PRESS RELEASE | Brussels, 6 March 2024, 8:00 am – Elia Group (Euronext: ELI)

Full-year results: Fully charged for change

Regulated information

Highlights

- We've committed substantial investments totaling to €2,397.2 million in the grid, contributing significantly to society's decarbonization efforts. This has led to a regulatory asset base of €12.2 billion, marking a notable increase of 12.4%
- Very high grid reliability of 99.9% and 99.7% in Belgium and Germany respectively, while ensuring operational excellence, quality and efficiency
- Executing its international strategy, Elia Group has made its first strategic investment in the US
- Electricity transmission tariffs and adjusted methodology approved in Belgium and onshore German regulation approved
- The net profit Elia Group share totaled €324.5 million[1] leading to a ROE (adj.) of 6.91%, excluding M&A cost the ROE (adj.) would be 7.14%
- Elia Group utilized sustainable funding in the debt market to boost liquidity for future grid expansion
- CAPEX plan of €9.4 billion for Belgium and €20.7 billion for Germany for the period 2024-2028 and the financial outlook for 2024 have been reaffirmed
- A dividend of €1.99 per share will be proposed at General Meeting on 21 May 2024

> *"In 2023, crucial steps were taken in the implementation of our strategy, marked by a tangible acceleration. Many of our projects anticipate the rapid rise of electrification. Both in Belgium and Germany, we worked on an upgrade of the federal grid development plan and negotiated a new regulatory framework. This strengthens our organic growth and provides the means to achieve the increased investment plan of €30.1 billion. Additionally, our first partnership in the US marks a significant step shaping the future of the Elia Group. Our non-regulated activities have the potential to enhance our relevance and push forward the Group's growth. All of this makes it clear that 2023 brought us to a point of no returning."*
> ***Catherine Vandenborre, CEO Elia Group ad interim***

[1] Net profit Elia Group share refers to the net profit attributable to owners of ordinary shares.

FULLY CHARGED FOR CHANGE

SIGNIFICANT CHANGES ON BOTH SIDES OF THE ELECTRICITY SYSTEM

The energy transition is clearly shifting into a higher gear. In May 2023, for the first time ever over the course of a month, wind farms and solar panels across the EU generated more electricity than fossil fuel power plants.

In 2023, **Germany** reached a significant milestone as renewable energy was used to meet 55% of its gross electricity consumption for the entire year. In the 50Hertz control area renewables were used to meet an impressive 72% of electricity consumption. Meanwhile, **Belgium** also experienced a record-breaking year, with annual wind and photovoltaic generation reaching 21.5 TWh (a 23% increase compared with 2022), making up 28.2% of the country's electricity mix.

Over the coming years, electricity consumption is expected to rise in an unprecedented manner: by 50% in Belgium by 2032 and by 100% in Germany by 2045. The spread of electrification is rapidly gaining momentum in key sectors, including heating, mobility and, in particular, industry. To prevent a scenario where millions of electric cars and heat pumps are charged at the same time, unlocking consumer side flexibility is crucial. Recognising this, Elia Group underscored its importance with the publication of its vision paper entitled 'The Power of Flex' in November 2023 (see Megatrend 2: flexible electricity consumption' below).

UPWARDS REVISION OF OUR CAPEX PLAN

In response to society's growing demand for electricity and the need to seamlessly integrate expanding renewable energy volumes into the system, Elia Group has heightened its network development ambitions. This has prompted a substantial upward revision of our CAPEX plan for 2024-2028, so that it now totals €30.1 billion.

CHARGED FOR THE FUTURE

The effective execution of our business plan and the successful completion of projects depends on our ability to secure funding, the optimisation of supply chains, and the acceleration of permitting processes. The recruitment of skilled professionals in offshore development, HVDC systems and digitalisation will also be crucial for our future success. In recent years, Elia Group has proactively positioned itself to meet these challenges. We have focused heavily on digitalisation and our commitment to the timely, high-quality, and cost-effective delivery of infrastructure. This is aligned with society's expectations and its need for a reliable, sustainable, and affordable electricity system.

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2023 IN A NUTSHELL

Our activities and ability to create value over the short, medium and long term are heavily influenced by the contexts we operate in, including European and national targets and the megatrends in the energy sector.

In the section that follows, we delve into these and outline our response to: (1) decarbonisation and electrification; (2) flexible electricity consumption; (3) sector convergence and new technologies; and (4) increasing international cooperation.

MEGATREND 1: DECARBONISATION AND ELECTRIFICATION

In 2023, Europe remained committed to diversifying its energy sources and expanding the generation of clean energy. Accelerating the energy transition is now widely understood to be more than just beneficial for the climate. The Russian invasion of Ukraine in 2022 and energy crisis have taught Europe that access to renewable energy and electrification offer long-term price stability and protect against inflation in the gas and electricity markets.

Member States responded via different fora, including by committing to transforming the North Sea into Europe's green power plant during the second North Sea Summit in Ostend (April 2023); and strengthening regional cooperation during the Baltic Offshore Wind Forum in Berlin (May 2023).

Four additional moments stood out in 2023 with regard to delivering the European Green Deal.

1. In February 2023, the **Green Deal Industrial Plan** was published, which aims to provide a more favourable environment for scaling up the EU's manufacturing capacity related to net zero technologies and products.

2. In October 2023, the European Commission published its **Wind Power Action Plan**, which aims to ensure the success of Europe's wind energy industry through measures such as an improved auction design, the faster deployment of projects, access to finance and the development of a skilled workforce.

3. In November 2023, the **EU Action Plan for Grids** was published. This aims to address the main challenges in expanding, digitalising and using Europe's grids in order to accelerate grid deployment and enhance operational efficiency. Its measures include stimulating faster permitting procedures for grid projects, improving and securing supply chains, and introducing regulatory incentives related to cost sharing for offshore projects.

4. In December 2023, the Council and Parliament reached a provisional agreement on the **reform of the electricity market design**. The latter aims to reduce the dependence of electricity prices on fossil fuel prices, shield consumers from price spikes, and accelerate the deployment of renewable energy.

OUR RESPONSE TO DECARBONISATION AND ELECTRIFICATION

GOOD PROGRESS MADE ON PROJECTS THAT INTEGRATE HIGHER RES AMOUNTS INTO THE SYSTEM

BELGIUM

In February 2023, Elia Transmission Belgium ('ETB') awarded the engineering, procurement, construction and installation contract for the **Princess Elisabeth Island** to two offshore construction companies. The island's foundation work will begin in early 2024 and will last for two and a half years. Furthermore, in October, ETB was awarded the environmental permit for the island. The contracts for high-voltage equipment linked to the Belgian Princess Elisabeth Island are currently being tendered out, with the process moving forward as planned. The world's first artificial island will be located 45 km off the Belgian coast and will form a crucial link in Belgium's energy supply. It will unlock offshore wind power in Belgium's second planned offshore wind zone (3.5 GW) and will serve as the landing point for future interconnectors.

In November 2023, ETB presented its **nature inclusive design** approach to boost biodiversity around the future artificial island. In consultation with nature conservation and marine environment experts, ETB selected seven concrete measures to pursue, based on their technical feasibility and expected positive impact. By embedding biodiversity-enhancing measures into the design and construction of offshore infrastructure, ETB is aiming to expand and accelerate the positive impacts of its assets and inspire developers to undertake similar initiatives as part of their own projects.

ETB is also making good progress on the reinforcement of its onshore **backbone**. Most of this work is aimed at upgrading existing grid corridors through the installation of high-performance conductors and, in some places, the installation of a second system. This work will double the transport capacity of these existing corridors and reinforcements are likely to continue until at least 2040.

The successful commissioning of the Horta-Avelin line in 2022 marked the completion of upgrade work which had been undertaken along a first key axis (Mercator-Horta-Avelgem-Avelin). The next pivotal reinforcement work is focused on the **central eastern backbone**. Since renewable energy volumes generated across Belgium are projected to rise, this project will enable ETB to efficiently transmit and distribute the corresponding flows across its 380 kV grid. Additionally, it will enhance the import and export of electricity between Belgium and the Netherlands, which is crucial for facilitating Belgium's security of supply.

To the south-west of Antwerp, the reinforcement of the country's north-south axis (the Mercator-Bruegel corridor) proceeded according to plan (€24.6 million). Moreover, the cable works for the Brabo III project to the west of Antwerp, were completed (amounting to €27.1 million). Following this, upgrade work relating to Liefkenshoek-

Mercator section of the project began in the third quarter of the year, with the construction of new 380 kV line due to start in 2024.

Ongoing enhancements to the existing overhead line between the Massenhoven and Van Eyck high-voltage substations to the east of Antwerp amounted to €17.4 million in 2023. These works are expected to be completed by 2026. The upgrade work along the 380 kV Gramme-Van Eyck axis commenced in February 2023, with the entire project anticipated to be finished by 2030.

In September, the second stage of the Boucle de l'Est project was completed. Once the new and upgraded line has been fully commissioned, it will improve Belgium's security of supply and make the grid even more reliable. Advancements were also made in the east of the country on the Rimière project (€41.6 million), which is aimed at creating hosting capacity for new power plants by 2025.

In March 2023, the Flemish government selected a preferred route for the new **Ventilus project**, which is located in the west of Belgium and will play an essential role in transporting green electricity generated at sea to the onshore grid and will strengthen the grid in West Flanders. The Ventilus project is subject to an integrated planning process which was drawn up by the Flemish government; the latter provisionally accepted the project's inclusion in the Regional Spatial Plan (alongside the starting point of the Boucle du Hainaut project). In the autumn, a public consultation about the project's route was held.

Finally, the Lendelede West (€15.9 million) project also progressed as planned throughout the year. This involves upgrading the current 70 kV transmission line to a higher voltage level.

GERMANY

In March 2023, a key milestone was reached: construction work related to one of the **SuedOstLink's** converter stations began. 50Hertz and TenneT are building the HVDC underground connection together. 50Hertz considers the SuedOstLink and its northern extension **SuedOstLink+** to be high up on its list of priority projects. Once completed, both underground cables will serve as a 750 km European electricity highway, meaning it will be key for achieving climate neutrality in Germany. They will bring electricity from the northern Baltic and North Seas to the southern region of Bavaria. In October 2023, 50Hertz and TenneT granted the contract for the construction of two additional converter installations to an energy company.

Since the end of 2023, all 27 wind turbines from the **Arcadis Ost 1** wind farm, off the coast of Rügen (Mecklenburg-Western Pomerania), have been supplying consumers with approximately an additional 250 MW of renewable energy via 50Hertz's **Ostwind 2** grid connection system. 50Hertz built the subsea and onshore cable connection to the Lubmin substation and worked with wind farm operator Parkwind to construct the offshore substation. Employing the same Ostwind 2 connection system, the **Baltic Eagle** offshore wind farm is set to be commissioned in 2024. The offshore substation for Baltic Eagle was installed and connected over the summer of 2023.

In April 2023, 50Hertz submitted the application documents for the land cable section of the **Ostwind 3** project. These contained studies and detailed explanations outlining why the route trajectory proposed by 50Hertz and the new future substation are the least harmful options for both humans and nature. Ostwind 3 is the grid connection project that will link the Windanker wind farm (300 MW) to the onshore grid.

OPTIMISING SUPPLY CHAIN SOURCING FOR TIMELY PROJECT EXECUTION

Global supply chains are under significant pressure due to the extensive investment plans of numerous European TSOs and other industries. Elia Group has therefore adopted a proactive approach to sourcing the supplies it needs to guarantee the timely execution of its projects.

In August 2023, 50Hertz secured two major contracts for the construction of subsea and land cables which will connect the **Gennaker offshore wind farm** to the German grid. The former is due to be the largest wind farm in the Baltic Sea (927 MW). This followed the placement of an order with a Dutch-Belgian shipyard consortium for the construction of two offshore substation platforms for the project.

In September, 50Hertz signed **project and framework contracts with NKT and Prysmian Group**. These cover the production and installation of submarine and land cables that carry a total length of 3,500 km and include a provision for an additional 2,700 km to be produced and installed. These contracts, which amount to a massive €4.6 billion, are groundbreaking.

In November, 50Hertz and the Danish TSO Energinet initiated the tendering process for crucial technologies linked to their joint **Bornholm Energy Island** project. The latter will centralise the electricity generated by nearby offshore wind farms before it is transported to onshore substations in Denmark and Germany.

GRID AND SYSTEM DEVELOPMENT PLANS

Our proactive approach to grid development means we can stay ahead of the demand for electrification and are supporting economic development in Belgium and Germany.

In May 2023, the Belgian government approved **ETB's Federal Development Plan for 2024-2034**. The rise in renewable energy sources (RES) as well as the extensive electrification of mobility and heating have created emergencies that require additional investments to be made in the grid.

The **German Grid Development Plan for 2037-2045** is one of the main drivers behind 50Hertz's revised CAPEX plan. For the first time, the draft plan (published in March 2023) presents an electricity grid that can help Germany to achieve climate neutrality by 2045. To cover electricity consumption in 2045 (which is expected to be double today's and will likely exceed 1,000 TWh), the German Grid Development Plan assumes a five-fold increase in renewable installed capacity by that date: up to 700 GW. The second draft of the plan has been submitted for public consultation and is due to be finalised in February 2024.

In June, ETB published its fourth biennial **Adequacy and Flexibility Study for Belgium (2024-2034)**, which outlined that any delays in the construction of the planned grid infrastructure or the unlocking of flexibility from across the system will result in additional capacity needs. It also highlighted that investing in digitalisation will ensure that security of supply can be facilitated in the most cost-efficient way possible. This requires digital meters, smart charging and smart usage standards, data exchange platforms, and market reforms.

Regulatory developments

In November 2023, the Belgian regulator (the Commission for Electricity and Gas Regulation, or CREG) approved the adapted tariff proposal submitted by ETB for the 2024-2027 regulatory period. The tariffs express ETB's desire to ensure it has the resources it needs to facilitate the energy transition and, more specifically, carry out its ambitious investment programme. Additionally, the 2024-2027 tariffs consider a revaluation of the remuneration to take into account the significant changes that have occurred in financial markets since the tariff methodology was established in the first half of 2022.

