



ACCELERATING TOWARDS A NET-ZERO SOCIETY

Elia Group Capital Markets Day

TRANSCRIPT

INTRODUCTION

Marleen Vanhecke

Group Communication & Reputation

Good morning, ladies and gentlemen. Welcome to our first Capital Markets Day. It's a real pleasure to host today's event in this COVID-proof TV studio near Brussels.

Yannick Dekoninck

Good morning. Marleen and I are glad that you have joined us, either from home or at your workplace.

Marleen

Let's have a look where you are joining us from today. Belgium and Germany, of course, our home countries. But also the Netherlands, Luxemburg, France, United Kingdom, Spain, Italy, Sweden, Denmark... even the United States and also the Philippines.

Yannick

Yes. Why did we decide to host this Capital Markets Day? Over the last few years, Elia has transformed from a local TSO into a European group. We find ourselves in an environment that is changing at an ever-increasing speed. During today's event, we want to give you a detailed explanation on how we are dealing with this changing context and what we predict the future of the Elia Group will be.

Marleen

Today's event is split into three parts. First, Chris Peeters and Stefan Kapferer will present an overview of Elia Group's strategy, with a focus on offshore developments.

Yannick

Following a short break of five minutes, Catherine Vandendorre and Olivier Feix will present our Sustainability Programme called Act Now. They will take a deep dive into the targets we have set ourselves to achieve a net-zero society.

Marleen

And in the last session, Catherine Vandendorre and Marco Nix will give a financial outlook for the group. We plan to end the event in about two and a half hours with some closing remarks from the board and from Chris Peeters.

Yannick

A recording of the event, alongside the slides used during each presentation, will be made available on the Elia Group website in the investor relations' webpages. Around noon, we hold a Q&A session which will take about 30

minutes. Our community host today is Stéphanie Luyten, who is Elia Group's Investor Relations Manager. Hello, Stéphanie. Can you briefly explain how the Q&A session will run?

Stéphanie Luyten

Elia Group's Investor Relations Manager

Of course, Yannick. And a warm welcome from my side, as well. You may ask your questions by clicking on the Q&A tab located on the right-hand side of our Hopin platform. I will be grouping your questions and reading them to our speakers, so you may ask your question at any time. Because our Q&A session will only last for about 30 minutes, may I please ask you keep your questions concise, put your name alongside them so we can follow up in case we run out of time. See you soon.

Marleen

Thank you, Stéphanie. Before we invite our first guests to take the stage, we want to give you a quick overview of what the world of energy looks like today. The era of the classic energy value chain is coming to an end. We should not fear the changes this entails, as they may hold unseen opportunities for Elia Group. What do we need to remain relevant in tomorrow's world?

Voice-over

The world around us is changing fast. From how we live to how we work, how we consume to how we entertain each other, digitalisation is changing everything. And this change is affecting energy consumers, too. People used to the increased choice, speed, and value found in other sectors are bringing their expectations to energy. To meet their expectations, a different electricity value chain is emerging. Residential energy consumers are looking for energy services which can offer them sustainability and more diverse experiences. They are no longer passive consumers, but active partners, keen to take on more control, expecting a new and frictionless interaction with the energy system. Industries are looking for ways to become carbon neutral while keeping the same reliability at the best cost.

Voice-over

They're ready to manage their own energy needs rather than simply having supply access. Their relationship with the grid will fundamentally change to make this happen. And when it comes to policy makers, they're responding to important decarbonisation developments and accompanying data and transparency issues by bringing in increased requirements for energy actors. This new consumer reality is bringing challenges today to the whole sector. Today's ways of generating, transmitting, and supplying energy will not be enough to meet these new consumer needs. This means that the era of the classic energy value chain is coming to an end. We should not fear these changes. They represent unseen opportunities for Elia Group – but only if we seize them. How can we transform to match and even exceed consumers' expectations in this new world? To be relevant in tomorrow's world we need to: facilitate decarbonisation through massive electrification and sector convergence; become consumer-centric and deliver an increasing range of services; ensure simplicity at all times, no matter how complex

the energy system becomes; and be transparent in information, cost, and environmental adaptations. This all relies on data, helping us better understand consumers, manage complex systems, and put more information at society's disposal. To operate in the future, we must embrace digitalization. As a group, we have a mission to serve society. We have the know-how already. What we need now is speed, and the courage to make a radical change. That is what digitalization is all about: making a powerful commitment to our future. To be relevant tomorrow, we need to act today.

PART 1 – STRATEGY

Marleen

Welcome back. For those who are just joining us, we are about to start the first part of today's event: an overview of Elia Group's growth strategy, presented by Chris Peeters and Stefan Kapferer. Welcome to you both. What can our guests expect in the next two hours?

Chris Peeters

CEO of Elia Group

Well, first of all, our guests have seen over the last years that Elia Group has fully transformed into a European company with a lot of organic growth. We have a strong track record in growing organically by supporting the energy transition. What we will see today is that this is not over. We still have many years of organic growth to go. But not only that, we will also start to focus on offshore growth outside of our regulated areas.

Marleen

Stefan, in Germany, you had already the Bankers Day, but this is new. It's a group concept today?

Stefan Kapferer

CEO of 50Hertz

Yeah, of course. Our German colleagues are very familiar with the Bankers Day. We do it regularly in Germany, but today the focus is the group level and the opportunities of Elia Group in a common European single energy market. And, to be honest Marleen, I joined Elia Group one and a half years ago, and daily I'm impressed by all the changes in the energy sector, by the vibrant situation we have in the energy sector, and a lot of opportunities to touch on.

Marleen

Okay. Opportunities, that is what this event is about. Chris, the first question for you. Let's come back to the video that we just saw. To remain relevant, Elia Group has to speed up its activities. Why is this acceleration so critical for society?

Chris

Well, as we see, we need to accelerate because the climate change is happening as we speak. So, if we want to get our society carbon neutral by 2050, there is no time to lose because this is a very complex transition. It not

only needs infrastructure that we have to build, but it also needs us to be changing the way that we look at mobility, changing the way that we look at heating, but also reviewing completely how certain industrial processes and value chains are composed. This is not only a big challenge, it is also an opportunity because it creates new compositions of those value chains, it gives us a focus to opportunities in terms of innovation, and, on top of that, it will create more services to customers.

Marleen

Okay, before we continue, let's have a look at some figures to fully understand how big the societal challenges are that we are facing. Last week, an agreement on the European Climate Law was reached. The deal makes the goal of Europe becoming the first climate-neutral continent by 2050 binding for all member states. And on the way to 2050, Europe has to cut its CO2 emissions by 55% by 2030 (compared with 1990). Also by 2030, 65% of the Union's total electricity production needs to come from renewable sources. The figure is 39% today. And in its offshore strategy, the European Commission has outlined its goal of increasing Europe's offshore wind capacity from 15 gigawatts to at least 60 gigawatts by 2030. Stefan, impressive figures. What impact do they have on the activities of Elia Group?

Stefan

First of all, it is obvious that the electricity sector will play a crucial role in this transformation process, and when we talk about the electricity sector, it is the grid infrastructure as part of the electricity sector which is key, because if we have to integrate more and more renewable energy which is generated decentrally, or often offshore, and we have to integrate a lot of additional renewable energy, we have also to invest in the grid infrastructure. We have to adjust the grid infrastructure in Europe to the accelerated integration process of renewable energy. And obviously in interest of society, and you mentioned the figures, Marleen, starting from 39 last year to 65% in 2030, it is only nine more years to go. We have a pressure to accelerate the investment in the grid infrastructure now.

Marleen

Elia Group is operating in two countries, as you can see on the map here, in Belgium and Germany. Do you see a difference, Stefan, in the way that those countries are coping with the energy transition?

Stefan

Yeah, first of all, Marleen, I see a lot of commonalities because the target is the same one, it's climate neutrality in 2050. But, of course, there are some minor differences. First of all, in Germany, the industrial areas are located in the south, in the west of the country. The wind generation is in the north. So, we have to transport a lot of electricity from the north to the south and the west of our country, so finalizing the grid infrastructure for the transport of offshore wind energy, onshore wind energy, from the north to the south is crucial for success. But the commonalities are also very clear, because what we need is additional renewable energy, because Belgium and Germany are both short on renewable energy, so we need additional interconnectors in our countries. Elia Belgium was very successful in that in establishing ALEGrO last year, commissioning NemoLink a few years ago. And in the future,

offshore will play a key role in that. We will need additional investments in offshore wind capacities in the Baltic Sea and in the North Sea as well because we are both densely populated countries. Public acceptance is a big challenge for all of us, so offshore is key to be successful.

Marleen

Indeed, there is no doubt that offshore energy will become increasingly relevant during the next phase of the energy transition. We have already mentioned the target of establishing 60 gigawatts of capacity by 2030. But if you look towards 2050, the figure is even more impressive: the target capacity is 300 gigawatts. That's 20 times more capacity than exists today. Let's listen to a statement from Giles Dickson, CEO of WindEurope, the association that represents the European wind sector.

Giles Dickson**CEO WindEurope**

Good morning, Trish, Stefan, ladies and gentlemen. The European Union wants offshore wind to be 30% of all of the electricity that we consume by 2050. This makes perfect sense. Offshore wind is now cheap. It is a reliable source of electricity with very high load factors. And the wind industry can deliver the huge expansion of offshore wind that this entails. Of course, at the same time, we need to invest heavily in grids, both offshore and to reinforce those onshore grid connections. And we need to move beyond the simple point-to-point grid connection model we've had so far. More projects like your Kriegers Flak, with grid connections to two or more countries; more of those hubs, platforms, or the artificial island that you want to build in the middle of the Princess Elisabeth zone in Belgium. This will require very close collaboration between TSOs, with governments, with the offshore wind farm developers. It's got to be a collective, collaborative approach with business models that work for everyone.

Marleen

Thank you, Giles Dickson. We need a collaborative, a collective approach: hybrid solutions, energy islands. Offshore development seems to be the next big thing. Chris, how is Elia Group responding to this?

Chris

It's always nice to see the enthusiasm of Giles. What we will see in the coming years is, of course, that Elia will have to further develop the renewable energy in Belgium and Germany, but for that we actually need, as well, to expand outside of our regulated zone, because Belgium and Germany, as Stefan already said before, will be renewable-short in the long run.

By 2050, we cannot cover all the demand that we have by the renewable production that we will have within the zones that we operate today. And, therefore, we need to be in the early phase where we expand or reach outside of these regulated zones into the Baltic Sea, into the North Sea. And for that we have both 50Hertz and Elia recently signed LOIs with Energinet in Denmark so that we can build additional interconnectors and integrate more

renewable energy into all regions. We know Energinet already for a while because Energinet is of course a company that worked already since 1995 together with 50Hertz and also last year we inaugurated the Combined Grid Solution, the first hybrid interconnector in the world.

Marleen

Indeed. Well, let's have a look at the Belgian-Danish project. If it's built indeed, it's still under investigation, the interconnector is due to cover a distance of more than 600 kilometres, which will make it one of the longest HVDC cables in the world. Chris, why is Belgium going so far in its quest for renewable energy?

Chris

Well, this is a direct consequence of what I just said. We will be renewable-short in an energy-dense country in terms of the amount in Belgium. We have an industry cluster which is demanding a lot of energy. We have a dense population, so we will need a lot of renewable energy and we can outsource it only from our direct neighbours. So, we look to countries that are further remote from us so that we can have access to renewables that are less correlated to the renewable energy that we have in our own country.

In addition to that, this would be a hybrid interconnector that passes over the first Danish island in the North Sea, and there they will connect more than 10 gigawatts of offshore winds, so we get access to the northern part of the North Sea, and further on we can then look further towards Norway, towards the UK, to have more access to more renewable, because that's what we need to support our industry in decarbonisation, and as well to supply our households with renewable energy.

Marleen

A joint collaboration with Energinet is new for Elia, but not for 50Hertz. Last year, 50Hertz and Energinet jointly completed the Combined Grid Solution project in the Baltic Sea - the world's first hybrid interconnector. It is indeed an exceptional project, as you can see from the following video.

Voice-over

50Hertz achieved a major world first when it completed the Combined Grid Solution project in the Baltic Sea. The interconnector links Germany and Denmark via offshore wind farms. This hybrid technology increases the efficiency of the transmission cables and will be very important for unlocking offshore wind power generated further out at sea.

Peter Altmaier**German Minister of Economic Affairs and Energy**

Therefore, this completion of Kriegers Flak Combined Grid Solution is something very special. Today, Europe is a lighthouse for all countries that are working on the energy transition and renewable energy.

Dan Jorgensen**Danish Minister of Climate and Energy**

This development that we are inaugurating today and celebrating today – the technological solutions that have been implemented here – are as important for the development towards a greener Europe.

Marleen

That was last year. But in the meantime, Stefan, 50Hertz is exploring a new hybrid interconnector with Denmark. It's called the Bornholm Energy Island. Let's have a look at the map to see where exactly it is located in the Baltic Sea. Why does Germany need another interconnector with Denmark?

