**PROSPECTUS DATED 25 JUNE 2024**

# Alliander N.V.

***(incorporated with limited liability in The Netherlands with its statutory seat in Arnhem)***

## €500,000,000 Reset Perpetual Capital Securities

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**Issue Price: 99.180 per cent.**

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The €500,000,000 Reset Perpetual Capital Securities (the "**Securities**") will be issued by Alliander N.V. (the "**Issuer**"). Interest is payable subject to and in accordance with the Terms and Conditions of the Securities. From (and including) 27 June 2024 until (but excluding) 27 June 2032 the Securities will bear interest at a rate of 4.500 per cent. per annum, payable annually in arrear on 27 June of each year. Thereafter, unless previously redeemed, the Securities will bear interest at a rate per annum, which shall be the aggregate of the applicable Margin and the 5-year Swap Rate determined two Business Days prior to the beginning of each Reset Period, payable annually in arrear on 27 June of each year, starting on 27 June 2033, all as described in "*Terms and Conditions of the Securities — Coupon Payments*". Payments on the Securities will be made without deduction for or on account of taxes of The Netherlands to the extent described under "*Terms and Conditions of the Securities — Taxation*".

The Issuer may at its discretion elect to defer any payment of interest on the Securities (subject to limited exceptions), see "*Terms and Conditions of the Securities — Deferral of Interest*". Any amounts so deferred shall constitute Arrears of Interest (as defined in the Terms and Conditions of the Securities). Arrears of Interest shall bear interest. The Issuer may pay outstanding Arrears of Interest, in whole or in part, at any time (as described in the Terms and Conditions of the Securities). The Issuer shall pay any outstanding Arrears of Interest, in whole but not in part, on the first to occur of the following dates: (i) the 10th Business Day following the occurrence of a Mandatory Payment Event (as defined in the Terms and Conditions of the Securities); (ii) the date on which the Securities are redeemed (in whole, but not in part) in accordance with Condition 3 (Winding-up), Condition 6(b) (Optional Redemption by the Issuer), Condition 6(c) (Redemption for Taxation Reasons), Condition 6(d) (Redemption for Accounting Reasons), Condition 6(e) (Redemption for Rating Reasons), Condition 6(f) (Redemption following exercise of Make-whole redemption call) or Condition 6(g) (Redemption following exercise of Clean-up call), all as described in "*Terms and Conditions of the Securities*".

The Securities are perpetual securities in respect of which there is no fixed redemption date, see "*Terms and Conditions of the Securities — Redemption and Purchase*". The Securities will become due and payable in the event of a winding-up of the Issuer, see "*Terms and Conditions of the Securities — Winding-up*". The Securities may be redeemed at the option of the Issuer, including, without limitation, upon the occurrence of a Withholding Tax Event, a Tax Deduction Event, an Accounting Event, a Rating Event (each as defined in the Terms and Conditions of the Securities) and following exercise by the Issuer of a make-whole call option (the "**Make-whole Call**") or a call option following the purchase by the Issuer of 75 per cent. or more of the Securities (the "**Clean-up Call**"). See "*Terms and Conditions of the Securities — Redemption and Purchase*", which also includes the terms applicable to such redemption including the basis for calculating the redemption amounts payable.

The Securities will constitute subordinated obligations of the Issuer as described in "Terms *and Conditions of the Securities — Status and Subordination*" and "*Terms and Conditions of the Securities — Winding-up*".

This Prospectus has been approved by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, the "**AFM**") in its capacity as competent authority under Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). The AFM only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus and of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Securities.

The period of validity of this Prospectus is 12 months from the date of the approval of this Prospectus. This Prospectus (as may be supplemented from time to time) is valid for 12 months from its date in relation to Securities which are to be admitted to trading on a regulated market in the European Economic Area ("**EEA**") and its validity will expire on 25 June 2025. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Prospectus is no longer valid.

Application has been made to Euronext Amsterdam N.V. for the Securities to be listed on Euronext in Amsterdam ("**Euronext Amsterdam**"). References in this Prospectus to the Securities being "listed" (and all related references) shall mean that the Securities have been listed and admitted to trading on Euronext Amsterdam. Euronext Amsterdam is a regulated market is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended.

The Securities will initially be represented by a Temporary Global Security, without interest coupons attached, which will be deposited with a common depositary on behalf of the Clearstream Banking, S.A. ("**Clearstream Luxembourg**") and Euroclear Bank SA/NV ("**Euroclear**") on or about 27 June 2024. The Temporary Global Security will be exchangeable for interests in a Permanent Global Security, without interest coupons attached, on or after a date which is expected to be 6 August 2024, upon certification as to non-U.S. beneficial ownership. The Permanent Global Security will be exchangeable for definitive Securities in bearer form in the denominations of €100,000 and integral multiples of €1,000 in excess thereof in the limited circumstances set out in it. No definitive Securities will be issued with a denomination above €199,000, see "*Summary of Provisions relating to the Securities while in Global Form*".

The Securities have been rated BBB+ by S&P Global Ratings Europe Limited ("**S&P**") and A3 by Moody's Investors Service Limited ("**Moody's**"). Each of S&P and Moody's is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). **A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of a credit rating assigned to the Issuer may adversely affect the market price of the Bonds.**

The determination of the Reset Coupon Rate in respect of the Securities is dependent upon the mid-swap rate for euro interest rate swaps with a term of 5 (five) years as displayed on Reuters screen "ICESWAP2" provided by ICE Benchmark Administration Limited and the 6-month EURIBOR rate administered by the European Money Markets Institute. As at the date of this Prospectus, the European Money Markets Institute is included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of Regulation (EU) No 2016/1011, as amended (the "**EU Benchmarks Regulation**"). ICE Benchmark Administration Limited does not appear on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the EU Benchmarks Regulation. However, the transitional provisions in Article 51 of the EU Benchmarks Regulation apply, such that ICE Benchmark Administration Limited is not currently required to obtain recognition, endorsement or equivalence.

The Securities have not been nor will they be registered under the United States Securities Act of 1933 as amended from time to time (the **Securities Act**) or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to or for the benefit of U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or other jurisdiction of the United States,. The Securities are in bearer form and are subject to certain United States tax law requirements. The Securities have not been approved or disapproved by the United States Securities Exchange Commission, any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of any offering of Securities or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Prospectus.

**Joint Lead Managers**

**BNP Paribas** **ING** **NatWest Markets** **Rabobank**

**Sustainability Structuring Coordinator**

**NatWest Markets**

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## Risk Factors

*Set out below are all material risk factors associated with an investment in the Securities.*

*In purchasing the Securities, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Securities. There is a wide range of risks which individually or together could have a material adverse effect on the Issuer's future business, results of operations and financial condition and could therefore result in the Issuer becoming unable to make all payments due in respect of the Securities.*

*In addition, risks which are material for the purpose of assessing the market risks associated with the Securities are also described below.*

*Although the most material risk factors have been presented first within each category, the order in which the remaining risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential negative impact to the Issuer's business, financial condition, results of operations and prospects. The Issuer may face a number of these risks described below simultaneously. While the risk factors below have been divided into categories, some risk factors could belong in more than one category and prospective investors should carefully consider all of the risk factors set out in this section. In each case, the risk factors have been described in the most appropriate category.*

*Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.*

## RISK FACTORS CONCERNING THE ISSUER

### 1. Risks related to the Issuer's financial situation

*Credit Rating Risk.*

The Issuer's current credit rating has been issued by credit rating agencies S&P Global Ratings Europe Limited ("**S&P**") and Moody's France SAS ("**Moody's**"). There is a risk of a negative adjustment of the credit rating of the Issuer resulting from changes implemented by S&P and or Moody's with respect to rating criteria, rating method or assumptions. Negative adjustment of the credit rating may also occur because of deteriorating financial ratios, because of the expected increase in capital expenditure by the Issuer in relation to the energy transition in The Netherlands. The Issuer is dependent on its access to capital and money markets for its financing. A lower credit rating could affect such access to capital and money markets, financing costs and the terms and conditions imposed by parties in the business sector. This could reduce the Issuer's funding options and result in higher financing costs which in principle has an impact on all newly issued short- and long-term debt of the Issuer. This could have an adverse impact on the Issuer's financing costs, profits, cash flows and financial position.

*Risks related to Cross Border Lease Agreements.*

In the period from 1998 to 2000, subsidiaries of the Issuer entered into cross-border lease ("**CBL**") transactions for networks with US investors. The networks have been leased for a long period to US parties (head lease), which have in turn subleased the assets to the various Alliander subsidiaries (sublease). At the end of the sublease, there is the option of purchasing the rights of the US counterparty under the head lease, thus ending the transaction. The fees earned on the CBLs were recognised in the year in which the transaction in question was concluded. Two of the three existing CBLs were terminated early in December 2021. The electricity network in the Randmeren region is the only one still held in a CBL; it is due to expire at the beginning of 2025. The total net carrying amount at year-end 2023 was approximately €400 million (year-end 2022: €340 million). At the end of 2023, a total of $664 million was held on deposit with several financial institutions or invested in securities in connection with the transaction (2022: $655 million). At year-end 2023, the 'net strip risk' (the portion of the 'termination value' – the possible compensation payable to the American counterparty in the event of early termination of the transaction – that cannot be settled from the deposits and investments held for this purpose) for the current transaction was $25 million (2022: $32 million). The strip risk is affected to a great extent by market developments.

If risks related to CBLs materialise, this could negatively influence the net profit, cash flows and the financial position of the Issuer.

*Interest Rate Risk.*

The interest rate risk relates to all newly issued short- and long-term debt. At the end of 2023, the Issuer had €400 million in current maturities of long-term debt that needs to be refinanced in 2024. This interest rate risk materialises if the interest rate on the new debt would be higher than the interest rate on the maturing debt. The resulting increase in overall interest cost negatively influences the net profit, cash flows and the financial position of the Issuer.

*Commodity Price Risk.*

The commodity price risk relates to the procurement of electricity due to the fact that the grid operators have to replace electricity that is lost during the distribution (technical loss, measurement failures and energy theft). The grid losses of the Issuer and its subsidiaries (together, "**Alliander**") were €330 million in 2023. The procurement is done on a three-year rolling forward basis. In 2023, annual procurement cost was €78 million higher than in 2022 (2022: €252 million) due to high energy prices paid.

The typical characteristics of commodity markets – specifically illiquidity, from time to time – and macro-economic developments or geopolitical circumstances, such as the war in Ukraine and the conflict in the Middle East, may cause considerable changes in commodity prices and, therefore, may influence the net profit, cash flows and financial position of the Issuer.

*Counterparty Risk.*

International financial institutions are counterparties to the Issuer's interest rate and foreign currency hedge transactions (e.g. cross currency interest rate swaps) which the Issuer has executed to hedge the currency and interest rate risk on (US) private placements. Should one or more of these Issuer's counterparties descend into financial difficulties or bankruptcy, there is the risk that such counterparty cannot or will not meet its delivery or payment obligations. This risk mainly relates to foreign currency swaps that are used in combination with short term paper issued in USD or GBP. Over the past five years this involved on average 0.6 transactions per annum of $83 million each. If such counterparty risk materialises, this could negatively influence the net profit, cash flows and the financial position of the Issuer.

*Risks related to Invoice Collection.*

The energy suppliers in The Netherlands invoice and collect the grid costs from customers and each grid operator receives its grid costs from the supplier, based on an agreed verification process. The Issuer will be dependent on the revenue collection processes of energy suppliers and thus has exposure to credit risks on both customers (indirectly) and energy suppliers (directly). As a result, customers or suppliers may pay invoices later or not at all. In each case, this may have a materially adverse impact on the Issuer's financial performance and position in future.

*(Re)financing Risk.*

The Issuer finances itself by use of financial markets. Therefore, the Issuer is sensitive to general financial market conditions, macro-economic developments or geopolitical circumstances, such as the war in Ukraine and the conflict in the Middle East. More specific, the Issuer is facing a substantial increase in financing needs in the future years due to the energy transition in The Netherlands and the higher associated investment levels. Looking forward, the Issuer expects annual gross investment levels to increase to €1.8 billion compared to levels around €1.2 billion in 2022. The Issuer seeks external financing, either in the form of public or private financing or other arrangements, which may not be available on attractive terms or may not be available at all. As a consequence, the Issuer might not be able to invest as scheduled. Any limitations on the Issuer's ability to invest as scheduled, could affect the Issuer's cash flows, liquidity and financial flexibility. For regulatory reasons, fee increases to compensate for extra energy transition investments are not granted until the next regulatory period and may not be granted at all if the Issuer is unable to invest as scheduled. This could affect its ability to execute its strategic plans, which could have a material adverse effect on the Issuer's business, financial condition and profitability. See also the risk factors "*Credit Rating Risk*" above which set out the Issuer's dependency on credit ratings assigned to it.

## 2. Legal and regulatory risk

*Impact of Dutch regulatory framework on revenue, profits and financial position of the Issuer*.

The revenue, profits, and financial position of the Issuer could be affected by the regulatory framework in two different ways:

(i) The regulated activities of the Issuer depend on licences, authorisations, exemptions and/or dispensations in order to operate its business. These licenses, authorisations, exemptions and/or dispensations may be subject to withdrawal, amendment and/or additional conditions being imposed on the regulated activities of the Issuer which could affect the revenue, profits and financial position of the Issuer.

(ii) The Issuer's income depends on dividends received from its subsidiaries. The Issuer's largest subsidiary, Liander N.V. (the "**Grid Manager**"), derives its revenues to a large extent from regulated activities. These revenues depend on governmental regulations and European legislation, which implies that the Issuer's net income is sensitive to regulatory amendments.

At the date of this Prospectus, the Ministry of Economic Affairs is working on a new energy act, which should consolidate the existing Electricity Act and Gas Act, adjust the Dutch legislation to relevant European legislation and insert flexibility to comply with requirements for the Dutch renewable energy transition. The new legislation will not come into force before July 2025.

The impact of the Dutch regulatory framework in its current form on the income of the Issuer can be illustrated by the fact that in 2023, 91% of the Issuer's consolidated revenues were generated by regulated activities.

The revenues of the Grid Manager are subject to ex ante regulation by the Energy Department of the Dutch Authority for Consumers & Markets (the "**ACM**"). Therefore, the regulatory framework has a substantial effect on the dividend income of the Issuer.

The impact of the regulatory framework on the revenues of the Grid Manager can be described as follows. The revenues of the Grid Manager are dependent on a series of consecutive regulatory decisions of the ACM, notably the Regulation Method Decision (the "**Method Decision**") and secondly, the Efficiency Discount and Quality Factor Decisions as well as the Accounting Volume Decisions, which are applicable to a certain price control period and finally the annual tariff decisions. As a consequence, the overall financial position of the Grid Manager is sensitive to regulatory decisions based on estimated productivity goals by the regulator which could be too stringent or too slack. The following paragraphs expand on some specific aspects of this risk, which are particularly relevant for the position of the Issuer.

The allowed revenues are predominantly based on the (targeted) efficient cost level. Other factors that are taken into consideration are the purchasing costs of TenneT, and (if applicable) recalculations for instance due to juridical verdicts.

The level of permitted revenues of the Grid Manager includes a component based on the real weighted average costs of capital (the "**WACC**"). The variables used to calculate the WACC consist of estimates for the cost of equity, the cost of debt, the relative percentages of debt and equity in the capital structure, the corporate tax rate and the consumer price index. The cost of equity represents the expected return on investment for the shareholders. The Issuer is the sole shareholder of the Grid Manager. The cost of debt represents the expected cost of debt for a company with an "A" credit rating. As is the case for almost all other cost factors the ACM bases the WACC on data which precede the regulation period for which the WACC is determined. Thus, the WACC may incorrectly reflect the costs of capital which the Grid Manager will effectively incur during the relevant regulation period. For the current tariff regulation period (2022 – 2026), the ACM has published a method decision with WACC with an estimated cost of equity of 3.66% at the theoretical starting point of 2021, increasing in steps to 4.39% in 2026 and a cost of debt of 1.63% at the theoretical starting point of 2021, decreasing in steps to 1.04% in 2026. In addition, the actual capitalisation of the Grid Manager may differ from the 45.25/54.75 debt/equity ratio assumed in the Method Decision, which would also have an impact on the profitability of the Grid Manager. Finally, the actual corporate tax rate may deviate from the corporate tax rate assumed in the Method Decision, which would have an impact on the profitability of the Grid Manager.

The Method Decision for the period 2022 – 2026 includes some important changes compared to the previous period:

*Gas*

- transition to nominal WACC, update on parameters in the WACC, recalculation of interest components in the WACC;
- limited degressive depreciation of active gas network and full depreciation of decommissioned gas assets (divestment, removing connectors and grid);

*Electricity*

- transition to real-plus WACC (50% of inflation compensation will be compensated in future) update on parameters in the WACC, recalculation of interest components in the WACC;
- inclusion of estimated TenneT purchase costs in tariffs to better match actual costs; and
- recalculation to compensate for excessive growth of decentralised generation within the regulation period.

Following the 2023 ruling of the Trade and Industry Appeals Tribunal (*College van Beroep voor het bedrijfsleven*) on the 2022 – 2026 method decisions, €187 million of the extra compensation of a total of €750 million was incorporated into the 2024 tariffs. The ACM will publish the new X-factor decisions in Q2 of 2024 and will recalculate the calculations in the tariff decisions of 2025 and 2026.

The effect of the fall of the Dutch Cabinet on 7 July 2023 has remained limited as the policies on climate and energy have not been contested. However, the results of the elections and the ongoing formation process are leading to increasing uncertainty regarding the progress and direction of political issues and legislation under preparation in the Netherlands. This includes the new Energy Act, which is currently still scheduled to come into effect in July 2025.

If regulatory and legal risks materialise, this could influence the net profit, cash flows and the financial position of the Issuer.

*Risks related to the Dutch Climate Agreement.*

The Issuer is consulting with the relevant stakeholders to work out in more detail how the arrangements provided for in the Dutch Climate Agreement (*Klimaatwet*) should be integrated in the Energy Act (*Energiewet*), the Collective Heating Supply Act (*Warmtewet*) and the Environment & Planning Act (*Omgevingswet*) with the National Strategy on Spatial Planning and the Environment (*Nationale Omgevingsvisie*).

Policy and regulations within the energy domain have an impact on the Issuer's activities and profitability, with there being an apparent mismatch between laws and regulations and the Issuer's ambitions. As a result, there is a risk that the Issuer has insufficient financial resources, and potentially insufficient flexibility to perform both its statutory duties and fulfil the desired role in the energy transition. This may affect the Issuer's ability to facilitate the energy transition and achieve its objectives. For example, the Issuer is taking initiatives that allow groups of high-volume consumers to jointly reduce the load on the power grid by means of a group transmission agreement. This saves capacity use that can be deployed to other customers, which is beneficial for achieving the climate objectives. These kinds of initiatives cannot be implemented on a large scale without the support of legislation and regulation.

## 3. Risks related to the Issuer's business activities and industry

*Risks related to the realisation of work package.*

Due to the energy transition in the Netherlands, the work volume is developing more quickly than anticipated and is also expected to increase further in the years to come and so remain at a challenging, high level. By 2030, the investment in energy grids on a national scale is expected to be between €7 billion and €8 billion per year. At the same time, the labour market for technical staff is very competitive given the shortage of duly skilled technical staff. This, combined with the long training period, makes it difficult to rapidly expand the Issuer's workforce. Furthermore, as a result of the current disruptions in supply chains, the Issuer is experiencing material shortage and significant higher prices of materials (which may also be the result of the war in Ukraine). Higher prices are charged for a broad range of materials, but notably for energy. Material shortage is the case in particular in relation to 3-phase energy meters and certain types of transformers and electric cables.

As a result, some customers are connected later than expected, technical network maintenance is sometimes delayed and, more generally, this may lead to a shortage of transmission capacity. As a consequence, the Issuer cannot satisfy all the demand or not within a timely manner or at a significantly higher price (amongst other things). These matters could reduce the stability of the electricity grid which may lead to complaints about voltage sags that affect sensitive electronic devices. It may also result in an inability to timely connect essential community facilities like schools or supermarkets to the grid.

All the developments described above may have a negative reputational effect for the Issuer and may also result in claims, each of which could have a material adverse effect on the Issuer's financial position.

*Risks related to Energy Transition / Capacity for Change.*

The energy transition is accelerating. The use of natural gas for residential heating is being phased out and the use of solar panels, wind farms, heat pumps and electric cars is becoming more widespread. Therefore, many parts of the electricity network need to be upgraded rapidly.

The actual take-up of the new energy systems is difficult to predict. Owing to uncertainty surrounding the energy transition scenarios as regards the disciplines of electricity, gas and heat and a limited overall organisational focus, there is a risk that the Grid Manager has an inadequate overview of the regional and wider trends, making investment choices difficult.

Lack of a timely anticipation of the impact of these developments could result in early write-off of unregulated assets, which could have a material adverse effect on the Issuer's financial position.

*Risks related to health and safety.*

The regional distribution of energy, such as electricity, biogas, gas and heat, involves health and safety risks for the Issuer’s employees, contractors, customers and local communities as a result of accidents, leaks and other incidents relating to the Issuer’s business. Insufficient safety awareness and lack of knowledge of safe working instructions, quality and safety requirements and safety measures heighten the risk of accidents. Unsafe practices of third parties working on Alliander’s behalf can also lead to safety risks for employees, contractors, customers and local communities. In addition, materials used in the past, such as asbestos, may pose more serious health and safety risks than initially assumed. Any of such health and safety related risks may have a negative reputational effect for the Issuer and may result in claims, each of which could have a material adverse effect on the Issuer's financial position.

*Risks related to privacy of energy data.*

As part of Alliander’s energy network management activities, it has access to privacy-sensitive data. This concerns e.g. connections, energy contracts, usage and costs. Failure by Alliander to comply with all applicable rules and regulations in relation to privacy-sensitive data could potentially lead to fines, third party claims and loss of reputation and consequently could have an impact on the Issuer’s business, financial position and results of operations. In addition, Alliander may be required to incur significant costs to protect against or repair the damage caused by privacy violations.

*Risks related to cybercrimes.*

The energy networks and above-ground installations of Alliander’s Grid Manager Liander are steadily being digitised. At the same time, cyber-attacks with a political or terrorist motive are increasingly targeting vital infrastructure. Service interruptions with a duration of between four and eight hours require Alliander to compensate customers by €35 per customer. For every extra four hours the compensation increases by €20 per customer. Therefore, a successful attack on its digitised networks may jeopardise the continuity of Alliander's services and this could have a material adverse effect on the Issuer's financial position.

*Risks related to IT landscape not being future proof.*

Alliander needs an integrated IT architecture to be able to accommodate current and future primary processes and enable the energy transition. The current IT landscape is complex, which complicates the digital transformation to a data-driven network operator. The negative impact for the Issuer concerns the impact on costs and hence profitability of:

(i) incorrect decision-making on large-scale contracts (e.g. purchasing tooling that Alliander ultimately does not use);

(ii) repair work;

(iii) delay of projects (no clear IT governance costs time and money);

(iv) costs that come with a complex landscape;

(v) no reuse of components due to lack of overview;

(vi) not flexible to respond to change; or

(vii) high integration costs.