In Germany, discussions have been constructive, with the regulator acknowledging the importance of having an investment-friendly regulatory framework that can attract funding. For Germany, achieving energy sovereignty and climate neutrality by 2045 is of paramount importance. However, regulatory discussions in Germany have yet to be finalized as the industry productivity factor (Xgen) has still to be set by the regulator. The Federal Network Agency (BNetzA) has confirmed that 50Hertz remains 100% efficient for its upcoming regulatory period 2024 to 2028. The BNetzA evaluates operational costs based on 2021 data to set revenue caps for grid operators. While inefficiencies are typically targeted during these periods, 50Hertz is exempt due to their 100% efficiency. The evaluation compares operators to a reference network and aims to reduce inefficiencies during the regulatory period. This efficiency factor contributes directly to the profitability of the company.

To get a comprehensive understanding of the regulations, watch the replay of our **capital markets day**.

FIRST INVESTMENT FOR WINDGRID IN THE US

In December 2023, Elia Group, through its subsidiary WindGrid, entered a firm agreement to acquire a 35.1% stake in energyRe Giga, a clean energy company in the U.S. Through this acquisition, which amounts to $400 million, Elia Group will enter the U.S. markets alongside an established partner with a strong pipeline of projects. The acquisition aligns with Elia Group's international growth strategy in Europe and in the U.S. It marks a strategic step towards establishing itself as an internationally renowned expert in the field of electricity transmission that contributes to the development of sustainable energy solutions.

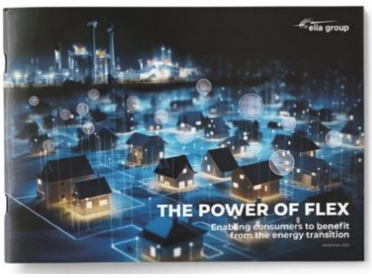
MEGATREND 2: FLEXIBLE ELECTRICITY CONSUMPTION

The rising number of electric cars and heat pumps, alongside the electrification of industrial processes, demonstrate that electrification is spreading across society both earlier and at a faster rate than anticipated. This carries important implications for the electricity system. It is therefore becoming urgent to focus on the barriers that are hindering the implementation of consumer-side flexibility.

By consuming electricity in a flexible way, households and industry will be able to avoid costly price peaks. In turn, system operators will be able to efficiently manage the grid. This contributes to security of supply, helps to control system costs and reduces capacity needs linked to the rising demand for electricity.

OUR RESPONSE TO FLEXIBLE ELECTICITY CONSUMPTION

Flexible electricity consumption is allowing us to expand and strengthen the partnerships we hold with players from across the energy value chain.



THE POWER OF FLEX

In November 2023, Elia Group published its vision paper on an alternative approach to consuming electricity that benefits both the consumer and the electricity system. 'The Power of Flex' lays out a future in which consumers are offered access to wholesale electricity prices and can put flexibility to work on a market-wide scale.

Real-time price signals, seamless data access for energy service providers and the optimisation and interoperability of electrical devices are key factors for enabling consumer-side flexibility. This will enable a new ecosystem to flourish in which new and existing service providers will offer tailor-made flexibility solutions that benefit consumers and the electricity system as a whole.

PROMOTING CONSUMER FLEXIBILITY

Throughout the year, we furthered work on projects that aim to encourage the provision of consumer flexibility, including by launching ETB's **Watts.Happening simulation tool**. This allows companies to simulate how much they could save by using their electrical assets in a flexible way (visit www.wattshappening.be).

Moreover, Elia Group and Powerledger, a technology solutions provider for renewable energy trading, are working on a joint research and development project to explore the potential of **peer-to-peer energy trading**. Powerledger has developed its xGrid platform which is blockchain-enabled and complementary to the solution that Elia Group has developed: the traXes platform. Both companies are now evaluating the benefits and challenges of implementing peer-to-peer energy trading by combining the strengths of both platforms.

MEGATREND 3: SECTOR CONVERGENCE AND NEW TECHNOLOGIES

The development of new technologies and digitalisation has led to the power sector being increasingly coupled with other sectors, such as heating, transport, and industry. The owners of flexible appliances like heat pumps, electric vehicles and small batteries can be encouraged to shift their electricity consumption in time, so contributing to a more efficient operation of the system.

The rise of new technologies that are used for monitoring and maintenance purposes is also contributing to system efficiency. The internet of things and artificial intelligence are leading to the establishment of smart grids (which can be monitored on a continuous basis), automatic decision-making and enhanced risk prediction and incident analysis. The use of blockchain for digital identities is enabling the trading of energy between different parties and the tracking of green energy from source to consumer.

Access to the right data and using it as part of real-time decision-making will be necessary for managing this more complex electricity system. In turn, this will lead to data security and consent management becoming key areas of responsibility and concern.

OUR RESPONSE TO SECTOR CONVERGENCE AND NEW TECHNOLOGIES

Successfully harnessing the right technology will make our asset management and system operation activities more reliable and efficient. As digitalisation spreads, we are continuing to increase and improve our knowledge and skills related to cyber security and associated risks. Additionally, we need to make sure our workforce has the skills it needs to operate the emerging digital system.

OPEN DATA ACCESS & INTEROPERABILITY

In 2023, we promoted the importance of **open data access** and **solid user authentication approaches** for connecting disparate consumer assets to the grid and increasing transparency related to the origin of green electricity through research papers, projects and partnerships.

We also explored the importance of **interoperability** through projects like the InterOPERA consortium, which is working to establish a meshed offshore multi-vendor multi-terminal HVDC grid in Europe.

A NEW GRID CONTROL SYSTEM FIT FOR THE ENERGY TRANSITION

By 2032, 50Hertz Transmission aims to meet 100% of electricity consumption across its control area with renewable energy. The Group’s digital transformation will be crucial for this. A cornerstone project of this transformation is the Modular Control Center System (MCCS). It will be used by our system operators to manage an increasingly complex electricity system that includes high amounts of renewable power.

Just as air traffic controllers guide aircraft safely through the busiest skies, our operators optimise power flows across our grid, taking critical decisions every second of every day. The MCCS will support them as they oversee a system which has high amounts of RES integrated into it: it will allow them to take full control of the software, digital technology and data that they use as part of our core operations. It is on track for being fully implemented in 2025.

REMOTE INSPECTION TECHNOLOGY

We continued to explore the use of innovative devices throughout 2023, including remote inspection technology to increase the efficiency, safety and sustainability of our asset monitoring activities.

In May, for example, an **autonomous robot** was deployed in ALEGrO's HVDC converter hall in Belgium, marking the first time that an autonomous robot has been used in this way in Europe. The robot was installed during the hall's yearly outage period. The hall has since been re-energised, meaning that no humans can safely enter it. The robot, which is inspecting the hall using several different sensors, is the product of a two-year collaboration that was launched by Elia Group with Siemens Energy, Ross Robotics and Nemo Link and involved countless tests.

ETB also pioneered the use of **drones** to swiftly identify the causes of incidents along overhead lines within 10 minutes of their occurrence. The key technology being utilised is a drone-in-a-box: a specialised drone that takes off from and returns to a designated docking station. These drones are remotely controlled and have the capability to operate beyond the visual line of sight.

POWER-TO-HEAT TECHNOLOGY TO REDUCE BOTTLENECKS

In June 2023, 50Hertz inaugurated a **Power-to-Heat (PtH) unit** in Hamburg. At times when there is more green electricity generated than consumed, the 80 MW plant will convert wind power into green district heating and hot water, supplying up to 27,000 households with green district heating. In future, the total capacity of 50Hertz's power-to-heat portfolio which will be available to reduce grid bottlenecks will be increased to more than 200 MW.

GREEN TRACKING

50Hertz, LichtBlick and Granular Energy launched a pilot project which aims to provide hourly transparency on the origin of green power. As part of the project, several LichtBlick corporate customers were given access to a platform to track the time at which they were purchasing green electricity from specific renewable generation plants. The certificates of origin generated during the process were then collected and managed via 50Hertz's Energy Track & Trace Register. The project will be evaluated to determine whether detailed guarantees of origin certificates can deliver benefits for the entire electricity system.

MEGATREND 4: INCREASING INTERNATIONAL COOPERATION

To make optimal use of the continent's RES, Europe needs to set up frameworks for partnerships between countries with different levels of RES potential.

The rise of hybrid interconnectors and energy islands will allow electricity to be exchanged between countries whilst also connecting them to offshore wind farms. These interconnectors and energy islands are forming the first building blocks of a European meshed offshore grid.

PROJECTS OF COMMON AND MUTUAL INTEREST

In November 2023, the European Commission adopted its first list of Projects of Common Interest (PCI) and Projects of Mutual Interest (PMI) that are fully aligned with the European Green Deal. These cross-border projects, which will help the EU reach its energy and climate goals, will benefit from streamlined permitting and regulatory procedures and will become eligible for financial support.

Elia Group welcomed the EU's recognition of Nautilus (Belgium's second interconnector with the UK) as a project of mutual interest (PMI); and its recognition of TritonLink (which will link Belgium to Denmark) and Bornholm Energy Island (being worked on by 50Hertz and Energinet) as Projects of Common Interest (PCI). Four of the Group's projects - Brabo II, Brabo III and the interconnection between Lonny and Gramme (Belgium) and the SuedOstLink (Germany) – maintained their PCI status.

OUR RESPONSE TO INCREASING INTERNATIONAL COOPERATION

FURTHER INTEGRATION OF THE EU ELECTRICY MARKET

In February, during the Belgian-German energy summit in Zeebrugge, ETB and Amprion (one of Germany's four TSOs) signed an MOU relating to a **second interconnector with Germany**. Preliminary studies demonstrated that the project would have the potential to help both countries meet their future energy needs, generating socioeconomic welfare for consumers in Belgium and Germany – and, by extension, for the whole of Europe. ETB and Amprion plan to publish a concept note by mid-2024 that will serve as the basis for the further design and development of the project, if it is supported by an adequate remuneration.

ETB is also assessing the economic and technical feasibility of other interconnectors that would link its grid to TenneT's grid in the Netherlands and Statnett's grid in Norway.

OFFICIAL PARTNER OF 2nd NORTH SEA SUMMIT

In April, Elia Group acted as the official event partner of the second North Sea Summit in Ostend, which brought together the heads of state and government and energy ministers from 9 countries, along with the President of the European Commission, Ursula von der Leyen. The aim of the summit was to shape concrete proposals relating to the development of the North Sea as Europe's future sustainable power plant. Representatives from Elia Group took part in several roundtable discussions and signed the 'Offshore Renewable Industry Declaration', which had been prepared ahead of the event.

INCREASED COLLABORATION IN THE BALTIC SEA

During the Baltic Offshore Wind Forum in May, 50Hertz and its counterparts from Estonia, Latvia and Lithuania agreed to intensify their cooperation. Via a letter of intent, 50Hertz and Elering (Estonia) agreed to work on a joint hybrid submarine cable project called the **Baltic WindConnector**.

SUSTAINABLE FINANCING FOR THE ENERGY TRANSITION

Elia Group secured key funding sources in 2023, demonstrating the confidence held by investors in its strategy and its ability to navigate challenges as it helps Europe to decarbonise.

ELIA GROUP SELECTED FOR THE NEW SUSTAINABLE STOCK MARKET INDEX: BEL®ESG

Elia Group was one of the first Belgian companies to be selected to be part of BEL®ESG, a new stock market index which is linked to sustainability and was launched by Euronext in February 2023. The index is designed to meet the increasing market demand for improved visibility over sustainable investment tools. It will monitor 20 listed Brussels-based companies that adopt the best environmental, social, and governance (ESG) practices.

ELIA GROUP SUCCESSFULLY ISSUED A €500 MILLION HYBRID SECURITIES AND REDEEMED THE REMAINING PORTION OF ITS 2018 HYBRID SECURITY

In March 2023, Elia Group SA/NV successfully priced a new €500 million hybrid securities. The latter will carry a fixed coupon of 5.85% (€29.25 million per annum) until 15 June 2028, with a reset every five years thereafter, and will be callable from 15 March 2028. The issue was rated BBB- by Standard & Poors. The main purpose of the transaction was to proactively manage Elia Group's hybrid layer by refinancing part of the outstanding €700 million hybrid securities. The new securities, along with the €100 million amount of equity from Elia Group's June 2022 capital increase previously allocated to hybrid equity content replacement, fully replaced Elia Group's outstanding hybrid securities from an S&P equity content standpoint. At the same time, Elia Group tendered €499.4 million of the outstanding €700 million hybrid securities. At the end of October 2023, Elia Group exercised the call option on the remaining portion of the outstanding 2018 hybrid security.

EUROGRID GMBH SUCCESSFULLY TAPPED THE CAPITAL MARKETS WHILST DIVERSIFY ITS FUNDING SOURCES

In April 2023, Eurogrid GmbH, the parent company of 50Hertz Transmission GmbH, secured a syndicated contract for an amortising loan of €600 million with a term of ten years with seven banks. The funds for this first green loan are being provided by the banks and refinanced under KfW's "Climate Protection Programme for Companies". The funds will be used to co-finance the offshore grid connection for the Gennaker wind farm project. Securing the green loan marks another important step in Eurogrid's sustainable financing strategy and constitutes another important project for the German energy transition. Shortly thereafter, Eurogrid secured additional funds from the capital market to invest in grid infrastructure that is needed to ensure the success of the energy transition. Eurogrid successfully issued a 7-year bond valued at €650 million, with a fixed interest rate of 3.722%. Eurogrid tapped an additional €150 million in November, in order to refinance a €750 million bond with a maturity in 2023. Finally, a syndicated bank loan of €120 million with a tenor of 10 years was secured in November to partially finance the Uckermark line and Berlin cable tunnel, while Eurogrid also agreed on a new private placement of €50 million.

ETB PLACES FIRST €500 MILLION GREEN BOND

In January 2023, ETB successfully priced its inaugural €500 million green bond transaction. The proceeds of the bond are being used to finance and/or refinance eligible green projects, demonstrating ETB's ability to diversify its financing sources and investor base to carry out its ambitious investment plans. The bonds carry a coupon of 3.625% and has a 10-year bullet maturity due on 18 January 2033.

AWARDS

ETB was named as one of the best employers in Belgium for the sixth time in a row. Its overall score improved again, rising from 86% to 88%. ETB made most of its progress in the areas of 'diversity and inclusion' (+13.53%) and 'sustainability' (+11.67%). The Top Employer label rewards companies that offer their employees excellent working environments. 87 Belgian companies received the award in 2023. It served as excellent recognition for the hard work all our employees undertook in 2022.