Stefan

First of all, Marleen, there is a really longstanding success for cooperation between Denmark and Germany, between Energinet and 50Hertz. Chris mentioned 1995. In 1995, we commissioned the KONTEK cable and since then we have seen a lot of additional projects in the Baltic Sea – the last one, the Kriegers Flak solution, last year commissioned. But now, we heard about it, it is obvious that we will see additional opportunities in so-called offshore hubs. And there is a great advantage at the Bornholm Energy Island, because Bornholm is a natural island, it is existing, so we do not have to invest in the island itself, only in the windfarms. We can use Bornholm as an offshore hub in the future, link it to offshore windfarms 20 kilometres south, southwest, to Bornholm Island. And this is a concept starting with partners in Denmark and Germany, but obviously it is open to other players here in the Baltic Sea. We have seven transmission system operators in the Baltic Sea. Two of them, Poland and Germany, are short in renewable energies. Others have additional areas where we can invest in offshore windfarms. So, I can imagine that this is, in a mid- and long-term perspective, an integrating approach to develop the wind-farm capacities in the Baltic Sea and to develop, really, a transnational view on this kind of renewable energy generation in the Baltic Sea.

Marleen

Okay, it will start as a Danish-German project, but it can evolve to a wider transnational project. Thank you, Stefan. We have a personal message from the CEO of Energinet, your partner in this project, Chris and Stefan. Let's see what Mr Thomas Egebo has to say.

Thomas Egebo**CEO Energinet**

Hi, Chris. Hi, Stefan. Hi, friends at Elia and 50Hertz. Thanks for the invite to greet you all today. At Energinet in Denmark, we are simply thrilled and enthusiastic about cooperating with you on what might become the world's first energy islands in the North Sea and in the Baltic Sea. Personally, I cannot stress enough how important that it is right now at this moment in the history of Europe, that countries come together in international collaboration like ours, come together in a common dedication and effort to pave the way for new technologies and new solutions - as we have shown with Kriegers Flak Combined Grid Solution, Stefan - and thus for more green energy to meet

the climate goals. Chris, Stefan, and all our friends in Elia and 50Hertz, I'm confident that you share my feeling and that we will have a very fruitful cooperation in the years to come. Looking so much forward to it. Have a very nice day.

Marleen

Another enthusiastic speaker today. Stefan, do you see other opportunities in the Baltic Sea other than Bornholm Energy Island, that you just explained, that are not yet included in the CAPEX programme?

Stefan

Yeah. To be honest, Marleen, first of all we have to do our homework in Germany. Of course, there are additional areas in the German Baltic Sea which are also able to be used for offshore wind energy. For example, and you can see it on the map, the Gennaker area, which is very close to the Baltic 1 area. And I think we have a lot of vested interest in the Baltic Sea: that's shipping, that's defence aspects, that's bird protection. But if climate neutrality is such a relevant target of the European Union and of all the member states, it is obvious to me that we have a priority for more additional offshore wind projects, also. In the German Baltic Sea and Gennaker with 900MW is a very good example for that.

Secondly, we're just reviewing the opportunity to invest in the Baltic Wind Interconnector. We have the Baltic States, with also additional areas for generating offshore renewable wind, but there are two countries, we mentioned it several times, in the Baltic Sea area, Poland and Germany, which will need additional renewable electricity. So, why don't we cross from the Baltic States in the eastern part of the Baltic Sea to the western part of the Baltic Sea to Germany with the Baltic Wind Interconnector?

And, last but not least, in Germany we just discussed the Grid Expansion Development Plan 2035, and all four TSOs agree that one additional DC voltage power line is needed from our control area in the north to the North Sea coastline in Heide West, and that's an interesting opportunity to transport offshore wind capacity from the North Sea via the 50Hertz control area to the south of Germany.

Marleen

Okay. Interesting projects in the pipeline, maybe. One thing is clear: cooperation is becoming crucial for unlocking the large potential of offshore wind. To better coordinate the development of the offshore grid, nine countries (including Belgium and Germany) have joined the North Seas Energy Cooperation. Belgium is currently chairing this cooperation. We now have a statement from Energy Minister Tinne Van der Straeten to share with you.

**Tinne Van der Straeten
Minister of Energy, Belgium**

Dear ladies and gentlemen. This decade will be remembered as the one in which Covid arrived and was then overcome. But it will also be remembered for the green recovery and in which our energy landscape underwent its

biggest shift ever. This decisive decade is no longer simply about making plans. It's about getting the job done. Because 2030 is now. We will turn the North Sea into one big sustainable power plant. We will position Belgium in the middle of this energy transition as the connecting country for new energy vectors, including hydrogen. If we want to make the energy transition a success, a sustainable investment of 1 trillion euros is needed over the next decade. We can do this. After years of standstill, this government has set out a clear direction with a concrete roadmap reaching 100% renewable energy and becoming climate-neutral. With Elia Group we have a partner who has proven to be visionary and competent. Today is therefore about connecting the dots. Connecting public money with private investment. Connecting plans with investors. Coming closer together across businesses and across sectors. So, let's get the job done, together.

Marleen

Thank you, Tinne Van der Straeten, Minister of Energy in Belgium. Connecting plans with investors, that is indeed the intention of today's Capital Markets Day. Chris, the minister referred to the Covid recovery plans. Belgium, let's have a look at the map, wants to invest in an energy island, a multifunctional energy island, 40 kilometres off the Belgian coast. This is part of the Belgian dossier that can claim a subsidy from the European Recovery Fund. How is Elia Group involved in this project in the North Sea?

Chris

Well, as you heard the Minister, she said let's get this thing done. I think that's what we tried to do. We first had to unlock the potential of the Princess Elisabeth zone, which is the second offshore zone for Belgium. We already developed 2.3 gigawatts in the first concession area, and now we are developing a second zone which will be about the same size, and that we need to bring to shore. Initially, we talked about using a three-platform approach to bring all this energy back to shore. But then we revisited those plans in light of the relaunch and recovery plans of Europe, and we said, if we build an island, can we have something which is more future-proof than a traditional three-platform solution? And we developed the whole concept around a first energy hub in the North Sea. And if we can develop this energy in the North Sea, Belgium can connect towards more renewable energy in the UK and in the northern part of the North Sea. On top of that, it will create opportunities. We will build early on know-how in the way of how this farther-away offshore needs to be developed. That's an opportunity not only for Elia but also for the industry that will join us in the development of this concept.

Marleen

A lot of opportunities. One of the big supporters of the Belgian energy island is Prime Minister Alexander De Croo. We have a short statement from him to share with you as well.

Alexander De Croo**Prime Minister of Belgium**

Ladies and gentlemen, as you all know, our economy has to become carbon neutral by 2050. It is a commitment we took in the Paris Climate Agreement. It is our European obligation, but more importantly, it is our national ambition. And we know one thing for sure. Offshore wind energy will be crucial in achieving this ambitious goal. This is why our North Sea has to become a power centre of clean energy. And the construction of this new energy island in the Princess Elisabeth zone is the main building block of our ambition. We will build an energy capacity of 700 megawatts by 2026. We will double this capacity to 1400 megawatts by 2028. This multifunctional energy island will be more than the sand it's made of. It will be part of a network for sustainable energy in Europe, the most cost-efficient way to generate and transport electricity to Belgium and abroad. This energy island is an export product in and of itself because it showcases our engineering skills, especially the skills of the people of Elia who show they have the guts and the talent to undertake such a magnificent project. Thanks to Elia, Belgium will be at the forefront of the sustainable revolution.

Marleen

Very nice compliment from the Belgian Prime Minister. Chris, Elia Group has a strong record in offshore development. So far, all the projects that we have realised were within our perimeters, but given all the opportunities that you see in offshore, are we also looking outside the borders of our business areas?

Chris

Yes. Thank you for the question, Marleen. Indeed, so far we have focussed ourselves in developing the near shore both in the Baltic and the North Sea, by our two regulated entities. So far, we've already connected 13 wind-farms and we have already 3 subsea interconnectors in our portfolio. On top of that, we have developed things in different kinds of technology. We have done things in AC, we have done things in DC. We have built hybrid interconnectors. We're now working on an island. We have done this in a regulated environment, also in more commercial environments, as we have witnessed within the NemoLink project. So, what we see now is of course that, relatively soon in terms of what a transport company like ours is doing, we will have fulfilled our task within the region that is within the zone, the economic zones, of both countries. And, therefore, to stay relevant for those countries and to ensure that we can realise this energy transition, we have to make sure that we link into the further North Sea, link into the further Baltic sea, in the areas that might be nonregulated, and that's what we plan to do.

Marleen

That's indeed relevant because it contributes to the decarbonisation of the societies, but how concrete are these ambitions today?

Chris

Well, last year we had a strategy update where we discussed all these elements. We said how much time will it take before we have fulfilled our task within the regulated zone in terms of building the infrastructure of the future? And there we see dates which are somewhere in the area between 2030 and 2040. There might be still some

things happening afterwards, but then actually we need to support those countries to integrate much more renewable energy coming from abroad and outside of these areas. And, therefore, we will have to look for partners, and so we have to look at working together with windfarm developers that go for those more complex projects. We have to work together with other types of players, maybe even go to oil companies to do that. And we're not going to do that only by sharing our expertise and ensuring that they can have access to all the engineering capacity that we have. We also will do that as a co-investor, because we strongly believe that there is a need for a North Sea and a Baltic Sea grid that will be operated by a company that has the capabilities that we have as Elia Group.

Marleen

So, we do it as a partner and as a co-investor. Thank you. Let's bring up the graph again to highlight the enormous steps that need to be taken in offshore wind. Stefan, how do you see developments in offshore wind evolving over time? If you see those figures.

Stefan

Yeah, I think it's obvious that we have to work, that we stay ahead of the technological development. It was mentioned by the prime minister that thanks to Elia Group, Belgium is at the forefront of technological development, and it was mentioned earlier today that the Combined Grid Solution is the first worldwide hybrid interconnector. To remember, we have seen for many years now very traditional solutions, like it is shown on the map. We had seen point-to-point connections between an offshore windfarm on the sea and, of course, an onshore grid connection, but this is a very traditional view on these kinds of projects. In the future, it is very clear we will see additional hybrid projects, like Bornholm Energy Island, like the North Sea island mentioned earlier today. And, of course, this is the right direction to develop these hubs in the sea as centre key of an integrated grid infrastructure in all European seas, especially the North Sea and the Baltic Sea.

Marleen

It is clear that Elia Group wants to position itself as a strategic partner in offshore development. What can we offer our partners, Stefan?

Stefan

I think a lot, Marleen. First of all, ten years of unrivalled understanding of how to integrate offshore grids to onshore grids. Ten years of experience on how to develop the permission process, to invest, and to operate the grid connections offshore. Then, designing technical solutions which enable us to make our energy system also with offshore windfarms as reliable as possible and as cost efficient as possible, because this will also play a key role in the mid-term and the long-term future. Then, of course, we can offer a lot of expertise and a lot of relationship in the supply chain, which is of course also needed when we will develop more offshore projects with different partners. It's good to know that Elia Group is so well experienced with the partners in the supply chain to reduce risks,

to mitigate risks, and to reduce costs. And last, but not least, in the end, reliability of the system is a key point, because if all these windfarms are not delivering in a reliable way, it is a big problem for our future, though this reliability experience is maybe the most important topic in the future.

Marleen

And that brings us to the next topic. So far, we have only talked about grid development, the infrastructure. But another area we should discuss is system management. The share of intermittent renewables is going up, is growing. A lot of electricity will come from overseas. What will be the impact, Chris, on maintaining the balance between generation and consumption?

Chris

Yes, this is a very important challenge that all TSOs have and which we've already taken many steps within Elia Group. If you want to keep a system in balance where you have more intermittency, where you have more renewables coming from faraway places, you need to have access to flexibility. We have done that in the past. In the initial phase, of course, we use the flexibility that you see into thermal plants and then we moved in Elia in Belgium as one of the frontrunners in developing, as well, demand response into large industries. So, we integrated these flexibilities in the way we operate in the system, and that is something that we are the forefront of and most of the flexibility that we can find today is into that section.

But if we want to continue to integrate renewables, we have to push this further, and so we are looking already today to smaller users. We want to get access to the flexibility that is sitting in batteries of electrical vehicles, that is sitting in heat pumps, in the inertia of buildings. If we want to succeed in that, of course we have to have, as well, access to the use of digital tools, because that is very fragmented flexibility and we have to bring that to a level that we can balance with large-sized renewables. And, therefore, digital technology will help us to get access to that, but not only that, it will also help the consumer to get better services and to have access to new ways of working into this new future system.

Marleen

We need more digitalisation but also the current market design is not okay for the future, where you have more flexibility needs. Indeed, increased flexibility behind the meter as a result of electrification is an important change brought by the energy transition. This brings us to the Internet of Energy project, IO.Energy. The ecosystem was set up two years ago in Belgium on Elia's own initiative. Together with distribution companies and many industrial partners and start-ups, the Internet of Energy project promotes innovation across the energy sector by setting up case studies that allow end consumers to optimise their energy management. We will now introduce you to some IO.Energy pilot projects involving electric mobility and smart building.