*Risks related to depreciation period of 40-50 years.*

The construction of energy networks is a long-term investment, based on an estimated useful life of 40 to 50 years. The Netherlands wants to become climate neutral by 2050, and one of the measures to achieve this is to replace natural gas for heating with sustainable heating solutions over the next 35 years. It remains to be seen whether, and if so, which part of the Issuer's gas distribution networks will remain important in the long term for the distribution of, for example, alternative gases. Given the current useful life of 40 to 50 years, developments in the heating transition (such as natural gas-free districts) will also lead to part of the gas networks being taken out of use prematurely. Although the ACM has stated that the network operators will be given extra income to cover the extra depreciation costs, depreciation of energy networks could have a material adverse effect on the Issuer's financial position.

*Risks related to organisational growth.*

The major scale-up in the number of employees and contractors due to the energy transition poses the risk that the organisation will not be able to keep up with this rapid growth due to constraints on absorptive capacity. There is a risk that the organisation will not be able to recruit enough new employees to do all the work required, resulting in an inability to meet the task, failure to deploy new employees effectively enough, and inadequate cohesion and commitment. This risk may jeopardise the continuity of Alliander's services because of a shortage of personnel to perform required grid maintenance and repair. This risk could also have a material adverse effect on the Issuer's financial position.

**RISK FACTORS CONCERNING THE SECURITIES**

*The Securities are perpetual securities and need not be redeemed by the Issuer*.

The Securities are perpetual securities in respect of which there is no fixed redemption date by which the Issuer would be under the obligation to redeem the Securities. Accordingly, there is uncertainty as to when (if ever) an investor in the Securities will receive repayment of the principal amount of the Securities, which may also affect the market value of the Securities.

*The Securities could be redeemed at any time upon a Withholding Tax Event, A Tax Deduction Event, an Accounting Event or a Rating Event or following the exercise by the Issuer of the Make-whole Call, the Clean-up Call and on any Optional Redemption Date.*

The Securities may be redeemed, in whole but not in part, at the option of the Issuer at any time upon the giving of notice at (a) 101 per cent. of their principal amount, if such redemption occurs before (but excluding) the First Call Date, except for a redemption in connection with the occurrence of a Withholding Tax Event or a Clean-up Call or (b) at their principal amount, if such redemption occurs after (or on) the First Call Date (in each case together with accrued but unpaid interest and all Arrears of Interest and Additional Amounts, if any) in the event that (1) the Issuer would be obliged to increase the amounts payable in respect of any payment due on the Securities due to any withholding or deduction for or on account of any present or future taxes by or on behalf of The Netherlands (a Withholding Tax Event), or (2) the payment of interest under Securities were but are or will no longer be tax deductible by the Issuer for the purposes of Dutch corporate income tax purposes (a Tax Deduction Event), or (3) the Issuer has received an opinion from a recognised independent auditor that the Securities will no longer or may no longer be classified as "equity" in the consolidated accounts of the Group prepared in accordance with International Financial Reporting Standards as adopted by the European Union (an Accounting Event) or (4) following the exercise by the Issuer of the Clean-up Call.

The Securities may also be redeemed, in whole but not in part, at the option of the Issuer at any time upon the giving of notice at (a) 101 per cent. of their principal amount, if such redemption occurs before (but excluding) the First Call Date or (b) at their principal amount, if such redemption occurs after (or on) the First Call Date (together with, in each case, accrued but unpaid interest and all Arrears of Interest and Additional Amounts, if any) in the event that (i) any Rating Agency, which has assigned a sponsored rating to the Issuer, publishes any amendment to, clarification of, or change in hybrid capital methodology or a change in the interpretation thereof after the Issue Date, as a result of which (a) the Securities would no longer be eligible (or if the Securities have been partially or fully re-financed after the Issue Date and are no longer eligible for equity credit in part or in full as a result, the Securities would no longer have been eligible as a result of such change in the assessment criteria had they not been re-financed), in whole or in part, for the same or a higher category of "**equity credit**" or such similar nomenclature as may be used by that Rating Agency from time to time to describe the degree to which the terms of an instrument are supportive of the Issuer's senior obligations, attributed to the Securities at the Issue Date or (b) the length of time the Securities are assigned a particular level of equity credit by that Rating Agency would be shortened as compared to the length of time they would have been assigned that level of equity credit by that Rating Agency on the initial issuance of the Securities (each a "**Rating Event**"), or (ii) the Issuer has received confirmation from any Rating Agency, which has assigned a sponsored rating to the Issuer, that due to any amendment to, clarification of, or change in hybrid capital methodology or a change in the interpretation thereof, a Rating Event has occurred.

In addition, the Securities may be redeemed, in whole but not in part, at the option of the Issuer at any time upon the giving of notice at their principal amount (together with accrued but unpaid interest and all Arrears of Interest and Additional Amounts, if any) (i) on any date from (and including) the First Call Date up to (and including) the First Reset Date or (ii) on any Coupon Payment Date thereafter. See "*Terms and Conditions of the Securities – Redemption and Purchase*".

The Securities may also be redeemed, in whole but not in part, on any date (i) from the Issue Date to, but excluding, the First Call Date and (ii) from, and excluding, the First Reset Date on any date that is not a Coupon Payment Date at the Make-whole Redemption Amount. See "*Terms and Conditions of the Securities – Redemption and Purchase*".

An optional redemption feature is likely to limit the market value of the Securities. During any period when the Issuer may elect to redeem the Securities, the market value of the Securities generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

An investor may not be able to reinvest the proceeds of the redemption of the Securities in a comparable security at a rate of return similar to that of the Securities. Potential investors should consider reinvestment risk in light of investments available at that time.

*The Issuer has the option to defer any payment of interest on the Securities.*

The Issuer has the option to defer any payment of interest on the Securities indefinitely as provided in Condition 4(a) (*Deferral of Payments*). Any such deferral shall not constitute a default by the Issuer for any purpose. Any interest in respect of the Securities not paid shall, so long as the same remains unpaid, constitute "Arrears of Interest".

Any Arrears of Interest may be paid in whole but not in part at any time, and in any event, will automatically remain due and become payable under certain conditions as provided for in Condition 4(b) (*Compulsory Payments*).

Any deferral of interest payments will likely have an adverse effect on the market price of the Securities. In addition, as a result of the interest deferral provision of the Securities, the market price of the Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrual is not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's financial condition.

*The Securities will be unsecured and subordinated.*

If the Issuer is declared insolvent and a winding-up is initiated, it will be required to pay the holders of prior-ranking debt and meet its obligations to all its other creditors (including unsecured creditors but excluding any obligations in respect of subordinated debt which ranks lower than or equally with the Securities) in full before it can make any payments on the Securities. If this occurs, the Issuer may not have enough assets remaining after these payments to pay amounts due and payable under the Securities.

The Securities will be deeply subordinated obligations and the most junior instrument in the capital of the Issuer, other than ordinary shares and preference shares, if any. The Issuer may be able to incur significant additional secured or unsecured unsubordinated indebtedness and/or prior-ranking subordinated indebtedness. If the Issuer becomes insolvent or is liquidated, or if payment under any secured or unsecured unsubordinated and/or prior-ranking subordinated debt obligations is accelerated, the Issuer’s secured or unsecured unsubordinated or, as the case may be, prior-ranking subordinated lenders would be entitled to exercise the remedies available to a secured or unsecured unsubordinated and/or prior-ranking subordinated lender before the Holders. As a result, the Securities are subordinated to any secured or unsecured unsubordinated indebtedness and/or prior-ranking subordinated indebtedness that the Issuer may incur in the future, and the holders of the Securities may recover ratably less than the lenders of the Issuer’s secured or unsecured unsubordinated debt and/or prior-ranking subordinated debt in the event of the Issuer’s bankruptcy or liquidation.

Unsubordinated liabilities of the Issuer may also arise from events that are not reflected on the balance sheet of the Issuer, including, without limitation, insurance or reinsurance contracts, derivative contracts, the issuance of guarantees or the incurrence of other contingent liabilities on an unsubordinated basis. Claims made under such guarantees or such other contingent liabilities will become unsubordinated liabilities of the Issuer that in a winding-up or insolvency proceeding of the Issuer will need to be paid in full before the obligations under the Securities may be satisfied.

*No limitation on issuing senior or pari passu securities.*

There is no restriction in the documentation entered into in connection with the issue of the Securities by the Issuer on the amount of securities or other liabilities which the Issuer may issue or incur and which rank senior to, or *pari passu* with, the Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Holders and Couponholders on a winding-up or administration of the Issuer and/or may increase the likelihood of a deferral of Coupon Payments under the Securities.

*Restricted remedy for non-payment when due.*

In accordance with the Terms and Conditions of the Securities, the sole remedy against the Issuer available to any Holder or Couponholder for recovery of amounts which have become due and payable in respect of the Securities will be the institution of proceedings for the winding-up of the Issuer and/or proving in such winding-up or administration of the Issuer, or the institution of such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Agency Agreement or the Securities. However, such proceedings cannot oblige the Issuer to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it under the Terms and Conditions of the Securities. The Securities cannot cross default based on non-payment on other securities, except where such non-payment on other securities itself results in the winding-up of the Issuer. Therefore, the Holders have limited ability to influence the outcome of an insolvency or liquidation or restructuring outside an insolvency or liquidation and may incur a loss under the Securities.

*There can be no assurance that the use of proceeds for any Eligible Green Assets will be suitable for the investment criteria of an investor.*

The Issuer will apply the proceeds from the offer of the Securities specifically for projects and activities that promote climate-friendly and other environmental purposes ("**Eligible Green Assets**") in accordance with its Green Finance Framework (the Securities are in this risk factor section also referred to as "**Green Bonds**").

In particular no assurance is given by the Issuer or the Joint Lead Managers that the use of such proceeds for any Eligible Green Assets will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Assets.

Any failure to meet, or to continue to meet, the investment expectations or requirements of certain environmentally focused investors with respect to the Securities may affect the value and/or trading price of the Securities, and/or may have consequences for certain investors with portfolio mandates to invest in green assets, which may cause one or more of such investors to dispose of the Securities held by them, which may affect the value, trading price and/or liquidity of the Securities.

*There is no formal or consensus definition of a 'green' or 'sustainable' (or similar) bond.*

There is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainable" or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time.

A basis for the determination of such a definition has been established in the EU with the publication in the Official Journal of the EU on 22 June 2020 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (the "**EU Taxonomy Regulation**") on the establishment of a list of 'environmentally sustainable' economic activities, aimed to facilitating sustainable investment. The EU Taxonomy Regulation has (partially) entered into force on 1 January 2022. The EU Taxonomy Regulation establishes the basis for a classification system, establishing a list of environmentally sustainable economic activities which could play an important role helping the EU scale up sustainable investment and implement the European green deal, as established by the EU Taxonomy Regulation (the "**EU Taxonomy**"), which is subject to further development by way of the implementation by the European Commission through delegated regulations of technical screening criteria for the environmental objectives set out in the EU Taxonomy Regulation. On 5 April 2023, the European Commission launched a four-week feedback period on a new set of EU Taxonomy criteria for economic activities making a substantial contribution to one or more of the nonclimate environmental objectives. The European Commission has also consulted on proposed amendments to various delegated acts under the EU Taxonomy Regulation. On 21 November 2023, the Taxonomy Environmental Delegated Act and Amending Taxonomy Climate Delegated Act were published in the Official Journal of the EU. The Taxonomy Environmental Delegated Act ((EU) 2023/2486) will apply from 1 January 2024. The Amending Taxonomy Climate Delegated Act ((EU) 2023/2485) predominantly applies from 1 January 2024, although some provisions apply from 1 January 2025. For an economic activity to be recognised as 'environmentally sustainable", it should meet the technical screening criteria as defined in the EU Taxonomy.

No assurance is or can be given to investors that any projects or uses the subject of, or related to, any Eligible Green Assets will meet any or all investor expectations or requirements regarding such "green", "sustainable" or other equivalently-labelled performance objectives (including EU Taxonomy) or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Green Assets.

In addition, on 30 November 2023, Regulation (EU) 2023/2631 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds (the "**European Green Bond Regulation**") was published in the Official Journal of the EU. The European Green Bond Regulation has come into force on 20 December 2023 and most provisions will apply from 21 December 2024. It will establish an EU voluntary high-quality standard for green bonds called the "**European Green Bond Standard**". The European Green Bond Standard will be available to companies and public entities that wish to raise funds on capital markets to finance their green investments, while meeting the requirements of the EU Taxonomy Regulation, and/or any (future) delegated regulations', requirements. As at the date of this Prospectus, it is unclear what the impact of the European Green Bond Standard, if and when implemented, would be on investor demand for, and the pricing of, green use of proceeds bonds (such as Green Bonds) that do not meet the requirements of the European Green Bond Standard. The Green Bonds will not comply with the European Green Bond Standard and this could reduce the demand, price and liquidity for Green Bonds, resulting in a material adverse effect for holders of such Green Bonds. Furthermore, as at the date of this Prospectus, a formal verification regime has not yet been set up for the accreditation of external verifiers to assess alignment of green bond frameworks with the EU Taxonomy or the European Green Bond Regulation.

Accordingly, in the event that the Securities are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is or can be given by the Issuer, the Joint Lead Managers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Green Assets. Furthermore, the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of any the Securities or, if obtained, that any such listing or admission to trading will be maintained during the life of the Securities.

*The SPO may not reflect the potential impact of all risks related to the structure of the Securities.*

The Issuer has updated its 2022 Green Finance Framework and this Framework is in alignment with International Capital Markets Association (**ICMA**) Green Bond Principles 2021 (with June 2022 Appendix 1) as well as the Loan Market Association (**LMA**) Green Loan Principles 20232 (**GLP**). The current version continues to align the selection criteria for the eligible green asset categories to the EU Taxonomy and highlights its compliance with applicable environmental and social regulations, 'Do No Significant Harm' (**DNSH**) criteria and related 'Minimum Social Safeguards' of the EU Taxonomy.

The Issuer has also commissioned ISS ESG to review the portfolio of the Eligible Green Assets, as well as the alignment of the Green Finance Framework with the ICMA's Green Bond Principles 2021 (with June 22 Appendix 1), the LMA's GLP and the EU Taxonomy Climate Delegated Act (June 2023). ISS ESG has provided a positive second party opinion ("**Second Party Opinion**") confirming that the Green Finance Framework is in compliance with the aforementioned standards. Potential investors should be aware that a Second Party Opinion will not be incorporated into, and will not form part of, this Prospectus. Any such Second Party Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed in this section and other factors that may affect the value of the Securities or the projects financed or refinanced toward an amount corresponding the net proceeds of the issue of the Securities. A Second Party Opinion would not constitute a recommendation by the Issuer, the Joint Lead Managers or any other person to buy, sell or hold the Securities. Any such Second Party Opinion is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such Second Party Opinion and/or the information contained therein and/or the provider of such Second Party Opinion for the purpose of any investment in the Securities. Currently, the providers of Second Party Opinions are not subject to any specific regulatory or other regime or oversight. Furthermore, the Holders will have no recourse against the provider of the Second Party Opinion. A negative change to, or a withdrawal of, the Second Party Opinion may affect the value of the Securities and may have consequences for certain investors with portfolio mandates to invest in the Green Bonds.

*The Issuer may not use the proceeds of the Securities for the financing and/or refinancing of the Eligible Green Assets.*

While it is the intention of the Issuer to apply the proceeds of the Securities for Eligible Green Assets in, or substantially in, the manner described in this Prospectus, if any of the risks as described in this section 'Risk factors concerning the Securities' were to materialise, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Eligible Green Assets will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Eligible Green Assets. No Joint Lead Manager shall be responsible for monitoring the use of proceeds of the Securities. Any failure to use the net proceeds of the Securities in connection with green projects and activities may only occur as a result of factors outside the Issuer's control (including for example as a result of scientific progress, relevant legislation and/or investor preferences).

Nor can there be any assurance that such Eligible Green Assets will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. The maturity of an Eligible Green Asset may not match the minimum duration of any Green Bond. Neither any such event or failure by the Issuer nor the withdrawal of the Second Party Opinion will constitute an Event of Default under the Securities.

Any such event or failure to apply the proceeds of the issue of the Securities for any Eligible Green Assets as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or the Securities no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value the Securities and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

*Risks relating to EURIBOR.*

The determination of the Reset Coupon Rate in respect of the Securities is dependent upon the mid-swap rate for euro interest rate swaps with a term of 5 (five) years as displayed on Reuters screen "ICESWAP2" provided by ICE Benchmark Administration Limited and the 6-month EURIBOR rate administered by the European Money Markets Institute.

EURIBOR and other interest rate or other types of rates and indices which are deemed to be benchmarks ("**benchmarks**") are the subject of ongoing national and international regulatory reform. Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. Any such consequence could affect the manner in which interest determinations are required to be made pursuant to the Terms and Conditions of the Securities, and have a material adverse effect on the value of and return on the Securities.

On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate ("**€STR**") as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has subsequently been reformed in order to comply with the terms of the EU Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

If the Issuer determines that a Benchmark Event (as defined in the Terms and Conditions of the Securities) has occurred, then the Issuer may elect to apply provisions in the Terms and Conditions of the Securities that permit the rate of interest to alternatively be set by the Issuer and an Independent Adviser (without a requirement for the consent or approval of the Holders), by reference to a successor rate or an alternative reference rate and that such successor rate or alternative reference rate may be adjusted (if required). This may lead to conflict of interest of the Issuer being responsible for the compensation of the Independent Adviser. In addition, the use of a successor rate or an alternative reference rate may result in interest payments that are lower than, or otherwise do not correlate over time with, the payments that could have been made on the Securities if the relevant benchmark continued to be available in its current form. Furthermore, if the Independent Adviser and the Issuer fail to agree on a successor rate or an alternative reference rate or any adjustments thereto in accordance with the Terms and Conditions of the Securities, the ultimate fallback of interest for a particular Reset Period may result in the rate of interest for the last preceding Reset Period being used (or, in the case of the Reset Period commencing on the First Reset Date, 2.774 per cent. per annum[1]). Any such consequence could have a material adverse effect on the value of and return on the Securities.

No consent of the Holders shall be required in connection with effecting any relevant successor rate or alternative reference rate (as applicable) or any other related adjustments and/or amendments described above. Any such adjustment could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Holder, any such adjustment will be favourable to each Holder.

There is a risk that such successor rate or alternative reference rate qualifies as a benchmark under the provisions the Benchmarks Regulation and the requirements and obligations set out in the Benchmarks Regulations need to be satisfied. In addition, the Independent Adviser may be considered an "administrator of benchmarks" within the meaning of the Benchmarks Regulation. Failing the due authorisation of the Independent Adviser as administrator pursuant to the Benchmarks Regulation, there is a risk that the Independent Adviser may not act in such capacity and that the appointment of another agent is required to be organised. Delays in the calculation of the successor rate or alternative reference rate may occur in such instance. This could have a material adverse effect on the value of and return on any such Securities which could affect the ability of the Issuer to meet its obligations under the Securities.

Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Securities or could have a material adverse effect on the value or liquidity of, and the amount payable under the Securities. Investors should consider these matters when making their investment decision with respect to the Securities.

[1] The 8 year Euro mid-swap rate as at the pricing time of the Securities.

*Under circumstances, the Issuer may amend or vary the Securities without consent of the Holders.*

Pursuant to the Terms and Conditions of the Securities, the Issuer may modify the Terms and Conditions of the Securities, or substitute other securities in place of the Securities, without the consent of the Holders in the event of a Tax Deduction Event, an Accounting Event, a Rating Event or a Withholding Tax Event in order that such event ceases to exist after the modification. The Terms and Conditions of the Securities as at the Issue Date provide that, following any such modification or substitution, the modified or substitution securities should (i) not be less favourable to the Holders than the terms of the Securities prior to such exchange or modification, (ii) be substantially identical to the terms of the Securities, apart from the necessary modification and (iii) continue to be listed on an internationally recognised stock exchange. The Terms and Conditions of the Securities also stipulate that either (A) the person having the obligations of the Issuer under the modified or substitution Securities must continue to be the Issuer or (B) such person is another member of the Group and such obligations are guaranteed by the Issuer. Nonetheless, it is possible that any modified or substitution Securities will contain conditions that are contrary to the investment criteria of certain investors. Any resulting sale of the Securities, or of the modified or substitution securities, may be adversely affected by market perception of and price movements in the terms of the modified or substitution securities.

In addition, the Terms and Conditions of the Securities contain provisions for calling meetings of holders of Securities to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of Securities including holders that did not attend and vote at the relevant meeting and holders that voted in a manner contrary to the majority. The Terms and Conditions of the Securities also provide that any of the provisions of the Securities and the Terms and Conditions of the Securities may be modified without the consent of the Holders to correct a manifest error or if such modification is of a formal, minor or technical nature and is not prejudicial to the interests of the Holders, or in accordance with Condition 5(c) (*Benchmark Replacement*). Holders are therefore exposed to the risk that changes are made to the Securities and Terms and Conditions of the Securities without their knowledge or consent and/or which may have an adverse effect on them.

*Securities with denominations which are not integral multiples of less than €100,000 may not receive definitive Securities*

As the Securities have a denomination consisting of the minimum denomination plus a higher integral multiple of another smaller amount, it is possible that the Securities may be traded in amounts in excess of €100,000 (or its equivalent) that are not integral multiples of €100,000 (or its equivalent). In such case a Holder who, as a result of trading such amounts, holds a principal amount of less than the minimum denomination may not receive a Definitive Security in respect of such holding (should Definitive Securities be printed) and would need to purchase a principal amount of Securities such that its holding amounts to the minimum denomination. If Securities in definitive form are issued, Holders should be aware that Securities in definitive form which have a denomination that is not an integral multiple of €100,000 may be illiquid and difficult to trade.

*Changes to credit rating may affect the trading price for the Securities.*

The Securities have been rated BBB+ by S&P and A3 by Moody's. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Securities.

In addition, upon the occurrence of a Rating Event (as further described above under '*The Securities could be redeemed at any time upon a Withholding Tax Event, A Tax Deduction Event, an Accounting Event or a Rating Event or following the exercise by the Issuer of the Make-whole Call, the Clean-up Call and on any Optional Redemption Date*'), the Issuer may in its discretion redeem the Securities or it may, without the consent of the Holders, modify the Terms and Conditions of the Securities in order that such Rating Event ceases to exist.

*There is no active trading market for the Securities.*

The Securities are new securities which may not be widely distributed and for which there is currently no active trading market. If the Securities are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application has been made for the Securities to be admitted to listing and trading on Euronext Amsterdam, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Securities. Lack of liquidity may have an adverse effect on the market value of the Securities.

