2020: strong operational performance in a very challenging environment

Financial results in line with prior years despite negative Covid-19 impacts

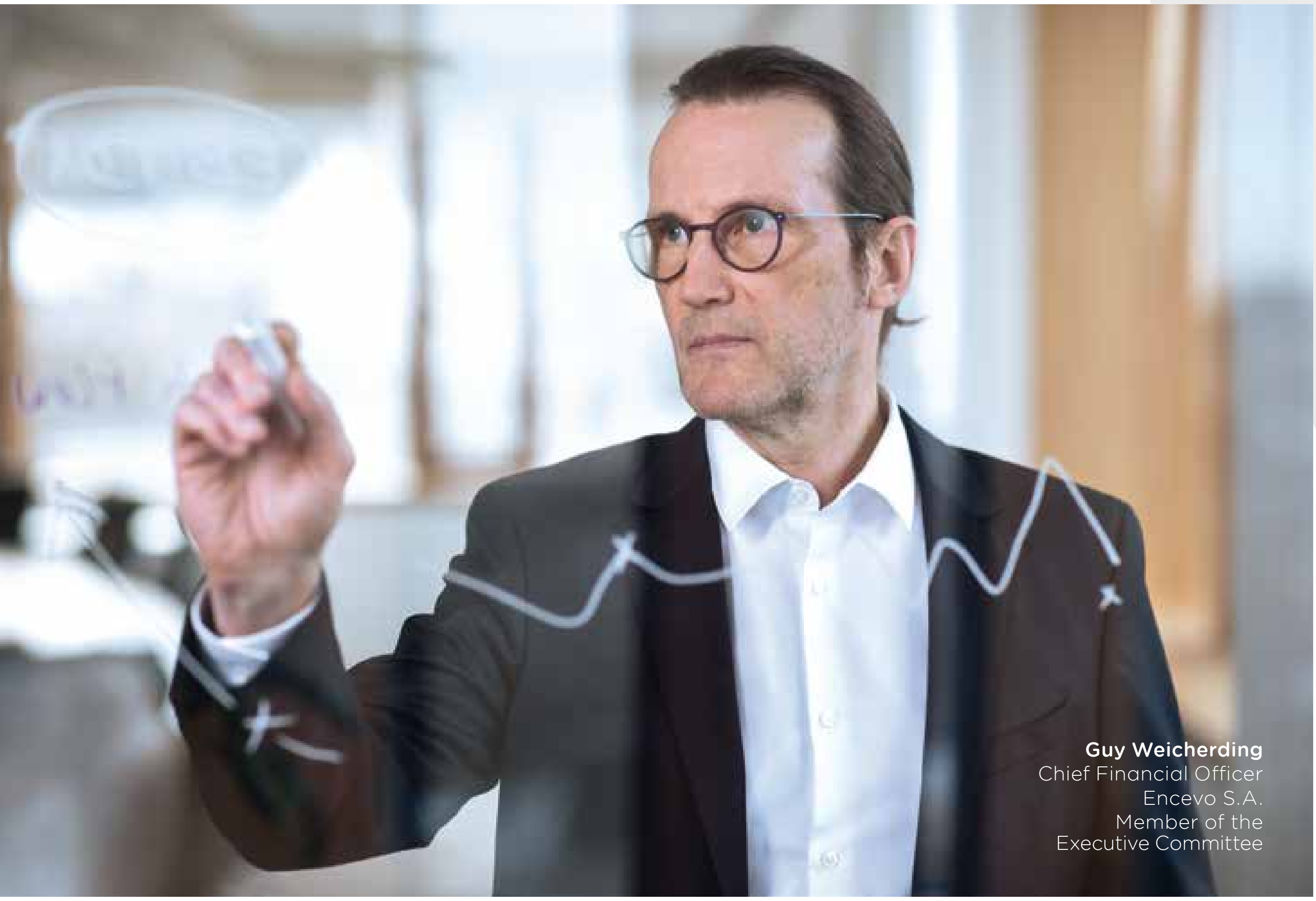
The group's operational results (i.e. EBITDA of EUR 223.3 million) are in line with expectations. This was slightly higher than 2019 figures, despite negative impacts from the pandemic during the spring of 2020, which caused quite an economic downturn. The majority of this was in sales to large businesses, as COVID-19 caused a decrease in energy consumption in that sector.

