



## Quarterly statement: Elia Group Q3 2024

### **Regulated information**

- Investment plans powering ahead as we aim to deliver the infrastructure of the future and develop and operate a sustainable power system across Belgium and Germany.
- In Belgium, we have secured a major order of AC cables for over 120 projects. Additionally, the Brabo III project, aimed at improving electricity trade between Belgium and the Netherlands, is progressing as scheduled.
- In Germany, we awarded the LanWin3 converter system and completed the connection on Europe's largest solar park with a 650MW output.
- The 2024 outlook has been revised upward towards the upper end of the €355 million to €395 million net profit Elia Group share range, resulting in an adjusted return on equity at the upper end of 7% to 8% range.

### **GRID DEVELOPMENT**

#### **ETB orders 945 km of cable to meet new connection requests and strengthen the grid**

Elia Transmission Belgium ("ETB") has placed substantial orders with three European cable manufacturers for the production and installation of 945 km of AC cables, totalling €135 million. Scheduled for delivery between 2025 and 2027, these cables will support over 120 projects in ETB's 2024-2034 Federal Development Plan, facilitating the energy transition and electrification of Belgium's industry. The orders highlight ETB's commitment to long-term partnerships and ensuring a robust and flexible electricity network capable of meeting future demand and integrating new renewable energy production capacities. The orders represent a major step forward as part of a vast cable supply security program which was initiated in 2023, demonstrating our commitment to forging long-term partnerships with suppliers.

#### **Brabo III project is on track**

The Brabo III project, which upgrades the existing 150-kV line from Mercator to Liefkenshoek to a new 380-kV line, is advancing swiftly and is expected to be commissioned by summer 2026. By mid-September, over 50 piles to reinforce the foundations and more than 30 sets of concrete massifs to fortify the pylons had been completed, along with the construction of 10 pylons. In total, the new line will feature 58 high-voltage pylons extended over a 20 km area. Brabo III will prepare the port of Antwerp, the most important Belgian industrial cluster, for the energy transition as well as enable the country for an easier electricity exchange with the Netherlands.

### **50Hertz awards EPCI contract for LanWin3 project in German North Sea**

50Hertz has awarded Siemens Energy and Dragados Offshore to construct a converter system for the LanWin3 North Sea grid connection project, 50Hertz's first project in the German part of the North Sea. This €2.9 billion contract includes engineering services, procurement, construction, transportation, and installation of both offshore and onshore converters. High-tech components will be manufactured at European sites, including the offshore platform that will be built in southern Spain. The converters adhere to the 2GW standard set by TSOs TenneT, Amprion, and 50Hertz. LanWin3 will connect the offshore wind farm, located 120 km northwest of Helgoland, to the mainland via a 200 km sea and land cable to Heide in North Friesland. Onshore, LanWin 3 will link via an innovative DC Hub with NordOstLink HVDC line which will transport electricity at 525-kV at low losses to the area near Schwerin.

### **Major milestone reached as part of the SuedOstLink project**

The SuedOstLink project is designed to efficiently transmit electricity—especially generated from renewable energy sources—from northern Germany to the southern regions. Construction contracts for section B, totalling about €450 million, have now been awarded to several companies. The tasks will include pipe jacking and directional drilling beneath motorways, railways, roads, and waterways; laying protective conduits in open trenches; and constructing two cable section stations along with a cable monitoring station. This is a significant achievement and an important step towards realizing the SuedOstLink on schedule.

### **Europe's largest solar power plant inaugurated south of Leipzig**

Europe's largest solar power plant, the Witznitz Energy Park, was inaugurated in south of Leipzig, featuring an installed output of 650MW and direct connection to the 50Hertz's transmission grid. This facility uniquely injects electricity at extra-high-voltage and maintains grid stability around the clock, even at night. Built over two years on a former lignite mining site, it covers around 500 hectares and connects to a 380-kV overhead line via a new substation. The plant's 3,500 inverters supply reactive power to stabilize voltage levels, a pioneering effort in integrating renewables into the grid.

### **50Hertz receives approval to convert the Mecklar-Vieselbach overhead line to high-temperature conductors**

The Federal Network Agency (BNetzA) has expedited its planning approval decision for upgrading the Thuringian section of the 380-kV Mecklar-Vieselbach overhead line, issuing it months ahead of schedule. This marks the end of a nearly three-year approval process. 50Hertz plans to enhance the line's transmission capacity, originally built in 1994, by replacing conventional conductors with high-temperature ones and upgrading some pylons. This will increase the current load by 60% to 4,000 Amperes, with minimal environmental impact. The upgraded line is scheduled for commissioning in late 2027.

### **Development of Princess Elisabeth Island**

The Princess Elisabeth Island project will reduce the country's reliance on fossil fuels and deliver more affordable green electricity, enhancing social welfare and support industrial competitiveness. The island foundations of the Princess Elisabeth Island are being built and its installation will start at the beginning of next year. Contractual arrangements for the procurement of AC components have been concluded, while procurement process of DC components is ongoing. Despite recent price increases, our assessments show that the benefits of the island are still outweighing its costs leading to an average positive net impact for the Belgian customers.

