speed, smart choices and reliable execution. During the first half of 2026, we therefore sharpened the focus of our strategy, refining where we direct our attention, people and resources. Our course remains unchanged: [building faster, making better use of the grid and continuing to manage it effectively](#). This sharper focus helps us work more purposefully towards increasing grid capacity and ensuring a reliable energy system.

We are putting this into practice through three additions, three refinements and three ways of working. Together, these provide direction for implementing our strategy during the final phase of the current strategy period.

Three additions

We have added three topics that have become increasingly important.

- **Resilience.** We are building a resilient energy system by taking tomorrow's scenarios into account today. In an increasingly uncertain world, resilience is becoming an integral part of everything we do. Since 1 April, Stedin has been working with a Resilience Strategy and the associated Resilience Implementation Agenda.
- **Design.** We are taking a more active role in shaping the energy system. Together with government and industry, we are making more targeted choices about heating, storage and control. This enables us to invest more effectively and give our customers greater clarity about the future.
- **Rethinking** through research and innovation. We are taking a more critical look at the existing system. Is building always the answer, or are there technical or organisational alternatives that enable us to make better use of the grid? Through research, testing and innovation, we are creating additional grid capacity and reducing waiting lists.

Three refinements

We have refined our approach in areas that directly contribute to increasing grid capacity and accelerating construction.

- **Connecting as many customers as possible.** We are making more balanced choices between the interests of existing customers and those waiting for a connection. By improving our forecasting and taking targeted measures, we can connect more customers without compromising grid safety.
- **Greater flexibility in the market.** Flexibility is needed to meet growing demand. We are developing standardised, flexible products so the market can scale up more quickly and at a larger scale.
- **Prefab and modular construction.** We are making modular, prefabricated and plug-and-play construction our standard approach. This enables us to build faster, achieve more with the same number of people and build strategic inventories more effectively.

Three ways of working

Finally, we have further clarified how we work.

- To resolve bottlenecks, we choose the **most effective combination of building, utilising and managing**.
- We are making targeted use of **digitalisation and AI** to increase productivity.
- We make clearer choices about what belongs to our core remit and **what we do ourselves, and what others can do better or faster**.

By sharpening our focus, we are strengthening the implementation of our strategy. This enables us to increase grid capacity, maintain high grid quality and build a reliable energy system for the future.

Progress on our strategic priorities

During the first half of 2026, we laid important foundations for future implementation. The results remain below our targets for the first half of the year. The table below shows our progress against the key performance indicators (KPIs). The following sections explain these results in more detail and describe the steps we have taken to advance our strategic priorities.

Strategic priorities	KPIs	Note	Unit	Result 30-06-2025	Result 30-06-2026	Target 2026
Building more grid capacity	Irrevocable zoning plans	Number of zoning plans that became irrevocable in the reporting year for distribution grid expansions with a spatial component	#	6	4	12
	Investments	The number of euros we invest annually in our energy networks	€1 M	610	710	1,657
	Additional capacity	The net amount of grid capacity in megavolt-amperes added to the total capacity in the reporting year that is energised and administratively recorded in the project administration	MVA	269	107	858
Utilising the grid capacity	Digitally metered MV substations	Percentage of MV substations equipped with a digital metering device that is connected to the central environment and has communicated.	%	29	41	56
	Contracted effective flexible capacity	Total transport capacity contracted through bilateral contracts that can be used to mitigate congestion, where the contracted capacity is delivered by parties in Stedin's service area. It includes only capacity that helps Stedin reduce peaks and resolve bottlenecks	MW	128	367	600
Managing grid quality	SAIDI LV/MV	The System Average Interruption Duration Index (SAIDI) LV/ MV is the average duration in minutes of interruptions per consumer during the year for electricity at medium- and low-voltage levels	min.	12	16	<22
	SAIDI Gas	The System Average Interruption Duration Index (SAIDI) Gas is the average duration in seconds of interruptions per consumer during the year for gas	sec.	17	38	<44

Working to expand grid capacity

Managing bottlenecks

Our approach focuses on resolving the most significant grid bottlenecks as quickly and effectively as possible. This increasingly calls for tailored approaches. Over the past six months, we have been preparing to manage bottlenecks in the high-voltage grid starting in the third quarter of 2026. A key step in these preparations has been the development of a congestion monitor. This tool brings together insights into bottlenecks, risks and progress, enabling us to regularly reassess congestion risks, refine our measures and, where possible, free up grid capacity.

