

Analyst &
Investor
Call

26.07.2023

2023: Elia Group's Half-year Results





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Agenda

01. Highlights
02. Half-year results
2023
03. Outlook



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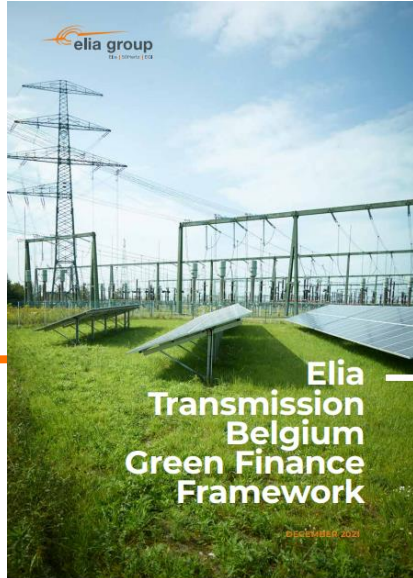
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01.

Highlights

Elia Group bolstered its liquidity position

January



Green Bond

Portfolio of green projects

€500m | 3.6%
10Y

March

Elia Group Hybrid securities

Partial refinancing

€500m | 5.8%
5.25y



March



Eurogrid Green Loan

Baltic Sea offshore grid connection

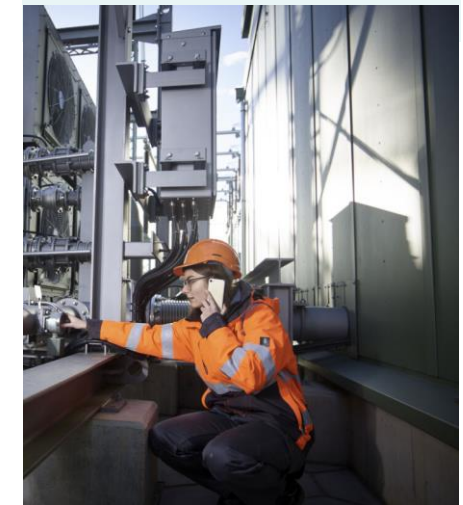
€600m | 10Y

April

Eurogrid Bond

Refinancing of bond due in November

€650m | 3.7%
7Y



Half-year results 2023: key figures



Investments¹

€821.3 million

+31.7% yoy

Net profit Elia Group share²

€162.5 million

+3.2% yoy

Increase of ICP³ to

€200/TCO₂eq



Top Employer Score⁴

88%



Increase in « diversity & inclusion » and « sustainability »

1. Includes 100% of investments realised by 50Hertz
2. Net profit Elia Group share refers to the net profit attributable to owners of ordinary shares

3. Internal Carbon Price
4. Top Employer Score for Elia Transmission Belgium

Groene transitie doet Nederlands elektriciteitsnet vollopen

ENERGIE In Zeeland kunnen nieuwe bedrijven zich niet meer aansluiten op het elektriciteitsnet: de maximumcapaciteit is er bereikt. Andere Nederlandse provincies kampen met hetzelfde probleem, en ook Vlaanderen staat voor grote uitdagingen.

In Nederland botst de groene transitie steeds vaker op de gevolgen van haar eigen succes. Grote bedrijven maken hun productproces duurzamer en gezinnen schaffen zich een warmtepomp of elektrische auto aan. De druk om elektrisch te gaan, is er net iets groter dan in Vlaanderen, omdat Nederland huizen volledig wil afkoppelen van het gas. Er zijn al 1 miljoen warmtepompen geïnstalleerd. Nederland is ook Europees koploper als het gaat om het aantal zonnepanelen per inwoner – België staat op plaats vier. Het aantal elektrische auto's is er in tweeën-half jaar tijd verdrievoudigd.

Bovendien rolde het land jaren geleden de rode loper uit voor grote datacenters die gigantisch veel elektriciteit slurpen. Dat van Google in de provincie Groningen heeft bijvoorbeeld een vermogen van 130 megawatt groene stroom. Dat dekt ongeveer het verbruik van alle huishoudens in Maastricht.

De gevolgen daarvan laten zich nu voelen. In steeds meer provincies zit het elektriciteitsnet aan zijn maximumcapaciteit. In de provincie Zeeland kregen grote bedrijven woensdag de boodschap dat ze voorlopig geen aansluiting meer

krijgen. Grootverbruikers die al op het net zitten maar willen uitbreiden, moeten ook wachten. Het elektriciteitsnet is vol, aldus netbeheerder TenneT. Voor kleine bedrijven en huishoudens is er wel nog plaats. Hoelang de stop duurt, is niet bekend.

Slachtoffer van ligging

Het aantal aanvragen is dan ook gigantisch. Bij TenneT liggen op dit moment aanvragen op tafel voor 3,5 gigawatt aan extra vermogen. 'Dat is vergelijkbaar met acht keer het huidige verbruik van de provincie Zeeland', aldus een woordvoerder. Zeeland wordt 'slachtoffer' van zijn ligging. Het aantal bedrijven dat zich in de provincie wil vestigen neemt snel toe, en daarbij speelt de groene transitie een belangrijke rol. In Zeeland staan immers veel windmolens, en energie-intensieve bedrijven willen dicht bij die energiebron zitten. Er zijn drie fabrieken voor de productie van groene waterstof gepland en er liggen ook plannen klaar om een superbatterij te bouwen die met wind opgewekte stroom kan opslaan.

Het probleem komt niet uit de lucht vallen. Minister van Klimaat

en Energie Rob Jetten (D66) stelde vorig jaar al een speciale gezant aan om de situatie zo snel mogelijk te fiksen en te voorkomen dat ook de rest van Nederland in de problemen zou komen. TenneT werkt hard aan de uitbreiding van de capaciteit – de komende jaren wordt

Over tien jaar zal het elektriciteitsverbruik in België met de helft gestegen zijn, becijferde Elia

13 miljard geïnvesteerd – maar de vraag is gewoon veel groter.

Het probleem blijft niet beperkt tot Zeeland. In juni vorig jaar slibde het hoogspanningsnet in de provincies Noord-Brabant en Limburg al dicht. Ook toen kondigde TenneT een tijdelijke stop op aansluitingen aan. Bedrijven werden aangemaand hun stroomgebruik beter te spreiden. Dat bood even soelaas, maar drie weken geleden

kregen de grote bedrijven er alweer te horen dat ze niet meer moeten rekenen op een nieuwe aansluiting. In Noord-Brabant geldt de aansluitingsstop zelfs voor de komende jaren. Ook in Overijssel, Gelderland, Flevoland en Noord-Holland zit het netwerk op zijn limiet.

Ventilus

In Vlaanderen is het probleem nog niet acuut. Op enkele plaatsen in landelijke zones wordt het krap, maar voorlopig kunnen bedrijven zich nog blijven aansluiten. Maar er zijn absoluut investeringen nodig om het netwerk robuuster te maken. Vorige maand maakte Fluvius de plannen bekend. De komende tien jaar wordt 4 miljard geïnvesteerd. 40 procent van de laagspanningsnetten, 13 procent van de middenspanningsnetten en 1 op de 3 elektriciteitscabines moeten worden versterkt. Fluvius is daarover in gesprek met de gemeentebesturen.

