PRESS RELEASE | Brussels, 29 July 2020 8:00 am – Elia Group (Euronext: ELI)

Half-year results: Elia Group shows operational continuity in extraordinary times

Regulated information

Highlights

- Grid investments of €134.7 million in Belgium and €191.3 million in Germany to ensure the reliability of the energy system and accommodate growing inflows of renewable energy
- Very high system reliability of 99.99%, benefitting 30 million end users in Belgium and Germany
- Elia Transmission and Eurogrid GmbH successfully accessed the debt capital market lowering average cost of debt to the benefit of society
- Adjusted net profit down 3.6% to €148.8 million[1], although Belgium and Germany both saw solid operational performance to realise the next phase of the energy transition
- Covid-19 is not expected to have a material impact on Elia Group's results for 2020
- Financial outlook for 2020 confirmed

During the coronavirus outbreak, Elia Group has demonstrated to be a resilient organisation thanks to the commitment and dedication of our employees in both Belgium and Germany. In difficult circumstances, we have continued our activities and delivered a stable and a secure electricity system in the interest of society. In this moment, we come up with a number of tangible recovery proposals in Belgium that benefits our affected society and drive long-term value. We are also supporting the strategic objective of 50Hertz to cover electricity demand in its grid area with 100 percent renewable energy by 2032. This acceleration is fully in line with the Elia Group strategy and the ambitions of the European Green Deal.

Chris Peeters, CEO Elia Group

[1]Adjusted net profit Elia Group includes adjusted items linked to the corporate reorganisation implemented at the end of 2019

For further information please contact:
Investor Relations
Yannick Dekoninck | **M** +32 (0) 478 90 13 16 | investor.relations@eliagroup.eu
Stéphanie Luyten | **M** +32 (0) 467 05 44 95 | investor.relations@eliagroup.eu
Communication & Reputation Marleen Vanhecke | **M** +32 (0) 486 49 01 09 | marleen.vanhecke@elia.be

1. Milestones in the first half of 2020

#LETSFLATTENTHECURVE

Elia Group is consistently applying government measures to mitigate the impact of the Covid-19 pandemic. The Belgian and German authorities consider our activities to be crucial and require us to ensure business continuity, so we continued as many of our activities as possible during the height of the crisis. An internal, cross-departmental task force has been set up to best supervise this process. Maintaining the continuity of supply and protecting the health and safety of our employees and contractors are our top priorities.

As most of Elia Group's operational activities continued because of their socio-economic importance and the largely regulated nature of the business in which we operate, we do not expect Covid-19 to have a material impact on the financial result for 2020.

SUSTAINABLE RECOVERY

In parallel with the strict follow-up of corona measures to avoid a second wave, major economic stimulus plans are being prepared to help people and businesses battle a deep economic recession. Complementing national efforts, the European Green Deal and the European Commission's recovery plan will likely be used as a compass, given Europe's aim to become the first climate-neutral continent by 2050. Sustainability will therefore be a cornerstone of many Covid-19 recovery initiatives. In our role as system operator, we want to optimally support the society we serve both in supporting economic recovery measures and in helping to combat climate change.

Belgium | Short-term measures to drive long-term value

In line with our mission to serve society, Elia is working towards a number of tangible recovery measures that we are currently discussing with some critical stakeholders in Belgium. These measures lie in the field to empower end consumer in a decarbonized and digitalized energy system. Most of the proposals could be implemented relatively quickly and immediately create local jobs since they involve infrastructure work that benefits society as a whole. By accelerating 'no regrets' investments that pave the way towards a decarbonised and digital society, we could contribute to a positive societal project that will benefit the prosperity of future generations.

Germany | From 60 to 100 by 2032

On July 2nd, 50Hertz announced its aim to solely use renewable energy to satisfy all demand for electricity in its grid area by 2032. 50Hertz will align its entire corporate strategy with this new objective and use all its expertise to that end within the scope of its statutory duty to operate the grid securely and reliably.

> *This is a clear signal on the climate, but it is also much more than that. It is also a signal regarding future jobs. More and more industrial companies are realising that they will need to do their bit to fight climate change, so they are increasingly asking to be supplied with renewable energy to help them decarbonise, either by using electricity directly or by using hydrogen. As a transmission system operator, 50Hertz wants to help turn our grid area into an ideal location for these companies to operate. In this way, we are both supporting economic recovery following the coronavirus crisis and helping to combat climate change.*
>
> - **Stefan Kapferer, CEO 50Hertz**

This new approach has an impact on 50Hertz's entire corporate strategy. The company will use the latest technology in systems management, continue to drive digitisation forward and intensify its involvement in innovative sector coupling models for the generation of heat and hydrogen from green electricity. This is how Elia Group is actively contributing to ensuring that the eastern German federal states, Hamburg and Berlin remain attractive business locations for future industries and that new, strong, climate-conscious companies can settle there.

However, achieving this 100 percent target requires special commitment not only in our own company - but also in politics, business and society. It will be essential to develop more suitable areas for onshore and offshore wind power and to include them in land development plans in a timely manner. We still see great potential in the Baltic Sea in particular. We are ready and willing to support the federal and state governments with our knowledge in the development of areas and potentials for the use of renewable energies.

European TSOs want a greener economy

In a joint statement, high-voltage grid operators from Austria, Belgium, France, Germany, Italy, the Netherlands, Spain and Switzerland announced that they want to help stimulate an ever greener economy as soon as possible – a reference to the European Green Deal. Elia and 50Hertz are regularly coordinating their prevention plans and specific measures with neighbouring TSOs to limit the consequences of the Covid-19 pandemic on people, the electricity supply and the economy in Europe.

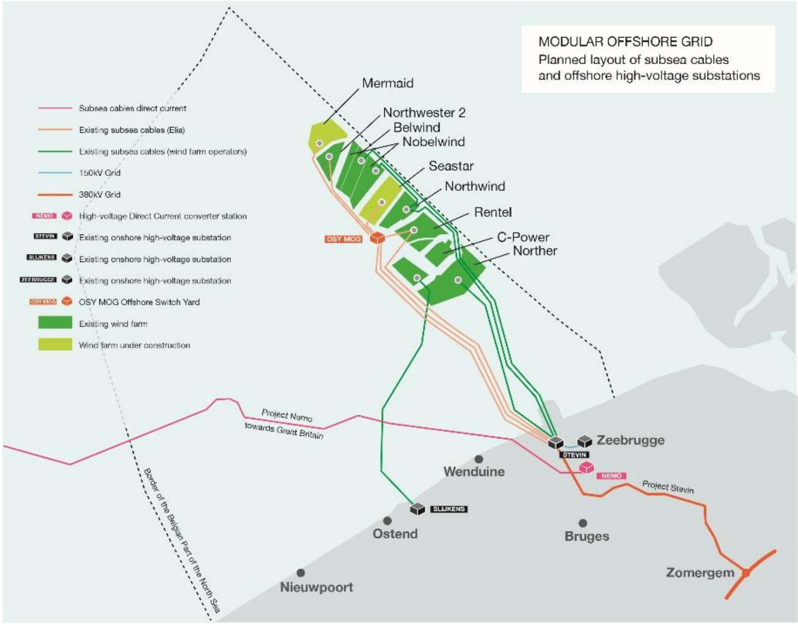
Energy has always been an essential component of European partnership. While the Covid-19 pandemic is having a major impact on the lives of our citizens and the European economy, electricity remains, more than ever before, crucial for our daily lives, health services and, more generally, all critical activities. Anticipating the secure operation of the power system, preparing our infrastructure and ensuring the security of the electricity system are integral parts of our mission to serve society.

INFRASTRUCTURE WORK

Despite the coronavirus measures, good progress has been made on our main infrastructure projects in Belgium and Germany, both on land and at sea.

