INVESTOR PRESENTATION

ENEXIS HOLDING N.V.

ANNUAL RESULTS 2017

MAARTEN BLACQUIÈRE

21 FEBRUARY 2018

ENEXIS HOLDING N.V.

KEY HIGHLIGHTS

A leading DSO in the Netherlands

- Electricity grid outage time among lowest in Europe
- Publicly owned company
- Focus on regulated business

Stable and transparent regulatory framework

- New regulatory period 2017 - 2021
- Regulation method in line with previous period
- Impact of revised legislation (VET) assessed as neutral

Stable financial performance

- Lower financing expenses due to replacing shareholder loan tranche C in 2016 keeps profit stable
- Smart meter roll out program on track
- Strong solvency position

Prudent financial policy

- Conservative target financial ratios comfortably met
- Very strong credit ratings - S&P A+/A-1 (stable) and Moody’s Aa3/P-1 (stable)
- Balanced debt maturity profile and adequate liquidity back-up

CORPORATE PROFILE

Corporate profile

Update on regulatory environment

2017 Financials

Financing and policy

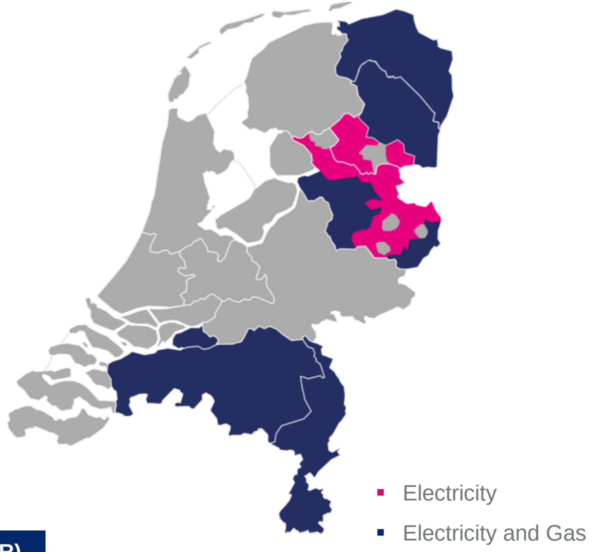
CORPORATE PROFILE (1/2)

- A leading Dutch Distribution System Operator (DSO)
- Legal monopoly position on electricity and gas grids
- Multi-year E grid outage time among the lowest in Europe (2017: 13.8 minutes)
- Rating: S&P A+/A-1 stable, Moody's Aa3/P-1 stable (similar to 2016)
- Publicly owned company
- 96% of total revenues out of regulated core business

STRATEGY

- Strategic focus on the Netherlands with a limited M&A agenda
- Two pillar strategy: operational excellence and acceleration of the energy transition
- Investigate potential of investing in district heating infrastructure

SERVICE AREA PER 1/1/2018



COMPANY (YEAR)	**REVENUES** (EUR)	**EBIT** (EUR)	**CONNECTIONS** (E + G)	**EMPLOYEES (NUMBER)**
Alliander (2016)	1,584 mln	207 mln	5.6 mln	7,150
Enexis Group (2017)	1,380 mln	336 mln	5.1 mln	4,332
Stedin Group (2016)	1,173 mln	214 mln	4.0 mln	3,880

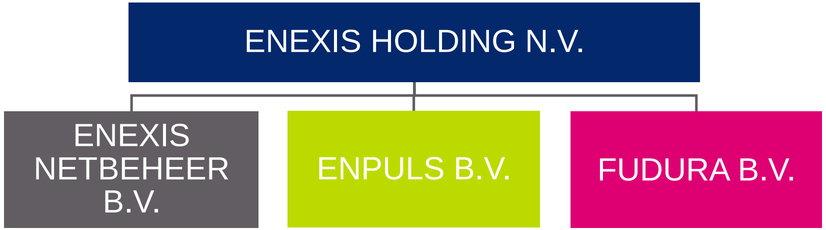
CORPORATE PROFILE (2/2)