Vlaanderen voerde dit jaar ook het capaciteitstarief in. Dat heeft tot doel pieken te vermijden, waardoor er op het bestaande netwerk meer elektriciteit gespreid vervoerd kan worden. De vraag is af

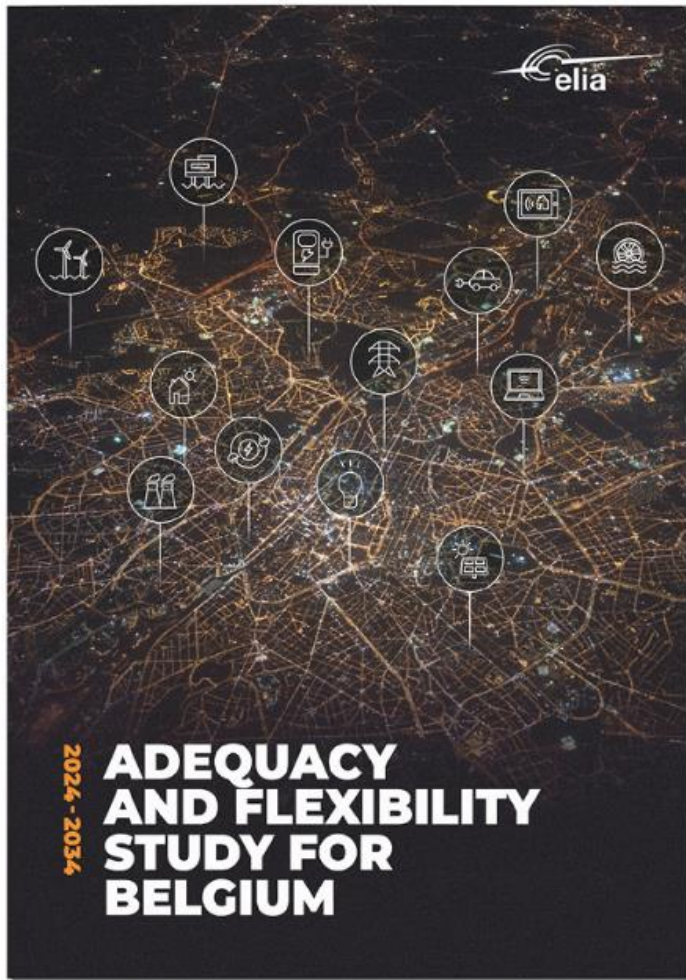
dat zal volstaan. In Nederland zijn in elk geval te weinig bedrijven bereid vrijwillig hun stroomverbruik te spreiden. Sommige bedrijven kunnen het ook niet.

De vraag naar elektriciteit zal ook in België de komende jaren alleen maar groter worden, becijferde Elia. Over tien jaar zal het verbruik met de helft gestegen zijn. De stroom zal ook steeds meer van windparken op zee komen. De grootste uitdaging voor Vlaanderen wordt om die stroom aan land te krijgen. Het Ventilus-project speelt daarbij een cruciale rol. Als dat niet tijdig klaar raakt, zullen we te weinig elektriciteit hebben.

Ook wereldwijd zal de vraag spectaculair toenemen. Volgens het Internationaal Energieagentschap zal de wereld volgend jaar drie keer het huidige jaarlijkse stroomverbruik van Duitsland extra nodig hebben. In Europa komt dat vooral door de groene transitie. In China en India zal vooral de vraag naar koelsystemen enorm toenemen.

Dominique Minten

Adequacy and flexibility study for Belgium



4.9. SUMMARY AND RECOMMENDATIONS BASED ON THE EU-SAFE SCENARIO

A summary of the amount of new capacity required to meet Belgium's reliability standard is included in Figure 4-50 for the EU-SAFE scenario. These requirements were determined considering an availability rate of 100% and in line with the assumption that all existing capacity stays in the market (unless their closure has officially been communicated) while taking into account new capacities contracted under the CRM and the extension of nuclear power from 2026-27 onwards.

The required new capacity volume can be split into three categories:

- **additional capacity already contracted in previous CRM auctions with a long-term contract; this amounts to 1700 MW derated (MWd) from 2025-26 onwards;**
- **additional capacity from the nuclear extension of 2 GW from 2026-27 onwards, as assumed in the CENTRAL scenario; this amounts to 1700 MWd;**
- **additional new capacity required** on top of the previous two categories, including those to **cover the risks outside of Belgium's control** justified by the country's very strong dependence on imports, among the different sensitivities that are simulated, the representative sensitivity FD-NUCC determines the **EU-SAFE scenario**.

FIGURE 4-50 — GAP EVOLUTION IN THE EU-SAFE SCENARIO

Concerning the results and looking at the EU-SAFE scenario (this scenario also corresponds to the scenario that was chosen as reference scenario for the CRM calibration of the V-4 auction relating to the 2027/28 delivery year), three periods can be distinguished:

1. **The 2025-26 winter, right after the nuclear phase-out:** The study identifies a need for an additional 2000 MW of capacity for the winter of 2025-26. However, sensitivity analysis determines that it will be impossible to meet this need by developing new capacities within a timeframe of less than 2 years.
 - existing capacities: there are 500 MWd of existing capacities that are either scheduled for closure or are currently functioning as backup for other capacities; these include Wilvaarde and Rodenhuizer;
 - new DSR and batteries: based on the potential identified in this study, it is estimated that around 700 MWd could be generated by winter 2025-26 through the development of DSR programs and large-scale batteries; however, it should be noted that constructing and developing large-scale batteries also requires a certain amount of time.
2. **The period from 2026 to 2027, prior to the new offshore wind commissioning and start-up:** Despite the introduction of the above measures, it is clear that they will not be able to bridge entire 2000 MW gap. Therefore, the solution lies in implementing the extension of two nuclear units in such a way that the units remain available during the winter periods from 2025-26 onwards. This option is commonly referred to as the Flex70 option.
3. **The period from 2026 to 2029, prior to the new offshore wind commissioning and start-up:** Starting from the winter of 2025-26, the need for additional capacity is seen to increase by approximately 700 MW per year.
 - This increase will primarily be driven by the electrification of three segments: heating in buildings (via HGI), electric mobility and industry. The assumed new flexibility measures have already been taken into account for these three segments in the CENTRAL scenario. The CENTRAL scenario is aligned with the recently published regional and federal

climate plans for heating in buildings and electric mobility. As for industry, 85% of the increase in 2028 can be explained by recent client information provided to Elia. It is important to note that the latest client information does not include any projects taking place along DSO grids (as these are not known to Elia) but they are included in the total load estimates.

Another factor contributing to the increased need for capacity will be the reduction in cross-border contributions, as other countries also electrify and close their thermal power plants. The surplus energy available in 2025 will gradually diminish in the lead up to 2029, further exacerbating the GAP that needs to be filled in Belgium.

To address the CAP, several new technologies can be considered, including:

- new large-scale batteries: these can provide additional capacity and flexibility to the grid;
- new DSR: in addition to the already assumed DSR measures, the further implementation of DSR programmes can contribute to filling the CAP;
- new thermal generation: this involves developing new thermal power generation facilities to meet the growing demand.

Looking ahead to 2029 the identified GAP for new capacities will reach 2,000 MW. This underlines the urgency and importance of implementing appropriate measures to ensure a reliable and sufficient power supply in Belgium.