MOG fully operational

Another wind farm has successfully been connected to the Modular Offshore Grid (MOG), Elia’s plug in the Belgian north sea. The connection of the Seastar project marks the completion of the MOG. Located 40 km off the Belgian coast, the switching platform bundles the export cables from four offshore wind farms and transports the generated energy to the mainland via a shared transmission system. This is more efficient and increases availability in the event of cable incidents. Offshore wind power is crucial to achieving Belgium's climate targets. In the meantime, the federal government has begun developing a second generation area for offshore wind power, which will boost the installed capacity in the Belgian part of the North Sea from 2.3GW to 4GW by 2030.



50Hertz opens new line in Germany

50Hertz has commissioned the 380-kV overhead line between Stendal West and Wolmirstedt, boosting transmission capacity in order to integrate wind energy into its grid. This is the first step in replacing a 220-kV line dating back to the 1950s. Five additional sections between Stendal West and Güstrow in the Rostock area near the Baltic Sea will follow. This upgrade is key to ensuring the efficient transport of large volumes of wind energy generated in the north of Germany to the consumption hubs in the south and consequently further cutting the redispatch costs caused by grid congestions.

SYSTEM OPERATION

50Hertz sets new record for solar and wind energy

Storm Xanthippe enabled 50Hertz to establish a new record for wind power feed-in on its electricity grid, measuring a feed-in of 16,270 GW between 6.30 p.m. and 6.45 p.m. on Saturday 22 February 2020. Moreover, in proportion to the huge volume of wind energy generated, wind turbine curtailment was the lowest it has ever been: just 460 MW was curtailed to ensure the stability of the grid.

On Monday 23 March, 50Hertz successfully integrated 8,500 MW of solar power, a new record. The first few months of 2020 also saw above-average wind generation. 85% of the electricity consumed in February came from wind or solar power. 50Hertz is one of Europe's leaders when it comes to the integration of renewable energy.

PERMITS & CONTRACTS

Planning approval procedure for SuedOstLink begins

The Bundesnetzagentur has formally launched the planning approval procedure for SuedOstLink sections A1 (between Wolmirstedt and Könnern) and A2 (between Könnern and Eisenberg). The agency is asking the public for information on the plans. Due to coronavirus-related restrictions, the application conferences for the two sections will take place as written procedures, with the deadline for submitting information to the agency set for 17 July 2020.

The SuedOstLink, a joint undertaking by German system operators 50Hertz and TenneT, is key to Germany's energy transition and will mainly transport wind energy generated in northern Germany to consumption hubs in the south of the country. Construction is scheduled to begin in 2022 and would take four years. With a capacity of 525 kV (instead of the usual 320 kV), the underground cable will be able to transmit larger volumes of energy.

First SuedOstLink contracts awarded

After a two-year tendering process, 50Hertz has awarded NKT and TenneT has awarded Prysmian PowerLink the contracts to design, manufacture and lay in total the 536-km-long underground high-voltage connection between Saxony-Anhalt and Bavaria as part of the SuedOstLink project.

New phase-shifting transformers at Hamburg/Ost high-voltage substation

50Hertz plans to install 2x2 phase-shifting transformers at the Hamburg/Ost high-voltage substation to control flows on the grid, prevent overload and cut redispatching costs. A key permit has been issued, marking a major step forward, and the project team should be able to meet the ambitious rollout deadline. The first phase-shifting transformers will be commissioned in 2022, the aim being to ensure that the electricity system remains reliable despite the sharp increase in volumes of variable wind energy.

50Hertz submits permit applications for Hansa PowerBridge

The cross-border subsea cable project between Germany and Sweden has entered the approval phase. 50Hertz has submitted the first two applications for the section in the German Exclusive Economic Zone (EEZ). The Hansa PowerBridge will form a 300-km-long, 300-kV high-voltage direct current (HVDC) transmission system between Hurva (Sweden) and Güstrow (Germany). The German part of the project, for which 50Hertz is responsible, consists of a 105-km-long subsea cable (EEZ and coastal sea), a 70-km-long onshore cable and a converter station near Güstrow. The next step will involve the completion of the application documents for the planning approval procedure in the coastal sea section.

INNOVATION

During the first six months, Elia Group has further structured its approach to innovative processes with the set-up of an internal idea incubator. The Group reinforced its understanding of key technologies as virtual reality, internet of things or blockchain for which we signed a partnership with the Energy Web Foundation for the further develop of use cases around the use of decentralized ledger in the TSO business.

In the same context, Elia Group is also further embedding the artificial intelligence in its operations to further digitalize its operations and cope with the growing complexity of the system. This notably includes the reduction of grid losses in Germany, automation of grid planning and the installation of smart sensors to predict failure of interconnector pumps. Finally, Elia has closed a 2 years test with NewMotion, EVConsult, Enervalis and the Flemish Region to validate the potential of vehicle to grid technology to support the balance of the grid.

MEASURES TO COMBAT THE CORONAVIRUS PANDEMIC

Review of construction, maintenance and intervention activities

Belgium | With the introduction of social distancing rules, risk analyses were carried out for every construction, maintenance and intervention activity. A few days later, we gradually began resuming our construction activities by applying modified working methods in close collaboration with our contractors. Following a number of pilot projects, we were able to restart work on the more complex sites involving several contractors from May onwards. With the return of our foreign subcontractors, things are now completely back to normal.

Germany | Most construction sites were able to continue working throughout the outbreak. Current travel restrictions affecting our Swedish team members have impacted the final steps of the commissioning procedures for the Kriegers Flak Combined Grid Solution, meaning that the offshore interconnection between Germany and Denmark has been delayed slightly and commissioning is expected in Q4 2020. 50Hertz and Energinet are monitoring the situation very closely and are making every effort to find other ways to continue individual commissioning steps and allow team members to work on site.

Teleworking on administrative sites and strict measures for critical jobs

We have been making extensive use of telework since the outbreak of the coronavirus. Throughout the semi-lock-down (in force from mid-March until early May), some 95% of our employees worked from home. Strict measures have been enacted for technical teams working out of service centres and for those employees who had to go to work (such as on-call staff, operators, duty roles, and so on); these measures include enhanced hygiene and social distancing. Access to national and regional control centres is strictly limited and our operators no longer use public transport. All those with a critical job have a backup who will take over should they fall ill.

Information sessions postponed

Elia Group cancelled all internal and external events until mid-June 2020, with information sessions for local residents being postponed or taking place online. Special arrangements were also made for the Ordinary and Extraordinary General Meetings held on 19 May, with shareholders and bondholders being unable to attend in person.

Elia supports the King Baudouin Foundation's anti-poverty Covid-19 fund

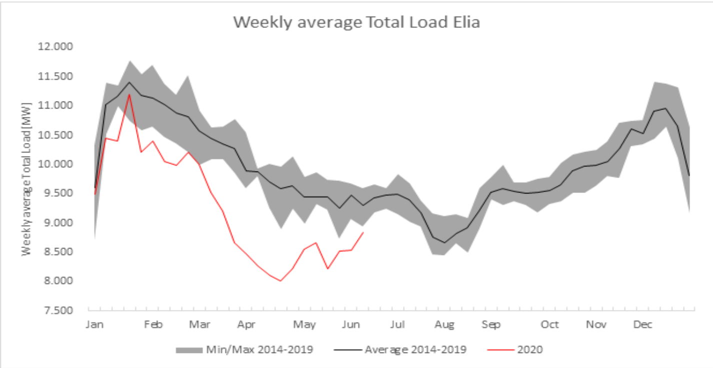
The members of Elia's Management Committee unanimously decided to contribute their entire salary for that month to the King Baudouin Foundation in support of its Covid-19 fund to combat poverty. The Board of Directors and company staff voluntarily followed suit. A total of €255,000 has been donated. This amount was added to a donation of €100,000 made a month earlier to the King Baudoin Foundation, bringing Elia's total donation to 355,000 euros.

