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Full-year results Elia Group: Powering the Decade of Electrification

Regulated information

Highlights

- Grid investments totalling €376.7 million in Belgium and €850.9 million in Germany made to ensure a reliable, sustainable and affordable energy system
- Good progress on major infrastructure works with new cooperation agreements signed with other transmission system operators
- Belgium's first CRM auction organised
- Partnerships shaping the future energy market to facilitate the transition to a sustainable energy system
- Adjusted net profit up by 6.6% reaching €328.3 million, following Nemo Link's very strong performance and solid operations in Belgium which offset the reduced result in Germany, driven by increased operational expenses
- A dividend of €1.75 per share will be proposed at the General Meeting of 17 May 2022

> *"In 2021, we made huge steps forward as a group. Very positive moves towards internationalisation, digitalisation and the further shaping of our organisation were made. Without exception, progression on all our projects was secured. I am very proud of the resilience that our employees have shown in the face of COVID-19 and the flooding in Wallonia. During the summer holidays, our staff volunteered of their own accord to rebuild the damaged high-voltage substations. This shows that we have a strong corporate culture which leads our staff to feel very responsible for Elia Group's societal mission as a grid operator."*
> ***Chris Peeters, CEO Elia Group***

POWERING THE DECADE OF ELECTRIFICATION

We embrace the future

With large-scale investments being undertaken in infrastructure, digitalisation and sector convergence, our society is at a turning point in terms of reaching climate neutrality. The European Green Deal and “Fit for 55” legislative package have clearly lain out how great and complex the challenge is. ‘Business as usual’ is no longer feasible. If we take climate change seriously and want to drive the energy transition forward, all areas and levels of society will be impacted - and we will get there faster than we thought was possible until now.

As a system operator, we are in a privileged position: we are delivering the appropriate grid infrastructure, running a reliable power system and developing new market products to integrate more and more renewables into the system, whilst also enabling others to see what is coming. In this phase of transition, our advisory role is very important. We have access to information which allows us to provide many players with interesting insights. It is our societal responsibility to share the results of our studies and our vision with our stakeholders, engage in dialogue with them and help them understand the context of the energy transition.

The next 10 years will be crucial

Over the next decade, several areas will reach a tipping point. We will need to massively expand our infrastructure to integrate large amounts of renewable energy into the system. Moreover, the electrification of mobility and heating is underway, and industry is decarbonising on a much larger scale, which also calls for substantial additional electrification to occur. To keep the system in balance, we will need to undergo a digital transformation to unlock new sources of consumer flexibility and to access backup capacities. All these elements require attention now.

The timing is particularly tight

A massive expansion of the infrastructure required to accelerate the energy transition is needed. In offshore wind, Europe wants to increase its existing capacity from 15 GW to 60 GW by 2030. What we have achieved over the past 20 years now needs to be quadrupled in just eight. That is an immense challenge.

In addition to building the required infrastructure and financing it, there are also bigger challenges at the system level to address. The integration of renewable energy means there is less flexibility on the production side. To keep the system in balance, we need to find additional flexibility on the demand side, which can only be unlocked through electrification and digitalisation. Electrification means there will be more and more overlap between our work and work being undertaken in other sectors: partnerships will become more important.

2021 HEADLINES

Good progress on major infrastructure works

Our large-scale (onshore and offshore) infrastructure projects in both Belgium and Germany are underway, enabling the establishment of an integrated European energy system that includes large amounts of distributed renewable production and cross-border electricity flows. The COVID-19 measures did not impede progress on these projects. During the summer months, the flooding in Belgium caused the need for unforeseen repair work on some of our high-voltage substations. Thanks to the huge amounts of commitment demonstrated by of our employees, this work was finalised in record time.

Strengthening the Belgian backbone

To strengthen Belgium's electricity backbone, several major infrastructure works were undertaken along both its north-south and east-west axes. Since the works were carried out on existing high-voltage lines, this required appropriate planning to avoid compromising the country's security of supply.

Of particular importance were the works carried out on the high-voltages lines of **Zandhoven-Kinrooi** and **Avelgem-Avelin**. These are being equipped with a new type of conductor (HTLS technology) that can transport more power without generating higher impact on the landscape. These projects will allow Elia to better distribute and transmit increased electricity flows throughout the country and to its neighbouring countries. The works are being undertaken in phases across several years, with the construction site shifting along the routes as each phase of work is completed. The works on the Avelgem-Avelin line will be finalised by the end of 2022.

In order to optimise Elia's grid to the east of the Province of Liège and enhance the integration of renewable energy in the area, Elia is reinforcing the **Boucle de l'Est** (70 kV to 110 kV) overhead line; as part of this, in 2021, it began dismantling the **Ans-Bressoux** (70 kV) line, paying particular attention to the protection of biodiversity as it did so.

Finally, Elia started expanding the Mercator high-voltage substation in Kruibeke, which plays a crucial role as part of the north-south axis of Belgium's 380 kV backbone, and is related to the upcoming reinforcements which are due to be undertaken between **Liefkenshoek-Kruibeke (Brabo III)** and **Kruibeke-Dilbeek**.

At the **Monceau-sur-Sambre** high-voltage substation, a phase-shifting transformer (PST) was successfully commissioned. This forms an important part of Belgium's connection to France. The project has involved the upgrading of five substations and the laying of 60 km of cable, improving the supply of electricity throughout the region.

Further expansion of the German grid

Important steps were taken throughout 2021 as part of the realisation of the **Ostwind 2** project, which involves the German electricity grid being connected to two new offshore wind farms in the Baltic Sea: Arcadis Ost 1 and Baltic Eagle. The wind farms are set to be commissioned in 2023 and 2024 and will provide a total generation capacity of around 725 MW.

The first two of three 220 kV cable sections have been installed along the seabed. Work is now underway to complete the third section of the submarine cable. Land cables have also been successfully laid between the landing point (where the submarine cable meets the mainland) and the onshore Lubmin substation. To limit the environmental impact of the works, underground protective pipes were installed using horizontal drilling. Work on the Arcadis Ost 1 offshore transformation platform is also on schedule: it was transported from Gdansk (Poland) to a shipyard in Aalborg (Denmark), where assembly of the electrical equipment has started. The offshore installation phase will start in 2022.

50Hertz has started work on its **Kabeldiagonale Berlin** project, which involves laying cables along a tunnel that is around seven kilometres long and runs between two transformer stations some 20 to 30 metres underground. The 380 kV cables, which will replace an old cable system, wil transmit more electricity to the central districts of Berlin.

The works on upgrading the eastern section of the 380 kV **Nordring Berlin** line (which is 75 kilometres long) can now continue after a complaint against the project was dismissed by the courts. This project will replace a 220 kV connection dating back to the 1950s with a new 380 kV line, which has a much higher capacity.

Foundation work has begun along the southern section of the **Uckermark line**. This new 115 km line 380 kV line will connect the Bertikow substation (near Prenzlau) to Neuenhagen in northern Berlin and will transport wind power from the north-east of Germany to the Berlin area. The Bundesnetzagentur, the German regulator, has given the go-ahead for the construction of the 380 kV power line between the Bertikow substation and the Pasewalk substation (in Mecklenburg-Western Pomerania). The 30 km high-voltage line will replace an existing 220 kV line and will increase the transmission capacity in the region by a factor of four.

Construction work aimed at replacing pylons and conductors has also begun on the 380 kV overhead line (150 km-long) between **Pulgar** (Saxony) and **Vieselbach** (Thuringia). In 2021, the eastern section (27 km) was built and commissioned through the use of simplified permit procedures, in accordance with the law. The reinforcement of the Pulgar-Vieselbach project should be finished by 2025. The reinforcement works will increase the current transmission capacity by about 40%.

50Hertz has opened a new substation near Altdöbern. A great deal of renewable energy is integrated into the extra-high-voltage electricity grid here. Over the next five years, 50Hertz will upgrade 19 of its substations and build three new ones.

Building the grid of the future in time for net zero

Triton Link interconnector launched

System operators Elia (Belgium) and Energinet (Denmark) signed a new cooperation agreement to continue collaborating on the implementation of what could become a world first: a subsea connection between two artificial energy islands. The **Triton Link project** will facilitate the exchange of power between the two countries and at the same time transport electricity from offshore wind farms to the mainland using hybrid technology. The new hybrid interconnector will be an innovative and challenging project, both because of the distance it will cover (more than 600 km) and the technology involved. Triton Link will give Belgium direct access to the large volume of renewable energy that it needs to decarbonise its energy-intensive industry and to meet European climate targets. The construction of Triton Link will take approximately four years and is due to be completed in 2030.

Bornholm Energy Island: 50Hertz and Energinet sign cooperation agreement

50Hertz also signed a collaboration agreement with Energinet in preparation for the building of a second hybrid interconnector in the Baltic Sea: the **Bornholm Energy Island project**. In the first phase of the project, an HVDC interconnection will be built between both countries, stretching over a total length of 400 kilometres. From Bornholm Island, the subsea cable will run west towards the Danish island of Zealand and south-west towards the coast of Mecklenburg-Western Pomerania in Germany. As part of the second phase of the project, Danish wind farms being developed off the coast of Bornholm Island (which have a total capacity of 2GW) will be connected to the interconnector using hybrid technology. The project builds on the successful cooperation between 50Hertz and Energinet that led to the construction of the world’s first hybrid interconnector in 2020: the Kriegers Flak Combined Grid Solution. The energy hub on Bornholm Island could lay the foundation for an offshore power grid in the Baltic Sea.