After 2029, the additional capacity required will stabilize if:

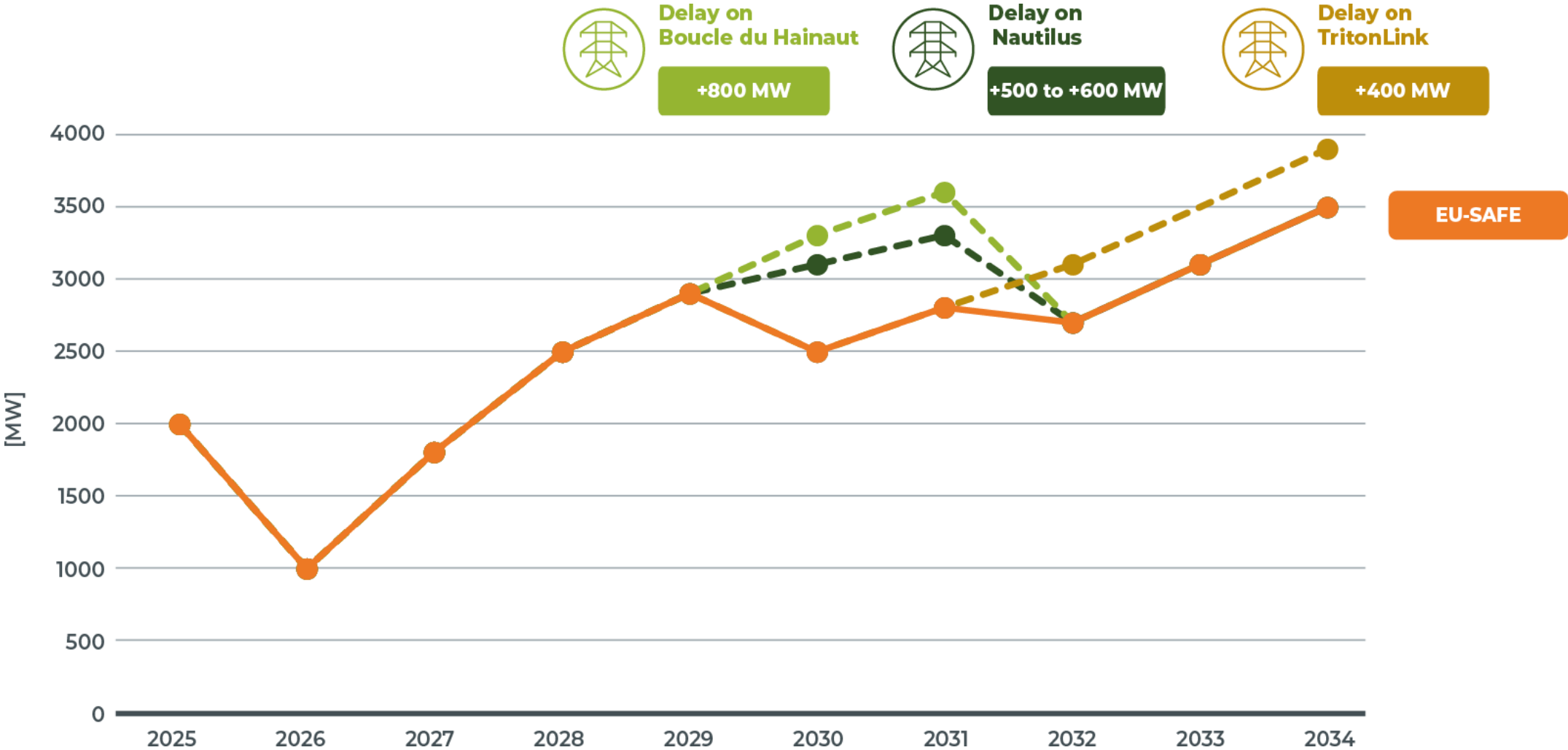
- the assumed grid infrastructure projects (Brulle Du Hainy, Nieuw, Tittenhain and FES) developments in the off-shore DCZ are realised on time; these investments in grid infrastructure and renewable energy will help to compensate for the increase in electrification, ensuring a balanced supply and demand;
- the assumed flexibility from newly electrified processes in industry is harvested; if this does not occur, the need will increase by at least 1000 MW (Low flex industry) or even 2,000 MW (No flex industry) in 2034.

It is important to note that the need for additional capacity in Belgium calculated in this study assumes that all currently existing capacities in Belgium will remain online. Given that these assets are ageing, and some of them will soon need to be refurbished, important investments will be required to keep them going or replace them.

242 | ADEQUACY NEED ASSESSMENT

243 | ADEQUACY & FLEXIBILITY STUDY 2024-2034

Impact of grid infrastructure delays on adequacy (volume gap)



Total Return

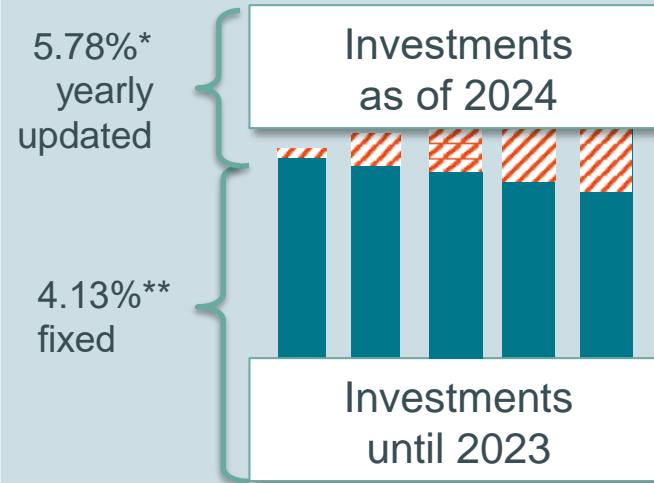
2019-2023
Average RoE

~9%-11%

2024-2028
Average RoE
(set in Nov 2021)

~7%-9%

First proposal RoE onshore by BNetzA as of 2024



*RoE post tax; including corporate tax 7.09%
**RoE post tax; including corporate tax 5.07%

