

TenneT Netherlands B.V.

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Agency	Guaranteed Debt		Issuer Rating	
	EMTN	ECP	LT	Outlook
Moody's	Aaa	P-1	A3	Stable
S&P	AAA	A-1+	BBB+	Stable
Fitch	-	-	-	-

Source: Fitch, Moody's, S&P

Background and Ownership

TenneT Netherlands B.V. ('TenneT NL') is the Dutch subsidiary and intermediate holding company of TenneT Holding B.V., which is wholly owned by the Dutch state via the Ministry of Finance. TenneT NL is the sole electricity transmission systems operator (TSO) in the Netherlands, responsible for the country's high-voltage transmission network. As part of a 2025 restructuring, TenneT NL was established through the separation of TenneT's Dutch and German operations, aiming to strengthen the respective national operations and attract external capital to the German business. By removing the associated financial risk from its German operations, the restructuring opened the door for direct and targeted support from the Dutch state to TenneT NL. It is also the only entity issuing debt to fund Dutch grid investments, which in turn are executed by the wholly owned operating subsidiary, TenneT TSO B.V.

Main Purpose and Support

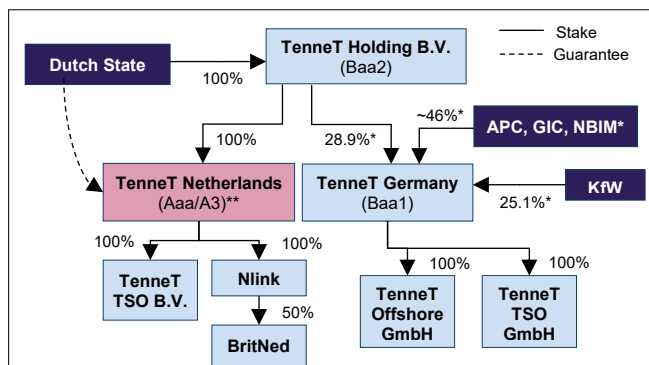
TenneT NL operates the Dutch high-voltage transmission network, transporting electricity from onshore and offshore energy generating assets to the main grid. Energy distribution to end users is conducted via seven regional distribution system operators (DSOs). TenneT NL's core activities include maintaining the transmission network, balancing electricity supply and demand, and facilitating cross-border electricity flows within the European market. TenneT NL is central to the Dutch government's energy transition and security-of-supply objectives, as well as the broader EU target of achieving climate neutrality by 2050.

Since the 2025 restructure, the Dutch state provides an irrevocable and unconditional guarantee covering TenneT NL's obligations, making it the only European TSO with an explicit government guarantee. Furthermore, revenues and tariffs are regulated by the Dutch Authority for Consumers and Markets (ACM). The guarantee, together with the regulatory oversight, are strong indicators of likely government support in a stressed environment. TenneT NL's guaranteed senior unsecured debt ratings of 'Aaa'/'AAA' by Moody's and S&P, are aligned with that of the Dutch sovereign. The features supporting TenneT NL's high ratings also facilitate broad and cost-effective access to debt capital markets, funding the EUR90bn investment programme into the Dutch grid through to 2034 (EUR43bn by 2029). At FY25, TenneT NL's grid investments totalled EUR5bn (YE24: EUR3.8bn), spanning approximately 1,000 onshore and offshore projects.