Bottlenecks in the province of Utrecht

Within our service area, grid congestion is most acute in the province of Utrecht. To address this challenge, we are working closely with TenneT, Liander, municipalities, the Province of Utrecht and the central government. Each party has committed to a set of specific measures. Stedin is committed to making more flexible capacity available before the coming winter. To deliver on these commitments, we have strengthened the internal management of bottlenecks and the associated measures in the province of Utrecht.

Build faster

Expanding our grids requires physical space, which must be allocated by municipalities through local planning schemes. During the first half of the year, four local planning schemes for primary substations became irrevocable. We expect to achieve our target for the year as a whole.

Smarter construction means faster construction

By improving our data quality, milestone-based project management and dashboards, we gained better insight into work in progress and the lead times for each stage of the process. This helps us resolve bottlenecks more quickly and provides clearer insight into where we can accelerate delivery.

Innovations in the execution phase also helped to accelerate delivery. On 1 April, we introduced a new de-energised connection method, enabling contractors to connect homes without residents needing to be present. This makes planning more reliable, shortens lead times and reduces disruption for residents.

By adopting a more modular approach, we can complete sites and substations more quickly. Greater standardisation also enables us to deploy contractors and our own people more efficiently. Combined with a more data-driven approach, this resulted in better utilisation of the construction chain and greater control over implementation during the first half of 2026.

Contractors join the Neighbourhood Approach

Through the Neighbourhood Approach, we are upgrading the low-voltage grid one neighbourhood at a time. This requires lengthy preparation, for example to secure sites for substations. During the first half of the year, we completed this work for 89 neighbourhoods. In addition, in January 2026, we contracted contractors to begin work in 46 neighbourhoods during the year, and we have now concluded cooperation agreements with all municipalities. Together, these steps are helping us build the capacity to upgrade more than 200 neighbourhoods each year.

Rising investment in our networks

During the first half of 2026, we invested €710 million, around 16% more than in the same period of 2025. The increase was mainly driven by additional expansion and reinforcement of the electricity grid. However, growing pressure on the implementation chain meant we delivered less than planned. Investments in the gas network were on track. We also increasingly combined customer-driven and network-driven projects, enabling us to make more efficient use of scarce implementation capacity and complete more customer projects. Investments in our district heating network also increased, although some planned investments were delayed.

More grid capacity

During the first half of 2026, we increased total grid capacity by 107 MVA.

The commissioning of two new substations and the expansion of an existing substation were delayed. As a result, the delivery of a further 460 MVA of capacity has been postponed until the second half of 2026.

Better utilisation

Flexible capacity

Stedin is working with market parties to deploy flexible capacity, enabling better utilisation of the grid and helping to reduce grid congestion. In doing so, we are contributing to a safe, well-utilised grid while offering customers on the waiting list greater prospects for a connection.

In the first half of 2026, we added around 88 MW of contracted effective flexible capacity, bringing the total to 367 MW.

The increase was driven in part by the signing of several major agreements with renewable energy suppliers, as well as the following developments.

For high-volume consumers, we concluded 16 contracts under the new Flex-e scheme, together providing almost 3 MW of flexible capacity, and signed an agreement in Utrecht for a 10 MW battery. We also signed six new framework agreements with Congestion Service Providers covering renewable energy suppliers, representing a potential 70 MW of flexible capacity. This brings the total potential capacity under framework agreements to 250 MW.

We also continued to develop flexibility solutions for low-volume consumers. The agreements with the seven largest charge point operators in Utrecht for static, grid-aware charging ended after the winter period. We are using the insights gained to further develop grid-aware charging and reduce peak demand during the coming winter.

ACM Improvement Plan

On 28 May, we reached administrative agreements with the ACM on the improvement plan that grid operators are required to implement to tackle grid congestion and improve insight into grid utilisation.

Implementation of the improvement plan is progressing well in several areas. For example, we made further progress in digitalisation through real-time control, improved data access and enhanced monitoring. This enables us to monitor the grid more quickly, respond more effectively and identify available capacity with greater precision.

We also made significant progress in congestion management. We introduced flexibility products, including capacity restriction contracts (CRCs), capacity steering contracts (CSCs) and redispatch. The continued development of CSCs in collaboration with market parties is further improving their applicability. Under a CSC, customers or market parties agree to temporarily adjust their electricity demand or supply whenever the grid becomes too congested. Our ambition is to offer every customer on the waiting list a solution based on the available capacity by the end of 2027. Our website provides an [up-to-date overview of the waiting list](#).

In addition, we offered some customers in Zeeland time-slot-based transmission rights, allowing them to use transmission capacity only during agreed time slots. This enables us to allocate scarce grid capacity more effectively.

