



Quarterly statement: Elia Group Q1 2024

Regulated information

Highlights

- Significant progress has been achieved in Belgium and Germany regarding decarbonization and electrification, with key infrastructure projects moving forward
- Good progress on securing the essential financing for the investment programme, enhancing liquidity and enabling strategic growth
- Financial outlook for 2024 reiterated

GRID DEVELOPMENT

Green electricity for Berlin and Brandenburg: 50Hertz commissions new extra-high-voltage line

50Hertz has successfully commissioned the Nordring Berlin, a new extra-high-voltage line, marking a significant milestone in securing the supply of renewable electricity to the larger Berlin-Brandenburg area. The commissioning emphasized the region's commitment to green electricity and cemented its status as an attractive economic area. With the line spanning 75 km between the Brandenburg substations of Neuenhagen and Wustermark.

Permits obtained for Ostwind 3

50Hertz has obtained the necessary permits to commence work on the Ostwind 3 grid connection for the Windanker offshore wind farm in the Baltic Sea. The permits cover both the onshore route and the substation construction in Brünzow, near Lubmin, as well as the previously approved offshore route in the coastal waters. Additionally, preparations have started for the construction of the Stilow substation in the municipality of Brünzow, with preliminary planning ongoing for grid connections Ostwind 4 and Bornholm Energy Island. These developments mark an important step towards enhancing the region's wind power industry and its contribution to the sustainable economic development of the area.

Belgian North Sea wind farm safeguarded by meshed high-voltage grid

A cable failure at the Rentel offshore wind farm in the Belgian North Sea was swiftly mitigated by its integrated connection to Elia Transmission Belgium ("ETB") offshore power hub, ensuring uninterrupted power supply to the mainland. The meshed high-voltage grid, which links Rentel with three other wind farms, proved vital in maintaining electricity generation despite the cable incident. Although high winds necessitate temporary restrictions on offshore generation capacity to prevent cable overload, Belgium's security of electricity supply remains uncompromised. The ongoing complex repair operation, amidst challenging weather conditions, underscores the resilient infrastructure and

collaborative efforts involved in swiftly addressing the issue. The meshed grid's sustainable approach and enhanced security of supply have proven instrumental in safeguarding wind farm operations, reflecting the efficacy of integrated transmission solutions in the face of unforeseen challenges. At this stage, we expect no material impact on the net profit of ETB due to the nature of the regulatory framework.

Ventilus: final adoption of the Regional Spatial Implementation Plan

The Flemish government has given the final approval for the Regional Spatial Implementation Plan Ventilus. As a result, ETB will now begin preparing the environmental permit application and the environmental impact assessment. The draft Regional Spatial Implementation Plan (GRUP) was preliminarily adopted and subjected to a public enquiry. After analyzing various objections by the Environment Department, the Flemish government gave its initial approval to the GRUP and the corresponding policy at the end of January. The Council of State then reviewed the dossier, which did not result in any significant changes. Consequently, the Flemish Government gave its definitive approval to the spatial plan.

Brabo III : new high-voltage line erected

In March, a significant step was taken in the Brabo programme, with the erection of the first pylon of the new line between the high-voltage substation Mercator in Kruibeke and Liefkenshoek in Kallo, Beveren. This construction of a new full 380kV high-voltage line signifies the final phase of the comprehensive Brabo programme, initiated in 2015. The programme's objective is to build a complete 380kV high-voltage loop around the port area. This new infrastructure connects to the Zandvliet high-voltage substation and the strengthened interconnection with the Netherlands in the north. In the south, it connects the port area to the rest of the 380kV high-voltage grid via Kruibeke. The completion of the Brabo programme will enhance transmission capacity, ensuring future electricity supplies. In fact, once the works are completed, ETB will be able to transmit up to 20% more electricity through this strengthened connection, a crucial aspect for our country's main industrial cluster - the port. We anticipate having the entire line operational before the summer of 2026.