Key Data		
Balance Sheet (€bn)	FY25	FY24
Total Assets	54.6	17.4
Total Liabilities	46.0	10.8
Investments	5.0	3.8
Borrowings	43.3	8.4
Bonds	16.1	-
Shareholder Loan Facility	25.0	-
Schuldschein	0.5	-
Private Placements	0.3	-
Intercompany Loans	-	8.4
Other Loans	1.3	-
Key Ratios (%)		
Equity / Assets	15.7	37.6
ROIC	4.0	5.9
Regulatory Details*		
ECB risk-weight (%)	0% / 75%	
LCR Liquidity Category	Level 1 / 2B	
ECB Haircut Category	III	

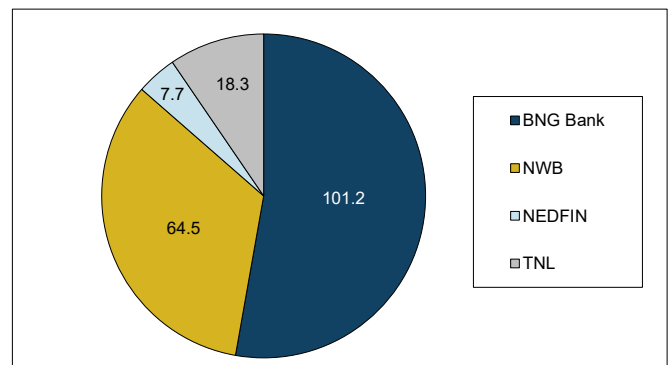
Source: Company reports; *guaranteed/non-guaranteed bonds

TenneT Group Organisational Structure



Source: TenneT; *Announced 1H26; **Guaranteed debt / legacy (un-guaranteed) debt; Daiwa Capital Markets Europe

Outstanding EMTN volumes by Dutch agency



Source: Bloomberg; *EUR bns; Daiwa Capital Markets Europe

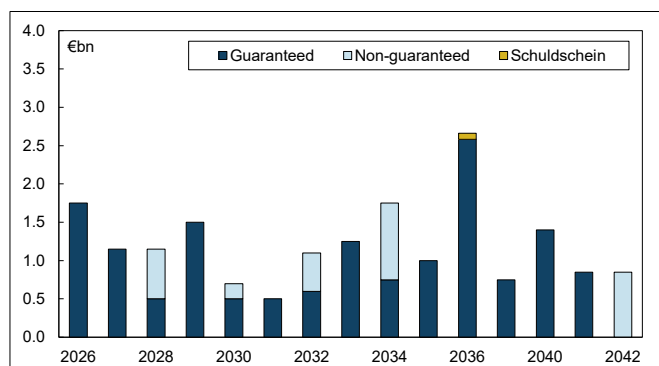
Financial Strength Indicators

Funding: TenneT has historically been an established corporate green bond issuer but more recently had been entirely absent from debt markets. The last senior and junior subordinated debt issuances date back to 3Q22 and 1Q24, respectively, before TenneT returned to capital markets in 2Q26. Following the separation of its German and Dutch operations, TenneT NL became the primary issuing entity that funds domestic grid investments, with all outstanding senior debt transferred from TenneT Holding to the newly created intermediate holding company. Excluding certain legacy EMTN notes (EUR3.2bn across five bonds), all senior debt transferred to TenneT NL benefits from the new state guarantee. The 2026 funding target was set at EUR6-8bn of which 1/3 of the lower bound has been completed.

At FY25, non-equity funding totalled EUR46bn, of which 54% comprised shareholder loan facilities (vis-à-vis the Dutch state) and 35% of debt securities. After a two-year absence from capital markets, TenneT returned in April with a green, 10-year senior unsecured bond. Strong investor demand (3.4x oversubscribed) allowed the issuer to double the final print to EUR2bn from its original target amount. Spread tightening of 8bps during bookbuilding meant that the final price of MS+19bps was materially tighter than TenneT Holding's legacy, non-guaranteed debt at the time of issue. The final book comprised asset managers, insurers and pension funds (42%), central banks (37%) and banks and treasuries (20%). Following the transaction, total debt outstanding stands at EUR18.3bn, fully denominated in EUR and almost entirely green-labelled (99%) as of June-2026. This excludes EUR1.1bn of AT1 instruments retained at the level of the Holding Company, with call dates in 2029 and 2031.