Next steps

Aug 2023

Deadline for submitting feedback public consultation onshore proposal

Oct 2023

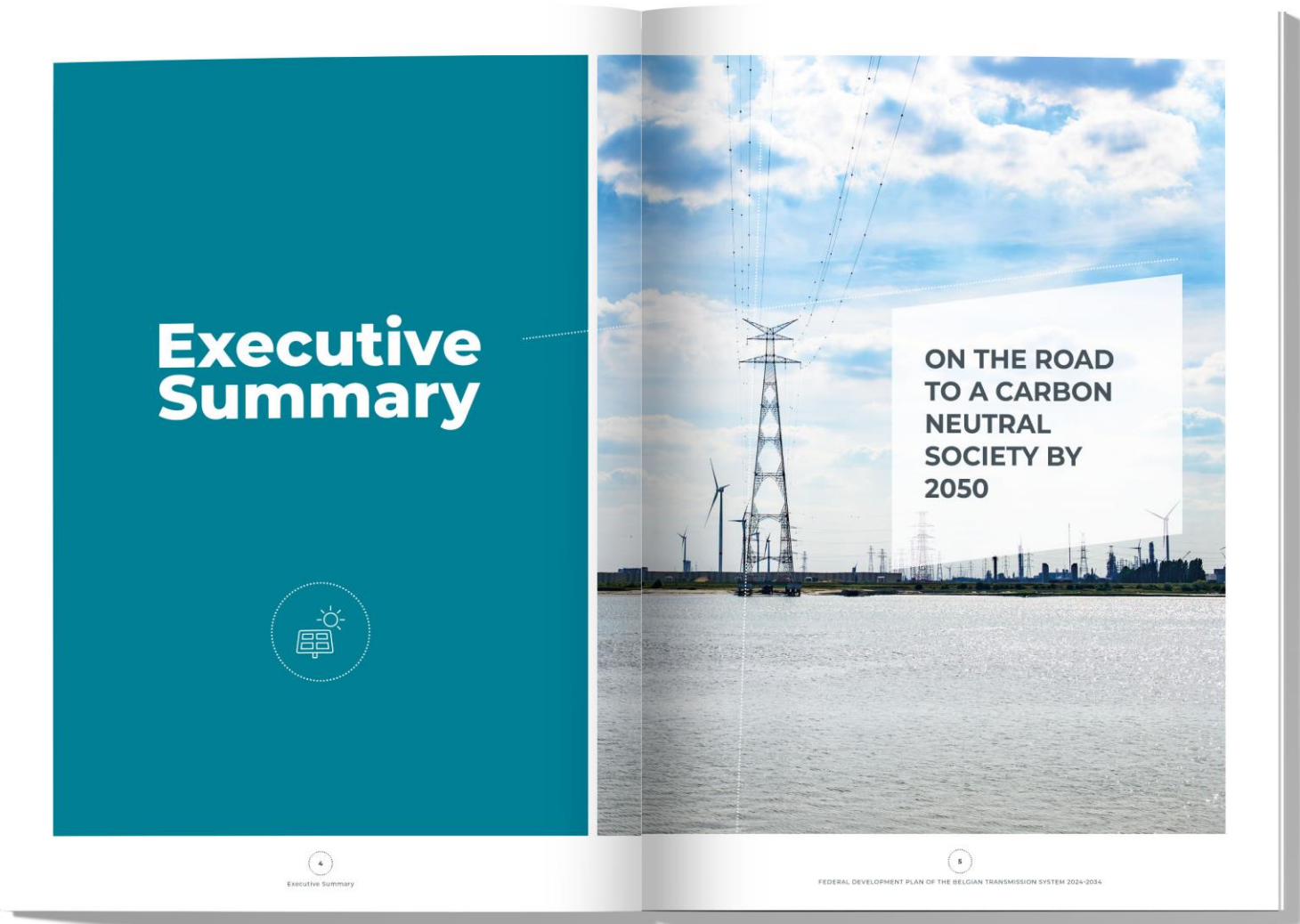
Consultation process for offshore investments

End 2023

Cost report and determination of efficiency value & sector productivity factor

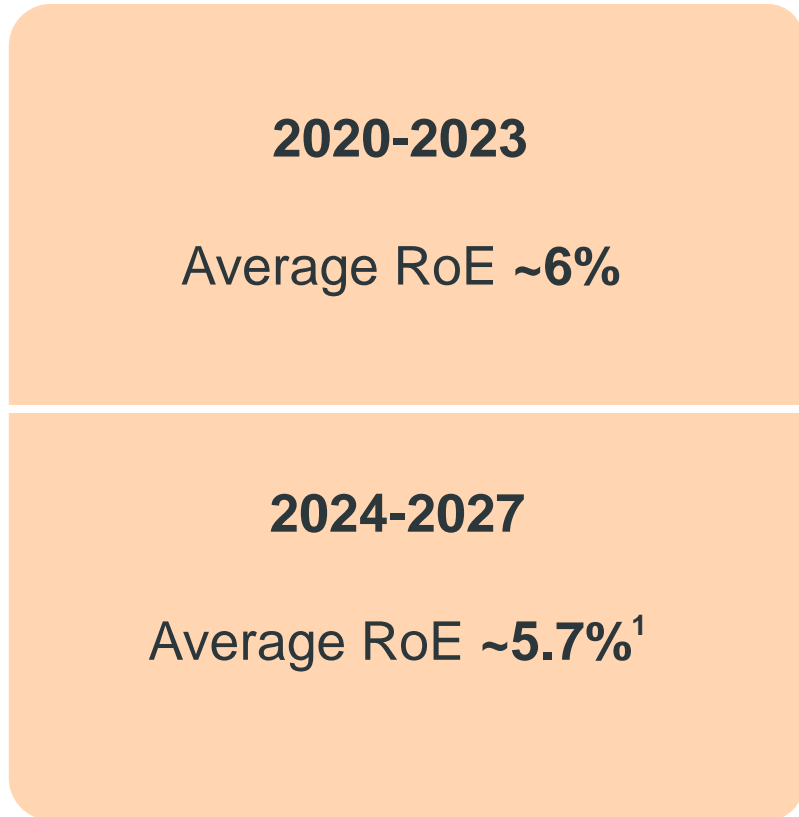
End 2023

Final publication



Total Return

Process towards regulatory period 2024-2027



1. Based on the parameters described in the methodology published on 4 July 2022, average RoE is based on BEGAAP figures.

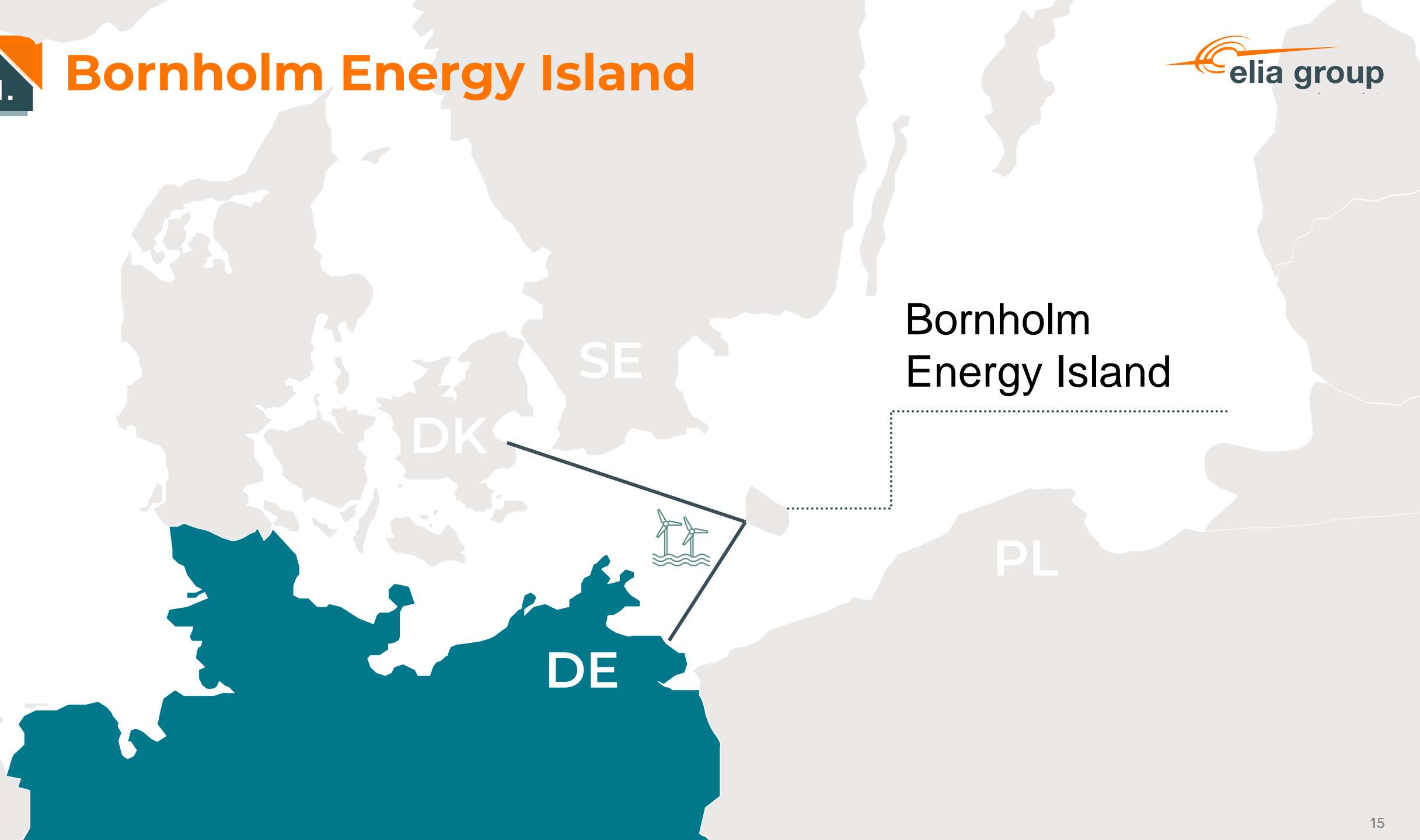
01.