## Overview

*This overview must be read as an introduction to this Prospectus and any decision to invest in any Securities should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference. The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus*.

| | |
|---|---|
| **Issuer:** | Alliander N.V. |
| **Issuer Legal Entity Identifier ("LEI"):** | 724500XBZ9QOPTI11U82 |
| **The Securities:** | €500,000,000 Reset Perpetual Capital Securities |
| **Principal Paying Agent and Calculation Agent:** | Citibank, N.A., London Branch |
| **Listing Agent** | ING Bank N.V. |
| **Issue Price:** | 99.180 per cent. |
| **Form of Securities, Initial Delivery of Securities and Clearing Systems:** | The Securities will initially be represented by a Temporary Global Security, without interest coupons, which will be deposited with a common depositary on behalf of the Clearstream Banking S.A. ("**Clearstream Luxembourg**") and Euroclear Bank SA/NV ("**Euroclear**") systems on or about 27 June 2024. The Temporary Global Security will be exchangeable for interests in a Permanent Global Security, without interest coupons, on or after a date which is expected to be 6 August 2024, upon certification as to non-U.S. beneficial ownership. The Permanent Global Security will be exchangeable for definitive Securities in bearer form in the denominations of €100,000 and integral multiples of €1,000 in excess thereof in the limited circumstances set out in it. No definitive Securities will be issued with a denomination above €199,000. Also see "*Summary of Provisions relating to the Securities while in Global Form*". |
| **No fixed maturity:** | The Securities are perpetual securities in respect of which there is no fixed redemption date. |
| **Denominations:** | €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. Also see "*Form of Securities, Initial Delivery of Securities and Clearing Systems*" above. |
| **Status of the Securities:** | The Securities will constitute subordinated obligations of the Issuer as described in "*Terms and Conditions of the Securities — Status and Subordination*". Also see "*Terms and Conditions of the Securities — Winding-up*". |

**Interest:**

From (and including) 27 June 2024 until (but excluding) 27 June 2032, the Securities will bear interest at a rate of 4.500 per cent. per annum, payable annually in arrear on 27 June of each year. Thereafter, unless previously redeemed, the Securities, from (and including) 27 June 2032 to (but excluding) the date on which they are redeemed will bear interest at a rate per annum which shall be the aggregate of the applicable Margin (which will include, after the First Step-up Date, a 0.25 per cent. step-up over the initial credit spread and, after the Second Step-up Date, a further 0.75 per cent. step up) and the 5-year Swap Rate determined two Business Days prior to the beginning of each Reset Period (as defined in the Terms and Conditions of the Securities), payable annually in arrear on 27 June of each year. See also "*Terms and Conditions of the Securities – Coupon Payments"*.

**Interest Deferral and payment of Arrears of Interest:**

The Issuer may at its discretion and upon giving notice elect to defer payment of interest on the Securities, see "*Terms and Conditions of the Securities -Deferral of Interest*".

Any amounts so deferred shall constitute Arrears of Interest. Arrears of Interest shall bear interest at the rate applicable to the Securities. The Issuer may upon giving notice pay outstanding Arrears of Interest, in whole or in part, at any time. The Issuer shall pay any outstanding Arrears of Interest, in whole but not in part, on the first to occur of the following dates:

(i) the 10th Business Day following the occurrence of a Mandatory Payment Event (as defined in the Terms and Conditions of the Securities); or

(ii) the date on which the Securities are redeemed (in whole, but not in part) in accordance with Condition 3 (*Winding-up*), Condition 6(b) (*Optional Redemption by the Issuer*), Condition 6(c) (*Redemption for Taxation Reasons*), Condition 6(d) (*Redemption for Accounting Reasons*), Condition 6(e) (*Redemption for Rating Reasons*), Condition 6(f) (*Redemption following exercise of Make-whole redemption call*) or Condition 6(g) (*Redemption following exercise of Clean-up call*), all as described in "*Terms and Conditions of the Securities — Deferral of Interest*".

**Optional Redemption:**

The Securities may be redeemed at the option of the Issuer, including, without limitation, for tax, accounting and rating reasons and upon exercise of the Make-whole Call and the Clean-up Call, see "*Terms and Conditions of the Securities — Redemption and Purchase*" for more detail on the terms applicable to such redemption including the basis for calculating the redemption amounts payable.

| | |
|---|---|
| **Withholding Tax and Additional Amounts:** | All payments of principal and interest in respect of the Securities will be made free and clear of withholding taxes of The Netherlands subject to customary exceptions, all as described in "*Terms and Conditions of the Securities — Taxation*". |
| **Governing Law:** | Dutch law. |
| **Ratings:** | The Securities have been rated BBB+ by S&P and A3 by Moody's. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. |
| **Listing and Admission to Trading:** | Application has been made to list the Securities on Euronext Amsterdam. |
| **Selling Restrictions:** | The United States, the United Kingdom and Singapore, see "*Subscription and Sale*". |
| | The Issuer is Category 1 for the purposes of Regulation S under the U.S. Securities Act of 1933, as amended. The TEFRA D Rules shall apply. |
| **Risk Factors:** | There are certain risks that may materially affect the Issuer's ability to fulfil its obligations under the Securities. These include various risks relating to the Issuer's business. In addition, there are certain risk which are material for the purpose of assessing the market risks associated with the Securities. See "*Risk Factors*" above. |
| **Use of Proceeds:** | The net proceeds of the issue of the Securities will be exclusively used to finance and/or refinance new or existing Eligible Green Projects that meet the requirements of the Green Finance Framework, as applicable from time to time (each term as defined in "*Use of Proceeds*" below). |
| **ISIN:** | XS2829852842 |
| **Common Code:** | 282985284 |
| **CFI:** | DBFXPB |
| **FISN:** | ALLIANDER N.V./4.5EUR NT PERP SUB |

## Important Notices

This Prospectus comprises a prospectus for the purposes of the Prospectus Regulation. When used in this Prospectus, **Prospectus Regulation** means Regulation (EU) 2017/1129, as amended.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer the information contained in this Prospectus is in accordance with the facts and makes no omission likely to affect its import of such information.

This Prospectus has been approved by the AFM as competent authority under the Prospectus Regulation. The AFM only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus and of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Securities.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*" below). The Prospectus shall be read and construed on the basis that such documents are incorporated in and form part of the Prospectus.

Other than in relation to the documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*" below), the information on websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the AFM.

This Prospectus does not constitute an offer or an invitation to sell or the solicitation of an offer to buy any Securities in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Securities in certain jurisdictions may be restricted by law. The Issuer and the Joint Lead Managers do not represent that this Prospectus may be lawfully distributed, or that any Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Joint Lead Managers which would permit a public offering of any Securities or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Securities may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with applicable laws and regulations. Persons into whose possession this Prospectus (or any part thereof) or any Securities come must inform themselves about, and observe, such restrictions. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Securities in the United States, United Kingdom and the EEA (see the section "*Subscription and Sale*" below).

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus and any information or representation not so contained or not consistent must not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Lead Managers. The delivery of this Prospectus shall not, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or that there has been no adverse change in the financial position of the Issuer since the date hereof or that the information contained in it or any other information supplied in connection with the Securities is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither the Joint Lead Managers nor any of their respective affiliates have authorised the whole or any part of this Prospectus or have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers or any of their respective affiliates as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the offering of the Securities. No Joint Lead Manager or any of their respective affiliates accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the offering of the Securities or their distribution.

The Securities have not been approved or disapproved by the US Securities and Exchange Commission, any State Securities Commission or any other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is unlawful.

The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain exceptions, Securities may not be offered, sold or delivered within the United States or to U.S. persons.

**MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

The Joint Lead Managers do not regard any actual or prospective holders of Securities as their clients in relation to the offer.

**PRIIPs / IMPORTANT – EEA RETAIL INVESTORS** – The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Words and expressions defined in Condition 19 of the Terms and Conditions of the Securities shall have the same meanings ascribed to them in Condition 19 when used in other parts of this Prospectus.

In connection with the issue of the Securities, NatWest Markets N.V. (the "**Stabilising Manager**") (or any person acting on behalf of any Stabilising Manager) may over-allot Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Securities is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Securities and 60 days after the date of the allotment of the Securities. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

This Prospectus includes statements of future expectations and other forward-looking statements that are subject to risks and uncertainties. These statements are based on the current views of the Issuer's management and assumptions and involve known and unknown risks and uncertainties. Such statements include, in particular, statements about the Issuer's plans, strategies and prospects under the heading "Alliander N.V.".

When used in this Prospectus, the words “may”, “will”, “estimate”, “project”, “intend”, “anticipate”, “expect”, “should” and similar expressions are intended to identify such forward-looking statements. Prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date thereof. Important factors that could cause actual results to differ materially from the forward-looking statements made in this Prospectus include, among other things, general economic conditions, conditions in the international capital markets, the Issuer’s exposure to certain interest rate risks, legal and regulatory rules affecting the Issuer’s businesses, conditions in the markets in which the Issuer is engaged, behaviour of customers and suppliers, risks associated with data protection, the implementation and execution of new ICT systems, technological developments, cybercrime and organisational growth due to the energy transition as are mentioned under section “*Risk Factors*”.

Save as required by the rules or regulations of any stock exchange on which the Securities are listed, the Issuer does not undertake any obligation to publicly release any revisions of these forward-looking statements to reflect events or circumstances after the date of this Prospectus or to reflect the occurrence of unanticipated events.

All references in this Prospectus to “**U.S. dollars**”, “**USD**”, “**U.S.$**” and “**$**” refer to the currency of the United States of America and those to “**euro**”, “**EUR**” and “**€**” refer to the lawful currency of the Member States that have adopted the single currency pursuant to the Treaty on the Functioning of the European Union, as amended.

## Suitability of Investment

Each potential investor in any Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Securities, the merits and risks of investing in the relevant Securities and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Securities and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Securities, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency;

(iv) understand thoroughly the terms of the relevant Securities and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Securities are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Securities which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of such Securities and the impact this investment will have on the potential investor’s overall investment portfolio.

The investment activities of certain investors are subject to laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Securities are legal investments for it, (2) Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

This Prospectus includes a general summary of certain Dutch tax considerations relating to an investment in the Securities issued by the Issuer (see "*Taxation*"). Such summary may not apply to a particular holder of Securities or to a particular issue and does not cover all possible tax considerations. In addition, the tax treatment may change before the maturity, exercise or termination date of Securities. Any potential investor should consult its own independent tax adviser for more information about the tax consequences of acquiring, owning and disposing of Securities in its particular circumstances.

## Documents Incorporated by Reference

The following parts of the documents listed below, which have previously been published or are published simultaneously with this Prospectus and have been approved by the AFM of filed with it, shall be incorporated in, and form part of, this Prospectus; this Prospectus should be read and construed in conjunction with such (parts of the) documents:

1. the most recent Articles of Association (*statuten*) of the Issuer (the "**Articles**"), which can be obtained from https://www.alliander.com/content/uploads/dotcom/Alliander-N.V.-DLT-NED-31-05-2021.pdf;

2. the annual report of the Issuer for the financial year ended 31 December 2022 (both the original Dutch version and the English version) (the "**Annual Report 2022**") together with the independent auditor's report dated 6 March 2023 on the audit of the financial statements 2022 included in the Annual Report 2022, which can be obtained from https://jaarverslag.alliander.com/external/asset/download/project/f944830a-03ea-0000-7d7f-11c76d994396/name/Alliander_Jaarverslag_2022.pdf (Dutch) and https://www.alliander.com/content/uploads/dotcom/Alliander_Annual_Report_2022.pdf (English);

3. the annual report of the Issuer for the financial year ended 31 December 2023 (both the original Dutch version and the English version) (the "**Annual Report 2023**") together with the independent auditor's report dated 28 February 2024 on the audit of the financial statements 2023 included in the Annual Report 2023, which can be obtained from https://jaarverslag.alliander.com/external/asset/download/project/f944830a-03ea-0000-7d7f-11c76d994396/name/Alliander_Jaarverslag_2023.pdf (Dutch) and https://www.alliander.com/content/uploads/dotcom/Alliander_Annual_Report_2023.pdf (English);

(together, the "**Documents Incorporated by Reference**"), save that any statement contained in the Documents Incorporated by Reference shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

The Annual Report 2022 and Annual Report 2023 of the Issuer are published in Dutch and English language versions. In case of any discrepancy between both languages, the Dutch versions prevails.

Any documents themselves incorporated by reference into the Documents Incorporated by Reference shall not form part of this Prospectus. This Prospectus and the Documents Incorporated by Reference may contain active hyperlinks or inactive textual addresses to Internet websites. Reference to such websites is made for information purposes only, and information found at such websites is not incorporated by reference into this Prospectus or the Documents Incorporated by Reference, shall not form a part of this Prospectus and has not been scrutinised or reviewed by the AFM.

The Issuer will provide, without charge, to each person to whom a copy of this Prospectus has been delivered in accordance with applicable law and regulation, upon the oral or written request of such person, copies of any or all of the Documents Incorporated by Reference. Written or oral requests for such documents should be directed to the Issuer at its registered office as set out at the end of this Prospectus. In addition, such documents will be available free of charge from the English version of the website of the Issuer (www.alliander.com/en).

## Terms and Conditions of the Securities

*The following is the text of the Terms and Conditions of the Securities which (subject to completion and amendment) will be endorsed on each Security in definitive form:*

The €500,000,000 Reset Perpetual Capital Securities (the "**Securities**"), which expression includes any further securities issued pursuant to Condition 17 (*Further Issues*) and forming a single series therewith) of Alliander N.V. (the "**Issuer**") are the subject of an issue and paying agency agreement dated 27 June 2024 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, Citibank, N.A., London Branch as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Securities) and as calculation agent (in such capacity the "**Calculation Agent**", which expression includes any successor calculation agent appointed from time to time in connection with the Securities) and any other paying agent named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional Paying Agents appointed from time to time in connection with the Securities). Certain provisions of these Conditions are summaries of the Agency Agreement and subject to its detailed provisions. The holders of the Securities (the "**Securityholders**" or "**Holders**") and the holders of the related interest coupons (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection or collection at all reasonable times during normal business hours by Holders at the Specified Offices (as defined in the Agency Agreement) of the Principal Paying Agent and of the other Paying Agents, the initial Specified Office of the Principal Paying Agent being Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB United Kingdom or may be provided by email to a Holder following their prior written request to any Paying Agent and provision of proof of holding and identity (in a form satisfactory to the relevant Paying Agent).

### 1. FORM, DENOMINATION AND TITLE

*(a) Form and Denomination*

The Securities are serially numbered (in the case of Definitive Securities) and in bearer form in the denominations of €100,000 and integral multiples of €1,000 in excess thereof up to (and including) €199,000, each with Coupons attached at the time of issue. No definitive Securities will be issued with a denomination above €199,000. Securities of one denomination may not be exchanged for Securities of any other denomination.

*(b) Transfer and Title*

Title to the Securities and Coupons will pass by delivery. The holder of any Security or Coupon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon, or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder.

### 2. STATUS AND SUBORDINATION

This Condition 2 (*Status and Subordination*) is an irrevocable stipulation (*derdenbeding*) for the benefit of the creditors referred to in paragraph (iii) of Condition 3 (*Winding-up*) and each such creditor may rely on and enforce this Condition 2 (*Status and Subordination*) under Section 6:253 of the Dutch Civil Code.

(a) *Status*

The Securities, together with interest accrued thereon, including any Arrears of Interest, constitute direct, unsecured and subordinated obligations of the Issuer which will at all times rank *pari passu* without any preference among themselves.

(b) *Subordination*

The rights and claims of the Holders and Couponholders against the Issuer under the Securities in respect of the principal amounts due and payable on redemption and any Arrears of Interest and any other sum payable in respect of or arising under the Securities are subordinated on a Winding-up in accordance with the provisions of Condition 3 (*Winding-up*), save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(c) *Set-off*

Subject to applicable law, no Holder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Securities or the Coupons, whether arising prior to or after any Winding-up, and each Holder shall, by virtue of being the Holder, be deemed to have waived all such rights of set-off.

## 3. WINDING-UP

The rights of the Holders and Couponholders will be subordinated in right of payment in the event of a Winding-up of the Issuer, and will rank:

(i) in priority to any distributions and liquidation payments in respect of any ordinary shares and preference shares, if any, in the capital of the Issuer;

(ii) *pari passu* with the holders of any securities or other instruments issued by the Issuer and claims towards the Issuer which are expressed to rank *pari passu* with the Issuer's obligations under the Securities, including the 2018 Securities and the Shareholder Loan; and

(iii) junior to the claims of all unsubordinated creditors, present and future, of the Issuer and to all subordinated creditors of the Issuer other than those whose claims (whether only in the event of a Winding-up of the Issuer or otherwise) rank *pari passu* with or junior to the claims of the Holders of the Securities,

so that in the event of a Winding-up amounts due and payable in respect of the Securities shall be paid by the Issuer only after all of the creditors of the Issuer referred to in paragraph (iii) in this Condition 3 (*Winding-up*) have been reimbursed or paid in full and the Holders irrevocably waive their right to be treated equally with all such creditors of the Issuer in such circumstances.

The Issuer does not currently have any preference shares outstanding and does not intend to issue any preference shares.

## 4. DEFERRAL OF INTEREST

(a) *Deferral of Payments*

(i) The Issuer may, if it so elects and in its sole discretion, by giving not less than 10 Business Days' notice prior to the relevant Deferred Coupon Payment Date to the Holders in accordance with Condition 16 (*Notices*) and to the Principal Paying Agent and the Calculation Agent (which notices shall be irrevocable), defer all or part of any Payment (including in relation to any Payment previously deferred) that is due on such date in respect of the Securities.

(ii) Any such deferral shall not constitute a default by the Issuer for any purpose. Any interest not paid on a Coupon Payment Date shall remain due and shall (except to the extent such interest shall subsequently have been paid) constitute "**Arrears of Interest**", which, at the option of the Issuer (but subject as described in Condition 4(b) (*Compulsory Payments*)), may be paid by the Issuer (in whole but not in part) at any time by giving not less than 10 Business Days' notice prior to the relevant Deferred Coupon Payment Date to the Holders in accordance with Condition 16 (*Notices*) and to the Principal Paying Agent and the Calculation Agent (which notices shall be irrevocable) informing them of its election to so satisfy such Payment and specifying the relevant Deferred Coupon Payment Date.

(iii) In addition, each amount of Arrears of Interest shall itself bear interest from, and including, the date on which (but for such deferral) the Arrears of Interest would otherwise have been due to be paid to, but excluding, the relevant date of payment of that Arrears of Interest as if it were principal of the Securities, at the same rate of interest from time to time as is applicable to the Securities. Any reference in these Conditions to Arrears of Interest shall be deemed to include interest accrued on Arrears of Interest.

*(b) Compulsory Payments*

The Issuer shall pay any outstanding Arrears of Interest, in whole but not in part, on the first to occur of the following dates:

(A) the $10^{th}$ Business Day following the occurrence of a Mandatory Payment Event; or

(B) the date on which the Securities are redeemed (in whole, but not in part) in accordance with Condition 3 (*Winding-up*), Condition 6(b) (*Optional Redemption by the Issuer*), Condition 6(c) (*Redemption for Taxation Reasons*), Condition 6(d) (*Redemption for Accounting Reasons*), Condition 6(e) (*Redemption for Rating Reasons*), Condition 6(f) (*Redemption following exercise of Make-whole redemption call*) or Condition 6(g) (*Redemption following exercise of Clean-up call*).

## 5. COUPON PAYMENTS

*(a) Coupon Payment Dates*

The Securities bear interest from, and including, the Issue Date (subject to Condition 4(a) (*Deferral of Payments*)), payable annually in arrear on each Coupon Payment Date. Each Security will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event it will continue to bear interest at the prevailing Coupon Rate in accordance with this Condition (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due and payable in respect of such Security up to that day are received by or on behalf of the relevant Holder and (b) the day which is seven days after the Principal Paying Agent has notified the Holders that it has received all sums due in respect of the Securities up to such seventh day (except to the extent that there is any subsequent default in payment).

*(b) Coupon Rate*

(i) The Coupon Rate payable in respect of the Securities for the First Fixed Rate Period (the "**First Fixed Coupon Rate**") will be 4.500 per cent. per annum. The Coupon Amount in respect of each such Coupon Period will amount to €45.00 per Calculation Amount.

(ii) The Coupon Rate payable in respect of the Securities for each Coupon Period falling in a Reset Period (each a "**Reset Coupon Rate**") shall be the rate calculated by the Calculation Agent to be the aggregate of (1) the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis (as construed in accordance with the ISDA

Definitions)) of a fixed-for-floating Euro interest rate swap transaction which has a term equal to a period of 5 years commencing on the relevant Reset Date and which is in an amount equal to the principal amount of the Securities then outstanding that is representative of a single transaction in the swap market two business days prior to the beginning of the relevant Reset Period with an acknowledged dealer of good credit in the swap market, and where the floating leg, calculated on an Actual/360 day count basis (as construed in accordance with the ISDA Definitions) is for a period of 6 months and which appears on Reuters screen (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying comparable rates) (the "**Reset Screen Page**") designated "ICESWAP2" under the heading "EURIBOR BASIS" and above caption "11:00 AM Frankfurt time" (as such headings and captions may appear from time to time) as of 11:00 a.m. (Brussels time) on the second Business Day (the "**Reset Coupon Determination Date**") prior to the beginning of the relevant Reset Period (the "**5 year Swap Rate**") and (2) the applicable Margin.

If all or any of such rates do not appear on the Reset Screen Page on the Reset Coupon Determination Date at approximately that time, the 5 year Swap Rate will be:

(1) the rate calculated by the Calculation Agent to be the percentage rate determined by the Issuer requesting the principal Euro-zone office of each of five leading swap dealers selected by the Issuer in the Euro-zone interbank market to provide a mid-market annual swap rate quotation at approximately 11.00 a.m. (Brussels time) on the Reset Coupon Determination Date and by the Issuer providing such quotations to the Calculation Agent promptly in order for the Calculation Agent to determine the arithmetic mean (rounded, if necessary, to the nearest one hundred-thousandth, 0.000005 being rounded upwards) of such quotations. For this purpose, the "**mid-market annual swap rate**" means the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count fraction basis (as construed in accordance with the ISDA Definitions), of a fixed-for-floating Euro interest rate swap transaction with a term equal to a period of 5 years commencing on the relevant Reset Date and which is in an amount equal to the principal amount of the Securities then outstanding that is representative of a single transaction in the swap market on the Reset Coupon Determination Date with an acknowledged dealer of good credit in the swap market, and which where the floating leg, calculated on an Actual/360 day count basis (as construed in accordance with the ISDA Definitions), is for a period of 6 months, *provided that* if at least three such quotations are provided, the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest) will be eliminated; or

(2) if no such quotations referred to in (1) above are provided to the Issuer, the 5 year Swap Rate Reset Reference Bank Rate will be (i) in the case of each Reset Period other than the Reset Period commencing on the First Reset Date, the 5 year Swap Rate Reset Reference Bank Rate in respect of the immediately preceding Reset Period or (ii) in the case of the Reset Period commencing on the First Reset Date, 2.774 per cent per annum.

The amount of interest payable on each Coupon Payment Date shall be calculated by applying the Coupon Rate to the Calculation Amount and multiplying the product by the fraction (the "**Day Count Fraction**") determined on the basis of the number of days in the period from, and including, the most recent Coupon Payment Date (or, if none, the Issue Date) to, but excluding, the relevant payment date divided by the actual number of days in the period from, and including, the most recent Coupon Payment Date (or, if none, the Issue Date) to, but excluding, the next (or first) scheduled Coupon Payment Date, and rounding the resulting figure to the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the denomination of such Security divided by the Calculation Amount.

If an amount of interest is required to be paid in respect of a Security during the Fixed Rate Period for a period ending on a date that is not a Coupon Payment Date, such interest shall be calculated by applying the Coupon Rate to the Calculation Amount and multiplying the product by the Day Count Fraction.

*(c)* *Benchmark Replacement*

Notwithstanding the provisions above in this Condition 5, if the Issuer determines that a Benchmark Event has occurred in relation to the Original Reference Rate when a component part of the 5 year Swap Rate remains to be determined by reference to the Original Reference Rate, then the Issuer may elect to apply the following provisions:

(i) The Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer and the Independent Adviser determining, no later than three Business Days prior to the relevant Reset Coupon Determination Date, a Successor Rate, failing which an Alternative Rate (in accordance with paragraph (ii) below) and, in either case, an Adjustment Spread if any (in accordance with paragraph (iii) below) and any Benchmark Amendments (in accordance with paragraph (iv) below).