Stephanie Brine**Consumer - Engie**

It started with the electric car and my husband, at Elia, having the chance to take part in this project to enable consumers like us to participate in the energy transition.

Harold Guisset**Consumer - Elia**

Thanks to the Flexity project, we installed the Jedlix app. The app ensures you can choose the best time to charge, the best time for us when it's cheap, at night, but also for the grid, when there are no peaks.

Stephanie

I enter the time I want to leave in the morning and the car will be charged by then. It's not charging now because it's peak time and demand on the network may be high. It will start at a time when it is best for everyone. Our life is very busy. We have three kids, we work. We have lots to do. Here we can actively participate with very little effort. We charge our car and, at the same time, help improve operation of the network. As the number of electric cars increases, they can't all be charged at once. It would be a disaster. With this project, a step is taken into the future without overloading the network. It's really the future. The energy transition is happening now.

Sullivan Derenne**Project Leader Smart Buildings BESIX**

Here we are in the VLAS police station building at Kortrijk, which is between 8,000 m² and 12,000 m². The Enleash project is being undertaken by five partners: byNubian, Proximus, Elia of course, Fluvius, and I am from BESIX, a general contractor who has decided to go increasingly digital, in particular buildings with better energy management.

Rik Vereecken**CIO/Smart Building Evangelist Enleash/Bynubian**

This building really is energy smart. So-called bus systems are used. The entire building is controlled digitally, so all data is almost ready for processing. It's not just a smart building with regard to technology in general, electricity and suchlike. The use of buffer tanks for the storage of heat or cold, is also very important for our project. Enleash can be seen as a three-stage rocket. First, we ensure that comfort increases in the building. The second step is peak shaving. Which is of huge benefit to the DSO, like Fluvius. To Elia too as a grid operator. We avoid peaks. One advantage is that the customer's energy bill is reduced. The third step is unleashing the energy hidden in the building. Hence the name Enleash. By doing so we ensure that, in the event of a high energy peak or of energy prices being very high, we can radically reduce the building's consumption. The building's spare capacity works in both directions. It means we can absorb extra energy if there is too much energy but also that we can supply energy, as it were, if there is not enough.

Marleen

Stefan, the Internet of Energy project was originally a Belgian project. Now it seems that it also has been introduced in Germany.

Stefan

Yeah, Marleen. First of all, it's a clear proof of how we work in our group. It is challenging each other also on innovation, between Elia Belgium on the one hand and 50Hertz in Germany on the other hand. And it was mentioned by Chris, e-mobility is becoming a relevant part of our daily lives also in the electricity world. Imagine we will see 10 million e-vehicles in Germany by 2030. That's a large amount of cars. So, the study of Elia last year on e-mobility was very timely. And also, 50Hertz is starting now a project together with ELLI - ELLI is a daughter company of Volkswagen - to review a little bit better what are the clear cooperation potentials between the mobility sectors and transport sector based on electricity and a TSO like 50Hertz in the future.

And another topic which will definitely increase in all of our countries is the situation with heat pumps, because also heat has to be decarbonised and often heat pumps will play a key role and also there we started a case study together with Bosch and our DSO in Berlin, Berlin Stromnetz, to look deeper into these opportunities in the future.

Marleen

Okay. So far, we haven't yet talked about energy-intensive industries and their role in the energy transition. Directly linked to our grid, they are important partners in providing flexibility. Electrification and greening their business processes are high on their agenda. We now have a statement from Holger Lösch who is speaking on behalf of the Federation of German Industries.

Holger Lösch

Deputy Director General – Executive Board, BDI

Climate neutrality – the political target of climate neutrality by 2050 – is an unprecedented challenge for the economy and the whole of society. However, we, from the Federation of German Industries (BDI) think that climate neutrality could be achieved if some important preconditions can be fulfilled, such as openness for innovation, massive public and private investment, sufficient financing, and an internationally similar ambition. Industry is a key player to turn the political target into reality. A strong industry is necessary to develop and build the Energiewende. In a future climate-neutral economy, renewable electricity is one key element. To bring the renewable electricity to the consumption centres, we need a reliable energy system. Therefore, system operators have an important task in realising their immense investment plan to manage and balance a secure electricity system and to integrate hydrogen into the system. In other words, a good and modern infrastructure is central for a strong industry, but also for the whole of society. Sector integration is becoming just as important. We see it already happening in the automotive industry, one of our biggest industries in Germany. Our interactions with the electricity grid will change and will become more intense and complex. Therefore, it is important that we can count on reliable system operators to support the industry in their energy management, delivering green electricity whenever and wherever it is needed, having a strong focus on affordability at the same time. So, what do we need? To make

a long story short, we need green energy and a safe system in a competitive environment. And we need reliable partners.

Marleen

We will see sector conversions. The way the industry looks at the grid is changing. Stefan, how can we make sure that we still understand the needs of the industry, as a group?

Stefan

Yeah, I can imagine, Marleen, that the context we have with the industry in our control areas is much more intense than it was in history, and it was mentioned by Holger Lösch, as well, it is a more intense cooperation. I think it's good news for us as a TSO that it is a more intense cooperation. What are the reasons for these more intense cooperations? First of all, the electrification of many industrial processes. We see it in the steel industry. We see it in the chemical industry. We see all the investments in battery technologies in the European Union. Though the electricity demand in the industrial sites will increase a lot, also bidirectional electrification, and that's obvious to everybody, will increase the relevance of the grid infrastructure.

The second aspect, it was also mentioned in the statement, is green molecules, green hydrogen, because some of the industrial processes are hard to abate by direct electrification. So, in the second wave, we will see more investments in electrolysers. We have five projects at the moment in our control area to be reviewed in Germany and I think we will see more projects like this, and also there, a TSO will play a key role in transporting a lot of green electricity to these places.

And there is a last third aspect I want to mention. It is the flexibility in the system. Of course, we talked about the private households, e-mobility, heat pumps, all these storage capacities, but we will also see more flexibility from the industrial sites in our control areas. And that's the reason why 50Hertz started its "60 to 100" campaign. We want to fulfil and to cover 100% of the electricity demand in our control area by renewable energy on average in 2032 because we have learned that this is one success factor for industrial sites in our countries in the future.

Marleen

My last question, Chris, is for you. It is clear that a new energy value chain is emerging. Elia Group has to play an important role when it comes to providing the infrastructure and facilitating the management of flexibility. What other opportunities do you see along the energy value chain for Elia Group?

Chris

Well, Marleen. Stefan already spoke about all the changes that we will see happening in the coming years in the value chains that we see at the industrial sites. So, companies will electrify. Companies will use green molecules, and that will fully reconfigure those value chains. But we see the same trends actually happening with households. What we see happening in households is that mobility will electrify, we will see that heating will electrify, so in the

end the whole setup that people have at home behind the meter will be a complete different set up, and they will also, therefore, start to have new needs. They want to optimise their energy consumption. They want to make sure that all the investments they have done will come to their benefit, by more comfort and lower prices.

That is an urgent call for more sector conversions. We see sector conversions as a collaboration between us and the mobility sector, us and the housing sector, that we can ensure that they can deliver the high levels of comfort, but at the same time, take into account the grid constraints that we have. If we're talking, for instance, around mobility, and we would have millions of vehicles enter our grid that will charge at the same time, we will of course have a hard time at some moments of time because we don't have enough renewable energy. So, that would create a massive problem. But, actually, we see as well an opportunity, because if they would charge at the moments that we have excess renewable energy, put that in their batteries, put that in the inertia of their buildings, we would have less need of capacity at other moments. And this is something that, of course, needs to be linked to the needs of that customer. So, this customer says, I want to drive somewhere, I have a certain freedom in my mobility that I want to have, and I want to actually have the feeling that I charge whenever I want, which actually will then be managed by the system.

And to make that happen we have to communicate much more together, give signals from the automobile sector towards these other sectors so they can optimise their user experience. And to show that, we have developed this diagram that gives how these new sector conversions will work. So, on top you see the sectors that electrify. And they want to deliver the optimal user experience, which means I can drive my car whenever I need and my battery is always sufficiently charged. I can use some part of my battery to do my cooking at home. I'm an industrial player and I can have the most, cheapest energy at the moment there is a lot of renewable energy somewhere in that system.

Of course, that needs to be done by linking that user experience to the constraints that we have in the grid for delivering that service. And so what we will develop is a digital system where all these elements come together. Each of those layers will develop applications, will develop access to data, to ensure that the one that understands user experience can translate this into algorithms, and then from our side, we can translate that into a good balance of the grid. And that, of course, creates a new space with new services to clients. Energy as a service will be something that will develop over the years, and we will jump onto this new development.

One thing we already have done last year is we founded re.alto. Re.alto is a store that is actually delivering in this value chain the different pieces that have to come together to deliver such a service. And so, when new players come up, like ELLI, like other players, and they want to develop a nice service for their clients, they can actually go into the store and see a forecast for renewable energy the next day. They can go there and find an application that sees how much charge is on a battery. They might find over time even things like what is the driving pattern of this client and how do I adapt my energy management to that system. So, this is a very promising area. We will explore this further on. Of course, value chains are not fully defined as we speak. They will develop over time, but we

will have a close look, and in a role of a company that is responsible for the fact that the balance is there, we have a lot of information about the system, and we can play an important role for these players that want to digitalise their new electrified services.

Marleen

Re.alto, indeed, a new company within Elia Group. It's indeed a promising initiative. This brings us to the end of the first part in which we gave an overview of the Elia Group's strategy with a focus on offshore developments. Thank you, Stefan and Chris. We will see you back for the Q&A around noon.

Talking about the Q&A, we are going to peek at our Community Host, Stephanie Luyten. Have you received any reactions from the audience so far?

Stephanie

Yes. Hello, Marleen. Indeed, it seems like an exciting time for Elia Group as we are helping to shape this offshore development in Europe. So, I can understand why our audience is very interested in the projects that have just been mentioned by Chris and Stefan. So, please also let me remind you that you can ask your questions in our Q&A tab that is located on the right-hand side of our Hopin platform. Back to you, Marleen.

Marleen

Okay, thank you. We will see you back in half an hour. It's time now for a quick break. We will meet again in five minutes for the second part, during which we will present our sustainability strategy, sustainable business strategy. During the break, a video outlining a number of innovation projects will play for you on the screen. Elia Group is constantly looking to adopt and use new technologies such as artificial intelligence and blockchain. We look forward to seeing you back here in five minutes. Enjoy the video.

Michael Von Roeder**CDO Elia Group**

I believe innovation is the cornerstone of all future success. When you have constant change, you need to be flexible as a business, and this is enabled through technical innovation but also organisational innovations.

Loïc Tilman**Head of Group Innovation**

It's a pair of mixed reality goggles that can add some pictures or images but also 3D models to interact with your environment. And that we use, actually, during the pandemic. And, thanks to that, the operator on our offshore platform has been able to do some maintenance remotely using the Hololens guided by the supplier in a way.

We are now testing a more advanced drone that can fly autonomously for a few kilometres in order to replace, basically, the helicopter. We are mounting on the drone some advanced technology like photogrammetry to make 3D

models and also some high-quality cameras in order to take pictures on which we will run artificial intelligence and then detect automatically some defect on the lines and pylons.

Within this building, you have a lot of electromagnetic fields, so you cannot enter while it's running. But infrastructure is very critical, so that's why we are testing now the use of robotics in order to make the inspections to make sure that this infrastructure is in a healthy state.

Next to that, we are also using virtual reality - where you are surrounded by a virtual environment - for training in dangerous conditions.

Michael

As a company, we need to become data-centric. Flexible data access, keeping data protection and data security constantly in mind, is a major part of that. For example, we're looking into new sensors to get data from our asset base. We have a built-in IoT platform for this to ingest that data and process it. We're also looking into consent management, where we work with the Energy Web Foundation closely together.

We are an active member in GAIA-X, the European Cloud Serenity Initiative, and, last but not least, we have put in place an AI Centre of Excellence where we partner very closely with Nsight, which is a start-up doing advanced analytics.

Loïc

So, we use the artificial intelligence algorithm in order to predict the state of the grid in order to make better decisions, but also to actually propose some decisions to the dispatcher and increase the security and the efficiency of this process. Another technology that we are using is blockchain. We are using it in order to create an identity card of the decentralised asset that we now participate to the market. Like, for example, the electrical car. And to smooth the onboarding to this flexibility market.

Michael

In order to create innovation, you need new competencies in the company. The first step we did here is we created an entity called The Nest, where we bring together data experts, digital experts, IT experts, with people from the business, so they can together co-create innovation.

Loïc

So, what is The Nest? The Nest is a digital internal incubator where employees can come to test their own ID, digital ID, so, learning about technologies but also methodology, and they will find there a risk-free environment, separate from their daily jobs, where they can test these new innovations and potentially bring them back in their own business.