Green light given for Belgium’s first energy island

At the end of December, Elia welcomed the Federal Council of Ministers' approval for the planned extension of the Belgian offshore grid and the integration of the future Princess Elisabeth wind farm zone. This decision confirmed that energy islands are the most appropriate solution for integrating additional offshore wind energy into the system and bolsters Elia’s efforts to ensure Belgium is sufficiently connected to other countries (which will facilitate the country’s move towards decarbonisation). In 2022, Elia will continue planning the design of the artificial island and will begin the tendering process for its construction. The island will be the first step in the development of an integrated offshore grid in the North Sea and further underlines Belgium’s status as a pioneer in offshore electricity. In accordance with the Federal Government's requirements, the project will accommodate connection facilities for 3.5 GW of power generation as well as new interconnectors linking Belgium to other countries.

Hansa PowerBridge planning procedure launched

The planning procedure for the Hansa PowerBridge interconnector between Sweden and Germany is progressing. Another milestone was set in July 2021 when the state authorities of Mecklenburg-Western Pomerania approved its proposed land route. The 700 MW DC interconnector between Germany and Sweden is scheduled to go into operation in 2026.

Contract for SuedOstLink converter stations awarded

The contract to build two converter stations for the SuedOstLink was successfully awarded. The SuedOstlink, which is a joint project between 50Hertz and TenneT, will be 50Hertz's most important onshore grid expansion project in the coming years, since it will play a key role in the transmission of large volumes of renewable energy across Germany.

Transparent market cooperation

Belgium's first CRM auction organised

In late October, Elia announced the results of the first Capacity Remuneration Mechanism (CRM) auction for the 2025-26 delivery year. Market players offered sufficient capacity as part of a competitive auction. The CRM was established by the Belgian Federal Government to secure the supply of electricity following the legally required nuclear phase-out, which is due to be completed by 2025.

Elia organised the first CRM auction at the request of the Belgian Minister of Energy and with the approval of the European Commission. A pre-qualification phase was launched in May 2021 for each generation unit that had a capacity of 1 MW or more which was not benefiting from any other subsidy mechanism, as well as for other technologies such as demand management. The capacities which passed this phase were allowed to submit their bids between 16 and 30 September 2021.

Improved Inside Information Platform launched by Elia Group

During the summer, Elia Group launched an improved Inside Information Platform (IIP), which includes data visualisations about the unavailability of electricity supply across the high-voltage grids operated by Elia and 50Hertz. Market participants can use the platform free of charge to ensure efficient public access to their inside information. With the upgraded IIP, Elia Group is bolstering its commitment to digitalisation, consumer centricity and transparency in the interest of society.

Two new customer platforms launched by Elia

In July, Elia launched its Portal Interface for Customers (EPIC) and Open Data Platform. These offer Elia's customers and stakeholders a suite of innovative services which address gaps in Elia's provision of private and public data relating to its grid. In line with Elia's commitment to transparency and digitalisation, these services will facilitate high quality insights and the development of energy services for consumers. Providing its customers and stakeholders with easy access to all of this data will allow them to analyse and use it as part of their business development processes.

Partnerships shaping the future energy market

Partnership with Octopus Energy Group (UK) on energy services for consumers

At the COP26 climate summit in Glasgow, Elia Group and Octopus Energy signed a memorandum of understanding (MoU) which bolsters their joint commitment to placing consumers at the heart of the energy transition. Test projects will be set up over the next two years as part of the MoU; these will combine Octopus Energy's KrakenFlex flexibility platform with re.alto, Elia Group's energy data marketplace. This will make it possible for energy services to be offered to consumers (such as the ability to charge their electric vehicles and use their heat pumps when there are large amounts of green electricity on the grid) and will also help ensure that the grid is kept in balance, so facilitating the transition to a sustainable energy system.

Viessmann and 50Hertz collaborate over intelligent control of heat pumps

At the end of 2021, 50Hertz and Viessmann, the heating, cooling and ventilation company, announced a joint collaboration on the ViFlex project. Both companies want to test how heat pumps can contribute to the provision of a stable electricity system. The bundled, flexible integration of small generating units like heat pumps into ‘virtual power plants’ has the potential to reduce grid congestion. At the same time, households that contribute their heat pumps to these virtual plants will reap financial benefits. The ViFlex project was originally launched by Viessmann and TenneT and is now being extended to 50Hertz’s grid area.

Smart buildings partnership with BESIX

Elia is working with BESIX, the construction company, to make buildings more energy-efficient and energy-smart. Smart buildings will become increasing relevant, since they enable flexible energy management: the energy consumption of buildings can be matched with the variable generation of energy produced from renewable sources. Joining forces and sharing knowledge about smart buildings and electrical system operations are concrete steps towards achieving a climate-neutral society by 2050.

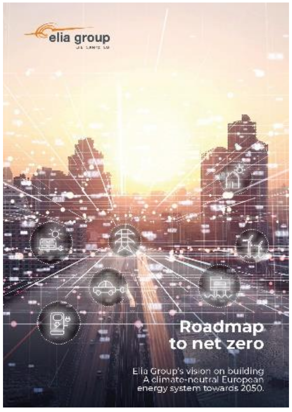
Agreement between Elia and Red Eléctrica to enhance asset management

Elia and its Spanish counterpart, Red Eléctrica de España (REE), signed a collaboration agreement which will involve both companies working on innovative solutions that will help to transform the management of their respective electricity grids. The agreement includes the establishment of an Asset Management Expertise Centre. This unique hub will allow Elia and REE to share knowledge, resources and experience to develop innovative tools and solutions in asset management.

The two companies have also agreed to work on the development of the SAGA platform, which was developed by REE and which both companies now co-own. SAGA is an innovative platform which allows electricity transmission and distribution companies to move away from using traditional periodic maintenance models to using risk-based maintenance models for their assets and the electricity system as a whole.

Applying our expertise to serve society

Roadmap to net zero: Elia Group's vision paper on the energy system in 2050



In a vision paper entitled "Roadmap to net zero", which Elia Group published in November 2021, the Group sets out key insights and describes key areas to focus on for ensuring an efficient energy transition by 2050. The paper takes an in-depth look at Belgium, Germany and Europe's energy balance, flexibility and security of supply.

It calls for an efficient use of Europe's renewable energy potential, international partnerships and maximum electrification. It highlights that an investment framework that is capable of tripling the speed of renewable energy expansion is needed and also explores the 'lock-in effects' that can make decarbonisation less efficient.

Together. Faster. Climate-Neutral.

In mid-December, 50Hertz published a white paper which outlines practical recommendations for policymakers about how to accelerate the development of renewables and the power grid, since both of these are key for a successful energy and climate transition. The paper, which was developed with scientific backing, includes practical proposals for the new Federal Government to adopt as it works towards achieving ambitious energy and climate targets included in the recent coalition agreement. As the vision paper was being prepared, 50Hertz set up many exchanges between stakeholders from different sectors of the economy, industry and NGOs to develop a common catalogue of proposed measures that could quickly be implemented by politicians and lawmakers and should accelerate the energy transition.

Consumer-Centric Market Design

In June, Elia Group published a white paper outlining a new market model and calling for collaboration amongst players from across the energy sector. The proposed Consumer-Centric Market Design (CCMD) aims to give consumers a more active role in the electricity system and the energy transition. With the electrification of society and the integration of higher amounts of renewable energy into the grid, electricity demand must be matched to electricity supply; encouraging consumers to adapt their behaviour to the state of the grid is therefore necessary. Whilst the CCMD aims to unleash better energy services for consumers 'behind the meter', it will also facilitate the energy transition.

Adequacy and Flexibility Study for Belgium

In line with the Belgian Electricity Act, Elia is required to calculate, every two years, the country's adequacy and flexibility needs for the coming decade. To maintain security of supply in the period 2022-2032, special attention must be paid to the impact of the country's nuclear exit and the changes brought about by the European Green Deal. The study contains three key messages: there is an urgent need for new capacity; there is a need for a support mechanism in Belgium; and the country must prepare for climate neutrality. The calculations included in the study are based on the latest European methodologies and include input from different stakeholders.

EU taxonomy case study published

As a driver of the energy transition, Elia Group is committed to ensuring that its activities are strongly aligned with the EU Taxonomy, a classification system for sustainable economic activities. Elia Group therefore published a white paper which outlines the company's eligibility and alignment with the EU Taxonomy. The paper includes the methodology used for the assessment, highlights the Group's implementation of sustainable tools and practices, and reinforces its commitment to operating its businesses in a sustainable way.

Finance

€500 million corporate bond issued by Eurogrid GmbH

On 21 April 2021, Eurogrid GmbH successfully issued a €500 million senior unsecured bond under its €5 billion Debt Issuance Programme. The bond will mature in 2033 and has an annual fixed coupon of 0.741%. Its proceeds are for general corporate purposes and will secure liquidity for the further expansion of 50Hertz's grid, so supporting the energy transition in Germany.

Elia Group back in the BEL 20

In March 2021, Elia Group rejoined the BEL 20 index, the benchmark index of Euronext Brussels. Elia Group has been listed on Euronext Brussels since 2005 and was previously included in the BEL 20 between March 2012 and March 2017. Its return to the index demonstrated the market's confidence in its growth and strategy. At the end of January, Elia Group received the BelMid Company of the Year 2020 award, in recognition of the fact that it had achieved the greatest relative growth in terms of market capitalisation in 2020 on Euronext Brussels.