Impact on electricity consumption

Belgium | The gradual restriction on activities intended to prevent the spread of the coronavirus had a noticeable impact on electricity consumption. Electricity consumption in late March was 16% lower on average than in the first week of March, and at times was even 25% lower. The drop was slightly more pronounced among consumers connected to the distribution grid (-17%) than among Elia's 149 industrial customers (-14%) connected to the high-voltage grid. Electricity consumption in Belgium began rising again in mid-June and is gradually returning to normal.

The average price of electricity is also on the rise after dropping to an all-time low of €14.70/MWh in April in Belgium. Electricity generation was sufficient, but demand was down significantly. This trend, first seen in mid-March, intensified in April. By early June the average price was up to €22 per MWh.

The graphic below shows the weekly average total load (MW) in 2020 compared to the weekly average total load from the last five years.



Germany | The measures enacted in the wake of the coronavirus outbreak had a slightly less noticeable impact on the German grid. At the height of the pandemic, 50Hertz recorded an average drop in consumption of 8%. Many sectors largely remained up and running. Slightly lower consumption combined with a large supply of renewable energy allowed 50Hertz to set a new record in the first half of 2020: 65% of electricity demand was covered by renewables, mainly wind and solar energy.

The temporary reduction in electricity consumption in Germany and Belgium has no impact on the profitability of the Elia Group as the impact of volume fluctuations is neutralised under the Belgian and German regulatory framework.

FINANCIAL

Inaugural €800 million Eurobond issuance for Elia Transmission Belgium

In April, Elia Transmission Belgium successfully launched a €800 million Eurobond under its new €3 Billion EMTN[2] programme listed on the Euro MTF of the Luxembourg Stock Exchange. The €800 million senior unsecured bond will mature in 2030 and has an annual fixed coupon of 0.875%. This was Elia Group's largest operation at its lowest coupon ever and fully benefits consumers. The proceeds will refinance a €496 million shareholder loan which matured in 2020 and finance the grid investment plan in Belgium.

Debut €750 million Green Bond for Eurogrid GmbH

On 6 May 2020, Eurogrid GmbH successfully issued its debut Green Bond for €750 million under its €5 billion Debt Issuance Programme, having a term of 12 years and an annual fixed coupon of 1.113%. This senior unsecured bond is based on Eurogrid's Green Bond Framework updated in April 2020, accompanied by a Second Party Opinion issued by Vigeo Eiris. Its proceeds will exclusively be invested in a portfolio of offshore renewable electricity projects and assets, namely 50Hertz's offshore projects Ostwind 1 and Ostwind 2. The transaction was an important step on

[2] Euro Medium Term note

our path towards sustainable finance, which we started in 2016 with the launch of an ESG-rating project at Eurogrid/50Hertz, followed by the first Eurogrid Green Bond Framework in 2017 and several subsequent investor updates. The issuance is certified by the Climate Bond Initiative in accordance with the Green Bond Principles. The Ostwind 1 and 2 projects co-financed by this Green Bond dovetail with the EU action plan on climate change. The EU is aiming to increase the number of households and businesses that can be supplied with electricity produced by wind energy, thereby preventing CO_2 emissions.

€200 million private placement issuance for Elia Transmission Belgium

In May, Elia Transmission Belgium entered the bond market for a second time since the Nemo Link dedicated loan was converted into a general purpose loan at the end of 2019. Elia Transmission Belgium successfully placed a private placement of a €200 million dual tranche 8-year and 24-year amortising bond with a fixed annual coupon of 1.56% under its €3 billion EMTN[2] programme.

Entering two new equity indices

Elia Group entered the MSCI Belgium index at the end of May and entered the SE European Utilities Index at the end of June.

CORPORATE GOVERNANCE

Kris Peeters appointed non-independent director

During the Ordinary General Meeting held on 19 May 2020, Kris Peeters (not to be confused with Elia Group CEO Chris Peeters) was appointed as a non-independent director to the Board for a six-year term. Saskia Van Uffelen, Frank Donck and Luc De Temmerman were re-appointed as independent directors for a term of one year. Geert Versnick and Luc Hujoel were re-appointed as non-independent director for a term of six years.

2. Key Figures

2.1 Consolidated results and financial position of the Elia Group for the first six months of 2020

Key results

Key figures (in € million)	1H 2020	1H 2019	Difference (%)
Revenue, other income and net income (expenses) from settlement mechanism	1,176.3	1,159.5	1.4%
Equity accounted investees	2.9	4.8	(39.6%)
EBITDA	493.2	458.3	7.6%
EBIT	281.1	281.6	(0.2%)
Adjusted items	*(0.3)*	*(6.6)*	*n.r.*
Adjusted EBIT	*281.4*	*288.2*	*(2.4%)*
Net finance costs	(69.5)	(68.0)	2.2%
Adjusted net profit	**148.8**	**154.4**	**(3.6%)**
Net profit	**148.6**	**152.1**	**(2.3%)**
Non-controlling interests	*18.9*	*16.4*	*n.r.*
Net profit attributable to the Group	**129.7**	**135.7**	**(4.4%)**
Hybrid securities	*9.6*	*9.6*	*n.r.*
Net profit attributable to owners of ordinary shares	***120.1***	***126.2***	***(4.8%)***
Total assets	14,980.0	13,893.4	7.8%
Equity attributable to the owners of the company	4,032.9	4,022.3	0.3%
Net financial debt	6,429.1	5,523.1	16.4%
Key figures per share	1H 2020	1H 2019	Difference (%)
Reported earnings per share (EUR) (Elia share)	1.76	2.05	(14.1%)
Return on Equity (adj.) (%) (Elia share)	1.75	1.87	(6.4%)
Equity attributable to owners of the company per share (EUR)	48.4	46.3	4.5%

See the glossary for the definitions
See section 4 for information on adjusted items
Comparative figures for Total assets, Equity and Net financial debt as at 31/12/2019

Pursuant to IFRS 8, the Group identified the following operating segments:

- Elia Transmission (Belgium), which comprises the regulated activities in Belgium (i.e. the regulated activities of Elia Transmission Belgium);
- 50Hertz Transmission (Germany), which comprises the regulated activities in Germany;
- Non-regulated segment & Nemo Link, which comprises non-regulated activities within Elia Group, Nemo Link, Elia Grid International, Eurogrid International, re.alto and the financing cost linked to the 20% acquisition of Eurogrid GmbH in 2018.

Financial

For the first six months of 2020, **revenues** totalled €1,176.3 million, representing a 1.4% increase compared to the previous period. This increase was driven by lower revenues in Belgium (down €27.9 million) but offset by higher revenues in Germany (up €32.5 million) and higher revenues from Elia Grid International (up €4.5 million). The decline in revenue in Belgium follows a reduction of some costs that are passed through in revenue (cost-plus model) and the new tariffs applicable in 2020. In Germany, revenue was less impacted by Covid-19 measures and increased mainly due to higher energy revenues.

EBIT remained flat compared to the previous period, amounting to €281.1 million (down 0.2%). This is down to lower EBIT in Belgium (down €15.2 million) offset by higher EBIT (up €14.2 million) in Germany. For Belgium, the decrease results from lower financial costs and lower taxes which are passed through into revenues and partially offset by an increase in the regulated net profit driven by a higher equity remuneration and incentives with the start of a new regulatory period. In Germany, the higher EBIT is due to higher investment remunerations partially offset by higher depreciation and higher personnel and IT costs. The associates contributed €2.9 million to the Group's EBIT, mainly driven by the contribution of the Nemo Link interconnector amounting to €1.8 million.

The **adjusted net profit** of the Elia Group fell by 3.6% to €148.8 million.

