



REGULATED INFORMATION – 10 September 2020

Moody's affirms A3 rating of Fluvius, changes outlook from stable to negative

The rating agency Moody's Investors Service ('Moody's') has affirmed the A3 issuer rating of Fluvius System Operator cv ('Fluvius'), but changed its rating outlook from stable to negative.

This outlook change is based on Moody's expectation that, following the Flemish energy regulator VREG's decision on the 2021-2024 tariff methodology for electricity and gas distribution, Fluvius's credit metrics may no longer meet the guidance for the current rating over the upcoming tariff period. In Moody's view, VREG's tariff decision will result in a significant reduction of earnings and a decrease of the remuneration to be received by Fluvius. At the same time, Moody's recognizes increasing investment requirements for the energy transition and the smart metering roll-out. Fluvius will also face more demanding operating efficiencies.

Fluvius's management – in consultation with the representatives of its shareholders – remains committed to bring high-quality, cost efficient and future-proof utility services to the Flemish region. Its A3 rating continues to reflect the company's robust credit profile. Fluvius's financial policy remains unambiguously focused on maintaining a solid investment grade rating.

Fluvius System Operator CV and its consolidated affiliates (the 'Fluvius Group' or the 'Group') is the independent multi-utility company which is responsible for the operational services and public service obligations at cost price for eleven Flemish intermunicipal utilities: Fluvius Antwerpen, Fluvius Limburg, Fluvius West, Gaselwest, Imewo, Intergem, Iverlek, PBE, Riobra and Sibelgas. Fluvius is thus responsible for building, managing and maintaining distribution grids for electricity, gas, sewerage, cable distribution and district heating, and it manages the municipal public lighting. In total, the Group manages more than 230.000 km of utility lines and 7 million connections. Fluvius has operations in all 300 Flemish municipalities.

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