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Introduction to Evides

Evides is a sustainable and innovative water company, closely connected to the environment in which it operates. Together with over 700 employees, we ensure that our customers can depend on us for reliable drinking, industrial and waste water now and in the future.

We provide safe and clean drinking water all day, every day, to 2.5 million consumers and businesses in three Dutch provinces: Zeeland, the southern part of Zuid-Holland and the western part of Noord-Brabant.

Evides also provides tailored water services for large industrial companies in the Netherlands, Belgium and Germany. This can vary from temporarily supplying industrial water, to a partnership responsible for the entire implementation and operation of water treatment plants. In addition, Evides is active in treating waste water including reuse for industrial purposes.

Given this combination of drinking water, waste water and industrial water activities, Evides is focused on continually improving processes to source, purify, distribute and – wherever possible – reuse water. In this way, we want to contribute to the best use of the water supply chain in the Netherlands and beyond.

In 2016, Evides provided a total of 156.7 million cubic metres of drinking water and 95.4 million cubic metres of industrial water via our 14,717-kilometres-long pipeline network. In addition, through our water treatment activities, we processed 1,412,800 pollution equivalents.

Evides is a Dutch limited liability company (N.V.), of which 50% is owned by B.V. Gemeenschappelijk Bezit Evides (the municipalities in the Rotterdam area) and the other 50% by utility company DELTA N.V., which is in turn owned by 16 municipalities in the south-west of the Netherlands in the provinces of Zeeland, Zuid-Holland and Noord-Brabant.

Letter from the Executive Board

Evides can look back on 2016 as an intense and thrilling year – a year in which consumers and companies could once again depend on us for reliable drinking water and industries could count on our innovative water services. It was a year in which we again invested in improving our customer processes because we believe in the importance of our customers being able to rely on good service. We are also incredibly dedicated to maintaining and improving the quality of our sources. We looked even further ahead than usual in 2016 and anticipated on future developments by reassessing our strategic direction for 2017–2021.

To provide an even better service to our drinking water customers, we launched a new website in the past year that allows them to easily arrange all their water affairs online. We took steps to map out in greater detail what our customers want and need, to understand how we can then respond to this. For instance, we set up a service desk dedicated to resolving any administrative and technical questions our customers may have in a quick and efficient manner.

Naturally, our surface and ground water sources also received plenty of attention, as illustrated by the environmental impact assessment we started for the construction of the new Bergsche Maas intake point. This intake point will make it easier to fill the basins more quickly with surface water from the Maas river. We started building a new intake point on the Haringvliet estuary as part of the compensating measures for the Kierbesluit. We worked in 2016 on improving the ecological value of the Brabantse Wal area in the province of Noord-Brabant.

Evides is committed to improving the quality of our water sources, collaborating in the water supply chain and raising awareness of sustainable water use among the public. As such, we invest in working with a range of partners, including other water companies, water boards, government authorities, municipalities, research institutes, nature organisations, farmers, businesses and community organisations such as JOGG. Ultimately, we can achieve more by working together.

Our drinking water business delivered a result of €19.3 million in 2016. Our industrial water activities enjoyed further growth, too, thanks to the delivery of 95.4 million m³ of water and our pursuit of innovative service solutions. However, the income tax obligation on public companies that came into effect on 1 January 2016 led to a slight drop in the net result of our industrial water activities compared to last year – down to €26.1 million.

Nevertheless, thanks to these robust results we are able to make new investments and finance research into a future water supply. Our results in 2016 were made possible by the hard work and commitment of our staff. As an organisation, we are continually changing and we face a challenging few years ahead, during which we will continue to work on improving our business and our services. Once again, we have faith in the expertise and focused commitment of our staff to achieve our future plans.

Annette Ottolini
Chief Executive Officer
Evides Waterbedrijf

Supervisory Board

The Supervisory Board monitors the policy of the Executive Board and the general course of affairs at Evides. It also supports the Executive Board with advice.

Composition and profile

The Supervisory Board has seven members who are appointed by the General Meeting of Shareholders. There is always at least one independent member, nominated by the Supervisory Board. Our shareholders, DELTA and Gemeenschappelijk Bezit Evides, are both entitled to nominate two board members. Here, Evides deviates from the Dutch Corporate Governance Code, which it voluntarily applies. The Works Council has the right to recommend two board members. The chairman is an independent board member.

The Supervisory Board has two subcommittees: the audit committee and the remuneration committee. A selection and appointment committee is set up on an ad hoc basis. The profile of the Supervisory Board reflects the principles for its composition. It strives for a balanced composition in terms of experience and affinity with the company's nature and culture, as well as with diversity targets relating to gender ratios as set out in the Dutch Management and Supervision Act.

