



Quarterly statement: Elia Group Q1 2020

REGULATED INFORMATION

Highlights

- **Financial outlook for 2020 reiterated**
- **Covid-19 measures leading to a drop in electricity consumption, security of supply is ensured**
- **Double record for 50Hertz for wind power feed-in on its electricity grid**
- **Combined Grid Solution in testing phase of all components**
- **New construction phase shifter Hamburg/East**
- **Elia named « Top employer » for the third consecutive year**

Financial outlook for 2020

Despite the extraordinary and unprecedented public health crisis, most of the operational activities of Elia Group are still being performed because of their socio-economic importance and our vigorous efforts to ensure business continuity. For this reason, based on the current assessment of the situation, we do not expect covid-19 to have a material impact on the financial results for 2020 and remain confident in our ability to realise an adjusted return on equity (ROE adj.) of between 6.5% and 7.5%.

- **In Belgium**, following the lockdown measures taken by the government some construction sites have been temporarily stopped or delayed, leading to a revision of the investment programme for 2020 to €285 million. However, this downward revision will not have a significant impact on net income (down €0.5 million) and we remain confident in achieving a return on equity (ROE) of between 5% and 6%.
- Result forecast for **Germany** also remain positive. Since the lockdown measures are different, work could continue at all construction sites and the investment program is not affected so far. We reiterate our confidence in our ability to achieve a return on equity (ROE) of between 9% and 11%. The realisation of the investment programme is progressing well, for which a certain external risk is always present.



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Covid-19 measures leading to a drop in electricity consumption in Belgium and Germany

The gradual restriction on activities in Belgium to prevent the spread of the coronavirus is leading to a further downturn in electricity consumption. Electricity consumption is down 16%, on average, compared to the first week of March (pre-covid-19 measures), and at times down as much as 25%. The decreases have been gradual, giving market player's time to adjust their forecasts downwards. Elia also continues to anticipate those changes. Grid stability and security of supply are maintained.

The measures introduced in the wake of the coronavirus outbreak have had a slightly less noticeable impact on the German grid. 50Hertz has recorded an average drop in consumption of 8%. Many sectors are still up and running to a broad extent. The measures implemented at 50Hertz to ensure business continuity are very similar to those enacted at Elia Transmission. Both companies liaise on a daily basis.

The Belgian and German regulatory frameworks neutralise the impact of volume variations on net profit.

Double record for 50Hertz for wind power feed-in on its electricity grid

In February, a new record was made: never before could so much wind power be taken up by our system and never before did so few wind turbines need to be curtailed. 50Hertz System Management established this new record for the integration of wind power into the grid and system on the 22nd of February between 6.30 pm and 6.45 pm. During this time, a wind power feed-in of 16,270 megawatts was registered in the 50Hertz grid area. At the same time, only 460 megawatts (and therefore a very small percentage of the wind power) had to be curtailed. The greater part of the wind power that was generated was transported from north to south. This exceptionally good ratio between feed-in and curtailment shows that the measures we have taken to increase the capacity and optimise our grid are having a positive effect. What's more, the operators of conventional lignite- and coal-fired power plants can in the meantime operate their installations with much greater flexibility, so that their output can be lowered when the wind is strong, thus making room for wind power from the northeast.

Combined Grid Solution

With the Combined Grid Solution project (CGS), 50Hertz and the Danish grid operator Energinet are establishing an additional transfer capacity of up to 400 MW depending on the generation of the offshore wind farms connected to CGS. As a particularity, several offshore wind farms will feed into this link. The commissioning procedures for the Kriegers Flak Combined Grid Solution system are confronted with the travel and movement restrictions currently imposed by the governments in Denmark, Sweden and Germany due to Corona-Pandemic. As far as can be seen now, due to these special circumstances as well as the complex tests for the Kriegers Flak overall system there will be some extra time needed. That means that the interconnection is expected for launch end of August 2020. 50Hertz and Energinet are monitoring the situation very closely and are making all efforts to develop alternative ways to continue the individual commissioning steps.



New construction phase Shifter Hamburg/East

As an important step towards the energy transition, 50Hertz will install four phase-shifting transformers at the substation Hamburg/East. These assets help to control the load flow in a targeted manner to avoid overloads in the transmission grid of 50Hertz and to reduce redispatch costs. By receiving an important permit, the project team took a major milestone to keep the ambitious schedule. The first phase shifters are to be commissioned in 2022, in order to ensure reliable system operation despite the increasing feed-in of volatile wind energy in the region before the commissioning of the HVDC links.

Top employer

Elia has been named a Top Employer for the third year in a row. The label is awarded to companies with a strong HR policy. According to the jury's report, Elia is among the top 3 companies making the greatest progress. Our strongest points are "Talent Acquisition" and "Compensation & Benefits". The label is an important accolade and an additional advantage when it comes to attracting new talent in an increasingly competitive labour market.

Financial calendar

Trading of ex-coupon number 17	28 May 2020
Record date	29 May 2020
Payment of dividend for 2019	1 June 2020
Publication of half-year results 2020	29 July 2020
Quarterly statement Q3 2020	25 November 2020
Publication of full-year results 2020	26 February 2021



About Elia Group

The Elia Group is active in electricity transmission. We ensure that production and consumption are balanced around the clock, supplying 30 million end users with electricity. With subsidiaries in Belgium (Elia) and north-west Germany (50Hertz), we operate 19,271 km of high-voltage connections. As such, our group is one of Europe's top 5. With a reliability level of 99.999%, we give society a robust power grid, which is important for socio-economic prosperity. We also aspire to be a catalyst for a successful energy transition towards a reliable, sustainable and affordable energy system.

By expanding international high-voltage connections and integrating ever-increasing amounts of renewable energy production, the Elia Group promotes both the integration of the European energy market and the decarbonisation of our society. The Elia Group is also innovating its operational systems and developing market products so that new technologies and market parties can access our grid, thus making the energy transition happen.

As a key player in the energy system, the Elia Group is committed to working in the interest of society. We respond to the rapidly changing energy mix, i.e. the increase in renewable energy, and constantly adapt our transmission grid. We also ensure that investments are made on time and within budget, with a maximum focus on safety. When we carry out our projects, we manage stakeholders proactively by establishing two-way communication with all affected parties very early on in the development process. We also offer our expertise to our sector and relevant authorities to build the energy system of the future.

In addition to its activities as a transmission system operator, the Elia Group provides various consulting services to international customers through its subsidiary Elia Grid International (EGI). Elia is also part of the Nemo Link consortium that is operating the first subsea electrical interconnector between Belgium and the UK.

The Group operates under the legal entity Elia System Operator, a listed company whose core shareholder is the municipal holding company Publi-T.

More information: eliagroup.eu

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