Acquisition of minority stake in energyRe Giga completed

Elia Group has successfully completed the acquisition of a minority equity interest in energyRe Giga Projects, deploying \$250 million out of the \$400 million to be invested over three years, with the equity stake set to increase to 35.1% as the amount is deployed. The proceeds from this investment will be entirely dedicated to funding project development in US electricity transmission and renewable energy generation. The acquired stake will be accounted for under the equity method and reported under the Non-regulated segment and Nemo Link. This move aligns with Elia Group's growth strategy in Europe and the US, focusing on expanding overseas activities and reinforcing the development of sustainable energy solutions. This positions Elia Group alongside energyRe as an established partner with a robust project pipeline, marking its entry into the US markets, with WindGrid serving as the designated holding entity for the stake.

REGULATORY DEVELOPMENTS

BNetzA confirms final electricity network development plan (NDP) 2037/2045

The Federal Network Agency (BNetzA) has published the final Electricity Network Development Plan (NDP) 2037/2045, representing a significant achievement in grid development. This plan, for the first time, outlines an electricity transmission grid capable of supporting a climate-neutral energy system by 2045, taking into account various needs across sectors, such as hydrogen production, heating buildings, and electromobility. The NDP includes approximately 4,800 kilometers of new lines and 2,500 kilometers of reinforced lines, with 50Hertz being involved in several key projects. Moreover, the NDP highlights the need for 35 additional offshore projects by 2045, with a total capacity of 70 GW. This comprehensive plan marks a crucial step in shaping the future of the energy transition, setting the stage for continued advancements and a sustainable energy landscape.

THOUGHT LEADERSHIP

Making hybrids happen

Elia Group and Ørsted unveiled a joint paper at the WindEurope conference in Bilbao, outlining strategies to overcome obstacles hindering the development of offshore wind 'hybrid projects' in Europe. With only one hybrid project realized so far, regulatory frameworks need updating to support projects that combine generation and interconnection. The paper offers four key solutions, including regional planning, Offshore Investment Banks, fair risk and benefit distribution frameworks, and encouragement for more hybrid projects. These solutions aim to accelerate Europe's green transition by harnessing the full potential of offshore wind energy and distributing it effectively across countries. "[Making Hybrids Happen](#)"

FINANCIAL

Elia Group secures take out financing through a senior secured loan

Elia Group has successfully obtained a €300 million term loan, with a 3-year term and a fixed debt cost of 3.5033%. This loan will be used to refinance an existing bridge facility and for general corporate purposes, including the Group's ongoing \$400 million investment in energyRe Giga. Upon completion, Elia Group's equity stake in energyRe Giga will increase to 35.1%. This accomplishment emphasizes Elia Group's commitment to strategic growth and prudent financial management.

ETB successfully placed a second green bond

ETB has successfully placed an €800 million green bond as part of its €6 billion Euro Medium Term Notes programme. The bond, the company's second of its kind, priced with a 3.75% coupon and a 12-year bullet maturity. The issue holds a BBB+ rating from S&P, aligning with ETB's long-term issuer credit rating, which was affirmed with a Stable outlook in December 2023.

ETB strengthens liquidity position with new sustainability-linked credit facility

ETB has announced the signing of a €1.26 billion revolving credit facility (RCF) agreement, replacing its previous sustainability-linked RCF. The new agreement, in line with ETB's sustainable financing strategy, is tied to more ambitious sustainability performance targets, demonstrating the company's dedication to Environmental, Social, and Corporate Governance (ESG) objectives. The agreement, secured with a consortium of six banks, reinforces ETB's commitment to environmental and social responsibility by aligning the pricing of the facility with sustainable performance goals, further solidifying its liquidity position.

Eurogrid has successfully placed a dual tranche green bond

Eurogrid, the parent company of 50Hertz, has successfully raised €1.5 billion through its third and fourth green bond offerings, marking a record-high bond issuance for the company. These funds will support crucial grid expansion for the energy transition, financing selected projects both on land and at sea aimed at improving the integration and transportation of additional renewable electricity. The first tranche is a €700 million bond with a 5-year term and a coupon of 3.59% and the second tranche is a €800 million with a 10-year term and a coupon of 3.92%. The projects funded through these Green Bonds are in line with the EU's climate action plan and 50Hertz's corporate objective to achieve "100% by 2032," ensuring that 100% of electricity consumption within the grid area comes from renewable energy sources throughout the year.