The Dutch Management and Supervision Act seeks to achieve a fairer gender balance on executive and supervisory boards. A fair balance means that at least 30% of the board members are men and at least 30% are women, insofar as a seat on the board is held by a natural person. Because of the appointment of Mrs Hagdorn-van der Meijden, the Supervisory Board currently comprises five men and two women, which means it does not presently meet the above-mentioned criteria. In all other respects the current composition of the Supervisory Board and the subcommittees is in line with the profile.

The Supervisory Board members have professional knowledge in the following areas:

- Finance, risk management, treasury and auditing.
- Drinking water facilities and an affinity with the water supply chain.
- Entrepreneurship in a capital-intensive sector and knowledge of domestic and international industrial water consumers, as well as of the related industrial services (including the treatment of waste water).
- Knowledge of and a network in public administration.
- Customer and consumer interests.
- Human resource management policy, business organisation and change management.
- Corporate governance and legal affairs.
- Corporate social responsibility.

Internal risk management and control system

Evides uses its internal risk management and control system to minimise the risk of errors, wrong decisions and unforeseen circumstances as much as possible. However, it cannot guarantee total assurance. Evides may be exposed to risks that are not yet known or are not yet considered important. No internal risk management and control system can absolutely assure corporate goals are achieved nor can it entirely prevent all errors, losses, fraud or legal or regulatory breaches. Evides is an organisation in which roles and responsibilities are clear, we can openly address individual accountability and there are short lines of communication. This is also the core of the risk management and control system across the company. In this context, the following are important instruments for internal risk management and control at Evides:

- **Risk management**
This involves identifying and analysing risks, along with implementing and monitoring control measures that minimise these risks. The risk management structure is partly based on the Committee of Sponsoring Organisations of the Treadway Commission – Enterprise Risk Management – Integrated Framework (COSO-ERM). Managers are responsible for managing risks and they report on these every six months at the management team meeting. For projects, there is a project risk management system.
- **Planning & control cycle**
Evides uses rolling multi-year and annual budgeting, quarterly reports (including forecasts and risk management) and monthly financial and operational management reports. Evides compiles quarterly treasury reports for the Executive Board and the Supervisory Board. We have structured procedures in place for financial month-end and year-end closing.
- **Water quality and security of supply**
The important factors here are quality systems for delivering water and systems guaranteeing a reliable and safe supply. Drinking water is supplied according to the guidelines laid down in the Dutch Drinking Water Act (*Drinkwaterwet*). These guidelines ensure there is always drinking water available, even in the event of a disruption, or that access to drinking water is restored within the prescribed timeframe. The asset management process ensures there is a balance between maintenance and management and investing in replacements for a future-proof water supply. The so-called ‘Delivery plan’ (*Leveringsplan*) is the overarching document in which Evides brings together its various plans for capacity (*Capaciteitsplan*), emergency drinking water (*Nooddrinkwaterplan*), disruption risk analysis (*Verstoringsrisicoanalyse*) and analyses of security of supply (*Leveringszekerheidsanalyses*).
- **Security and crisis management**
In addition to supporting measures that safeguard the physical water supply, the Delivery plan includes the above-mentioned topics as well plans covering crisis organisation, crisis communication and security. Evides also has measures in place for crisis management organisation, crisis procedures and training; evaluating training; and an employee selection policy (including declarations of good conduct).

- **Other**

This includes an integrity policy, a code of conduct and house rules, a whistleblower policy, a treasury charter, a tax-control framework and a fraud framework.

Various improvements were made in 2016 to strengthen the existing risk management and control systems. The essential components are regularly audited to test the effectiveness of the control mechanisms. The Executive Board is responsible for the structure and effective operation of the internal risk management and control system and reports on this to the audit committee and to the Supervisory Board.

Based on its evaluation, the Executive Board believes the risk management and control system functioned properly throughout 2016 with respect to financial reporting risks and that this provides reasonable assurance that the 2016 annual accounts contain no material errors. The Executive Board is committed to further strengthening and professionalising its internal risk management and control system in 2017, while paying ongoing attention to possible ways of improving efficiency in these processes.

Financial results 2016

General

For the purposes of financial transparency, the condensed balanced sheet before distribution of profit at the end of 2016 and the condensed income statement for 2016 are presented separately below for the drinking water business and the industrial and waste water business.

Services between Evides Waterbedrijf N.V. and Evides Industriewater B.V. are laid down in service agreements. These include agreements on associated prices for intercompany transactions (internal transfer price). The methodology and cost allocation for this were reviewed by specialised companies. The section 'Participations' outlines the interests of Evides Waterbedrijf N.V. and Evides Industriewater B.V.