Digitally metered MV substations

In the first half of 2026, we accelerated the digitalisation of our MV substations. We have now installed more than 4,300 DA boxes. Thanks to these metering devices, around 41% of all MV substations can now be metered digitally, putting us back on track.

Heat

Progress on the Delft Heat Network

In the first half of 2026, NetVerder took further concrete steps towards realising the Delft Heat Network. Almost eight kilometres of the network have now been completed, representing 43% of the total network. Sustainable geothermal heat is now also being transported through the heating network. The first two customers have been connected to the Delft Heat Network, marking the gradual introduction of sustainable heating for users in the area.

In addition, we completed the acquisition of a heating network from Eneco in Delft. We are now preparing the network for connection to sustainable geothermal heat via the Delft Heat Network.

Public heating companies

The conditions for developing new heating projects remain challenging. Both the legislative framework and the subsidy landscape continue to evolve, while public support for district heating is not always assured. NetVerder is therefore working closely with public partners, including municipalities, provinces and the National Investor District Heating (NDW), to accelerate the development of the heating market through a new public market framework. During the first half of 2026, we took concrete steps in several regions towards establishing joint public heating companies. Through these companies, public authorities aim to deliver heating projects in a more structured way and on a larger scale. This approach aligns with municipal heating programmes and helps to better align planning, investment and implementation.

In The Hague, Delft, the Rotterdam region, Oostland, and the province of Utrecht, among others, we worked to establish these heating companies. In doing so, we laid the foundations for the further expansion of collective heating as part of a future-proof energy system.

Working to improve grid quality

Electricity supply reliability

The average duration of electricity outages per customer was high in the first half of the year, at 16 minutes. The main cause was a major outage in Rotterdam on 14 June, which affected almost 20,000 connections and lasted 7.5 hours. The average outage duration per electricity connection also increased slightly. This was partly due to longer repair times. As grid congestion increases, faults become more complex and take longer to resolve. To better understand grid performance, we have begun updating the fault indicators across our network.

Gas supply reliability

The reliability of our gas network remained high during the first half of 2026. However, the average interruption duration per customer was 38 seconds, above our target. This was mainly due to a complex fault in the high-pressure gas network in De Ronde Venen on 5 February. During the outage, 525 connections were without gas for around 12 hours.

Safe and sustainable gas networks

We continue to invest in a safe gas network. Through preventive maintenance and a risk-based approach, we replace gas pipes and private gas connections in a timely manner and actively detect and repair gas leaks.

We remain on track to replace or remove all brittle gas pipes by 2028, in line with the agreements made with the State Supervision of Mines (SodM). During the first half of 2026, we replaced or removed around 100 kilometres of brittle gas pipes, halfway towards our annual target of 200 kilometres.

We also increased the rate of domestic gas connection replacements by around 25%. As a result, we expect to renew almost 25,000 connections this year, in line with our target.

Each year, Stedin inspects more than 10,000 kilometres of gas pipes for leaks. A pilot using drones is helping to accelerate this process, enabling us to detect and repair more leaks in the same amount of time, making the network both safer and more sustainable.

In recent months, we have also laid the groundwork to make our gas network more sustainable. For example, we launched the Green Gas Programme, published the Green Gas Feed-in Compass together with Netbeheer Nederland, and started preparations to digitalise the gas network. In doing so, we are strengthening the network's capacity, transparency and reliability – important steps towards enabling the further growth of green gas.

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Condensed consolidated statement of income

x € 1 million

		First half of 2026	First half of 2025
Operating income		1,168	1,154
Personnel expenses		420	370
Cost of procurement and contracted work		388	432
Other operating expenses		144	128
Capitalised own production		-205	-197
		747	733
Depreciation, amortisation and impairment of non-current assets		182	172
Total operating expenses		929	905
Operating profit		239	249
Financial income and expenses		-40	-35
Share of result of associates and joint ventures (after tax)		0	0
Profit before tax		199	214
Income tax		-51	-55
Profit after tax		148	159

Condensed consolidated balance sheet

x € 1 million		30 June 2026	31 December 2025
Assets			
Non-current assets		10,065	9,525
Current assets		910	550
Total assets		10,975	10,075
Equity and liabilities			
Equity		4,154	3,586
Non-current liabilities		5,476	5,250
Current liabilities		1,345	1,239
Total equity and liabilities		10,975	10,075

Condensed consolidated cash flow statement

x € 1 million		First half of 2026	First half of 2025
Cash flow from operating activities		375	375
Cash flow from investing activities		-700	-604
Cash flow from financing activities		691	297
Movements in cash and cash equivalents		366	68
Cash and cash equivalents at 1 January		89	101
Cash and cash equivalents at 30 June		455	169

Notes to the consolidated interim financial statements

General information

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.