(ii) If the Issuer and the Independent Adviser:

(A) agree that there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in paragraph (iii) below) subsequently be used in place of the Original Reference Rate as a component part of determining the 5 year Swap Rate for all future payments of interest on the Securities (subject to the subsequent operation of this Condition 5(c)); or

(B) agree that there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in paragraph (iii) below) subsequently be used in place of the Original Reference Rate as a component part of determining the 5 year Swap Rate for all future payments of interest on the Securities (subject to the subsequent operation of this Condition 5(c)); or

(C) the Issuer and the Independent Adviser do not agree on the selection of a Successor Rate or an Alternative Rate, the fallback provisions set out in Condition 5(b) (*Coupon Rate*) continue to apply.

(iii) If the Issuer and the Independent Adviser agree (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5(c) and the Issuer and the Independent Adviser agree: (i) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with paragraph (v) below, without any requirement for the consent or approval of the Holders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark

Amendments with effect from the date specified in such notice. In connection with any such variation in accordance with this paragraph, the Issuer shall comply with the rules of any stock exchange on which the Securities are for the time being listed or admitted to trading.

(v) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(c) will be notified promptly by the Issuer to the Principal Paying Agent and the Calculation Agent, and, in accordance with Condition 16 (*Notices*), the Holders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any and will be binding on the Issuer, the Principal Paying Agent, the Calculation Agent and the Holders.

(vi) Without prejudice to the obligations of the Issuer under paragraphs (i) to (v) above, the Original Reference Rate and the fallback provisions provided for in Condition 5(b) (*Coupon Rate*) will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with this Condition 5(c).

(vii) Notwithstanding any other provision of this Condition 5(c), no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to cause a reduction in or loss of the equity credit (or such other nomenclature that a Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) for the Securities from a Rating Agency or a shortening of the period of time for which any such equity credit is attributed to the Securities by a Rating Agency.

(viii) In no event shall the Calculation Agent be responsible for determining any Successor Rate or Alternative Rate, Adjustment Spread or Benchmark Amendment. The Calculation Agent will be entitled to conclusively rely on any determinations made by the Issuer or the Independent Advisor and will have no liability for such actions taken at the direction of the Issuer or the Indepenednt Advisior. Notwithstanding any other provision o©his Condition 3(c), if in the Calculation Agent's opinion there is any uncertainty in making any determination or calculation unde©his Condition 3(c), the Calculaiton Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which course of action to adopt. If the Calculaiton Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

*(d) Publication of Coupon Rate and Coupon Amount per Calculation Period*

The Calculation Agent will cause the Coupon Rate, the Coupon Amount and the relevant Coupon Payment Date to be notified to the Principal Paying Agent and the Paying Agent and each listing authority and stock exchange (or listing agent, as the case may be) by which the Securities have then been admitted to listing and trading as soon as practicable after such determination. Notice thereof shall also promptly be given to the Holders. The Calculation Agent will be entitled to recalculate any amount of interest (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Coupon Period. If the Calculation Amount is less than the minimum denomination, the Calculation Agent shall not be obliged to publish each Coupon Amount but instead may publish only the Calculation Amount and the amount of interest in respect of a Security having the minimum denomination.

*(e) Notifications*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Principal Paying Agent and the Paying Agent, the Holders and the Couponholders and no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and determinations for such purposes.

## 6. REDEMPTION AND PURCHASE

### *(a) No Maturity Date*

The Securities are perpetual securities and have no fixed maturity date. The Issuer shall only have the right to redeem the Securities in accordance with this Condition 6 (*Redemption and Purchase*).

### *(b) Optional redemption by the Issuer*

The Securities will be redeemable at the option of the Issuer, in whole but not in part, (i) on any date from (and including) the First Call Date up to (and including) the First Reset Date, or (ii) on any Coupon Payment Date thereafter, at their principal amount together with accrued and unpaid interest to the date of redemption and all Arrears of Interest and Additional Amounts, if any, upon giving not less than 10 nor more than 60 days' notice to the Holders in accordance with Condition 16 (*Notices*) and, not less than 2 (two) Business Days before the date on which notice is given to the Holders, to the Principal Paying Agent (all of which notices shall be irrevocable).

### *(c) Redemption for Taxation Reasons*

(i) The Issuer may redeem the Securities in whole, but not in part, upon not more than 60 days' nor less than 10 days' notice to the Holders in accordance with Condition 16 (*Notices*) and, not less than 2 (two) Business Days before the date on which notice is given to the Holders, to the Principal Paying Agent (all of which notices shall be irrevocable) by reason of a Withholding Tax Event, *provided that* such Withholding Tax Event cannot be avoided by the Issuer taking reasonable measures available to it and no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay any Additional Amounts if a payment in respect of the Securities were then due.

Upon such redemption, the Issuer will redeem the Securities at their principal amount, together with interest accrued thereon, including any Arrears of Interest, up to (but excluding) the redemption date, and together with any Additional Amounts.

(ii) The Issuer may also redeem the Securities in whole, but not in part, upon not more than 60 days' nor less than 10 days' notice to the Holders in accordance with Condition 16 (*Notices*) and, not less than 2 (two) Business Days before the date on which notice is given to the Holders, to the Principal Paying Agent (all of which notices shall be irrevocable) by reason of a Tax Deduction Event, *provided that* such Tax Deduction Event cannot be avoided by the Issuer taking reasonable measures available to it and no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which interest payments under the Securities will no longer be tax deductible by the Issuer for Dutch corporate income tax purposes.

Upon such redemption, the Issuer will redeem the Securities at (1) 101 per cent. of their principal amount, if such redemption occurs before (but excluding) the First Call Date or (2) if such redemption occurs after (or on) the First Call Date, at their principal amount, together with interest accrued thereon, including any Arrears of Interest, up to (but excluding) the redemption date, and together with any Additional Amounts.

*(d)* *Redemption for Accounting Reasons*

If, at any time, the Issuer has received an opinion from a recognised independent auditor that the Securities will no longer or may no longer be classified as "equity" in the consolidated accounts of the Group prepared in accordance with International Financial Reporting Standards as adopted by the European Union (an "**Accounting Event**") then the Securities will be redeemable, at the option of the Issuer, in whole but not in part.

Upon such redemption, the Issuer will redeem the Securities at (1) 101 per cent. of their principal amount, if such redemption occurs before (but excluding) the First Call Date or (2) if such redemption occurs after (or on) the First Call Date, at their principal amount, in each case together with accrued and unpaid interest to the date of redemption and all Arrears of Interest and Additional Amounts, if any, in each case upon giving not less than 10 nor more than 60 days' notice to the Holders in accordance with Condition 16 (*Notices*) and, not less than 2 (two) Business Days before the date on which notice is given to the Holders, to the Principal Paying Agent (all of which notices shall be irrevocable).

The period during which the Issuer may notify the redemption of the Securities as a result of the occurrence of an Accounting Event shall start on the day on which the change in the relevant new IFRS rules (the "**Change**") is officially adopted. For the avoidance of doubt, such period shall include any transitional period between the date on which the Change is officially adopted and the date on which it comes into effect.

*(e)* *Redemption for Rating Reasons*

If, at any time, (i) any Rating Agency, which has assigned a sponsored rating to the Issuer, publishes any amendment to, clarification of, or change in hybrid capital methodology or a change in the interpretation thereof after the Issue Date, as a result of which (a) the Securities would no longer be eligible (or if the Securities have been partially or fully re-financed after the Issue Date and are no longer eligible for equity credit in part or in full as a result, the Securities would no longer have been eligible as a result of such change in the assessment criteria had they not been re-financed), in whole or in part, for the same or a higher category of "**equity credit**" or such similar nomenclature as may be used by that Rating Agency from time to time to describe the degree to which the terms of an instrument are supportive of the Issuer's senior obligations, attributed to the Securities at the Issue Date, or (b) the length of time the Securities are assigned a particular level of equity credit by that Rating Agency would be shortened as compared to the length of time they would have been assigned that level of equity credit by that Rating Agency on the initial issuance of the Securities (each a "**Rating Event**"), or (ii) the Issuer has received confirmation from any Rating Agency, which has assigned a sponsored rating to the Issuer, that due to any amendment to, clarification of, or change in hybrid capital methodology or a change in the interpretation thereof, a Rating Event has occurred then the Securities will be redeemable, at the option of the Issuer, in whole but not in part. For the purposes of this Condition 6(e), a "**sponsored rating**" means a rating assigned by a rating agency with whom the Issuer has a contractual relationship pursuant to which the Issuer is assigned a rating and the Securities are assigned an equity credit.

Upon such redemption, the Issuer will redeem the Securities at (1) 101 per cent. of their principal amount, if such redemption occurs before (but excluding) the First Call Date or (2) if such redemption occurs after (or on) the First Call Date, at their principal amount, in each case together with accrued and unpaid interest to the date of redemption and all Arrears of Interest and Additional Amounts, if any, in each case upon giving not less than 10 nor more than 60 days' notice to the Holders in accordance with Condition 16 (*Notices*) and, not less than 2 (two) Business Days before the date on which notice is given to the Holders, to the Principal Paying Agent (all of which notices shall be irrevocable).

*(f)* *Redemption following exercise of Make-whole redemption call*

The Securities will be redeemable at the option of the Issuer, in whole, but not in part, on any date (A) from the Issue Date to, but excluding, the First Call Date and (B) from, and excluding, the First Reset Date on any date that is not a Coupon Payment Date (each such date, a **Make-whole Redemption Date**) at the Make-whole Redemption Amount on the Issuer's giving not less than 10 nor more than 60 days' notice to the Holders in accordance with Condition 16 (*Notices*) and, not less than 2 (two) Business Days before the date upon which notice is given to the Holders, to the Principal Paying Agent) (all of which notices shall be irrevocable).

*(g)* *Redemption following exercise of Clean-up call*

The Securities will be redeemable at the option of the Issuer, in whole but not in part at any time following the purchase by the Issuer of an aggregate principal amount of the Securities equal to or in excess of 75 per cent. of the aggregate principal amount of the Securities issued (x) on the Issue Date and (y) if any, issued pursuant to Condition 17 (*Further Issues*).

Upon such redemption, the Issuer will redeem the Securities at their principal amount together with accrued and unpaid interest to the date of redemption and all Arrears of Interest and Additional Amounts, if any, in each case upon giving not less than 10 nor more than 60 days' notice to the Holders in accordance with Condition 16 (*Notices*) and, not less than 2 (two) Business Days before the date on which notice is given to the Holders, to the Principal Paying Agent (all of which notices shall be irrevocable).

*(h)* *Purchases*

The Issuer may at any time purchase Securities in the open market or otherwise and at any price. Securities purchased by the Issuer may be held, reissued, resold or, at the option of the Issuer, be surrendered to any Paying Agent for cancellation in accordance with Condition 6(i) (*Cancellation*) below. Any Securities so purchased, while held by or on behalf of the Issuer, shall not entitle the Holder to vote at any meetings of the Holders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Holders or for the purposes of Condition 14 (*Meeting of Securityholders and Modification*).

*(i)* *Cancellation*

Any Securities cancelled may not be reissued or resold. The obligations of the Issuer in respect of any such Securities shall be discharged.

## 7. MODIFICATION

In the event of a Tax Deduction Event, an Accounting Event, a Rating Event or a Withholding Tax Event, the Issuer may, as is reasonably necessary, and without the consent of the Holders (and the Holders hereby irrevocably agree in advance that the Issuer may do so without any further consent of the Holders being required), in respect of all, but not some only, of the Securities, exchange, or modify the Conditions of, the Securities so that such event no longer exists after such exchange or modification. The Issuer may combine a substitution of itself as issuer pursuant to Condition 15 (*Substitution of the Issuer*) with such exchange or modification pursuant to this Condition 7 if all provisions of this Condition 7 and Condition 15 (*Substitution of the Issuer*) are satisfied. Any such exchange or modification of the Securities is conditional upon the replacement or modified Securities having terms such that:

(i) they are not less favourable to the Holders than the terms of the Securities prior to such exchange or modification, including the same tax treatment for the relevant Holder (as reasonably determined by the Issuer in consultation with an independent investment bank or counsel of international standing);

(ii) they are, except for the modifications required to avoid such Tax Deduction Event, Accounting Event, Rating Event or Withholding Tax Event, substantially identical to the terms of the Securities (including without limitation in respect of the Coupon Rate(s), ranking at least *pari passu* with the Securities immediately prior to such exchange or modification, the date of the First Reset Date and Coupon Payment Dates);

(iii) the Issuer is in compliance with all applicable regulatory requirements;

(iv) either (A) the person having the obligations of the Issuer under the Securities continues to be the Issuer or (B) such person is another member of the Group and such obligations are guaranteed by the Issuer, such that investors have the same material rights and claims as provided under the Securities; and

(v) the replacement or modified Securities continue to be listed on an internationally recognised stock exchange as selected by the Issuer (*provided that* the Securities immediately prior to such exchange or modification were so listed prior to the occurrence of the Tax Deduction Event, Accounting Event, Rating Event or Withholding Tax Event).

The Conditions of the Securities may only be modified if (i) all accrued interest on the relevant Coupon Payment Date has been paid in full, including any Arrears of Interest and Additional Amounts (if any), and (ii) the exchange or modification does not itself give rise to (a) any detrimental change in any published rating of the Securities or of the Issuer in effect at such time or (b) a Tax Deduction Event, an Accounting Event, a Rating Event or a Withholding Tax Event. The Issuer shall as soon as practicable give notice of such modification to the Holders in accordance with Condition 16 (*Notices*) and to the Agents.

## 8. PAYMENTS

*(a) Principal*

Payments of principal shall be made only against presentation and (*provided that* payment is made in full) surrender of Securities at the Specified Office of any Paying Agent outside the United States by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to the T2 System.

*(b) Interest*

Payments of interest shall, subject to paragraphs (d) (*Deduction for unmatured Coupons*) below, be made only against presentation and, provided that payment is made in full, surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) (Principal) above.

*(c) Payments subject to fiscal laws*

All payments in respect of the Securities are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 10 (*Taxation*). No commissions or expenses shall be charged to the Holders or Couponholders in respect of such payments.

*(d) Deduction for unmatured Coupons*

If a Security is presented without all unmatured Coupons relating thereto, then:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; provided, however, that where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however, that,* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) (*Principal*) above against presentation and (*provided that* payment is made in full) surrender of the relevant missing Coupons. No payments will be made in respect of void coupons.

*(e) Payments on business days*

If the due date for payment of any amount in respect of any Security or Coupon is not a business day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding business day in such place and shall not be entitled to any further interest or other payment in respect of any such delay. In this paragraph, "**business day**" means, in respect of any place of presentation, any day on which banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation and, in the case of payment by transfer to a Euro account as referred to above, on which the T2 System is open.

*(f) Partial payments*

If a Paying Agent makes a partial payment in respect of any Security or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

*(g) Exchange of Talons*

On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a coupon sheet relating to the Securities, the talon forming part of such coupon sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further coupon sheet (including a further Talon but excluding any Coupons in respect of which claims have already become void). Upon the due date for redemption of any Security, any unexchanged talon relating to such Security shall become void and no Coupon will be delivered in respect of such talon.

## 9. ENFORCEMENT EVENTS

(i) If any of the following events (each an "**Enforcement Event**") occurs:

(a) *Non-payment*

Subject to Condition 4(a) (*Deferral of Payments*), default is made in the payment of any amount in respect of the Securities on the due date for payment thereof within 14 days after the date upon which such amount became due; or

(b) *Winding-up*

An order is made or an effective resolution is passed for the Winding-up of the Issuer (except in the case of a winding-up for the purpose of a merger, reconstruction or amalgamation the terms of which have previously been approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Holders),

then, in the case of paragraph (a) (*Non-payment*), the Holder of such Security may, at its discretion and, subject to any applicable laws, without further notice, institute proceedings for the Winding-up of the Issuer in The Netherlands (but not elsewhere) and/or prove in any Winding-up of the Issuer, but may take no other action in respect of such default and, in the case of paragraph (b) (*Winding-up*), the Securities will immediately become due and repayable at their principal amount together with accrued interest and any Arrears of Interest and/or prove in the Winding-up of the Issuer, subject always to the ranking provided in Condition 2 (*Status and Subordination*).

Except as provided in this Condition 9 (*Enforcement Events*), a Holder shall otherwise have no right to accelerate payment of any Security in the case of an Enforcement Event.

(ii) Subject as provided in this Condition 9 (*Enforcement Events*), any Holder may at its discretion and without further notice institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Agency Agreement or the Securities *provided that* the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

## 10. TAXATION

All payments of principal, interest, Arrears of Interest and Additional Amounts in respect of the Securities and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of The Netherlands or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer shall pay such additional amounts ("**Additional Amounts**") as will result in receipt by the Holders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Security or Coupon:

(a) presented for payment by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Security or Coupon by reason of its having some connection with The Netherlands other than the mere holding of the Security or Coupon; or

(b) presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Security or Coupon to another Paying Agent in a member state of the European Union; or

(c) presented for payment more than 30 days after the Relevant Date except to the extent that the holder of such Security or Coupon would have been entitled to such additional amounts on presenting such Security or Coupon for payment on the last day of such period of 30 days; or

(d) presented for payment by or on behalf of a Holder who would not be liable or subject to such withholding or deduction if it were to comply with a statutory requirement or to make a declaration of non-residence or other similar claim for exemption and fails to do so; or

(e) where such withholding or deduction is required to be made pursuant to the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*) as amended, on payments due to a holder of Securities or Coupons affiliated (*gelieerd*) to the Issuer, within the meaning of the Dutch Withholding Tax Act 2021, as at 25 June 2024.

In these Conditions, "**Relevant Date**" means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received in a city in which banks have access to the T2 System by the Principal Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Holders.

Any reference in these Conditions to principal or interest shall be deemed to include (i) any Arrears of Interest and (ii) any Additional Amounts in respect of principal, interest or Arrears of Interest (as the case may be) which may be payable under this Condition 10 (*Taxation*).

If the Issuer becomes subject at any time to any taxing jurisdiction other than The Netherlands, references in these Conditions to The Netherlands shall be construed as references to The Netherlands and/or such other jurisdiction.

## 11. PRESCRIPTION

Claims for principal, interest, Arrears of Interest and Additional Amounts on redemption shall become void unless Securities or Coupons are surrendered for payment within five years of the appropriate relevant due date.

## 12. REPLACEMENT OF SECURITIES AND COUPONS

If any Security or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Securities and Coupons must be surrendered before replacements will be issued.

## 13. AGENTS

In acting under the Agency Agreement and in connection with the Securities, the Agents act solely as agents of the Issuer and do not have any fiduciary duties nor do they assume any obligations towards or relationship of agency or trust for or with any of the Holders.

The initial Agents and their initial Specified Offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor, principal paying agent, paying agent or calculation agent and additional or successor paying agents; *provided, however, that* the Issuer shall (a) at all times maintain a principal paying agent and a calculation agent and (b) for so long as the Securities are listed on Euronext Amsterdam, or any other stock exchange or regulated securities market and the rules of such exchange or securities market so require, a paying agent having a specified office in such location as the rules of such exchange or securities market may require.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given by the Issuer to the Securityholders.

All calculations and determinations made by the Calculation Agent or the Agent in relation to the Securities shall (save in the case of manifest error) be final and binding on the Issuer, the Paying Agents and the Holders.

None of the Issuer and the Paying Agents shall have any responsibility to any person for any errors or omissions in any calculation by the Calculation Agent.

## 14. MEETINGS OF SECURITYHOLDERS AND MODIFICATION

(a) *Meeting of Securityholders*

The Agency Agreement contains provisions for convening meetings of Securityholders to consider matters relating to the Securities, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened upon the request in writing of Securityholders holding not less than ten per cent. of the aggregate principal amount of the outstanding Securities. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more persons holding or representing a clear majority of the aggregate principal amount of the outstanding Securities or, at any adjourned meeting, two or more persons being or representing Securityholders whatever the principal amount of the Securities held or represented; *provided, however, that* certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Securities, to reduce the amount of principal or interest payable on any date in respect of the Securities, to alter the method of calculating the amount of any payment in respect of the Securities or the date for any such payment, to change the currency of payments under the Securities or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a "**Reserved Matter**") may only be sanctioned by an Extraordinary Resolution passed at a meeting of Securityholders at which two or more persons holding or representing not less than two thirds or, at any adjourned meeting, one third of the aggregate principal amount of the outstanding Securities form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Securityholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Securityholders who for the time being are entitled to receive notice of a meeting of Securityholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Securityholders.

(b) *Modification*

The Securities and these Conditions may be amended without the consent of the Securityholders or the Couponholders to correct a manifest error or in accordance with Condition 5(c) (*Benchmark Replacement*). In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Securityholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, as reasonably determined by the Issuer in consultation with an independent investment bank or counsel of international standing, not materially prejudicial to the interests of the Securityholders.

## 15. SUBSTITUTION OF THE ISSUER

(a) The Issuer may, and the Holders hereby irrevocably agree in advance that the Issuer may without any further consent of the Holders being required, when no payment of principal of or interest on any of the Securities is in default, be replaced and substituted by any directly or indirectly wholly owned subsidiary of the Issuer (the "**Substituted Debtor**") as principal debtor in respect of the Securities provided that:

(i) such documents shall be executed by the Substituted Debtor and the Issuer as may be necessary to give full effect to the substitution (together the "**Documents**") and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Holder to be bound by the Terms and Conditions of the Securities and the provisions of the Agency Agreement as fully as if the Substituted Debtor had been named in the Securities and the Agency Agreement as the principal debtor in respect of the Securities in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable (the "**Guarantee**"), in favour of each Holder the payment of all sums payable (including any Additional Amounts payable pursuant to Condition 10 (*Taxation*)) in respect of the Securities;

(ii) where the Substituted Debtor is incorporated, domiciled or resident for taxation purposes in a territory other than The Netherlands, the Documents shall contain a covenant and/or such other provisions as may be necessary to ensure that each Holder has the benefit of a covenant in terms corresponding to the provisions of Condition 10 (*Taxation*) with the substitution for the references to The Netherlands of references to the territory in which the Substituted Debtor is incorporated, domiciled and/or resident for taxation purposes. The Documents shall also contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Holder against all liabilities, costs, charges and expenses (provided that insofar as the liabilities, costs, charges and expenses are taxes or duties, the same arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective) which may be incurred by or levied against such holder as a result of any substitution pursuant to this Condition and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on any such Holder by any political sub-division or taxing authority of any country in which such Holder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);

(iii) the Documents shall contain a warranty and representation by the Substituted Debtor and the Issuer (a) that each of the Substituted Debtor and the Issuer has obtained all necessary governmental and regulatory approvals and consents for such substitution and the performance of its obligations under the Documents, and that all such approvals and consents are in full force and effect and (b) that the obligations assumed by each of the Substituted Debtor and the Issuer under the Documents are all valid and binding in accordance with their respective terms and enforceable by each Holder;

(iv) each stock exchange which has Securities listed thereon shall have confirmed that following the proposed substitution of the Substituted Debtor the Securities would continue to be listed on such stock exchange;

(v) the Substituted Debtor shall have received a legal opinion from a leading firm of local lawyers acting for the Substituted Debtor to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Debtor, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer;

(vi) the Issuer shall have received a legal opinion from the internal legal adviser to the Issuer to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer; and

(vii) the Issuer shall have received a legal opinion from a leading firm of Dutch lawyers to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Substituted Debtor and the Issuer under Dutch law, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer.