Michael

In the next steps, we believe we need to do this in the whole ecosystem. So, we need to create a level playing field for all participants in the energy system: the TSOs, the DSOs, the traditional suppliers, but also academia and, last but not least, start-ups. A lot of innovation in the energy system will come from those start-ups and that also means, going forward, when we co-create, the boundaries between companies will start to blur. We will collaborate very closely with other TSOs like Fingrid or Red Eléctrica, for instance, for IoT topics. For asset management, we work with a start-up called HEPTA for autonomous drones.

Michael

I will be happy ten years from now when we move to a fully decarbonised European energy system and at the same time have enabled and built an open ecosystem with a level playing field for all parties involved.

PART 2**Marleen**

Welcome back. Climate Change is one of the greatest challenges for society. Since Elia Group is enabling and facilitating the energy transition, sustainability is already at the core of our strategy. But that's not enough. With the ACT NOW initiative, Elia Group defined concrete and measurable targets related to how we will embed sustainability in our business processes in the coming years. We focus on five fields of action. In a minute, they will be introduced by Olivier Feix and Catherine Vandenborre. But first, let's have a look at a short introductory film.

Voice-over

A successful energy transition for a sustainable world. This is Elia Group's vision. But what does this mean in real terms? Our mission is to create value for society. We are keeping the lights on. We are decarbonising Europe by delivering the necessary infrastructure and shaping the markets. We are innovating to meet evolving consumer needs and protect people's safety. To achieve our mission, we have defined a strategy which is based on three pillars of growth. The first pillar covers the regulated part of our business. We operate a sustainable power system and deliver the infrastructure of the future, integrating high levels of renewables and new types of consumption into our grid. The second pillar relates to new growth opportunities. As a company with a unique set of skills and a solid track record, we are well-qualified to realise projects outside our domestic markets, like offshore developments. Finally, we want to develop new services that create value for customers across the energy system.

By actively providing new digital interfaces and services to emerging businesses through projects like the Internet of Energy and our affiliate Re.alto, we are demonstrating our leading role in the energy transition. But growth alone is not enough. From our vision to our societal mission, and the entire strategy of Elia Group, sustainability is at the core of each activity. This is what we ensure via Act Now, our programme based on the United Nations' Sustainable Development Goals. Act Now focuses on five dimensions: Climate Action; Environment and Circular Economy; Diversity, Equity and Inclusion; Health and Safety; Governance, Ethics and Compliance. Act Now defines concrete

ambitions for embedding sustainability into our activities. It ensures that we will continue to provide a service to society and meet our ambitious goals in a truly sustainable way.

Olivier Feix

Head of Group Strategy

Good morning, ladies and gentlemen. Before we deep-dive into the various elements of our sustainable strategy, let's have a look at the wider societal context of sustainable development. The Green Deal is at the core of the European evolution and a real game changer since we know now it's about the full decarbonisation of all sectors. This has become in Europe a global sustainability policy that encompasses all sectors and all parts of society. You will see today how Elia Group's business strategy embraces sustainability and supports various dimensions of the Green Deal. Sustainability is at the heart of each cornerstone of our vision, our mission, and our strategy for a successful energy transition for a sustainable world. We ensure sustainability in the way we operate our business. We find sustainability back in our business plans, daily activities and so forth. Putting it at the centre of all our activities keeps us relevant for society and is our basis for future growth. This is more than a sustainability strategy. It's our business strategy that is sustainable and makes us Act Now. Our strategy is organized around the Sustainable Development goals of the United Nations that set a framework and a common language, setting clear expectations for the way we want to live on this planet. It helps us to work out and show how we contribute as a company to a positive global development.

For us as TSOs, the United Nations goals lead to five dimensions we focus on: Climate Action; Environment and Circular Economy; Diversity, Equity and Inclusion; Health and Safety; and Governance, Ethics and Compliance. They build the link between the global objectives and the internal company perspective. We operationalise our sustainable business strategy via those dimensions that give concrete guidance internally to ensure the right implementation focus within our everyday processes and activities.

Our first dimension, Climate Action, is the most impactful one. As a responsible corporate citizen, we commit to reduce our own CO2 footprint to meet the targets of the Paris Agreement. In the following slides, we will show you how we want to achieve this.

Transforming into a sustainable business is not only possible, it's the only way to stay successful. But, at the same time, it's very important to realise that as group of TSOs, we are in a unique position to integrate renewables in order to drive the decarbonisation of the power sector. This is where we have our biggest CO2 reduction lever. The picture illustrates the completely different orders of magnitude.

Connecting the windfarms Arkona and Wikingen, for example, with an installed capacity of some 750 megawatts in the Baltic Sea and an annual generation of 3 terawatt-hours, saves 2,250 kilotonnes of CO2. This is 50% more than our annual footprint as a company. These savings are of course not all on us but they show how important it

is to realise our grid projects. As mentioned in the first part of the Capital Market Day, we are fully dedicated to speed up offshore in order to save many more times our own footprint.

Catherine Vandenborre

CFO of Elia Group

Thank you, Olivier for explaining to us how we put sustainability in a wider context at Elia Group.

As you said, the essence of our mission as TSO is a successful energy transition leading to decarbonisation of the power sector which is facing high emission reduction targets. This is why we facilitate integration of renewable energy via massive investments in the grid, new market design and enhanced system operations, and why we support electrification of consumers and effective sector convergence.

Why do we highlight that so much? Because, as shown in the left-hand chart, the ambition of society is to reduce the footprint of the power sector by 233,000 tonnes of CO2 equivalent in 2030 in Belgium and Germany. That is by far the most important lever.

Furthermore, by being an actor in the systemic change towards a greener society, we create financial value. As far as we are concerned, there is no trade-off between sustainability and financial value creation. Investing in our business has a strong leverage effect on the decarbonisation of the European power sector.

What you see on the right-hand side of the slide is that, alongside our initiatives to accelerate decarbonisation of society, we of course also take actions to decarbonize our own activities - even if the global impact is much lower. This is our commitment to act as a good corporate citizen.

Concretely, our commitment is to run a carbon neutral power system by 2040 and to run our own activities carbon-neutral by 2030. Also, we are partnering with our suppliers to assess the footprint of our supply chain and better factor the impact of CO2 emissions into the decision-making process for new investments via an internal carbon price.

Catherine

...to assess the footprint of our supply chain and better factor the impact of CO2 emissions into the decision-making process for new investments via an internal carbon price.

Olivier

Let's deep dive on those objectives, Catherine.

First, we enable the decarbonisation of the power sector via our grid development projects in order to reach 65% of Renewables in the power mix in Germany and 40% in BE by 2030. Those are the political objectives. We will

achieve them by developing our grids, by further developing market products that facilitate the integration of variable RES, by upgrading our system operations for a Renewables dominated world.

We also prepare our infrastructure for more electrification, another core element of the decarbonisation of Europe. We assess the concrete electrification potential together with industrial players such as Linde, Arcelor Mittal, BASF and Total who are active in our grid regions in order to identify jointly the best possible way to supply their growing electricity needs. We assess together suitable locations for the settling of new data centres or hydrogen production facilities, as Stefan was mentioning, in order to speed up their deployment and ensure the system is ready to cope with that.

Catherine

Indeed, but that's not all we do. In addition, we are convinced it is not sufficient to fulfil national plans. That's why we go for the extra mile. We co-develop Energy islands with industrial partners (one along the Belgian Coast and one in the Baltic Sea). We push to harvest quicker the Offshore growth potential at European level – you just heard Chris and Stefan about that. This can lead to 20 more TWh in the system of Elia and 50Hertz by 2030, an increase of 15%.

On top of that, we help develop a new market design that is more consumer-centric and better takes into account the decentralisation of generation units. We also see sector coupling has an additional possibility to integrate more renewables. We push for digitalisation to allow for more integration of decentral flexibility. A smart way of charging EVs in the future would enable to integrate another 1,5 TWh RES more in Germany and Belgium for example. We run joint investigations with producers and consumers how to practically speed up the deployment of renewable energy. We identify suitable areas for additional RES, we streamline our grid connection processes and we develop lean technical connection solutions. On top of the current growth, we want to integrate additional 15 TWh of clean electricity by 2030 in order to reach our objective of 100% coverage of the annual consumption of the entire 50Hertz area by 2032. Now, Olivier will give a couple of examples to show you how we plan to reduce emissions related to our activities.

Olivier

Thank you, Catherine. Let's start with system operations and first, power losses. They are a consequence of transmission of electricity. They constitute a source of CO₂ emissions, as long as the electricity generation is not completely carbon neutral. The amount of **losses** over the lifetime of our assets has always been a key criteria in our grid design processes and decisions, where we explore all possibilities to reduce as much as possible the increase in losses. In absolute terms, the losses will grow over the next years since we have to integrate and transport more and more variable electricity from renewables. Although the amount of losses will increase, we commit to decrease the emissions associated to these losses with 28 % in our control areas by 2030. We will do so by investing in assets with lower emissions, thorough impact assessments for each investment decision as well as operational measures in maintenance & grid operations.

In addition, we explore ways to reduce needs associated to ancillary services & redispatching. Even though these emissions are not on our balance, we want to continue to contribute to better processes with other TSOs, national and European, to get these needs down.

Catherine

Let me continue, Olivier. Concerning our own activities this time and starting with mobility. We will reduce our emissions by 90% by 2030. To do so, we have developed our technical capabilities to avoid parts of commuting and some business travel needs. For the remaining part, we offer innovative solutions to commute to work, we also promote ecological business travelling and electrify our fleet. We manage the transition of all our fleet vehicles towards carbon-free alternatives also via the installation of charging infrastructure on our sites.

Since a couple of years, we use high ecological standards for new or refurbished buildings @Elia and 50Hertz. At our Monnoyer building in Brussels, the electricity consumption was reduced by 40% and CO2 emissions by 45% thanks to a green roof and the use of environmentally-friendly materials. The roof was fitted with 4,500 m² (four thousand five hundred square meters) of photovoltaic panels. Our 50Hertz Headquarter in Berlin was awarded LEED gold standard as well as DGNB gold certificate for its ecological design. For all our offices, we procure green electricity for the outstanding energy needs.

Regarding the assets and on assets that are insulated via SF6 gas, we will introduce SF6 free assets as soon as technically feasible. We will use SF6-free solutions for 50% of our upcoming SF6 needs. This avoids 30% of the projected emissions increase by 2030 (and 60% by 2040). We continuously improve our leakage monitoring and management to remain well below the target of 0.25% leakage rate.

Olivier

And concerning the fourth element where we act as a company, concerning the **value chain** for new assets and construction works, we will increase our maturity for Co2 accounting from spent- to category-based for 60% of our investment volume by 2023. This will allow us to reduce subsequently the up- and downstream footprint in a very targeted way. We will set specific scope 3 reduction targets latest by 2023. And we move from a case-by-case usage of an ICP in procurement decisions towards integrating the ICP in all parts of our decision-making process.

Catherine

Yes, and last but not least, we also match our emission reduction activities and targets with international approaches and frameworks. Against the frame of the new EU Taxonomy Regulation, for example, the vast majority of our activities are to be considered as key enabler and catalyst for the decarbonisation of the power sector. We are therefore confident that our grid development activities will qualify with the criteria set out in this new regulation. Our first reporting in 2022 will be crucial for the future financing of our CAPEX program.

We also use the GHG protocol to assess our own emissions. In the framework of the Science Based Target initiative, even if it does not value (and sometimes even punishes!) the most impactful activities we as TSOs must do to speed up the decarbonisation of the power sector, we are committed to meet the SBTi targets in 2030. We are open to collaborate with SBTi to further develop their framework and to properly consider the activities contributing to decarbonisation. Before we start with our second dimension on environment, let's see how it looks like in reality in our substations in Belgium and Germany and how our people live sustainability in their daily work

Stevin Substation
Zeebrugge, Belgium

Céline Depouhon
Substations Asset Management

Here we are at the Stevin station, one of Elia's last big projects. This station is very important for the integration of renewable energy into our grid, as it is the link between offshore wind turbines and our grid. It is essential for bringing the green energy ashore.

Igor Lefevre
Head of Environment & CSR

A number of very important environmental measures have been implemented here. The first one is visual integration. The station is slightly lower than the road. And a bank has been added, which serves two purposes: it blocks out noise and visual and light pollution, and a number of trees and plants have also been planted along the bank so that it blends into its surroundings and the landscape.

Céline
With regard to sustainability, the transformers behind me are an excellent example of it. Firstly, in terms of the technology used. We used what's known as 'ecodesign': when choosing the transformers, attention was paid to limiting losses and thus limiting our future CO2 impact.

Harald van Outryve d'Ydewalle
Procurement Group & Elia Be

In 2020, we wrote a letter together with other TSOs to our suppliers, encouraging them to provide greener solutions. What have we done specifically? We rate the environmental impact of the material that is due to be used for the manufacture of what we need. We also evaluate the environmental impact of transporting an asset we buy and the environmental impact of a construction site on its surroundings.

Céline

Then there are the big walls you can see here. They are soundproof walls. Their aim is to create a closed environment and reduce noise as much as possible. This is the best model available on the current market. Here, we specifically opted for wood cladding. It's the same wood used for boats, so it is very long-lasting, and will withstand the sea air here.