Intergovernmental agreement GE-DK Bornholm Energy Island



01.

Bornholm Energy Island



02.

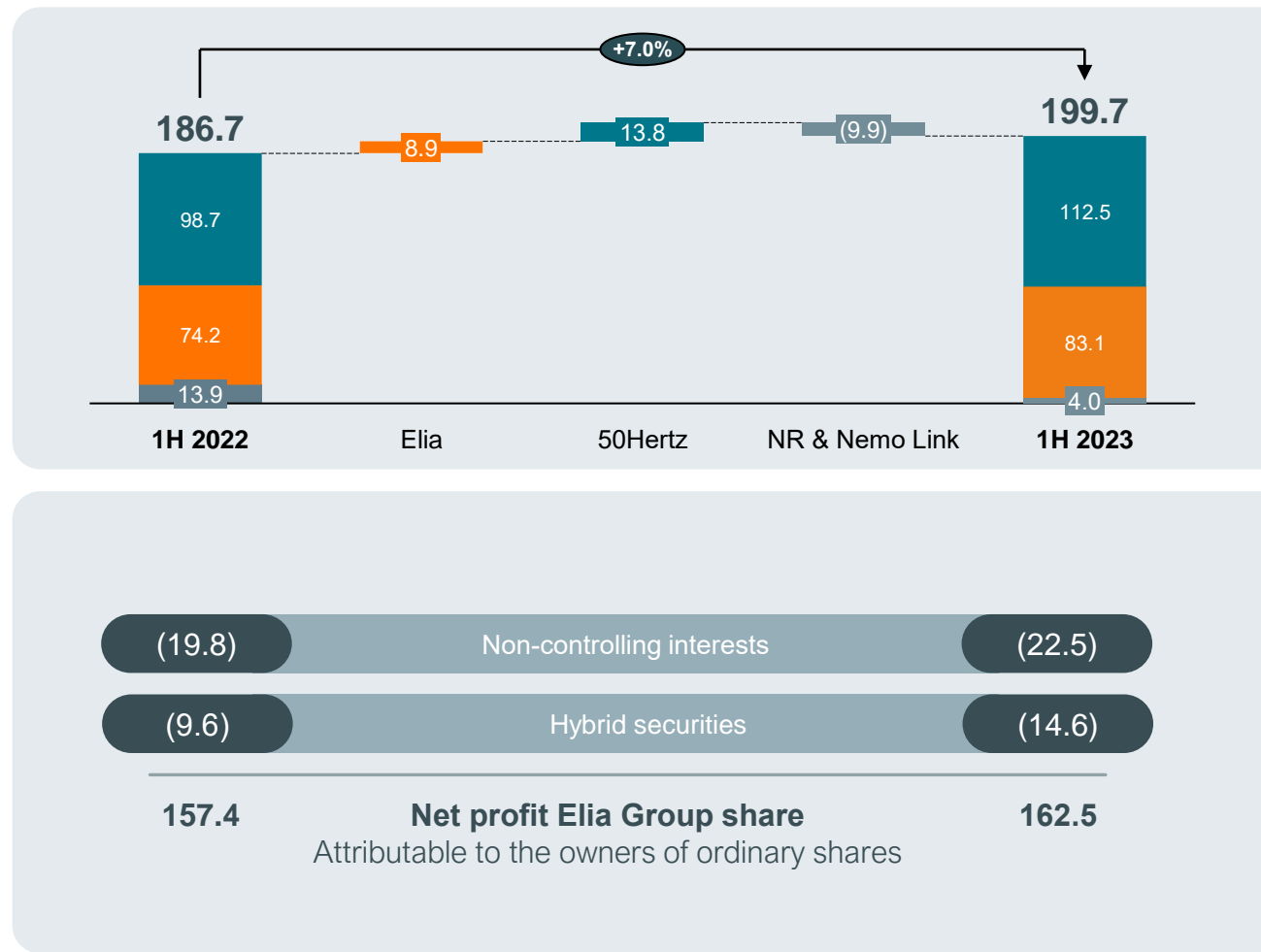
Half-year Results 2023



Key figures

<p>Revenues</p> <p>€1,889.3 million</p> <p>(3.2%) yoy</p>	<p>EBIT</p> <p>€336.3 million</p> <p>+13.5% yoy</p>
<p>Net Profit</p> <p>€199.7 million</p> <p>+7.0% yoy</p>	<p>Net Profit Elia Group share</p> <p>€162.5 million</p> <p>+3.2% yoy</p>

Net profit evolution (€m)