(b) In connection with any substitution effected pursuant to this Condition, neither the Issuer nor the Substituted Debtor need have any regard to the consequences of any such substitution for individual Holders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Holder, except as provided in Condition 15(a)(ii), shall be entitled to claim from the Issuer or any Substituted Debtor under the Securities any indemnification or payment in respect of any tax or other consequences arising from such substitution.

(c) In respect of any substitution pursuant to this Condition in respect of the Securities, the Documents referred to in Condition 15(a) above shall provide for such further amendment of the Terms and Conditions of the Securities as shall be necessary or desirable to ensure that the Securities constitute subordinated obligations of the Substituted Debtor, subordinated to no greater than the same extent as the Issuer's obligations prior to its substitution to make payments of principal in respect of the Securities under Condition 2 (*Status and Subordination*), such that the Substituted Debtor will only be obliged to make payments of principal in respect of the Securities to the extent that the Issuer would have been so obliged under Condition 2 (*Status and Subordination*) of the Terms and Conditions had it remained as principal obligor under the Securities.

(d) With respect to the Securities, the Issuer shall be entitled, by notice to the Holders given in accordance with Condition 16 (*Notices*), at any time to effect a substitution which does not comply with paragraph (c) above provided that the terms of such substitution have been approved by an Extraordinary Resolution of the Holders or to waive all and any rights to effect a substitution of the principal debtor pursuant to this Condition. Any such notice of waiver shall be irrevocable.

(e) Upon the execution of the Documents as referred to in paragraph (a) above, and subject to the notice as referred to in paragraph (g) below having been given, the Substituted Debtor shall be deemed to be named in the Securities as the principal debtor in place of the Issuer and the Securities shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Securities save that any claims under the Securities prior to release shall enure for the benefit of Holders.

(f) The Documents shall be deposited with and held by the Principal Paying Agent for so long as any Securities remain outstanding and for so long as any claim made against the Substituted Debtor by any Holder in relation to the Securities or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Holder to the production of the Documents for the enforcement of any of the Securities or the Documents. The Issuer and the Principal Paying Agent shall make available for inspection or collection at all reasonable times during normal business hours to a Holder at their specified offices copies of the Documents or copies of the Documents may be provided by email to a Holder following their prior written request to the Issuer or the Principal Paying Agent, as applicable, and provision of proof of holding and identity (in a form satisfactory to the Issuer or the Principal Paying Agent, as applicable). The Principal Paying Agent is not responsible, nor shall it incur any liability, for monitoring or ascertaining as to whether any Documents required by this Condition 15 are provided, nor shall it be required to review, check or analyse any Documents produced nor shall it be responsible for the contents of any such Documents or incur any liability in the event the content of such Documents are inaccurate or incorrect.

(g) Not later than 15 days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Holders in accordance with Condition 16 (*Notices*) and to the Agents.

## 16. NOTICES

Notices to Holders shall be given by publication in the English language in a daily newspaper having general circulation in The Netherlands (which is expected to be *Het Financieele Dagblad).* Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Couponholders shall be deemed for all purposes to have been given notice of the contents of any notice given to Holders.

## 17. FURTHER ISSUES

The Issuer may from time to time, without the consent of the Holders or the Couponholders, create and issue further Securities having the same terms and conditions in all respects (or in all respects except for the first payment of interest) and so as to form a single series with the Securities.

## 18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

(a) The Agency Agreement, these Terms and Conditions, the Securities and the Coupons are governed by, and shall be construed in accordance with, the laws of The Netherlands.

(b) The Issuer submits for the exclusive benefit of the Holders and the Couponholders to the jurisdiction of the court of first instance (*rechtbank*) of Amsterdam, The Netherlands, judging in first instance, and its appellate courts. Without prejudice to the foregoing, the Issuer further irrevocably agrees that any suit, action, proceedings or disputes which may arise out of or in connection with the Agency Agreement and the Securities and any non-contractual obligations arising out of or in connection therewith may be brought in any other court of competent jurisdiction.

## 19. DEFINITIONS

In these Terms and Conditions:

"**2018 Securities**" mean the €500,000,000 Reset Perpetual Capital Securities issued on 8 February 2018 (XS1757377400);

"**5 year Swap Rate**" has the meaning ascribed to it in Condition 5(b)(ii) (*Coupon Rate*);

"**Accounting Event**" has the meaning ascribed to it in Condition 6(d) (*Redemption for Accounting Reasons*);

"**Additional Amounts**" has the meaning ascribed thereto in Condition 10 (*Taxation*);

"**Adjustment Spread**" means either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in either case, which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);

(ii) the Issuer determines, following consultation with the Independent Adviser and acting in good faith, is recognised or acknowledged as being the industry standard for over-the counter derivative transactions or is in customary market usage in the debt capital market for transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); (or if the Issuer determines that no such industry standard is recognised or acknowledged); or

(iii) the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith, determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Holders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be);

"**Agency Agreement**" has the meaning ascribed to it in the preamble;

"**Agents**" means the Principal Paying Agent, the other Paying Agents and the Calculation Agent;

"**Alternative Rate**" means an alternative benchmark or screen rate which the Issuer determines, following consultation with the Independent Adviser, has replaced the Original Reference Rate in customary market usage in the international swap markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in euros;

"**Arrears of Interest**" means any amounts deferred in accordance with Condition 4(a) (*Deferral of Payments*);

"**Benchmark Adjustment**" has the meaning ascribed to it in Condition 5 (c) (*Benchmark Replacement*);

"**Benchmark Event**" means:

(i) the Original Reference Rate has ceased to be published as a result of such benchmark ceasing to be calculated or administered; or

(ii) a public statement by the administrator of the Original Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of the Original Reference Rate) it has ceased publishing the Original Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date; or

(iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified future date, be permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will, by a specified future date, be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Securities; or

(v) a public statement by the supervisor of the administrator of the Original Reference Rate that, in the view of such supervisor, the Original Reference Rate is or will, by a specified future date no longer representative of an underlying market; or

(vi) it has or will, by a specified date within the following six months, become unlawful for the Principal Paying Agent, Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Holder using the Original Reference Rate (including, without limitation, under Regulation (EU) 2016/1011, if applicable),

and, notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (ii), (iii), (iv) or (v) above and the specified future date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed occur until the date falling six months prior to such specified future date;

"**Business Day**" means a day, other than a Saturday or Sunday, which is a T2 Settlement Day and on which commercial banks and foreign exchange markets are open for general business in Amsterdam and London;

"**Calculation Agent**" means Citibank, N.A., London Branch as calculation agent in relation to the Securities, or its successor or successors for the time being appointed under the Agency Agreement;

"**Calculation Amount**" means €1,000;

"**Calculation Date**" means the third Business Day preceding the Make-whole Redemption Date;

"**Condition**" means any of the numbered paragraphs of these Conditions of the Securities;

"**Coupons**" has the meaning ascribed to it in the preamble;

"**Couponholder**" has the meaning ascribed to it in the preamble;

"**Coupon Amount**" means the amount of interest payable on a Security for the relevant Coupon Period in accordance with Condition 5 (*Coupon Payments*) and for the purposes of Conditions 6(c) (*Redemption for Taxation Reasons*), 6(d) (*Redemption for Accounting Reasons*) and 6(e) (*Redemption for Rating Reasons*) any interest accrued from (and including) the preceding Coupon Payment Date (or, if none, the Issue Date) to (but excluding) the due date for redemption if not a Coupon Payment Date as provided for in Condition 5 (*Coupon Payments*);

"**Coupon Payment Date**" means each of 27 June in each year, commencing on 27 June 2025;

"**Coupon Period**" means the period commencing on (and including) the Issue Date and ending on (but excluding) the first Coupon Payment Date and each successive period commencing on (and including) a Coupon Payment Date and ending on (but excluding) the next succeeding Coupon Payment Date or the date of redemption, as the case may be;

"**Coupon Rate**" means the First Fixed Coupon Rate and each Reset Coupon Rate, as the case may be;

"**Day Count Fraction**" has the meaning ascribed to it in Condition 5(b) (*Coupon Rate*);

"**Deferred Coupon Payment**" means any Arrears of Interest which pursuant to Condition 4(a) (*Deferral of Payments*) the Issuer has elected to defer and which have not been satisfied;

"**Deferred Coupon Payment Date**" means:

(i) the date on which the Issuer voluntarily satisfies a Deferred Coupon Payment, as notified by the Issuer to the Holders, the Principal Paying Agent and the Calculation Agent in accordance with Condition 4(a) (*Deferral of Payments*); or

(ii) the date on which the Issuer is required to satisfy all Deferred Coupon Payments pursuant to Condition 4(b) (*Compulsory Payments*);

"**Enforcement Event**" has the meaning ascribed to it in Condition 9 (*Enforcement Events*);

“**First Call Date**” means 27 March 2032;

"**First Fixed Coupon Rate**" has the meaning ascribed to it in Condition 5(b)(i);

"**First Fixed Rate Period**" means the period from (and including) the Issue Date to (but excluding) the First Reset Date;

“**First Reset Date**” means 27 June 2032;

“**First Step-up Date**” means 27 June 2037;

"**Group**" means the Issuer and its Subsidiaries from time to time;

"**Holder**" has the meaning ascribed to it in the preamble;

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer (at its own expense) under Condition 5(c) (*Benchmark Replacement*);

**"ISDA Definitions"** means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (as amended and updated as at the Issue Date);

"**Issue Date**" means 27 June 2024;

"**Issuer**" means Alliander N.V.;

"**Make-whole Redemption Amount**" means the sum of:

(A) the greater of (x) the principal amount of the Securities so redeemed and (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Securities (1) to the First Call Date, if the Make-whole Redemption Date occurs prior to the First Call Date or (2) to the next succeeding Coupon Payment Date, if the Make-whole Redemption Date occurs after the First Reset Date, (excluding any interest accruing on the Securities to, but excluding, the relevant Make-whole Redemption Date) discounted to the relevant Make-whole Redemption Date on an annual basis at the higher of (A) the Make-whole Redemption Rate plus a Make-whole Redemption Margin and (B) 0 (zero) per cent.; and

(B) any interest accrued but not paid on the Securities to, but excluding, the Make-whole Redemption Date,

as determined by the Quotation Agent and as notified on the Calculation Date by the Quotation Agent to the Issuer and the Principal Paying Agent.

"**Make-whole Redemption Date**" has the meaning ascribed to it in Condition 6(f);

"**Make-whole Redemption Margin**" means 0.35 per cent.;

"**Make-whole Redemption Rate**" means the average of the quotations given by the Reference Dealers of the mid-market yield to maturity of the Reference Security on the third business day preceding the Make-whole Redemption Date at 11:00 a.m. (Central European Time (CET));

"**Mandatory Payment Event**" means:

(i) if the Issuer declares, resolves on, pays or distributes a dividend or makes a payment (other than a dividend in the form of shares) on any of the shares in its share capital;

(ii) if the Issuer declares, pays or distributes a dividend or makes a payment on any Parity Securities, except where such dividend or payment was not discretionary under the terms of such Parity Securities;

(iii) if the Issuer redeems, repurchases or otherwise acquires any of the shares in its share capital (other than (a) in connection with any employee benefit plans or similar arrangements with or for the benefit of employees, officers, directors or consultants, (b) as a result of the exchange or conversion of one class or series of capital stock for another class or series of capital stock or (c) as a result of any equity swap or asset swap or similar arrangement concluded by the Issuer with a third party); or

(iv) if the Issuer redeems, repurchases or otherwise acquires any Parity Securities, except for (a) redemption of Parity Securities on their scheduled maturity date, or (b) a conversion into or exchange for shares in the share capital of the Issuer, or (c) if the Issuer offers to repurchase or otherwise acquire the Securities and Parity Securities in whole or in part in a public offer where the amounts of the Securities and Parity Securities repurchased or acquired are in proportion to their principal amounts then outstanding.

"**Margin**" means (i) in respect of each Coupon Period from and including the First Reset Date to but excluding the First Step-up Date: 1.851 per cent. per annum (no step-up), (ii) in respect of each Coupon Period from and including the First Step-up Date to but excluding the Second Step-up Date: 2.101 per cent. per annum (including a 0.25 per cent. step-up over the initial credit spread); and (iii) in respect of each Coupon Period from and including the Second Step-up Date to but excluding the date on which the Issuer redeems the Securities: 2.851 per cent. per annum (including a further 0.75 per cent. step-up);

"**Original Reference Rate**" means the originally-specified 5 year Swap Rate used to determine the Reset Coupon Rate (or any component part thereof) on the Securities;

"**Parity Securities**" means any security issued by the Issuer which rank *pari passu* with the Securities, and any security guaranteed by the Issuer where the Issuer's obligations under the relevant guarantee rank *pari passu* with the Issuer's obligations under the Securities, including the 2018 Securities and the Shareholder Loan;

"**Paying Agents**" has the meaning ascribed to it in the preamble;

"**Payment**" means any Coupon Payment or Deferred Coupon Payment;

"**Principal Paying Agent**" has the meaning ascribed to it in the preamble;

"**Quotation Agent**" means any financial institution appointed by the Issuer (which, for the avoidance of doubt, shall not be the Principal Paying Agent or the Calculation Agent);

"**Rating Event**" has the meaning ascribed to it in Condition 6(e) (*Redemption for Rating Reasons*);

"**Rating Agency**" means each of Moody's Investors Services Limited, Standard & Poor's Credit Market Services Europe Limited ("**S&P**"), and any other rating agency of equivalent international standing granting a rating to the Issuer and/or the Securities and in each case, any of their respective successors to the rating business thereof;

"**Reference Dealers**" means each of the four banks (that may include the Joint Bookrunners) selected by the Quotation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues;

"**Reference Security**" means DBR 0.000 per cent. due 15 February 2032 (ISIN: DE0001102580). If a Reference Security is no longer outstanding, a Similar Security will be chosen by the Quotation Agent at 11:00 a.m. (CET) on the Calculation Date, quoted in writing by the Quotation Agent to the Issuer and published in accordance with Condition 16 (*Notices*).

"**Relevant Date**" has the meaning ascribed to it in Condition 10 (*Taxation*);

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate(as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof;

"**Reset Coupon Determination Date**" has the meaning ascribed to it in Condition 5(b)(ii) (*Coupon Payments*);

"**Reset Coupon Rate**" has the meaning ascribed to it in Condition 5(b)(ii) (*Coupon Payments*);

"**Reset Date**" means the First Reset Date and each 5th anniversary thereof thereafter;

"**Reset Period**" means each period beginning on (and including) a Reset Date and ending on (but excluding) the next succeeding Reset Date thereafter and "relevant Reset Period" shall be construed accordingly;

"**Reset Screen Page"** has the meaning ascribed to it in Condition 5(b)(ii) (*Coupon Payments*);

"**Second Step-up Date**" means 27 June 2052;

"**Securities"** means the €500,000,000 Reset Rate Perpetual Capital Securities (which do not constitute equity (*eigen vermogen*) according to Dutch civil law) and such expression shall include, unless the context otherwise requires, any further Securities issued pursuant to Condition 17 (*Further Issues*) and forming a single series with the Securities, and "**Security**" means any of the Securities;

"**Securityholder**" has the meaning ascribed to it in the preamble;

"**Shareholder Loan**" means EUR 600,000,000 Fixed Rate Convertible Shareholder Loan Facility dated 3 December 2021 between the Issuer, Provincie Gelderland (as closing agent) and certain of the Issuer's shareholders named therein;

"**Similar Security** means a reference bond or reference bonds issued by the same issuer as the Reference Security having actual or interpolated maturity comparable with the remaining term of the Securities that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Securities.

"**Subsidiary**" means, in relation to any company or corporation, a company or corporation:

(a) which is controlled, directly or indirectly, by the first mentioned company or corporation; more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation; or

(b) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body;

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body;

"**T2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer System, or any successor or replacement for that system;

"**T2 Settlement Day**" means any day on which T2 is open for the settlement of payments in euro;

"**T2 System**" means the T2 system;

"**Tax Deduction Event** means that the Issuer has obtained an opinion in writing from a reputable firm of tax advisors or lawyers of good standing, a decision of the Dutch tax authorities and/or a court ruling to the effect that interest payments under the Securities were, but are or will no longer be, tax-deductible by the Issuer for Dutch corporate income tax purposes by reason of:

(i) any actual or proposed change in or amendment to the laws, regulations or rulings of The Netherlands or any political subdivision or taxing authority thereof or therein; or

(ii) any actual or proposed change in the official application or interpretation of such laws, regulations or rulings; or

(iii) any action which shall have been taken by any taxing authority or any court of competent jurisdiction of The Netherlands or any political subdivision or taxing authority thereof or therein, whether or not such action was taken or brought with respect to the Issuer,

which change, amendment or execution becomes effective, taking of action occurs, or proposal is made, on or after the Issue Date;

"**Winding-up**" means a situation where or the event that (i) an order is made or a decree or resolution is passed for the winding-up, liquidation or dissolution of the Issuer, or (ii) a trustee (*curator*) is appointed by the competent District Court in The Netherlands in the event of bankruptcy (*faillissement*) affecting the whole or a substantial part of the undertaking or assets of the Issuer and such appointment is not discharged within 30 days; and

"**Withholding Tax Event**" means that the Issuer has obtained an opinion in writing from a reputable firm of lawyers of good standing to the effect that the Issuer would be required to pay Additional Amounts upon the next due date for a payment in respect of the Securities by reason of:

(i) any actual or proposed change in or amendment to the laws, regulations or rulings of The Netherlands or any political subdivision or taxing authority thereof or therein; or

(ii) any actual or proposed change in the official application or interpretation of such laws, regulations or rulings; or

(iii) any action which shall have been taken by any taxing authority or any court of competent jurisdiction of The Netherlands or any political subdivision or taxing authority thereof or therein, whether or not such action was taken or brought with respect to the Issuer,

which change, amendment or execution becomes effective, taking of action occurs, or proposal is made, on or after the Issue Date.

The following paragraphs in italics do not form part of the Terms and Conditions of the Securities to be issued under this Prospectus:

**Intentions regarding redemption and repurchase of the Securities**

*The Issuer intends (without thereby assuming a legal obligation), that if they redeem or repurchase the Securities, they will so redeem or repurchase the Securities only to the extent that the aggregate principal amount of the Securities to be redeemed or repurchased does not exceed such part of the net proceeds received by the Issuer or any of the Issuer's Subsidiaries from the sale or issuance after the Issue Date but on or prior to the date of redemption, by it or any Subsidiary to third-party purchasers, other than a Group entity, of New Securities unless:*

*(i) the rating or stand-alone credit profile assigned by S&P to the Issuer is at least equal to the rating or stand-alone credit profile at the time of the most recent additional hybrid issuance (excluding refinancing) and the Issuer is of the view that such rating would not fall below this level as a result of such redemption or repurchase; or*

*(ii) in the case of a repurchase, such repurchase is of less than (i) 10 per cent. of the Issuer's outstanding hybrid securities in any period of 12 consecutive months or (ii) 25 per cent. of the Issuer's outstanding hybrid securities in any period of 10 consecutive years; or*

*(iii) in the case of a repurchase or a redemption, such repurchase or redemption is in an amount necessary to allow the Issuer's aggregate principal amount of hybrid capital remaining outstanding after such repurchase or redemption to reman at or above the aggregate principal amount of hybrid capital to which S&P would assign equity content under its prevailing methodology; or*

*(iv) the Securities are redeemed pursuant to a Rating Event, an Accounting Event, a Tax Deduction Event or a Withholding Tax Event; or*

*(v) the Securities are not assigned an "equity credit" (or such similar nomenclature then used by S&P) at the time of such redemption or repurchase; or*

*(vi) such redemption or repurchase occurs on or after 27 June 2052.*

*"New Securities" means securities issued or sold by the Issuer or any of the Issuer's Subsidiaries for which the Issuer will receive "equity credit" (or such similar nomenclature used by S&P from time to time) from S&P, at the time of sale or issuance, that is equal to or greater than the "equity credit" for rating purposes attributed to the Securities at the time of their issuance (but taking into account any amendment to, clarification of, or change in hybrid capital methodology or a change in the interpretation thereof since the issuance of the Securities).*

## Summary of Provisions relating to the Securities while in Global Form

The Permanent Global Security contains provisions which apply to the Securities while they are in global form, some of which modify the effect of the terms and conditions of the Securities set out in this Prospectus. The following is a summary of certain of those provisions:

### 1 Exchange

The Temporary Global Security is exchangeable in whole or in part for interests in the Permanent Global Security on or after a date which is expected to be 6 August 2024, upon certification as to non-U.S. beneficial ownership. The Permanent Global Security is exchangeable in whole but not, except as provided in the next paragraph, in part (free of charge to the holder) for the Definitive Securities described below (i) if the Permanent Global Security is held on behalf of a clearing system and such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so or (ii) if principal in respect of any Securities is not paid when due and payable. Thereupon, the holder may give notice to the Principal Paying Agent of its intention to exchange the Permanent Global Security for Definitive Securities on or after the Exchange Date specified in the notice.

If principal in respect of any Securities is not paid when due and payable the holder of the Permanent Global Security may, by notice to the Issuer and the Principal Paying Agent (which may but need not be the default notice referred to in paragraph 6 (“*Default*”) below), require the exchange of a specified principal amount of the Permanent Global Security (which may be equal to or (provided that, if the Permanent Global Security is held by or on behalf of a clearing system, that clearing system agrees) less than the outstanding principal amount of Securities represented thereby but never less than the minimum denomination of the Securities) for Definitive Securities on or after the Exchange Date (as defined below) specified in such notice.

On or after any Exchange Date the holder of the Permanent Global Security may surrender the Permanent Global Security or, in the case of a partial exchange, present it for endorsement to or to the order of the Principal Paying Agent. In exchange for the Permanent Global Security, or on endorsement in respect of the part thereof to be exchanged, the Issuer shall deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Securities (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Security), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Schedule 3 to the Agency Agreement. On exchange in full of the Permanent Global Security, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with any relevant Definitive Securities.

“Exchange Date” means a day falling not less than 60 days or, in the case of exchange pursuant to (ii) above, 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Principal Paying Agent is located and, except in the case of exchange pursuant to (i) above, in the cities in which the relevant clearing system is located.

### 2 Payments

No payment will be made on the Temporary Global Security unless exchange for an interest in the Permanent Global Security is improperly withheld or refused. Payments of principal, premium and interest in respect of Securities represented by the Permanent Global Security will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Securities, surrender of the Permanent Global Security to or to the order of the Principal Paying Agent or such other Paying Agent as shall have been notified to the Securityholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to the Permanent Global Security, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Securities.

## 3 Notices

So long as the Securities are represented by the Temporary Global Security or Permanent Global Security and the Temporary Global Security the Permanent Global Security, as the case may be, is held on behalf of a clearing system, notices to Securityholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions. Such notices shall be deemed to have been given to the Securityholders in accordance with the Condition 16 (*Notices*) on the date of delivery to Euroclear and Clearstream, Luxembourg.

## 4 Meetings

The holder of the Temporary Global Security or the Permanent Global Security shall (unless the Temporary Global Security or the Permanent Global Security represents only one Security) be treated as being two persons for the purposes of any quorum requirements of a meeting of Securityholders and, at any such meeting, as having one vote in respect of each €1,000 in principal amount of Securities.

## 5 Purchase and Cancellation

Cancellation of any Security required by the Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the Temporary Global Security or the Permanent Global Security.