The condensed balance sheet before distribution of profit for 2016 is presented below, as well as specifying Drinking Water and Industrial Water (including waste water) respectively:

(in € millions)	Drinking Water	Industrial Water	Consolidated
Assets			
Fixed assets			
Intangible fixed assets	0.0	11.3	11.3
Tangible fixed assets	851.9	94.8	946.7
Financial fixed assets	175.4	110.9	116.7
Total fixed assets	1,027.3	217.0	1,074.7
Current assets			
Inventories and projects in progress	3.8	1.3	5.1
Receivables	31.4	25.5	56.9
Cash and cash equivalents	6.3	8.6	14.9
Total current assets	41.5	35.4	76.9
Total assets	1,068.8	252.4	1,151.6

(in € millions)	Drinking Water	Industrial Water	Consolidated
Liabilities			
Equity*	496.7	169.6	496.7
Third-party minority interests	6.1	0.0	6.1
Provisions	3.0	2.2	5.2
Long-term debt	460.0	0.4	460.4
Short-term debt	160.6	22.6	183.2
Intercompany receivables and debts*	-57.6	57.6	0.0
Total liabilities	1,068.8	252.4	1,151.6

* In the consolidation, the participation value for Industrial Water stated under Drinking Water (€169.6 million) is eliminated by equity. In addition, mutual receivables and debts among Drinking Water and Industrial Water (€57.6 million) are eliminated.

Before distribution of profit, the solvency ratio for the consolidated balance sheet is 43.1%. After distribution of the proposed 2016 year-end dividend of €20.5 million, the solvency ratio is 41.4%. The increase compared to the target solvency ratio of 38.0% is the result of a temporary increase in the equity share related to prospective investments and the excess profit from the drinking water activities in 2015 that has yet to be compensated in 2017.

The condensed income statement for 2016, including the breakdown into Drinking Water and Industrial Water, is as follows:

(in € millions)	Drinking Water	Industrial Water	Consolidated
Net sales*	228.5	116.5	328.0
Cost of sales*	198.9	90.5	272.4
Gross margin	29.6	26.0	55.6
Interest income and expense	-9.8	4.5	-5.3
Profit before taxes	19.8	30.5	50.3
Taxes	-0.7	-4.8	-5.5
Result from participations	0.2	0.4	0.6
Net result	19.3	26.1	45.4

* In the consolidation, revenues related to intercompany transactions between Drinking Water and Industrial Water (€17.0 million) are eliminated together with the purchasing value of those intercompany transactions, which is incorporated in cost of sales.

Outlook 2017

2017 is the first year of our Strategic Plan 2017–2021. This future-proof plan will provide us with the inspiration, direction and focus we need in an ever-changing world. We already have countless activities that have put us on the right path and we will continue with these. In addition, we have opportunities to capitalise even more on trends and developments in the water sector and beyond. As such, we have drawn up six strategic pillars that focus on anticipating the future and further improving our business.

Pillars

A multi-year action plan has been drafted for each pillar in our Strategic Plan 2017–2021. The action plans have been translated into implementation programmes and strategic improvement projects. The current basic structure of our organisation is sufficient to be able to implement the plan we have put together. Where necessary, we will use implementation programmes to improve our smooth-running daily operations. For any changes required in our operations, we will carry out activities as part of strategic improvement projects. In this way, we will elaborate on our vision for the future and ensure structural improvements to our operations. In 2017, we will focus on the following activities for each pillar:

1. Achieve excellent water quality
 - Optimise current water treatment operations by improving active carbon filtration, among other things.
 - Conduct research into the effect of additional treatment using final stage ultrafiltration.
 - Set up a complete replacement policy (production sites and pipeline network).
 - Ensure better representation of Evides' interests at the international association of drinking water companies RIWA-Meuse by way of broader internal input, more detailed preparation and more focused research.
 - Set up an organisational structure for innovation.
2. Controlled sales growth of our industrial water activities
 - Implement new CRM system.
 - Set up project organisation for cooling.
 - Assess the opportunities for new business in specific regions of countries where we have existing operations (i.e. Germany and Belgium) and in new target countries.
3. Fulfil our customer promises
 - Define and implement special services for business customers and risk groups.
 - Draw up and implement customer journey for maintenance process at Evides and Facturatie B.V.
 - Set up proactive alarm for affected households in case of disruptions and maintenance.
 - Set up human sensor.

4. Ongoing digitalisation of Evides operations
 - Digitalise information exchange/interface for contractors via DSP and Visitour.
 - Unlock and measure datasets, automate quality readings, set up dashboards for data quality and automated quality readings, systematic checks for data contamination.
 - Implement process automation at various production sites (Haamstede, Kralingen, Berenplaat, Ossendrecht) and booster pump stations (Westvoorne, Sommeldijk, Brielle, Sportlaan and Vrijenban).
 - Analyse non-revenue water and research night flows per district metered area (DMA) and split into DMA Rotterdam Noord and smaller DMAs.

5. Work to the future
 - Flesh out strategic plan into new competencies.
 - Update competency profiles per function (group).
 - Draft and implement action plan to set up new learning programme (reverse mentoring and e-learning).
 - Draft and implement action plan for head office style of working, including communication plan.
 - Organise inspiration sessions on style of working 2020.