EFFECTIVE LEADERSHIP TO DRIVE THE ENERGY TRANSITION

Several key moments occurred throughout 2023 with regard to Elia Group's management team; these were undertaken to ensure that the Group has the effective leaders it needs to successfully drive forward the energy transition.

CATHERINE VANDENBORRE APPOINTED AS INTERIM CEO OF ELIA GROUP

In September, following the news that Chris Peeters intended to leave the Group and take his career in another direction, Catherine Vandenborre was appointed as Elia Group's interim CEO. The change reflects the company's commitment to seamless continuity and effective governance during this transition period.

MARCO NIX APPOINTED INTERIM CFO OF ELIA GROUP

In order to ensure the smooth running of the company's financial activities during Catherine Vandenborre's appointment as the Group's interim CEO, Marco Nix took on the role of the Group's interim CFO.

STEFAN KAPFERER CONFIRMED AS CEO OF 50HERTZ FOR ANOTHER FIVE YEARS

In early 2023, the Supervisory Board of 50Hertz confirmed Stefan Kapferer's position as Chief Executive Officer of 50Hertz for another five years until the end of November 2028. Stefan Kapferer joined 50Hertz in December 2019 and has played a key role in positioning the group as a key player in the German 'Energiewende'.

FREDERIC DUNON CONFIRMED AS CEO OF ELIA TRANSMISSION BELGIUM

Since a greater demarcation of tasks and activities between Elia Group and ETB was needed in light of the expansion of the latter's portfolio of activities and clear goals (including in the field of offshore and digital business transformation), the Board of Directors decided to confirm Frédéric Dunon as Chief Executive Officer of ETB in December.

Elia Group´s compass for a sustainable future

Our ActNow programme embeds sustainability into our strategy and business activities through concrete and measurable targets for the Group to reach.

Climate Action	2019 (base year)	2022	2023	Target
Carbon intensity of electricity consumption BE[1] (gCO_2/kWh)	166[1]	154[1]	137	n.a
Carbon intensity of electricity consumption DE[1] (gCO_2/kWh)	357[1]	397[1]	327	n.a.
EU Taxonomy aligned CAPEX	n.a.	99.9%	99.5%	n.a.
New and upgraded lines (km)	453	324	550	n.a
CO2 footprint of grid losses ($ktCO_2e$)[1]	887[1]	1,097[1]	905	-28% by 2030
Grid reliability Elia (based on AIT)	99.9%	99.9%	99.9%	n.a.
Grid reliability 50Hz (based on # of incidents)	99.9%	99.8%	99.7%	n.a.
Emissions from mobility ($ktCO_2e$)	7.3	6.1[8]	6.3[8]	-90% by 2030
SF6 leakage rate	0.15%	0.13%	0.11%	below 0.25%
Scope 3 data maturity	0%	0%	61%	60% by 2023
Environment & Circular Economy	**2019**	**2022**	**2023**	**Target 2030**
Forest corridors managed ecologically (ha)	75%	81%	83%	90% / 5,530
HV lines critical to birds equipped with bird markers (km)	52%	62%	75%	100% / 600
Health & Safety	**2019**	**2022**	**2023**	**Target**
Group TRIR employees	4.6	4.6	2.3	n.a.
Health rate Group[2]	96.7%	96.1%	96.1%	Above 95%
Diversity, Equity & Inclusion[3]	**2019**	**2022**	**2023**	**Target**
Women in leadership positions[4]	17.2%	22.1%	21.9%	n.a.
Women in total workforce	21.1%	22.9%	23.6%	25% by 2028
Female inflow of total inflow[5]			28.6%	30% New
# Nationalities[6]	27	53	53	n.a.
% of foreign nationalities represented in workforce	2.6%	4.6%	5.2%	n.a.
Governance, Ethics & Compliance	**2019**	**2022**	**2023**	**Target**
ESG Governance Index[7]	1/12	8/12	8/12	12/12 by 2024
Compliance Index[7]	5/12	9/12	9/12	12/12 by 2024
# Public info-dialogue sessions related to grid projects	75	117	157	n.a.

DIMENSION 1:

Climate action

In 2023, we were able to reach our target of obtaining 60% scope 3 data maturity and have successfully launched our Scope 3 Accounting Platform, which will enable us to calculate scope 3 emissions based on information from our suppliers.

[1] **Upgraded methodology using "consumption based" values in line with REDIII7**, [2]Corresponds to absentee rate (1-x); [3] The methodology considers that employee headcount = total contractual headcount on 31 December of the reporting year. Contractual headcount refers to the overall count of individuals holding active contracts within an organisation on a specified date, encompassing all employees, including those on sick leave and directors, but does not encompass suspended contracts to avoid double counting. Note that the headcount methodology has been adjusted for 2023, but does not apply to historical data (2022 and 2019).[4] Restatement for 2022 to remove double counting of Directors between Group and local levels; [5] Kpi added in 2023; Female inflow = Female hires of total new hires; [6]Non BE/DE nationalities; [7]Composition of the indexes available on our **website;** [8]Due to an alignment in the data collection of the technical fleet gasoline and diesel consumption, the 2022-related emissions for ETB have been recalculated.

Additionally, we maintained the SF_6 leakage rate below our target levels. As part of a pioneering project, we installed over 200 sensors for predictive SF_6-monitoring which enables us to continuously monitor potential leakages and predict maintenance needs in advance. The full implementation of this predictive monitoring is set to commence in 2024.

In order to enhance our approach towards climate risks, we partnered with the Climate Service Center Germany (GERICS), a subsidiary of the Helmholtz-Zentrum Hereon. In this collaboration, we scrutinized local climate signals in our control areas up to 2100, utilizing three established IPCC scenarios. Following this, we conducted internal workshops with technical experts to compare the insights with our existing assumptions and practices, rank risks, and outline subsequent steps.

Taking a significant step in our decision-making processes, we have established our Internal Carbon Price (ICP) at €200 per ton of CO_2 equivalents, a figure that mirrors the societal costs of carbon emissions. This ICP is now incorporated into all relevant tender processes.

Dimension 2:

Environment & circular economy

In June 2023, we unveiled a comprehensive Nature Inclusive Design plan for Belgium's Princess Elisabeth Island, reflecting our commitment to climate action and biodiversity promotion. A collaborative effort with environmental experts and institutions ensured our offshore infrastructure is designed to positively impact marine life from its inception.

Bird protection was a key focus for us in 2023. We established a new procedure in Belgium to incorporate bird protection measures into both new projects and upgrades of existing infrastructure. Collaborating with ornithologists, we developed a risk map, enabling us to focus our efforts where they are most needed.

In the EU bird sanctuary "Mittlere Havelniederung", our 50Hertz team initiated trials for new bird protection markers in 2023. A significant advantage of these markers is that they can be installed by drones during operation, eliminating the need for line disconnection.

Following an energy audit in 2023, 50Hertz is set to implement an energy management system, adhering to the ISO 50001 standards, by 2025. This focus on energy efficiency will strengthen our 'avoid-reduce-offset' approach, allowing for a more consistent application. The energy management system will be integrated into our existing HSE management system (ISO 45001/14001) as part of our continuous commitment to environmental stewardship.

Dimension 3:

Health & safety

We observe that our key metrics have shown positive progress, with our Total Recordable Injury Rate (TRIR) hitting an all-time low of 2.3. This promising trend is a testament to our dedicated efforts over the past few years, during which we have invested heavily in nurturing our safety culture. In the realm of employee wellbeing, we take immense pride in our "Let's Talk About Burn-Out" community, which was honored with the Belgian Trends Impact Award this year. This recognition underscores our commitment to fostering a supportive and nurturing work environment for our teams.

Dimension 4:

Diversity, equity & inclusion (DEI)

In a bid to propel our ambitions forward, we established a definitive target in 2023: to achieve a total workforce comprising 25% women by 2028 for Elia Group. In order to meet this objective, we are committed to recruiting more women, also in technical roles. We are aiming for 30% of new hires to be women, a goal we nearly accomplished in 2023.

Our continuous efforts to foster an inclusive environment at Elia Group are supplemented by the work of our diversity ambassadors' network and our women's network. We have initiated awareness campaigns, training programs, and tangible activities such as discussions with external speakers to reinforce our commitment to workplace equality and diversity. This year, we particularly focused on addressing micro-aggressions at ETB and promoting the inclusion of people with disabilities at 50Hertz.

Dimension 5:

Governance, ethics & compliance

ESG (and especially Environmental) risks and opportunities are embedded in our core strategy and a vital part of our corporate culture. We initiated this year's Elia Group Management Days with a "Climate Fresque" session - an interactive and engaging method designed to enhance understanding of the causes and effects of climate change. This experience empowers participants to comprehend the actions they can take to minimize their climate change impact.

In addition, we have revised our whistleblowing procedure to ensure compliance with the new Belgian and German laws and expanded its scope to encompass all group affiliates. Now, all employees can utilize the reporting channel, which also accommodates anonymous notifications.

2. Key Figures

2.1 Consolidated results and financial position of Elia Group

Key results

Key figures (in € million)	2023	2022	Difference (%)
Revenue, other income and net income (expense) from settlement mechanism	3,953.5	4,113.3	(3.9%)
Equity accounted investees	30.2	39.5	(23.5%)
EBITDA	1,227.3	1,111.8	10.4%
EBIT	674.4	599.4	12.5%
Adjusted items	*(11.9)*	*0.0*	n.r.
Adjusted EBIT	*686.3*	*599.4*	*14.5%*
Net finance costs	(119.3)	(43.6)	173.6%
Adjusted net profit	**411.4**	**408.2**	**0.8%**
Net profit	**399.5**	**408.2**	**(2.1%)**
Non-controlling interests	*44.1*	*47.2*	(6.6%)
Net profit attributable to the group	**355.4**	**361.0**	**(1.5%)**
Hybrid securities	*31.0*	*19.2*	61.5%
Net profit attributable to owners of ordinary shares	***324.5***	***341.7***	***(5.0%)***
Key figures of the financial position (in € million)	2023	2022	Difference (%)
Total assets	19,390.1	20,594.3	(5.8%)
Equity attributable to owners of the company	5,088.5	5,319.6	(4.3%)
Net financial debt	8,641.9	4,431.6	95.0%
Net financial debt, excl. EEG and similar mechanisms	8,994.5	7,367.6	22.1%
Key figures per share	2023	2022	Difference (%)
Earnings per share (in €) (Elia share)	4.41	4.80	(8.1%)
Return on equity (adj.) (%) (Elia share)	6.91	7.52	(8.1%)
Equity attributable to owners of the company per share (in €)	62.2	62.8	(1.0%)

See the glossary for definitions
See Section 4 for information on adjusted items

Pursuant to IFRS 8, the Group identified the following operating segments:

- **Elia Transmission (Belgium)**, which comprises regulated activities in Belgium (i.e. the regulated activities of Elia Transmission Belgium);
- **50Hertz Transmission (Germany)**, which comprises regulated activities in Germany;
- **Non-regulated segment and Nemo Link**, which comprises non-regulated activities within Elia Group, Nemo Link, Elia Grid International, Eurogrid International, re.alto, WindGrid and the financing cost linked to the acquisition of an additional 20% stake in Eurogrid GmbH in 2018.

Rounding – In general, all figures are rounded. Variances are calculated from the source data before rounding, meaning that some variances may not add up.

Financial

Elia Group's adjusted net profit increased by 0.8%, reaching €411.4 million:

— **Elia Transmission (Belgium)** delivered a robust performance, reporting an adjusted net profit of €180.9 million (+€24.0 million). The higher result is mainly due to a higher fair remuneration driven by the increase of equity, a higher performance on incentives and the activation of costs linked to ETB's Green bond issuance. Prior year result benefited from a one-off tariff compensation for the financial costs linked to the capital increase.

— **50Hertz Transmission (Germany) (on a 100% basis)** recorded a lower adjusted net profit of €218.5 million (-€17.6 million). The decrease is primarily attributed to a lower financial result linked to the discounting of long-term provisions as well as increasing depreciations. However, only partially compensated by the increase in investment remuneration resulting from asset growth and higher base year revenues as well as lower Opex costs and higher energy bonus.

— The **non-regulated segment and Nemo Link** recorded a decreased adjusted net profit of €12.1 million (-€3.1 million). This reduction can be attributed to the lower contribution of Nemo Link, which reached the cumulative cap in 2023 and by higher costs incurred for WindGrid, offset by a decreasing loss at the holding due to higher interest income on cash deposits and better results at EGI.

The **net profit** decreased to €399.5 million, as it includes the one-off costs linked to the energyRe Giga investment (€11.9 million).

The **net profit of Elia Group attributable to the owners of ordinary shares** (after deducting the €44.1 million in non-controlling interest and €31.0 million attributable to hybrid securities holders) decreased to €324.5 million. This is due to higher interest expenses related to the hybrid securities and the one-off costs linked to the energyRe Giga investment. The execution of the investment programme in Belgium and Germany and a solid operational performance of the regulated entities and Nemo Link could partly offset this, resulting in an earnings per share of €4.4 for the year.

In 2023, Elia Group proactively managed its hybrid layer by refinancing part of its outstanding €700 million hybrid. It issued a new €500 million hybrid bond, accompanied by a capped tender offer on its existing hybrid security. The newly issued hybrid bond carries a coupon of 5.85% until June 15, 2028.

In 2023, Elia Group invested €2,397.2 million. The primary focus was on reinforcing the internal backbone of both the Belgian and German grids, the development of the necessary offshore infrastructures enabling the integration of growing quantities of renewable energy into the grid and to further support the digitalization of our infrastructure.

Elia Group carried a total **net financial debt, excl. EEG and similar mechanisms of** €8,994.5 million (+€1,626.9 million) at the end of 2023. The primary factor for this increase was related to the realisation of the investment program in Belgium and Germany which relied partially on funding from operating cash flow as well as on liquidity stemmed from last year's capital increase.