Elia's first Green Finance Framework

Elia's Green Finance Framework outlines how its financing strategy is being aligned with its goal of accelerating the energy transition. It describes how Elia is gearing its investments towards projects with clear environmental benefits, in line with the Group's ActNow sustainability action plan. It is the first time that Elia has developed such a plan.

Low ESG risk score for Elia

In October 2021, Elia received an environmental, social and governance (ESG) Risk Rating of 9.9 and was assessed by Sustainalytics to be at negligible risk of experiencing material financial impacts from ESG factors.
This excellent score puts Elia right at the top of public utilities and shows that the Group's ActNow sustainability programme has inspired confidence from the financial markets.

Awards & recognitions

Elia named Top Employer for fifth year in a row

For the fifth year in a row, Elia was named one of the best employers in Belgium. The Top Employer label is awarded to companies committed to providing an excellent working environment for their employees. A total of 73 Belgian companies received the recognition for 2021. Elia stood out in particular in the area of talent acquisition and for the work it has carried out on its corporate values.

CORPORATE GOVERNANCE

Elia Group, Elia Transmission Belgium and Elia Asset board members appointed

At the Annual General Meeting in May, Saskia Van Uffelen, Luc De Temmerman and Frank Donck were re-elected as Elia Group's independent directors, while the appointment of Pieter de Crem as a non-independent director of Elia Group and Elia Transmission Belgium and Elia Asset was confirmed.. Lieve Creten was appointed as Elia Transmission Belgium's new independent director.

ACT NOW
FOR A SUSTAINABLE WORLD

Elia Group´s compass for a sustainable future

Sustainability lies at the heart of our strategy and our ActNow programme, which was presented to stakeholders during our first Capital Markets Day in 2021, sets out our long-term sustainability objectives. These are guided by the UN Sustainable Development Goals (SDGs), demonstrating that our organisational goals are explicitly linked to global goals, and are implemented through our business roadmaps and plans. Our sustainability objectives have been translated into KPIs, each of which are included in the table below. The KPIs are grouped under the five different dimensions of our ActNow programme: Climate Action; Environment and Circular Economy; Health and Safety; Diversity, Equity and Inclusion; and Governance, Ethics and Compliance.

Climate Action	2019	2020	2021	Target 2030
Carbon intensity of electricity production mix BE[1] (CO2/MWh)	170[2]	151[2]	117[2]	n.a
Carbon intensity of electricity production mix DE (CO2/MWh)	408	366	404[2]	n.a.
EU Taxonomy eligible CAPEX	n.a.	99.9%	99.9%	n.a.
Lines commissioned (Km)	453	371	363	n.a
CO2 footprint of grid losses (ktCO2e)	1,027	904	1,054	-28% compared to 2019
Grid reliability (onshore, above 150 kV)	99.99%	99.99%	99.99%	n.a.
Emissions from mobility (ktCO2e) [3]	7.3	5.1	5.5	-90% compared to 2019
SF6 leakage rate	0.15%	0.19%	0.12%	below 0.25%
Emissions from purchases calculated based on physical data	0%	0%	0%	60% by 2023

Environment & Circular Economy	2019	2020	2021	Target 2030
Forest corridors managed ecologically	75%	78%	79%	90%
HV lines critical to birds equipped with bird markers	52%	58%	60%	100%

Health & Safety	2019	2020	2021	Target 2030
Group TRIR	4.6[4]	5.5[4]	6.3[4]	Below 6.5
Health Rate Group[5]	96.7%	97.1%	97.0%	Above 95%

Diversity, Equity & Inclusion	2019	2020	2021	Target 2030
Women in leadership positions	17.2%	20.4%	22.1%	Currently being defined
Women in total workforce	21.1%	21.9%	22.2%	Currently being defined
# Nationalities	27	32	37	n.a.
% of foreign nationalities represented in workforce[6]	2.6%	3.0%	3.3%	n.a.

Governance, Ethics & Compliance	2019	2020	2021	Target 2030
ESG Governance Index[7]	1/12	3/12	4/12	12/12 by 2024
Compliance Index[7]	5/12	5/12	5/12	12/12 by 2024
# Public info-dialogue sessions related to grid projects	75	79	68	n.a.

1 Using direct emissions only; 2 Own calculation; 3 Excl. commuting; 4 Excl. subcontractors which will be included as of 2022; 5 Corresponds to absentee rate (1-x); 6 Non BE/DE nationalities; 7 Composition of the indexes available on our website

DIMENSION 1:

Climate action

Being a TSO, our biggest contribution to accelerating the energy transition is via the strengthening and expansion of the power grid as fast as possible, in order to facilitate the integration of renewable energy. As mentioned, we were able to make considerable progress in the commissioning of new overhead lines and cables. However, the combination of low amounts of wind and a shift towards hard coal and lignite (due to high gas prices in 2021) in the 50Hertz control zone temporarily drove the CO2 intensity of electricity generation up. On the other hand, the combination of a small rise in renewable production and an exceptionally reliable year in terms of nuclear energy in the Elia control zone resulted in a lower CO2 intensity in 2021. This means the emissions from grid losses rose slightly in the 50Hertz control area in 2021 and decreased slightly in the Elia control area. Looking at our own activities: we were able to introduce the first SF6gas-free installations into our asset portfolio with two proof of concepts: A 70 kV circuit-breaker in substation Marcourt in Belgium as well as the first alternative gas-insulated switchgear in the substation Charlottenburg in Berlin. Our group-wide SF6 phase-out strategy is well underway.

Dimension 2:

Environment and circular economy

As indicated in the table above, our ecological aisle management and bird protection programmes are being solidily rolled out. Indeed, in 2021, we undertook ecological aisle management across areas amounting to 29 hectares and 33 hectares in Belgium and Germany respectively. Moreover, by the end of 2021, 60% of Elia Group's high-voltage lines identified as critical for birds had had bird markers installed along them, meaning that 10 additional kilometers of lines were equipped with markers last year.

DIMENSION 3:

Health and safety

Our track record for safety in 2021 is overshadowed by a fatal accident that occurred as maintenance activities were being undertaken on 29 September. An investigation into the incident was carried out and additional measures are being implemented to prevent such incidents from reoccurring. The event has reinforced the Group's resolve to make sure that all of our employees return home safely every day.

In 2021 Elia adopted a new global prevention plan 2020-2025, which outlines Elia's health and safety strategy for the years to come: ensuring a solid approach to health and safety alongside enhancing our safety culture, with visible and exemplary safety leadership demonstrated by each individual.

After the successful introduction of the Safety Culture Ladder certification system (SCL scale 1 to 5) in 2020, an intermediate audit has been done in 2021. This confirmed that Elia's safety practices are aligned with Level 3 on the SCL scale and included recommendations for the organisation as it aims to reach a Level 4.

A second monitoring audit was carried out at 50Hertz in accordance with ISO 45001:2018. The auditor verified the effectiveness of 50Hertz's occupational health and safety management system, concluding that the organisation demonstrates a high level of occupational safety awareness. The auditor observed no deviations from the required standards at the sites that they visited. Furthermore, 50Hertz has put a special focus on an in-depth exchange with contractors. In July 2021, the managing directors of all overhead line construction contractors working for 50Hertz were invited to a "Safety Dialogue" in order to exchange views on accidents and their possible causes. After the fruitful exchange it was now agreed to continue the format on a regular basis.

DIMENSION 4:

Diversity, equity and inclusion (DEI)

All 4 DEI KPIs have increased steadily over the past 3 years. Elia was assessed as having made progress in the categories of ‘diversity and inclusion’ and ‘leadership’ by the Top Employer Institute (who awarded Elia the ‘Top Employer’ label for the fifth year in a row for 2021); indeed, the proportion of women who occupy leadership positions in our organisation or who form part of our total workforce is increasing. Moreover, as our workforce becomes more diverse in terms of the nationalities it includes, our decision-making and innovation improve. Elia Group published a Diversity, Equity & Inclusion (DEI) Charter outlining the management team’s commitment to further embedding DEI across the organisation. In addition, in order to track and progress towards the fulfilment of our DEI ambitions, Elia Group developed a DEI data dashboard. Moreover, as part of the Group-wide diversity and inclusion awareness campaign, a series of ‘blind conversations’ focusing on DEI were launched, which almost 100 colleagues participated in. To respond to some of the topics raised during these conversations, a series of training modules for employees was developed; these modules focus on challenging unconscious bias and encouraging an inclusive culture and leadership practices.

DIMENSION 5:

GOVERNANCE, ETHICS AND COMPLIANCE

In June, Elia Group published its new Group Code of Ethics, which provides staff with guidance about how to behave in an ethical, responsible and transparent manner in their everyday work. In addition to designing clear objectives regarding ethics and transparency, an environmental, social and governance (ESG) index was created to help us embed ESG factors cross our business activities and decision-making processes, including the variable remuneration of our workforce. Next to the ESG governance index, a compliance index, which guides us in introducing the right measures to ensure compliance with all relevant legal, regulatory and internal provisions, was created in 2021. As both indexes look forward, they are each composed of twelve commitments we want to achieve by the end of 2024, which explains why our scores for them may appear low today. So far, 8 eight out of the twenty-four actions in these two indexes have been accomplished. Examples include having more than 80% of our procurement budget spent on suppliers who have signed our Supplier Code of Conduct or the introduction of specific governance arrangements for ESG topics at Group and local levels.