6. Build connections with our environment
 - Prepare for implementation of Environmental Code (Omgevingswet).
 - Follow major trends and conduct scenario studies based on flagged major trends and disruptions.
 - Formalise partnerships in the water supply chain (including Netwerk Afvalwaterketen Delfland) and invest in-house on implementing partnership projects.
 - Implement the CO2 reduction investment plan.
 - Set up compliance programmes for various regulations.

Drinking water rates

Our variable drinking water rates and standing charges remain unchanged in 2017.

Investment

We plan to invest €111 million in 2017. This will primarily be for replacement investments in our pipeline network, but also for regular renovations of our production sites, new industrial water projects and IT developments – all to ensure we can continue to guarantee excellent water quality.

In the coming year, we will be working on projects such as finishing the new pumping station on the Haringvliet estuary and a second demineralised water plant in Botlek, as well as building the high pressure pumping station (HDP1) in Berenplaat and developing the intake pumping station along the Bergsche Maas. In addition, we will formalise partnerships in the water supply chain.

In 2017, we will examine the practical effects of additional treatment with final stage ultrafiltration as part of our multi-year research programme. We will implement automated processes at various production sites (Haamstede, Kralingen, Berenplaat and Ossendrecht) and booster pumping stations (Westvoorne, Sommeldijk, Brielle, Sportlaan and Vrijenban). We will be introducing new

processes to try to respond more proactively to irregularities in our pipeline network, in order to minimise or even prevent inconvenience to customers.

Our contribution to society will also be reflected in concrete activities for the key points of our corporate social responsibility objectives. These key points concern re-using resources, cutting CO₂ emissions, education, social return, being a global citizen and the environment. We will focus on a programme of measures and investments to be climate-neutral in 2025 and continue to deploy staff at Vitens Evides International to improve the supply of drinking water in developing countries.

Economic activities

Part of the strategy for our industrial water activities is to seek international growth opportunities. Besides exploiting opportunities in our existing international markets Belgium and Germany, 2016 saw us conduct market research to find suitable focus countries for our activities. We will expand on this in 2017 to determine the countries in which we could contribute to the industrial and waste water chain with our knowledge, expertise and tried-and-tested business model.

Evides Industriewater B.V. is committed to making the Europoort area even more appealing for new industry. We are actively involved in an action plan to improve the Moerdijk-Rotterdam industrial area (*Actieplan Clusterversterking Moerdijk-Rotterdam*) and in a business community coalition to accelerate the transition in energy and raw materials (*Transitiecoalitie*). The central waste water treatment plan in Botlek plays a major role in this.

Staff

We expect our staff complement to increase by 27 FTEs in 2017, primarily because we want to give external staff in key positions a permanent contract.

2017 is the first year of our reassessed strategy. We are confident that together with our staff and other stakeholders we will again take important steps to enhance our role as a reliable and innovative water supplier for households and companies.

Annual accounts 2016

Consolidated balance sheet 31 December 2016

(before distribution of profit)

(in € millions)

	Ref.	31 December 2016	31 December 2015*
ASSETS			
Fixed assets			
Intangible fixed assets	1.1	11.3	12.0
Tangible fixed assets	1.2	946.7	928.9
Financial fixed assets	1.3	<u>116.7</u>	<u>116.6</u>
Total fixed assets		1,074.7	1,057.5
Current assets			
Inventories		3.5	3.2
Projects in progress	2.1	1.6	5.5
Receivables	2.2	56.9	49.4
Cash and cash equivalents	2.3	<u>14.9</u>	<u>19.7</u>
Total current assets		76.9	77.8
Total assets		1,151.6	1,135.3
LIABILITIES			
Equity	3	496.7	492.2
Third-party minority interests	4	6.1	6.1
Provisions	5	5.2	3.6
Long-term debt	6	460.4	466.7
Short-term debt	7	<u>183.2</u>	<u>166.7</u>
Total liabilities		1,151.6	1,135.3

* The revised comparative figures are due to the accounting changes applied.

Consolidated profit and loss account for 2016

(in € millions)

	Ref.	2016	2015*
Revenues			
Sales		292.0	289.7
Revenue from third-party work		16.3	10.7
Capitalised production for own company		12.8	12.6
Other revenues		6.9	7.4
Total revenues	8	328.0	320.4
Cost of raw materials	9.1	26.6	27.1
Cost of outsourced work and other external costs	9.2	112.6	96.6
Salaries and wages	9.3	47.8	47.1
Social securities	9.3	10.3	9.9
Depreciation on fixed assets	9.4	72.4	71.5
Other changes in fixed assets	9.5	0.0	0.3
Other operating costs		2.7	0.3
Total operating costs		272.4	252.8
OPERATING PROFIT		55.6	67.6
Income from fixed asset receivables	10.1	6.9	6.2
Other interest income and similar income		0.1	0.1
Interest expense and similar costs	10.2	-12.3	-15.2
		-5.3	-8.9
Result before tax on ordinary activities		50.3	58.7
Income taxes	11	5.5	1.8
Result from participations		0.6	1.4
Result after tax on ordinary activities		45.4	58.3
Third-party minority result		0.0	0.0
NET PROFIT AFTER TAXES		45.4	58.3

* The revised comparative figures are due to the accounting changes applied.