Furthermore, Elia Group actively participated in the debt market to enhance its liquidity position for future grid expansion. In line with the Group's sustainable finance ambitions, ETB successfully issued its first green bond of €500 million with a fixed rate of 3.625%, dedicated to funding eligible green projects. Moreover, in March Eurogrid syndicated a Green Loan of €600 million from seven banks with a ten-year term, which was fully drawn at year-end. In April, Eurogrid made a re-entry into the market, issuing a 7-year bond of €650 million at an interest rate of 3.722%. In October, Eurogrid tapped on the bond issued in April, issuing an extra €150 million under this series at the prevailing market price with a re-offer yield of 4.534%. Finally, Eurogrid concluded a private placement of €50 million and syndicated another €120 million bank loan. Furthermore, Elia Group has secured two bilateral Revolving Credit Facilities, amounting to a total of €120 million, of which €100 million was drawn at the end of 2023.

At the end of 2023, Elia Group's average cost of debt stood at 2.1% (+20 bps). Standard & Poor's has revised Elia Group's credit rating, lowering it to BBB with a stable outlook.

Equity attributable to owners of the company decreased by €231.1 million to €5,088.5 million (-4.3%). This was mainly driven by the decrease in hedge reserve by €217.8 million, mainly due the revaluation of future contracts for grid losses by 50Hertz (-€198.6 million), an interest rate hedge by ETB (-€18.6 million) and the foreign exchange hedge for the acquisition of energyRe Giga (-€1.09 million). In addition, the equity was impacted by the 2022 dividend payment (-€140.4 million), the revaluation of post-employment benefit obligations (-€4.4 million) and the costs linked to the hybrid bonds (-€23.4 million). This was partly offset by the profit attributable to the owners of the company (+€355.4 million).

2.1.A. Elia Transmission (Belgium)

Highlights

- Delivering on investments directly supporting the decarbonisation and the further electrification of society, leading to a RAB growth of 9.5% to €5.9 billion
- Solid operational performance is a result of an expanding asset base leading to higher fair remuneration and strong performance incentives
- ETB successfully placed its inaugural €500 million Green Bond leading to a total net financial debt of €3,479.1 million
- Realising a return on equity of 6.2%

Key results

Elia Transmission key figures (in € million)	2023	2022	Difference (%)
Revenue, other income and net income (expense) from settlement mechanism	1,383.9	1,561.3	(11.4%)
Revenues	*1,276.4*	*1,420.4*	*(10.1%)*
Other income	*57.2*	*147.6*	*(61.2%)*
Net income (expense) from settlement mechanism	*50.4*	*(6.7)*	*(857.5%)*
Equity accounted investees	2.8	2.4	16.7%
EBITDA	510.2	476.4	7.1%
EBIT	290.5	262.0	10.9%
Net finance costs	(54.7)	(62.4)	(12.3%)
Income tax expenses	(54.9)	(42.7)	28.6%
Net profit	**180.9**	**156.9**	**15.3%**
Adjusted items on net profit	*0.0*	*0.0*	n.r.
Adjusted net profit	**180.9**	**156.9**	**15.3%**
Key figures of the financial position (in € million)	2023	2022	Difference (%)
Total assets	8,277.8	7,848.6	5.5%
Total equity	2,915.7	2,907.1	0.3%
Net financial debt	3,479.1	2,916.2	19.3%
Free cash flow	(399.8)	254.1	(257.3%)

See the glossary for definitions
See Section 4 for information on adjusted items

Financial

Elia Transmission's revenue was down by 11.4% compared with 2022, decreasing from €1,561.3 million to €1,383.9 million. Revenue was impacted by a higher regulated net profit, higher depreciations linked to the growing asset base, more than offset by lower net financial cost due to interest income from cash deposits and a strong drop in costs for ancillary services. The lower ancillary services were driven by lower balancing activation and reservation costs, resulting from the drop in gas and electricity prices as prior year was marked by the start of the war in Ukraine, this to the benefit of consumers.

The table below provides more details about revenue component changes:

(in € million)	2023	2022	Difference (%)
Grid revenue:	**1,234.9**	**1,415.8**	**(12.8%)**
Grid connection	46.2	44.8	3.1%
Management and development of grid infrastructure	461.3	475.3	(3.0%)
Management of the electrical system	157.0	149.8	4.7%
Compensation for imbalances	255.1	365.0	(30.1%)
Market integration	21.0	22.2	(5.5%)
International revenue	294.3	358.6	(17.9%)
Last mile connection	3.3	3.5	(6.0%)
Other revenue	38.2	1.1	3467.0%
Subtotal revenue	1,276.3	1,420.4	(10.1%)
Other income	57.2	147.6	(61.3%)
Net income (expense) from settlement mechanism	50.4	(6.7)	(857.5%)
Total revenue and other income	**1,383.9**	**1,561.3**	**(11.4%)**

Revenues from **grid connection**, the **management of the electrical system** and **market integration** remained stable compared to 2022.

The revenues from the **management and development of grid infrastructure** decreased from €475.3 million to €461.3 million (-€14.0 million). This is driven by reduced revenues due to lower consumption peaks (both yearly and monthly), particularly on the Distribution System Operator (DSO) side. Additionally, income related to power put at disposal saw a decrease compared to the previous year. This reduction is mainly attributed to optimization efforts and a decrease in power reserved by certain DSOs, implemented since September 2022.

Services rendered in the area of energy management and the individual balancing of balancing groups are paid under **revenues from compensation for imbalances**. These revenues saw a notable decline from €365.0 million to €255.1 million (-30.1%). Primarily, this decrease can be attributed to the tariff reduction for maintaining and restoring the residual balance of individual access responsible parties, amounting to €106.2 million. The drop in market conditions, specifically lower gas and electricity prices compared to last year, resulted in reduced balancing activation costs and, consequently, a lower imbalance price.

International revenue decreased to €294.3 million (-17.9%). The decrease is primarily attributed to a lower income from daily auctions for flow-based congestion, amounting to a reduction of €142.6 million. This is driven by decreased price spreads at Belgian borders compared to the previous year, particularly at the French border. Monthly auction revenues have also declined, down by €79.9 million, reflecting a less tense energy market compared to the previous year. However, these reductions are partially offset by an increase in yearly auction revenues, rising by €162.6 million. Notably, the yearly auctions for 2023 occurred in November 2022 during a peak crisis period, with nuclear unavailability in France still a concern, resulting in higher prices.

The **last mile connection** remained flat compared with previous year, while **other revenues** increased, mainly due to works delivered to third parties.

The **settlement mechanism** increased from -€6.7 million in 2022 to €50.4 million in 2023 and encompassed both deviations in the current year from the budget approved by the regulator (-€106.8 million) and the settlement of net surpluses from the previous tariff period (€156.7 million).The operating surplus (-€106.8 million), with respect to budgeted costs and revenue authorised by the regulator, will be returned to consumers in a future tariff period. The surplus was primarily the result of higher costs for ancillary services (+€122.1 million), higher influenceable costs (+€89.6 million), adjustment of the controllable budget (+€45.1 million) and a higher net profit (+€32.4 million). This was more than offset by an increase in tariff sales (-€137.4 million), which was mainly driven by imbalance compensations, and higher international and other sales (-€272.8 million).

EBITDA rose to €510.2 million (+7.1%) due to a higher regulated net profit, higher depreciations linked to the growing asset base, partially offset by lower net finance costs, all passed through into revenue. The **EBIT** increase was more pronounced (+10.9%), driven by higher dismantling provision for the Modular Offshore Grid covered by the tariffs, while already capitalised under IFRS in previous years. Also the depreciations for intangible assets expensed during the previous regulatory period and thus not covered by the tariffs decreased. The contribution of equity-accounted investments slightly increased to €2.8 million, linked to the contribution from HGRT.

Net finance cost decreased (-12.3%) compared with the previous year. This was mainly driven by the activation of borrowing costs due to the growth of the asset base (+€3.1 million), but the increasing interest rate environment also led to higher interest income on cash deposits. This was partly offset by higher interest costs linked to ETB's bond issuance. Beginning 2023, ETB tapped the debt capital market with its inaugural €500 million Green Bond for funding its eligible green projects. ETB proactively anticipated the rising interest rate environment by concluding interest rate swaps and this fully to the benefit of consumers. Consequently, the average cost of debt only marginally increased to 2.0% (+10 bps) at the end of 2023, and all outstanding debt has a fixed coupon.

(Adjusted) net profit rose by 15.3% to €180.9 million, mainly due to the following:

1. A higher fair remuneration (+€7.7 million) due to asset growth and higher equity.

2. Increase in incentives (+€12.9 million), reflecting a strong operational performance, primarily linked to a higher efficiency gain on controllable costs despite the growth of our activities and a better performance on the incentive for interconnection capacity driven by lower congestion costs. The net contribution from incentives was slightly negatively impacted by an increase of the average tax rate.
3. Activation of the Green Bond issuance costs under IFRS while fully covered by the tariffs (+€2.1 million).
4. Higher capitalised borrowing costs due to a higher level of assets under construction and the slight uptick in average costs of debt (+€3.2 million).
5. A one-off tariff compensation recognized in 2022 for the financial costs linked to the capital increase (-€3.5 million).
6. Other (+€1.5 million): this was driven by lower share-based payment expenses linked to the capital increase in favour of members of staff (+€1.6 million), higher dismantling provisions for the Modular Offshore Grid covered by the tariffs while capitalized under IFRS (+€3.4 million) and lower depreciation of software and hardware (+€0.7 million) as some of the assets acquired during the previous regulatory period and covered by the regulatory methodology are written off. This is partially offset by slightly more damage to electrical installations compared with the previous year (-€2.1 million) and deferred tax effects (-€2.5 million).

Total assets increased by €429.2 million to €8,277.8 million due to the realisation of the investment programme. **Net financial debt** increased to €3,479.1 million (+19.3%), as ETB's CAPEX programme was partially financed by cash flows from operating activities, which were negatively impacted by lower cash inflows from levies, and the issuance of a €500 million Green bond. The sustainability-linked RCF (€650 million) and the commercial paper (€300 million) were fully undrawn at the end of 2023. Elia Transmission Belgium is rated BBB+ with a stable outlook by Standard & Poors.

Equity remained flat at €2,915.7 million (+€8.6 million) mainly due to: the reservation of the 2023 profit (+€180.9 million) and the capital increase reserved for staff, including share-based payment expenses (+€0.7 million). This was fully offset by the dividend payment to Elia Group (-€139.7 million), the change in fair value of an interest rate hedge (-€18.8 million), a higher allocation of equity towards Nemo Link (-€11.7 million) and by the revaluation of post-employment benefit obligations (-€2.8 million).

Operational

The total load estimate declined by 3.5%, dropping from 81.7 TWh in 2022 to 78.9 TWh in 2023. This decrease is attributed to a reduction in DSO gross consumption and lower gross consumption among Grid Users connected to ETB's grid. The DSO consumption decrease is primarily due to increased local production on the distribution grid (mainly solar and wind), coupled with altered household consumption behavior influenced by elevated electricity prices in the latter half of 2022. The lower consumption of Grid Users connected to ETB's grid is mainly a consequence of the Ukraine crisis since the second half of 2022. The total load in 2023 of 78.9 TWh remained below pre-pandemic levels observed from 2014 (88.3 TWh) to 2019 (84.9 TWh).

Net offtake from the ETB's network saw a 5.1% decrease, falling from 59.8 TWh in 2022 to 56.8 TWh in 2023. Net injection on the ETB's network decreased by 20.3%, going from 65.9 TWh in 2022 to 52.5 TWh in 2023. This reduction is mainly attributed to lower nuclear injection in 2023, marked by the decommissioning of Doel 3 in September 2022 and Tihange 2 in February 2023, along with planned and unplanned unavailabilities throughout the year.

In 2023, Belgium became a net importer for the first time since 2018 due to diminished nuclear injection capacity. Net imports were observed at 1.7 TWh in 2023, contrasting with net exports of 8.9 TWh in 2022. Total exports decreased from 22.0 TWh in 2022 to 16.1 TWh in 2023, primarily at the border with France. Conversely, total imports increased from 13.1 TWh in 2022 to 17.8 TWh in 2023, with a notable rise at the border with France.

Investments

Throughout 2023, ETB dedicated a total investment of €711.3[3] million to its activities leading to a RAB growth of 9.5% to €5.9 billion. The primary focus remained on fortifying and expanding the 380 kV grid, laying the groundwork for offshore grid expansion and the seamless integration of renewable energy. Specifically, €158.5 million was allocated to offshore developments, €321.7 million to regional grid reinforcements, and client connections, while approximately €145.2 million supported 203 replacement projects across the Belgian grid. €83.7 million was invested towards digitalization and the development of innovative tools, aligning the company with technological advancements.

[3] Including the capitalisation of software and IAS 23 (Borrowing costs), IFRS 15 (Revenue recognition – Transfer of assets from customers) and IFRS 16 (Leasing), the total is €747.5 million.

elia group

2.1.B. 50Hertz (Germany)

Highlights

- Successful execution of 2023 investment programme for both on- and offshore projects, increasing the RAB by +15.2% to €7.9 billion
- Net result impacted by the lower financial result as last year's financial result was lifted up strongly by the revaluation of long-term provision due to the increased interest rates, partially compensated by increased investment remuneration and lower Opex costs leading to a return on equity of 9.5%
- Net debt (excluding EEG and similar mechanisms) increased to €5,045.9 million, mainly driven by the realisation of the investment programme

Key results

50Hertz Transmission key figures (in € million)	2023	2022	Difference (%)
Revenue, other income and net income (expense) from settlement mechanism	2,578.2	2,592.6	(0.6%)
Revenues	*2,553.0*	*2,222.4*	*14.9%*
Other income	*175.3*	*125.9*	*39.2%*
Net income (expense) from settlement mechanism	*(150.1)*	*244.4*	*(161.4%)*
EBITDA	710.9	611.5	16.3%
EBIT	378.7	314.1	20.6%
Net finance costs	(59.8)	27.3	(319.0%)
Income tax expenses	(100.4)	(105.3)	(4.7%)
Net profit	**218.5**	**236.1**	**(7.5%)**
Of which attributable to the Elia group	***174.8***	***188.9***	***(7.5%)***
Adjusted items on net profit	*0.0*	*0.0*	*n.r.*
Adjusted net profit	***218.5***	***236.1***	***(7.5%)***
Key figures of the financial position (in € million)	2023	2022	Difference (%)
Total assets	10,086.6	11,638.1	(13.3%)
Total equity	2,138.4	2,180.6	(1.9%)
Net financial debt	4,693.3	1,255.3	273.9%
Net financial debt, excl. EEG and similar mechanisms	5,045.9	4,191.3	20.4%
Free cash flow	(3,403.7)	(359.2)	847.6%

Income, expenses, assets and liabilities are reported in the table at 100%
See the glossary for definitions
See Section 4 for information on adjusted items

Financial

50Hertz Transmission's total revenue and other income slightly decreased compared with 2022 (-0.6%). Total revenues are detailed in the table below.