50Hertz HQ**Berlin, Germany****Oskar Grabarczyk****System of the Future, Elia Group**

I work for System of the Future. At System of the Future, we believe in a future CO2-free energy system, and we're actively striving to work towards it with innovative ideas. On the one hand, we need to prepare the power grid for higher amounts of more volatile energy. On the other hand, we need to efficiently implement the flexibilities we have in the grid. Phase-shifting transformers are a great example of flexibility provision. They are already in use at Elia and 50Hertz. They help us direct electricity flows and securely integrate more renewables into the grid. Currently, we are working to support our colleagues in system management with the aid of artificial intelligence.

Charlottenburg substation**Berlin, Germany****Ralf Segeth****Sustainability Manager, Corporate Development**

SF6 is a very efficient arc quenching and insulating gas which we are required to use in many parts of the grid. There are currently no technical alternatives for our voltage level. At the same time, SF6 is very harmful in terms of climate change. As part of our Act Now programme, we have announced some long-term climate targets. We are striving to become climate-neutral as a business by 2030. What we have here is a 110 kV station, where alternative options for replacing SF6 exist. We are testing them here, and we are analysing the results with a view to using these alternatives at higher voltage levels.

Igor

We will carry on working on these policies and developing them. One example is the much-talked-about bird markers that protect the birds that could cross these corridors. The idea is to attach them along the entire 300 km of black lines and we will carry on doing so. Another important thing we have done is to develop these corridors to increase biodiversity. Under the lines, we have planted lots of trees, added ponds and thickets, thus improving the biodiversity around them.

Céline

Elia has more than 700 stations, which means lots of existing buildings: more than 1,000 buildings. So the aim is also to renovate these buildings and improve the energy performance of our whole grid. We could do this by installing solar panels to see if they can meet part of our energy needs. Heat pumps could also be a good solution. We might also be able to hook electric cars up to our stations in future. And, of course, improving the insulation when replacing a roof is a possibility. This station is a good example of a great project. If you walk around it, it is wonderful. It was essential, it permits the integration of renewable energy. It is a way for us to participate.

Olivier

We just saw in the little movie how environmental aspects are integrated in many of our daily activities. Our second sustainability dimension is related to Environment and Circular Economy.

We design our assets so as to first avoid the impact on the environment, to second reduce it and finally to compensate the unavoidable.

However, we are very aware that grid development has a high impact on landscape, fauna and flora. On the positive side, this also encompasses opportunities to act locally in order to implement positive measures for ecosystems and biodiversity. We go beyond our legal duties via increasingly co-developing ecological activities with local partners while combining efforts to reach a nice leverage effect: Local and regional eco-pool projects are often much more effective than compensation payments. Around 6% of the project costs of an overhead line go into our ecological projects.

Our environmental activities reinforce the link to local communities, increase our anchorage with society and the positive impact of our activities by co-shaping them with local society.

Concerning our own properties, we ban herbicides by 2022, and will be ISO 14001 certified by 2022 in Germany and 2023 in Belgium.

On **Circular Economy**, we are in a learning phase and we set the foundation now to embed circularity and eco-design in our decision-making processes for new assets. We plan to further increase the level of recycling at the decommissioning moment of assets. This allows for a more efficient use of our materials.

A few concrete examples and objectives? Power lines naturally affect birdlife. We just saw that in the movie. For this reason, the Elia Group minimises negative effects on bird life. Sensitive bird populations are considered very early on in the planning of our routing of new power lines. In the current grid, we also commit to upgrade our bird protection markers, as you just saw, at sensible sections. We first identified these sections with NGOs, we set up a Bird protection portal for example with NABU & BirdLife, and we run a targeted upgrade program for installing additional bird protection devices. At 50Hertz, this means we're going to install devices on additional 120 km of lines crossing special bird protection areas in order to reach nearly 400 km in 2030. At Elia, the ambition is moving from today 44 km to 200 km by 2030.

In forested areas, as you also saw in the little movies, we establish corridors for electricity lines. And for that purpose, we have developed the “Ecological Corridor Management” which is a way to minimise interventions and to run in an ecological way those new corridors so that natural habitats are created there again, while also taking into account safe grid operation. In 2030, Elia & 50Hertz will both manage 90% of all forest corridors in a way to support biodiversity. For 50Hertz, we go from 3870 ha to 4150 ha and for Elia from 562 ha today to 1150 ha by 2030. Two examples to give you a last little quick flavour on ecological activities we perform in our grid development projects. You see here that we have created a biotope network in Sülzetal. The measure establishes meadows and pastures by upgrading and preserving ecologically valuable areas southwest of Magdeburg, which is in Saxony-Anhalt, together with the local Cultural Landscape Foundation. Farmers in the region co-develop this measure with us and enhance biodiversity without stopping cultivation. We invest there 2,7m€.

As part of the upgrading of the new 380 kV cable in Berlin, 50Hertz currently performs the watercourse restoration in Charlottenburg Palace Garden, an investment of 579.000 € including oxygen enrichment, reduction of biomass in the water system, the creation of breeding sites for kingfishers and habitat enhancement. The garden therefore gains biological diversity and contributes to quality of life and species conservation in the middle of Berlin. Already today our transformers and pylons are close to a 100% recycling rate, this motivates us to investigate how to push up recycling rates also for all other types of assets we are having in our grid. Starting with logistics and spare parts management, Elia is exploring for example the use of 3D printing for the warehouse to increase the lifetime of assets.

And before I give back the word to you, Catherine, let’s watch a short introductory video from one of our contractors on safety to get the outside perspective on our safety culture.

Dirk Albrecht

Operations Director GE Energy Connections

For us as GE Grid GmbH in Germany, working with Elia and associated firms is a very good experience. The demands made of us regarding safety at work are high, expectations are high too, but they’re no different from what we demand of ourselves, and we are glad to meet them. We all have to work together on the climate, and the most important thing is that our employees and clients arrive home safe and sound every evening. I clearly remember an incident that occurred recently. It was a completely - I don't want to say harmless incident - but certainly it was an incident where no one was hurt, and 50Hertz invited us to two meetings during which we analysed the incident together with our subcontractors in order to ensure something like that doesn’t happen again. 50Hertz adapted their relevant regulations so it can't occur again as far as they are concerned. We did the same, we learned from it too and I think that is the important thing, that both sides learn and follow the same path when it comes to safety at work.

Catherine

You have understood. Our third dimension relates to Health & Safety

As a TSO, major activities are related to works at heights, works with electrical assets, and works in the maritime environment. Health and safety is not only an essential social duty of a good company, it also strengthens our license to operate and yields in our conviction to reach operational excellence.

This is why we have a long-established safety culture. We do not only have strict safety procedures in place and run regular trainings and safety campaigns, we also enhance our technical and digital solutions to reduce the risk of accidents. We go for zero accidents – not only for our own staff but also for our contractors, as we just heard in the video. Our ambition is clear: keeping our good track record, even when rolling out our increasing CAPEX program.

To illustrate one of the KPIs we are tracking you see our Total Recordable Injury Rate, currently at 5.1 on group level. This is reflecting a good industry standard and we managed to stay well below our target of 8.5.

An example for an innovative solution that we are introducing in order to reduce the risk exposure is the HighStep System which reduces risks significantly when climbing pylons.

Another example to show how to create additional value for society while protecting our own people, we have a Helicopter Rescue Service for our offshore crews which is also available for external partners and the public in case of emergency. Only last month the helicopter has rescued two fishermen in the Baltic Sea.

Olivier

Besides avoiding accidents, the physical and mental wellbeing of our employees is a big priority for us. We see our working environment is changing fast – we need to make sure that our employees stay healthy, well adapted and resilient in order to face all the challenges ahead. Here as well, this leads to operational excellence and ultimately to more efficiency.

This is why we have established a successful, preventive Health & Safety approach over the last years. Activities that are part of this approach are again amongst others the provision of a broad range of external medical services including hotlines where employees can place their fears and problems anonymously. We run regular “pulse” checks and employee surveys as well as a regular sharing of Group wide good practices.

To illustrate again one of the KPIs we are tracking you see here our sickness rate on the slides with a good level of 3% as compared to well above 5% industry average. We are proud to be an industry leader here and are committed to keep our standards this high.

Catherine

Yes, and to complement you, Olivier, let's recall that it is important to us to make mental health a subject of discussion. This is why we run preventive awareness campaigns and online trainings and complement those initiatives with health & fitness apps.

As you can imagine, making sure that our employees receive the best possible care during this difficult COVID19-pandemic is a top priority for us. Encouraging home office and offering testing facilities in our offices was the first step. Now we are mitigating possible negative effects of working from home, for example through our work@home catalogue – a step-by-step guide providing useful tips on ergonomics, nutrition, work-life balance, etc.

To start with our fourth sustainability dimension on “Diversity, Equity and Inclusion”, let's have first a little look at some testimonials we collected after our last International Women's Day.

Onscreen text: International Women's Day

Hello.

Hello, everyone.

Onscreen text:

At Elia Group

We value all kinds of diversity

Gender, country of origin, age, colour, religion, sexual orientation, ability, social background

Hassan Al Hilou

So when people ask me: what is diversity for you, it's really easy. It's just believing in what we see in our own cities.

Onscreen text:

We see it as our role to make people aware and create an inclusive world & environment

Isabelle Hendrickx

Program Management Infrastructure, Elia

Diversity is what we see in the street, what we see in the world. So it's not that we have to have a transition. We have to adapt to the fact that it's a reality.

Onscreen text:

For International Women's Day 2021 we were inspired and challenged by Hassan Al Hilou

Hassan Al Hilou

The only way forward today, is not only looking at it from a macro perspective, but also from a micro perspective. What could you do as an individual to make your own environment more inclusive.

Onscreen text:

And 4 of our strong female employees.

Catherine Vandendorre

CFO Elia Group

I would really advise each team leader to ensure diversity in the composition of the teams.

Andrea Mink

Head of Accounting and Tax, 50Hertz

And yes, the team spirit improves.

Julia Weiland

Team Lead Asset & European Regulation, 50Hertz

Diversity means to be invited to a party, which is quite fair, but to be asked for a dance is a lot better.

Onscreen text:

Let's all choose to challenge.

IWD 2021 #choosetochallenge

ACT NOW for a sustainable world

Olivier

In order to realise a successful energy transition, diverse talents and opinions bring our strategy, solutions and innovative ideas forward and implement them in an effective way. We have to ensure there are no barriers for certain parts of society, unbiased recruitment, selection and career paths based on equal opportunities. This ensures we can attract and retain the talented people and unlock their potential to participate in the evolution of the Elia Group.

Our Group counts today 38 nationalities, an increase of 41% over the last 2 years. We see the benefits of being an international group. The exchange between different cultures and nationalities has enriched our way of thinking and acting at EGI, re.alto, 50Hertz and Elia and is a key success factor to realise our growth ambitions.

Catherine

Indeed, and we also enlarge the role women play in the energy sector. We are conscious that the energy sector has historically been led by male technical expertise. But things are progressing. Today, we have reached a proportion of 22% of women in our Group. Our recent efforts to further increase those rates have already borne fruit: In senior leadership positions, the number of women has increased by 7% over the last 2 years. We pay special

attention on gender diversity as you see, and we also focus on educational/experience diversity in the various entities of the Group. Both are essential to deliver the right solutions for the complex challenges of the energy transition and the digital transformation.

We develop a company culture keeping a healthy balance between work and life. Diversity and a healthy balance give us a competitive advantage while being more resilient, more innovative in delivering operational excellence. We also believe that we understand better the societal trends we are facing and we are able to address the challenges of the Energy Transition.

Olivier

In order to embed our diversity charter into the whole organisation we have involved all important internal stakeholders being HR, our employees and our leadership teams. The recruitment and promotion processes have been reviewed and adapted in order to lower the barriers at hiring and promoting moments.

Specific trainings and workshops for leaders on inclusive culture for all employees promote our new leadership model which has diversity at its core. Our Ambassadors' network of employees connects diversity initiatives into their teams, into the daily work. We also have flexible working scheme policies, parental leave, sabbaticals and homework. They are key elements for a healthy work-life balance and to retain the best talents.

Catherine

Let's now move to the fifth dimension on governance, ethics and compliance.

Good governance not only underpins confidence in the delivery of everything that you have seen today, but it is also essential to give guidance for long-term and sustainable success.

This means that we have an effective oversight from the Board, strong internal controls, effective risk management and finally we do audits to remain compliant with the legal and regulatory provisions and also to prevent fraud.

All this contributes to more resilience, more risk mitigation and more efficiency in delivering our activities in an effective manner. Besides the SteerCo of the internal Act Now Program, the Members of the "Elia Group Management Board" are directly accountable for the implementation of our sustainability strategy. Part of the variable pay of the Executives is linked to its sustainability objectives.

We have introduced a Group Code of Ethics providing a frame and guidance on Group-wide behaviours. We have policies in place to ensure integrity towards contractors and suppliers and have set up a person responsible for anti-discrimination matters, anti-corruption measures or human rights infringements that can be anonymously contacted.