Consolidated cash flow statement for 2016

(in € millions)

	2016	2015
Cash flow from operating activities		
Operating profit	55.6	67.6
Adjustments for:		
Depreciation	72.4	71.8
Changes to provisions	1.1	-1.7
Changes in working capital:		
change in receivables	-7.5	-1.9
change in inventories	-0.3	0.2
change in projects in progress	3.9	-4.5
change in short-term debt	4.8	14.1
	0.9	7.9
Cash flow from company operations	130.0	145.6
Interest income and expense	-6.1	-9.7
Dividend received	1.0	0.7
Income taxes	-7.0	-2.9
	-12.1	-11.9
Cash flow from operating activities	117.9	133.7
Cash flow from investing activities		
Investments in financial tangible assets	-8.8	-5.0
Repayments received	11.4	7.4
Investments in tangible fixed assets	-89.4	-81.3
Cash flow from investing activities	-86.8	-78.9
Cash flow from financing activities		
Dividend paid	-41.0	-42.0
Receipts from long-term debt	70.0	85.0
Repayments of long-term debt	-45.5	-73.9
Cash flow from financing activities	-16.5	-30.9
Increase/decrease in cash*	14.6	23.9

* Including the change in short-term bank debts.

Movement in cash and cash equivalents is as follows:

	2016	2015
Position as of 1 January	-3.4	-27.3
Change during the financial year	14.6	23.9
Position as of 31 December	11.2	-3.4

Cash as presented in the cash flow statement can be specified as follows:

	2016	2015
Cash and cash equivalents	14.9	19.7
Short-term bank debt	-3.7	-23.1
Total	11.2	-3.4

Appendix 1: Key figures

		Unit	2016	2015	2014	2013
	Financial					
1.	Liquidity ratio	%	42.0	46.7	38.2	44.2
2.	Solvency ratio	%	43.1	43.4	42.2	41.0
3.	Average credit term receivables	days	26.6	22.8	25.9	26.6
4.	Net working capital	€ millions	-106.3	-88.9	-110.4	-85.9
5.	Return on equity	%	4.4	5.9	6.0	5.8
6.	Cash flow	€ millions	117.8	130.1	127.0	121.7
7.	Cash flow ratio	%	18.2	20.2	19.6	18.4
8.	Internal financing ratio	x 1	0.8	0.7	0.6	0.6
9.	Purchase of drinking water	million m ³	10.4	10.4	8.9	10.3
10.	Sales of drinking water	million m ³	156.7	153.7	155.0	154.7
11.	Sales of industrial water	million m ³	95.4	93.4	91.6	87.4
12.	Treatment of waste water	p.e. ¹ x 1,000	1,412.8	1,361.9	1,289.2	1,259.3
13.	Revenue	€ millions	292.0	289.7	283.9	281.4
	Operating assets					
14.	Number of consumer addresses	x 1	1,032,276	1,030,613	1,031,878	1,027,554
15.	Number of water meters	x 1	991,131	983,794	982,079	979,425
16.	Length of transport and distribution pipes	km	13,763	13,208	13,152	13,118
17.	Length of demineralised water pipes	km	71	68	68	68
18.	Length of source/raw/industrial water pipes	km	883	869	873	872
19.	Number of disruptions	x 1	10,200	8,580	8,098	8,980
20.	Complaints about water quality ²	x 1	377	241	219	253 ²
	Personnel					
21.	Number of employees (as of year-end)	x 1 FTE	722.3	694.8	688.1	659.5
22.	Average wage costs per employee	x € 1,000	77.2	77.7	77.9	77.8
23.	Sickness absence	%	4.05	3.90	4.00	3.50