## 6 Default

Each of the Temporary Global Security and the Permanent Global Security provides that the holder may cause the Temporary Global Security or the Permanent Global Security, as the case may be, or a portion of it to become due and payable in the circumstances described in Condition 9 (*Enforcement Events*) by stating in the notice to the Issuer the principal amount of Securities which is being declared due and payable. If principal in respect of any Security is not paid when due and payable, the holder of the Temporary Global Security or the Permanent Global Security may elect that the Temporary Global Security or the Permanent Global Security, as the case may be, becomes void as to a specified portion and that the persons entitled to such portion, as accountholders with a clearing system, acquire direct enforcement rights against the Issuer under further provisions set out in each of the Temporary Global Security and the Permanent Global Security.

## Business Description of Issuer

The figures contained in this description relate solely to the consolidated figures as mentioned in the Annual Report 2023 of Alliander N.V. ("**Alliander**").

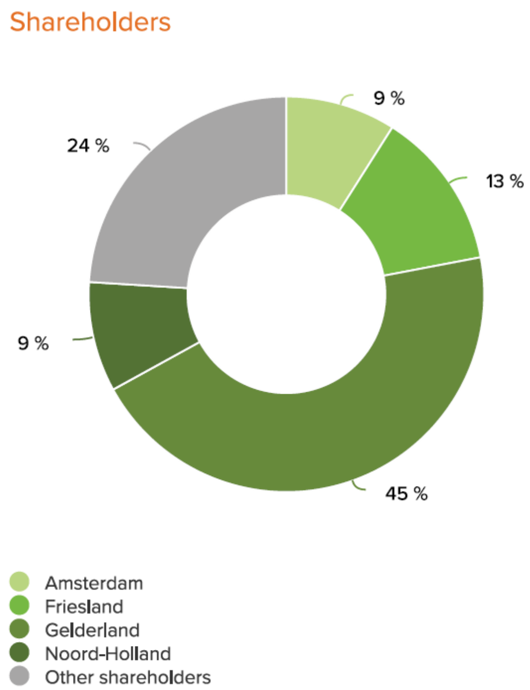
### Incorporation and shareholders

Alliander was incorporated on 17 December 1998. Alliander is registered in the Arnhem Chamber of Commerce under number 34108286. It is a limited liability corporation duly incorporated under the laws of the Netherlands and has its registered office at Utrechtseweg 68, 6812 AH Arnhem, Postbus 50, 6920 AB Duiven, the Netherlands (phone number: +31 88 5426363).

Alliander's Articles of Association were last amended by notarial deed executed on 31 May 2021 before Mrs. J.J.C.A. Leemrijse, civil law notary in Amsterdam. Alliander was formed through the merger of energy companies in the provinces of Noord-Holland, Zuid-Holland, Gelderland, Flevoland and Friesland. Alliander's shareholders comprise 77 public authorities, including the Province of Gelderland (44.68%), Province of Friesland (12.65%), Province of Noord-Holland (9.16%) and Municipality of Amsterdam (9.16%). These four largest shareholders have a controlling interest of 75.65%. The shareholders do not assume any responsibility for the debts of Alliander or its subsidiaries.

### Profile Alliander group

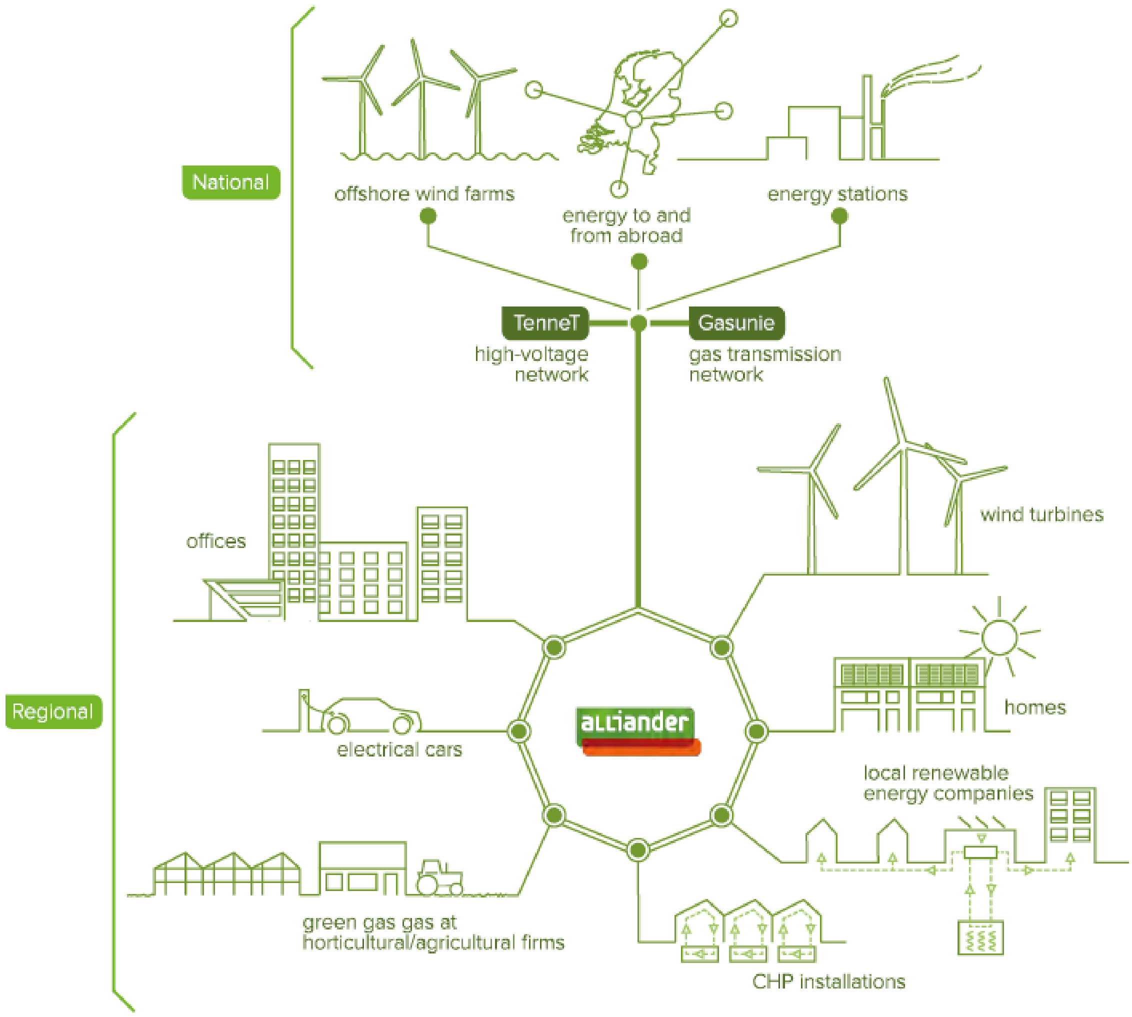
Alliander consists of a group of companies, among them Liander N.V. ("**Liander**"), Qirion B.V. ("**Qirion**") and Firan B.V. ("**Firan**"). Together Alliander stands for high-quality knowledge of energy networks, energy technology and technical innovations. Network operation is Alliander's core activity. Network operator Liander keeps the energy infrastructure in good condition to ensure distribution of gas and electricity to millions of consumers and businesses every day.


Qirion focuses on the development of sustainable technologies and intelligent energy infrastructures.

In addition, Alliander explores and develops new business activities that fit Alliander’s company's strategy and the role it sees for itself in the transition towards a more renewable energy system. Firan connects area owners, public authorities, providers and users to help them realise their sustainable ambitions, e.g. through the development of open energy infrastructures. Alliander AG is a small-scale service provider and partner of network operators, cities and municipalities in Germany.

As a network company, Alliander is responsible for the distribution of energy, such as electricity, gas, biogas and heating. Alliander does not produce or trade energy itself. This is done by energy suppliers, buyers and traders. The vast majority of the energy Alliander distribute in its regions comes from energy plants and wind farms through the international and national energy networks of TenneT and Gasunie. In addition, a growing number of consumers and businesses are feeding their self-generated energy into Alliander’s networks. This is making the energy supply chain more dynamic. Alliander ensures that all energy is distributed as safely and efficiently as possible from source to end user – for instance, from wind turbines to households or electric vehicle charging points.




Going forward, the task of Alliander as a network company is to ensure that its customers continue to enjoy 'anytime, anywhere' energy and freedom of choice of (sustainable) energy supplier. This leads to the mission that Alliander stands for an energy supply allowing everybody under equal conditions access to reliable, affordable and sustainable energy.

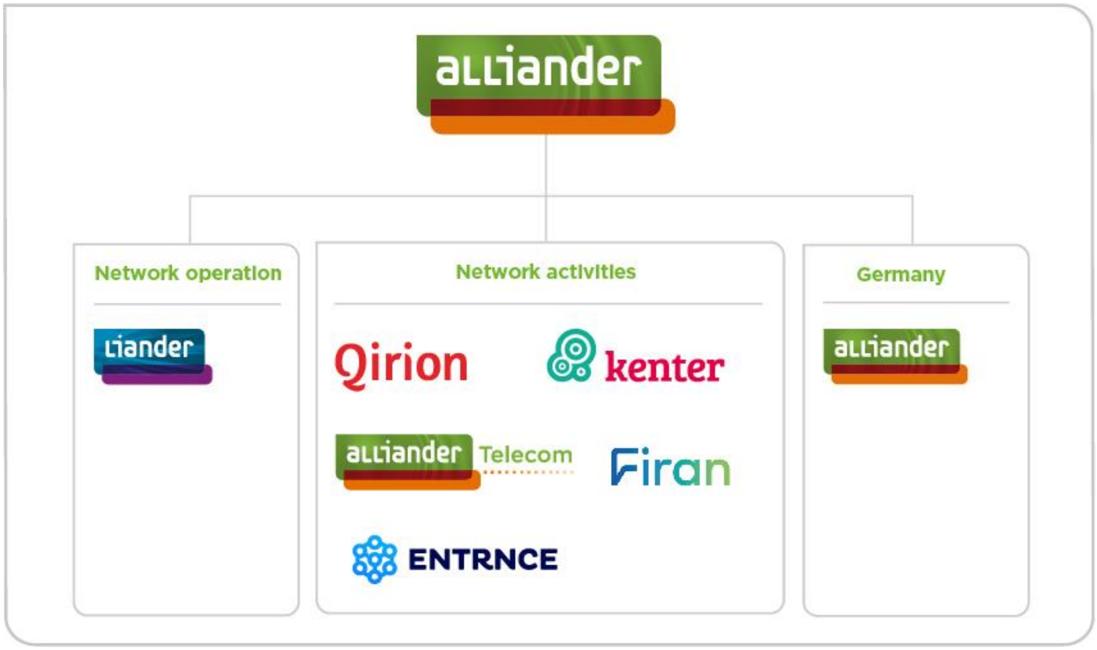
Alliander and its subsidiaries collaborate with many parties in the energy sector and with organisations that want to drive innovation in the field of energy. Alliander facilitates the local exchange of energy and work in conjunction with public authorities on issues related to the heating transition.

As a co-designer, Alliander provides the government, municipalities, provincial authorities and businesses with knowledge that helps in the long-term development of the energy system. Alliander shows them what the energy network can handle, and the social costs associated with specific choices. In addition, Alliander helps organisations by offering data services and collaborates with others to develop a flexible energy market that is driven by supply and demand.

Alliander aspires to fulfil its public responsibilities in a committed and reliable way. A key objective is to realise balanced growth for all its stakeholders: customers, staff, capital investors, the environment and society. Alliander acts at all times with an awareness of the social significance of energy to its customers and for society.

**Profile Alliander N.V.**

Alliander is the holding company of the Alliander group, which comprises, among others, of the regulated grid manager (Liander) installation and maintenance services provider to complex energy structures (Qirion) and new business activities in the infrastructure and services sectors like Firan and Kenter.




* On 31 January 2024, Kenter was sold to the consortium of ABP and OMERS Infrastructure. See "*Financial Results 2023 - Events after balance sheet date*" below.

**Profile Grid Manager**

Liander is responsible for connecting and transporting gas and electricity. In 2023, with an availability of the grids operated by the Grid Managers of 99.99% (electricity outage 23.2 minutes) the company is among the most reliable energy networks in the world.

Generating regulated revenue that accounts for 91% of the revenue of the Alliander group, the Grid manager is Alliander's largest business unit. The Grid Manager has 5.9 million gas and electricity connections in Gelderland, Noord-Holland, Flevoland and in large areas of Friesland and Zuid-Holland.

The Grid Managers' duties are laid down by law. The Energy Department of the Authority for Consumers & Markets (*ACM/Energie*) monitors compliance. These statutory duties are:

(i) to connect customers to the electricity grid;

(ii) to transport electricity and gas via the electricity and gas grid;

(iii) to build, maintain, expand and repair energy grids;

(iv) to solve power outages and gas leaks; and

(v) to contribute to the free energy market by making it possible to switch to another supplier.

The Grid Manager also offers other services, such as building, managing, maintaining and upgrading connections to the gas and electricity grid.

**Profile Qirion B.V.**

As a technical specialist, Qirion designs, builds, manages and maintains complex private energy grids and large industrial and other installations for approximately 90 customers throughout the Netherlands. Qirion has customers in the field of high-voltage power, such as TenneT Holding B.V. ("**TenneT**"), as well as customers with their own energy network, such as Agriport A7 B.V., ProRail B.V. and Vattenfall N.V.

Qirion's core activities are consultancy, projects, maintenance and management in the fields of high-voltage, complex medium-voltage, gas and industrial installations. Qirion further acts as a service provider to the Grid Managers, Liander, and the high-voltage company, TenneT. This means that Qirion is responsible for innovations in the Grid Managers' grids and installations as well as for building, renovating, managing, maintaining and measuring, controlling and securing installations. Qirion also works in the open market. It supplies comprehensive solutions and services including consultancy, innovation, building, maintenance, management and ICT for energy and other infrastructures.

Qirion is Alliander's technical knowledge centre. Some three-quarters of all innovations at Alliander originate in this business unit.

**The regulatory framework**

A substantial part of Alliander's activities is regulated. This concerns mainly the grid management operations, which have been placed within the Grid Manager. Energy supervision in the Netherlands has been entrusted to the energy department of the ACM. In the past years, the supervision over Dutch business and industry, including the energy companies, has been intensified and the enforcement policy tightened up. New legislation is scheduled to pass parliament and the impact on tariff regulation is only very limited. Major goals of the new legislation are a streamlining, optimization and modernization of the grids, whereas the allowed activities of network operators and network companies will be clarified.

As described in the risk factor "*Impact of Dutch regulatory framework on revenue, profits and financial position of the Issuer"* in the section *"Risk Factors"* the ACM has published the Method Decision for the period 2022 – 2026. The WACC numbers for the current regulatory period are as follows:

| | **2021** | **2022** | **2023** | **2024** | **2025** | **2026** |
|---|---|---|---|---|---|---|
| **nominal WACC before Tax** | 3.41% | 3.31% | 3.23% | 3.70% | 3.68% | 3.67% |
| **inflation correction** | 0.83% | 0.88% | 0.88% | 0.88% | 0.88% | 0.88% |
| **Real plus WACC before Tax** | 2.56% | 2.41% | 2.32% | 2.79% | 2.77% | 2.76% |

**Capital market and money market activities**

Alliander has a €5 billion EMTN programme. At year-end 2023, bonds totalling €2,587 million (nominal value €2,600 million) had been issued under the programme. Alliander also has a subordinated perpetual bond loan of €495 million (nominal value €500 million) that had been issued separately. For its short-term funding needs, Alliander has a standard and a green commercial paper ("**ECP**") programme totalling

€1,500 million, which can be used to issue short-term debt instruments. €500 million ECP loans were outstanding as at year-end 2023, and €300 million was outstanding to year-end 2022.

Alliander has contracted a committed backup credit facility totalling €900 million with seven banks. The facility runs until 17 December 2028. The facility has not been drawn on. Alliander also secured €400 million in bilateral credit lines in 2023 (2022: zero). These credit facilities are to be used to cover liquidity requirements.

In line with Alliander's financial policy the Securities and the Shareholder Loan (as defined in the Terms and Conditions of the Securities) will be treated as 50% equity in the financial ratios. This treatment follows from the alignment of Alliander's financial policy with S&P methodology as far as the equity content (i.e. the extent to which an instrument is counted by a rating agency as a form of equity instead of debt) of the Securities and the Shareholder Loan is concerned.

**Convertible shareholder loan**

In December 2021, the shareholders of Alliander provided €600 million in the form of a reverse convertible hybrid shareholder loan. This represents a substantial non-recurring cash flow, 50% of which counts as equity in rating agency assessments: subject to certain conditions, Alliander is entitled to convert all or part of the loan into shares, so part of the loan counts as extra capital for the purposes of determining creditworthiness.

**Credit Rating**

On 12 April 2023, Moody's confirmed its rating of Alliander to Aa3/P-1 (stable outlook). On 2 February 2024, S&P put the Alliander credit ratings on stable outlook A+/A-1.

S&P Global Ratings Europe Limited and Moody's France SAS are established in the European Union and are registered under the Regulation (EC) No. 1060/2009.

**ESG Ratings**

Alliander's exposure to Environmental, Social and Governance ("**ESG**") risks, and the related management arrangements established to mitigate those risks has been measured by several agencies through environmental, social and governance ratings ("**ESG ratings**"). Alliander has been assigned ESG ratings from MSCI ESG Research LLC (AA), Sustainalytics (14.1 Low Risk) and ISS ESG (B+).

**Green Bonds**

Alliander intends to align its funding strategy with its wider corporate mission, including its sustainability objectives and long-term goals, by issuing Green Bonds. Alliander views the energy transition as a sustainability priority. To achieve this, Alliander is prioritising investment in sustainable and energy efficient solutions and operating the electricity grid allows for integration of renewable in the Dutch energy system and therefore contributing to the transformation of the country. In addition, Alliander aims to contribute to, among others, the development of the green bond market and dark green dedicated investing. The Green Bonds will help Alliander to target investors with sustainability priorities and dedicated green investment pockets, while broadening the dialogue with its existing investor base.

**Business strategy**

Energy networks form an important pillar underpinning society. Alliander's customers and wider society count on energy being available at all times. What motivates Alliander is to ensure a reliable, affordable and renewable energy supply is provided both now and in the future.

This objective is translated into a mission, which is that Alliander stands for an energy system where everyone has equal access to reliable, affordable and renewable energy. The energy landscape is changing. Energy is now produced both centrally and locally, and new energy sources and applications are emerging. Innovative services are being introduced in such fields as electric transport, energy saving, energy management and local energy generation. This changing landscape makes different demands on Alliander's infrastructure, provision of information, and partnerships. Alliander aims to play a facilitating role in the energy transition. Alliander is helping to create an open energy market and to support the sustainable energy choices of its customers and the regions where it operates.

Alliander's strategy comprises seven pillars resting on a strong foundation:

(i) Excellent management: optimising maintenance and improving customer services. Alliander aims to be an excellent, responsive network operator by fulfilling the wishes of our customers and other stakeholders;

(ii) Reducing demand for transmission capacity: helping our customers to make choices that limit the demand for transmission capacity. This cuts their energy bills and also ensures that the scarcity in terms of people and space can be used in the most effective way possible;

(iii) Making better use of the network: in various locations in the Netherlands, the power grid has (almost) reached maximum capacity. By making better use of the network, we want to connect more customers in the years to come;

(iv) Completing more work: scaling up the construction of network expansions and upgrades even further. To make planning processes more proactive;

(v) Sharing data and developing new market services: proactively making data and services available ensures that the energy market can function properly, customers can make choices beneficial to the network and Alliander can balance supply and demand on a local level;

(vi) Developing infrastructure for heating and sustainable gases: hydrogen and green gas will become important in our energy system. Alliander is using the existing gas network to distribute these gases and to improve the energy system; and

(vii) Future-proof foundations: the organisation, the people, the working methods and the systems make up the foundations for implementing the aforementioned strategies.

Alliander focuses on four areas to facilitate and accelerate the energy transition:

(i) Substantially upscale implementation capacity;

- Modular construction;
- District-by-district approach for upgrading low-voltage grids;
- Large-scale contracting of work packages for high- and medium-voltage grids;

(ii) Energy system planning;

- Alliander: actively and proactively engage with municipalities to discuss and advise on their plans;
- Municipalities: allocate significantly more space for energy infrastructure at an earlier stage – smartly combine supply and demand in congestion areas;

- Customers: involve Alliander in their sustainability plans at a very early stage;

(iii) Maximize the potential of the existing grid;

- Responsible asset maximisation;
- Group contracts for cooperating individual companies to make better use of the local grid capacity;

(iv) Good customer & stakeholder communications;

- Improved and proactive communication on projects in regions;
- Introduction online status tracking of request for new connection or capacity increase.

**Financial results in 2023**

*General*

Profit after tax amounted to €267 million in 2023 compared with €198 million in 2022. Profit after tax is up by €69 million, mainly due to the combined effect of higher revenues (€575 million) and higher total operating expenses (€444 million). The higher regulated tariffs in particular, but also the growth in the number of connections and transmission volumes of electricity, increased the revenue from regulated electricity and gas sales by €614 million compared to 2022. At the same time the extra revenue also has implications for total operating expenses, which are €444 million higher than in 2022. As a result of the held-for-sale classification of Alliander's subsidiary Kenter, the application of the declining balance method on the gas network from 2022, and the replacement of a relatively larger number of meters resulting in higher expenses due to divestments, depreciation and impairments of non-current assets decreased by €7 million. The increase in energy prices has a knock-on effect on the purchase costs for compensating network losses, which are €78 million higher than in 2022. The increase of €162 million in costs of transmission capacity charged by TenneT also had a negative impact on our profit.

Total operating expenses rose from €1,903 million in 2022 to €2,347 million in 2023. This €444 million increase was primarily caused by the following factors:

(i) The cost of procuring transmission capacity rose by €162 million as a result of the higher tariffs set by TenneT.

(ii) Employee benefit expenses (total of permanent and temporary staff) were €147 million higher in 2023 compared to 2022 as a result of workforce expansion.

(iii) The increase in energy prices led to procurement costs associated with network losses that were €78 million higher compared to 2022.

(iv) Other operating expenses amounted to €249 million and were therefore €62 million higher than the expenses for 2022. One of the causes for this is the increased consultancy costs for various projects. These were higher due to the use of external consultants during the Kenter sale process, but also to prepare for the Kenter carve-out in late January 2024. Consultants were also used during the negotiations for the Framework Agreement with the State, as well as for the (multi-year) project to future-proof our information systems. Alliander also incurred higher costs due to its own energy usage and due to the growth of the organisation (facilities costs, maintenance costs and leasing costs). The costs for 2022 were also lower due to the one-off release of a provision for a loss-making contract at one of the entities in Germany.

The total tax expense for the year 2023 is €31 million higher than in 2022 due to our higher profit before tax. The current tax expense in the 2023 financial year amounted to €9 million, which represents an income. The income recorded under current tax expense, results from application of the scheme for discretionary depreciation for tax purposes in 2023, which creates a tax loss that can be partially offset against the taxable profit in 2022. The movement in deferred taxation is €102 million. The corporate income tax charge (which represents an income in 2023) of the Dutch fiscal unity, which only represents Alliander together with its Dutch subsidiaries, as recognized in the financial statements, amounts to €12 million. This is the balance of the corporate income tax calculated over the profit for 2023 (€6 million), the corporate income tax for previous years of €4 million and the corporate income tax on movements in balance sheet items recognised directly in equity of minus €2 million.

The net profit is affected every year by incidental items, which, in 2023, had a positive impact of €4 million on Alliander's profit. Net profit excluding incidental items amounted to €263 million, €91 million higher than the comparable profit in 2022.