ORGANISATION STRUCTURE

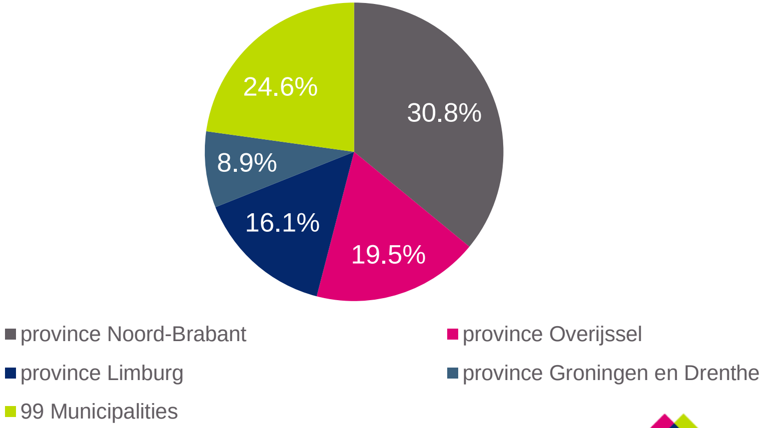
Enexis Groep: brand name of the whole of activities of the Holding company and its group companies

- Enexis Holding: Top holding and all group financing activities
- Enexis Netbeheer: DSO, all regulated grid activities
- Enpuls: energy transition activities
- Fudura: non-regulated energy grid related activities like 3rd party metering and maintenance services

ENEXIS GROEP



SHAREHOLDERS PER 1/1/2018



CORPORATE STRATEGY

MISSION
We achieve a sustainable energy supply through state-of-the-art services and networks and by being in the driving seat of innovative solutions

STRATEGIC GOALS

- Our grids and services are ready in time for the changes in the energy world.
- Our energy supply is reliable.
- Our services are excellent, resulting in high levels of customer satisfaction and a reduction in costs.

- Together with local partners, we attain the Dutch targets regarding sustainable generation and energy saving.
- We deliver innovative and scalable solutions that accelerate the transition to a sustainable energy supply.

EXCELLENT DISTRIBUTION SYSTEMMANAGEMENT

ACCELERATING ENERGY TRANSITION

UPDATE ON REGULATORY ENVIRONMENT

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STABLE AND TRANSPARENT REGULATORY FRAMEWORK

- New regulatory method in line with previous periods
- Length of regulatory period increased to 5 years (2017 – 2021)
- Allowed revenues in first year of regulatory period set at efficient cost level
- Gradual declining WACC and cost of debt compensation

	2016	2017	2018	2019	2020	2021
Regulatory WACC (real; pre-tax)	3.6%	4.0%	3.8%	3.5%	3.3%	3.0%
Regulatory WACC (nominal; pre-tax)	5.6%	5.0%	4.9%	4.7%	4.6%	4.5%
Cost of debt compensation (nominal)	3.9%	3.3%	3.1%	2.8%	2.5%	2.3%

REVISED LEGISLATION FOR TRANSPORT AND DISTRIBUTION SYSTEM OPERATORS

- Impact of revised legislation assessed as neutral
- For new residential areas, municipalities are enabled to opt for renewable energy solutions instead of natural gas
- Legislation enables us to manage alternative infrastructures, e.g. district heating, biogas, CO2, steam