This half-year report presents the financial information of Stedin Holding and its subsidiaries (hereinafter: Stedin Group) for the first half of 2026. This financial information has neither been audited nor reviewed by an independent auditor.

This 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 2025 annual financial statements, available on the Stedin Group [website](#).

Accounting principles for financial reporting

General

This half-year report has been prepared in accordance with the same accounting policies as those applied in the 2025 annual financial statements of Stedin Group, taking into account the amendments to IFRS that became effective on 1 January 2026. IAS 34 'Interim Financial Reporting' is not applicable.

Unless otherwise stated, all amounts in this half-year report are presented in millions of euros (€).

IFRS amendments

New or amended IFRS standards relating to the current financial year

The following new or amended IFRS standards have been adopted by the EU and are effective from the 2026 financial year:

- Amendments to IFRS 9 and IFRS 7 – 'Contracts Referencing Nature-dependent Electricity'
- Amendments to IFRS 9 and IFRS 7 – 'Amendments to the Classification and Measurement of Financial Instruments'
- 'Annual Improvements to IFRS Accounting Standards – Volume 11'

These new or amended IFRS standards have no material impact on Stedin Group's financial reporting.

New or amended IFRS standards relating to subsequent financial years

The following new or amended IFRS standards have been published but are not yet effective for the 2026 financial year:

- IFRS 18 – 'Presentation and Disclosure in Financial Statements'
- IFRS 19 – 'Subsidiaries without Public Accountability: Disclosures'
- IFRS 20 – 'Regulatory Assets and Regulatory Liabilities'
- Amendments to IAS 21 – 'Translation to a Hyperinflationary Presentation Currency'

These new or amended IFRS standards can be applied only after approval by the EU.

IFRS 20 introduces new requirements for the recognition, measurement, presentation and disclosure of regulatory assets, regulatory liabilities, regulatory income and regulatory expenses. The standard aims to recognise compensation for regulatory goods or services in the period of supply, regardless of when it is charged through regulated tariffs. Stedin Group is assessing the impact of IFRS 20 on its financial reporting and will report on this in a future reporting period.

The other new or amended IFRS standards are not expected to have a material impact on Stedin Group's financial reporting. The limited changes to the presentation of the primary financial statements resulting from IFRS 18 were already explained in Stedin Group's 2025 annual financial statements.

Judgements, estimates and assumptions

In preparing this half-year report, the management of Stedin Group has made estimates, judgements and assumptions. These relate in particular to the measurement of property, plant and equipment and intangible assets, the estimation of network losses, and the recognition of provisions. During the first half of 2026, there were no significant changes in estimates that require further disclosure.

Financial performance and developments

Financial performance

Operating income

Operating income increased by €14 million to €1,168 million (first half of 2025: €1,154 million). This modest increase is in line with tariff developments compared with the previous year.

Operating expenses

Total operating expenses increased by €24 million to €929 million (first half of 2025: €905 million). The main drivers of this increase were:

- an increase of €50 million in personnel expenses as a result of collective labour agreement pay increases and a higher average number of FTEs;
- an increase of €16 million in other operating expenses, mainly due to higher IT costs resulting from increased digitalisation and the growth in the workforce; and
- an increase of €10 million in depreciation expenses, reflecting the higher level of investment in recent years;

These increases were partly offset by a €44 million decrease in the cost of procurement and contracted work. This was mainly attributable to:

- a €23 million reduction in network loss costs due to lower energy purchase prices;
- a slight decrease in contracted work of €5 million, primarily due to the discontinuation of activities for Evides' water network in Zeeland and Goeree-Overflakkee;
- a €18 million reduction in transmission costs for the use of the high-voltage grid.

Capitalised own production increased by €8 million, reflecting more hours spent on investment activities and higher hourly rates.

Financial income and expenses

Net financial expenses increased by €5 million to €40 million (first half of 2025: €35 million).

This increase was mainly attributable to the growth in the debt portfolio and a higher average effective interest rate due to rising market interest rates.

Income tax

The income tax expense decreased slightly compared with the first half of 2025, in line with the lower profit before tax. The effective tax rate remained broadly unchanged at 25.7%, compared with the same period last year.

Developments in financial position

Higher investments, negative free cash flow

In the first half of 2026, Stedin Group invested €710 million in property, plant and equipment and intangible assets to strengthen and expand its energy networks. This represents an increase of 16% over the first-half 2025 investment level (€610 million).