(in € million)	2023	2022	Difference (%)
Grid revenue:	**2,535.4**	**2,213.1**	**14.6%**
Revenue from incentive regulation	1,558.0	862.7	80.6%
Revenue from offshore regulation	400.9	295.1	35.9%
Energy revenue	576.5	1,055.4	(45.4%)
Other revenue (incl. last mile connection)	17.7	9.2	91.6%
Subtotal revenue	2,553.0	2,222.4	14.9%
Other income	175.3	125.9	39.2%
Net income (expense) from settlement mechanism	(150.1)	244.4	(161.4%)
Total revenue and other income	**2,578.2**	**2,592.6**	**(0.6%)**

Revenues from incentive regulation consist of grid tariffs before the settlement mechanism; they are primarily driven by the regulatory remuneration for onshore activities (revenue cap).

Revenues from incentive regulation increased by €695.3 million. The main driver was the revenue cap increase (+€824.1 million), as it assumed energy prices at the level of 2022, and includes significantly higher cost allowance for pass-through energy costs for redispatch (+€664.4 million) and grid losses (+€71.5 million). Furthermore, it also results from the voluntary commitment to utilise electricity in electrical heat generating units instead of limiting the renewable energy production in the scope of temporary measures to reduce overloads on the transmission grid (+€67.1 million), as well as a higher cap for non-influenceable Opex (+€14.3 million), e.g. personnel, subsidies etc. The volume effects offset the higher revenue cap partially. Last year the infeed of renewable energy into the distribution grid was much higher than expected, leading to lower volumes in the transmission grid. This effect increased even further compared to last year (-€128.8 million).

Revenues from offshore surcharge include all revenues derived from the offshore grid surcharge. This includes regulatory remuneration for the connection of offshore wind farms, the reimbursement of offshore liability payments and offshore costs charged to 50Hertz by third parties, e.g. other TSOs.

The offshore surcharge revenues increased compared with the previous year (+€105.8 million) as the pass-through costs charged to 50Hertz by third parties increased (+€117.2 million). While the offshore remuneration for capital costs increased due to the execution of the investments (Ostwind 2, Ostwind 3 and Gennaker), the remuneration of the offshore Opex decreased more strongly as 50Hertz benefitted in 2022 from the final settlement of the offshore lump sum for 2018 (-€11.4 million).

Energy revenues include all revenues related to system operations and are mostly corresponding costs charged on to third parties, such as redispatch measures, costs for reserve power plants or control power costs. Revenues generated from auctioning off interconnector capacity are also included in this section.

Energy revenues strongly decreased compared to the previous year (-€478.9 million), due to the sharp drop in energy prices since last year. The main driver is the strong decrease of control power costs charged to balancing groups (-€217.7 million). The revenues from the compensation of involuntary exchanges at the grid's borders decreased as well (-€81.1 million), as did the revenues from reserve power plants (-€73.0 million). Furthermore, revenues from the auctioning of interconnector capacities dropped due to the price developments (-€58.7 million), as did the charges to other TSOs for redispatch measures decreased significantly (-€47.0 million).

Other income rose (+€49.3 million), as a result of higher own work capitalised following the increase in staffing to execute and manage the investment programme (+€40.6 million) as well as higher revenues from service level agreements (+€17.0 million).

The **net regulatory income (expense) from settlement mechanism** neutralises regulatory time lags. It consists of two components: firstly, the neutralisation of differences between cost allowances in the tariffs and the actual costs incurred for the current year (-€288.3 million); secondly, the balancing of said differences from prior years (+€138.1 million).

EBITDA increased to €710.9 million (+16.3%). The growing onshore and offshore asset base benefitted the investment remuneration (+€75.0 million). Base year revenues increased due to a higher remuneration (inflation adjustment) of the capital costs and the Opex compared to last year (+€9.5 million). The operational costs remained well under control (+€4.6 million), driven by lower maintenance costs and partially offset by important expenditures in digitalisation and IT in order to manage the increasing complexity of operating the system. Furthermore, the EBITDA benefitted from a higher energy bonus (+€11.1 million), especially for grid losses. 50Hertz continued to expand its talent pool in order to keep up with the increasingly larger and more complex investment programme, leading to additional staff costs (-€34.1 million). This was offset by higher own work capitalised and revenues from service level agreements (+€48.6 million). Finally, last year's EBITDA was marked by significant one-off regulatory settlements as the offshore lump sum for 2018 was settled (-€14.8 million). Also, the **EBIT** increased (+20.6%) despite the higher depreciations (-€34.7 million) following the execution of the investment programme. Furthermore, operating provisions remained flat.

The **net financial result** decreased to -€59.8 million (-€87.1 million), mainly related to the valuation of the long-term provision for congestion income from interconnectors included in the regulatory accounts (-€74.2 million). Last year was marked by a strong drop in the valuation of this liability due to the spike of forward interest rates, while the sudden drop in interest rates in December 2023 caused an increase of the provision. Furthermore, the funding costs increased due to Eurogrid's bond and green loan issuances in an environment of increasing interest rates over the first three quarters of 2023 (-€9.7 million). This is partially offset by higher capitalised borrowing costs due to the ongoing investment programme (+€7.1 million).

(Adjusted) net profit decreased to €218.5 million (-7.5%) as a result of:

1. Higher investment remuneration (+€52.5 million) following the growth of the asset base.
2. Decreased Opex and other costs (+€10.5 million) mainly driven by higher base year revenues and lower operating cost more than offsetting the lower regulatory settlements.
3. Higher energy bonus (+€4.6 million), mainly due to the bonus for grid losses.
   These effects were partially compensated by:
4. Lower financial results (-€60.9 million), driven primarily by last year's revaluation of long-term provisions and the higher interest costs.
5. Higher depreciations (-€24.3 million) due to the commissioning of projects.

Total assets declined by -€1,551.5 million compared with 2022 mainly due to decreasing cash and cash equivalents linked to the decreasing energy prices and therefore a strong drop of the EEG cash balance, partially compensated by the good progress on the investment programme and therefore increasing assets under construction. The **free cash flow** totalled -€3,403.7 million and was heavily affected by the realisation of investment programme (€1,685.9 million) and the net cash outflow for EEG and similar mechanisms (KWK[4] and SPB[5]) (-€2,578.6 million) driven by the decreased energy prices. 50Hertz acts as a trustee for these mechanisms.

The **net financial debt, excl. EEG and similar mechanisms** increased by €854.6 million compared to end of 2022, up to €5,045.9 million. The execution of the investment programme was partially financed from operating cash flow, while Eurogrid also accessed the debt market on several occasions. Including EEG and similar mechanisms, the net financial debt increased by €3,438.0 million due to the drop of the cash balance for EEG and similar mechanisms. As of December 2023, the cash position for these schemes decreased and amounted to €352.6 million.

In 2023, Eurogrid continued to tap the debt market to finance its investment plan. It secured and drew on a €600 million Green Loan with a term of ten years and refinanced under KfW's "Climate Protection Programme for Companies". The funds are used to co-finance the offshore grid connection for the Gennaker wind farm project. Additionally, Eurogrid issued a new bond of €650 million with a tenor of 7 years and at a fixed rate of 3,722% on which it tapped an additional €150 million in November (re-offer yield at 4.534%), in order to refinance a €750 million bond with a maturity in 2023. Finally, a syndicated bank loan of €120 million with a tenor of 10 years was secured in November to partially finance the Uckermark line and Berlin cable tunnel, while Eurogrid also agreed on a new private placement of €50 million. Following these transactions, the average cost of debt increased to 2.01% (+21 bps) at the end of 2023.

[4] KWK (Kraft-Wärme-Kopplung): Combined Heat & Power
[5] SPB (Strompreisbremse): Cap on energy prices

The **total equity** decreased by €42.2 million to €2,138.4 million. This decrease is primarily driven by the drop in hedge reserves (-€248.2 million) offsetting the result reservation for 2023 (€218.5 million). Since 2021, 50Hertz applies hedge accounting for the purpose of reducing the risk of fluctuations in the expected amount of grid losses. Due to the drop in energy prices, the fair value of these contracts decreased to -€224.8 million. Considering a deferred tax effect, a hedge reserve amounting to -€157.4 million was recorded in other comprehensive income. As the costs for grid losses are almost fully passed through to the tariffs, the fair value of the future contracts has no relevance for the current and future profitability of the company. Eurogrid's shareholders, the Elia Group and KfW, remain committed to successfully shaping the energy transition. This commitment is reflected by an equity injection totalling €120 million for 2023. This was offset by the dividend payments to the shareholders.

Operational

In 2023, a net volume of 41.1 TWh was drawn off from the 50Hertz grid, 7.6% less than last year (44.5 TWh). As usual, 50Hertz was a net exporter of electricity with a net export of 39.8 TWh (43.8 TWh in 2022); this followed from 62.1 TWh in exports and 22.3 TWh in imports (64.8 TWh and 21.0 TWh in 2022, respectively). As of December, the peak load was 7.9 GW (compared to 8.0 GW last year).

Investments

50Hertz invested €1,685.9 million in 2023, up 55.3% compared to last year increasing the RAB by +15.2% to €7.9 billion (100% 50Hertz). In total, €1,102.2 million were invested in onshore projects, while offshore investments amounted to €494.3 million. Additionally, €89.4 million were spent on IT projects.

Significant onshore investments include the DC line SuedOstLink (€289.7 million), crucial for connecting growing offshore production in northern Germany to southern consumption centers. Additionally, a major focus of the year was on reinforcing the existing grid, with the 380 kV overhead line between Röhrsdorf and Remptendorf as a major project, costing €137.3 million. Other important reinforcement projects involve the southern Uckermark region (€118.0 million) and the northern Uckermark region (€25.5 million) overhead lines, and the 380 kV overhead line section between Pulgar and Vieselbach (€54.6 million). Other noteworthy onshore projects to strengthen the grid include the restructuring of the Lauchstädt substation with STATCOM and MSCDN (€44.7 million), as well as the restructuring and reinforcement of the Wolmirstedt to Güstrow (€44.4 million) overhead line.

Regarding offshore investments, focus primarily lies on the Ostwind 3 project (€212.0 million), while the Ostwind 2 project (€118.7 million) is nearing final commissioning in 2024. Additionally, progress is being made in realising the connection for the offshore wind park Gennaker, with an investment of €110.7 million.

2.1.C. Non-regulated activities and Nemo Link

Highlights

- Positive contribution of €12.1 million, excluding one-off M&A costs for the acquisition of a minority stake in energyRe Giga (-€11.9 million). Successfully closed the transaction at the beginning of February 2024.
- Nemo Link's strong performance in 2023 constrained by cumulative cap
- Higher costs driven by the expansion of international offshore activities
- Successful issuance of €500 million hybrid securities together with a capped tender offer on its existing hybrid security

Key results

Non-regulated activities and Nemo Link Key figures (in € million)	2023	2022	Difference (%)
Total revenues and other income	69.0	44.7	54.4%
Equity accounted investees	27.3	37.1	(26.4%)
EBITDA	6.3	24.3	(74.1%)
EBIT	5.4	23.6	(77.1%)
Adjusted items	*(11.9)*	*0.0*	*n.r.*
Adjusted EBIT	17.3	23.6	(26.7%)
Net finance costs	(5.0)	(8.8)	(43.2%)
Income tax expenses	(0.2)	0.4	(150.0%)
Net profit	**0.2**	**15.2**	**(98.7%)**
Of which attributable to the Elia Group	***(0.2)***	***15.2***	**(101.3%)**
Adjusted items on net profit	*(11.9)*	*0.0*	*n.r.*
Adjusted net profit	**12.1**	**15.2**	**(20.4%)**
Key figures of the financial position (in € million)	2023	2022	Difference (%)
Total assets	1,844.9	1,946.5	(5.2%)
Total equity	1,240.2	1,445.4	(14.2%)
Net financial debt	469.6	260.1	80.5%

See the glossary for definitions
See Section 4 for information on adjusted items

Non-regulated revenue increased by 54.4% to €69.0 million compared to 2022. Elia Grid International ('EGI') achieved a strong increase in revenues (+€8.3 million) by effectively utilizing its well-established consulting expertise in the energy industry to support countries in their pursuit of energy transition objectives. Furthermore, the intersegment transactions increased mainly between Elia Group SA, Elia Transmission Belgium and 50Hertz. The effect of these intersegment transactions is disclosed in 'Note 2.2. Segment reconciliation'.

Equity-accounted investments contributed €27.3 million to the Group's result, which is almost entirely attributable to **Nemo Link**. Despite the Nemo Link's strong performance in 2023, it contributed €9.8 million less to the overall result compared to prior year. This decline can be fully attributed to the fact that Nemo Link reached the cumulative cap for the 5-year assessment, while prior year result still partially benefitted from lower performance for the years 2019-2021.

In 2023, the European and British electricity markets settled following the tumultuous state in 2022. The year saw significant power flow towards Belgium due to a more favorable gas supply situation in Great Britain, but this difference faded as EU gas storages hit record highs and reliance on Russian gas decreased. This improved supply scenario led to a significant drop in gas prices compared to 2022, reducing price spreads and flows towards Belgium. Carbon emission prices, which significantly impact power prices, also showed a downward trend in the UK relative to the EU, further reducing price differences between these markets. Consequently, the average hourly market spread came down from €41.3/MWh in 2022 to a more normal level of €13.7/MWh in 2023. The operational availability of the interconnector remained high at 96.1% in 2023, despite more extensive maintenance due to the first 5 years of operations.