2017 FINANCIALS

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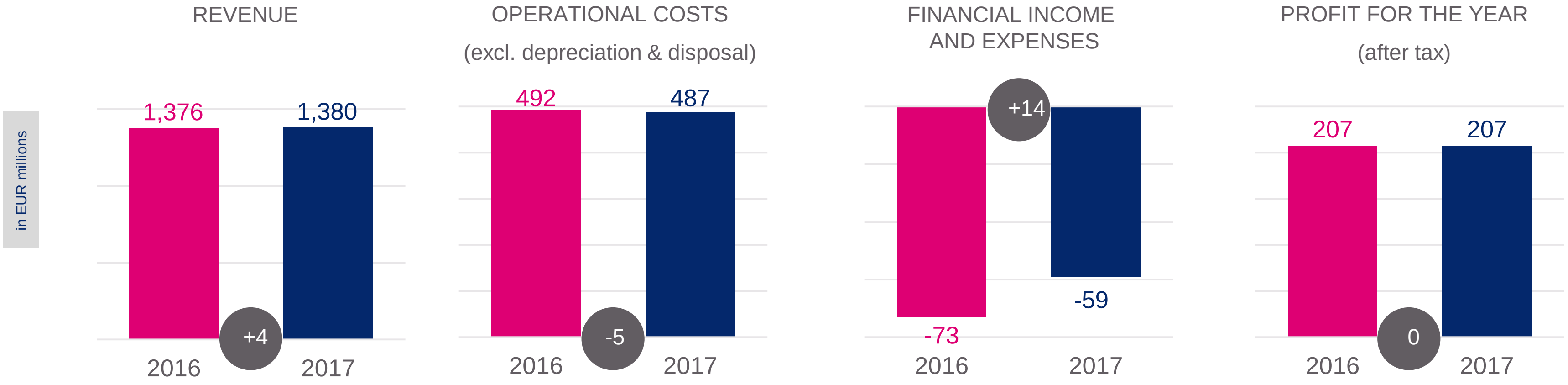
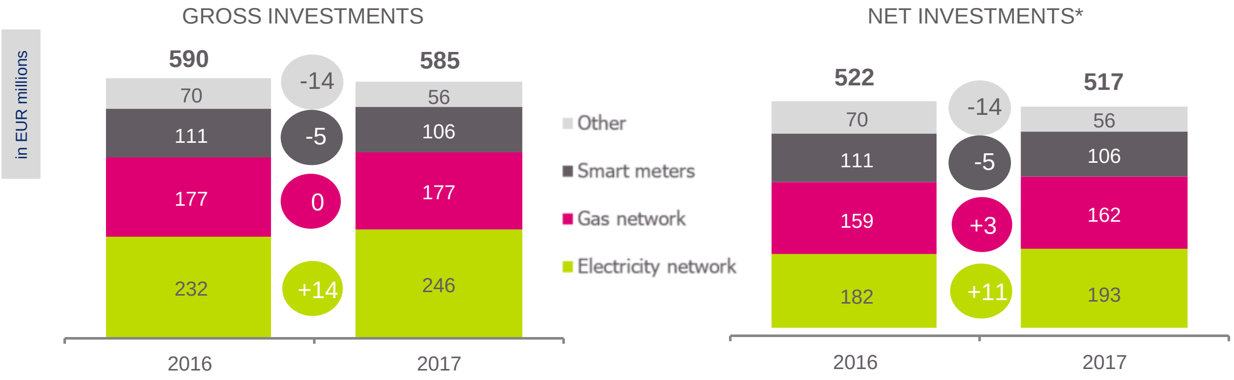
STABLE FINANCIAL PERFORMANCE



- Revenue is stable due to a revenue increase on behalf of the Weert acquisition (+ EUR 4 million), more connections in our service area (+ EUR 11 million), increased revenue from metering services (+ EUR 6 million) and an average tariff decrease of 1,2% (- EUR 17 million)
- Operational costs slightly decreased due to strong focus on efficiency
- Financial income and expenses improve mainly due to the early repayment of the shareholder loan tranche C in 2016 (+ EUR 15 million)