Eurogrid successfully syndicates a €3 billion revolving credit facility

Eurogrid, has successfully secured a €3 billion RCF with fifteen national and international banks to support its investment program in grid infrastructure over the coming years. The RCF, which extends until 2027 with an option to prolong, supplements other capital market instruments utilized to fund 50Hertz's investment initiatives.

AWARDS

ETB wins offshore development award for the future.

The award was presented to ETB at the Belgian Offshore Days 2024 conference. The conference brought together Belgian experts which recognised globally as pioneers in their field. ETB received the award in recognition of its work on Princess Elisabeth Island, the world's first energy island, which it is building 45 km off the Belgian coast. The island will serve as an energy hub, linking new wind farms and further interconnectors to Belgium's onshore electricity grid.

Financial outlook for 2024

For 2024, **Elia Group** anticipate that the net profit Elia Group share, will range between **€335 million and €385 million**. This points towards an **Adjusted Return on Equity (ROE adj.¹)** of between **7% to 8%**.

- **In Belgium**, we aim to achieve a net profit ranging between €200 million and €230 million, factoring in a Belgian 10- year OLO of around 3.0% over the year, while also planning to invest roughly €1.4 billion in 2024. The realisation of this investment programme is always prone to external risks.
- **In Germany (100%)**, we aim to achieve a net profit ranging between €245 million and €275 million, factoring in a base rate of 2.79% for regulatory return on equity as proposed by the BNetzA, while also planning to invest roughly €3.3 billion in 2024. The realisation of this investment programme is always prone to external risks.
- **The non-regulated segment and Nemo Link**, which comprises the return of Nemo Link, the return of the non-regulated activities (mainly re.alto, EGI and WindGrid) and the operating costs inherent in the management of a holding company, is expected to report a loss to the Group's result in the range of -€35 million to -€45 million. Nemo Link is expected to contribute around €25 million, contingent on the availability of the interconnector. The operational activities of the Holding, other non-regulated activities like EGI and re.alto, the development of WindGrid, as well as funding costs for energyRe Giga Projects, will likely result in a loss ranging from -€40 million to -€45 million. The Group will utilize balance sheet headroom in 2024 to finance its contribution to the Eurogrid capex plan, leading to funding costs of approximately -€20 million to -€25 million euros for the existing and new debt, depending on the evolution of the interest rates.

The guidance does not consider any potential M&A transactions.

¹ Determined as the result attributable to ordinary shareholder/Equity attributable to owners of ordinary shares adjusted for the value of the future contracts (hedging reserve).

About Elia Group

One of Europe's top five TSOs

Elia Group is a key player in electricity transmission. We ensure that production and consumption are balanced around the clock, supplying 30 million end users with electricity. Through our subsidiaries in Belgium (Elia) and the north and east of Germany (50Hertz), we operate 19,460.5 km of high-voltage connections, meaning that we are one of Europe's top 5 transmission system operators. With a reliability level of 99.99%, we provide society with a robust power grid, which is important for socio-economic prosperity. We also aspire to be a catalyst for a successful energy transition, helping to establish a reliable, sustainable and affordable energy system.

We are making the energy transition happen

By expanding international high-voltage connections and incorporating ever-increasing amounts of renewable energy into our grid, we are promoting both the integration of the European energy market and the decarbonisation of society. We also continuously optimise our operational systems and develop new market products so that new technologies and market parties can access our grid, thus further facilitating the energy transition.

In the interest of society

As a key player in the energy system, Elia Group is committed to working in the interest of society. We are responding to the rapid increase in renewable energy by constantly adapting our transmission grid. We also ensure that investments are made on time and within budget, with a maximum focus on safety. In carrying out our projects, we manage stakeholders proactively by establishing two-way communication channels between all relevant parties very early on in the development process. We also offer our expertise to different players across the sector in order to build the energy system of the future.

International focus

In addition to its activities as a transmission system operator, Elia Group provides consulting services to international customers through its subsidiary Elia Grid International. In recent years, the Group has launched new non-regulated activities such as re.alto - the first European marketplace for the exchange of energy data via standardised energy APIs - and WindGrid, a subsidiary which will continue to expand the Group's overseas activities, contributing to the development of offshore electricity grids in Europe and beyond.

The legal entity Elia Group is a listed company whose core shareholder is the municipal holding company Publi-T.

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