¹ p.e. = pollution equivalents

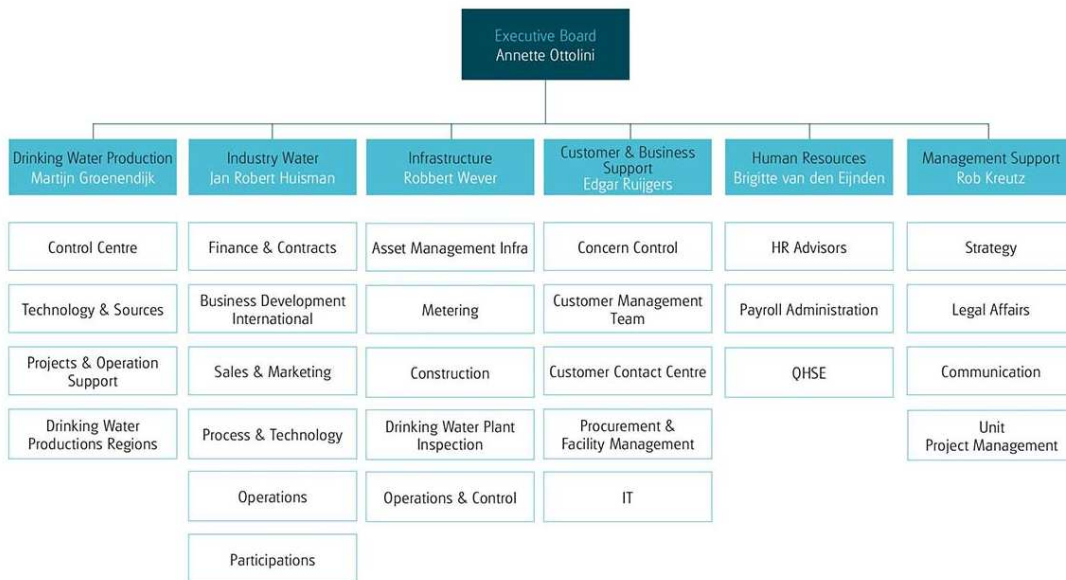
² The increase in complaints is partly administrative. Since 2016, every complaint has been counted individually. In earlier years, complaints were grouped.

Explanation of key figures

- | | |
|------------------------------------|---|
| 1. Liquidity ratio | = (current assets : current liabilities) x 100% |
| 2. Solvency ratio | = (equity : total assets) x 100% |
| 3. Average credit term receivables | = (receivables : turnover invoiced) x 365 days |
| 4. Net working capital | = current assets – current liabilities |
| 5. Return on assets | = (net profit after taxes + interest) : total equity x 100% |
| 6. Cash flow | = net profit after taxes + depreciation and other changes in fixed assets |
| 7. Cash flow ratio | = (cash flow: liabilities) x 100% |
| 8. Internal financing ratio | = investments in fixed assets: cash flow |

Appendix 2: Organisation structure

Version 1 January 2017. See Evides.nl for most up-to-date version.



* *Customer & Business Support was formerly Finance & Control*

Appendix 3: Participations

Evides N.V. is the holding company for the Evides businesses. Its main activities are conducted by businesses grouped into the two main wholly-owned subsidiaries: Evides Drinkwater B.V. and Evides Industriewater B.V.

Evides Drinkwater B.V. is responsible for all activities related to the sourcing, production and delivery of drinking water. The subsidiaries under Evides Industriewater B.V. focus on sourcing, producing and delivering industrial water and on waste water treatment. The Evides group has various locations in the Netherlands and is headquartered in Rotterdam.

In December 2015, the economic ownership of Evides Drinkwater B.V. was transferred to Evides N.V. This restructuring was required because Evides N.V. and Evides Drinkwater B.V. would have theoretically been liable to pay income tax as of 1 January 2016 due to the income tax obligations of state-owned companies (*Wet modernisering Vpb-plicht overheidsondernemingen*).

Evides Drinkwater B.V. is expected to be incorporated into Evides N.V. in 2017.

Evides N.V. participations

In addition to wholly owning Evides Drinkwater B.V. and Evides Industriewater B.V., Evides N.V. has interests in:

Facturatie B.V.

A 50/50 joint venture between Evides and Vitens that focuses on invoicing and collecting water bills for households and small business water customers. For Evides, this concerns customers in the south-west of the province of Zuid-Holland. This participation can be viewed as a cost centre and is a non-profit organisation.

KWH Water B.V.

Through KWH Water, Evides gains access to research and development related to drinking and other water, particularly research commissioned in the context of Vewin, the association of Dutch drinking water companies. Evides has a shareholding of 12.4%.

AquaMinerals B.V. (formerly Reststoffenunie Waterleidingbedrijven B.V.)

AquaMinerals was established by Dutch drinking water companies in order to collectively find ways of managing the residues released during the production of drinking water. The above-mentioned name change was implemented on 1 July 2016. In conjunction with the Belgian company De Watergroep joining via a new share issue, Evides' shareholding changed from 12.6% to 11.9%.

Evides Drinkwater B.V. participations

Evides Drinkwater B.V. is a shareholder of:

N.V. Waterwinningbedrijf Brabantse Biesbosch (WBB)

WBB owns the storage basins where water from the Maas river is pre-treated before it is transported to Evides' treatment plants. This water is the most important source of drinking and industrial water for the Evides distribution area. Evides is by far WBB's largest customer (97%) and operates WBB under the terms of a multi-year contract. Evides owns 60% of WBB; the remaining 40% is owned by Brabant Water N.V. This participation can be viewed as a cost centre and is non-profit organisation.