- **Elia Transmission (Belgium)** achieved solid results with an adjusted net profit of €61.5 million (down €3.5 million). The lower result is mainly due to the one-off positive impact of last year's capital increase but is partly offset by the higher equity remuneration and a higher performance on incentives and offset by the depreciation of intangible assets acquired prior to 2020
- **50Hertz Transmission (Germany) (on a 100% basis)** recorded an adjusted net profit of €94.5 million (up 11.8%) driven by higher investment remuneration following asset growth, the release of a one-off provision following the acceptance of costs by the regulator and lower financial costs, partially offset by higher OPEX cost and depreciation costs mainly linked to the commissioning of CWA in 2019
- The **non-regulated segment and Nemo Link** posted an adjusted net loss of €7.2 million (down €12.1 million) mainly due to higher holding costs, lower results for EGI, higher costs for re.alto and lower contributions from Nemo Link due to a one-off preferential dividend payment to National Grid.

Taking into account the adjusted items, related to final cost settlements for the corporate reorganisation realised at the end of 2019, the **Elia Group's net profit** fell by 2.3% to €148.6 million.

The **net profit of the Elia Group attributable to the owners of ordinary shares** (after deducting the €18.9 million in non-controlling interest and €9.6 million attributable to hybrid securities holders) was down 4.8% to €120.1 million. This decrease was driven by the lower net profit for Elia Transmission and the non-regulated segment and Nemo Link and a higher net profit in Germany.

The individual segment reporting sections below provide more details about the financial performance of the two constituent TSOs (Elia Transmission in Belgium and 50Hertz Transmission in Germany) and the Group's non-regulated activities (including Nemo Link).

As of 30 June 2020, Elia Group carried a total **net financial debt** of €6,429.1 million (up €906.0 million). In the first half of the year, Elia Group invested €326.0 million to create and deliver the infrastructure of the future and innovate in services that enable a reliable and sustainable power system. In Belgium, net debt rose by €110.5 million with organic growth financed by cash flow from operating activities and the bond issuance. For Germany, the financing of the investment programme and the lower EEG cash position (down €655.8 million) resulting from electricity prices remaining on a low level due to decreased consumption and high renewable electricity infeed led to a rise in net debt (up €809.7 million).

Over the first half of 2020, Elia Group successfully tapped into the debt capital market to strengthen its liquidity position and finance the investment programme. Elia Transmission Belgium accessed the debt capital markets twice in the first half of the year with an €800 million Eurobond and a dual tranche €200 million private placement. Elia Transmission Belgium benefited from favourable market conditions to manage its liquidity position and lowered its average cost of debt to 1.95% (down by 21 bps), successfully refinancing a shareholder loan at attractive levels, to the benefit of society. Eurogrid GmbH launched its first green bond of €750 million at fixed rate of 1.13% and further strengthened its liquidity position by contracting a new RCF of €400 million to finance its EEG balance.

Equity attributable to the owners of the company increased slightly to €4.032.9 million (up €10.6 million). This increase is mainly due to the profit from the first half attributable to the owners of the company (€129.7 million) and offset by the 2019 dividend payment (€116.0 million).

2.1.A. Segment reporting Elia Transmission (Belgium)

Highlights

- Start of new regulatory period 2020-2023
- Higher fair remuneration driven by a higher equity return (4.68%) and gearing ratio (40%)
- Solid operational performance and higher incentives
- The development of the national grid continues during the coronavirus pandemic, with progress made on all major investment projects but behind the initial plan due to lockdown measures
- Improved liquidity position with the successful launch of an €800 million Eurobond

Regulatory framework

Since the beginning of 2020, a new tariff methodology came into force. This methodology is again applicable for a period of four years (2020-2023) and represents to a large extent a continuation of the main principles already applied under the previous tariff period. The regulatory framework remains a cost-plus model, with cost coverage of all reasonable costs and remuneration. The fair remuneration and additional incentives substituted the investment mark-up. The parameters for the computation of the fair remuneration were revised: the risk-free rate will be fixed ex-ante at 2.4% for the entire period and the regulatory gearing increases from 33% to 40%. The embedded debt principle for financial charges and volume neutrality remain applicable. The remuneration includes specific incentives, intended to incentivise Elia to further enhance the performance regarding a wide range of regulated activities in Belgium. Working capital elements (trade payables and receivables) linked to the levies will be excluded from the RAB from 2020 onwards, leading to a marginal one-off adjustment on the opening RAB. As from 2020, intangible assets are capitalized in the RAB, with depreciation charges passed through into revenues.

Key results

Elia Transmission key figures (in € million)	1H2020	1H 2019	Difference (%)
Revenue, other income and net income (expense) from settlement mechanism	471.1	499.0	(5.6%)
Revenues	*419.1*	*460.3*	*(9.0%)*
Other income	*27.4*	*25.7*	*6.7%*
Net Income (expense) from settlement mechanism	*24.6*	*13.0*	*89.2%*
Equity accounted investees	1.1	1.0	10.0%
EBITDA	211.2	209.8	0.7%
EBIT	118.7	133.9	(11.4%)
Adjusted items	*0.0*	*0.0*	*n.r.*
Adjusted EBIT	118.7	133.9	(11.4%)
Net finance costs	(34.2)	(36.7)	(6.8%)
Income tax expenses	(23.0)	(32.2)	(28.6%)
Net profit	**61.5**	**65.0**	**(5.4%)**
Adjusted items	*0.0*	*0.0*	*n.r.*
Adjusted net profit	***61.5***	***65.0***	***(5.4%)***
Total assets	6,894.5	6,452.1	6.9%
Total equity	2,168.0	2,157.5	0.5%
Net financial debt	3,123.9	3,013.4	3.7%
Free cash flow	(95.0)	(444.9)	(78.6%)

See the glossary for the definitions
See section 4 for information on adjusted items
Comparative figures for Total assets, Equity and Net financial debt as at 31/12/2019

Financial

Elia Transmission's revenue fell by 5.6% compared with the same period of the previous year, from €499.0 million to €471.1 million. Revenues were impacted by lower financial costs driven in 2019 by the capital increase and lower costs for ancillary services and were partially offset by a higher regulated net profit, which are all passed through into revenue.

Detailed revenue and other income (in € million)	1H2020	1H2019	Difference (%)
Grid revenue:	415.7	456.0	(8.9%)
Grid connection	23.1	22.2	4.5%
Management and development of grid infrastructure	241.7	240.3	0.6%
Management of the electrical system	64.4	56.7	13.7%
Compensation for imbalances	59.1	101.7	(41.9%)
Market integration	10.8	12.7	(15.1%)
International revenue	16.6	22.5	(26.3%)
Transfer of assets from customers	1.4	1.2	14.5%
Other revenue	2.1	3.0	(31.0%)
Subtotal revenue	**419.1**	**460.3**	**(9.0%)**
Other income	27.4	25.7	6.7%
Net income (expense) from settlement mechanism	24.6	13.0	89.2%
Total revenue and other income	**471.1**	**499.0**	**(5.6%)**

Grid connection revenues increased from €22.2 million to €23.1 million (up 4.5%) mainly due to the tariffs increase.

Revenues from **management and development of grid infrastructure** remained stable at €241.7 million compared to €240.3 million mainly due to a tariff increase of the yearly peak tariff compensated by a decrease of the monthly peak tariff and monthly peak volume due to the Covid-19 lockdown.

Revenues from **management of the electrical system** increased from €56.7 million to €64.4 million (up 13.7 %) due to a tariff increase, the increase of the additional reactive offtake energy and the introduction of the tariff for injection of additional reactive energy.

Services rendered with regard to energy management and individual balancing of balancing groups are paid within the revenues from **compensation for imbalances**. These revenues decreased from €101.7 million to €59.1 million (down 41.9 %), largely due to the tariff decrease for management of power reserves and black-start based on offtake (down €30.1 million) and injection (down €11.0 million). The revenues from compensation of imbalances decreased by €1.5 million due to low imbalance situations and no exceptional imbalance days in 2020 compared to 2019.

Finally, the last section of the tariff revenues encompasses the services Elia Transmission Belgium provides within the context of **market integration**, which decreased from €12.7 million to €10.8 million (down 15.1 %) due to a tariff decrease and an energy volume offtake decrease due to Covid-19 lockdown.

