



PRESS RELEASE

17 MAY 2019 – 08h00

Interim Statement: Q1 2019

REGULATED INFORMATION

HIGHLIGHTS

- **Financial outlook for 2019 reiterated**
- **NemoLink – interconnection between Belgium and Great-Britain – is now operational**
- **WindNODE flexibility platform enters practical phase in Germany**
- **Launch of IO.Energy, a cross-sectoral ecosystem aimed at optimising end users' comfort and energy bills in Belgium**
- **Elia successfully completes €500 million bond offering**
- **Status of ring-fencing between regulated activities in Belgium and activities regulated outside of Belgium or non-regulated**
- **Elia named 'Top Employer' for the second consecutive year**

Financial outlook for 2019 confirmed

Elia Group remains confident to realise an Adjusted Return on Equity (ROE adj.) between 7% and 8%.

- In **Belgium**, we remain positive on our ability to achieve a regulated return between 5% and 6% assuming a stable trend in the Belgian 10-year OLO and an anticipated capital increase. The realisation of the investment programme is progressing well, with the Modular Offshore Grid on track to be commissioned in the second half of 2019, hereby creating further opportunities for the development of renewable energy on the North Sea.
- Results forecasts for **Germany** also remain positive and we remain confident about our ability to deliver a return on equity of between 8% and 10%. The realisation of the investment programme is progressing well, for which a certain external risk is always present.

For further information please contact:

Investor Relations – Yannick Dekoninck - +32 2 546 70 76 - +32 47 890 13 16 - investor.relations@elia.be
Media – Marleen Vanhecke - +32 2 546 71 32 - +32 486 49 01 09 - marleen.vanhecke@elia.be



NemoLink – interconnection between Belgium and Great-Britain – is now operational

Nemo Link's commercial exploitation started on 30 January 2019. The interconnection - having a capacity of 1,000MW, capable of powering up to 500.000 households - is a collaborative initiative by the Belgian and British transmission system operators, Elia and National Grid, which set up a joint venture for this purpose. This project is unprecedented for Elia.

It constitutes the first direct electrical connection between Belgium and Great Britain. Moreover, this is Elia's first ever build of a subsea interconnection and it also marks Elia's first ever use of high-voltage direct current (HVDC) technology.

The commissioning of this interconnector represents an important new step in the integration of the European electricity grid and fosters the transition to a sustainable and affordable energy system. Interconnectors are vital, among other things, for the large-scale integration of renewable energies, where excess generated power can be traded at favourable prices at the European level. It will also give Elia more ways of ensuring security of supply

As per end of March 2019, already 1,173 GWh of commercial flows have been exchanged between Belgium and Great-Britain with a 99,7% availability.

Ventilus to prepare power grid for more sustainable energy

The Flemish government and the Belgian system operator have jointly proposed plans for 'Ventilus', a new extra-high-voltage project in West Flanders. By connecting additional renewable power generation to the grid through Ventilus, the Flemish government and Elia are taking another key step towards a more sustainable energy system. Wind energy is Belgium's biggest source of renewable generation (8% of the total energy mix) and there are specific plans to expand wind capacity with a second concession area for offshore wind in the Belgian part of the North Sea. Ventilus, a 380-kV high-voltage line with a capacity of 6 GW, will ensure that this additional electricity is transmitted from the North Sea to consumers onshore. The final route of the project is still to be determined.

WindNODE flexibility platform enters practical phase

Offering installation capacities for flexible use in case of congestion management: this is the goal of the flexibility platform developed by WindNODE project partners 50Hertz, Strometz Berlin, Wemag, ENSO NETZ and e.dis. After undergoing tests since November 2018, capacities were offered for the first time on 14 March 2019. This means that the trial operations has now entered into a practical feasibility phase.

WindNODE is one of the five major joint projects funded by the German Federal Ministry for Economic Affairs and Energy (BMWi) as a 'Smart Energy Showcase' (SINTEG) for the period 2017 – 2020. The objective is the system integration of large volumes of renewable energy while also keeping the power grids stable. Over 70 WindNODE partners work together on transferable model solutions which can move the energy transition forward.