Olivier

We will continue to give transparency and early stakeholder engagement high priority (especially with local citizens, you just saw that, but also with associations, market players, industry, consumers and academia). This helps us to work best in the interest of society and to co-develop powerful solutions.

Being open and transparent and engaging into a real dialogue with our stakeholders not only strengthens our license to operate and our anchorage in society, it also increases the impact of what we do while using the intelligence of our partners to co-shape better solutions.

This is why we for example have set up a “Scientific Advisory and Project Board” with academia to cooperate on interdisciplinary challenges. Why we organise regular stakeholder days. Why we do regular roundtables with industrial players, with NGOs, with Unions... Just like this Capital Market Day in order to show you transparently and to get your feedback and suggestions for our future evolution.

We are also supporting cultural activities in our regions. We are for example partner of the Cultural Festival in Mecklenburg/Western Pomerania, of the “artist in Residence” program of the Konzerthaus in Berlin, and we promote young artists with the Museum “Hamburger Bahnhof”. In social and health matters, we for example support the solidarity campaign operated by the King Baudouin Foundation, we organise local sport meetings and we developed for kids an interactive school exhibition on the Energy transition. More examples can be found in our Annual Report. However, we avoid supporting political and religious parties.

In our grid development projects we apply a systematic participatory approach in the same spirit to engage with civil society and local citizens. Each time we plan something new in the infrastructure in a region we collect and discuss information and suggestions via our “Dialogue-tours”. That helps us to find the best possible routing and good technical solutions. We complement these tours with digital formats for more interaction and public participation.

In the same spirit of co-developing good solutions for society, we have set up the “Renewables Grid Initiative”, an association of now 11 European TSOs and 10 environmental NGOs that promote the necessary grid development to enable the growth of renewables in order to fully decarbonise Europe.

An endeavour that we are looking forward to is evolving our reporting towards a value-to-society approach that illustrates better our contribution to the value we create for society, the energy transition and the Green Deal. As a first step, we will develop our integrated reporting.

Catherine

And now coming to our ESG ratings. Like you know, we have a few and they have improved over the past few years, and we will put our efforts in improving them further.

We are really convinced that this approach benefits our stakeholders. This approach is profitable - for society, for our customers, for our people and our shareholders. We are reducing our exposure to risk; we are becoming more resilient; and we are able to grow and create value for society and shareholders.

We have seen that acting as a responsible company is valued. Sustainability has become business as usual. We chose to focus on sustainability as a key topic during today's event because we felt it was essential for the financial community to get more insight into and a deeper understanding of our sustainable business strategy. In addition to the more traditional information about our assets, cash-flows, returns and investment pipelines, we wanted you to know more about our strategy, our concrete actions and contribution to global sustainability goals, our culture and mindset - all so that you can better assess the value and future of Elia Group.

We have also taken our first steps towards developing a sustainable financing strategy. In May last year, Eurogrid issued its first green bond for 750m€, the proceeds of which being exclusively allocated to 2 offshore renewable electricity projects, namely Ostwind 1 and Ostwind 2. The Ostwind 1 and 2 projects which are co-financed by this Green Bond dovetail with the EU action plan on climate change.

Elia Transmission Belgium also started its sustainable finance journey. In October, it signed a credit facility with a pricing mechanism which is linked to three sustainable performance targets. Those targets are related to 2 different dimensions: climate change and health and safety.

Going forward, both Elia Transmission Belgium and Eurogrid will access the debt capital market independently to finance their organic growth. This will most likely take the form of a green bond or sustainability-linked instrument. The roll-out of our sustainable business strategy today therefore marks another strategic milestone in terms of the benefits offered to our consumers and shareholders.

Marleen

Thank you, Catherine and Olivier, for your comprehensive presentation on the five dimensions of our sustainable business strategy. Ladies and gentlemen, If you have any questions regarding this presentation, please do not hesitate to type in your question via the chat. Let's go live to Stephanie Luyten. Stephanie, what reactions did we receive so far?

Stephanie Luyten

Hi again, Marleen. Indeed, sustainability is a topic that is very high on the agenda for our investors. And as mentioned also by Olivier today, sustainability is not just nice to have, but it's really crucial for our operations of our business and we are fully committed to it. I can see we're in for a very interesting Q&A session. Let me also remind you that you can ask your questions on the right-hand side of the Hopin platform in the Q&A tab.

Marleen

Okay, thank you, Stéphanie, we see you back in half an hour. In the meantime, I'll make some room for Yannick Deconinck who will take care of the third part of today's event. See you soon.

PART 3 – FINANCIAL OUTLOOK

Yannick

Welcome back in part three of Elia Group's Capital Markets Day. We already presented our ambitions in offshore and our sustainable action plans. But how is this all being translated into our financial outlook? Welcome back, Catherine. Welcome, Marco, CFO of 50Hertz.

Question to Marco

Marco, I believe it has already been a very intense month where you met a lot of our financial stakeholders.

Answer from Marco

Indeed, Yannick. Eurogrid just finalised the successful issuance of a €500 million Eurobond at very good conditions. We thank our investors for their confidence in our business and in our strategy.

Question to Catherine

Indeed. Catherine, Elia Group's activities span several countries. Can you provide us an update on the regulatory framework we are operating under?

Answer from Catherine

Like you know, Elia Group encompasses two grid operators and one offshore connection with UK. 99% of our net result is generated by 3 different regulatory regimes. I believe we can say that the regulatory frameworks of our grid operations in Belgium and Germany are widely recognised as robust and supportive of the Group's cash flows.

Now, the relative contribution of each framework to the Group's result is quite different. The vast majority of cash flows comes from Belgium and Germany. In 2020, as an example, the German segment's contribution amounted to about 50% of our result, whilst the Belgian segment's contribution amounted to about 48%, and NLL's contribution was around 2%.

The Group's exposure to different regulations allows us to diversify regulatory risk, which is by definition the key risk factor for any regulated utility.

We have quite good visibility across the 3 regulatory frameworks for the next 3 years:

- In Belgium, a new regulatory period started in 2020, which will last until 2023;
- In Germany, it is exactly the same, with a regulatory framework also running till 2023

- Lastly, the regulatory framework for Nemo Link, which is our interconnector with the UK, is fixed until 2044 and is based on a cap and floor model. The profitability of this interconnector comes from the difference in electricity price between Belgium and the UK times the traded volumes on the interconnector.

Question from Yannick to Catherine

Thank you, Catherine. So in the short term, the regulations are fixed, giving us good visibility on returns and cash flows. But how do you anticipate on changes in the regulations?

Answer from Catherine

Well, let me take you through the Belgian process and I propose that Marco then explains the German process. I will first briefly touch on the current regulatory framework:

- Firstly, the regulatory framework is based on a cost-plus model with coverage of all reasonable costs, including our fair remuneration and incentives.
- Secondly, we have an embedded debt principle which is applicable, meaning that all the cost of debt is fully covered by the tariffs. So the rising interest rates we are observing today have no direct impact on the profitability of Elia Transmission
- Finally, there is no risk on volume. Drops in revenue driven by lower electricity consumption (due to lock-down measures, for example) are fully recovered through the tariffs.

The remuneration consists of 2 elements: a fair remuneration, which represents a return on equity, and which is supplemented by various incentives, being linked to the realisation of operational objectives and the gearing ratio. The current regulatory framework leads to a net return close to 6%.

Question from Yannick to Catherine

How and when can we expect more clarity on the new regulation and hence future returns?

Answer Catherine

The timeline for the next tariff methodology will most probably be formalised at the beginning of 2022. It will be published on the CREG's website.

The first step will involve the establishment of the tariff methodology itself. In this step the detailed principles of the methodology are defined which Elia needs to respect when proposing different tariffs to be applied to grid users. These principles, includes the parameters of the remuneration like the calculation basis of the regulatory asset base, the determination of the return of equity and the various incentives. It also defines the different cost types (controllable and non-controllable) and their regulatory treatment as well as the depreciation rates. Coming back to the return on equity, as the risk-free rate is likely to be an important parameter to set this return, the increase we are experiencing in interest rates could be viewed as positive news for future return.

A draft decision by the CREG on the tariff methodology is expected to be published during the second quarter of 2022. This will be followed by a public consultation. A final decision from the CREG on the tariff methodology is expected to be finalised towards the second half of 2022.

So today, we don't have visibility on the evolution of the regulatory framework nor the return. As you know, the Belgium regulatory framework has a track record of stability, with a regulator committed to keeping costs sustainable and striking a balance between the interests of the TSO and the consumer. Elia will strive for a tariff methodology that takes into account the changes resulting from the energy transition with important investments in the grid infrastructure and the digitalisation of the energy system.

Question from Yannick to Marco

Thank you, Catherine. Let's now have a look at the German process. Please go ahead, Marco.

Answer Marco

Thanks, Yannick. Before I explain the process, I would like to remind you on the situation we are actually facing in Germany as there are two different regulatory frameworks in place: a revenue cap regime for our onshore business and a cost plus model for our offshore business.

The framework covering our offshore regulation works in a relatively similar way to the Belgian system, with annual updates of the fair remuneration based on a 40/60 gearing, except that there are no incentives. The cost allowance mechanism differs as well – as the offshore costs are determined annually. If actual cost are higher than budgeted, for example in case of a failure, they are recovered in the following year. Therefore, it entails a pass-through mechanism with the burden shared via the offshore surcharge.

In terms of our onshore operations, the costs are fixed every five years based on a reference year in the middle of a regulatory period. 2021 is the reference year for the next regulatory period starting in 2024. German TSOs can only apply for costs which really occurred in that base year. The corresponding cost data will be prepared and submitted to the regulator in June 2022 and either be fully approved, or partly approved with adjustments made by the end of 2023 at the latest. Of course, this final decision will only be taken after several rounds of discussions between the regulator and the TSO. The approved file consists of the entire revenue cap including costs and fair remuneration based on the RAB and the gearing in the base year.

The revenue cap is further adjusted annually by growth investments and inflation with positive effects on the one hand and individual efficiency as well as sector efficiency requirements are taken into account decreasing the revenue cap on the other.

The last two elements for 2024 onwards will be set by the regulator in 2023 at the latest.

There is currently a legislative initiative underway leading to a factual differentiation between Opex and Capex in the future regulation. Whereby for Opex base year logic will still continue, it is foreseen to update the entire asset base on an annual basis. This would reduce administrative burden for both regulator and 50Hertz. And will lead to a more stable cash flow from asset remuneration putting 50Hertz at least in a comparable economic position as of today.

The most important element will be the return on equity rate. The procedure for determining the regulatory RoE is expected to be launched by the regulator during the 2nd quarter with a public hearing planned over the summer, while we expect the rate to be fixed in October this year. We are in constant dialogue with the regulator about the method and potential outcome. First indications can be expected at the end of June.

In summary, the German regulatory framework is supporting and will continue to support investments, which is consistent regarding the challenge facing the energy transition.

Question from Yannick to Marco

So some key dates to keep in mind. Marco, thank you. Earlier today, Stefan mentioned future developments in the Baltic Sea which will see new offshore windfarms being connected to our grid. Can you give us an update on the investment programme in Germany over the next 5 years, Marco?

Answer from Marco

For sure. Well, for the next 5 years, 50hertz plans to invests €4.7bn and this driven by the needed onshore grid expansion as well as the construction of new offshore wind connections.

Compared to last year's mid-term outlook this represents an increase of around 12%, which reflects in parts the preparation for the second 2 GW DC connection at the end of the 5-year horizon named SuedOstLink plus. Due to the recent change in law the construction of SuedOstLink plus became mandatory.

Through the realisation of this CAPEX plan, we expect the German Regulated Asset Base to grow annually by 8% over the coming 5 years.

Question from Yannick to Marco

Let us now have a detailed look at what the investment programme includes exactly over the next 5 years and which projects can be expected beyond this 5-year horizon.

Answer from Marco

The planned onshore investments mainly represent AC grid extension connecting onshore wind production slots to the load centres like 380kV powerlines Uckermarkline and Northring, as well as the 2GW DC cable connection towards Bavaria. The latter is also known as SouthEastLink or SuedOstLink, which involves an investment of

€1.2Bn up to 2025 and an additional investment of €500 million in the years thereafter. Also, the renewal and capacity increase of the 380kV diagonal power link running across Berlin is a major onshore project. It represents an investment of approximately €170 million over the next 5 years. All these projects have been started: at Uckermarkline and Northring with the erection of the foundations, for the cable tunnel recently the drilling has begun, and for SouthEastLink cable and converter has been ordered or are close to be ordered.

From an offshore perspective, three offshore wind park connections are currently under construction within different phases. The Windfarm Connections to Baltic Eagle (450MW) and Arcadis (290MW) also called Ostwind 2 are due to be commissioned between 2023 and 2024. Ostwind 3 (300MW) is due to be commissioned in 2026. Both projects represent investments of around €580 million and €380 million respectively until 2025.

With these offshore connections, the total offshore capacity will be almost doubled from 1.1GW to 2.1GW and as such directly contribute to 50Hertz's objective to have a total power consumption of 100% coming from renewable energy sources by the year 2032 like Stefan mentioned earlier today.