The related cash flow from investing activities amounted to negative €700 million in the first half of 2026, compared with negative €604 million in the first half of 2025. A significant proportion of these investments was financed from operating cash flow, which remained stable at positive €375 million, in line with the first half of 2025. As a result, free cash flow amounted to negative €325 million (first half of 2025: negative €229 million). Cash flow from financing activities amounted to positive €691 million (first half of 2025: positive €297 million), mainly as a result of the issuance of two bonds, partly offset by the repayment of short-term debt.

Overall, cash and cash equivalents increased to €455 million as at 30 June 2026. These funds will be used, among other things, to finance investments in the second half of the year.

Financing and available credit facilities expanded

To deliver our strategy, we have increased the size of our interest-bearing debt portfolio. This was driven by the issuance of a €500 million green senior bond, offset in part by a €200 million reduction in short-term debt. In addition, Stedin Group issued a new €500 million green subordinated perpetual bond and expanded its available credit facilities.

Issuance of a green subordinated perpetual bond

In January 2026, Stedin Group issued a new green subordinated perpetual bond with a nominal value of €500 million and a coupon of 4.25%. Because Stedin Group has discretion over both redemption and coupon payments, the instrument is recognised as equity in the financial statements. The green subordinated perpetual bond is listed on Euronext Amsterdam.

Stedin Group intends to redeem the €500 million subordinated perpetual bond issued in 2021 in March 2027. However, there is no contractual obligation to do so. The bond is therefore recognised as equity in the financial statements.

Issuance of a green senior bond

In May 2026, Stedin Group issued its seventh green senior bond with a nominal value of €500 million. The bond has a maturity of seven years, an issue price of 99.146% and a coupon of 3.625%. The effective interest rate, excluding transaction costs, is 3.766%.

As at 30 June 2026, Stedin Group had €3.5 billion of green senior bonds outstanding. These bonds are listed on Euronext Amsterdam. The proceeds are used to finance investments in our electricity network.

Increase in credit facilities

In February 2026, the European Investment Bank (EIB) and Stedin Group agreed to increase the committed credit facility from €500 million to €750 million. As at 30 June 2026, €500 million remained available under this facility, following the drawdown of an initial €250 million loan

last year. The facility is intended to finance investments in the electricity network and remains available until March 2028. Loans drawn under the facility have a maximum maturity of 12 years.

In addition, Stedin Group has a committed revolving credit facility (RCF) with a syndicate of six banks. During the first half of 2026, the facility was increased from €800 million to €1.5 billion, and its maturity was extended until April 2031. Subject to mutual agreement, the maturity may be extended twice by one additional year. As at 30 June 2026, the RCF remained undrawn.

Financially sound

Maintaining a strong credit rating is essential for raising debt financing. In January 2026, credit rating agency S&P reaffirmed Stedin Group's long-term credit rating. In line with our target, the rating remains A- with a stable outlook. The S&P credit rating report is available on the Stedin Group [website](#). FFO/Net Debt and solvency are key indicators that we use to monitor our credit rating and financial health.

Our FFO/Net Debt ratio stood at 11.9% as at 30 June 2026 (year-end 2025: 13.7%), remaining above our target of at least 10%. Funds from operations (FFO) over the preceding 12 months declined slightly as a result of higher interest and tax payments, while operating profit before depreciation, amortisation and impairments remained stable. Net debt increased due to additional borrowings taken to finance the negative free cash flow. In addition, the 2021 subordinated perpetual bond lost its hybrid status and is now treated as 100% debt by S&P when calculating the FFO/Net Debt ratio, compared with 50% previously.

Our solvency stood at 44.8% as at 30 June 2026 (year-end 2025: 40.6%), remaining above our target of at least 35%. The increase of 4.2 percentage points compared with year-end 2025 was mainly driven by the issuance of the new green subordinated perpetual bond, which is recognised as equity in the financial statements. Because of the planned redemption of the 2021 subordinated perpetual bond, this positive effect on solvency is expected to be temporary, and the ratio is expected to decline again.

To continue financing our steadily growing investment programme, Stedin Group expects to further strengthen its equity position in the coming years. During the first half of 2026, we held exploratory discussions with our shareholders on how this could be achieved. These exploratory discussions will be further developed in the second half of the year.

Other developments

Final method decisions for electricity and gas

In February 2026, the Netherlands Authority for Consumers and Markets (ACM) published its final method decisions for electricity and gas for the new regulatory period (2027–2031). From 2027 onwards, a new cost-based regulatory methodology will replace the current yardstick regulation. Based on these method decisions, the regulator determines the maximum amount that distribution system operators may charge through their tariffs.

Events after the reporting period

There were no events after the reporting period.

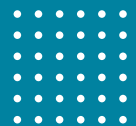
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