



ALLIANDER N.V.

(Incorporated in the Netherlands with limited liability and having its corporate seat in Arnhem)

**Euro 3,000,000,000
Euro Medium Term Note Programme**

This supplement (the **Supplement**) is supplemental to, forms part of and must be read and construed in conjunction with, the base prospectus dated 23 October 2018 (the **Prospectus**) prepared in connection with the Euro 3,000,000,000 Euro Medium Term Note Programme (the **Programme**) established by Alliander N.V. (the **Issuer** or **Alliander**, formerly known as n.v. Nuon). This Supplement, together with the Prospectus, constitutes a base prospectus for the purposes of Article 5:23 of the Netherlands Financial Markets Supervision Act (*Wet op het financieel toezicht*, the **FSA**). Terms defined in the Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Prospectus and any other supplements to the Prospectus (to be) issued by the Issuer.

This Supplement has been filed with and approved by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, the **AFM**) as a prospectus supplement, in accordance with Directive 2003/71/EC, as amended or superseded (the **Prospectus Directive**), and relevant implementation measures in the Netherlands.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Prospectus, the statements in (a) above will prevail.

No person has been authorised to give any information or to make any representation other than those contained in this Supplement or the Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger. Neither the delivery of this Supplement or the Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which the Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which the Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme 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.

The distribution of this Supplement and the Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Supplement or the Prospectus

comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the benefit of, U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Supplement and the Prospectus, see "*Subscription and Sale*" of the Prospectus.

This Supplement and the Prospectus do not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes.

To the fullest extent permitted by law, none of the Dealers or the Arranger accepts any responsibility for the contents of this Supplement and the Prospectus or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Supplement and the Prospectus or any such statement. Neither this Supplement nor the Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Supplement and the Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Supplement and the Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Supplement and the Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

Amendments and additions to the Prospectus

Risk factors

In section "*Risk factors*", on page 14 of the Prospectus, the following new paragraphs shall be inserted after the last paragraph ending with "*and the amount payable under, the Notes.*":

"In respect of any Notes issued as Green Bonds, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor.

The Final Terms relating to any specific Tranche of Notes may provide that it will be the Issuer's intention to apply the proceeds from an offer of those Notes specifically for projects and activities that promote climate-friendly and other environmental purposes ("**Eligible Green Projects**") (any Notes which have such a specified use of proceeds are referred to as "**Green Bonds**"). Prospective investors should determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. In particular no assurance is given by the Issuer or the Dealers that the use of such proceeds for any Eligible Green Projects 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 Projects.

Furthermore, it should be noted that 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. Accordingly, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Eligible Green Projects will meet any or all investor expectations regarding such “green”, “sustainable” or other equivalently-labelled performance objectives 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 Projects.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes and in particular with any Eligible Green Projects to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Dealers or any other person to buy, sell or hold any such Notes. Any such opinion or certification is only current as of the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Notes 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 given by the Issuer, the Dealers 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 Projects. Furthermore, it should be noted that 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 such Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

While it is the intention of the Issuer to apply the proceeds of any Notes so specified for Eligible Green Projects in, or substantially in, the manner described in this Base Prospectus, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Eligible Green Projects 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 Projects. No Dealer shall be responsible for monitoring the use of proceeds of any Notes.

Nor can there be any assurance that such Eligible Green Projects 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. Any such event or failure by the Issuer will not constitute an Event of Default under the Notes.

Any such event or failure to apply the proceeds of any issue of Notes for any Eligible Green Projects 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 any such Notes 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 of such Notes and also potentially the value of any other Notes which are intended to finance Eligible Green Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.”

Information incorporated by reference

The purpose of this Supplement is to incorporate by reference certain sections of the annual report of the Issuer for the financial year ended 31 December 2018 (the “**2018 Annual Report**”). A copy of the 2018 Annual Report has been filed with the AFM and, by virtue of this Supplement, the 2018 Annual Report referred to below is incorporated in, and forms part of, the Prospectus.

Copies of documents incorporated by reference in the Prospectus can be obtained from the English version of the Alliander website (www.alliander.com/en) under the “Financial publications” tab under the “Investor” tab.

If documents which are incorporated by reference themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement for the purposes of the Prospectus Directive, except where such information or other documents are specifically incorporated by reference or attached to this Supplement.

With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Prospectus shall be supplemented in the manner described below:

In section “*Information incorporated by reference*”, on page 16 of the Prospectus, the following new paragraph (e) shall be inserted (with deletion of “and” at the end of paragraph (c) and replacement of “.” at the end of paragraph (d) by “;”):

“(e) [the annual report of the Issuer for the financial year ended 31 December 2018 \(English version\).](#)”

Form of Final Terms

In section (i) of the “*Reasons for the Offer, Estimated Net Proceeds and Total Expenses*”, on page 30 and 31 of the Prospectus, the following wording shall be inserted after “*to include those reasons here.)*”:

“(in case Green Bonds are issued, the category and prescribed eligibility criteria of Eligible Green Projects must be specified)”.