Adjusted EBIT dropped to €17.3 million (-€6.3 million). This decrease was primarily due to the lower contribution from Nemo Link (-€9.8 million), higher cost at WindGrid especially in relation to the establishment of WindGrid US (-€3.4 million) and partially offset by the lower costs at the holding (+€1.7 million). Furthermore, the adjusted EBIT was negatively impacted by higher costs for re.alto (-€0.4 million). Following the increase in revenues, the contribution from EGI increased (+€4.8 million), while the other non-regulated cost decreased (+€0.8 million). Considering the one-off costs linked to the acquisition of a minority stake in energyRe Giga (€11.9 million), **EBIT** totals €5.4 million.

Net finance cost dropped to €5.0 million, mainly consisting of interest expenses related to the senior bond (€5.2 million), expenses related to the Nemo Link private placement (€2.6 million) and other financial costs related to Elia Group SA, primarily driven by funding cost linked to equity injection in Eurogrid GmbH. These costs were partially balanced out by interest income from mainly from cash deposits (€4.3 million) benefitting from the higher interest rate environment and the Group's improved liquidity position following last year's capital increase. In the course of 2023, the Group successfully refinanced its €700 million hybrid security, by the use of liquidity and the issuance of a new €500 million hybrid with a capped tender on the outstanding hybrid security. All the cost linked to this transaction, are directly recognised in equity under IFRS.

Adjusted net profit decreased by -20.4% to €12.1 million, mainly as a result of:

1. Lower contribution from Nemo Link (-€9.6 million).
2. Higher costs driven by the expansion of international offshore activities of WindGrid (-€3.2 million).
3. Lower loss for the holding (+€5.3 million) driven mainly by higher interest income on cash deposits and lower business development cost as cost linked to energyRe Giga are presented as an adjusted item.
4. Higher contribution from EGI (+€4.0 million).
5. Other items (+€0.4 million) primarily driven by lower other non-regulated cost (+€0.2 million), financial income at Eurogrid International (+€0.7 million), partially offset by higher costs for re.alto (-€0.4 million).

Total assets decreased by 5.2% amounting to €1,844.9 million (-€101.6 million) as the refinancing of the hybrid security was partially financed from existing liquidity following last year's capital increase, while the dividend paid to shareholders (-€140.4 million) was covered by the dividend proceeds from subsidiaries. Additionally, the Group increased its participation in Eurogrid GmbH, by drawing €100 million from its Revolving Credit Facilities. This also led to a rise in **net financial debt** of €209.4 million to €469.6 million.

Finally, as part of the investment in energyRe Giga, Elia Group SA has secured a bridge facility of €400 million, fully undrawn at year end. It also has unused Revolving Credit Facilities amounting to €55 million, while the commercial paper worth €35 million remains fully undrawn.

2.2 Segment reconciliation

Consolidated results (in € million) – period ended 31 December	**2023**	**2023**	**2023**	**2023**	**2023**
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Consolidation entries & intersegment transactions	Elia Group
	(a)	(b)	(c)	(d)	(a) + (b) + (c) + (d)
Revenue	1,276.3	2,553.0	18.5	(5.3)	3,842.6
Other income	57.2	175.3	50.5	(72.3)	210.7
Net income (expense) from settlement mechanism	50.4	(150.1)	0.0	0.0	(99.7)
Depreciation, amortisation, impairment and changes in provisions	(219.8)	(332.2)	(0.9)	0.0	(552.9)
Results from operating activities	**287.6**	**378.7**	**(22.0)**	**(0.1)**	**644.2**
Share of profit of equity accounted investees, net of tax	2.8	0.0	27.3	0.0	30.2
Earnings before interest and tax (EBIT)	290.5	378.7	5.4	(0.1)	674.4
Earnings before depreciation, amortisation, interest and tax (EBITDA)	510.2	710.9	6.3	(0.1)	1,227.3
Finance income	19.2	37.5	4.9	(0.0)	61.6
Finance costs	(73.9)	(97.3)	(9.8)	0.1	(181.0)
Income tax expenses	(54.9)	(100.4)	(0.2)	0.0	(155.5)
Profit attributable to the owners of the company	**180.9**	**174.8**	**(0.2)**	**0.0**	**355.4**
Consolidated statement of financial position (in € million)	**31.12.2023**	**31.12.2023**	**31.12.2023**	**31.12.2023**	**31.12.2023**
Total assets	8,277.8	10,086.6	1,844.9	(819.2)	19,390.1
Capital expenditures	747.5	1,728.1	1.1	0.0	2,476.7
Net financial debt	3,479.1	4,693.3	469.6	0.0	8,641.9

3. Outlook and other information[6]

As we step into 2024, we are also entering a new regulatory period for both Belgium and Germany, with durations of 4 and 5 years respectively. In Belgium, we have concluded regulatory discussions and the modifications to the methodology have been ratified. The newly approved framework is more reflective of the current market conditions, with the equity remuneration part set to fluctuate in line with the Belgian 10-year OLO, albeit with a predetermined floor. However, this means that we could foresee more variability in our results. On the other hand, regulatory discussions in Germany are yet to reach a conclusion. The discussions regarding the industry productivity factor (Xgen) are still poised to commence with the regulator. With the amendment of the energy industry act (EnWG) and the associated new determination authority of the BNetzA, the regulator has now started an industry dialog on the further development of the regulatory framework. BNetzA aims to simplify the existing framework, reduce bureaucracy, expedite cost refinancing, while the framework needs to maintain its reliability. Among other things, discussions during the industry dialogue, scheduled for 2024, will explore potential shortening of regulatory periods. We are committed to actively participating in this process to shape a regulatory framework aligned with current challenges. Anticipated decisions from BNetzA are expected in 2025.

A substantial momentum is currently being generated at the European level to expedite the energy transition. This has resulted in Germany setting an ambitious objective of achieving climate neutrality by 2045, leading to our capex plan of €20.7 billion for the period 2024-2028. The acceleration of the permitting plan instils confidence in us that the realisation of such an ambitious plan is on track for completion. However, in Belgium where we plan to invest €9.4 billion for the period 2024-2028, such an acceleration is yet to be observed. We trust that both local and federal governments will take the necessary steps to ensure that the grid infrastructure does not become a hindrance in the energy transition.

Simultaneously, we are confronting a supplier market that continues to present significant challenges. We have embarked on a series of strategic initiatives aimed at mitigating these challenges and ensuring a stable supply chain. This includes strengthening relationships with existing suppliers, exploring new potential partnerships, and leveraging innovative technologies to increase efficiency and reduce costs. Considering these challenges, we are actively developing additional framework contracts aimed at safeguarding our operations, reaffirming our dedication to the successful implementation of the energy transition.

We are committed to maintaining our presence in the bond markets, leveraging them to support our capex plan. The positive reception to our recent green issuances, by ETB and Eurogrid GmbH at the beginning of the year, provides us confidence. Furthermore, we are strategizing to broaden our funding sources and strengthen the liquidity, as demonstrated by the increased revolving credit facilities for ETB and Eurogrid GmbH during the first quarter of the

[6] The following statements are forward-looking and actual results may differ materially.

year. This diversification will provide us with the agility and resources needed to seize opportunities and navigate evolving market conditions effectively.

As we continue to evolve and adapt, we are confident in our ability to deliver value for our stakeholders while ensuring the long-term sustainability of our business.

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.[7]) 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 about 3.3% 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.

[7] 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).

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4. Adjusted items – Reconciliation Table

(in € million) – Period ended 31 December 2023	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Consolidation entries	Elia Group
Adjusted items					
Transaction costs (acqusition of EnergyRe Giga - US)	0.0	0.0	(11.9)	0.0	(11.9)
Adjusted EBIT	**0.0**	**0.0**	**(11.9)**	**0.0**	**(11.9)**
Tax impact	0.0	0.0	0.0	0.0	0.0
Net profit – adjusted items	**0.0**	**0.0**	**(11.9)**	**0.0**	**(11.9)**

(in € million) – Period ended 31 December 2022	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Consolidation entries	Elia Group
Adjusted items					
Nihil	0.0	0.0	0.0	0.0	0.0
Adjusted EBIT	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Tax impact	0.0	0.0	0.0	0.0	0.0
Net profit – adjusted items	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

5. Financial Calendar

Publication of full-year results 2023	6 March 2024
Publication of 2023 Annual report	19 April 2024
General Meeting of Shareholders	21 May 2024
Quarterly Statement Q1 2024	22 May 2024
Ex-dividend date	30 May 2024
Record date	31 May 2024
Payment of dividend for 2023	3 June 2024
Publication of half-year results 2024	24 July 2024
Quarterly statement Q3 2024	29 November 2024

6. Statutory auditor's note on the consolidated financial information for the year ended on 31 December 2023

The joint statutory auditors, EY Bedrijfsrevisoren BV/Réviseurs d'Entreprises SRL represented by Mr Paul Eelen and BDO Bedrijfsrevisoren BV/Réviseurs d'Enterprises SRL represented by Mr Michaël Delbeke, have confirmed that their audit procedures, which have been substantially completed, have not revealed any material adjustments which would have to be made to the accounting information included in this press release.

7. Useful Links

— **Press Release**
— Elia Group will host a **conference call** for institutional investors and analysts today (6 March 2024) at 10:00 a.m. CET
— **2022 annual report**

Disclaimer/Forward-looking statements

Certain statements in this press release are not historical facts and are forward-looking statements. From time to time, the Company may make written or oral forward-looking statements in reports to shareholders and in other communications. Forward-looking statements include, but is not limited to, the estimates of revenues, operating margins, capital expenditures, cash, future liquidity, working capital, and capital requirements, the Company's ability to raise capital and debt, other financial information, expected legal, political or regulatory evolutions, in Belgium and in and outside Europe, and other such estimates and evolutions, including amongst others the uncertainty with respect to the necessary regulatory approvals of costs and terms and conditions related to the operation of the grid, the expected development of the Company's business, projects, joint ventures and other co-operations, the execution of the Company's vision and growth strategy, including with respect to future M&A activity and global growth. Words such as "believe", "anticipate", "estimate", "expect", "intend", "predict", "project", "could", "may", "will", "plan", "remain confident" and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. Investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. When relying on forward-looking statements, investors should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social, industry and legal environment in which the Company operates. Such forward-looking statements speak only as of the date on which they are made. Accordingly, the Company does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise, other than as required by applicable laws, rules or regulations. The Company makes no representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.

Glossary

Adjusted items

Adjusted items are those items that are considered by management not to relate to items in the ordinary course of activities of the Group. They are presented separately as they are important for the understanding of users of the consolidated financial statements of the performance of the Group and this compared to the returns defined in the regulatory frameworks applicable to the Group and its subsidiaries.

Adjusted items relate to:

- income and expenses resulting from a single material transaction not linked to current business activities (e.g. change in control in a subsidiary);
- changes to the measurement of contingent considerations in the context of business combinations;
- restructuring costs linked to the corporate reorganisation of the Group (i.e. a reorganisation project to isolate and ring-fence the regulated activities of Elia in Belgium from non-regulated activities and regulated activities outside Belgium).

Adjusted EBIT

EBIT - earnings before interest and taxes - is the adjusted result from operating activities, which is used to compare the Group's operational performance between years. Adjusted EBIT is defined as EBIT excluding adjusted items.

Adjusted EBIT is calculated as total revenue less the cost of raw materials, consumables and goods for resale, services and other goods, personnel expenses and pensions, depreciations, amortisations and impairments, changes in provisions and other operating expenses, plus the share of equity-accounted investees (net of tax) plus or minus adjusted items.

(in € million) – period ended 31 December			**2023**		
	Elia Transmission	**50Hertz Transmission**	**Non-regulated activities and Nemo Link**	**Consolidation entries & intersegment transactions**	**Elia Group**
Results from operating activities	287.6	378.7	(22.0)	(0.1)	644.2
Share of profit of equity accounted investees (net of tax)	2.8	0.0	27.3	0.0	30.2
EBIT	**290.5**	**378.7**	**5.4**	**(0.1)**	**674.4**
Deduct:					
Transaction costs (acqusition of EnergyRe Giga - US)	0.0	0.0	(11.9)	0.0	(11.9)
Adjusted EBIT	**290.5**	**378.7**	**17.3**	**(0.1)**	**686.3**

(in € million) – period ended 31 December	2022				
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Consolidation entries & intersegment transactions	Elia Group
Results from operating activities	259.6	314.1	(13.6)	(0.3)	559.8
Share of profit of equity accounted investees (net of tax)	2.4	0.0	37.1	0.0	39.5
EBIT	**262.0**	**314.1**	**23.6**	**(0.3)**	**599.4**
Deduct:					
Adjusted EBIT	262.0	314.1	23.6	(0.3)	599.4

Adjusted net profit

Adjusted net profit is defined as net profit excluding adjusted items. Adjusted net profit is used to compare the Group's performance between years.

(in € million) – period ended 31 December	2023			
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Elia Group
Profit for the period	**180.9**	**218.5**	**0.2**	**399.5**
Deduct:				
Transaction costs (acqusition of EnergyRe Giga - US)	0.0	0.0	(11.9)	(11.9)
Tax impact	0.0	0.0	0.0	0.0
Adjusted net profit	**180.9**	**218.5**	**12.1**	**411.4**

(in € million) – period ended 31 December	2022			
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Elia Group
Profit for the period	156.9	236.1	15.2	408.2
Deduct:				
Adjusted net profit	156.9	236.1	15.2	408.2

CAPEX

CAPEX - Capital Expenditures - are acquisitions of fixed assets (a.o. property, plant and equipment and intangible assets) minus the proceeds from the sale of fixed assets. CAPEX are investments realised by the Group to acquire, upgrade, and maintain physical assets (such as property, buildings, an industrial plant, technology, or equipment) and intangible assets. CAPEX is an important metric for the Group, since it affects its regulated asset base (RAB) that serves as basis for its regulatory remuneration.

EBIT

EBIT - earnings before interest and taxes- result from operating activities, which are used for the Group's operational performance. EBIT is calculated as total revenue less costs of raw materials, consumables and goods for resale, services and other goods, personnel expenses and pensions, depreciations, amortisations and impairments, changes in provision and other operating expenses, plus the share of equity-accounted investees.