International revenue decreased from €22.5 million to €16.6 million (down 26.3%), mainly due to lower congestion income (long term and day-ahead income) during a softer winter period and less offtake due to Covid-19 measures in

2020 with high injection power availability in winter leading to less power exchange with the CWE region. The absence of high price differences with neighbouring countries in 2020 exacerbated this decrease.

Transfer of assets from customers increased slightly compared to prior year while **other revenue** dropped by €0.9 million.

The **settlement mechanism** (€24.6 million) encompasses both deviations in the current year from the budget approved by the regulator (up €4.9 million) and the settlement of net surpluses from prior tariff period (down €29.6 million). The operating surplus, in relation to the budget of the costs and revenues authorised by the regulator, must be returned to consumers and therefore does not form part of the revenues. The operational surplus compared to the budget is primarily a result of decreased depreciations (€8.4 million) and lower costs for ancillary services (€14.3 million). This was partly offset by lower tariff sales (€ 6.9 million), higher financial costs (€6.9 million) and higher taxes (€ 3.7 million) compared to the budget.

EBITDA rose slightly to €211.2 million (up 0.7%) due to a higher regulated net profit and higher depreciations linked to the growing asset base and offset by lower financial costs that are all passed through into revenues. The decrease in **EBIT** (down 11.4%) is driven by depreciations of intangible assets (up €4.9 million) acquired in the past and activated under IFRS while directly expensed and covered through the tariffs under the previous regulatory period. Under the new tariff methodology, intangible assets are also activated in the regulated asset base. The contribution of equity- accounted investments (HGRT, Ampacimon and Coreso) rose slightly to €1.1 million.

Net finance cost fell by €2.5 million (down 6.8%) compared to the same period of previous year, and mainly driven by the pre-refinancing of a €500 million bond early 2019 and maturing in May 2019 and the lower activation of borrowing costs since the commissioning of the Modular Offshore Grid and ALEGrO in the second half of 2019. This was partially offset by costs for unwinding of an interest rate swap (down €4.5 million) linked to a shareholder loan repaid in early June. In April, Elia tapped the debt capital market with a €800 million Eurobond for the financing of its investment progamme and to refinance a €496 million shareholder loan. The new issuance reduces the average cost of debt significantly to consumer' benefit from 2.16% end of 2019 vs 1.95% end of June 2020. Elia Transmission has a well-balanced debt maturity profile with no upcoming near term material maturities.

Adjusted net profit fell by 5.4% to €61.5 million, mainly due to the following factors:

1. Higher **fair remuneration** (up €28.7 million) due to the higher return on equity (fixed risk free rate of 2.4% compared to an average OLO of 0.76% in 2019), a higher gearing ratio (40% compared to 33%) and the full remuneration of last year's capital increase (€327 million)
2. Termination of the **mark-up compensation** (down €24.5 million)
3. Higher **incentives** (up €0.4 million)

4. **Depreciation of software** acquired prior to 2020 (down €7.0 million) and activated under IFRS while fully expensed and covered under the previous regulatory methodology. From 2020 onwards, intangible assets are also capitalised in the RAB, with depreciation charges passed through into revenues
5. One-off tariff compensation recognised in 2019 for the financial costs linked to the capital increase accounted through equity under IFRS (down €6.3 million)
6. Lower IAS 19 and tax provisions (up €2.2 million)
7. **Other** (up €3.0 million): Due to higher deferred taxes (up €3.4 million) and lower bad debt provisions (up €1.1 million) offsetting a negative contribution from Elia RE (down €2.1 million) due to slightly higher damages to the electric system.

Total assets rose by €442.4 million to €6,894.5 million, mainly due to the investment programme and a higher liquidity. **Net financial debt** increased by €110.5 million (up 3.7%), as Elia's capex programme was mainly financed by cash flows from operating activities and the bond issuance. In 2020, Elia reimbursed the RCF drawn at the end of 2019 (€75 million). A new commercial paper programme was put in place for an amount of €300 million at the end of May, fully undrawn.

Equity increased slightly (up €10.5 million) mainly as a result of the half year profit (€61.5 million) minus the effect of the dividend paid over the 2019 financial year (€18.9 million) and the allocation of equity towards Nemo Link to align financing in accordance with the regulatory framework (40% equity/ 60% debt).

Operational

Total load estimation decreased by 6.6% from 43.0 TWh in 2019 to 40.1 TWh in 2020. This decrease is mainly due to the Covid-19 measures in place since March 2020, the on average higher temperatures and higher decentralized production in 2020 compared to 2019 impacting the Distribution Grid Operators' offtake. As a consequence, the net offtake from the Elia network decreased by 9.0% from 32.1 TWh in 2019 to 29.3 TWh in 2020.

Net injection on Elia Transmission Belgium's network slightly decreased from 30.5 TWh in 2019 to 30.1 TWh in 2020, mainly due to a lower nuclear availability in 2020 partially compensated by gas-fired and renewable production.
In the first half of 2020, Belgium was on average a net exporter due to the lower offtake and an almost stable injection. Net imports decreased from 2.0 TWh in 2019 to -0.4 TWh in 2020. Total exports slightly increased from 6 TWh in 2019 to 6.7 in 2020, whereas energy imports decreased by 22% from to 8.0 TWh to 6.3 TWh.

Total electricity flows between Belgium and its neighbouring countries fell from 14.1 TWh to 13.0 TWh mainly as a result of the decrease in net imports from the Netherlands and France.

Investments

In the first half of 2020, Elia invested €134.7[3] million in Belgium, mainly intended to integrate increasing volumes of variable renewable electricity. The necessary investments are made to reinforce the existing corridors to absorb the higher infeed of renewable energy combined with upgrading the existing grid.

Over the first half of 2020, investments were linked to Brabo phase 2 project and the connection of the last two off-shore wind farms, Mermaid and Seastar, to the MOG platform, which marks the completion of the investment pro-gramme. Furthermore, Elia continued working on reinforcing the existing Belgian 380kV backbone: on the Horta-Avelgem axis, reinforcement works of towers and foundations were finalized. The next step will involve the replace-ment of the existing conductors.

2.1.B. Segment reporting 50Hertz (Germany)

Highlights

— Investments on track despite Covid-19 pandemic
— Growing half-year result demonstrates business growth
— Successful issuance of a €750 million Green Bond

Key results

50Hertz Transmission key figures (in € million)	1H 2020	1H 2019	Difference (%)
Total revenue and other income	697.2	664.7	4.9%
Revenue	*644.3*	*629.9*	*2.3%*
Other income	*38.2*	*34.9*	*9.5%*
Net income (expense) from settlement mechanism	*14.7*	*(0.1)*	*n.r.*
EBITDA	282.8	249.8	13.2%
EBIT	163.5	149.3	9.5%
Adjusted items	*0.0*	*(3.1)*	*n.r.*
Adjusted EBIT	163.5	152.4	7.3%
Net finance costs	(27.3)	(30.2)	(9.6%)
Income tax expenses	(41.7)	(36.8)	13.3%
Net profit	**94.5**	**82.3**	**14.8%**
Of which attributable to Elia Group	***75.6***	***65.8***	***14.9%***
Adjusted items	*0.0*	*(2.2)*	n.r.
Adjusted net profit	**94.5**	**84.5**	**11.8%**
Total assets	6,915.6	6,279.6	10.1%

[3] Including the capitalization of software and IAS 23 (Borrowing costs), IFRS 15 (Revenue recognition – Transfer of assets from customers) and IFRS 16 (Leasing), the total is €152.5 million.

Total equity	1,535.9	1,546.5	(0.7%)
Net financial debt	2,917.8	2,108.1	38.4%
Free cash flow	(680.4)	(656.8)	3.6%

Income, expenses, assets and liabilities are reported in the table at 100%.
See the glossary for the definitions
See section 4 for information on adjusted items
Comparative figures for Total assets, Equity and Net financial debt as at 31/12/2019

Financial

50Hertz Transmission's total revenues and other income rose compared to the first half of last year (up 4.9%). Total revenues are detailed in the table below.