Position handling was a key factor. The Energy Management & Trading teams benefited from high price volatility in power and gas to partly counter-balance these negative volume effects.

Grid and renewable activities were less impacted by the pandemic, and thus contributed to year-on-year EBITDA growth. Continued high capex in grid, and improved performance of all categories of renewable assets, in nearly all locations, combined with a focus on cost control throughout the group, led to improved results which further offset negative COVID-19 impacts in sales.

Overall investment activity was high during the year. Encevo achieved a new record level of EUR 252 million, some EUR 50 million above 2019. Of note was the approximately EUR 180 million invested in grid, and some EUR 40 million spent to further grow in the area of technical services in Luxembourg.

Two major impairments negatively impacted the EBIT and the net profit in 2020. First, as a consequence of adverse market conditions, the



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remaining book value of our lignite-based power supply contract was written off. Second, in the context of a strategic review, we took the decision to exit from our B2B sales activities in Germany. We booked a provision for the planned sale of that activity in 2021. These 2 negative effects were partially offset by 2 positive exceptional items regarding our Italian PV assets following the positive judgement rendered by the Appeal Court in Italy in January 2021, and by the revaluation of the group's deferred tax liabilities. Excluding the net effect of all extraordinary items (EUR -34.7 million), the group's net profit for the year amounted to EUR 72.9 million, some EUR 9 million above 2019.

Solid cash management has led to lower working capital and strong operating cash flow

Over and above continued 2020 investment, the group sustained sufficient cash generation to finance its activities. The operating cash flow of EUR 262 million exceeded the 2019 amount by EUR 46 million. This was largely due to strongly improved working capital. Free cash flow of EUR 36.2 million, was also positive despite record levels of capex, but decreased by EUR -42 million compared to 2019. The latter year's performance was boosted mainly by the proceeds of the sale of (non-strategic) assets, such as the biogas plants in Germany and Belgium.

Consequently, consolidated net financial debt stayed flat at EUR 466 million at the end of 2020, and gearing – the ratio of net financial debt to total equity – slightly decreased to 34.7%. Both indicators were at their lowest level since 2012.

Capital and reserves remain high at EUR 1,344 million. This represents 49.2% of total assets, nearly unchanged from 49.5% in 2019, illustrating the group's continued strong balance sheet.

Stability expected for 2021, while investments should further increase

Even though most European countries were still suffering from partial lockdowns in the first quarter of 2021, we remain cautiously optimistic that 2021 will be in line with 2020. Although the pandemic may seem to continue its grip on Europe throughout most of 2021, we don't expect a major downturn in our activities. The group will continue its path of high investment in grid infrastructure. It will intensify its efforts in developing renewable projects in its core markets of Luxembourg, Germany, and Belgium-Netherland, as well as beginning these activities in France.

In addition to this high investment activity, the group's focus shall continue to be on accompanying its customers on their digital journey towards more efficient and sustainable energy consumption. We will offer additional services and increased renewable generation capabilities, while ensuring overall competitive sourcing.

Particular attention will remain on the evolution of market prices (i.a., CO_2 certificates) in order to manage the risks that the group encounters with its lignite based power supply contract.

Given the insight gained from the first months of 2021, we expect to maintain our financial performance from prior years at operational level. Due to another increase in the group's investments, the need for accessing the debt capital markets will arise in Q4/2021 or at the latest in the first half of 2022

Key figures consolidated	**2020**	**2019**
Sales volume gas (TWh)	24.1	25.7
Sales volume electricity (TWh)	10.9	13.1
Sales (EUR millions)	1,998.1	2,105.9
EBITDA	**223.3**	**211.9**
Operating cash flow	**262.2**	**216.1**
Free cash flow	**36.2**	**78.0**
Net profit for the year	**38.2**	**67.9**
Total Assets	2,728.7	2,685.1
Capital and reserves	1,343.8	1,328.6
Net financial debt(*)	466.2	469.1
as a % of capital and reserves (Gearing ratio)	*34.7%*	*35.3%*
Capital expenditures	252.1	202.1

* including finance leasing obligations and net of cash and marketable securities