Relatedly, Elia Group has started adopting an integrated reporting approach as part of the publication of its annual report. This constitutes a stakeholder-focused approach to our corporate reporting that provides a complete picture of how each element of our value chain creates value over time.

2. Key Figures

2.1 Consolidated results and financial position of Elia Group

Key results

Key figures (in € million)	2021	2020	Difference (%)
Revenue, other income and net income (expense) from settlement mechanism	2,859.7	2,473.6	15.6%
Equity accounted investees	49.4	9.2	437.0%
EBITDA	1,006.9	1,005.6	0.1%
EBIT	540.1	578.5	(6.6%)
Adjusted items	*0.0*	*(0.3)*	n.r.
Adjusted EBIT	*540.1*	*578.8*	*(6.7%)*
Net finance costs	(106.6)	(141.5)	(24.7%)
Adjusted net profit	**328.3**	**308.1**	**6.6%**
Net profit	**328.3**	**307.9**	**6.6%**
Non-controlling interests	*33.1*	*38.5*	n.r.
Net profit attributable to the group	**295.2**	**269.4**	**9.6%**
Hybrid securities	*19.2*	*19.3*	n.r.
Net profit attributable to owners of ordinary shares	***276.0***	***250.1***	***10.4%***
Key figures of the financial position (in € million)	2021	2020	Difference (%)
Total assets	18,144.3	15,165.6	19.6%
Equity attributable to owners of the company	4,552.0	4,173.2	9.1%
Net financial debt	4,886.3	7,465.0	(34.5%)
Key figures per share	2021	2020	Difference (%)
Reported earnings per share (in €) (Elia share)	4.02	3.64	10.4%
Return on equity (adj.) (%) (Elia share)	7.56	7.20	4.9%
Equity attributable to owners of the company per share (in €)	56.0	50.5	10.9%

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

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

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

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

Financial

For 2021, **revenue** totalled €2,859.7 million, up 15.6% compared to the previous period. This increase was driven by higher revenues in Belgium (+€194.8 million) and Germany (+€262.0 million), which were partially offset by lower revenues from Elia Grid International (-€7.3 million).

EBIT was down compared to the previous period, totalling €540.1 million (-6.6%), driven by a lower EBIT in Belgium (-€10.4 million) and a lower EBIT in Germany (-€67.2 million). For Belgium, this decrease was the result of lower regulated financial costs and lower income taxes, which were passed through into revenues and partially offset by an increase in the regulated net profit (driven by a higher fair remuneration and incentives). In Germany, the lower EBIT was the result of increasing personnel and IT costs, a peak in the maintenance cycle and higher depreciations. Associates contributed strongly to the Group's EBIT up to €49.4 million (+€40.2 million), mainly driven by the high contribution of the Nemo Link interconnector, which amounted to €47.0 million (+€39.7 million).

Elia Group's adjusted net profit increased by 6.6%, reaching €328.3 million:

— **Elia Transmission (Belgium)** realised solid results with an adjusted net profit of €131.0 million (+€6.2 million). The higher result was mainly due to a higher fair remuneration and a higher performance on incentives and was offset by lower capitalised borrowings and a lower contribution from employee benefits.

— **50Hertz Transmission (Germany) (on a 100% basis)** recorded a lower adjusted net profit of €165.4 million (-€27.2 million), which was driven by pressure on operational cost due to peaks in maintenance, higher IT costs following our effort to transform into a digital TSO, and higher personnel costs while we increased our talent pool; this was partially offset by one-off regulatory settlements linked to changes in regulation, higher investment remuneration following the asset growth, and higher financial result due to lower interest costs.

— The **non-regulated segment and Nemo Link** posted strong results with an adjusted net profit of €31.9 million (+€41.2 million), which were driven by the very strong performance of Nemo Link and lower regulatory settlements; these were partially offset by higher holding and business development costs. The contribution from Elia Grid International and re.alto remained limited and flat year-over-year.

The **net profit of Elia Group attributable to the owners of ordinary shares** (after deducting the €33.1 million in non-controlling interest and €19.2 million attributable to hybrid securities holders) was up by 10.4%, reaching €276.0 million. This increase was driven by the realisation of investments in Belgium and Germany and a strong performance from Nemo Link and was partially offset by the lower result of 50Hertz Transmission due to higher operational costs.

In 2021, Elia Group invested €1,227.6 million in the creation and delivery of its onshore and offshore electricity transmission infrastructure, sustainable enhancement of its operational practices, upgrading of the market design and facilitation of the digitalisation of the power sector. Elia Group carried a total **net financial debt** of €4,886.3 million (-€2,578.7 million) at the end of 2021. The decrease was entirely attributable to Germany (-€2,741.7 million), as 50Hertz benefitted from three federal compensation payments (€2,160.0 million) to pay back the revolving credit facilities (€700 million) that were temporarily contracted to finance the EEG deficit at the end of 2020. Additionally, it benefitted from a very high EEG cash in (+€758.9 million) which resulted from the very high energy market prices, while the investment programme was mainly financed from operating cash flow. In Belgium, Elia's net debt rose slightly (+€135.4 million) with organic growth financed by cash flow from operating activities and the drawing of commercial paper (€60 million).

Also in 2021, Elia Group had access to diversified sources of finance and tapped into the debt capital market to strengthen and secure its liquidity position for the further expansion of its grid. In April, Eurogrid GmbH took advantage of favourable market conditions to issue a €500 million senior bond and a coupon of 0.741%, thus securing part of the liquidity for its upcoming investment programme. Following this transaction, Elia Group's average costs of debt decreased to 1.67% (down 22 bps), mainly to the benefit of society. Standard & Poor's credit rating of Elia Group remained BBB+ with a stable outlook. The Group further progressed on its sustainable finance journey: after the green bond debut of Eurogrid GmbH and the sustainability-linked RCF of Elia Transmission Belgium in 2020, the latter published its Green Finance Framework at the end of 2021, paving the way for future green financing in Belgium.

Equity attributable to owners of the company rose by €378.8 million to €4,552.0 million (+9.1%). This increase was mainly due to the profit attributable to the owners of the company (+€295.2 million) and the revaluation of post-employment benefit obligations (+€19.9 million) and was offset by the 2020 dividend payment (-€117.5 million). Additionally, in 2021, 50Hertz began applying hedge accounting on future contracts for grid losses. Due to the strong increase in energy prices, the fair value of these future contracts is highly positive, leading to an increase in the equity attributable to owners of the company of €199.9 million.

2.1.A. Elia Transmission (Belgium)

Highlights

- Delivering on investments to maintain a reliable and sustainable electricity system for society, while increasing the RAB by 5.2% to €5.4 billion
- Higher fair remuneration driven by growing asset base and higher incentives, leading to strong operational performance
- Realising a return on equity of 5.36%

Key results

Elia Transmission key figures (in € million)	2021	2020	Difference (%)
Revenue, other income and net income (expense) from settlement mechanism	1,199.5	1,004.7	19.4%
Revenues	*1,009.8*	*858.1*	*17.7%*
Other income	*68.3*	*57.5*	*18.8%*
Net income (expense) from settlement mechanism	*121.4*	*89.1*	*36.3%*
Equity accounted investees	2.3	1.9	21.1%
EBITDA	432.2	425.8	1.5%
EBIT	227.1	237.5	(4.4%)
Adjusted items	*0.0*	*0.0*	*n.r.*
Adjusted EBIT	227.1	237.5	(4.4%)
Net finance costs	(63.1)	(66.4)	(5.0%)
Income tax expenses	(32.9)	(46.3)	(28.9%)
Net profit	**131.0**	**124.8**	**5.0%**
Adjusted items on net profit	*0.0*	*0.0*	*n.r.*
Adjusted net profit	**131.0**	**124.8**	**5.0%**
Key figures of the financial position (in € million)	2021	2020	Difference (%)
Total assets	7,153.5	7,008.4	2.1%
Total equity	2,445.5	2,265.2	8.0%
Net financial debt	3,441.0	3,305.6	4.1%
Free cash flow	(117.6)	(260.8)	(54.9%)

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

Financial

Elia Transmission's revenue was up 19.4% compared with 2020, increasing from €1,004.7 million to €1,199.5 million. This revenue was impacted by a higher regulated net profit, higher depreciations linked to the growing asset base and higher costs for ancillary services, driven by the high gas prices and an energy mix characterised by a high nuclear base load and more onshore wind and solar generation. This was partially offset by lower financial costs which were driven in 2020 by the refinancing of a shareholder loan, costs for unwinding the interest rate swap and lower taxes due to higher Innovation Income Deduction, which were all passed through into revenue.

The table below provides more details on the changes in the various revenue components:

(in € million)	2021	2020	Difference (%)
Grid revenue:	**1,006.0**	**848.2**	**18.6%**
Grid connection	45.1	46.4	(2.8%)
Management and development of grid infrastructure	480.6	484.8	(0.9%)
Management of the electrical system	149.0	129.6	15.0%
Compensation for imbalances	220.6	131.2	68.2%
Market integration	23.2	22.1	5.0%
International revenue	87.5	34.2	156.1%
Last mile connection	2.9	2.8	5.4%
Other revenue	0.8	7.1	(88.2%)
Subtotal revenue	**1,009.8**	**858.1**	**17.7%**
Other income	68.3	57.5	18.7%
Net income (expense) from settlement mechanism	121.4	89.1	36.3%
Total revenue and other income	**1,199.5**	**1,004.7**	**19.4%**

Revenues from the **management and development of grid infrastructure**, **market integration** and **grid connection revenues** remained flat compared to 2020.