To ensure the project is delivering the value it promised, the Board of Directors of ETB initiated an investigation by a third party of its cost's development. While providing transparency on the project's financials, the integrity of the welfare case created by the project is the ultimate goal of this investigation. Our investments are essential to stimulate the decarbonization of the society and foster sustainable growth.

An update on Elia Group's capex plan for the period 2025-2029 will be provided in our upcoming FY 2024 results.

## **SYSTEM MANAGEMENT**

### **Operational excellence in our offshore activities**

Celebrating its 5-year operational anniversary, the Modular Offshore Grid (MOG) located 40 km off the coast of Zeebrugge, exemplifies the reliability of our energy infrastructure. The offshore switchyard platform (OSY) consolidates electricity generated by four offshore wind farms (Rentel, Seastar, Mermaid, and Northwester 2) and efficiently transmits it to the mainland. Since its commissioning, the MOG has delivered over 14.75 TWh of carbon-free electricity to Belgium with remarkable availability rates of 99.998% in 2020 and 100% from 2021 to 2023. Complementing this achievement, Nemo Link has demonstrated 100% availability, excluding planned maintenance periods, for three consecutive years, further highlighting our commitment to a robust and reliable energy grid. This year's Nemo Link maintenance occurred from September 23 to September 29, 2024.

### **Power supply restored in Mechelen after storm**

After the storm of July 9, ETB has built and integrated five backup pylons into the existing high-voltage grid. This back-up line was erected in record time and will remain in service until the original connection is restored. Currently various studies are being conducted on the conditions of this new connection to permanently restore the original high-voltage line.

## FINANCIAL

### Capital increase for Eurogrid GmbH

Elia Group and KfW, as shareholders of Eurogrid GmbH, have demonstrated significant support for their subsidiary, Eurogrid GmbH, by completing a capital increase totalling €600 million, hereby supporting the execution of investments in its grid infrastructure. Elia Group contributed €480 million, while KfW contributed €120 million. This equity funding was financed by the €600 million senior bond issued by Elia Group in June 2024.

## THOUGHT LEADERSHIP

### Belgian's Electricity System Blueprint for 2035-2050 was published

In this report, ETB provides insights into Belgium's options regarding its future energy mix and evaluates their technological and economic impacts, a valuable input to achieve the 2050 sustainability goals and to assist policymakers as they take decisions for the future national energy mix.

According to this recent study, it is expected that by 2050, Belgium's energy dependency will reduce by a factor 2 while total electricity consumption will rise to more than double. It is highlighted that the country's existing generation facilities and pre-approved investments plans can only provide half of what is needed in the long term. Therefore, it will be crucial for the next governments to decide on the country's future energy mix for the period 2035-2050 as the security of supply will be a complex and critical process in the long-term.

### German transmission system operators and industrial companies collaborate on innovative energy transition technology

A major joint project for the energy transition is underway. The four German transmission system operators 50Hertz, Amprion, TenneT, and TransnetBW, in collaboration with Siemens Energy, GE Vernova, and Hitachi Energy, are developing multi-terminal hubs with DC circuit breakers. This innovative European technical concept aims to establish a net-zero grid by efficiently interlinking new extra high-voltage DC connections, supporting the integration of 70GW of offshore wind power from the North Sea.

## FINANCIAL OUTLOOK FOR 2024

For 2024, **Elia Group** still aims to invest €4.7 billion into the transmission infrastructure anticipating a net profit Elia Group share towards **the upper end of the €355 million and €395 million range**. This reflects an upwards revision compared to the first half of 2024 and points towards an **Adjusted Return on Equity (ROE adj.<sup>1</sup>) at the upper end of the 7% to 8% range**.

- **In Belgium**, we aim to achieve a net profit towards the mid-point of the €200 million to €220 million range, factoring in a Belgian 10-year OLO of around 3% over the year. We expect to invest roughly €1.1 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 towards to the upper end of the €260 million to €290 million range, factoring in a base rate of 2.6% for the regulatory return on equity. We expect to invest approximately €3.6 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 lower loss to the Group's result of around -€25 million. Nemo Link is expected to contribute around €30 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 -€30 million to -€35 million. The group secured its funding for the German capex plan and other funding needs, leading to a funding cost of around -€20 million.

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

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<sup>1</sup> 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).



## FINANCIAL CALENDAR

Publication of full-year results 2024	7 March 2025
Publication of 2024 Annual report	18 April 2025
General Meeting of Shareholders	20 May 2025
Quarterly Statement Q1 2025	21 May 2025
Ex-dividend date	30 May 2025
Record date	31 May 2025
Payment of dividend for 2024	2 June 2025

## 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 socioeconomic 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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