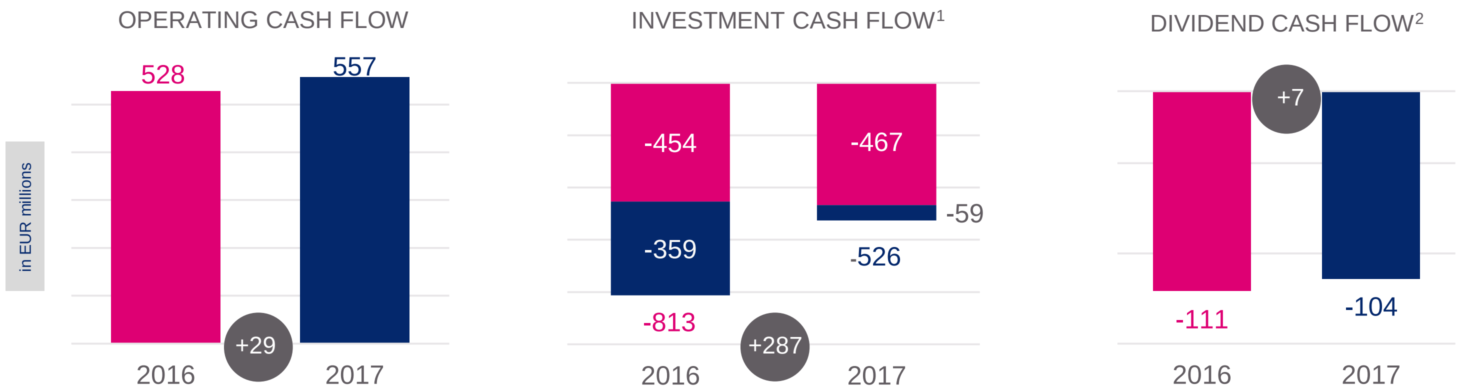
HIGHER ELECTRICITY INVESTMENTS DUE TO SUSTAINABILITY PROJECTS



- Dutch government targets aim for an increase of renewable energy sources to 16% (2023) from 6% (2017). Partly, from wind- and solar projects on land. These projects drive the increase of electricity grid investments with EUR 14 million
- Smart meter roll out program 2017 increased with 6% to 712.500 meters. Thanks to lower meter cost gross investments decreased with EUR 5 million
- Other investments decreased with EUR 14 million mainly due to high incidental investments in buildings in 2016

* Gross investments -/- Advance customer contributions = Net investments

OPERATIONAL FUNDING REQUIREMENTS 2017 (1/2)

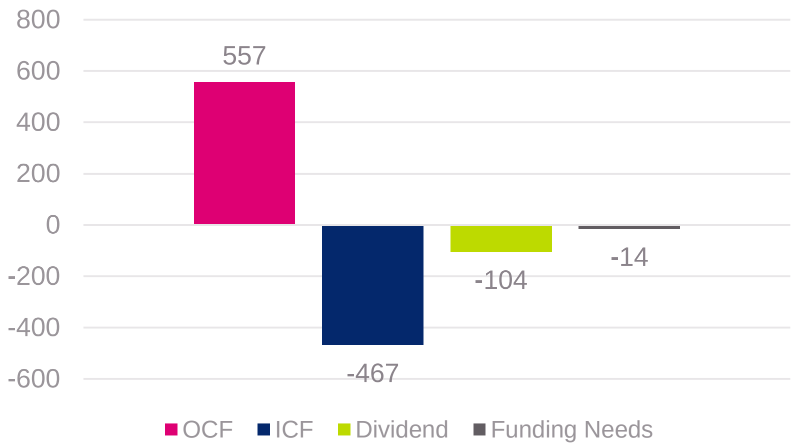


- Improved operating cash flow in 2017
- Regular investment cash flow in line with 2016. Additional acquisition of Weert in 2017 (- EUR 59 million) compared to the acquisition of Endinet in 2016 (- EUR 359 million)
- Dividend payout 50% of profit for the year (after tax) and in line with 2016
- Investment plus dividend cash flows expected to exceed operating cash flow through 2020 due to smart meter rollout program

1 Amounts regarding deposits are included in Investment Cash Flow
2 Compared to the annual report, figures have been reclassified

OPERATIONAL FUNDING REQUIREMENTS 2017 (2/2)

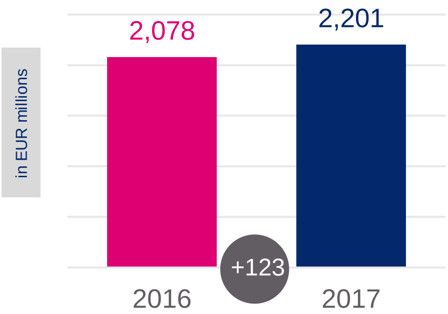
FUNDING NEEDS 2017 – EXCLUDING WEERT



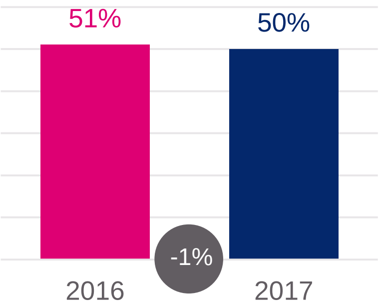
- Due to smart meter rollout program Operational Cash Flow (EUR 557 million) does not cover Investment Cash Flow excluding Weert acquisition (EUR 467 million) and Dividend (EUR 104 million), leading to a minor increase in funding needs (EUR 14 million)
- With the Weert acquisition of EUR 59 million, this adds up to EUR 73 million
- In 2017 funding needs were fully covered by drawings under the ECP program