Services rendered in the context of energy management and individual balancing of balancing groups are paid under **revenues from compensation for imbalances**. These revenues, which increased from €131.2 million to €220.6 million (+68.2%), were largely due to the tariff for maintaining and restoring the residual balance of individual access responsible parties (+€80.0 million). First, there were higher balance activation costs due to the increase in prices that were mainly caused by the maintenance of a generation unit in the second quarter of 2021. Moreover, the imbalance volume increased because of the increase in the share occupied by renewables in the generation mix (offshore wind in particular). Finally, the imbalance prices increased in 2021 due to high activation costs. The increase in the net grid offtake (+€2.6 million), which demonstrated recovery from the COVID-19 crisis, and the higher nuclear availability in 2021 which increased the net grid injection (+€6.9 million) are additional drivers of the compensation for imbalances revenue increases.

Revenues from the management of the electrical system increased from €129.6 million to €149.0 million (+15.0%), caused by the increase in the net grid offtake (+€7.2 million) and the introduction of a new tariff for additional reactive energy by zone for distribution system operator (+€10.9 million).

International revenue increased to €87.5 million (+156.1%), mainly due to high congestion income generated by the combination of high prices and frequent high price spreads in the Central Western European (CWE) region, mainly on the French borders in the last quarter of 2021.

The **last mile connection (previously called transfer of asset from customers)** was down slightly compared to the previous year, while **other revenue** dropped by €6.3 million, mainly due to a decrease in works delivered to third parties.

The **settlement mechanism** increased from €89.1 million in 2020 to €121.4 million in 2021 and encompassed both deviations in the current year from the budget approved by the regulator (+€39.9 million) and the settlement of net surpluses from the previous tariff period (+€81.4 million). The operating deficit (+€39.9 million), with respect to budgeted costs and revenue authorised by the regulator, will be recovered from consumers in a future tariff period. The deficit was primarily the result of higher costs for ancillary services (+€67.4 million), higher influenceable costs (+€91.1 million) and a higher net profit (+€14.8 million) and was partially offset by an increase in tariff sales (+€99.3 million), which was mainly driven by imbalance compensations, higher international sales (+€32.4 million) and lower taxes (-€5.2 million).

EBITDA rose slightly to €432.2 million (+1.5%) due to a higher regulated net profit and higher depreciations linked to the growing asset base and was offset by lower financial costs and income tax that are all passed through into revenue. The decrease in **EBIT** (-4.4%) was driven by depreciations of assets not covered by tariffs being the intangible assets expensed during the previous regulatory period and activated under IFRS (€7.4 million), leasing contracts (€7.9 million) and capitalised borrowing costs (€2.4 million). The contribution of equity-accounted investments rose slightly to €2.3 million due to a higher contribution from HGRT.

Net finance cost decreased by €3.3 million (-5.0%) compared to the previous year, mainly driven by the one-off unwinding of an interest rate swap linked to the repayment of the shareholder loan (€5.2 million) in 2020 and costs for setting up a sustainability-linked RCF (€1.5 million) in 2020. This was partially offset by higher interest costs following last year's Eurobond issue (€800 million) in April and a lower activation of borrowing costs (€3.4 million) since some major commissioning in 2020. Elia Transmission Belgium has a well-balanced debt maturity profile with no upcoming near-term maturities. The average cost of debt was 1.91% at the end of 2021 compared to 1.93% at the end of 2020, benefitting consumers.

Adjusted net profit increased by 5.0% to €131.0 million, mainly due to the following:

1. A higher **fair remuneration** (+€6.2 million) due to asset growth and higher equity.
2. An increase in **incentives** (+€5.1 million), reflecting a strong operational performance and efficiency primarily with respect to incentives linked to interconnection capacity, the availability of the grid, the timely commissioning of projects, innovation and controllable costs. This was partly offset by lower performance on data quality

incentive and balancing. Additionally, the average tax rate decreased due to a higher innovation income deduction, leading to a higher net contribution from incentives.

3. Lower **capitalised borrowing costs** due to a lower level of assets under construction and lower average cost of debt (-€3.8 million).
4. Less **major damage to electrical installations** compared to the previous year (+€3.7 million).
5. **Employee and tax provisions** (-€8.8 million), which were mainly driven by a lower contribution from employee benefits to plan assets. Additionally, last year's provision benefited from a one-off change in plan assets of a defined benefit plan (€3.9 million) and the reversal of a tax provision (€1.6 million).
6. A lower **depreciation of software** acquired prior to 2020 (+1.6 million), as some of the assets acquired during the previous regulatory period and covered by its regulatory methodology were written off.
7. Other (+€2.3 million): this was primarily due to the depreciation of issuance costs linked to the previous year's Eurobond issue while fully covered by tariffs (-€2.3 million) and offset by lower share-based payment expenses for a capital increase in favour of the members of the personnel (+€1.4 million) and deferred tax effects (+€3.1 million).

Total assets rose by €145.1 million to €7,153.5 million, mainly due to execution of the investment programme. The **net financial debt** increased to €3,441.0 million (+4.1%), as Elia's CAPEX programme was mainly financed by cash flows from operating activities and the drawing of commercial paper (€60 million). The sustainability-linked RCF (€650 million) is fully undrawn while a significant portion of the commercial paper programme (€240 million) remains unused. Elia Transmission Belgium is rated BBB+ with a stable outlook by Standard & Poor's.

Equity increased to €2,445.5 million (+€180.3 million), mainly due to the reservation of the 2021 profit (+€131.0 million), the revaluation of post-employment benefit obligations linked to an increase of the discount rate (+€18.1 million) and a lower allocation of equity towards Nemo Link (+€30.4 million).

Operational

The total load estimation increased by 4.2% from 81 TWh in 2020 to 84.5 TWh in 2021. The COVID-19 crisis had a sizable impact on the 2020 load (particularly on the months of March through to August). In 2021, the gradual release of the COVID-19 lockdown measures generated a recovery of the load and in general of the offtake from the Elia grid. However, the total load in 2021 remained below the level observed before the pandemic from 2014 to 2019. The net offtake from the Elia network increased by 5.8% from 59.8 TWh in 2020 to 63.3 TWh in 2021, mainly due to the increase in industrial consumption. Net injections across the Elia network increased by 18.7% from 59.7 TWh in 2020 to 70.9 TWh in 2021, mainly due to a higher nuclear availability in 2021. In 2021, Belgium was still a net exporter due to the highly available nuclear injection capacity. Net exports increased from 0.5 TWh in 2020 to 8.5 TWh in 2021. Total exports increased strongly from 13.9 TWh in 2020 to 21.1 TWh in 2021.
This was due to the increased use of the interconnection with Great Britain (Nemo Link), a strong increase in exports to France & Luxembourg, and the full implementation of the interconnection with Germany (ALEGrO). Total imports

decreased slightly from 13.4 TWh in 2020 to 12.6 TWh in 2021. Overall electricity flows between Belgium and its neighbouring countries increased from 27.8 TWh in 2020 to 38.1 TWh in 2021.

Investments

In 2021, Elia continued to deliver on its investment plan, despite the public health crisis in Belgium and across the globe. In 2021, Elia invested €376.7[1] million in its onshore and offshore grid infrastructure to facilitate the integration of large volumes of renewable generation into the grid, in order to sustainably electrify our society. Elia maintains its high-voltage grid on a continual basis. In 2021, there were 143 replacement projects across the Belgian grid, amounting to a total investment of €99.6 million. As mentioned above, Elia continued to carry out important reinforcement works along the existing Belgian 380 kV backbone. This included the upgrade of the Massenhoven-Van Eyck corridor (€35.6 million), the first phase of which was completed in September, and the upgrade of the Mercator-Bruegel HTLS, for which the preparation phase (studies, permit and procurement) was almost fully completed. The reinforcement works of the 380 kV backbone between Mercator and France via Horta-Avelgem continued. This year, new high-capacity conductors were installed and commissioned along the first circuit between Avelgem and the French border (€13.6 million). In order to increase the physical interconnection capacity between Belgium and the Netherlands, reinforcement works also are taking place at the Zandvliet 380 kV substation (€ 13.1 million). In addition, the reinforcement of the existing 150 kV grid in the port of Antwerp continued (Brabo project) leading to a new GIS installation and new cable connection along the Lillo-Ketenissen-Kallo axis (€ 26.7 million). Finally, as part of the second phase of the Boucle de l'Est investment programme, the existing Bévercé-Bronrome 70 kV overhead line is being replaced and upgraded by a new double 110 kV line across a distance of 16.5 km. The works started in 2020 and will continue in 2022 and 2023. In November 2021, the Bevercé - Bronrome section was re-energized after its reconstruction (€13.6 million).

The organic growth in Belgium increased the Regulatory Asset Base (RAB) to €5.4 billion, which represented an increase of 5.2% on the €5.1 billion total at the end of 2020.

[1] Including the capitalisation of software and IAS 23 (Borrowing costs), IFRS 15 (Revenue recognition – Transfer of assets from customers) and IFRS 16 (Leasing), the total is €417.2 million.