Revenue in the 2023 financial year rose by €575 million compared with the previous year, from €2,150 million to €2,725 million. The (regulated) revenue from electricity and gas increased by €539 million and €75 million respectively. For electricity, this increase is mainly attributable to higher tariffs, although the higher number of connections also played a role. In contrast to the tariffs for electricity and gas, the metering service tariffs were lower in 2023 compared to 2022, which resulted in a €42 million revenue drop. Other revenue came to €215 million, which is in line with the previous year.

The total employee benefit expenses for both internal and external employees were €147 million higher than in 2022. The workforce increased by 579 FTEs in 2023, with the average expenses per FTE increasing due to an increase under the collective labour agreement (4%) and due to a labour allowance for technical staff. The larger workforce also resulted in a net addition of €12 million to the provision for 'Other long term employee benefits'. The number of agency FTEs increased by over 489. These agency workers were hired to ensure sufficient staffing for the work package and specific expertise for ongoing projects, such as digitalisation projects. The larger workforce and the higher average expenses per FTE also resulted in higher capitalised production: this was €318 million, which is €24 million more than in the previous year.

The costs of grid losses, at €330 million, were up by €78 million compared with 2022 due to the high energy prices paid for procuring electricity and gas.

Transport capacity costs in 2023 amounted to €453 million, an increase of €162 million compared to the previous year (2022: €291 million). These costs mainly consist of the costs for transmission capacity charged by TenneT.

The depreciation and amortisation charges and impairment losses on non-current assets amounted to €532 million, which despite the higher level of investment is a decrease of €7 million compared with the preceding year (2022: €539 million). One of the causes of the decrease is the held-for-sale classification of Alliander's subsidiary Kenter. From December 2022 this entity was being held for sale, so based on IFRS there was no more depreciation of non-current assets in 2023. This also resulted in depreciation charges being down €10 million in 2023. A relatively larger number of meters was also replaced in 2022, resulting in higher expenses due to divestments. The application of the declining balance method on the gas network from 2022 also resulted in lower depreciation charges. This was used due to an expected decreased utilisation of our gas assets as alternative energy sources become more predominant.

Total expenditure on network investments and maintenance costs in 2023 was €1,740 million, an increase of €178 million compared with 2022 (€1,562 million). The increase was caused by higher investments (€183 million), whereas the costs of maintenance and outages remained relatively stable.

Alliander's results can be affected by incidental items and fair value movements. Alliander defines exceptional items as items that, in the management's opinion, do not derive directly from the ordinary activities and/or whose nature and size are so significant that they must be considered separately to permit proper analysis of the underlying results. In 2023, exceptional items had a positive impact of €4 million on our net profit. In 2022, exceptional items provided a gain of €26 million. This means that the net profit, adjusted for these exceptional items, was €91 million higher than in the previous year.

*Events after balance sheet date*

On 31 January 2024, Alliander sold the shares of Kenter to a consortium consisting of ABP and OMERS Infrastructure. The consortium obtained full control of Kenter and its subsidiaries with effect from this date. In recent years, Kenter has grown from a traditional metering company with 95 employees to an integrated energy solution provider with a staff of over 400. Partly because the market in which Kenter operates is growing strongly, it is expected that in the future Kenter will play an even greater role in the energy transition and in offering its customers total solutions. The work that Kenter is doing – and will continue to do in the future – is highly relevant to the energy transition. This relevance should really come into full bloom outside Alliander, given that, as a network company, Alliander has to deal with laws and regulations that place restrictions on Kenter. These restrictions are expected to increase further in the coming years and become an increasing obstacle to the work of Kenter and its staff. In addition, the sale of Kenter allows Alliander to focus even more on the major task of getting more work done, responding faster to developments and designing the energy network of the future together with partners. Kenter's net revenue in 2023 amounted to €107 million. Part of the transaction also involves a limited number of free domain activities. These activities are currently still part of a cross border lease ("**CBL**") agreement and are therefore still held by Liander. These activities will be transferred by Alliander to Kenter after the termination of the CBL on 2 January 2025. Alliander received a total of €990 million on 31 January 2024. Of that amount, €875 million relates to the sale of the shares of Kenter BV, €65 million to the aforementioned free domain activities and the remaining €50 million to the repayment of the current account debt and interest. The preliminary book profit on the sale of Kenter amounts to €758 million. The final purchase price and book profit relating to the sale of the shares of Kenter has been determined in March 2024, and the final purchase price and book profit relating to the free domain activities in the spring of 2025. As at 31 December 2023, Kenter's assets and liabilities were classified as held for sale in Alliander's consolidated balance sheet. The assets of the free domain activities will be classified as such in 2024. All 400 employees of Kenter transferred to the new owner.

**Management Board and Supervisory Board**

*Management Board*

Alliander's management board (the "**Management Board**") consists of four members:

- Mr M.J. Otto Chief Executive Officer (CEO)
- Mr W.Th. Bien Chief Financial Officer (CFO)
- Mr F.D. Schut Chief Transition Officer (CTO)
- Mrs M. Visser Chief Operating Officer (COO)

Mr M. (Maarten) J. Otto

*Chair and CEO*

Maarten Otto was appointed chair of the Management Board and Chief Executive Officer (CEO) with effect from 20 May 2020. He is also responsible for the business and operations management of network operator Liander. He was worked for Alliander since 2017, holding the position of Corporate & Social Affairs Director since 2018. Prior to that, he held various positions at organisational consultancies, TEN HAVE Change Management and Twynstra Gudde.

Maarten Otto studied Management, Economics and Law at The Hague University of Applied Sciences and Public Administration at Erasmus University Rotterdam. He also holds a postgraduate diploma in Management Consulting from VU University Amsterdam.

Supervisory board memberships/relevant other positions:

- Chair of the Netbeheer Nederland Members Council.

- Chair of the Management Board of the Employers' Association for the Energy, Cable & Telecom and Waste & Environment Sectors (*Werkgeversvereniging voor de Energie-, Kabel & Telecom- en Afval & Milieubedrijven*, WENb).

- Member of the Executive Management Board of VNO-NCW.

Mr W. (Walter) Th. Bien

*Member of the Management Board and CFO*

Walter Bien joined the Management Board on 7 October 2019, on which date he was also appointed to the position of CFO. Before joining Alliander, he was CFO at Boskalis Dredging & Inland Infra and prior to that he held various board and management positions at Boskalis. Prior to Boskalis he worked at Ballast Nedam.

Walter Bien earned a degree in Business Economics at the University Amsterdam. He also completed the Senior Executive Programme at the London Business School and a postgraduate controllers programme at the University of Amsterdam.

Supervisory board memberships/relevant other positions:

- Member of the Board of Trustees of Foundation AAP (*Stichting Aap*, wild animal rescue foundation), chair of the Audit Committee.

Mr F.D. (Daan) Schut

*Member of the Management Board and CTO*

Daan Schut joined the Management Board on 1 April 2019, on which date he was also appointed to the position of Chief Transition Officer (CTO). He is also responsible for the business and operations management of network operator Liander. Prior to joining the Management Board, he held the position of Director of Asset Management (from 2014) as well as various management positions between 2009 and 2014. Before Alliander, Daan Schut worked as an advisor at KPMG.

Daan Schut earned degrees in IT Auditing at Erasmus University Rotterdam, and Business Economics at HAN University of Applied Sciences. He also completed the INSEAD Advanced Management Programme (AMP).

Supervisory board memberships/relevant other positions:

- Member of the Management Board of Next Generation Infrastructures.

- Member of the Board of Trustees of Foundation ElaadNL (*Stichting ElaadNL*, knowledge and innovation centre on EV infrastructure and smart charging).

- Member of the Supervisory Board of GOPACS.

Mrs M. (Marlies) Visser

*Member of the Management Board and COO*

Marlies Visser joined the Management Board on 1 May 2020, as Member of the Management Board and Chief Operating Officer (COO). Prior to joining the Management Board she held the position of Director Operations from 2014. Before joining Alliander, Marlies Visser held various management positions at THE Dutch Railways (*de Nederlandse Spoorwegen*) including that of Manager Service & Operations.

Marlies Visser earned a degree in Communication Sciences at the University of Amsterdam. She also completed the Advanced Management Program (AMP) of INSEAD in Fontainebleau, France.

Supervisory Board memberships/relevant other positions:

- Member of the Supervisory Board of Attero.

*Recent developments: the Executive Committee*

Alliander has expanded its Management Board to an Executive Committee by adding a Chief Human Resource Officer (current HRM director, Heleen Cocu-Wassink) and a Chief Digital Officer (current Digitalization director, Rinke van de Rhee). The Management Board remains legally responsible but will manage the organisation, together with the Chief Human Resource Officer and Chief Digital Officer, as the Executive Committee (the "**ExCo**") making it the highest management body in the management and consultation structure within Alliander. Regular consultations take place in an ExCo context for decision-making at the highest level, for discussing Alliander's strategy implementation and for providing strategic direction to the organisation. This means that the Management Board meetings will change to ExCo meetings. The statutory responsibility of the Management Board (e.g. towards the works council, Supervisory Board, shareholders and customers) remains unchanged as the adjustment of the top structure has no consequences thereon.

The works council has given positive advice on the change in the top structure and the addition of the Chief Human Resource Officer and Chief Digital Officer. The change in the top structure has taken effect as of 8 April 2024.

Mrs H.N.L. (Heleen) Cocu-Wassink

*Member of the Executive Committee and* Chief Human Resource Officer

Heleen joined Alliander on 1 January 2022 as Head of Human Resources and became a member of the Executive Committee as CHRO on the 8th of April 2024. As Chief Human Resource Officer, Heleen is responsible for both the 'People & Organisational' agenda as well as the transformation of the organisation.

Before joining Alliander, Heleen was a partner at consultancy firm Hay Group, the Global Head of People & Organisational Development and Business Change lead at ASML and the Head of Human Resources at the University of Leiden.

Heleen earned a degree in Business Administration from the University of Groningen and successfully completed the Erasmus Program for Supervisory Board roles.

Supervisory Board memberships/relevant other positions:

- Member of the Supervisory Board of Roto Group, chair of the remuneration committee.

- Member of the advisory board of the National Association of Trusted Representatives (*Landelijke Vereniging van Vertrouwenspersonen*).

- Member of the advisory board of the Goldschmeding Foundation.

Mr R. (Rinke) van de Rhee

*Member of the Executive committee and Chief Digital Officer*

Rinke van de Rhee joined Alliander on 1 January 2015 and became a member of the Executive Committee on 8 April 2024, on which date he was also appointed Chief Digital Officer.

Prior to joining the Executive Committee he held the position of Director Digitization at Alliander, leading its digital agile programs and information- and operational technology portfolio. Before Alliander, Rinke van de Rhee was co-founder of consultancy UCPartners, Managing Consultant at Capgemini and Account Director at Sensormatic Electronics Corporation.

Supervisory Board memberships/relevant other positions: none.

*Supervisory Board*

Alliander's supervisory board ("**Supervisory Board**") consists of the following five members:

- Ms A. Jorritsma-Lebbink
- Ms T. Menssen
- Ms M. Nooteboom
- Mr F. Eulderink
- Mr. G. Penning

Ms A. Jorritsma-Lebbink, chair

First appointed: 1 July 2016

End of current term: 2024 (extended for a maximum of 2 years until the general shareholders' meeting of 2026)

Alliander committee: member of the Selection, Appointment and Remuneration Committee

Background: Annemarie Jorritsma has been a Dutch Senate member for the People's Party for Freedom and Democracy (***VVD***) since 9 June 2015 and has served as VVD Senate leader since 24 November 2015. After starting her national political career as a member of the Dutch House of Representatives in 1982, she served in two successive governments (Kok I and Kok II) as Minister of Transport, Public Works and Water Management, and Minister of Economic Affairs and Deputy Prime Minister respectively. Annemarie Jorritsma was Mayor of Almere from 2003 to 2015. She also chaired the Association of Dutch Municipalities (*VNG*) for seven years.

Relevant other positions: chair of the Supervisory Board of Accell Group, member of the Supervisory Board of Sandy HoldCo (*Roompot*), Member of the Supervisory Board of Wilgenhaege Capital Markets, member of the Econowind Advisory Council (from September 2023), chair of the Netherlands Venture Capital Association (*Nederlandse Vereniging van Participatiemaatschappijen*, NVP), member of the Supervisory Board of the Talent for Technology Platform (*Platform Talent voor Techniek*), chair of the Management Board of Holland International Distribution Council (*Nederland Distributieland*) from 26 April 2023.

Mrs T. Menssen

First appointed: 26 September 2019

End of current term: 2027 (eligible for reappointment)

Alliander committee: chair member of the Audit Committee

Background: Thessa Menssen was CFO and a member of the Management Board of BAM Group and before that she was CFO and COO of the Port of Rotterdam Authority.

Relevant other positions Member of the Supervisory Board of Aalberts (from 9 March 2023), member of the Supervisory Board of Ecorys, member of the Supervisory Board of the National Maritime Museum, member of the Supervisory Board of Kröller Müller Museum.

Ms M. Nooteboom

First appointed: 19 April 2023

End of current term: 2027

Alliander committee: member of the Audit Committee (as of 1 May 2023) Alliander

Background: Marinka Nooteboom is CEO of Royal Nooteboom Group. She started out her career in the financial sector successively at F. van Lanschot Bankiers and ING, before moving to the Nooteboom Group in 2010.

Relevant other positions: Member of Ace Centre of Expertise Advisory Council.

Mr F. Eulderink

First appointed: 26 September 2019

End of current term: 2027 (eligible for reappointment)

Alliander committee: chair of the Audit Committee

Background: Frits Eulderink is COO and member of the Management Board of Royal Vopak. He previously held various technical and management positions at Shell, including Vice President, Unconventional Oil in Houston (US).

Relevant other positions Chair of the Supervisory Board of Energie Beheer Nederland (from 1 January 2024), member of the Advisory Council of Leiden Observatory research institute, member of the International Review Board of the Netherlands Research School for Astronomy.

Mr G. Penning

First appointed: 1 February 2021

End of current term: 2025 (eligible for reappointment)

Alliander committee: member of the Audit Committee (until 1 May 2023), chair of the Selection, Appointment and Remuneration Committee (as of 1 May 2023)

Background: Gerard Penning was Chief Human Resources Officer (CHRO) and a member of the Executive Committee of ABN AMRO until 1 December 2022. He previously held various management and executive positions at Shell, including that of Executive Vice President of HR Downstream.

Relevant other positions: member of the Administrative Board of the international organization Sustainable Energy for All and non-executive director Inuka, B corp specialized in coaching.

All members of the Supervisory Board are Dutch nationals and meet the requirements of the Dutch Corporate Governance Code (best practice provision III.3.4) and of the Management and Supervision Act (Section 2:252a sub 1 of the Dutch Civil Code) regarding the maximum number of supervisory board positions. None of the members of the Supervisory Board holds another position at a Dutch listed company.

The address of both the Management Board and Supervisory Board is Alliander N.V., Utrechtseweg 68, 6812 AH Arnhem – P.O. Box 50, 6920 AB Duiven, the Netherlands.

There are no actual or potential conflicts of interest between duties to the Issuer of the persons on the Management Board and Supervisory Board, as listed above, and their private interests and/or other duties.

Principal Subsidiaries of Alliander

- Liander N.V.
- Qirion B.V.
- Alliander A.G.
- Firan B.V.

**Major Shareholders**

The four largest shareholders in the Issuer are: Province of Gelderland (44.68%), Province of Friesland (12.65%), Province of Noord-Holland (9.16%) and the municipality of Amsterdam (9.16%). The remainder is owned by 70 smaller municipal shareholders.

**Auditor's report**

Deloitte Accountants B.V. issued unqualified independent auditor's reports on the financial statements for the financial years ended 31 December 2023 and 31 December 2022 of the Issuer on 28 February 2024 and 6 March 2023, respectively.

The auditor’s report on the financial statements for the financial year ended 31 December 2022 includes a paragraph emphasising the impact of the energy transition. The paragraph states:

*“Paragraph emphasising the impact of the energy transition*

As a network company, Alliander faces major required investments and associated financing needs. Reference is made to pages 38-40 and 112 of the Management Report, in which the Management Board described the impact of the energy transition. This energy transition will require substantial investments in the coming years in connection with expansions and reinforcements of the electricity network and the related financing requirements. Alliander is investigating the various options for securing its long-term financing. Our opinion has not changed as a result of this matter.”

## Use of Proceeds

### *Eligible Assets*

The Issuer will apply the net proceeds from the offer of the Securities, expected to amount to approximately €494,150,000, in accordance with the Issuer's green finance framework dated 16 May 2024 as amended from time to time (the "**Green Finance Framework**"). The Securities are in this paragraph referred to as Green Bonds. In accordance with the Green Finance Framework, the net proceeds of the Green Bonds will be exclusively used to finance and/or refinance, in whole or in part, new and existing green assets falling (the "**Eligible Green Assets**") within one of the following categories:

1. Renewable Energy;

2. Energy Efficiency (Smart Technology); and

3. Green Buildings.

The eligible green assets are reported through net asset value. In light of the recommendations of the EU Green Bond Standard and its position towards refinancing long-dated green assets, Alliander moved from capital expenditure reporting to net asset value reporting in 2022.

The Green Finance Framework aligns the selection criteria for the Eligible Green Asset categories with the EU Taxonomy and highlights its compliance with applicable environmental and social regulations, 'Do No Significant Harm' (**DNSH**) criteria and related 'Minimum Social Safeguards' (**MSS**) of the EU Taxonomy. Per Eligible Asset Category reference is made to any substantial contribution to one of the six EU Environmental Objectives as included in the EU Taxonomy.

The table below provides an overview of the eligibility criteria:

| Green Eligible Asset Category (ICMA/LMA) | Description Eligible Assets and Related Eligibility Criteria | Financial Line Item | Eligibility to Green Finance | Contribution to UN SDGs | EU Economic Activities and NACE Code | Contribution to EU Environmental Objectives[2] |
|---|---|---|---|---|---|---|
| **Renewable Energy** **(EU TSC 4.9[3])** | Assets aimed at **integrating and enhancing the transmission capacity for renewable energy** in the Dutch electricity grid[4] | Net asset value | 100%[5] |     | **Transmission of Electricity (NACE D35.13)** | **EU Environmental Objective 1: Climate Change Mitigation** (Article 6) **Substantial contribution to EU Objective 1: (1.a)** Generating, storing or using renewable energy or climate-neutral energy (including carbon-neutral energy), including through using innovative technology with a potential for significant future savings or |

2 Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (Textwith EEA relevance) EUR-Lex - 32020R0852 - EN - EUR-Lex (europa.eu)

3 EU TSC category description in line with EUR-Lex-32021R2139 : 4.9 - Transmission and distribution of electricity; 7.1 - Construction of new buildings; 7.7 Acquisition and ownership of buildings

4 The system is the interconnected European system, i.e., the interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinated systems;

5 Alliander previously defined the electricity grid eligible amount by applying a weighting factor that corresponded to the share of renewable electricity produced in the Netherlands. In 2023, the share of renewable electricity produced in the Netherlands was 50%. (Source: https://www.nationaalklimaatplatform.nl/nieuws12/2627274.aspx?t=2023-Hernieuwbaar-verder-gegroeid-Meerdere-doelen-gehaaldUnder the EU Taxonomy Regulation, 100% of the asset value of the grid is classified as Green Eligible Assets therefore going forward Alliander will remove the use of a weighting factor.

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | | | | through necessary reinforcement of the grid |
| **Energy Efficiency (EU TSC 4.9[5])** | **Smart technology**<br>Installation, maintenance and repair of smart meters recording customer's gas and electricity consumption for demand management, including:<br>• Sensor and technology deployment in mid/high voltage grid<br>• Wireless networks and fibre optic cable and network for transmitting and receiving data[6] | Net asset value | 100% | | **Specialised construction activities (NACE F43)**<br><br>**Electricity, Gas, Steam and Air Conditioning Supply (NACE D35)** | **EU Environmental Objective 1: Climate Change Mitigation** (Article 6)<br>**Substantial contribution to EU Objective 1:**<br>• **(1.b)** Improving energy efficiency<br>• **(1.g)** Establishing energy infrastructure required for enabling decarbonization of energy systems |
| **Green Buildings (EU TSC 7.1, 7.7[5])** | New or refurbished buildings which meet any of the following criteria:<br>• EPC rating ≥A[7]; or<br>   o The Primary Energy Demand, is at least 10% lower than the thresholdset for the nearly zero-energy building (NZEB) requirements[8]<br>• Energy efficiency projects in buildings which result in reduction of primary energy demand (PED) of at least 30% or complies with the applicable requirements for major renovations (DIRECTIVE 2010/31/EU on the energy performance of buildings)[9] | Net asset value | 100% | | **Construction of residential and non-residential buildings (NACE F41)**<br><br>**Electric, plumbing and other construction installation activities (NACE 43.2)** | **EU Environmental Objective 1: Climate Change Mitigation** (Article 6)<br>**Substantial contribution to EU Objective 1:**<br>• **(1.b)** Improving energy efficiency |

[6] Sensor and technology deployment in mid/high voltage grid and wireless networks and fiber optic cable are considered to be of a sustainable nature as they form part of the communication infrastructure that enables remote grid operation and reading out grid data from a distance without the need for onsite data collection. This data is used to monitor the energy grids, locate defect cables and to provide customers with energy data on demand. This enables customers to monitor their energy consumption through easily accessible smart apps that could stimulate to save on energy consumption.

[7] Only for buildings built before 31 December 2020.

[8] Only for buildings built after 31 December 2020 and building performance is certified using an as built Energy Performance Certificate (EPC). For buildings larger than 5000 m2, the building will undergo testing forair-tightness and thermal integrity and the life-cycle Global Warming Potential (GWP) will be calculated and disclosed to investors and clients. For large non-residential building (with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW) it is efficiently operated through energy performance monitoring and assessment.

[9] These requirements include among other things: 1) necessary measures to ensure that minimum energy performance requirements for buildings or building units are set with a view to achieving cost-optimal levels and 2) minimum energy performance requirements shall be reviewed at regular intervals which shall not be longer than five years and, if necessary, shall be updated in order to reflect technical progress in the building sector.

New proceeds will be predominantly allocated to the Renewable Energy category. This category currently represents about 80% of the Eligible Green Asset portfolio. The Energy Efficiency category currently accounts for 18% of the Eligible Green Asset portfolio and is expected to decrease in the next few years. Proceeds may be allocated to the Green Buildings category whenever new or renovated green buildings meet the criteria for this category and are added to the Eligible Green Asset portfolio.

***Process for evaluation and selection***

The selection of the assets is carried out by Alliander's Green Finance Working Group, composed of members of the CSR, Finance, Treasury, Procurement departments and in cooperation with relevant business units. The selection and evaluation of the Eligible Green Assets are based on:

- expected eligible amounts;
- the abovementioned eligibility criteria including the technical screening criteria proposed by the European Union (EU) classification of environmentally sustainable economic activities (EU Taxonomy); and
- clear contribution of the selected assets toward reducing $CO_2$ emissions or facilitating the reduction thereof, as well as circularity and supply chain transparency, if applicable.

In addition to the eligibility criteria above, Alliander conducts a supplementary assessment of the Eligible Green Assets based on any additional environmental standards or certifications available (e.g. ISO certifications, such as NTA8120/ISO55001).

Alliander's strong evaluation and selection process, corporate sustainability and risk management framework, helps to mitigate potential environmental and social risks associated with the Eligible Green Assets, in accordance with the recommendation of the EU Taxonomy in relation to 'DNSH Assessment'.