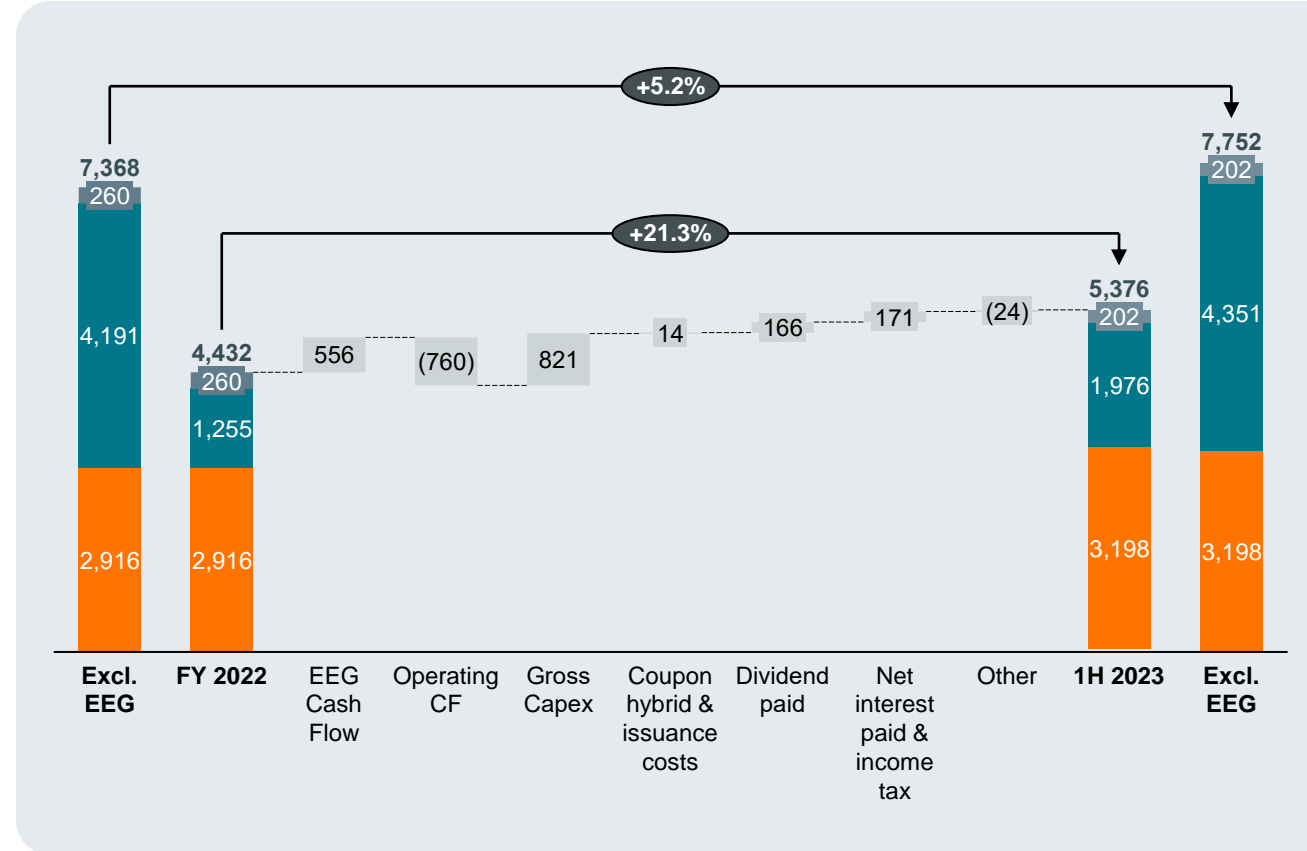
1H 2023 Elia Group

Net debt evolution

Key figures

<p>Net debt</p> <p>€5,376.0 million</p> <p>+21.3% yoy</p>	<p>Avg. Cost of Debt</p> <p>1.9%</p>
<p>Fixed debt ratio</p> <p>100%</p> <p>Calculated on gross debt</p>	<p>BBB+</p> <p>Negative outlook</p> <p>Standard & Poor's</p>

Net debt (€m)



Net debt increase is primary driven by strong EEG cash out flows

1H 2023 Elia Transmission

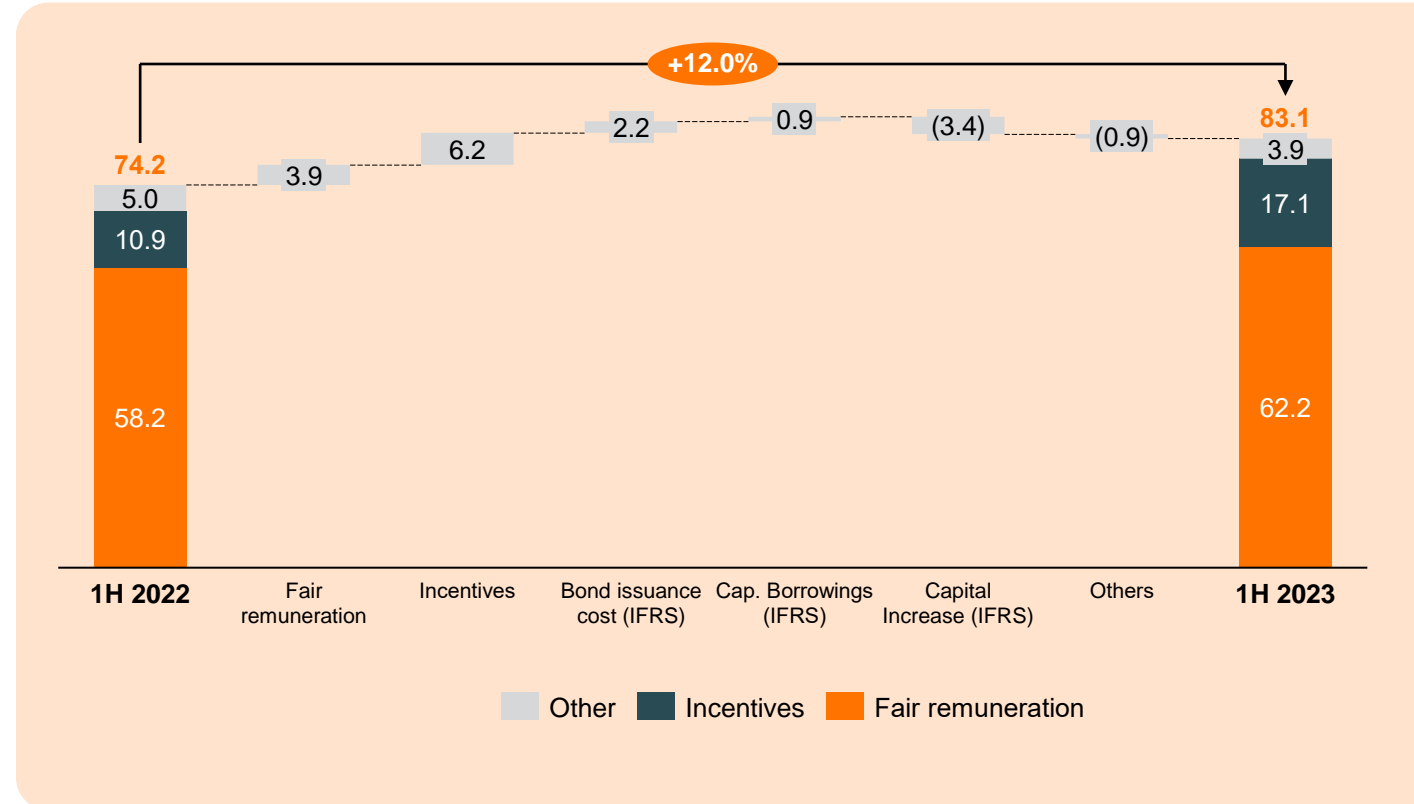
Net profit evolution

Key figures

Revenues
€673.1 million
 (8.2%) yoy

Net Profit
€83.1 million
 +12.0% yoy

Net profit evolution (€m)

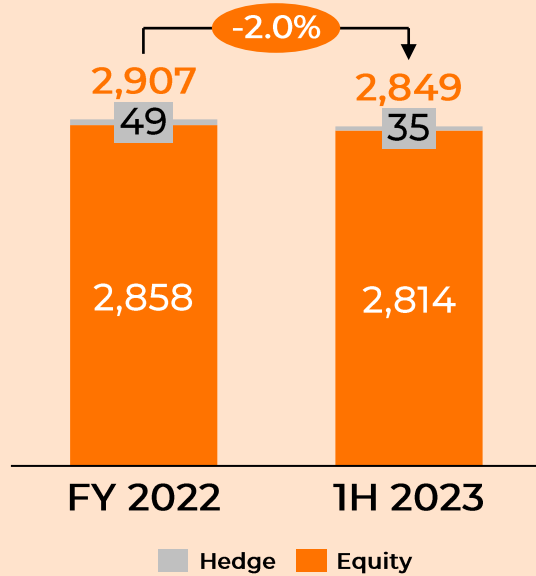


Solid results driven by higher equity & higher performance on incentives

1H 2023 Elia Transmission

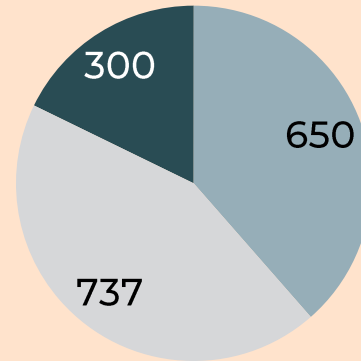
Financial Position

Equity (€m)