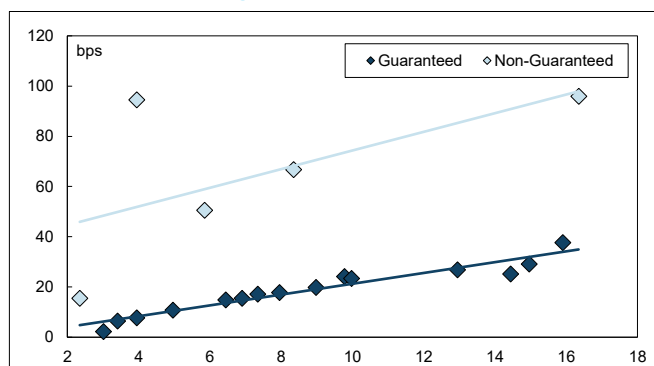
TenneT NL is expected to continue issuing in EUR as it develops its guaranteed issuer curve, targeting EUR1bn as its benchmark issue size under its 2026 funding programme. All debt is expected to carry a green label, in line with the issuer's approach since 2015. The state guarantee runs until end-2030, at which point it can be cancelled by the state. Should this option be exercised, this would entail a 12-year run off period, which for the moment means bond maturities do not go beyond 2042. Across its 26 outstanding bonds, the weighted average remaining maturity is ~7.3 years, according to Bloomberg data. Termination clauses in the guarantee list a EUR52bn debt ceiling (subject to recalibration each year), derived from TenneT NL's EUR90bn investment programme over 10-years, net of expected internal cash generation.

EMTN redemption profile



Source: TenneT; Daiwa Capital Markets Europe;

Guaranteed/non-guaranteed bond curves



Source: Bloomberg; z-spreads by years to maturity; Daiwa Capital Markets Europe

Capitalisation: Full state ownership of TenneT Holding B.V. is expected to provide stability to TenneT NL's capital structure, reinforced by the Dutch Energy Act restricting ownership to just the state. In May 2025, TenneT NL was included in the European Banking Authority's (EBA) list of public sector entities (PSEs), eligible for treatment as an exposure to regional government or local authorities (RGLAs). This reflects the regulatory benefit assigned to the irrevocable and unconditional state guarantee. Among the EBA's large list of PSEs, TenneT NL is the only Dutch issuer. Under Article 116(4) CRR, this classification allows regulated investors to risk-weight TenneT NL exposures in line with the Dutch sovereign. Consequently, guaranteed TenneT NL debt is eligible for a 0% risk weight and qualifies as Level 1 High-Quality Liquid Assets (HQLA). Legacy (non-guaranteed) debt is otherwise eligible for a 75% risk weight and qualifies as Level 2B HQLA.

Liquidity: Alongside TenneT NL's EMTN programme, it also has access to short-term liquidity via its EUR5bn ECP programme, whereby EUR3.2bn of short-term borrowings were outstanding at FY25. The issuer also maintains ongoing access to liquidity support from the Dutch government via two shareholder loan facilities (~EUR36bn in total), of which EUR25bn was drawn at FY25. This, together with a committed revolving credit facility (EUR3.3bn) with TenneT NL's partner banks, long-term loan commitments from the EIB (EUR450mn), uncommitted bank facilities (EUR200mn) and bank overdraft facilities (EUR450mn) all support the financing of TenneT's increasing capex programme. With the exception of the shareholder loans, all other facilities were undrawn as at FY25.

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ESG Credentials

In Europe, energy companies are seen as instrumental in helping the continent become climate neutral by 2050. To this end, TenneT NL launched its 'Target Grid' initiative – its vision for a climate-neutral onshore and offshore electricity grid by 2045 – as part of its focus on delivering a future-proof grid. In doing so, TenneT NL will expand its offshore wind integration by building offshore converter platforms and subsea cables to connect North Sea windfarms to the onshore high-voltage grid. Furthermore, it will develop hybrid interconnectors that transmit green electricity between the Netherlands, UK and other European countries. These projects are consistent with TenneT NL's [Sustainability Framework 2030](#), which outlines its mission to contribute towards Europe becoming climate-neutral and the UN SDGs.