Question from Yannick to Marco

Okay, and which developments can we expect beyond this 5-year horizon both onshore as offshore, Marco?

Answer Marco

SuedOstLink plus includes besides the extra 2GW on the existing SuedOstLink track, a prolongation that needs to be built on the north side. The technical solution has not been finalised and the realisation of this prolongation lies beyond the midterm outlook we provided you in the previous slide. According to current planning, the investment for this project amounts to approximately €2.2 bn, which will be mainly invested in the period after 2025.

Like mentioned by Stefan already, the realisation of Heide/West –Klein Rogahn project will provide further strategic options for the Group beyond 2030. Indeed, access to the North Sea and/or a direct connection to one or two windfarms installed in the North Sea are tangible options to be further investigated and explored.

This is of particular importance, as the potential for the further expansion of offshore wind projects in the German part of the Baltic Sea seems to be limited, even though there are a couple of concrete projects to be further elaborated and specified.

From an offshore perspective, two nearshore projects named Gennaker 900MW and Testfield 200-300MW are seen to be feasible to realise in this decade. Both require specific legislation to be passed in order to be realised. In line with our sustainability programme, we support this process, as our belief is that the Energy transition needs to use all of the affordable offshore wind potential. Otherwise, Germany's installed capacity objective of 40GW by 2040 will be hard to meet considering today's installation of around 10GW.

This is one of the major reasons that lies behind our discussions with our Danish colleagues about new ways to exploit offshore wind potential in Denmark for use in Germany (in addition to Kriegers Flak).

Such discussions have led to exploring projects like the Bornholm Energy Island project, which encompasses 2-3 GW of installed capacity potential and will involve multiple connections between Germany and Denmark. The project is due to be realised within the next 10 years.

Question from Yannick to Catherine

Thank you, Marco, for giving us a very solid insight into our German investment programme and 50Hertz's collaborations with European partners. I think it's now time to look at Belgium. Catherine, how is the investment programme looking in Belgium for the next years?

Answer Catherine

Well, like in Germany, our new CAPEX plan for the next 5 years will increase by almost €1BN, reaching €3.2BN, which reflects our commitment to society to accelerate the energy transition. Through the realisation of this CAPEX plan, we expect the Belgian Regulated Asset Base to grow annually by 8 to 9% over the coming 5 years. Belgium has the most to gain from an integrated European electricity system based on renewable energy sources, under which its full domestic potential is maximised and supplemented by electricity imported through additional interconnectors. In order to future-proof our grid, our current CAPEX plan is based on 3 key pillars.

- The first pillar, **facilitating offshore energy**, aims to accommodate the increasing offshore capacity needed to realise the sustainability targets.
- Under the second pillar, further **cross-border interconnections** will be established to integrate renewable energy at a European level, leading to a convergence in electricity prices and this to the benefit of our industries.
- Under the third pillar, **grid reinforcements** to the network will be carried out to make the grid robust and reliable, which is another crucial step towards the establishment of a low-carbon society.

Let me remind you that besides new investments approximately 1/3 of the investment budget is linked to the maintenance of the existing grid. This maintenance capex has the same remuneration under the Belgian regulation than new investments.

Question from Yannick to Catherine

Thank you. Let us now have a detailed look at what the investment programme includes exactly over the next 5 years and which projects can be expected beyond this horizon.

Answer Catherine

Yes, and so first, to further facilitate the growth of offshore energy, the federal government has begun developing a second area for offshore wind in order to increase the offshore capacity from 2.3 GW to 4 GW. Elia will connect

future new windfarms in the North Sea to the shore. The total project will cost around €1.1 billion, approximately 50% of which will be invested over the next 5 years. Commissionings are due to occur in 2026 to 2028.

Elia's initial plans for this project involved building 3 platforms to connect the windfarms. But like mentioned by Chris, these 3 platforms could be replaced by the construction of a multifunctional island as part of the recovery plan, which would not involve any additional costs for consumers.

This brings us to the 2 other projects which make up the bulk of the €3.2bn CAPEX programme, namely Ventilus and Boucle-du-Hainaut. Both links are vital for ensuring that all this additional energy coming from the North Sea can be brought to demand centres across Belgium.

Firstly, the Ventilus project involves the building of a 380 KV high-voltage line with a capacity of 6 GW in West Flanders. It will involve a total investment of approximately €750 million, 75% of which will be spent within the next five years.

Another important grid reinforcement project is the Boucle Du Hainaut project, which will reinforce the connection between West of Belgium and the centre of the country. This project has a budget of approximately €650 million. We plan to spend around 1/3 of this during the current period, with the rest being spent after 2025.

Finally, we have the BRABO project, which is essential for securing economic growth around the port of Antwerp and is also necessary for establishing a secure and sustainable supply of electricity inside and outside of Belgium. Over the next 5 years, we plan to invest approximately €85 million to complete the third and final phase of the project.

Question from Yannick to Catherine

Okay, and which developments do you expect beyond that 5-year horizon?

Answer Catherine

Well, Yannick, after Nemo Link, the Nautilus project is currently being explored as a new hybrid interconnection that would link Belgium and the UK, while also connecting offshore wind. The European Commission has already labelled Nautilus as a PCI, a Project of Common Interest, marking its importance for Europe. Feasibility studies are currently being carried out regarding the location, routing and capacity of such a project before the realisation can be confirmed.

Like Chris already mentioned, a potential new project that is not reflected in the figures is the hybrid interconnection with Denmark. A joint working group is now looking at the feasibility of the laying of this cable. It could become an important future investment for Elia starting beyond this 5-year horizon and would be Belgium's first interconnection with a non-neighbouring country.

Like mentioned earlier today, we expect that a number of similar opportunities will emerge going forward. We will explore those opportunities, which will occur in markets beyond Belgium and Germany's borders. The kind of technology and expertise that we have developed within the Group will for sure become important for the future development of the grid in the North Sea and the Baltic Sea.

Question from Yannick to Catherine

Thank you, Catherine. It is clear that Elia Group has strong prospects for organic growth both in Belgium and Germany. But what does that mean in terms of Group-level targets - can you give us some guidance?

Answer Catherine

Yes, let me give some operational targets and give guidance for 2021 and 2025. The translations of the aforementioned CAPEX programme will lead to a total CAPEX spend of €1.2BN in 2021, increasing in the following years to reach an accumulated CAPEX of €7.9BN at the end of 2025. Driven by the realisation of this CAPEX plan, the RAB of Elia Group is expected to grow from €10.4 billion in 2021 to €14.4 billion by 2025, and so reflect an asset growth of nearly 40% for the coming 5 years or around 8.5% annually.

I would like to remind you that this RAB only includes 80% of 50Hertz and does not reflect our investment in Nemo Link. As mentioned at the start of this presentation, our revenues are predominately driven by our regulated activities. Today, we have visibility over the regulatory frameworks for the next 3 years until 2023. The moment we have more clarity on what to expect for the following regulatory period, we will share it with you, of course.

The primary driver of our regulatory frameworks are at the earnings level, whereas EBITDA and Revenue are not including a lot of pass through items. This is why we primarily focus on RoE in our guidance. For 2021, we already announced, we expect a RoE of between 5.5% and 6.5%, and on average between 6.5% and 7.5% as from 2022 until the end of the regulatory period. I would like to highlight that this guidance obviously does not take into account any potential M&A transactions.

Our conservative financial policy is unchanged throughout the Group. Both Elia Group and Eurogrid continue to target a BBB+ rating with Standard & Poor's and aim to maintain a prudent financial profile through the upcoming CAPEX programme. In particular, the funding of the investment will be calibrated to ensure that both entities keep financial metrics at levels commensurate with the guidance indicated by the Rating Agencies.

Eurogrid and ETB will continue to finance their investment programmes separately, and independently from each other with no cross-financing of activities between themselves. Both entities do not and will not support funding activities of the Group and will issue and service their own liabilities through their own resources.

Lastly, the dividend policy remains unchanged and is intended not to be lower than the increase of the inflation index, the CPI in Belgium.

Yannick

Thank you, Marco and Catherine, for this detailed explanation. That brings us to the end of this third part. It is now time for an extensive round of questions.

Marleen

In the meantime, we did a position switch here to be ready for the question round. Because we have to limit the number of speakers on stage, we divided the question round into 3 parts.

Stéphanie, first we handle the questions from the first part on the growth strategy and more specific on offshore. What questions did we receive?

Answer Stéphanie

Yes, Marleen, indeed. Let's kick off with the first question, so here it goes. How important is digitalisation for all these offshore operations?

Marleen

I think Stefan, that's a question for you.

Stefan

Yes, thanks, Stéphanie. And of course, digitisation plays a key role when we look at the first development of offshore technologies. Imagine the situation of the hybrid interconnector between Denmark and Germany we mentioned earlier today. The combined Kriegers Flak solution, where we need a back-to-back converter, where we have a MIO, where we have different sinus curves in the grid infrastructure in the Nordic countries and Germany, and then to integrate at the same time renewable energy from offshore windfarms. You can imagine this is something which will only work with additional technologies. But there are much more opportunities. We just finalised a study in the offshore operation centre with more than 20 recommendations where we can use digital technologies in the future. In the Group we are just checking which one is on the priority list and the most attractive one. So digitalisation and offshore technology have to be combined.

Marleen

Stéphanie? Second question?

Stéphanie

Yes, what are the key binds for the regulator, the CREG, in all investments in offshore and operations after start-up that will influence the end-users' tariffs?

Marleen

Catherine?

Catherine

Yes, let's say for the regulator, there is no regulatory difference or no significant regulatory difference between offshore and onshore for the time being, so what we see is that on offshore we'll have return on equity. We have also some incentives that can be added, like for example on timing for realisation of some investments, but once again no significant differences between onshore and offshore.

Marleen

Okay, Stéphanie? Question three.

Stéphanie

How are or can you deal with the strategic securities of the installations against foreign, let's say for example, Russian military sabotage or worse?

Chris

Yeah, of course, we have strategic infrastructure that we build and operate and obviously, we have in both countries a close contact with the public authorities, including the army, to ensure that we can protect this infrastructure. This is both true for the physical infrastructure that we operate as for the cybersecurity. This is of course something that we cannot do as a company alone because some of these threats are things for which you need intelligence that we don't have as a company. But this strong collaboration so far has led to the fact that we could fairly well do this and we are quite confident that we can continue to work together with our public authorities going forward.

Marleen

Okay. Thank you, Chris. Stéphanie?

Stéphanie

There is a lot of talk about production and distribution of energy. What about storage? What kind of role can Elia play in this field?

Stefan

I think it's obvious that in a system which is more and more based on volatile energy, there is a need and a high demand for storage capacities. And please remember we discussed earlier today about e-mobility, about heat pumps. Both of these options are also storage capacities in the new system, but there are much more storage capacities and most of them are linked to sector-coupling technologies. 50Hertz realised a lot of power-to-heat projects together with local utilities in the northern part of Germany to use renewable energy if there is a surplus of renewable energy in these power-to-heat technologies. We will see more storage capacities in private households and for example we see a lot of investment, interest in investing, in data warehouses. And also data warehouses

for example can play a role in storage capacity in a volatile system in the future. So I'm sure we will see a lot of innovations in this process and a lot of business opportunities.

Marleen

Okay, thank you, Stefan. Stéphanie, I suggest to go to the last question for this first part on the growth strategy of Elia Group.

Stéphanie

Okay. Will you also envisage offshore projects outside of North Europe?

Chris

Yes, so at this moment of time the focus is of course that we make sure that we can be part of the future developments in the North Sea and the Baltic Sea. That being said, already today, we are participating in a tender procedure that is happening in the Middle East. We are also looking at a potential project in the US. Those will be for the time being more in an opportunistic mode where we see where are the opportunities for our skills and our competencies that we can valorise them in these specific projects but going forward, once that we have established a strong position into the North Sea and the Baltic Sea, it is obvious of course that we will further contribute to the energy transition and that can happen wherever it is happening in the world.

Marleen

Okay, thank you, Chris. Let's conclude the first question round. Thank you, Stefan and Chris. Catherine, you are staying with us and in the meantime, Olivier is coming on stage. We move to the questions about Elia Group's sustainable business strategy. Stéphanie, what are the questions for Catherine and Olivier on this topic?

Stéphanie

The first question is: what are the synergies between your two entities that you can leverage on?

Catherine

Yes, I will take the question. Thank you. So a first element, I think in terms of sustainability, all TSOs are more or less facing the same kind of issues, but indeed, 50Hertz and Elia can put together their resources in order to accelerate their learning curve and so, as an example, we try to define together a number of technological improvements we can give. Olivier gave the example of the test which is currently going on in Germany regarding a new gas, g3 gas for SF6. Of course, based on the learnings we'll have in Germany, and provided of course that the learnings are positive, we'll be in a situation where we will implement the same type of solution in Belgium. So first element, building on technological knowledge and experience that we are doing in one entity to extend those learnings to the other entity. Second element, where we can of course build together in terms of diversity, in terms

of inclusion, we are a European group, we are working with a lot of nationalities. We can exchange people between both organisations, and we do that. We do that on a regular basis. So to learn to work together with different cultures, different people. That's of course something that our people appreciate a lot.