Total revenue (in € million)	1H 2020	1H 2019	Difference (%)
Grid revenues	529.1	548.1	(3.5%)
Revenues from incentive regulation	374.1	382.3	(2.1%)
Revenues from offshore surcharge	155.0	165.8	(6.5%)
Energy revenues	112.4	81.1	38.5%
Other revenues (incl. transfer of assets from customers)	2.8	0.7	300.0%
Subtotal revenues	**644.3**	**629.9**	**2.3%**
Other income	38.2	34.9	9.5%
Net income (expense) from settlement mechanism	14.7	(0.1)	n.r.
Total revenue and other income	**697.2**	**664.7**	**4.9%**

Revenues from incentive regulation mainly consist of grid tariffs and are driven primarily by the regulatory remuneration for onshore activities (revenue cap).

Revenues from incentive regulation fell by €8.2 million as ongoing business growth from onshore investments (up €19.9 million) was eroded by lower volume effects compared to the first half of 2019 (down €28.8 million). The reimbursement for pass-through energy costs and other items is mostly in line with the previous year.

Revenues from offshore surcharge include all revenues derived from the offshore grid surcharge. This includes remuneration for 50Hertz's own costs, imputed remuneration related to the connection of offshore wind farms and offshore costs charged to 50Hertz by third parties, e.g. other TSOs.

Revenues from offshore surcharge fell (down €10.8 million) compared to the first half of 2019. The remuneration of 50Hertz's own offshore grid connection costs increased (up €15.0 million), driven by the ongoing offshore investments and the full commissioning of Ostwind 1 end of 2019. Pass-through of third-party costs fell compared to the same period last year (down €25.8 million).

Energy revenues include all operating revenues relating to system operation, which are usually linked to corresponding ancillary service costs charged on to third parties, such as redispatch measures, reserve power plants and balancing groups, but also include revenues generated from auctioning interconnector capacity.

Energy revenues rose by €31.3 million compared to the first half of 2019, mainly caused by higher costs for reserve power plants charged on to other TSOs (up €37.0 million). Furthermore, revenues from balancing groups (up €6.7 million) and congestion income (up €5.9 million) increased, partly offset by lower charges to other TSOs for redispatch measures (down €17.8 million)

Other revenues (including amortisation of transfer of assets from customers) rose compared to the first half of 2019 (up €2.1 million), mainly due to higher revenues generated from the European Inter-TSO Compensation mechanism.

Other income rose (up €3.3 million), as a result of higher own work capitalised following the increase in personnel costs.

The **net regulatory income (expense) from settlement mechanism** comprises both the annual offsetting of deficits and surpluses accounted for prior to 2020 (+€61.1 million) and the net surplus generated in the first half of 2020 between the costs allowed to be passed on in the tariffs and the actual costs (-€46.4 million).

EBITDA rose by €33.0 million (up 13.2%). Driven by the ongoing investment programme and growing asset base the investment remuneration totals to €141.3 million (up €27.4 million). Onshore contributed for €36.5 million (up €10.7 million), while the offshore remuneration amounted to €104.8 million (up €16.7 million), primarily due to the commissioning of the last Ostwind 1 cable and platform in December 2019. Furthermore, due to inflation adjustments the base year revenues rose (up €1.7 million). Compared to the first half of 2019, the operating expenses slightly increased. Personnel costs increased following continuous business growth (down €8.6 million), but are mostly offset by own work capitalized revenues rising as well (up €2.6 million) and a regulatory reimbursement of personnel costs relating to 2018 (up €4.6 million). IT and telecommunication cost rose due to our continuous efforts to become a digital TSO and expansion of the business (down €4.5 million). Finally, EBITDA was also affected by the release of a provision related to acceptance of historic costs by the regulator (up €8.9 million).

There was a less marked increase in **EBIT** (up €14.2 million) due to higher depreciations (down €18.3 million), following the commissioning of the last cables and platform of Ostwind 1 2019. No adjusted items were recognised in 2020.

The **adjusted net profit** rose by 11.8% to €94.5 million as a result of:

1. Higher offshore remuneration (up €11.8 million) driven by realisation of offshore investments and commissioning of the last cables and platform of Ostwind 1 end 2019
2. Higher onshore investment remuneration (up €7.5 million) following the execution of the onshore investment plan
3. The release of a provision following acceptance of costs by the regulator (up €6.3 million)

4. Higher financial result (up €2.0 million) mainly from lower interest expense on provisions and higher capitalised borrowing costs
5. Higher base year revenues due to inflation adjustments (up €1.2 million)
6. Higher onshore Opex (down €5.9 million)
7. Increased depreciation (down €12.9 million) following the commissioning of Ostwind 1.

Total assets were €636.0 million down on the year-end total for 2019, mainly due to a drop in EEG's cash (down €655.8 million). The high EEG cash-out also affected the **free cash flow** in the first half of 2020 which totalled -€680.4 million. An additional Revolving Credit Facility of €400 million was contracted to finance the EEG payments.

Furthermore, to finance the offshore grid connections Ostwind 1 and 2, a €750 million Green Bond with a term of 12 years and a fixed interest rate of 1.1% was successfully issued in May. **Net financial debt** subsequently, rose by €809.7 million mainly due to the financing of the ongoing investment programme and the high EEG cash-out. The EEG cash per June was in deficit totalling -€225.3 million. Any deficits from the EEG mechanism are temporary and are going to be settled with the surcharge revenues of the following year.

Operational

A net volume of 21.9 TWh was drawn off from the 50Hertz grid, 4.4% less than last year (22.9 TWh). In the first half of 2020, 50Hertz was again a net exporter of electricity, with net exports of 17.4 TWh (25.9 TWh in first half 2019). 11.5 TWh of electricity were imported and 28.9 TWh exported (6.8 TWh and 32.7 TWh in first half 2019). As of June 2020 the peak load was 7.9 GW (8.7 GW as of June 2019).

Investments

To meet grid users' requirements, 50Hertz Transmission invested €191.3 million in the first half of 2020, 67.7% more than in the first half of the previous year (€114.1 million).
In total, €139.9 million was invested in onshore projects, while offshore investments amounted to €51.4 million. The most significant onshore investments involved the DC line for the SuedOstLink (€17.1 million), the upgrading of high-voltage pylons to boost operational safety (€14.5 million), the 380 kV Cable in Berlin (€13.9 million) and the construction of the overhead line between Wolmirstedt and Güstrow (€13.5 million). Offshore investments mainly revolved around the Ostwind 2 offshore grid connection (€39.6 million).

2.1.C. Segment reporting non-regulated activities & Nemo Link

Highlights

- Strong operational performance for the first half of 2020 for Nemo Link interconnector, though the contribution to the Group's result was affected by a one-off preferred dividend to National Grid
- Higher holding costs as tax on hybrid and senior bond are not deductible given the absence of taxable profit

Key results

Non-regulated activities and Nemo Link key figures (in € million)	1H 2020	1H 2019	Difference (%)
Total revenue	15.4	4.2	266.7%
Equity accounted investees	1.8	3.8	(52.6%)
EBITDA	(0.8)	(1.3)	(38.5%)
EBIT	(1.0)	(1.5)	(33.3%)
Adjusted items	*(0.3)*	*(3.5)*	*(91.1%)*
Adjusted EBIT	(0.7)	2.0	(134.4%)
Net finance cost	(8.0)	(1.0)	700.0%
Income tax expenses	1.6	7.5	n.r.
Net profit	**(7.4)**	**4.9**	**(251.0%)**
Of which attributable to Elia Group	***(7.4)***	**5.0**	***(248.0%)***
Adjusted items	*(0.2)*	*0.0*	*n.r.*
Adjusted net profit	**(7.2)**	**4.9**	**(246.3%)**
Total assets	1,729.4	1,733.5	(0.2%)
Total equity	1,216.1	1,207.5	0.7%
Net financial debt	387.5	401.6	(3.5%)

See the glossary for the definitions
See section 4 for information on adjusted items
Comparative figures for Total assets, Equity and Net financial debt as at 31/12/2019

Non-regulated revenue increased compared to the same period last year, as a result of higher revenues generated by EGI (up €4.5 million) driven by owner engineering services, while the international consulting business was affected by the Covid-19 lockdown measures and intersegment transactions between Elia Group SA and Elia Transmission Belgium at the moment of the push down of the regulated activities to ETB at year end 2019. The effect of these intersegment transactions is disclosed in note 2.2. Segment reconciliation.