SOLVENCY POSITION REMAINS STRONG

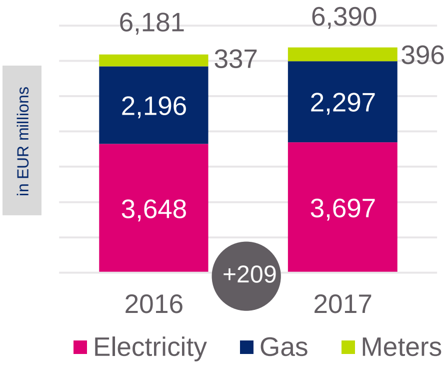
NET INTEREST-BEARING DEBT*



SOLVENCY



REGULATED ASSET BASE



- Net Debt increased slightly mainly due to the Weert acquisition and operational needs in 2017
- Solvency remains strong and in line with 2016
- Estimated RAB for 2017 increased with EUR 209 million mainly due to the Weert acquisition (EUR 83 million) and the higher investments in smart meters compared to its depreciation (EUR 162 million versus EUR 42 million)

* Net interest-bearing debt: interest-bearing liabilities (current plus non-current) minus short term deposits minus cash and cash equivalents

OUTLOOK 2018

REGULATION

- Customer tariff increase of 2.9% on Electricity
- Customer tariff increase of 0.8% on Gas

CAPEX

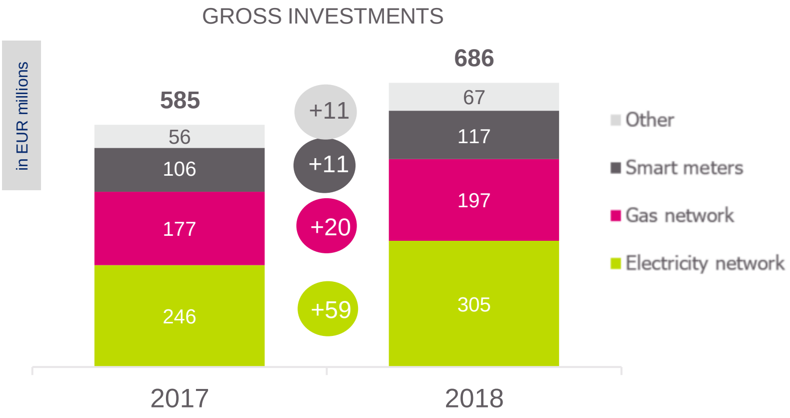
- Smart meters roll out to 413.000 addresses (2017: 387.000 addresses)
- Increase of gross capex level to approx. EUR 686 million mainly because of wind and solar projects on land and replacing gas pipelines

FINANCING

- Financing needs of about EUR 125-150 million covered by ECP program
- Financial ratios expected to be well above minimum requirements and current rating thresholds
- Flexibility available in the funding sources with our established EMTN and ECP programs

DIVIDEND

- Profits in line with regulated return for shareholders
- Lower regulated return on invested capital – dividend accordingly lower



FINANCING AND POLICY

FINANCIAL POLICY AND TARGET RATIOS

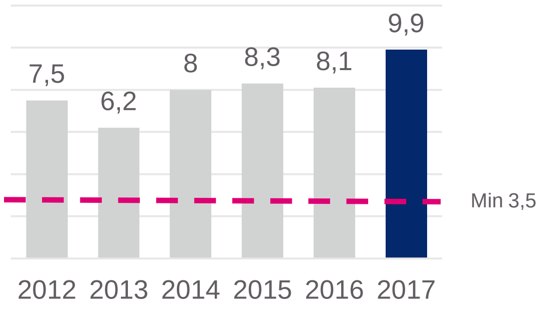
The pillars of Enexis' financial policy

Dividend policy	▪ Maximum 50% pay-out of net profit ▪ Ambition of minimum EUR 100 million dividend, provided A rating is secured
Regulation	▪ Effective cost reduction programs to manage x-factor ▪ Financing costs in line with regulatory compensation for Cost of Debt
Credit rating	▪ Minimum A rating profile ▪ Avoid structural subordination
Financial ratios	▪ Balanced maturity profile and adequate liquidity ▪ Conservative target ratios Enexis