As of June, and according to Bloomberg data, TenneT NL is the seventh-largest green bond issuer globally (excl. sovereigns) in terms of outstanding volumes. Green bonds are underpinned by TenneT NL's [Green Financing Framework](#) (published December 2025) for which [ISS ESG](#) have provided a SPO to confirm alignment with the ICMA GBP (2025) and LMA GLP (2025). While TenneT NL's framework has been aligned with key elements of the European Green Bond Standard (EuGBS), it does not imply that all bonds issued under the framework will be issued with an EuGB designation. TenneT NL's most recent debt issue was marketed as a standard EU taxonomy-aligned green bond, without the voluntary EuGB designation.

Rating Agencies' Views

Moody's (Oct-25): The credit quality of TenneT Netherlands B.V.'s guaranteed debt ('Aaa') reflects that of its guarantor, the Government of Netherlands ('Aaa'), TenneT Netherlands' ultimate shareholder through the holding company TenneT Holding B.V. ('Baa2'), given the presence of an unconditional and irrevocable guarantee. The credit quality of TenneT Netherlands' unguaranteed debt ('A3') incorporates the low business risk profile of its fully owned main operating subsidiary, TenneT TSO B.V., which owns and operates monopolistic Dutch electricity transmission activities, underpinned by a supportive, well-developed regulatory framework in the Netherlands. TenneT Netherlands' 'A3' unguaranteed rating incorporates a three-notch uplift from its Baseline Credit Assessment of 'baa3', reflecting the indirect full ownership by the Dutch state; and the high likelihood of extraordinary support from the government to TenneT Netherlands in case of financial distress given its strategic importance as an exclusive funding entity for the Dutch electricity transmission activities.

S&P (Sep-25): On September 16, 2025, almost all of TenneT Holding B.V.'s debt was transferred to its 100% owned Netherlands-based subsidiary TenneT Netherlands B.V. It follows the execution on September 1st by the State of Netherlands of an irrevocable and unconditional guarantee covering the debt of TenneT Netherlands. TenneT Netherlands as an issuer is regarded as core to TenneT Holding because it owns and operates the group's historical Dutch power transmission business and hence rated at 'BBB+', in line with TenneT Holding. EMTN notes which are not covered by the guarantee are rated in line with the long-term issuer ratings. Otherwise, guaranteed senior unsecured debt pushed down to TenneT Netherlands from TenneT Holding are assigned a 'AAA' rating, aligning its credit quality to that of the Netherlands ('AAA'/Stable).

Select benchmark transactions

Issue Date	Payment Rank	Maturity/Call	Size (m)	Final Spread (bps)	Tightening (bps)	Coupon (%)	Yield (%)	Book (m)/cov.
01 Apr 2026	Sr. Unsecured	10Y Green	€2,000	MS+27	-8	3.250	3.298	€6,800 / 3.4x
28 Oct 2022	Sr. Unsecured	6Y Green	€650	MS+75	-25	3.875	3.920	€1,500 / 2.3x
28 Oct 2022	Sr. Unsecured	9.5Y Green	€500	MS+110	-15	4.250	4.320	€1,000 / 2.0x
28 Oct 2022	Sr. Unsecured	12Y Green	€1,000	MS+130	-20	4.500	4.556	€1,900 / 1.9x
28 Oct 2022	Sr. Unsecured	20Y Green	€850	MS+180	-20	4.750	4.817	€1,600 / 1.9x

Source: Bondradar; Bloomberg

This is an issuer profile and contains factual statements only. All statements are sourced from TenneT Netherlands B.V. financial reports, which can be found at <https://www.tennet.eu/nl-en/about-tennet/investor-relations>

Access our research at:

<http://www.uk.daiwacm.com/ficc-research/research-reports>

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