Marleen

Yes, even in COVID times we work together. Stéphanie, do you have a question for Olivier?

Stéphanie

How is sustainability embedded in the Elia Group organisation?

Olivier

We do have dedicated CSR officers, so in both companies. And on top of that, you have seen today, we presented to you our internal Act Now programme, that is embedded also in a structure running these projects with a steering committee and ensuring that all the activities that are happening there and that are coordinated there flow into the processes of the company. A very important element also to properly embed it into the Group, that is in fact in the EGMB, which is the Elia Group Management Board. These are the directors that are directly accountable for what is happening and that ensure that everything we're doing in our strategy is done in a sense that it leads to our sustainable business strategy. So that's why we ensure the consistency within the Group and ensure that we roll it out. And even if, Stéphanie, it was not precisely the question about other elements that are important to make it happen, you saw our people in the movies, so we have the formal structures to ensure it works but you have seen I think a couple of people where you feel, even in those digital movies, how much they want the sustainable activities to happen and how they connect them to their daily reality.

Marleen

We have very passionate collaborators in that regard as well. Stéphanie, next question?

Stéphanie

How do you ensure security of supply when at the same time implementing this ambitious sustainability roadmap?

Olivier

Indeed, a couple of years ago, we heard many times that in fact you have to choose. Either you want to be safe or you want to be sustainable. And we see today that we have learnt so much how it works to integrate sustainability into our daily activities. How we integrate renewables is a sustainable way but a safe way. Those elements concerning market evolution for example pave the way towards a market that is supporting also a sustainable and a stable way of running the system. So on the ecological aisle management, you had the example as well. How we found a solution to first run in a safe way our grids but allowing for biodiversity under our corridors. This is why I don't see that much dilemma anymore and I think that sustainability goes perfectly with security of supply and with a safe system. And by the way, I think it is extremely sustainable to have a safe and reliable electricity system.

Marleen

Indeed. Stéphanie, next question? Maybe one for Catherine now.

Stéphanie

Yes. Why do you put such an emphasis on your societal challenge if the GHG protocol doesn't account for it?

Catherine

Yes. Thank you. I would say two elements. The first one, like we mentioned at different times during the presentation, it's at the very heart of our mission that we decarbonise society to ensure a sustainable future for Europe. It was in one of the charts shown by Olivier. The emissions linked to our activities are indeed contributing to less than 1% compared to the emission of the power sector. And so, it shows also that's where we can have impact. That's by decarbonising the power sector that we will have an impact on the level of emissions for society. So that's one element of my answer. The second element of my answer is that in fact it's a win-win. It's a win-win because most of our emissions are linked to the use of electricity that we are doing by transmitting the power, so by decarbonising the system, we are also decarbonising our own emissions.

Marleen

Okay. Thank you, Catherine. Maybe a last question, Stéphanie?

Stéphanie

We see that the impact you will have with your societal challenges will be very big. So why even invest money and resources in decreasing your own footprint?

Olivier

Yes, that goes a bit in the same direction that Catherine was just answering, you know. We're happy in fact.. Those questions show us that our audience has understood how important it is as a TSO to act on this societal challenge because this is what we can bring to society what maybe other companies cannot do. On the other hand, if you want to be coherent in your own culture, if you want to be consistent and convincing in what you're doing, like other good companies that are acting as role models, then it's important in fact to behave in the same sense for your own backyard. This is what we are trying to do or what we are... That's why we're integrating everything we're doing in our strategy in fact. In order to ensure that we are consistent, coherent and maybe we inspire a few others to go in the same direction. And maybe a last point, because Catherine also mentioned that on SF6 for example. Here is something... If we do not send clear messages to the market that we need alternatives, that we want these alternatives, who will do that? But here as well, we work together with the other European TSOs, with other grid operators, to convince that here it's on our footprint and we have to do something.

Marleen

Indeed, and that makes us also attractive for investors of course, for investing in the projects of the future. Thank you, Olivier. Thank you, Catherine, for answering the questions. Catherine, you stay with us, sorry. Marco is joining us for the final question round on the financial outlook. Stéphanie, what questions do you have for us?

Stéphanie

What is your expectation on the return in Germany for the next regulatory period?

Marco

Oh, immediately the hard stuff, of course. We are keen to learn on that rate as well as soon as possible to make our plans on their behalf. Please note, the rate itself is hard to predict from today's perspective as we need to fix it in a way that it fits to 1,800 grid operators, to the need of them. So gas operators, electricity grid operators, TSOs, DSOs. That's why it's been our longest process and we stated on a timeline to some extent and it started with a survey including a consultant which has been appointed recently and we are keen to get the information and we are in constant dialogue of course to discuss potential outcomes of that survey and of the fixing the Bntza is going to make. But for the time being, we cannot directly answer that question in the way you hope for, so... Sorry for that.

Marleen

Stéphanie?

Stéphanie

Do you expect to need to do a capital increase within the next five years?

Marleen

Given all the projects? Catherine?

Catherine

Yes, I will take the question. So indeed, if you look at the amount of the Capex plan we have and think in terms of how will we finance the Capex plan, we see three elements. The first element is that we will continue to reserve an important, a significant part of the profit of the company. That's one element. We have today a pay-out which is below the 50% and in the long run we don't expect this pay-out to significantly change. Second element is of course by going into the debt market like we did in the past. And a third element is indeed by raising equity in order to keep a sound financial balance until the end of the regulatory period in Germany and in Belgium we are committed to the BBB+ rating. And the combination of those three elements will finance the Capex plan in Germany, in Belgium, in the future. On top of that of course we have the inorganic growth of investments going beyond what we do currently in Germany and in Belgium. For those investments as well, we'll finance them by a mix of debt and equity.

Marleen

Okay, it stays interesting to follow in the coming years. Stéphanie, next question?

Stéphanie

In 2020, Eurogrid issued a green bond and today you mentioned the roll-out of our sustainability strategy. Why didn't Eurogrid issue a green bond or a sustainability-linked bond?

Marco

That's a very fair question. Please note last time in 2020, we had two dedicated projects to be financed. This wasn't the case this time as we had a bundle of projects and we couldn't give evidence that no gray electron is being transported by these lines and substations which are refinanced by that. That was an ambiguous feedback we received from the investors and we listened to them. It could be solved in a way that there is a legislation in place, like EU taxonomy, which unfortunately has not been the case at this point of time where we prepared that issue. So this time, we went in a conservative way in accordance to our strategy with a product to the market where the investors know what they are buying and they receive something more than this. That was the feedback as well. The company is seen as well advanced on ESG meters, so in principle it was comparable but there was no branding on it this time.

Marleen

Okay, Stéphanie?

Stéphanie

What are the financial abilities for the Elia Group to engage in non-organic growth opportunities?

Catherine

I think it comes back to the question regarding the financing of all the Capex and all the investments we have, so... In financing the inorganic growth, first we really want to maintain the financial health of the company and so that's the reason why you're looking at financing sources. We will finance this development by the combination of debt and capital increase.

Marleen

Okay, and a last question, Stéphanie?

Stéphanie

How to explain the difference between the average return on equity for Belgium and the one with Germany for the current period? Is that just the difference between regulatory models?

Catherine

Yes. Of course, the regulatory models are different. The countries in which we are operating are different as well. Usually what regulators tend to do is base the remuneration of the equity on the evolution of the interest rates and then to add a number of elements, being efficiency, being incentives, in order to come to the total remuneration of the TSOs. Each regulator has its own appreciation on possible evolution of the interest rates, depending also on the country where the regulator is based and also on the elements that have to be added. And for this reason there is a variety of regulatory regimes in Europe. There is a variety of remuneration linked to those regulatory regimes. And that's also one of the reasons why we are always saying that we look for diversification of the regulatory frameworks at Elia Group.

Marleen

Okay, thank you for this comprehensive answer. Thank you, Stéphanie, for being our community host today. Thank you, Catherine. Thank you, Marco. We are nearing the end of our first Capital Markets Day. But we haven't yet heard from any of our main shareholders. How do they view the Belgian-German cooperation which began over 10 years ago? More importantly, how do they see our future? We have short statements to share with you. From Lutz-Christian Funke, who is speaking on behalf of the German state-owned development bank, KfW, which holds a 20% stake in Eurogrid. The second statement is from Bernard Gustin, who is President of Elia Group's Board.

Lutz-Christian Funke**Secretary General of KfW Banking Group**

Ladies, gentlemen. A warm hello from KfW from Frankfurt, Germany. Unfortunately, we're not able to do all this in person, so just a brief statement at the end of your Capital Markets Day from the German side. Our participation in Eurogrid is now around three years old and it has developed a very trusted partnership with Elia Group. It's two highly complementary European companies, a true European joint venture, focussed on the European energy transition. And both companies have shown, in the meanwhile, very highly innovative projects, and the idea is bringing all those projects together and just putting the best of it all together on a growing European scale. In all this time, we have established a very trustful partnership. We had a lot of discussions, meetings, and even though we are the junior partner, we have very clearly always taken unanimous decisions on all the parts which are important: on the growth strategy in Germany, in Europe: on capital expenditure; but also on things like digitisation, sustainability - all those goals, all of them come together. And we have found Elia Group is a very professional - highly professional - a very reliable partner.

Bernard Gustin**Chairman of the Elia Group board**

Our strategy that has been presented to you today focussed on some important societal trends that have been strengthened by the recent Covid crisis. These are: European integration while leaving some room to local initiative and decentralisation; greenification of the economy; and digitalisation. At Elia, we feel encouraged by the fact

that we embraced those challenges a few years ago already. This allows us to better grasp opportunities and prepare the future growth of the group. Elia's Board of Directors heavily supports the chosen strategy. And, in the coming years, we will continue to work on strengthening the group and creating value for our investors and society.

Lutz-Christian

So, all in all, it's all going in the right direction. We're happy to be there. We're happy to stay with our participation. We're happy to look into a more German-European energy transition. We're looking at the ultimate goal: 2050, a society which is climate-neutral. Let's do first the first steps, and I think with the first steps we're going in a very right direction for the moment. We're very happy with our participation. We trust in our participation and we hope you do, too.

Bernard

I want to thank you for joining today, and I really hope that in the near future we will be able to see you in person.

Lutz-Christian

And I'm happy to come next time to Brussels and we can share a glass of wine after some Q&As. Thank you.

Question from Marleen to Chris

Having a drink... What a good idea... But before we do so, Chris, I would like to wrap up this first Capital Markets Day with you. We ran out a little bit of time, but what would you like our audience to keep or to retain from today's event?

Answer Chris

Well, first of all, I hope that they see that this Group has developed in an important way. It almost has transformed. A few years ago, we took the decision to make the collaboration with Germany, with 50Hertz, much stronger than it was before and secondly, we fully inscribed our strategy as part of realising the energy transition and support society in making sure that we evolve towards a carbon-neutral society by 2050. This has created a lot of investment opportunities for us because we had to build new infrastructure, integrate more renewables and by doing that, we created a lot of societal value. We helped to reduce CO2 emissions in the two economies that we support. But not only that, we also have created an organisation that is ready for the future. We have brought together competencies, we have learned from each other and we're ready now to go do more strong challenges that we see like the far offshore, like digitalisation. This Group is ready for the future. And meanwhile, over those last years, if we look at the return that we have delivered and we compare that with other companies on the stock market, you see as well that we have created successfully a lot of value for our shareholders. As you can see here, you see the return that you see for our shareholders compared to the peers in the sector, which is substantially higher but also substantially higher as what we see with the average sectors in the BEL 20.

Question Marleen to Chris

Okay. This is what Elia Group is today, but what would you like the audience to keep in mind for the future?

Answer Chris

Well, the future will be more of that, probably even accelerated. So we will continue this strategy where we support society to decarbonise at high speed. For that, we have to continue in the investments that we have in the regulated space. We have to innovate over there and we have to make sure that we become a digital company fast. On top of that, the social context around us only calls for more acceleration in terms of infrastructure investment. That is an environment where we see that, as we have seen in the figures, that we have to multiply by five by 2030 the offshore development and multiply by more than twenty by 2050 the offshore development. And a lot of infrastructure will be needed to integrate this offshore into our grids. That of course will create a lot of investor opportunities. Some of them will not remain only in the regulated space, but we're ready for that. We're now preparing and gearing up that we can as well, not only develop organic growth in our two entities, but also go outside of that in the far North Sea, in the far Baltic Sea and to continue to deliver the infrastructure needed for this energy transition.

Marleen

Okay. Thank you, Chris, for these closing words and with this message of opportunity, I would like to conclude today's event. Ladies and gentlemen, we would like to thank you for attending the very first Elia Group Capital Markets Day. We worked hard on it and we hope you enjoyed it. The full recording of the event and slides used throughout today will be made available on the Investor Relations pages of the Elia Group website. On behalf of Elia Group, I wish you good health. Stay safe and see you soon