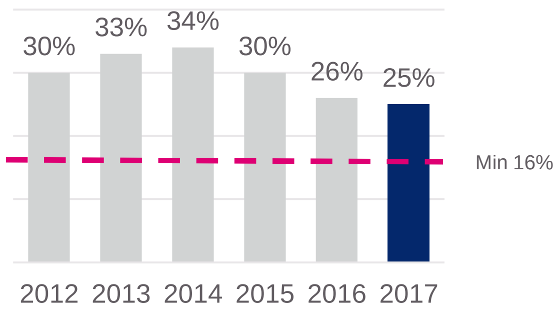
TARGET RATIOS ENEXIS	HURDLES
FFO interest coverage	≥ 3.5x
FFO / net interest bearing debt	≥ 16%
Net interest bearing debt / (equity + net interest bearing debt)	≤ 60%

FINANCIAL RATIOS COMFORTABLY MEET REQUIRED HURDLES

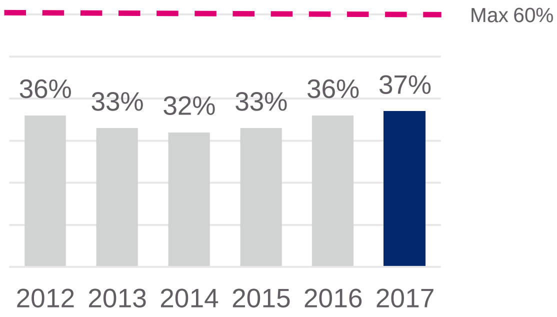
FFO INTEREST COVERAGE



FFO/ NET INTEREST-BEARING DEBT*



NET INTEREST-BEARING DEBT / (equity + net interest-bearing debt)*



- All target ratios well above hurdle rates
- FFO interest coverage improved due to lower paid interest in combination with stable FFO
- FFO stable at EUR 544 million (2016: EUR 538 million) and net interest bearing debt increased to EUR 2,201 million (2016: EUR 2,078 million)
- Main ratio of FFO/net interest-bearing debt well above current Aa3/A+ long term credit rating requirements of approx. 18%

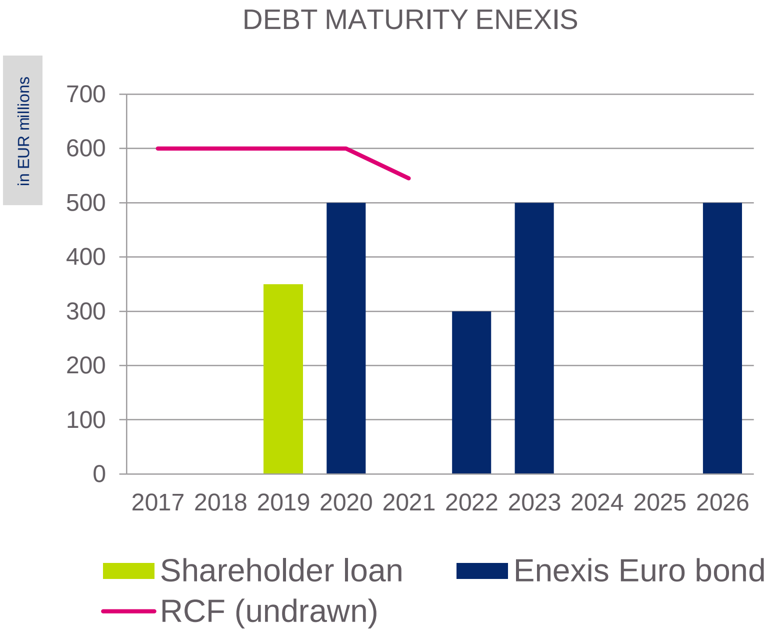
* Net interest-bearing debt definition has been changed in 2016. We refer to the annual accounts

BALANCED DEBT MATURITY PROFILE AND ADEQUATE LIQUIDITY BACK-UP

- ECP financing in 2017 with year-end position of EUR 100 million outstanding
- Realized average cost of debt in 2017 below compensation embedded in regulatory WACC
- Balanced debt maturity profile consisting of 1 remaining shareholder loan and 4 listed EUR bond loans

ADEQUATE COMMITTED REVOLVING CREDIT FACILITY (RCF):

- 5 year facility of EUR 600 million (currently undrawn)
- Maturity in 2015 for EUR 600 million extended with 1 year; in 2016 a further extension for 1 year for EUR 545 million (until June 2021).
- Optional accordion increase of EUR 100 million.
- No financial covenants



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