(in € million) – period ended 31 December	2023				
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Consolidation entries & intersegment transactions	Elia Group
Results from operating activities	287.6	378.7	(22.0)	(0.1)	644.2
Share of profit of equity accounted investees (net of tax)	2.8	0.0	27.3	0.0	30.2
EBIT	**290.5**	**378.7**	**5.4**	**(0.1)**	**674.4**

(in € million) – period ended 31 December	2022				
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Consolidation entries & intersegment transactions	Elia Group
Results from operating activities	259.6	314.1	(13.6)	(0.3)	559.8
Share of profit of equity accounted investees (net of tax)	2.4	0.0	37.1	0.0	39.5
EBIT	**262.0**	**314.1**	**23.6**	**(0.3)**	**599.4**

EBITDA

EBITDA - earnings before interest, taxes, depreciation and amortisations - result from operating activities plus depreciations, amortisation and impairment plus changes in provisions plus share of profit of equity-accounted investees. EBITDA is used as a measure of the Group's operational performance, thereby extracting the effect of depreciations, amortisation and changes in provisions of the Group. EBITDA excludes the cost of capital investments such as property, plants, and equipment.

(in € million) – period ended 31 December	2023				
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Consolidation entries & intersegment transactions	Elia Group
Results from operating activities	287.6	378.7	(22.0)	(0.1)	644.2
Add:					
Depreciation, amortisation and impairment	224.4	332.2	0.9	0.0	557.5
Changes in provisions	(4.6)	(0.0)	0.0	0.0	(4.6)
Share of profit of equity accounted investees (net of tax)	2.8	0.0	27.3	0	30.164
EBITDA	**510.2**	**710.9**	**6.3**	**(0.1)**	**1,227.3**

(in € million) – period ended 31 December	2022				
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Consolidation entries & intersegment transactions	Elia Group
Results from operating activities	259.6	314.1	(13.6)	(0.3)	559.8
Add:					
Depreciation, amortisation and impairment	215.5	297.6	0.7	0.0	513.7
Changes in provisions	(1.1)	(0.2)	0.0	0.0	(1.3)
Share of profit of equity accounted investees (net of tax)	2.4	0.0	37.1	0.0	39.5
EBITDA	**476.4**	**611.5**	**24.3**	**(0.3)**	**1,111.8**

Equity attributable to the owners of the company

Equity attributable to the owners of the company is equity attributable to ordinary shareholders and hybrid security holders, excluding non-controlling interests.

(in € million)	31 December 2023	31 December 2022
Equity	5,517.3	5,756.4
Deduct:		
Non-controlling interests	428.8	436.7
Equity attributable to the owners of the company	**5,088.5**	**5,319.6**

Free cash flow

Free cash flow relates to cash flows from operating activities minus cash flows from investment activities. Free cash flow provides an indication of the cash flows generated by the Group.

(in € million) – period ended 31 December	2023				
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Consolidation entries & intersegment transactions	Elia Group
Net cash from operating activities	324.9	(1,823.1)	(11.2)	(0.0)	(1,509.4)
Deduct:					
Net cash used in investing activities	724.7	1,580.6	(163.2)	144.9	2,287.1
Free cash flow	**(399.8)**	**(3,403.7)**	**152.0**	**(144.9)**	**(3,796.5)**

(in € million) – period ended 31 December	2022				
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Consolidation entries & intersegment transactions	Elia Group
Net cash from operating activities	670.1	764.1	(3.0)	0.0	1,431.2
Deduct:					
Net cash used in investing activities	416.0	1,123.3	253.9	(338.8)	1,454.4
Free cash flow	**254.1**	**(359.2)**	**(257.0)**	**338.8**	**(23.2)**

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Net finance costs

Net finance costs represent the net financial result (finance costs plus finance income) of the company.

Net financial debt

Net financial debt comprises non-current and current interest-bearing loans and borrowings (including lease liability under IFRS 16) minus cash and cash equivalents. Net financial debt is an indicator of the amount of the Group's interest-bearing debt that would remain if readily available cash or cash instruments were used to repay existing debt.

(in € million)	31 December 2023				31 December 2022			
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Elia Group Total	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Elia Group Total
Non-current liabilities:								
Loans and borrowings	3,394.2	5,395.9	464.7	9,254.8	3,408.2	3,834.4	473.0	7,715.6
Add:								
Current Liabilities:								
Loans and borrowings	583.1	58.8	113.4	755.2	65.2	789.2	12.8	867.2
Deduct:								
Current Assets:								
Cash and cash equivalents	498.2	761.4	108.5	1,368.1	557.2	3,368.3	225.7	4,151.2
Net financial debt	3,479.1	4,693.3	469.6	8,641.9	2,916.2	1,255.3	260.1	4,431.6
EEG and similar mechanisms - surplus		352.6		352.6		2,936.0		2,936.0
EEG and similar mechanisms - deficit								
Net financial debt, exl. EEG and similar mechanisms	3,479.1	5,045.9	469.6	8,994.5	2,916.2	4,191.3	260.1	7,367.6

Regulatory asset base (RAB)

The regulated asset base is a regulatory concept and an important driver for determining the return on the invested capital in the TSO through regulatory schemes. The RAB is determined via the RABi (initial RAB determined by regulator at a certain point in time) and evolves with new investments, depreciations, divestments and changes in working capital on a yearly basis using the local GAAP accounting principles applicable in the regulatory schemes. In Belgium, when setting the initial RAB, a certain amount of revaluation value (i.e. goodwill) was taken into account which evolves from year to year based on divestments and/or depreciations, as well as capital grants received for infrastructure projects.

Return on Equity (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

(in € million) – period ended 31 December	2023	2022
Profit for the period	399.5	408.2
Deduct:		
Profit attributable to holders of hybrid securities	31.0	19.2
Profit attributable to non-controlling interests	44.1	47.2
Profit attributable to equity holders of ordinary shares (A)	**324.4**	**341.8**
Divided by:		
Equity attributable to ordinary shares	4,572.6	4,618.3
Deduct:		
Hedging reserve in equity related to future grid losses (50Hertz)	-125.9	72.7
Adjusted equity attributable to ordinary shares (B)	**4,698.5**	**4,545.6**
Return on Equity (adj.) (%) = (A) / (B)	**6.91%**	**7.52%**

Net debt/EBITDA

Net debt/EBITDA is the net financial debt divided by EBITDA. The net debt/EBITDA ratio provides an indication of the number of years it would take for the Group to pay back its interest-bearing debt net of cash based on its operational performance.

EBITDA/Gross interest

EBITDA/Gross interest is the EBITDA divided by the pre-tax interest charges. The EBITDA-to-interest coverage ratio expresses to what extent the operational performance enables the Group to pay off annual interest expenses.

Equity attributable to owners of the company per share (in €)

This is the equity attributable to owners of the company divided by the number of shares outstanding at the year's end excluding own shares held by the company.

(in € million) – period ended 31 December	2023	2022
Equity attributable to ordinary shares	4,572,601,496.6	4,618,266,556.4
Divide by:		
Number of shares outstanding	73,499,744	73,502,359
Equity attributable to owners of ordinary shares (per share)	**62.2**	**62.8**

Earnings per share (in €) (Elia share)

This is the net profit attributable to owners of the ordinary shares divided by the weighted average number of ordinary shares (end of period) excluding treasury shares.

(in € million) – period ended 31 December	2023	2022
Net profit attributable to owners of ordinary shares	324.5	341.7
Divide by:		
Weighted average number of ordinary shares	73,499,387	71,142,846
Earnings per share (in €) (Elia share)	**4.41**	**4.80**

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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 19,349 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.

eliagroup.eu

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Annexes:

Basis for segment reporting

The Group has opted for a segment reporting in conformity with the different regulatory frameworks that currently exist within the Group. This reporting approach closely reflects the Group's operational activities and is also in line with the Group's internal reporting to the Chief Operating Decision Maker (CODM), enabling the CODM to better evaluate and assess the Group's performance and activities in a transparent way.

Pursuant to IFRS 8, the Group has identified the following operating segments based on the aforementioned criteria:

- Elia Transmission (Belgium), which comprises the activities based on the Belgian regulatory framework: the regulated activities of Elia Transmission Belgium NV/SA, Elia Asset NV/SA, Elia Engineering NV/SA, Elia Re SA, HGRT SAS, Coreso NV/SA, whose activities are directly linked to the role of Belgian transmission system operator and are subject to the regulatory framework applicable in Belgium.
- 50Hertz Transmission (Germany), which comprises the activities based on the German regulatory framework: Eurogrid GmbH, 50Hertz Transmission GmbH, 50Hertz Offshore GmbH and 50Hertz Connectors GmbH, whose activities are directly linked to the role of transmission system operator in Germany.
- Non-regulated activities and Nemo Link, comprising:
    - Elia Group NV/SA, which mainly comprises the holding activities in the Elia Transmission (Belgium) and 50Hertz Transmission (Germany) segment;
    - Eurogrid International NV/SA;
    - Nemo Link Ltd., manages the Nemo project, which connects the UK and Belgium using high-voltage electricity cables, enabling power to be exchanged between the two countries and for which a specific regulatory framework has been set up.
    - The non-regulated activities of the Elia Transmission (Belgium) segment. 'Non-regulated activities' refers to activities which are not directly related to the role of TSO.
    - EGI (Elia Grid International NV/SA, Elia Grid International GmbH, Elia Grid International Pte. Ltd Singapore (closed in 2022), Elia Grid International LLC Saudi Arabia and Elia Grid International Inc Canada (new subsidiary incorporated in 2022), companies supplying specialists in consulting, services, engineering and procurement, creating value by delivering solutions based on international best practice while fully complying with regulated business environments.

- Re.Alto-Energy BV/SRL and re.alto GmbH, a start-up company founded in August 2019, which is building a platform to facilitate users to exchange energy data and services.
- Windgrid (WindGrid NV/SA, WindGrid USA Holding LCC and WindGrid USA LCC), founded in 2022, was established to manage expected increase in investments in renewable energy production and the offshore grid expansion

The CODM has been identified by the Group as Boards of Directors, CEOs and Management Committees of each segment. The CODM periodically reviews the performance of the Group's segments using various indicators such as revenue, EBITDA and operating profit.

The information presented to the CODM follows the Group's IFRS accounting policies, so no reconciling items have to be disclosed.

Consolidated statement of profit or loss

(in € million) – Period ended 31 December	2023	2022
Revenue	3,842.6	3,616.0
Raw materials, consumables and goods for resale	(17.2)	(69.7)
Other income	210.7	259.6
Net income (expense) from settlement mechanism	(99.7)	237.7
Services and other goods	(2,278.3)	(2,554.7)
Personnel expenses	(414.5)	(372.1)
Depreciation, amortisation and impairment	(557.5)	(513.7)
Changes in provisions	4.6	1.3
Other expenses	(46.4)	(44.4)
Results from operating activities	**644.2**	**559.8**
Share of profit of equity accounted investees (net of tax)	30.2	39.5
Earnings before interest and tax (EBIT)	**674.4**	**599.4**
Net finance costs	**(119.3)**	**(43.6)**
Finance income	61.6	75.4
Finance costs	(181.0)	(119.0)
Profit before income tax	**555.0**	**555.7**
Income tax expense	(155.5)	(147.5)
Profit for the period	**399.5**	**408.2**
Profit attributable to:		
Equity holders of the parent - equity holders of ordinary shares	324.5	341.7
Equity holders of the parent - hybrid securities	31.0	19.3
Non-controlling interest	44.1	47.2
Profit for the period	**399.5**	**408.2**
Earnings per share (in €)		
Basic earnings per share	4.41	4.80
Diluted earnings per share	4.41	4.80

Rounding – In general, all figures are rounded. Variances are calculated from the source data before rounding, implying that some variances may not add up.

Consolidated statement of profit or loss and comprehensive income

(in € million) – Period ended 31 December	2023	2022
Profit for the period	**399.5**	**408.2**
Other comprehensive income (OCI)		
Items that may be reclassified subsequently to profit or los		
Net changes in fair value of cash flow hedges	(380.1)	(160.1)
Foreign currency translation differences of foreign operations	0.0	0.0
Related tax	112.7	50.4
Items that will not be reclassified to profit or loss:		
Remeasurements of post-employment benefit obligations	(6.5)	16.3
Net changes in fair value of investments	0.0	32.8
Related tax	1.8	(4.9)
Other comprehensive income for the period, net of tax	**(272.2)**	**(65.6)**
Total comprehensive income for the period	**127.3**	**342.6**
Total comprehensive income attributable to:		
Equity holders of the parent - ordinary shareholders	102.3	299.0
Equity holders of the parent - hybrid securities holders	31.0	19.3
Non-controlling interest	(5.9)	24.4
Total comprehensive income for the period	**127.3**	**342.6**

Rounding – In general, all figures are rounded. Variances are calculated from the source data before rounding, implying that some variances may not add up.