Liquidity

€1,687 million



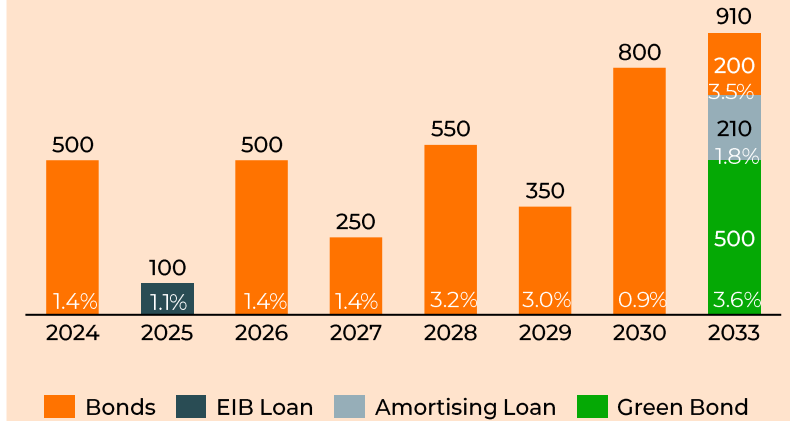
Unused CP Committed undrawn credit lines Cash

Solid liquidity position

RCF & CP fully undrawn end of June 2023

Maturity Profile (€m)

Weighted debt duration – 4.97 years



Bonds EIB Loan Amortising Loan Green Bond

Average cost of debt unchanged at 2.0%

S&P rating: BBB+/ Stable outlook

Elia Transmission pioneers sustainable financing through its inaugural green bond, expanding its pool of investors and diversifying its funding sources

1H 2023 50Hertz Transmission

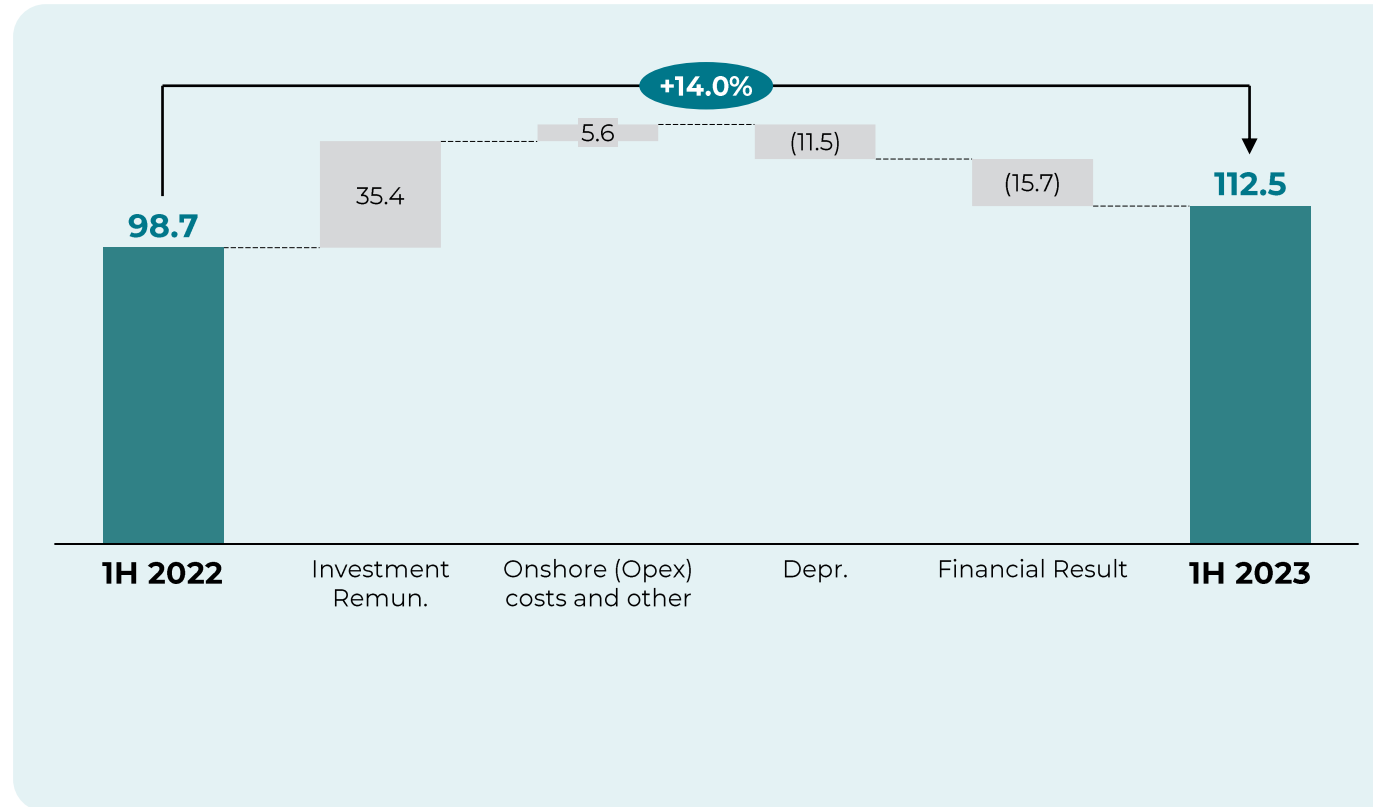
Adjusted net profit evolution

Key figures

Revenues
€1,222.0 million
 (2.2%) yoy

Net Profit
€112.5 million
 +14.0% yoy

Net profit evolution (€m)

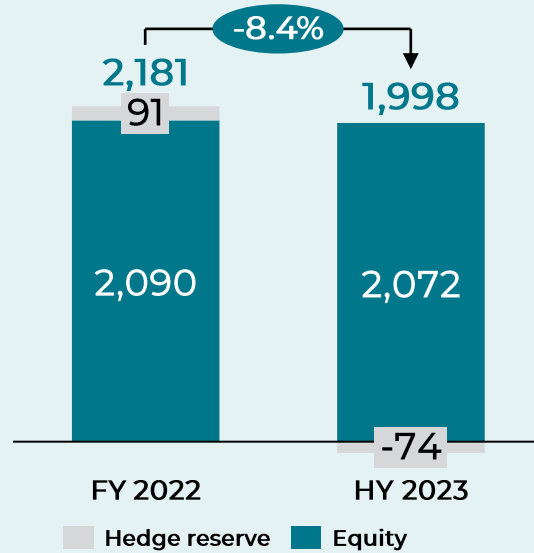


Higher result driven by asset growth & lower operational costs

1H 2023 50Hertz Transmission

Financial Position

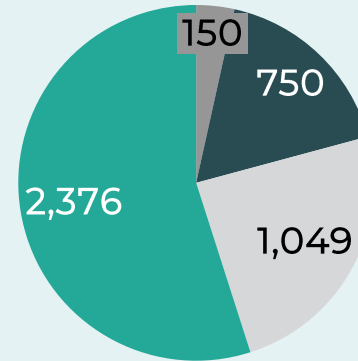
Equity (€m)