2.1.B. 50Hertz (Germany)

Highlights

— 2021 investment programme successfully executed, increasing the RAB by +8.8% to €6.2 billion
— Rising head count, peak in the maintenance cycle and general business expansion push operational expenses
— Net result under pressure, but uplifted by €29.6 million one-off revenues from regulatory settlements
— Realising a return on equity of 9.85%
— Strong liquidity position after €500 million bond emission in April, EEG account recovered from 2020 deficit

Key results

50Hertz Transmission key figures (in € million)	2021	2020	Difference (%)
Revenue, other income and net income (expense) from settlement mechanism	1,716.9	1,454.9	18.0%
Revenues	*1,569.9*	*1,353.6*	*16.0%*
Other income	*95.1*	*90.1*	*5.5%*
Net income (expense) from settlement mechanism	*51.9*	*11.2*	*n.r.*
Equity accounted investees	0.0	0.0	
EBITDA	534.0	578.6	(7.7%)
EBIT	272.9	340.1	(19.8%)
Adjusted items	*0.0*	*0.0*	*n.r.*
Adjusted EBIT	272.9	340.1	(19.8%)
Net finance costs	(34.7)	(62.5)	(44.5%)
Income tax expenses	(72.8)	(84.9)	(14.3%)
Net profit	**165.4**	**192.6**	**(14.1%)**
Of which attributable to the Elia group	***132.3***	***154.1***	***(14.1%)***
Adjusted items on net profit	*0.0*	*0.0*	*n.r.*
Adjusted net profit	**165.4**	**192.6**	**(14.1%)**
Key figures of the financial position (in € million)	2021	2020	Difference (%)
Total assets	9,941.3	7,028.4	41.4%
Total equity	1,928.7	1,631.4	18.2%
Net financial debt	1,014.9	3,756.6	(73.0%)
Free cash flow	2,889.4	(1,526.4)	(289.3%)

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

Financial

50Hertz Transmission's total revenue and other income increased compared to 2020 (+18.0%).

Total revenues are detailed in the table below.

(in € million)	2021	2020	Difference (%)
Grid revenue :	**1,561.3**	**1,349.1**	**15.7%**
Revenue from incentive regulation	911.8	802.3	13.6%
Revenue from offshore regulation	294.7	300.0	(1.8%)
Energy revenue	354.9	246.8	43.8%
Other revenue (incl. last mile connection)	8.6	4.5	91.3%
Subtotal revenue	**1,569.9**	**1,353.6**	**16.0%**
Other income	95.1	90.1	5.5%
Net income (expense) from settlement mechanism	51.9	11.2	362.8%
Total revenue and other income	**1,716.9**	**1,454.9**	**18.0%**

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

Revenues from incentive regulation rose by €109.5 million, as the allowance for onshore investments increased (+€34.3 million). The compensation of pass-through energy costs went up as well (+€60.4 million), mainly due to a higher allowance for redispatching costs. The infeed of renewable energy into the distribution grid was lower than expected, leading to higher volumes in the transmission grid. Consequently, the volume effect was higher than in previous years (+€98.6 million). These effects were partly offset by a higher payback for old regulatory balances via the regulatory account (-€20.5 million). Furthermore, pass-through paybacks related to the old regulatory offshore mechanism increased (-€62.2 million).

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

The offshore surcharge revenues slightly decreased compared to the previous year (-€5.3 million). While the remuneration of 50Hertz's own offshore grid connection costs increased (+€7.3 million), driven by the ongoing CAPEX programme (mainly Ostwind 2) and higher maintenance costs (cost-plus regulation), the pass-through costs charged to 50Hertz by third parties fell compared to the same period last year (-€12.6 million).

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

Energy revenues increased strongly compared to the previous year (+€108.1 million), due to the soaring energy prices in the second half of 2021. The charges to other TSOs for redispatch measures increased (+€27.1 million), as did revenues from the compensation of involuntary exchange at the grid's borders (+€14.7 million). Furthermore, higher control power costs were charged to the balancing groups (+€19.8 million) and revenues from the auctioning of interconnector capacities benefitted from the price developments (+€26.1 million).

Other revenues (including last-mile connection) rose (+€4.1 million), mainly due to higher revenues received from the "Inter-Transmission System Operator Compensation" (ITC). The ITC mechanism is based on an EU regulation and compensates TSOs for the costs of hosting cross-border electricity flows on their networks. TSOs contribute/receive funds based on electricity flows onto/from their national transmission systems.

Other income rose (+€5.0 million) as own work capitalised increased due to the staffing to execute and manage the investment programme (+€2.7 million). Furthermore, revenues from subsidies and grants increased (+€2.0 million), due to the amortisation of EU subsidies for the Kriegers Flak Combined Grid Solution interconnector as of July 2021.

The **net regulatory income (expense) from settlement mechanism** neutralises regulatory time lags. It consists of two components: firstly, the neutralisation of differences between cost allowances in the tariffs and the actual costs incurred for the current year (-€9.7 million); secondly, the balancing of said differences from prior years (+€61.6 million).

EBITDA decreased to €534.0 million (-7.7%). The growing asset base benefitted the investment remuneration (+€13.6 million), but the business expansion led to pressure on the operating expenses. Onshore maintenance costs increased (-€12.3 million), driven by a peak in the maintenance cycle. As the grid was expanded and reinforced, old onshore assets were taken out of operation and decommissioned, leading to higher losses from sale and disposal (-€7.7 million). Furthermore, personnel costs rose, as we kept expanding our talent pool to deliver on the energy transition and manage the increasing complexity of system operations (-€19.9 million). In order to efficiently manage this growing complexity, the digitalisation of the business is progressing, as reflected by higher IT expenses (-€4.2 million). After the COVID-19 measures in 2020, the company returned to full speed in 2021. Consequently, operational expenses for areas such as consulting, external services and travelling increased (-€13.9 million). Furthermore, 2020 included revenues from a penalty payment (-€6.8 million). Finally, EBITDA benefitted from one-off revenues from the regulatory settlement and related provisions amounting to €42.4 million (+€5.1 million); €10.5 million of this originated from the settlement for the year 2018 and €31.7 million originated from the refund of clawback amounts ("Abzugsbeträge"). The clawback payments are part of the regulatory "Investment Measures" mechanism, which will be phased out as of 2024 and replaced by the Capital Cost Adjustment model. As part of the transition, the ordinance includes a partial refund of historical clawback amounts, which was accrued in 2021.

There was a more proncounced decrease in **EBIT** (-€67.2 million) due to increasing depreciations (-€15.1 million) following the commissioning of projects, such as the Kriegers Flak Combined Grid Solution. Furthermore, the change in operating provisions was lower than for the previous year (-€7.5 million). No adjusted items occurred in 2021.

Adjusted net profit declined to €165.4 million (-14.1%) as a result of:

1. Higher onshore OPEX and other costs (-€35.3 million), driven by the expansion and digitalisation of the business, a peak in the maintenance cycle and losses from asset disposal.
2. Higher personnel costs (-€14.0 million), mainly from increases in staff numbers.
3. Increased depreciations (-€10.6 million), driven by the commissioning of projects.
   These effects were partially compensated by:
4. Higher regulatory settlements and related provisions (+€3.6 million).
5. Higher investment remuneration (+€9.6 million) following the growth of the asset base.
6. Higher financial results (+€19.5 million), as a high interest rate bond was refinanced with more favourable conditions (+€6.0 million). Additionally, forward interest rates increased, leading to lower interest costs on provisions (+€13.5 million).

Total assets rose by €2,912.9 million compared to 2020 mainly due to a favorable development of the EEG business and further progress on the investment programme. The **free cash flow** totalled €2,889.4 million and was heavily affected by the high cash inflow for the EEG account (+€2,918.9 million). In 2021, 50Hertz received three federal payments (€2,160.0 million) to cover the cash deficit build up in 2020 and pay back the revolving credit facilities (€700 million) contracted at the end of last year to cover this EEG deficit. The EEG cash flow was further uplifted by the strong increase in energy prices during the second half of 2021, leading to higher cash-in than expected.

The investment programme was mostly financed from the operating cash flow and a €500 million senior bond with a 12-year tenor and a fixed interest rate of 0.741% was issued in April. Taking into account the EEG position, the **Net financial debt** dropped by €2,741.7 million. The EEG cash position as of December 2021 amounted to €2,110.0 million.

The **total equity** increased by €297.3 million to €1,928.7 million. Due to a change in accounting policy, hedge accounting is applied, as of 2021, to future contracts entered into by 50Hertz for the purpose of reducing the risk of fluctuations in the expected amount of grid losses. This change, taking place in a context of strong energy prices, resulted in the recognition of the fair value of these contracts for a gross amount of €355.6 million at the end of 2021. Considering a deferred tax effect, a hedge reserve amounting to €249.9 million was recorded in other comprehensive income. However, as the costs for grid losses are almost fully passed through to the tariffs, the fair value of the future contracts has no relevance for the current or future profitability of the company.

Operational

In 2021, a net volume of 48.2 TWh was drawn off from the 50Hertz grid, 4.4% more than last year (46.2 TWh). As usual, we were a net exporter of electricity, with 35.5 TWh net exported (34.6 TWh in 2020); this followed from 59.1 TWh in exports and 23.6 TWh in imports (57.5 TWh and 22.9 TWh in 2020, respectively). The peak load was 8.6 GW and thus close to last year's (8.7 GW).