As an equity-accounted investment, the contribution of **Nemo Link** over the first half of 2020 was €1.8 million. Nemo Link delivered strong operational performance over the first half of 2020, with a very high overall availability of 99.86%, leading to a net profit of €12.7 million. However, the net contribution to the Elia Group was impacted by a one-off preferred dividend paid to National Grid (€9.1 million). In the past Elia and National Grid provided project services to Nemo Link. These services were reimbursed in 2019 by Nemo Link to Elia and pass-through to the tariffs, while National Grid opted for a one-off preferred dividend. From an operational view, Nemo Link has not been directly affected by the Corona-crisis but by its impact on the reduced UK - Belgium electricity consumption while production was affected by the high intake of renewables (wind and solar) on the Belgian grid which led to many hours of negative electricity prices during weekend and bank holidays. All in all, this resulted in higher price spreads between the UK and Belgium between mid-March and the end of May and a narrowing of the spread in June following a gradual recovery in power demand, lower wind output and outages at Belgian and French nuclear reactors, which drove up Belgian power prices.

Adjusted EBIT fell by €2.7 million. The decrease in adjusted EBIT compared to last year is mainly due to the lower contribution from Nemo Link (down € 2.0 million), operating costs linked to the holding activity (down €1.0 million) and re.alto (down €0.9 million) partially offset by a higher operational result for EGI (up €0.4 million) and lower other non-regulated costs (up €0.8 million).

Net finance cost rose to €8.0 million and primarily comprises the interest cost linked to the senior bond (€2.3 million), regulatory settlements for 2019 (€3.3 million) and the cost linked to Nemo Link private placement. Prior year financial result benefited from interest income on cash advances to Nemo Link during the construction phase (€3.2 million), which were reimbursed end of June 2019. Nemo Link is financed according to the regulatory framework (40% equity /60% debt).

Adjusted net loss fell to €7.2 million, mainly as a result of:

1. Higher holding cost (down €5.5 million) as tax on hybrid and senior bond are not deductible given the absence of taxable profit combined with operating costs linked to the holding
2. Lower contribution from Nemo Link (down €2.0 million)
3. Regulatory settlements for 2019 (down €2.7 million)
4. re.alto (down €0.9 million), due to operating expenses since its incorporation in August 2019
5. Other items (down €1.0 million) represent the funding cost for Nemo Link, slightly better performance by EGI and lower non-regulated costs.

Total assets remained stable (down 0.2%) at €1,729.4 million and net financial debt dropped slightly by €14.1 million.

2.2 Segment reconciliation

Consolidated results (in € million €) - Period ended 30 June 2020	Elia Transmission (a)	50Hertz Transmission (b)	Non-regulated activities & Nemo Link (c)	Consolidation entries & intersegment transactions (d)	Elia Group (a) + (b) + (c) + (d)
Net revenues	443.7	659.0	3.3	(1.1)	1,104.9
Other income	27.4	38.2	12.0	(6.2)	71.4
Depreciation, amortisation, impairment and changes in provisions	(92.5)	(119.4)	(0.1)	0.0	(212.0)
Results from operating activities	117.6	163.5	(2.8)	(0.0)	278.3
Share of profit of equity accounted investees, net of tax	1.1	0.0	1.8	0.0	2.9
Earnings before interest and tax (EBIT)	118.7	163.5	(1.0)	(0.0)	281.1
Earnings before depreciations, amortisations, interest and tax (EBITDA)	211.2	282.8	(0.8)	(0.0)	493.2
Finance income	0.5	0.6	0.1	0.0	1.2
Finance costs	(34.7)	(27.9)	(8.0)	0.0	(70.6)
Income tax expenses	(23.0)	(41.7)	1.6	0.0	(63.1)
Profit attributable to the owners of the company	**61.5**	**75.6**	**(7.4)**	**(0.0)**	**129.7**
Consolidated statement of financial position (in € million)	30.06.2020	30.06.2020	30.06.2020	30.06.2020	30.06.2020
Total assets	6,894.5	6,915.6	1,729.4	(559.5)	14,980.0
Capital expenditures	152.5	191.3	0.1	0.0	343.9
Net financial debt	3,123.9	2,917.8	387.5	0.0	6,429.1

3. OUTLOOK AND OTHER INFORMATION[4]

The first half of 2020 has been marked by the global health pandemic caused by the widespread outbreak of Covid-19. This has had a major impact on markets and on Belgian and global economies. Despite this unprecedented public health crisis, most of Elia Group's operational activities continued because of their socio-economic importance and the Group's vigorous efforts to ensure business continuity.

Elia Group has further assessed the potential quantitative impact of the situation resulting from the management of Covid-19 on its results. The Group concludes that given the largely regulated nature of its business in which it operates, the effect on the expected result for 2020 are not to have a material impact. **Elia Group** remains confident to realise an **Adjusted Return on Equity (ROE adj.[5]) between 6.5% and 7.5%.**

[4] The following statements are forward looking and actual results may differ materially
[5] Determined as the result attributable to ordinary shareholder/Equity to ordinary shareholders

— In **Belgium**, we remain confident in achieving a return on equity (ROE) of between 5% - 6%. Following the lock-down measures taken by the government, some constructions site were temporally stopped or delayed. Having invested €134.7 million in the first half of this year, we are on track to realise investments of €285 million.

— The result forecasts for **Germany** remain positive. Since the lockdown measures enacted in Germany differ to those in Belgium, work was able to continue at all construction sites or even accelerated, leading to investments expected to total around €725 million in 2020. We remain confident in our ability to deliver a return on equity in the upper end of the targeted 9%-11% range. The realisation of the investment programme is always prone to external risks.

The ROE at the level of Elia Group depends on the ROE of the regulated activities in Belgium and Germany, but also on the return of Nemo Link (which was impacted by the one-off preferred dividend paid to National Grid), the return of the non-regulated activities and the operating costs inherent to the management of a holding company. Taking all these elements into account, we remain confident in our ability to achieve an adjusted ROE between 6.5% and 7.5%**.**

4. ADJUSTED ITEMS – RECONCILIATION TABLE

(in € million) - Period ended 30 June 2020	Elia Trans-mission	50Hertz Transmission	Non-regulated (incl. Nemo)	Consolidation en-tries	Elia Group
Adjusted items					
Corporate reorganisation	0.0	0.0	(0.3)	0.0	(0.3)
Adjusted EBIT	**0.0**	**0.0**	**(0.3)**	**0.0**	**(0.3)**
Adjusted financial costs	0.0	0.0	0.0	0.0	0.0
Total before tax on adjusted items	**0.0**	**0.0**	**(0.3)**	**0.0**	**(0.3)**
Tax impact	0.0	0.0	0.1	0.0	0.1
Net profit – adjusted items	**0.0**	**0.0**	**(0.2)**	**0.0**	**(0.2)**

(in € million) - Period ended 30 June 2019	Elia Trans-mission	50Hertz Transmission	Non-regulated (incl. Nemo)	Consolidation en-tries	Elia Group
Adjusted items					
Regulatory settlements (*)	0.0	(3.1)	0.0	0.0	(3.1)
Regulatory compensation for acquisition	0.0	0.0	(2.2)	0.0	(2.2)
Corporate reorganisation costs	0.0	0.0	(1.3)	0.0	(1.3)
Adjusted EBIT	**0.0**	**(3.1)**	**(3.5)**	**0.0**	**(6.6)**
Non-recurring financial cost	0.0	0.0	0.0	0.0	0.0
Total Before tax on adjusted items	**0.0**	**(3.1)**	**(3.5)**	**0.0**	**(6.6)**
Tax impact	0.0	0.9	3.5	0.0	4.4
Net profit – adjusted items	**0.0**	**(2.2)**	**0.0**	**0.0**	**(2.2)**

(*) Since year end 2019 these items are regarded as a non-adjusted item and directly reported in the adjusted EBIT and Adjusted net profit.