Use of Proceeds

In section “*Use of Proceeds*”, on page 56 of the Prospectus, the following new paragraphs shall be inserted after the first paragraph ending with “*stated in the applicable Final Terms*”:

“Green Bonds

Eligible Green Projects

If so specified in the applicable Final Terms, the Issuer will apply the net proceeds from an offer of Notes in accordance with the Issuer’s green bond framework as amended from time to time (the “**Alliander Green Bond Framework**”). Such Notes may also be referred to as Green Bonds. If such Green Bonds will be issued, the applicable Final Terms will specify for which Eligible Green Projects (as defined below) the proceeds of the Green Bonds will be used.

As at the date of this Base Prospectus, the Alliander Green Bond Framework provides that the Issuer intends to use the net proceeds from the issuance of Green Bonds, to finance and/or refinance, in whole or in part, new and existing projects falling (the “**Eligible Green Projects**”) within one of the following categories:

- **Smart grids:** projects related to smart meters recording customer’s energy consumption for demand management, sensor and technology deployment in mid/high voltage grid, wireless networks and fibre optic cable and network
- **Green building:** new builds or large scale renovation with BREEAM-NL certificate “Very Good” or above or equivalent and energy efficiency projects in buildings which result in energy savings of at least 20%
- **Heating network:** local district heating networks distributing heat from local heat sources to customers.

Process for evaluation and selection

The use of proceeds in the Alliander Green Bond Framework is aligned with the business model and CSSR strategy of Alliander. The selection of the Eligible Green Projects is carried out by, among others, Alliander’s CSR department, based on expected amounts, eligibility criteria described in Alliander’s Green Bond Framework, and a clear contribution of the selected projects toward reducing CO2 emissions or facilitating the reduction thereof, as well as circularity and supply chain transparency if applicable. The Eligible Green Projects will be assessed based on any additional environmental standards or certifications available.

Management of proceeds

The net proceeds from Alliander’s Green Bonds will be deposited in the general account and an amount equal to the net proceeds will be earmarked for allocation to the Eligible Green Projects in accordance with Alliander’s Green Bond Framework.

For the remaining unallocated proceeds, Alliander will track the net proceeds and earmark the amounts (re)financed with the Green Bond within its internal systems. On a quarterly basis, and as long as the Green Bonds are outstanding, the balance of the net proceeds of the issuance not already allocated will be reduced by amounts matching disbursements made during the same period to the Eligible Green Projects.

Pending the allocation or reallocation, as the case may be, of the net proceeds to the Eligible Green Projects, 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 projects is completed.

If for any reason, any projects were no longer eligible, Alliander will use its best efforts to substitute such project, 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 Bond has been fully allocated, and as necessary in the event of material changes or in case of substitution of Eligible Green Projects. In particular, Alliander will report on (i) the aggregated amount of Eligible Green Projects, at category and sub-category level, with a description of selected case studies if feasible, (ii) the balance of any unallocated proceeds invested in bank deposits, investment funds, money market funds, or liquid marketable instruments and (iii) the proportion of net proceeds used for financing versus refinancing.

External review

Alliander has commissioned ISS-oekom to review the portfolio of the Eligible Green Projects, as well as the alignment of the Alliander Green Bond Framework with the ICMA's Green Bond Principles. ISS-oekom will provide a second party opinion ("**Second Party Opinion**").

In addition, the allocation of each Green Bond's proceeds and environmental impact metrics will be reviewed by the Auditors."

Alliander N.V.

In section "*Profile Alliander group*" on page 57 of the Prospectus, the following new paragraph shall be inserted after the fifth paragraph ending with "*technologies and intelligent energy infrastructures*":

"Alliander is the largest regional energy network company in the Netherlands, with 3.2 million electricity and 2.5 million gas connections.¹

Over 85% of Alliander's regulated revenue (from a consolidated perspective) is from regional electricity and gas distribution, with the remaining revenue largely relating to services offered to customers with regulated network activities."

In section "*Profile Alliander group*" on page 58 of the Prospectus, the following new paragraph shall be inserted after the second paragraph ending with "*after markets an open character*":

"Alliander's ambition is to have climate-neutral operations by 2023; in other words, on balance Alliander will have zero CO2 emissions as a result of our network activities, offices and vehicles in 2023. These climate-neutral operations target by 2023 will be achieved via (i) the purchase of certificates for renewable energy from newly built wind farms in the Netherlands, (ii) the application of sustainable climate regulations in subs-stations, (iii) low-energy or energy-positive building, (iv) the prevention of energy fraud and (v) use of fewer, smarter and more eco-friendly company and lease cars."

In section "*Profile Grid Manager*" on page 58 of the Prospectus, the following new paragraph shall be inserted after the fourth paragraph ending with "*its customers and for society*":

"The Grid Manager has a natural monopoly in its license areas and the network coverage largely coincides with the shareholder base, which is 100% held by the provinces and local municipalities served and therefore provides a strong and stable ownership. Privatisation is not permitted by law.

