



Quarterly statement: Elia Group Q1 2021

Regulated information

Highlights

- Financial outlook for 2021 reiterated
- Strong cooperation between Energinet and Elia Group as feasibility studies are being undertaken for hybrid inter-connectors in the North and Baltic Seas
- 50Hertz has started laying the cable for Ostwind 2
- The backbone of the Belgian high-voltage grid is being upgraded to ensure security of supply
- Elia Transmission Belgium and BESIX want to give smart buildings an active role in the electricity system
- First SF6 free gas-insulated switchgear commissioned by 50Hertz
- Elia Group has rejoined BEL 20 Index

Financial outlook for 2021

Elia Group remains confident with regard to realising an **Adjusted Return on Equity (ROE adj.¹) of between 5.5% and 6.5% for 2021.**

- In **Belgium** we are confident of achieving a return on equity (ROE) of between 5% and 6% while maintaining an investment target of €365 million. The realisation of the investment programme is progressing well.
- In **Germany** we are confident in our ability to deliver a return on equity (ROE) of between 8% and 10%. 50Hertz Transmission is expected to invest roughly €860 million. The realisation of the investment programme is always prone to external risks.
- The **non-regulated segment & Nemo Link**, which comprises the return of Nemo Link, the return of the non-regulated activities (mainly re.alto and EGI) and the operating costs inherent in the management of a holding company, is expected to slightly increase its result compared to 2020. The performance of this segment will depend to

¹ Determined as the result attributable to ordinary shareholder/Equity to ordinary shareholders.



For further information

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a large extent on the contribution of Nemo Link, which is subject to the volatility in the market spread of the electricity commodity price.

Strong cooperation between Energinet and Elia Group

Elia Transmission Belgium and Energinet have set up a working group to examine the feasibility of a hybrid interconnector between Belgium and Denmark that would link the high-voltage grids of both countries over a distance of more than 600 km. A joint report on the economic and technical feasibility of the project will be published by the end of 2021. If the project goes ahead, on the Danish side, the interconnector will be connected to a new 'energy island', which will be built 80 km off the Danish coast and to which a large 10 gigawatt (GW) wind farm could eventually be connected. This will provide both countries with a greater security of supply and give Belgium direct access to the renewable generation we need in order to decarbonise our energy-intensive industries and make our electricity system more sustainable.

50Hertz and Energinet also signed a letter of intent to connect both Germany and Denmark to an offshore hub which will hold around 2,000 megawatts (MW) of wind power capacity. The hub is due to be built on the island of Bornholm in the Baltic Sea. The project furthers the successful cooperation between both grid operators and will result in a second hybrid interconnector in the Baltic Sea. The hybrid connection will link the power grids of both countries, while also connecting to offshore wind farms along the route. In 2021, 50Hertz and Energinet will carry out additional investigations to establish a solid economic and technical basis for the implementation of the project.

50Hertz has started laying the cable for Ostwind 2

The first cable section for the Ostwind 2 project has been installed on the seabed, meaning offshore construction work is progressing well. In the coming months, further cables will be laid in individual sections along the 90-kilometre-long route. In the run-up to and during this work, important measures will be taken to protect the environment and to ensure the installation is carried out safely and efficiently.

The Ostwind 2 submarine power cable will connect the Baltic Sea wind farms Arcadis Ost 1 and Baltic Eagle to 50Hertz's onshore grid. Together, the two wind farms will generate an output of approximately 725 MW and will go online in 2023.

The backbone of the Belgian high-voltage grid is being upgraded

Upgrade work on the high-voltage line between Zandhoven and Kinrooi, which forms part of the backbone of the 380 kV electricity grid, has started. The line will be equipped with a new type of conductor that can transport more power. The upgrade comprises two phases and is expected to be completed by late 2024. The line will facilitate the import and export of electricity between Belgium and the Netherlands, which is vital for Belgium's security of supply and the development of a European energy grid.