Elia successfully completes €500 million bond offering

On 7 January 2019, Elia successfully launched a €500 million Eurobond under its €5 billion EMTN programme. The senior bond will mature in 2026 and has an annual coupon of 1.375%. The proceeds from the new bond issue will be used to refinance an existing €500 million Eurobond due to mature in May 2019. Through this transaction, Elia has taken advantage of supportive market conditions to proactively manage its liquidity position and reduce its average cost of debt to the benefit of consumers.

Launch of IO.Energy, a cross-sectoral ecosystem aimed at optimising end users' comfort and energy bills

On 21 February 2019, the system operators Elia, Fluvius, ORES, Sibelga and Resa have launched IO.Energy, a unique and innovative Belgian project that will help to develop new services by exchanging data between all energy market players. IO.Energy is being undertaken in collaboration with business, research institutes and public services. The focus is on end users, who will be able to tailor their generation and consumption to their current needs using a digital communication platform. With the rise in renewable energy, flexibility in generation and consumption is increasingly important. Moreover, changes linked to the energy transition are making it harder for



system operators to maintain a balance between supply and demand and to manage grid connections. Through a joint initiative, the system operators aim to turn these challenges into opportunities. Over the coming months, specific use cases will be developed and tested.

Status of ring-fencing between the regulated activities in Belgium and activities regulated outside of Belgium or non-regulated

Elia is furthering its analysis for the implementation of an internal reorganization project aiming at isolating and ring-fencing the Belgian regulated activities of Elia from its activities regulated outside of Belgium or non-regulated, to avoid the risk of cross-subsidy between regulated activities in Belgium and regulated activities outside of Belgium or non-regulated activities, which emanates from the new tariff methodology for 2020-2023. As mentioned in Elia's press release dated 8 April 2019, the CREG confirmed that such reorganisation is suitable for such purposes. This reorganisation will therefore provide a suitable framework for the further development of non-regulated activities by Elia.

The envisaged structure could imply a transformation of Elia into a holding company. As part of this reorganisation project, on 27 April 2019, the board of directors has taken a decision in principle regarding the proposed articles of association of the future holding company if set-up.

The main principles that will be proposed by the board of directors to a shareholders' meeting relate to the following:

- the board of directors of the future holding company will be composed of at least 10 and at most 14 directors, including (i) seven non-independent directors appointed upon the proposal of the holders of A and C shares, insofar as the A and C class shares of the future holding company represent more than 30% of its capital and (ii) at most seven other directors, among which at least three independent directors who are appointed by the shareholders' meeting on the proposal of the board of directors, after advice of the nomination committee;
- decisions of the board of directors will be taken by a simple majority
- The holding company will have a one-tier board; consequently, there will be a day-to-day management board;
- three advisory committees will be created by the board of directors, namely the audit committee, the remuneration committee and the nomination committee, and, at later stage, one advisory committee, namely the strategic committee may be created by the board of directors; the (additional) requirements of the Electricity Law with regard to advisory committees will therefore not be included in the articles of association; by derogation to the Code of Corporate Governance, the nomination committee shall be composed of a majority of non-independent directors and at least of one third of independent directors.

These proposed amendments will be submitted in due course to the shareholders' meeting for approval.

Elia named 'Top Employer' for the second consecutive year

For the second year in succession, Elia can count itself among the best employers in the country. The Top Employer label is awarded in more than 115 countries to companies that provide an excellent working environment a top priority. Over the past year, Elia has invested heavily in internationalisation and training. 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 15	29 May 2019
Record date	30 May 2019
Payment of dividend for 2018	31 May 2019
Publication of the half-yearly results for 2019	26 July 2019
Interim statement Q3 2019	29 November 2019

About the Elia Group

ONE OF EUROPE'S TOP FIVE PLAYERS

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 18,600 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.

WE MAKE THE ENERGY TRANSITION HAPPEN

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.



IN THE INTEREST OF SOCIETY

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.

INTERNATIONAL FOCUS

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 building 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.

www.elia.be/www.eliagroup.eu

Headquarters

Elia System Operator
Boulevard de l'Empereur 20
1000 Brussels – Belgium

50Hertz GmbH
Heidestraße 2
D-10557 Berlin – Germany

