“National Grid has invested £15.5bn of totex during RIIO-1 and generated almost £640 million of savings for customers, demonstrating the benefit of a regulatory framework that incentivises both efficient delivery and innovation.

Our draft RIIO-2 plans for stakeholder review cover an important period when we expect rapid change in our energy systems to reduce carbon emissions significantly and to deliver long-lasting benefits for consumers and society, whilst maintaining reliable and resilient networks.”

Nicola Shaw Executive Director, UK

National Grid Electricity Transmission (NGET)

- Own and maintain the high-voltage electricity transmission network in England and Wales
- 4,481 miles of overhead lines

How NGET is delivering in RIIO-1

- Achieved world-class safety performance
- 2018/19 network reliability of 99.99998%, consistent with the best performing organisations worldwide
- Achieved our highest ever customer satisfaction scores
- Protecting 90 sites from environmental factors, cyber and physical threats
- Improved environmental performance, lowering green house gas emissions that we control by 12%
- Invested £9.5bn whilst maintaining the average annual customer bill below £25 per annum

National Grid Gas Transmission (NGGT)

- Own and operate the high-pressure gas transmission network in Great Britain
- 4,760 miles of high pressure pipe

How NGGGT is delivering in RIIO-1

- Achieved world-class safety performance
- 2018/19 network reliability of 99.9996%, consistent with the best performing organisations worldwide
- Improved customer and stakeholder satisfaction
- Upgraded physical security of our assets and improved our data centres to protect against external threats
- Reduced our environmental impact, including an all-time low rate of Nitrogen Oxide emissions
- Invested £5bn whilst maintaining the average annual customer bill below £10 per annum

RIIO-2 Timeline

<table>
<thead>
<tr>
<th>CY2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector specific decision</td>
<td>Formal business plan submission to Ofgem</td>
<td>Draft determination</td>
</tr>
<tr>
<td>First draft business plans submitted for stakeholders</td>
<td>Stakeholder group report to Ofgem</td>
<td>Statutory licence consultation</td>
</tr>
<tr>
<td></td>
<td>Final determination</td>
<td>RIIO-T2 starts</td>
</tr>
</tbody>
</table>
NGTE RIIO-2 Totex draft business plan submission for stakeholder review

Deliver an environmentally sustainable network
Meet the needs of consumers and network users

£1.5bn
Average annual tolex in 18/19 prices
Maintain a safe and resilient network

• Connect 17.3GW of customer capacity, providing the UK with clean power and flexible storage
• Develop innovative whole system solutions in partnership with other stakeholders
• Invest to maintain network reliability and availability
• Increase the resilience of the network to environmental factors and to physical and cyber attacks
• Final plans will be based on stakeholder requirements
• Customer bill expected to be maintained or reduced slightly in real terms

NGGT RIIO-2 Totex draft business plan submission for stakeholder review

Deliver an environmentally sustainable network
Meet the needs of consumers and network users

£0.6bn
Average annual tolex in 18/19 prices
Maintain a safe and resilient network

• Increase asset health spend to maintain the current level of network reliability and availability
• Increase the resilience of the network to environmental factors and to physical and cyber attacks
• Propose to deliver 7 new compressors with 2 commissioned in RIIO-2 and a further 5 completed by 2030
• Address 77 redundant sites and assets, seeking to enhance the natural environment
• Customer bill expected to be maintained or reduced slightly in real terms

Financing assumptions

<table>
<thead>
<tr>
<th>Cost of equity</th>
<th>Cost of debt</th>
<th>Rate of Return</th>
<th>Assumed equity capitalisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.5%</td>
<td>1.74%</td>
<td>3.2%</td>
<td>40.0%</td>
</tr>
</tbody>
</table>

Note: RPI stripped, RIIO-2 average

• 100% transition to CPI
• NGET 45 year straight line depreciation for new assets
• NGGT 25 year sum of digits depreciation for new assets

Important notice
This document contains certain statements that are neither reported financial results nor other historical information. These statements are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include information with respect to National Grid’s financial condition, results of operations and businesses, strategy, plans and objectives. Words such as ‘aims’, ‘anticipates’, ‘expects’, ‘should’, ‘intends’, ‘plans’, ‘believes’, ‘outlook’, ‘seeks’, ‘estimates’, ‘targets’, ‘may’, ‘will’, ‘continue’, ‘project’ and similar expressions, as well as statements in the future tense, identify forward-looking statements. Furthermore, this document, which is provided for information only, does not constitute summary financial statements and does not contain sufficient information to allow for an full understanding of the results and state of affairs of National Grid, including the principal risks and uncertainties facing National Grid, as would be provided by the full Annual Report and Accounts, including the Strategic Report section and the ‘Risk factors’ section on pages 212 to 215 of National Grid’s most recent Annual Report and Accounts for the year ended 31 March 2019. Copies of this most recent Annual Report and Accounts are available online at www.nationalgrid.com or from Link Asset Services, Except as may be required by law or regulation, National Grid undertakes no obligation to update any of its forward looking statements, which speak only as of the date of this document. The content of any website referenced herein do not form part of this document.

Further information

Aarti Singhal
Director of Investor Relations
T: +44 (0) 20 7004 3170
M: +44 (0) 7898 492447
aartisinghal@nationalgrid.com

Will Jackson
Senior Investor Relations Officer
T: +44 (0) 20 7004 3186
M: +44 (0) 7584 206578
will.jackson@nationalgrid.com

Jon Clay
Investor Relations Officer
T: +44 (0) 20 7004 3480
M: +44 (0) 7899 928247
jonathan.clay@nationalgrid.com

James Flanagan
Investor Relations Manager (US)
T: +44 (0) 20 7004 3129
M: +44 (0) 7970 779952
james.flanagan2@nationalgrid.com

Peter Kennedy
Investor Relations Assistant Manager
T: +44 (0) 20 7004 3169
M: +44 (0) 7966 200094
peter.kennedy@nationalgrid.com

@Grid_Media
investors.nationalgrid.com

National Grid plc
1-3 Strand
London WC2N 5EH
United Kingdom
www.nationalgrid.com