



Quarterly Statement: Elia Group Q3 2019

REGULATED INFORMATION

HIGHLIGHTS

- **Financial outlook for 2019 confirmed**
- **Board approves new corporate structure of the Elia Group**
- **Inauguration of Modular Offshore Grid, Elia's first power hub in the North Sea**
- **50Hertz signs MoU with Belgian offshore wind developer Parkwind to build transformer substation in the Baltic Sea**

Financial outlook for 2019 confirmed

The **Elia Group** remains confident to realise an adjusted return on equity (ROE adj¹.) of between 7% and 8% in 2019.

- In **Belgium**, due to the further decrease in Belgian 10-year linear government bonds (OLOs) since the second half of 2019, we expect to generate a regulated return towards the lower end of the 5%-6% target range. Strategic interconnection projects like Brabo and ALEGrO remain on track, with investments in Belgium expected to total around EUR 700 million in 2019.
- The results forecast for **Germany** remain positive and we remain confident about our ability to deliver a return in the upper end of the targeted 8%-10% range. The realisation of the investment programme, which is always prone to external risk, is progressing well with investments expected to total around EUR 490 million in 2019.

Board approves new corporate structure of the Elia Group

On 2 October, the Board of Directors approved a new corporate structure of the Elia Group. This decision was taken after meeting certain preconditions, including regulatory approval and confirmation of compliance with the Belgian Electricity Law. The new corporate structure will isolate and ring-fence Elia's regulated activities in Belgium, separating them from the Group's non-regulated and regulated activities outside Belgium. It also provides a suitable framework for the further development of the Elia Group in line with its defined growth strategy.

At an Extraordinary Meeting of Shareholders organised on 8 November, all the resolutions linked to this reorganisation and changes made to the company's articles of association were approved.

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



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Inauguration of Modular Offshore Grid, Elia's first power hub in the North Sea

The Modular Offshore Grid (MOG) marks a true milestone in the development of North Sea wind power off the Belgian coast. By the end of 2020, it will combine the power generated by four offshore wind farms and onward transmit it to the mainland. Since the MOG will transmit power more efficiently than individual cables can and also further improve security of supply, it represents major progress towards incorporating more renewable energy into our system.

50Hertz signs MoU with Belgian offshore wind developer Parkwind to build transformer substation in the Baltic Sea

In another key step towards implementing the German energy transition, 50Hertz is connecting the Baltic Sea wind farms Arcadis Ost 1 and Baltic Eagle to the country's high-voltage grid. The Ostwind 2 project passed another important milestone when 50Hertz and Parkwind signed a memorandum of understanding (MoU) on establishing a more efficient connection between the new Arcadis Ost 1 wind farm in the Baltic Sea and the German HV grid. The MoU sets out the details governing the development, construction and operation of the jointly managed offshore platform, which will efficiently and safely transmit electricity generated offshore to the mainland. The transformer substation will convert the power generated by the wind turbines to 220 kV before bringing it onshore via a subsea cable connected to 50Hertz's HV substation in Lubmin. Cable laying is still scheduled to start at the end of 2020, and the first trial runs are planned for the end of 2022.

Financial calendar

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|---------------------------------------|------------------|
| Publication of 2019 Annual Results | 6 March 2020 |
| Publication of 2019 Annual Report | Early April 2020 |
| General Meeting of Shareholders 2019 | 19 May 2020 |
| Quarterly statement Q1 2020 | 20 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 |



About Elia Group

One of Europe's top five players

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-east Germany (50Hertz), we operate 18,990 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, Elia Group promotes both the integration of the European energy market and the decarbonisation of our society. 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, 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 in Belgium and Germany, 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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