The Grid Manager operates high quality assets providing a reliable grid with relatively low annual outage duration in a European context. The Grid Manager maintains a focused capex programme to ensure the grid quality is maintained.

The Grid Manager has made agreements with the Ministry of Economic Affairs of the Netherlands to offer smart meters to customers. The Grid Manager target is to have offered smart meters to all 3.2 million electricity customers by the end of 2020. The table in the section "The regulatory framework" below shows the progress towards this goal (as of April 2019)."

The statement included on page 60 of the Prospectus with the caption "*The regulatory framework*" is replaced by the following statement:

"The regulatory framework

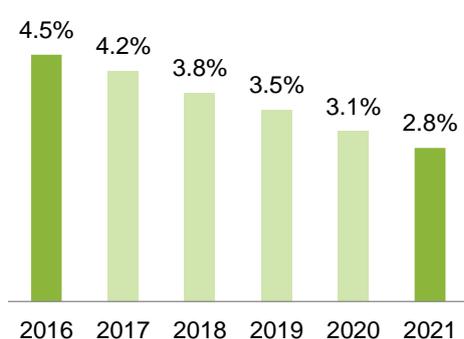
¹<https://energiecijfers.info/hoofdstuk-1/>

A substantial part of Alliander’s activities are regulated. The Netherlands operates what is generally considered to be a stable and proven regulatory system which results in a low risk regulatory profile for the sector.

The 5-year regulatory period is a constructive, well defined and mature regime, providing total cost recovery for the industry as one of its basic regulatory principles.

The current 5-year price control period runs from 2017-2021 and therefore provides a high degree of cash flow predictability through that period. The current period has a gradually decreasing real WACC declining from 4.5% at the end of the previous period in 2016 to 2.8% at the end of 2021. Allowed revenues have been set at the efficient level from the start of the period and are benchmarked on average sector cost. In the long run the sector as a whole is able to cover its costs, including capital cost.

Alliander’s interpolation of the regulated WACC from 2016-2021 is as follows:



The ACM (Authority for Consumers & Markets) has presented new method decisions after existing method decisions were annulled by the Trade and Industry Appeals tribunal. Alliander currently assesses that the new regulated WACC is expected to have a neutral overall effect on regulated revenue.

Sufferance Tax will be phased out. A transitional period will be observed, allowing municipalities to levy Sufferance Tax up to 2022. Sufferance costs will be fully recovered in tariffs, partly in advance and partly afterwards.

The Netherlands is streamlining the existing Electricity and Gas Acts. The Energy Transition Bill (VET) came into effect as of 1 July 2018 and is being implemented in phases. Alliander currently assesses the financial impact of VET as neutral.

The Dutch climate agreement to secure the Dutch climate ambitions in the long run is expected to be signed and implemented in 2019, setting CO₂ emissions for 2030 at a level 49% lower than 1990 and CO₂ emissions for 2055 95% lower than 1990. Full details of the Government proposals can be found at <https://www.government.nl/topics/climate-change/climate-policy>.

In addition, the Grid Manager has made agreements with the Ministry of Economic Affairs of the Netherlands to offer smart meters to customers. The Grid Manager’s target is to have offered smart meters to all 3.2 million electricity customers by the end of 2020. The table below shows the progress towards this goal (as of April 2019).

	Pre GSA ¹	2015	2016	2017	2018	Apr 2019	2020 target
Percentage (of 3.2m customers)	13%	19%	32%	49%	69%	77%	100%

¹GSA refers to Alliander’s large-scale offering of smart meters

The intermediate status at the end of 2018 was that 69% of the 3.2 million customers had been offered a smart meter, ahead of the target of 66%.

The total capex that the Grid Manager has targeted for smart meters in the period 2008-2020 amounts to approximately €800 million.”

Significant or Material Change

The statement included on page 77 of the Prospectus with caption “*Significant or Material Change*” is replaced by the following statement:

“Significant or Material Change

There has been no material adverse change in the prospects of the Issuer since 31 December 2018 and, there has been no significant change in the financial or trading position of the Issuer and its subsidiaries, taken as a whole, which has occurred since 31 December 2018.”

Post-issuance information

The statement included on page 77 of the Prospectus with caption “*Post-Issuance information*” is replaced by the following statement:

“Post-issuance information

Other than in relation to Green Bonds, the Issuer does not intend to provide any post-issuance information in relation to any issues of Notes. For more information in respect of Green Bonds issued by the Issuer, please refer to the Alliander Green Bond Framework and any Second Party Opinion available on the following webpage: <https://www.alliander.com/en/investors/financing/green-bonds>. The contents of this webpage, any Second Party Opinion and the Alliander Green Bond Framework do not form part of this Base Prospectus and are not incorporated by reference in it.”