An upgrade to the 380 kV overhead line which forms the north-south axis between the Mercator and Bruegel high-voltage substations in Kruibek and Dilbeek respectively has also started. The upgrade involves replacing the existing conductors with new ones which are capable of transmitting more current, which is necessary to ensure security of supply. In 2021, Elia will apply for the necessary permits for the work, which will be scheduled to start in early 2022. The upgraded high-voltage line is due to enter service towards the end of 2026.

Elia Transmission Belgium and BESIX sign MoU for smart buildings

In February, Elia Transmission Belgium and BESIX, the construction company, signed an MoU focusing on smart buildings. In order to achieve the climate targets outlined in the European Green Deal, it is important that we cooperate with other sectors. Smart buildings will become increasingly relevant as they allow flexible energy management. We will develop a joint vision statement with BESIX and set up a project structure to share knowledge, identify opportunities for collaboration and plan projects. Joining forces and sharing knowledge about smart buildings and electrical system operations are concrete steps that will help to further the energy transition.

First SF6 free gas-insulated switchgear commissioned by 50Hertz

50Hertz has taken an important step towards running its own activities carbon-neutral by 2030. In March, 50Hertz successfully put in operations its first gas-insulated switchgear without the climate-damaging gas SF6. The system, called F35g-123 kV, was developed and installed by General Electric and is based on the alternative gas called g3 (g cube or green gas for grid). The greenhouse effect when using g3 is reduced by 99 percent compared to conventional SF6 switchgears with similar performance.

Elia Group rejoins BEL20 Index

Early in the year, Elia Group received the BelMid Company of the Year 2020 award from Euronext. Elia Group achieved the strongest increase in market capitalisation among the BelMid index companies in 2020. In March, Elia Group rejoined the BEL 20 index, the benchmark index of Euronext Brussels. This confirmed the market's confidence in Elia Group's delivery of its growth strategy. This visibility further enhances the Group's solid reputation, which is important for attracting new investors and talent.

Financial calendar

Trading of ex-coupon number 18	28 May 2021
Record date	31 May 2021
Payment of dividend for 2020	1 June 2021
Publication of half-year results 2021	28 July 2021
Quarterly statement Q3 2021	26 November 2021
Publication of full-year results 2021	23 February 2022



About Elia Group

One of Europe's top five TSOs

Elia Group is a key player in electricity transmission. We ensure that production and consumption are balanced around the clock, supplying 30 million end users with electricity. Through our subsidiaries in Belgium (Elia) and northeastern Germany (50Hertz), we operate 19,276 km of high-voltage connections, meaning that we are one of Europe's top 5 transmission system operators. With a reliability level of 99.99%, we provide society with a robust power grid, which is important for socioeconomic prosperity. We also aspire to be a catalyst for a successful energy transition, helping to establish a reliable, sustainable and affordable energy system.

We are making the energy transition happen

By expanding international high-voltage connections and incorporating ever-increasing amounts of renewable energy into our grid, we are promoting both the integration of the European energy market and the decarbonisation of society. We also continuously optimise our operational systems and develop new market products so that new technologies and market parties can access our grid, thus further facilitating the energy transition.

In the interest of society

As a key player in the energy system, Elia Group is committed to working in the interest of society. We are responding to the rapid increase in renewable energy by constantly adapting our transmission grid. We also ensure that investments are made on time and within budget, with a maximum focus on safety. In carrying out our projects, we manage stakeholders proactively by establishing two-way communication channels between all relevant parties very early on in the development process. We also offer our expertise to different players across the sector in order to build the energy system of the future.

International focus

In addition to our activities as a transmission system operator, we provide various consulting services to international customers through our third subsidiary, Elia Grid International (EGI). Elia (in Belgium) is also part of the Nemo Link consortium, which operates the first subsea electrical interconnector between Belgium and the UK.

The legal entity Elia Group is a listed company whose core shareholder is the municipal holding company Publi-T.

More information: [eliagroup.eu](https://www.eliagroup.eu)

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