***Management of proceeds***

Alliander intends to allocate the net proceeds from its Green Bonds to an Eligible Green Asset portfolio, selected in accordance with the eligibility criteria described in the Green Finance Framework and project evaluation and selection process presented above. This portfolio consists of new and/or existing assets.

Alliander will track the level of allocation for the Eligible Green Asset portfolio which matches or exceeds the balance of net proceeds from its outstanding Green Bonds.

Additional Eligible Green Assets will be added to the Issuer's Eligible Green Asset Portfolio to the extent required, in accordance with the eligibility criteria.

Activated Eligible Green Assets shall qualify for refinancing without a specific look-back period[10], provided that at the time of issuance they follow the relevant Eligibility Criteria. In case Alliander would select Eligible green capital expenditures or operating expenditures, they shall qualify for refinancing with a maximum two-year look-back period before the issuance year of the Green Finance Instrument.

Alliander intends to fully allocate the proceeds within 24 months after the issuance date of the Green Bonds. However, as Alliander invests in its Eligible Green Asset portfolio on a continuous basis, it is expected that the proceeds will be fully allocated within a shorter period of time.

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[10] In alignment with the recommendation of the EU Green Bond Standards Usability Guide, published in March 2020 (source: https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg- green-bond-standard-usability-guide_en.pdf.)

Pending the allocation or reallocation of the net proceeds to Eligible Green Assets, Alliander will invest the balance of the net proceeds, at its own discretion, into bank deposits, investment funds, money market funds or liquid marketable instruments, until the allocation to new Eligible Green Assets. In doing so, it will prioritise ESG-focused instruments, such as green deposits and ESG-aligned money market funds. As Alliander invests on a continuous basis in its Eligible Green Asset portfolio, temporarily unallocated proceeds will be of limited duration and thus will not have a material effect on achieving the sustainability goals of Alliander.

If for any reason, any assets were no longer eligible, Alliander will use its best efforts to substitute such asset, as soon as practical once an appropriate eligible substitution option has been identified.

***Reporting***

Alliander will report on the allocation of net proceeds and associated environmental benefits annually until the proceeds of each Green Bonds have been fully allocated, and as necessary in the event of material changes or in case of substitution of Eligible Green Assets. This report will be made available within the Investor Relations' section on Alliander's website (https://www.alliander.com/en/investors/).

Alliander intends to report on the environmental impacts of the Eligible Green Assets funded with the Green Bonds proceeds through a dedicated impact report[11]. Alliander intends to align, on a best effort basis, the reporting with the portfolio approach described in "Handbook - Harmonized Framework for Impact Reporting (June 2022)"[12]. The impact reporting will provide (i) a brief description of the Eligible Green Assets and (ii) where feasible, metrics regarding Eligible Green Assets' environmental impacts, as described below:

| ICMA / LMA Eligible Category | Potential impact reporting indicators to be provided at Eligible Category level | Pre-issuance range estimate for impact indicators over 2024 |
|---|---|---|
| **Renewable Energy** | • Capacity of renewable energy production connected in the grid (in MW)<br>• Renewable energy production feed into grid by solar, wind capacity (in MWh)<br>• Estimated avoided $CO_2$ emissions (in metric tonnes $CO_2e$)[13] | • 9,000 – 11,000 MW<br>• 10,000,000 – 12,000,000 MWh<br>• 3,500,000 – 4,000,000 $CO_2e$ |
| **Energy Efficiency** | Smart technology:<br>• Estimated avoided $CO_2$ emissions (in metric tonnes $CO_2e$)[14]<br>• Energy consumption savings (in GJ per year)[15] | • 80,000 – 90,000 $CO_2e$<br>• 1,100,000 – 1,200,000 GJ |

11 Impact reporting may be supplemented by qualitative and/or case-study reports on outcomes and impacts of the Eligible Green Assets funded Where relevant, information may be provided on data reporting and impact assessment methodologies to increase transparency.

12 https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Green-Bonds_June-2022-280622.pdf

13 The avoided $CO_2$ emissions have been estimated by taking the annual expected electricity production from connected wind and solar capacity and calculating the amount of $CO_2$ that would have been emitted if the average production mix (including coal and gas) had been applied

14 The avoided $CO_2$ emissions / energy consumptions savings are estimated by applying a 1% saving on the annual consumption of gas and electricity households. This represents the effect of improved insight into actual energy consumption savings.

15 Several studies have been conducted into expected savings in electricity and gas consumption following the installation of smart meters. The results typically range from 1% to 6% in total savings. In the next few years more studies may be published that perhaps will provide a narrower estimate of the energy saved by the smart meter, but attribution will remain difficult to prove and therefore a matter of discussion. Although no assurance can be provided with respect to the percentage of energy savings, we have been conservative in our estimates by using 1% energy savings per year for both gas and electricity consumption. This percentage represents the change of energy consumption before the smart meter was installed against a comparable period after the installation. We have estimated the avoided CO2 emissions in relation to the expected savings. As inputs we used the number of installed smart meters financed with this green bond and the average electricity and gas consumption per household in our service areas. We feel it is important to give insight into the potential impact of the smart meter in terms of energy savings and avoided CO2 emissions.

| | | |
|---|---|---|
| **Green Buildings** | • Average primary energy consumption savings (in GJ per year)<br>• Estimated avoided $CO_2$ emissions (in metric tonnes $CO_2e$)[16] | • 650 – 750 GJ<br>• 1,000 – 1,200 $CO_2e$ |

***External review***

ISS-Corporate has reviewed the portfolio of Eligible Green Assets, as well as the alignment of the Green Finance Framework with ICMA's Green Bond Principles 2021 (with June 2022 Appendix 1), the LMA's Green Loan Principles 2023 and the EU Taxonomy Climate Delegated Act (June 2023) ("**Second Party Opinion**"). According to the Second Party Opinion:

- the formal concept for the Green Bonds relating to the use of proceeds, processes for project evaluation and selection, management of proceeds and reporting is aligned with GBP and GLP;

- the sustainability quality of the eligibility criteria is rated positive;

- the nominated project categories are considered to be (i) aligned with the climate change mitigation criteria, (ii) aligned with the DNSH criteria and (iii) aligned with the minimum safeguards requirements; and

- the key sustainability objectives and the rationale for issuing Green Bonds are clearly described by the Issuer and the majority of the project categories are considered in line with the sustainability objectives of Alliander.

In addition, the allocation of each Green Bond's proceeds will be reviewed by the Auditors.

The information provided in this Prospectus in relation to the Green Finance Framework is in summarised form. The Green Finance Framework is not incorporated by reference into this Prospectus. Prospective investors should have regard to the Green Finance Framework available at https://www.alliander.com/en/investors/financing/green-bonds and must determine for themselves the relevance of such information for the purpose of any investment in such Securities together with any other investigation such investor deems necessary but is available for viewing on the website.

The Green Finance Framework may be amended at any time without the consent of the Holders. The Issuer will not have any obligation to notify Holders of any such amendments. Any revisions or updates to the Green Finance Framework will be made available on the webpage mentioned above. If any amendment to Green Finance Framework would constitute a 'significant new factor' with respect to the information included in this Prospectus, the Issuer will supplement this Prospectus in accordance with Article 23 of the Prospectus Regulation.

16 Avoided $CO_2$ emissions are calculated on the basis of comparing the energy consumption of office spaces (offices defined in our impact report) per $m^2$ with that of the average Dutch office building taken from Milieubarometer (https://www.milieubarometer. nl/voorbeelden/kantoor). Avoided $CO_2$ emissions reflect the scopes of the GHG Protocol.

## Taxation in the Netherlands

### General

The following summary outlines the principal Dutch tax consequences of the acquisition, holding, settlement, redemption and disposal of the Securities, but does not purport to be a comprehensive description of all Dutch tax considerations that may be relevant. For purposes of Dutch tax law, a holder of Securities may include an individual or entity who does not have the legal title of these Securities, but to whom nevertheless the Securities or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Securities or the income thereof. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of the acquisition, holding, settlement, redemption and disposal of the Securities.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Dutch tax consequences for:

(i) investment institutions (*fiscale beleggingsinstellingen*);

(ii) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are not subject to or exempt from Dutch corporate income tax;

(iii) holders of Securities holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and holders of Securities of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5% or more of the total issued capital of the Issuer or of 5% or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;

(iv) persons to whom the Securities and the income from the Securities are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*)*;*

(v) entities which are a resident of Aruba, Curacao or Sint Maarten that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba and the Securities are attributable to such permanent establishment or permanent representative; and

(vi) individuals to whom the Securities or the income there from are attributable to employment activities which are taxed as employment income in the Netherlands.

Where this summary refers to the 'Netherlands' or 'Dutch', such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

### Withholding Tax

All payments made by the Issuer under the Securities may - except in certain very specific cases as described below - be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Dutch withholding tax may apply on certain (deemed) interest due and payable to an affiliated (*gelieerde*) entity of the Issuer if such entity (i) is considered to be resident (*gevestigd*) in a jurisdiction that is listed in the yearly updated Dutch Regulation on low-taxing states and non-cooperative jurisdictions for tax purposes

(*Regeling laagbelastende staten en niet-coöperatieve rechtsgebieden voor belastingdoeleinden*), or (ii) has a permanent establishment located in such jurisdiction to which the interest is attributable, or (iii) is entitled to the interest payable for the main purpose or one of the main purposes to avoid taxation of another person, or (iv) is not considered to be the recipient of the interest in its jurisdiction of residence because such jurisdiction treats another (lower-tier) entity as the recipient of the interest (hybrid mismatch), or (v) is not treated as resident anywhere (also a hybrid mismatch), or (vi) is a reverse hybrid whereby the jurisdiction of residence of a higher-tier beneficial owner (*achterliggende gerechtigde*) that has a qualifying interest (*kwalificerend belang*) in the reverse hybrid treats the reverse hybrid as tax transparent and that higher-tier beneficial owner would have been taxable based on one (or more) of the items in (i)-(v) above had the interest been due to him directly, all within the meaning of the Dutch Withholding Tax Act 2021 (*Wet bronbelasting 2021*).

**Corporate and Individual Income Tax**

***Residents of the Netherlands***

If a holder of Securities is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch corporate income tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of an enterprise to which the Securities are attributable, income derived from the Securities and gains realised upon the redemption, settlement or disposal of the Securities are generally taxable in the Netherlands (at up to a maximum rate of 25.8%).

If an individual is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch individual income tax purposes income derived from the Securities and gains realised upon the redemption, settlement or disposal of the Securities are taxable at the progressive rates (at up to a maximum rate of 49.5%) under the Dutch Income Tax Act 2001, if:

(i) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Securities are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Securities are attributable; or

(ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which includes activities with respect to the Securities that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) above applies to the holder of the Securities, taxable income with regard to the Securities must in principle be determined on the basis of a deemed return on savings and investments (*sparen en beleggen*). This deemed return on savings and investments is determined based on the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a statutory threshold (*heffingvrij vermogen*) (€57,000 in 2024). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The individual’s deemed return is calculated by multiplying the individual’s yield basis with a ‘deemed return percentage’ (*effectief rendementspercentage*), which percentage depends on the actual composition of the yield basis, with separate deemed return percentages for savings (*banktegoeden*), other investments (*overige bezittingen*) and debts (*schulden*). As of 1 January 2024, the percentage for other investments, which include the Securities, is set at 6.04%.

However, on 6 June 2024 the Dutch Supreme Court (*Hoge Raad*) ruled in a number of cases that the current system of taxation based on a ‘deemed return’ contravenes with Section 1 of the First Protocol to the European Convention on Human Rights in combination with Section 14 of the European Convention on Human Rights if the deemed return applicable to the investments exceeds the actual return in the respective calendar year. In these rulings, the Dutch Supreme Court has also provided guidance for calculating the actual return: (i) all assets that are taxed under the regime for savings and investments are taken into account, and the statutory threshold will not be deducted from the individual’s yield basis; (ii) the actual return should be based on a nominal return without considering inflation; (iii) the actual return includes not only benefits derived from assets, such as interest, dividends and rental income, but also positive and negative changes in the value of these assets, including unrealized value changes; (iv) costs are not taken into account for determining the actual return, but interest on debts that are included in the individual's yield basis should be taken into account; and (v) positive or negative returns from previous years are not taken into account.

If the individual demonstrates that the actual return – calculated in accordance with the guidelines of the Dutch Supreme Court – is lower than the deemed return, only the actual return should be taxed under the regime for savings and investments. As of the date of this Prospectus, no legislative changes have been proposed by the Dutch legislator in response to the 6 June 2024 rulings.

The deemed or actual return on savings and investments is taxed at a rate of 36%.

***Non-residents of the Netherlands***

If a person is not a resident of the Netherlands nor is deemed to be a resident of the Netherlands for Dutch corporate or individual income tax purposes, such person is not liable to Dutch income tax in respect of income derived from the Securities and gains realised upon the settlement, redemption or disposal of the Securities, unless:

(i) the person is not an individual and such person (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Securities are attributable, or (2) is (other than by way of securities) entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Securities are attributable.

This income is subject to Dutch corporate income tax at up to a maximum rate of 25.8%.

(ii) the person is an individual and such individual (1) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Securities are attributable, or (2) realises income or gains with respect to the Securities that qualify as income from miscellaneous activities in the Netherlands which includes activities with respect to the Securities that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*), or (3) is other than by way of securities entitled to a share in the profits of an enterprise which is effectively managed in the Netherlands and to which enterprise the Securities are attributable.

Income derived from the Securities as specified under (1) and (2) is subject to individual income tax at progressive rates up to a maximum rate of 49.5%. Income derived from a share in the profits of an enterprise as specified under (3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on income from savings and investments (as described above under "Residents of the Netherlands"). The fair market value of the share in the profits of the enterprise (which includes the Securities) will be part of the individual's Netherlands yield basis.

## Gift and Inheritance Tax

Netherlands gift or inheritance taxes will not be levied on the occasion of the transfer of a Security by way of gift by, or on the death of, a holder of a Security, unless:

(i) the holder of a Security is, or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions; or

(ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions.

**Value Added Tax**

In general, no value added tax will arise in respect of payments in consideration for the issue of the Securities or in respect of a cash payment made under the Securities, or in respect of a transfer of Securities.

**Other Taxes and Duties**

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Securities.

**The proposed financial transactions tax ("FTT")**

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Securities (including secondary market transactions) in certain circumstances.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Securities where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Securities are advised to seek their own professional advice in relation to the FTT.

## Subscription and Sale

BNP Paribas, Coöperatieve Rabobank U.A., ING Bank N.V. and NatWest Markets N.V. (the "**Joint Lead Managers**") have, pursuant to a Subscription Agreement dated 25 June 2024, jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe the Securities at 99.180 per cent. of their principal amount less a combined selling, management and underwriting commission. The Issuer will also reimburse the Joint Lead Managers in respect of certain of their expenses, and has agreed to indemnify the Joint Lead Managers against certain liabilities, incurred in connection with the issue of the Securities. The Subscription Agreement may be terminated in certain circumstances prior to payment of the Issuer.

### SELLING RESTRICTIONS

#### General

Neither the Issuer nor any Joint Lead Manager has made any representation that any action will be taken in any jurisdiction by the Joint Lead Managers or the Issuer that would permit a public offering of the Securities, or possession or distribution of this Prospectus (in preliminary, proof or final form) or any other offering or publicity material relating to the Securities (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. Each Joint Lead Manager has agreed that it will comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Securities or has in its possession or distributes this Prospectus or any such other material, in all cases at its own expense.

#### United States

The Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

In addition, until 40 days after the commencement of the offering, an offer or sale of Securities within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

#### United Kingdom

***Prohibition of sales to UK Retail Investors***

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available to and will not offer, sell or otherwise make available any Securities to any retail investor in the UK. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

   (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

   (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

***Other restrictions***

Each Joint Lead Manager has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

**Prohibition of sales to EEA Retail Investors**

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available to and will not offer, sell or otherwise make available any Securities to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of Directive 2002/92/EC (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

**Singapore**

Each Joint Lead Manager has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the **SFA**)) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

## General Information

1. The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer the information contained in this Prospectus is in accordance with the facts and makes no omission likely to affect the import of such information.

2. Application has been made to Euronext Amsterdam N.V. for the Securities to be listed on Euronext Amsterdam with effect from 27 June 2024. ING Bank N.V. has been appointed as Listing Agent for that purpose. References in this Prospectus to the Securities being "listed" (and all related references) shall mean that the Securities have been listed and admitted to trading on Euronext Amsterdam. Euronext Amsterdam is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended. The expenses in connection with the listing of the Securities are expected to amount to approximately EUR 20,000.

3. The Issuer has obtained all necessary consents, approvals and authorisations in The Netherlands in connection with the issue and performance of the Securities. The creation and issue of the Securities was authorised by resolutions of the management board of the Issuer passed on 17 June 2024.

4. There has been no material adverse change in the prospects of the Issuer since 31 December 2023, nor has there been any significant change in the financial performance and financial position of the Issuer and its subsidiaries, taken as a whole, which has occurred since 31 December 2023.

5. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the previous twelve months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer or of the Issuer and its subsidiaries, taken as a whole.

6. The Securities have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The International Securities Identification Number (ISIN) for the Securities is XS2829852842 and the Common Code is 282985284.

   The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.

7. Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third-party information is identified where used.

8. Deloitte Accountants B.V. have audited the financial statements of the Issuer for the financial year ended 31 December 2022 and 31 December 2023 in accordance with Dutch law, including the Dutch Standards on Auditing. The relevant auditors of Deloitte Accountants B.V. who have signed the audit reports incorporated by reference into this Prospectus are members of the Netherlands Institute of Chartered Accountants (*Nederlandse Beroepsorganisatie van Accountants*). Deloitte Accountants B.V. have no material interest in the Issuer.

   PricewaterhouseCoopers Accountants N.V. has been appointed to audit the accounts of the Issuer commencing for the financial year ended 31 December 2024 in accordance with Dutch law, including the Dutch Standards on Auditing. The relevant auditors of PricewaterhouseCoopers Accountants N.V. who will sign the audit report are members of the Netherlands Institute of Chartered Accountants. PricewaterhouseCoopers Accountants N.V. have no material interest in the Issuer.

9. Save for the commissions and any fees payable to the Joint Lead Managers, no person involved in the issue of the Securities has an interest, including conflicting ones, material to the offer.

10. Copies of the following documents will be available for inspection or collection at all reasonable times free of charge during normal business hours to Holders from the registered office of the Issuer and from the specified office of the Paying Agents for the time being as long as any of the Securities remains outstanding or may be provided by email to a Holder following their prior written request to the Issuer or any Paying Agent and provision of proof of holding and identity (in a form satisfactory to the Issuer or the relevant Paying Agent, as applicable):

    (A) the Articles;

    (B) the Annual Report 2022 and the Annual Report 2023 (containing the audited financial statements of the Issuer, which include the consolidated financial statements and the independent audit reports prepared in connection therewith);

    (C) copies of the Agency Agreement; and

    (D) a copy of this Prospectus.

11. Other than in relation to Green Finance Framework, the Issuer does not intend to provide any post-issuance information in relation to the Securities. For more information in respect of the Green Finance Framework and any Second Party Opinion available on the following webpage: https://www.alliander.com/en/green-finance-framework/. The contents of this webpage, any Second Party Opinion and the Green Finance Framework do not form part of this Prospectus and are not incorporated by reference in it.

12. Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business.

    In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Securities. Any such short positions could adversely affect future trading prices of the Securities. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

13. ESG ratings may vary amongst ESG ratings agencies as the methodologies used to determine ESG ratings may differ. The Group's ESG ratings are not necessarily indicative of its current or future operating or financial performance, or any future ability to service the Securities and are only current as of the dates on which they were initially issued. Prospective investors must determine for themselves the relevance of any such ESG ratings information contained in this Prospectus or elsewhere in making an investment decision. Furthermore, ESG ratings shall not be deemed to be a recommendation by the Issuer or any other person to buy, sell or hold the Securities. Currently, the providers of such ESG ratings are not subject to any regulatory or other similar oversight in respect of

their determination and award of ESG ratings. For more information regarding the evaluation methodologies used to determine ESG ratings, please refer to the relevant ratings agency's website (which website does not form a part of, nor is incorporated by reference in, this Prospectus).

14. MSCI ESG ratings information contained in this Prospectus and on MSCI's website (the **Information**) has been sourced by MSCI ESG Research LLC, a registered investment adviser under the Investment Advisers Act of 1940, or its affiliates or information providers (together, the **ESG Parties**). Any use of or reference to the Information is subject to the following terms in all cases. The Information (a) is solely intended to reflect an analysis of ESG characteristics of a company and is not designed for a particular investment use; (b) is not intended to reflect or analyse any credit commitments, or debt or debt-like securities, or credit worthiness nor to address any credit or other risk, including but not limited to liquidity risk, market value risk or price validity; (c) is not intended to reflect or constitute investment or financial advice, an offer or solicitation for the purchase or sale of any financial instrument, or a recommendation or promotion, including regarding credit decisions or decisions to purchase, hold or sell any securities or strategies; (d) is not intended to endorse the accuracy of any data or conclusions, or to assess or vouch for the financial condition of any entity; (e) should not be relied upon as an indication or guarantee of any future performance, analysis, forecast or prediction; (f) does not take into account any personal or institutional objectives, financial situations, circumstances, or needs; and (g) may not be used to create any derivative works. The Information has not been submitted for review to, nor received approval from, the U.S. Securities and Exchange Commission or any other regulatory body. The Information may not be reproduced or redisseminated in whole or in part without the express prior written permission of MSCI ESG Research LLC. The Information is provided "as is" and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. Although ESG Parties obtain information from sources they believe to be reliable, none of the ESG Parties warrants or guarantees the accuracy and/or completeness, of such information or any Information based thereon. This Information reflects Alliander's opinion and judgment as of the date of its publication and is subject to change without notice. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data or Information in this Prospectus, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) arising from the use of such data or Information even if notified of the possibility of such damages. The ESG Parties expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose.

**Registered Office of the Issuer**

**Alliander N.V.**
Utrechtseweg 68
6812 AH Arnhem
P.O. Box 50
6920 AB Duiven
The Netherlands

**Joint Lead Managers**

**BNP Paribas**
16, boulevard des Italiens
75009 Paris
France

**Coöperatieve Rabobank U.A.**
Croeselaan 18
3521 CB Utrecht
The Netherlands

**ING Bank N.V.**
Foppingadreef 7
1102 BD Amsterdam
The Netherlands

**NatWest Markets N.V.**
Claude Debussylaan 94
1082 MD Amsterdam
The Netherlands

**Principal Paying Agent and Calculation Agent**

**Citibank, N.A., London Branch**
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

**Auditors of the Issuer**

*For the financial years ended 31 December 2022 and 31 December 2023*

**Deloitte Accountants B.V.**
Gustav Mahlerlaan 2970
1081 LA Amsterdam
The Netherlands

*For the financial year ended 31 December 2024 onwards*

**PricewaterhouseCoopers Accountants N.V.**
Thomas R. Malthusstraat 5
1066 JR Amsterdam
The Netherlands

**Legal Advisers**

*To the Issuer*

**Allen Overy Shearman Sterling LLP**
Apollolaan 15
1077 AB Amsterdam
The Netherlands

*To the Joint Lead Managers*

**Clifford Chance LLP**
Droogbak 1A
1013 GE Amsterdam
The Netherlands

**Listing Agent**

**ING Bank N.V.**
Foppingadreef 7
1102 BD Amsterdam
The Netherlands