5. FINANCIAL CALENDAR

Analyst Conference Call	29 July 2020
Quarterly Statement Q3 2020	25 November 2020
Publication of 2020 Results	5 March 2021
Publication of 2020 Annual report	16 April 2021
General Meeting of Shareholders	18 May 2021
Quarterly Statement Q1 2021	19 May 2021
Ex-dividend date	28 May 2021
Record date	31 May 2021
Payment of dividend for 2020	1 June 2021

6. USEFUL LINKS

— **Press release**
— Find the HY financial reports on Elia Group **website**
— Elia Group will host a **conference call** for institutional investors and analyst today 29 July at 14:00 p.m. CET.
— **2019 annual report**

Disclaimer/ Forward Looking statement

Certain statements in this press release are not historical facts and are forward-looking statements. From time to time, the Company may make written or oral forward-looking statements in reports to shareholders and in other communications. Forward-looking statements include, but is not limited to, the estimates of revenues, operating margins, capital expenditures, cash, future liquidity, working capital, and capital requirements, the Company's ability to raise capital and debt, other financial information, expected legal, political or regulatory evolutions, in Belgium and in and outside Europe, and other such estimates and evolutions, including amongst others the uncertainty with respect to the necessary regulatory approvals of costs and terms and conditions related to the operation of the grid, the expected development of the Company's business, projects, joint ventures and other co-operations, the execution of the Company's vision and growth strategy, including with respect to future M&A activity and global growth. Words such as "believe", "anticipate", "estimate", "expect", "intend", "predict", "project", "could", "may", "will", "plan", "remain confident" and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. Investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. When relying on forward-looking statements, investors should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social, industry and legal environment in which the Company operates. Such forward-looking statements speak only as of the date on which they are made. Accordingly, the Company does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise, other than as required by applicable laws, rules or regulations. The Company makes no representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.

GLOSSARY

Adjusted items

Adjusted items are those items that are considered by management not to relate to items in the ordinary course of activities of the Group. They are presented separately as they are important for the understanding of users of the consolidated financial statements of the performance of the Group and this compared to the returns defined in the regulatory frameworks applicable to the Group and its subsidiaries.

Adjusted items relate to:

- Income and expenses resulting from a single material transaction not linked to current business activities (e.g. change in control in a subsidiary)
- changes to the measurement of contingent considerations in the context of business combinations;
- Restructuring costs linked to the corporate reorganisation of the Group (i.e. reorganisation project to isolate and ring-fence the regulated activities of Elia in Belgium from the non-regulated activities and regulated activities outside Belgium

Adjusted EBIT

Adjusted EBIT is defined as EBIT excluding the adjusted items.
EBIT (Earnings Before Interest and Taxes) = adjusted result from operating activities, which is used to compare the operational performance of the Group over the years. The adjusted EBIT is calculated as total revenue less costs of raw materials, consumables and goods for resale, services and other goods, personnel expenses and pensions, depreciations, amortizations and impairments, changes in provisions and other operating expense and plus the share of equity accounted investees – net and plus or minus adjusted items

Adjusted net profit

Adjusted net profit is defined as net profit excluding the adjusted items. The adjusted net profit is used to compare the performance of the Group over the years.

CAPEX (Capital Expenditures)

CAPEX (Capital Expenditures) = Acquisitions of fixed assets (a.o. property, plant and equipment and intangible assets) minus proceeds from sale of fixed assets. Capital expenditures, or CAPEX, are investments realised by the Group to acquire, upgrade, and maintain physical assets (such as property, buildings, an industrial plant, technology, or equipment) and intangible assets. CAPEX is an important metric for the Group as it affects its Regulated Asset Base (RAB) that serves as basis for its regulatory remuneration.

EBIT

EBIT (Earnings Before Interest and Taxes) = result from operating activities, which is used for the operational performance of the Group. The EBIT is calculated as total revenue less costs of raw materials, consumables and goods for resale, services and other goods, personnel expenses and pensions, depreciations, amortizations and impairments, changes in provision and other operating expense and plus the share of equity accounted investees.

EBITDA

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisations) = results from operating activities plus depreciations, amortization and impairment plus changes in provisions plus share of profit of equity accounted investees. EBITDA is used as a measure for the operational performance of the Group, thereby extracting the effect of depreciations, amortization and changes in provisions of the Group. EBITDA excludes the cost of capital investments like property, plant, and equipment.

Equity attributable to the owners of the company

Equity attributable to ordinary shareholders and hybrid security holders, but excluding non-controlling interests.

Financial Leverage

Financial Leverage (D/E) = Gross financial debt divided by shareholders' equity (where both metrics include non-controlling interests and hybrid instruments). The Financial Leverage provides an indication of the extent to which the Group uses financial debt to finance its operations relative to equity financing. It is hence considered by investors as an indicator of solvency.

Free cash flow

Free cash flow = Cash flows from operating activities minus cash flows from investment activities. Free cash flow provides an indication of the cash flows generated by the Group.

Net finance costs

Represents the net financial result (finance costs plus finance income) of the company.

Net financial debt

Net Financial Debt = Non-current and current interest-bearing loans and borrowings (incl. lease liability under IFRS 16) minus cash and cash equivalents. Net financial debt is an indicator of the amount of interest-bearing debt of the Group that would remain if readily available cash or cash instruments were used to repay existing debt.

Regulatory Asset Base (RAB)

Regulated asset base (RAB) is a regulatory concept and an important driver to determine the return on the invested capital in the TSO through regulatory schemes. The RAB is determined as follows: RABi (initial RAB determined by regulator at a certain point in time) and evolves with new investments, depreciations, divestments and changes in working capital on a yearly basis using the local gaap accounting principles applicable in the regulatory schemes. In Belgium when setting the initial RAB, a certain amount of revaluation value (i.e. goodwill) was taken into account which evolves from year to year based on divestments and/or depreciations

Return on Equity (adj.) (%)

Return on Equity (RoE adj.) = Net profit attributable to ordinary shareholders divided by equity attributable to ordinary shareholders. The return on equity is adjusted to exclude the accounting impact of hybrid securities in IFRS (i.e. exclude the hybrid security from equity and consider the interest costs as part of comprehensive income). The RoE adj. provides an indication of the ability of the Group to generate profits relative to its invested equity.

Net debt / EBITDA

Net debt / EBITDA = Net financial debt divided by EBITDA (see definition stated above).The net debt / EBITDA ratio provides an indication of the number of years it would take for the Group to pay back its interest-bearing debt net of cash based on its operational performance.

EBITDA / Gross interest

EBITDA / Gross interest = EBITDA (see definition above) divided by the pre-tax interest charges. The EBITDA-to-interest coverage ratio expresses to what extent the operational performance enables to pay off annual interest expenses.

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 Group, a listed company whose core shareholder is the municipal holding company Publi-T.

More information: eliagroup.eu

Contact

For further information please contact:
Investor Relations
Yannick Dekoninck | **M** +32 (0) 478 90 13 16 | investor.relations@eliagroup.eu
Stéphanie Luyten | **M** +32 (0) 467 05 44 95 | investor.relations@eliagroup.eu
Communication & Reputation Marleen Vanhecke | **M** +32 (0) 486 49 01 09 | marleen.vanhecke@elia.be