Aqualab Zuid B.V.

Aqualab Zuid is an accredited laboratory that conducts water analyses for shareholders and external customers. Evides owns 50% of Aqualab Zuid, 32.5% is owned by Brabant Water N.V. and 17.5% by N.V. Waterleiding Maatschappij Limburg.

Vitens Evides International B.V.

Evides participates in this 50/50 joint venture with Vitens. Vitens Evides International focuses on acquiring and implementing international projects to make drinking water more accessible by sharing knowledge and transferring skills. In this way, Evides contributes to the United Nations' Sustainable Development Goals. This participation can be viewed as a cost centre and is non-profit organisation.

Evides Industriewater B.V. participations

Evides Industriewater B.V. is shareholder of:

Evides Afvalwater B.V.

Evides Afvalwater treats waste water for customers connected to the Sloe and Schiphol waste water treatment plants. Evides Industriewater owns 100% of this company.

Delfluent Services B.V. (DSBV)

The DSBV operating company manages the Houtrust and Harnaschpolder waste water treatment plants. It has a 30-year maintenance contract (until 2033) with Delfluent B.V. for this. Since the end of 2012, Evides Afvalwater B.V. has held a 100% participation.

Delfluent B.V.

The DBV consortium was contracted by water board Hoogheemraadschap van Delfland to design, construct, finance and run the Harnaschpolder waste water treatment plant, make changes to the existing Houtrust waste water treatment plant and operate both plants for a 30-year period until 2033. DBV is owned by Evides (54.5%), DIF Infrastructure II (35.5%) and Strukton Finance (10%).

Brielse Meer Water B.V.

Water from the Brielse Meer lake is an important source of industrial water for the Rotterdam harbour area and is supplied via Brielse Meer Water B.V. Evides Industriewater owns 100% of this company.

Evides Terneuzen Water B.V.

Evides Terneuzen supplies chemical company Dow Terneuzen with industrial water via local installations. Evides Industriewater owns 100% of this company.

North Water B.V.

North Water B.V. is a joint venture with Waterbedrijf Groningen to acquire and operate projects and activities related to industrial water and waste water in the northern provinces of the Netherlands. Evides has a 50% share in North Water B.V.

North Water Afvalwater B.V.

North Water Afvalwater B.V. is a 100% subsidiary of North Water B.V. and focuses specifically on constructing and operating water treatment plants in the northern provinces.

Evilim Industriewater B.V.

Evilim B.V. is a joint venture with N.V. Waterleiding Maatschappij Limburg to acquire and operate projects in the market for processed water and waste water in the southern part of the Netherlands. Evides has a 50% share.

Sloewarmte B.V.

Sloewarmte B.V. is a joint venture set up in 2014 with Zeeland Seaports Beheer B.V. and Martens Havenontvangstinstallatie Vlissingen B.V. to develop sustainable residual heat systems in the area of Vlissingen. Evides acquired an 80% majority interest in Sloewarmte B.V. in 2016. Zeeland Seaports Beheer B.V. and Martens Havenontvangstinstallatie Vlissingen B.V. each have a 10% share.

Other participations

For international industrial water projects, Evides wholly owns the following subsidiaries: Evides Stade Wasserbetrieb GmbH, Evides Antwerpen Water BVBA and Evides China Water Treatment Ltd in Hong Kong.

All our operational industrial water activities in Asia ended in 2015. As such, the entities EvidEx Holding B.V., EvidEx China Water Treatment Services B.V., EvidEx Xinneng Water Treatment Services B.V. and EvidEx Vietnam Water Treatment Services B.V. were dissolved in 2016. Evides (Beijing) Water Treatment Technical Services Co. Ltd was also liquidated in 2016. Evides China Water Treatment Ltd in Hong Kong is expected to be wound down and liquidated in the course of 2017.

Appendix 4: Supervisory Board and Executive Board members

Supervisory Board

Professor E. Hagdorn-van der Meijden (1960), Chairman

Nationality: Dutch

Profession/main role: Professional supervisory board member

Date of first appointment: 29 June 2016

Term of current appointment: until 29 June 2020

Supervisory board-level positions:

- Supervisory board member of Nederlands Loodswezen
- Supervisory board member of Van Tilburg Bastianen B.V.
- Member of governmental Advisory Board for the Living Environment and Infrastructure
- Board member of the Center for Mathematics and Computer Science (CWI), an NWO (Netherlands Organisation for Scientific Research) institute
- Member of the top economic sector team, logistics, on behalf of the Minister of Economic Affairs for innovations in logistics; co-founded as science representative
- Supervisory board chairman of Pulsar Academie
- Supervisory board chairman of Stichting AlleskITs, a treatment centre for children with ADHD
- Advisory board member for the research programme Complexity (NWO)
- Deputy chairman of the supervisory board of Theater Rotterdam