Decrease linked to hedge accounting

Liquidity

€4,325 million

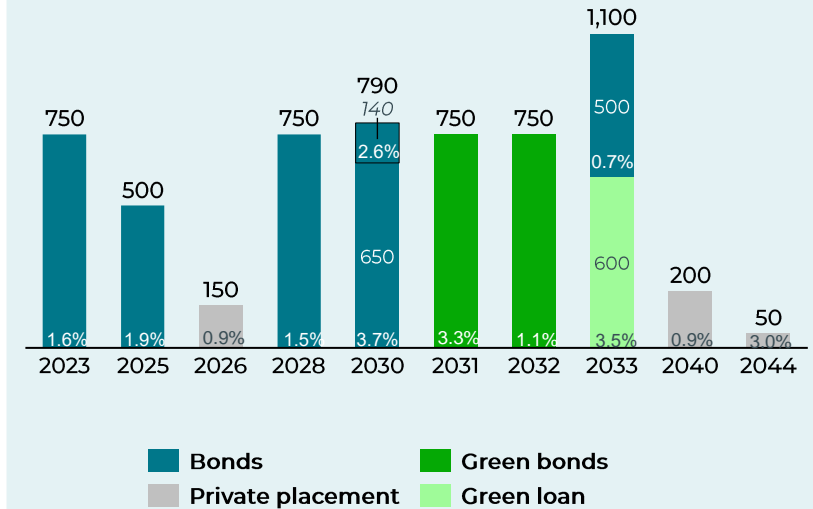


Overdraft Facility Cash
Revolving Facility EEG, KWK, SPB Cash

Comfortable liquidity position & EEG cash balance starting to decrease

Maturity Profile (€m)

Weighted debt duration: 6.7 years



Average cost of debt unchanged 1.8%

S&P rating: BBB+/ Negative outlook

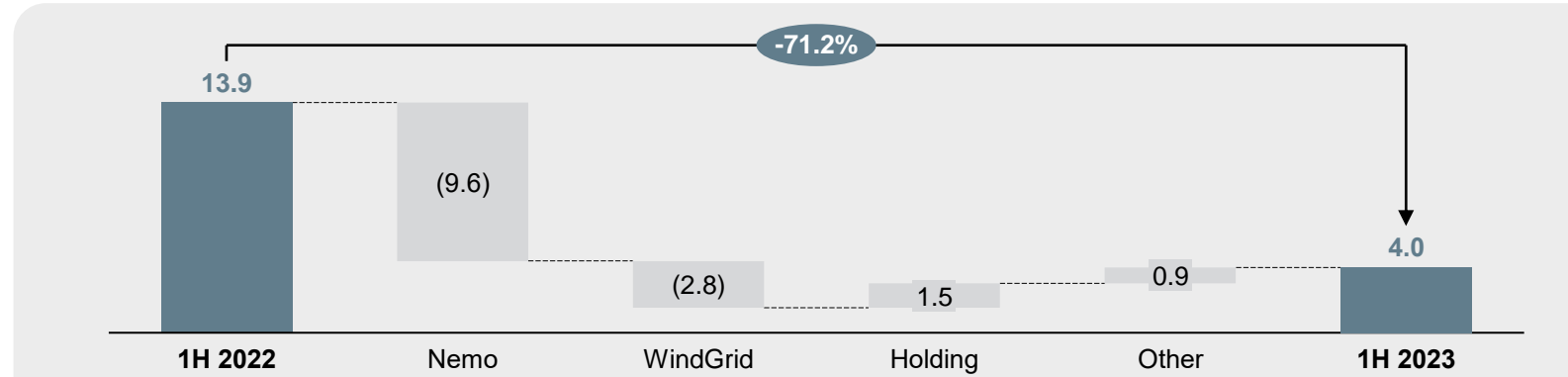
Solid financial position with liquidity inflated due to high EEG cash position

Key figures

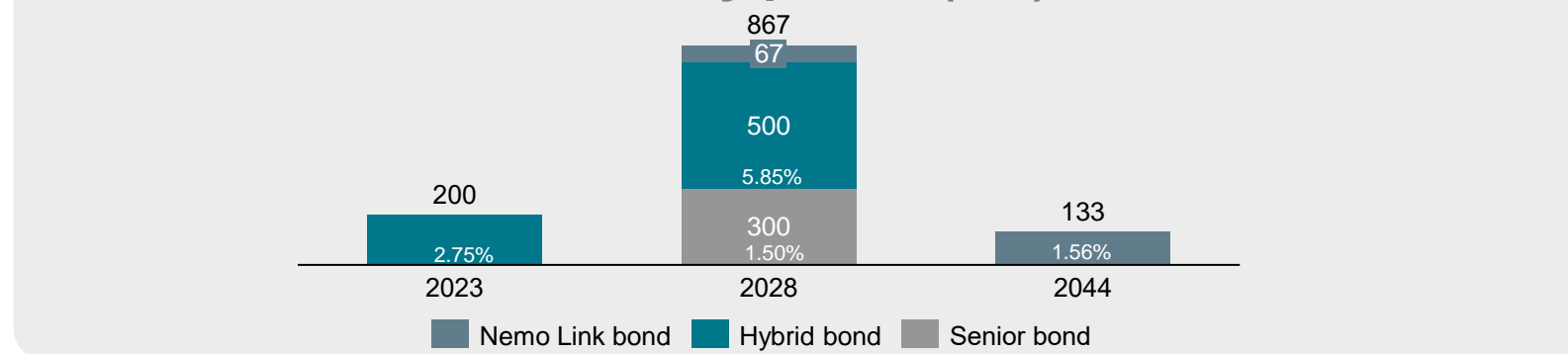
Revenues
€26.4 million
 +44.3% yoy

Net profit
€4.0 million
 (71.2%) yoy

Net profit evolution (€m)



Maturity profile (€m)



Nemo Link achieved strong performance but constrained by cumulative cap & higher cost for the expansion of international offshore activities



03.

Outlook

Elia Group

ROE (Adj.)* **6% - 7%**

RAB** **€12.3bn**

Belgium

ROE **5% - 6%**

CAPEX **€700m**

Germany

ROE **8% - 10%**

CAPEX **€1,700m**

Non-regulated & Nemo Link

Negative contribution of up to -€5m

Further updates will be shared during the Elia Group Capital Markets Day on December 8th

* Ratio between the result attributable to ordinary shareholder/equity attributable to owners of ordinary shares adjusted for the value of the future contracts (hedging reserve).

** 80% RAB 50Hertz included, does not include Nemo Link.

Q&A

Net debt

Difference between Elia Group debt (long and short term) and cash & cash equivalents.
Hybrid is not included in the net debt as accounted under equity according to IFRS requirements.

Net profit Elia Group share

Net profit attributable to the ordinary shareholders.
This is after deduction of NCI and coupon attributable to hybrid securities holders.

RAB Elia Group

Includes both the RAB of Elia Transmission and 50Hertz Transmission. RAB Germany presented at 80%.

RoE (adj.) (%)

The Return on Equity (RoE adj.) is the net profit attributable to ordinary shareholders divided by the equity attributable to ordinary shareholders adjusted for the value of the future contracts (hedging reserve). The denominator does therefore not include the accounting impact of hybrid securities in IFRS (i.e., it excludes the hybrid security from equity and considers the interest costs to be part of comprehensive income). As from 2021, it also excludes the effect of hedge accounting related to the future contracts entered into by 50Hertz to hedge the risk of fluctuations in the expected amount of grid losses.

The RoE adj. provides an indication of the ability of the Group to generate profits relative to its invested equity.

Thank You!

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