Consolidated statement of financial position

(in € million) – As at	31 December 2023	31 December 2022
ASSETS		
NON-CURRENT ASSETS	**16,820.2**	**14,941.9**
Property, plant and equipment	13,648.7	11,844.7
Goodwill	2,411.1	2,411.1
Intangible assets	313.2	210.5
Equity-accounted investees	269.1	261.2
Other financial assets	121.0	117.2
Trade and other receivables non-current	55.0	95.5
Deferred tax assets	2.1	1.7
CURRENT ASSETS	**2,570.0**	**5,652.4**
Inventories	42.7	21.6
Trade and other receivables	1,066.2	1,206.2
Current tax assets	64.4	28.6
Other financial assets	7.2	219.7
Cash and cash equivalents	1,368.1	4,151.2
Deferred charges and accrued revenues	21.4	25.1
Total assets	**19,390.1**	**20,594.3**
EQUITY AND LIABILITIES		
EQUITY	**5,517.3**	**5,756.4**
Equity attributable to owners of the Company	5,088.5	5,319.6
Equity attributable to ordinary shares:	4,572.6	4,618.3
Share capital	1,823.3	1,823.1
Share premium	739.1	738.6
Reserves	180.3	173.0
Hedging reserve	(98.6)	119.2
Treasury shares	(2.4)	(1.8)
Retained earnings	1,930.9	1,766.2
Equity attributable to hybrid securities holders	515.9	701.4
Non-controlling interest	428.8	436.7
NON-CURRENT LIABILITIES	**10,034.8**	**8,548.0**
Loans and borrowings	9,254.8	7,715.6
Employee benefits	87.1	75.0
Provisions	165.9	146.2
Deferred tax liabilities	146.9	223.7
Other liabilities	380.2	387.6
CURRENT LIABILITIES	**3,837.8**	**6,289.8**
Loans and borrowings	755.2	867.2
Provisions	8.4	8.6
Trade and other payables	2,149.4	4,804.2
Current tax liabilities	5.3	26.6
Other liabilities	217.4	0.0
Accruals and deferred income	702.2	583.3
Total equity and liabilities	**19,390.1**	**20,594.3**

Consolidated statement of changes in equity

(in € million) - Year ended 31 December	Share capital	Share premium	Hedging reserve	Reserves	Treasury shares	Retained earnings	**Equity attributable to ordinary shares**	Equity attributable to hybrid securities	**Equity attributable to the owners of the company**	Non-controlling interests	**Total equity**
Balance at 1 January 2022	1,709.3	262.8	197.1	173.0	(0.8)	1,509.2	3,850.6	701.4	4,552.0	386.4	4,938.4
Profit for the period						361.0	361.0		361.0	47.2	408.2
Other comprehensive income			(77.9)			35.1	(42.7)		(42.7)	(22.8)	(65.6)
Total comprehensive income for the period			(77.9)			396.1	318.3		318.3	24.4	342.6
Transactions with owners, recorded directly in											
Contributions by and distributions to Owners											
Shares issued	119.4	475.7					595.1		595.1		595.1
Issuance costs	(7.3)						(7.3)		(7.3)		(7.3)
Share-based payment expenses	1.7						1.7		1.7		1.7
Hybrid: coupon paid						(19.3)	(19.3)		(19.3)		(19.3)
Acquisition of treasury shares					(1.0)		(1.0)		(1.0)		(1.0)
Dividends to non-controlling interests										(24.0)	(24.0)
Dividends						(120.3)	(120.3)		(120.3)		(120.3)
Other		0.0				0.3	0.4		0.4	50.0	50.4
Total transactions with owners	**113.8**	**475.7**	**0.0**	**0.0**	**(1.0)**	**(139.2)**	**449.4**	**0.0**	**449.4**	**26.0**	**475.4**
Balance at 31 December 2022	1,823.1	738.6	119.2	173.0	(1.8)	1,766.2	4,618.3	701.4	5,319.7	436.7	5,756.4
Balance at 1 January 2023	1,823.1	738.6	119.2	173.0	(1.8)	1,766.2	4,618.3	701.4	5,319.7	436.7	5,756.4
Profit for the period						355.4	355.4		355.4	44.1	399.5
Other comprehensive income			-217.8			-4.3	-222.1		-222.1	-50.0	-272.2
Total comprehensive income for the period			-217.8			351.1	133.3		133.3	-5.9	127.4
Transactions with owners, recorded directly in											
Contributions by and distributions to Owners											
Shares issued	0.1	0.5					0.6		0.6		0.6
Issuance costs	(0.0)						(0.0)		(0.0)		(0.0)
Share-based payment expenses	0.1						0.1		0.1		0.1
Hybrid: issuance/(repayment) of hybrid securities								(200.0)	(200.0)		(200.0)
Hybrid: set-up fee & agio						(3.3)	(3.3)		(3.3)		(3.3)
Hybrid: dividend accrual						(14.5)	(14.5)	14.5	0.0		0.0
Hybrid: coupon paid						(16.4)	(16.4)		(16.4)		(16.4)
Hybrid: tax effect on dividend accrual						(3.6)	(3.6)		(3.6)		(3.6)
Acquisition of treasury shares					(0.5)		(0.5)		(0.5)		(0.5)
Dividends to non-controlling interests										(26.0)	(26.0)
Dividends						(140.4)	(140.4)		(140.4)		(140.4)
Other		0.0		7.3		(8.1)	(0.8)		(0.8)	24.0	23.2
Total transactions with owners	**0.2**	**0.5**	**0.0**	**7.3**	**(0.5)**	**(186.4)**	**(178.9)**	**(185.5)**	**(364.4)**	**(2.0)**	**(366.4)**
Balance at 31 December 2023	1,823.3	739.1	(98.6)	180.3	(2.4)	1,930.9	4,572.7	515.9	5,088.6	428.7	5,517.3

Consolidated statement of cash flows

(in € million) – period ended 31 December	2023	2022
Cash flows from operating activities		
Profit for the period	**399.5**	**408.2**
Adjustments for:		
Net finance costs	119.3	43.6
Other non-cash items	0.5	3.9
Current income tax expense	121.9	112.1
Profit or loss of equity accounted investees, net of tax	(30.2)	(39.5)
Depreciation of property, plant and equipment and amortisation of intangible assets	557.4	513.7
Loss / proceeds on sale of property, plant and equipment and intangible assets	16.5	(6.3)
Impairment losses of current assets	4.7	0.8
Change in provisions	(5.9)	(10.5)
Change in deferred taxes	33.6	35.4
Changes in fair value of financial assets through profit or loss	(0.2)	0.0
Cash flow from operating activities	**1,217.2**	**1,061.4**
Change in inventories	(21.5)	(0.3)
Change in trade and other receivables	159.8	(314.7)
Change in other current assets	6.6	(3.7)
Change in trade and other payables	(2,805.4)	1,188.1
Change in other current liabilities	180.5	(243.1)
Changes in working capital	**(2,480.1)**	**626.3**
Interest paid	(149.3)	(133.1)
Interest received	62.0	5.7
Income tax paid	(159.2)	(129.2)
Net cash from operating activities	**(1,509.4)**	**1,431.2**
Cash flows from investing activities		
Acquisition of intangible assets	(134.3)	(115.7)
Acquisition of property, plant and equipment	(2,179.5)	(1,455.4)
Proceeds from sale of property, plant and equipment	3.3	27.5
Proceeds from capital decrease from equity accounted investees	0.0	53.8
Dividend received	23.4	35.4
Net cash used in investing activities	**(2,287.1)**	**(1,454.4)**
Cash flow from financing activities		
Proceeds from the issue of share capital	0.6	595.1
Proceeds from the capital increase - NCI	24.0	50.0
Expenses related to the issue of share capital	0.0	(7.3)
Proceeds from the issue of hybrid securities	500.0	0.0
Repayment of hybrid securities	(700.0)	0.0
Expenses related to the issue of share capital and hybrid	(3.3)	0.0
Purchase of own shares	(1.0)	(0.9)
Dividend paid	(140.4)	(120.3)
Hybrid coupon paid	(16.4)	(19.3)
Dividends to non-controlling parties	(26.0)	(24.0)
Repayment of borrowings	(787.1)	(95.8)
Proceeds from withdrawal of borrowings	2,162.9	747.4
Net cash flow from (used in) financing activities	**1,013.4**	**1,125.0**
Net increase (decrease) in cash and cash equivalents	**(2,783.1)**	**1,101.8**
Cash & Cash equivalents at 1 January	4,151.2	3,049.5
Cash & Cash equivalents at 31 December	1,368.1	4,151.2
Net variations in cash & cash equivalents	**(2,783.1)**	**1,101.8**

Notes

General information

Elia Group NV/SA (hereinafter “the company” or “Elia”) is established in Belgium, having its head office at Boulevard de l’Empereur 20, B-1000 Brussels.

Elia Group is active in electricity transmission. We ensure that production and consumption are balanced around the clock, supplying 30 million end users with electricity. With subsidiaries in Belgium (Elia) and north-east Germany (50Hertz), we operate 19,349 km of high-voltage connections

The group also has a 50% stake in Nemo Link Ltd, which has constructed an electrical interconnector between the UK and Belgium known as the Nemo Link interconnector. Nemo Link Ltd is a joint venture with National Grid Ventures (UK) and began commercial operations on 30 January 2019, with a transfer capacity of 1000 MW.

With around 2,750 employees and a transmission system comprising some 18,990 km of high-voltage connections serving 30 million consumers, the Elia group is one of Europe’s top five TSOs. It efficiently, reliably and securely transmits electricity from generators to distribution system operators and major industrial consumers, while also importing and exporting electricity from and to neighbouring countries. The group is a driving force behind the development of the European electricity market and the integration of energy generated from renewable sources. In addition to its system-operator activities in Belgium and Germany, the Elia group offers businesses a range of consultancy and engineering services. The group operates under the legal entity Elia Group SA/NV, a listed company whose reference shareholder is municipal holding company Publi-T SC.

The consolidated financial statements of the company as at and for the full year 2023 contain the financial position and performance of the company and its subsidiaries (collectively referred to as "the Group") and the Group's interests in joint ventures.

Basis for preparation and changes to the Group's accounting policies

a. Basis for preparation

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS), which have been adopted by the European Union.

The consolidated financial statements do not include all the information and disclosures required for a complete set of IFRS financial statements and should be read in conjunction with the Group’s last annual consolidated financial statements for the year ended 31 December 2022. However, selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the Group's position and performance since the last annual consolidated financial statements.

There were no changes in the accounting policies for the Group compared to the Annual Report 2022. We refer to this Annual Report for a detailed overview of the accounting policies used.

b. New standards, interpretations and amendments adopted by the Group

The accounting policies applied when preparing the consolidated financial statements are consistent with those used to prepare the Group's annual consolidated financial statements for the year ended 31 December 2022.

Standards, interpretations and amendments, effective as from 1 January 2023, can be summarised as follows:

- IFRS 17 Insurance Contracts;
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information;
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies;
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates;
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (effective immediately but not yet endorsed in the EU – disclosures are required for annual periods beginning on or after 1 January 2023).

These new, revised or amended standards did not have a material impact on the consolidated financial statements of the Group.

c. Standards issued but not yet effective

The below standards and interpretations are published, but not yet applicable for the annual period beginning on 1 January 2023 and are not expected to have a material impact for the Group and are therefore not set out in detail:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU);
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU);

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU).
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (applicable for annual periods beginning on or after 1 January 2025, but not yet endorsed in the EU).

Use of estimates and judgements

The consolidated financial statements for the full year 2023 were prepared using estimates and judgements as indicated in note 2.5 accompanying the Group's annual consolidated financial statements as of and for the year ended 31 December 2023.

Developments in the economic and financial environment, particularly relating to highly volatile commodities markets and the war in Ukraine, have prompted the Group to step up its risk oversight procedures, mainly in measuring financial instruments, assessing the market risk as well as counterparty and liquidity risks. The estimates used by the Group, among other things, to test for impairment and to measure provisions, take into account this environment and the sharp market volatility.

Subsidiaries, joint ventures and associates

a. Group structure

For detailed accounting policies in respect to 'Business combinations and Goodwill', we refer to note 3.1 in the Group's annual consolidated financial statements as at and for the year ended 31 December 2023.

The below table provides an overview of subsidiaries, joint ventures, associated companies and other shareholdings held across the group.

Name	Country of establishment	Headquarters	Stake % 2023	Stake % 2022
Subsidiaries				
Elia Transmission Belgium SA/NV	Belgium	Bd de l'Empereur 20, 1000 Brussels	99.99	99.99
Elia Asset SA/NV	Belgium	Bd de l'Empereur 20, 1000 Brussels	99.99	99.99
Elia Engineering SA/NV	Belgium	Bd de l'Empereur 20, 1000 Brussels	100.00	100.00
Elia Re SA	Luxembourg	Rue de Merl 65, 2146 Luxembourg	100.00	100.00
Elia Grid International SA/NV	Belgium	Bd de l'Empereur 20, 1000 Bussels	90.00	90.00
Elia Grid International GmBH	Germany	Heidestraße 2, 10557 Berlin	90.00	90.00
Elia Grid International LLC	Saudi Arabia	Al Akaria Plaza Olaya Street, Al Olaya Riyadh 11622	90.00	90.00
Elia Grid International Inc.	Canada	1500-850 2 ST SW, T2P0R8 Calgary	90.00	90.00
Eurogrid International SA/NV	Belgium	Bd de l'Empereur 20, 1000 Brussels	100.00	100.00
Eurogrid GmbH	Germany	Heidestraße 2, 10557 Berlin	80.00	80.00
50Hertz Transmission GmbH	Germany	Heidestraße 2, 10557 Berlin	80.00	80.00
50Hertz Offshore GmbH	Germany	Heidestraße 2, 10557 Berlin	80.00	80.00
50Hertz Connectors GmbH	Germany	Heidestraße 2, 10557 Berlin	80.00	0.00
Re.Alto-Energy BV/SRL	Belgium	Bd de l'Empereur 20, 1000 Brussels	100.00	100.00
Re.Alto-Energy GmbH	Germany	Ratingstraße 9, 40213 Dusseldorf	100.00	100.00
WindGrid SA/NV	Belgium	Bd de l'Empereur 20, 1000 Brussels	100.00	100.00
WindGrid USA Holding LCC	USA	1209 Orange Street, Wilmington, New Castle County, Delaware 19801	100.00	0.00
WindGrid USA LLC	USA	1209 Orange Street, Wilmington, New Castle County, Delaware 19801	100.00	0.00
Investments accounted for using the equity-method – Joint ventures				
Nemo Link Ltd.	United Kingdom	Strand 1-3, London WC2N 5EH	50.00	50.00
Investments accounted for using the equity-method – Associates				
H.G.R.T S.A.S.	France	1 Terrasse Bellini, 92919 La Défense Cedex	17.00	17.00
Coreso SA/NV	Belgium	Avenue de Cortenbergh 71, 1000 Brussels	22.16	22.16
Investments accounted for using IFRS9 - Other shareholdings				
JAO SA	Luxembourg	2, Rue de Bitbourg, 1273 Luxembourg Hamm	7.20	7.20
Decarbonize GmbH	Germany	Berliner Freiheit 2, 10785 Berlin	5.28	0.00
European Energy Exchange (EEX)	Germany	Augustusplatz 9, 0409 Leipzig	4.32	4.32
TSCNET Services GmbH	Germany	Dingolfinger Strasse 3, 81673 Munich	5.36	5.36
Kurt-Sanderling-Akademie des Konzerthausorchester Berlin	Germany	Gendarmenmarkt, 10117 Berlin	8.32	8.32

During the first semester of 2023, the group acquired a participation in the German company Decarbon1ze GmbH.

In September 2023, the group founded WindGrid USA Holding LCC and WindGrid USA LCC and in October 2023 the group founded 50Hertz Connectors GmbH.

In the next few years, large-scale investments in renewable energy production and the offshore grid are due to be undertaken.