Work experience includes:

- Director of strategy at TNO
- Special professor of transport, distribution and logistics, specialising in supply chains and networks, at University of Amsterdam
- Partner at Boer & Croon

Mr H.G. Bouwman (1952)

Nationality: Dutch

Profession/main role: Director of legal advice office

Date of first appointment: 30 September 2012

Term of current appointment: until 30 September 2020

Ancillary positions:

- Board member of Wolters Kluwer Preferential Share Foundation
- Advisory board member of The Waste Transformers

Work experience includes:

- Board member of Sara Lee International
- Senior Vice President of Legal Affairs for Royal Dutch Papierfabriek N.V.

Mr D.A. van Doorn (1950)

Nationality: Dutch

Profession/main role: Director/owner of Van Doorn Consultancy

Date of first appointment: 28 June 2012

Term of current appointment: until 28 June 2020

Ancillary positions:

- Chairman of Delta Port Donatiefonds (donation fund)
- Supervisory board member of the Central Commission for the Navigation of the Rhine
- Chairman of Dry Bulk Experts Group

Work experience includes:

- CEO of Europees Massagoed Overslagbedrijf (EMO) and Erts en Kolen Overslagbedrijf Maasvlakte (EKOM)
- Board member of Van Ommeren Nederland B.V.
- Managing director of Van Ommeren Binnentankvaart B.V.

Mr P.C. Hartog (1962)

Nationality: Dutch

Profession/main role: Managing director APM Terminals Maasvlakte II and APM Terminals Rotterdam

Date of first appointment: 26 May 2016

Term of current appointment: until 26 May 2020

Ancillary positions:

- Supervisory board member of WoonInc, Eindhoven

Work experience includes:

- Managing director/owner of PH Business Development BV
- Managing director of Rockwool Benelux Holding BV
- Managing director of Forbo Flooring BV

Mrs A.G. Nijhof MBA (1966)

Nationality: Dutch

Profession/main role: Chairman of the management board of Tauw Group B.V.

Date of first appointment: 30 September 2012

Term of current appointment: until 30 September 2020

Ancillary positions:

- Board member of the Council for the Environment and Infrastructure
- Member of the Centrale Plan Commissie (Central Planning Committee)
- Supervisory board member of ARK
- Member of the Social Advisory Council of the National Institute for Public Health and the Environment, RIVM.
- Government supervisory board member of De Nederlandsche Bank (the Dutch central bank)

Work experience includes:

- Board member of Grontmij
- Director-General Water of the Ministry of Infrastructure and the Environment

Mr F. Verhagen RA (1961)

Nationality: Dutch

Profession/main role: CFO of DELTA N.V.

Date of first appointment: 24 June 2009

Term of current appointment: until 24 June 2017

Ancillary positions:

- Supervisory board member of DELTA Netwerkbedrijf
- Supervisory board member of Admiraal de Ruyter Ziekenhuis (hospital)
- Supervisory board member of Hogeschool Zeeland

Work experience includes:

- CFO of Essent Trading International SA
- CFO of various Reed-Elsevier divisions

Mr B.J. de Reu (1950)

Nationality: Dutch

Profession/main role: Representative of the Provincial Council of Zeeland

Date of first appointment: 26 November 2015

Term of current appointment: until 26 November 2019

Ancillary positions:

- Board member of the Association of Provinces of the Netherlands (Interprovinciaal Overleg, IPO)
- Chairman of the steering committee for the Southwest Delta
- Board member of regional enforcement agency RUD
- Board member of regional enforcement agency BRZO-RUD (DCMR)
- Board member/co-chairman of VZW Bio Base Europa
- Supervisory Board chairman of Biobased Delta
- Member of the recommendation committee of the Youth Culture Fund (Jeugdcultuurfonds)
- Board member of Smart Delta Resources
- Member of the committee for future healthcare in Zeeland
- Chairman of the Flemish-Dutch cultural organisation Huis deBuren
- Member of the NAT (natural resources) committee for the Committee of the Regions
- Member of the Scheldemond board
- Board member of HNP (House of the Dutch Provinces) Brussels
- Member of the supervisory committee of the steering group for Interreg Flanders-the Netherlands
- Member of the supervisory committee for European subsidy programme OP-Zuid 2014-2020

Work experience includes:

- Director of RPCZ (consultancy for education and childcare centres in Zeeland)

Executive Board

Mrs A.M. Ottolini (1958)

Nationality: Dutch

Position: CEO of Evides Waterbedrijf

Date of appointment: 1 November 2014

Ancillary positions:

- Supervisory Board member of Delfluent B.V.
- Board member of Water for Life Foundation
- Supervisory board member of Spaarnelanden N.V.
- Supervisory board member of housing association Ons Doel