



Update on Princess Elisabeth Island

BRUSSELS| Today, the press published information on a CREG report analysing the increase in the cost (mainly the DC portion) for Princess Elisabeth Island. Elia Transmission Belgium has recently decided to postpone signing the contract for the HVDC equipment. The associated costs have not yet been incurred. There is therefore no reason to reject these costs. The analyses of Elia and CREG are largely similar when it comes to the costs and benefits of Princess Elisabeth Island and the impact of market conditions on the price increase. However, Elia does not share all the conclusions of the report. Elia is currently finalising its internal analysis, supported by KPMG under the guidance of the Audit Committee. These reports will enable CREG and Elia, in a joint approach, to support the authorities in their decision-making. Elia is convinced that cooperation is the best way to achieve a socially supported solution.

There was a huge market shift in recent years following the war in Ukraine. This caused an upward revision of ambitions to integrate renewable energy across Europe, which led to a huge demand for electrical equipment, creating an imbalance between supply and demand. In a short time, we went from a buyer's market to a seller's market, as also recognised by CREG in its report. We have been concerned about this price increase and have since developed internal analyses of variants. Some variants no longer meet political demand (such as the 3.5 GW and a hybrid interconnector between Belgium and England).

The technical choices made by Elia, as referred to in the CREG report, mainly concern direct current equipment. The alternating current portion has already been tendered in accordance with applicable industry standards and technical requirements. The purpose of these choices is to provide Belgium with a reliable and robust grid infrastructure. These choices were documented and shared by Elia with stakeholders.

The costs resulting from these technical choices for the DC portion have yet to be incurred, as Elia recently decided to postpone signing the contract for this technology.

We want to spend the next few days and weeks further analysing CREG's comments and discussing them in depth with it. We aim to openly inform the government and the regulator about the technical configuration of the project and the consequences of maintaining or revising these technical choices, particularly the consequences of the technological choices mentioned in the report. This analysis is absolutely essential to understand the implications of the various technical choices.

" With regard to the scale of the costs and benefits of the Princess Elisabeth Island project, our conclusions are largely in line with those of the CREG report. Our decision to postpone the signing of the DC equipment contracts gives us time to discuss these choices more extensively with stakeholders. We look forward to continuing this discussion with CREG and the authorities as soon as possible."

Frédéric Dunon, CEO Elia Transmission Belgium

About Elia Group

A top five European player

Elia Group is a major player in electricity transmission. We ensure that production and consumption are balanced at all times. We supply electricity to 30 million end users. With subsidiaries in Belgium (Elia) and the north and east of Germany (50Hertz), we manage 19,460.5 km of high-voltage connections. This places Elia Group among the top 5 in Europe. With a reliability rate of 99.99%, we give society a robust electricity grid, which is important for socio-economic prosperity. We also want to be a catalyst for a successful energy transition to a reliable, sustainable and affordable energy system.

We make the energy transition a reality

By expanding international high-voltage connections and integrating increasing amounts of renewable energy production, we are promoting both the integration of the European energy market and the decarbonization of our society. At the same time, we are constantly optimizing our operational systems and developing new market products so that new technologies and market players can access our grid. Elia Group is thus accelerating the energy transition.

For the good of society

As a central player in the energy system, Elia Group acts in the interest of society. We respond to the rapid increase in renewable energy sources by constantly adapting our transmission grid. We also ensure that our investments are carried out on time, on budget and with maximum focus on safety. When realizing our projects, we go for proactive stakeholder management, initiating mutual communication very early in the development process and with all stakeholders. We also put our expertise at the service of various players in the sector to build the energy system of the future.

Internationally oriented

In addition to activities as a transmission system operator, we also provide consulting services to international customers through our subsidiary Elia Grid International (EGI). In recent years, Elia Group has set up some new non-regulated activities, including re.alto and Windgrid. re.alto is the first European marketplace for energy data exchange via standardized energy APIs. With Windgrid, a subsidiary, we are further expanding our overseas activities and contributing to the development of offshore power grids inside and outside Europe.

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

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