Investments

50Hertz invested €850.9 million in 2021, up 18.9% compared to last year (€715.9 million). In total, €527.9 million was invested in onshore projects, while offshore investments amounted to €323.0 million.
The most significant onshore investments comprised the DC SuedOstLink line (€66.9 million); the upgrading of high-voltage pylons to boost operational safety (€51.5 million); the Northring line close to Berlin (€45.7 million); the overhead line in the southern Uckermark region (€40.3 million); and the 380 kV cable in Berlin (€33.1 million).
Offshore investments mainly focused on the Ostwind 2 project (€278.9 million), with the next offshore wind farm connection (Ostwind 3) already advancing along the project pipeline (€18.4 million). Furthermore, replacement CAPEX was invested in the Kontek interconnector cable to Denmark (€17.3 million).

Driven by this organic growth in Germany, the Regulatory Asset Base (RAB) increased to €6.2 billion (100% 50Hertz), corresponding to a growth of +8.8%.

2.1.C. Non-regulated activities and Nemo Link

Highlights

- Realising a positive contribution of €31.9 million to the Group's result
- Amid a volatile year for energy markets, Nemo Link delivered a very strong operational and financial performance, driven mainly by rising spreads and very high availability
- Business development efforts led to higher operating cost at the holding

Key results

Non-regulated activities and Nemo Link Key figures (in € million)	2021	2020	Difference (%)
Total revenues and other income	36.8	34.7	6.1%
Equity accounted investees	47.1	7.4	536.5%
EBITDA	40.8	1.1	3609.1%
EBIT	40.3	0.9	4377.8%
Adjusted items	*0.0*	*(0.3)*	*(100.0%)*
Adjusted EBIT	40.3	1.2	3258.3%
Net finance costs	(8.9)	(12.6)	(29.4%)
Income tax expenses	0.5	2.2	n.r.
Net profit	**31.9**	**(9.5)**	**(435.8%)**
Of which attributable to the Elia Group	***31.9***	***(9.5)***	***(435.8%)***
Adjusted items on net profit	*0.0*	*(0.2)*	*(100.0%)*
Adjusted net profit	**31.9**	**(9.3)**	**(443.6%)**
Key figures of the financial position (in € million)	2021	2020	Difference (%)
Total assets	1,654.0	1,766.7	(6.4%)
Total equity	1,142.9	1,187.7	(3.8%)
Net financial debt	430.4	402.9	6.8%

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

Non-regulated revenue increased by 6.1% to €36.8 million compared to 2020. This is the result of lower revenues generated by Elia Grid International ('EGI') (-€7.3 million), as the international consulting business was negatively impacted by the COVID-19 restrictions, leading to a delay in projects and offset by higher intersegment transactions mainly between Elia Group SA, Elia Transmission Belgium and 50Hertz. The effect of these intersegment transactions is disclosed in 'Note 2.2. Segment reconciliation'.

Equity-accounted investments contributed €47.1 million to the Group's result, which is almost entirely attributable to **Nemo Link**. With an availability rate of 99.1%, Nemo Link continues to be one of the highest performing assets of its kind. Strong nuclear availability in continental Europe, increased gas and carbon prices and general scarcity in the UK positively affected market price-spread, at the benefit of the congestion market, main revenue stream of the asset. Nemo Link performed strongly, leading to a total net profit of €94.0 million and a contribution of €47.0 million to Elia Group's net profit.

Adjusted EBIT rose to €40.3 million (+€39.1 million). This increase was entirely due to the higher contribution from Nemo Link (+€39.7 million), a lower operating loss for re.alto due to lower development costs and the generation of initial fee income (+€0.5 million); it was partially offset by higher operating costs at the holding linked to the pursuit of inorganic growth ambitions (-€0.9 million). Despite the drop in revenues, EGI's EBIT remained flat, reflecting the cost control measures in COVID times.

Net finance cost fell to €8.9 million, primarily comprising the interest cost linked to the senior bond (€4.7 million), the cost linked to the Nemo Link private placement (€2.9 million) and other financial costs linked to Elia Group SA. The previous year's financial costs were mainly impacted by regulatory settlements which amounted to €3.4 million.

Adjusted net profit increased strongly by €41.2 million to €31.9 million, mainly as a result of:

1. Higher contribution from Nemo Link (+€39.7 million).
2. Lower regulatory settlements for 2020 (+€2.2 million).
3. Lower loss of re.alto (+€0.4 million), due to lower costs and initial fee income.
4. Higher holding costs driven by business development activities (-€1.0 million).
5. Other items (-€0.1million) driven by lower other non-regulated costs while EGI remained flat year-over-year.

Total assets dropped slightly to €1,654.0 million (-6.4%) and the net financial debt increased to €430.4 million (+6.8%), driven by the use of liquidity by Elia Group SA to pay for last year's dividend; it was partially offset by the yearly reimbursement of the Nemo Link amortising loan.

2.2 Segment reconciliation

Consolidated results (in € million) – Year ended 31 December	**2021** Elia Transmission (a)	**2021** 50Hertz Transmission (b)	**2021** Non-regulated activities and Nemo Link (c)	**2021** Consolidation entries & intersegment transactions (d)	**2021** Elia Group (a) + (b) + (c) + (d)
Revenue	1,009.8	1,569.9	28.7	(57.1)	2,551.2
Other income	68.3	95.1	8.1	(36.4)	135.1
Net income (expense) from settlement mechanism	121.4	51.9	0.0	0.0	173.3
Depreciation, amortisation, impairment and changes in provisions	(205.1)	(261.2)	(0.5)	0.0	(466.8)
Results from operating activities	**224.8**	**272.9**	**(6.8)**	**(0.2)**	**490.7**
Share of profit of equity accounted investees, net of tax	2.3	0.0	47.1	0.0	49.3
Earnings before interest and tax (EBIT)	227.1	272.9	40.3	(0.2)	540.1
Earnings before depreciation, amortisation, interest and tax (EBITDA)	432.2	534.0	40.8	(0.2)	1,006.9
Finance income	1.7	2.1	0.1	0.0	3.9
Finance costs	(64.8)	(36.9)	(9.0)	0.2	(110.5)
Income tax expenses	(32.9)	(72.8)	0.5	0.0	(105.1)
Profit attributable to the owners of the company	**131.0**	**132.3**	**31.9**	**0.0**	**295.2**
Consolidated statement of financial position (in € million)	**31.12.2021**	**31.12.2021**	**31.12.2021**	**31.12.2021**	**31.12.2021**
Total assets	7,153.5	9,941.3	1,654.0	(604.4)	18,144.4
Capital expenditures	417.2	880.4	1.6	0.0	1,299.2
Net financial debt	3,441.0	1,014.9	430.4	0.0	4,886.3

3. Outlook and other information[2]

With a stable regulation in both Belgium and Germany for 2022 and important investments on the horizon to realise the energy transition to decarbonise Europe, **Elia Group** is confident in its ability to deliver an **Adjusted Return on Equity (ROE adj.[3]) of between 6.25% - 7.25% for 2022**.

— In **Belgium** we are confident of achieving a return on equity (ROE) of between 5% and 6% while investing roughly €425 million. The realisation of this investment programme is always prone to external risks.

— In **Germany** we are confident in our ability to deliver a return on equity (ROE) of between 8% and 10%. 50Hertz Transmission is expected to invest roughly €850 million. The realisation of the investment programme is always prone to external risks.

— The **non-regulated segment and Nemo Link**, which comprises the return of Nemo Link, the return of the non-regulated activities (mainly re.alto and EGI) and the operating costs inherent in the management of a holding company, is expected to contribute to the Group's result in the range of €10 million to €15 million. The final performance of this segment will depend largely on the contribution of Nemo Link, which remains subject to volatility in the market spread of the electricity commodity price as well as the availability of the interconnector.

The guidance does not take into account any potential M&A transactions.

Elia Group - Outlook	2022	2021
Return on Equity (adj.) (%)	6.25% - 7.25%	7.56%

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

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

4. Adjusted items – Reconciliation Table

(in € million) – Period ended 31 December 2021	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Consolidation entries	Elia Group
Adjusted items					
Corporate reorganisation	0.0	0.0	0.0	0.0	0.0
Adjusted EBIT	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Tax impact	0.0	0.0	0.0	0.0	0.0
Net profit – adjusted items	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

(in € million) – Period ended 31 December 2020	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Consolidation entries	Elia Group
Adjusted items					
Corporate reorganisation	0.0	0.0	(0.3)	0.0	(0.3)
Adjusted EBIT	**0.0**	**0.0**	**(0.3)**	**0.0**	**(0.3)**
Tax impact	0.0	0.0	0.1	0.0	0.1
Net profit – adjusted items	**0.0**	**0.0**	**(0.2)**	**0.0**	**(0.2)**

5. Financial Calendar

Analyst conference call	23 February 2022
Publication of 2021 Annual report	15 April 2022
General Meeting of Shareholders	17 May 2022
Quarterly Statement: Q1 2022	18 May 2022
Ex-dividend date	30 May 2022
Record date	31 May 2022
Payment of dividend for 2021	1 June 2022
Publication of half-year results 2022	27 July 2022
Quarterly statement: Q3 2022	25 November 2022

6. JOINT AUDITORS' REVIEW REPORT

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

7. Useful Links

- **Press Release**
- HY financial reports on the Elia Group **website**
- Elia Group will host a **conference call** for institutional investors and analysts today (23 February) at 10:30 a.m. CET
- **2020 annual report**
- **2021 Capital Markets Day**

Disclaimer/Forward-looking statements

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

Glossary

Adjusted items

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

Adjusted items relate to:

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

Adjusted EBIT

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

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

(in € million) – Year ended 31 December	2021				
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Consolidation entries & intersegment transactions	Elia Group
Results from operating activities	224.8	272.9	(6.8)	(0.2)	490.7
Share of profit of equity accounted investees (net of tax)	2.3	0.0	47.1	0.0	49.4
EBIT	**227.1**	**272.9**	**40.3**	**(0.2)**	**540.1**
Deduct:					
Regulatory compensation for acquisition	0.0	0.0	0.0	0.0	0.0
Corporate reorganisation	0.0	0.0	0.0	0.0	0.0
Adjusted EBIT	227.1	272.9	40.3	0.0	540.1

(in € million) – Year ended 31 December	2020				
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Consolidation entries & intersegment transactions	Elia Group
Results from operating activities	235.6	340.1	(6.5)	0.0	569.3
Share of profit of equity accounted investees (net of tax)	1.9	0.0	7.4	0.0	9.2
EBIT	**237.5**	**340.1**	**0.9**	**0.0**	**578.5**
Deduct:					
Regulatory compensation for acquisition	0.0	0.0	0.0	0.0	0.0
Corporate reorganisation	0.0	0.0	(0.3)	0.0	(0.3)
Adjusted EBIT	**237.5**	**340.1**	**1.2**	**0.0**	**578.8**

Adjusted net profit

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

(in € million) – Year ended 31 December	2021			
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Elia Group
Profit for the period	**131.0**	**165.4**	**31.9**	**328.3**
Deduct:				
Regulatory compensation for acquisition	0.0	0.0	0.0	0.0
Corporate reorganisation	0.0	0.0	0.0	0.0
Corporate reorganisation fin. cost	0.0	0.0	0.0	0.0
Tax impact	0.0	0.0	0.0	0.0
Adjusted net profit	**131.0**	**165.4**	**31.9**	**328.3**

(in € million) – Year ended 31 December	2020			
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Elia Group
Profit for the period	**124.8**	**192.6**	**(9.5)**	**307.9**
Deduct:				
Regulatory compensation for acquisition	0.0	0.0	0.0	0.0
Corporate reorganisation	0.0	0.0	(0.3)	(0.3)
Corporate reorganisation fin. cost	0.0	0.0	0.0	0.0
Tax impact	0.0	0.0	0.1	0.1
Adjusted net profit	**124.8**	**192.6**	**(9.3)**	**308.1**

CAPEX

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

EBIT

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

(in € million) – Year ended 31 December	2021				
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Consolidation entries & intersegment	Elia Group
Results from operating activities	224.8	272.9	(6.8)	(0.2)	490.7
Share of profit of equity accounted investees (net of tax)	2.3	0.0	47.1	0	49.4
EBIT	**227.1**	**272.9**	**40.3**	**(0.2)**	**540.1**

(in € million) – Year ended 31 December	2020				
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Consolidation entries & intersegment	Elia Group
Results from operating activities	235.6	340.1	(6.5)	0.0	569.3
Share of profit of equity accounted investees (net of tax)	1.9	0.0	7.4	0	9.2
EBIT	**237.5**	**340.1**	**0.9**	**0.0**	**578.5**

EBITDA

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

(in € million) – Year ended 31 December	2021				
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Consolidation entries & intersegment transactions	Elia Group
Results from operating activities	224.8	272.9	(6.8)	(0.2)	490.7
Add:					
Depreciation, amortisation and impairment	206.8	260.3	0.5	0.0	467.5
Changes in provisions	(1.7)	0.9	0.0	0.0	(0.7)
Share of profit of equity accounted investees (net of tax)	2.3	0.0	47.1	0.0	49.4
EBITDA	**432.2**	**534.0**	**40.8**	**(0.2)**	**1,006.9**

(in € million) – Year ended 31 December	2020				
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Consolidation entries & intersegment	Elia Group
Results from operating activities	235.6	340.1	(6.5)	0.0	569.3
Add:					
Depreciation, amortisation and impairment	187.3	245.1	0.2	0.0	432.6
Changes in provisions	1.1	(6.6)	0.0	0.0	(5.5)
Share of profit of equity accounted investees (net of tax)	1.9	0.0	7.4	0.0	9.2
EBITDA	**425.8**	**578.6**	**1.1**	**0.0**	**1,005.6**

Equity attributable to the owners of the company

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

(in € million) – Year ended 31 December	2021	2020
Equity	4,938.4	4,500.0
Deduct:		
Non-controlling interests	386.4	326.8
Equity attributable to the owners of the company	**4,552.0**	**4,173.2**

Financial leverage

Financial leverage (D/E) is the gross financial debt divided by shareholders' equity (where both metrics include non-controlling interests and hybrid instruments). Financial leverage provides an indication of the extent to which the Group uses financial debt to finance its operations relative to equity financing. Consequently, it is considered by investors as an indicator of solvency.

Free cash flow

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

(in € million) – Year ended 31 December	2021			
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Elia Group
Net cash from operating activities	262.3	3,720.7	(29.8)	3,953.1
Deduct:				
Net cash used in investing activities	379.9	831.4	(153.3)	1,057.9
Free cash flow	**(117.6)**	**2,889.4**	**123.6**	**2,895.2**

(in € million) – Year ended 31 December	2020			
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Elia Group
Net cash from operating activities	84.5	(796.3)	(24.6)	(736.6)
Deduct:				
Net cash used in investing activities	345.4	730.1	(134.2)	941.3
Free cash flow	**(260.8)**	**(1,526.4)**	**109.6**	**(1,677.8)**

Net finance costs

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

Net financial debt

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

(in € million) – Year ended 31 December	2021				2020			
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Elia Group Total	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Elia Group Total
Non-current liabilities:								
Loans and borrowings	3,421.9	3,838.6	481.3	7,741.7	3,433.6	3,327.2	488.8	7,249.6
Add:								
Current Liabilities:								
Loans and borrowings	147.6	33.5	12.9	194.0	67.7	725.9	11.9	805.5
Deduct:								
Current Assets:								
Cash and cash equivalents	128.5	2,857.2	63.8	3,049.4	195.7	296.6	97.8	590.1
Net financial debt	**3,441.0**	**1,014.9**	**430.4**	**4,886.3**	**3,305.6**	**3,756.6**	**402.9**	**7,465.0**
EEG surplus (levies)		2,110.0		2,110.0				
EEG deficit (levies)						808.9		808.9
Net financial debt, exl. EEG position	**3,441.0**	**3,124.8**	**430.4**	**6,996.3**	**3,305.6**	**2,496.7**	**3,305.6**	**6,656.2**

Regulatory asset base (RAB)

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

Return on Equity (adj.) (%)

The Return on Equity (RoE adj.) is the net profit attributable to ordinary shareholders divided by the equity attributable to ordinary shareholders adjusted for the value of the future contracts (hedging reserve). The denominator does therefore not include the accounting impact of hybrid securities in IFRS (i.e. it excludes the hybrid security from equity and considers the interest costs to be part of comprehensive income). As from 2021, it also excludes the effect of hedge accounting related to the future contracts entered into by 50Hertz to hedge the risk of fluctuations in the expected amount of grid losses.

The RoE adj. provides an indication of the ability of the Group to generate profits relative to its invested equity.

(in € million) – Year ended 31 December	2021	2020
Profit for the period	328.3	307.9
Deduct:		
Profit attributable to holders of hybrid securities	19.2	19.3
Profit attributable to non-controlling interests	33.1	38.5
Profit attributable to equity holders of ordinary shares (A)	**276.0**	**250.1**
Divided by:		
Equity attributable to ordinary shares	3,850.6	3,471.7
Deduct:		
Hedging reserve in equity	199.9	
Adjusted equity attributable to ordinary shares (B)	**3,650.7**	**3,471.7**
Return on Equity (adj.) (%) = (A) / (B)	**7.56%**	**7.20%**

Net debt/EBITDA

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

EBITDA/Gross interest

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

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

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

(in €) – Year ended 31 December	2021	2020
Equity attributable to ordinary shares	3,850,669,289.2	3,471,784,607.7
Divide by:		
Number of shares outstanding (at year end)	68,720,810	68,720,695
Equity attributable to owners of ordinary shares	**56.0**	**50.5**

elia group
Elia | 50Hertz | EGI

About Elia Group

Elia Group is a key player in electricity transmission. We ensure that production and consumption are balanced around the clock, supplying 30 million end users with electricity. Through our subsidiaries in Belgium (Elia) and northeastern Germany (50Hertz), we operate 19,276 km of high-voltage connections, meaning that we are one of Europe's top 5 transmission system operators. With a reliability level of 99.99%, we provide society with a robust power grid, which is important for socioeconomic prosperity. We also aspire to be a catalyst for a successful energy transition, helping to establish a reliable, sustainable and affordable energy system.

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

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

In addition to our activities as a transmission system operator, we provide various consulting services to international customers through our third subsidiary, Elia Grid International (EGI). Elia (in Belgium) is also part of the Nemo Link consortium, which operates the first subsea electrical interconnector between Belgium and the UK.

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

More information: eliagroup.eu

Annexes:

Basis for segment reporting

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

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

- Elia Transmission (Belgium), which comprises the activities based on the Belgian regulatory framework: the regulated activities of Elia Transmission Belgium NV/SA, Elia Asset NV/SA, Elia Engineering NV/SA, Elia Re SA, HGRT SAS, Coreso NV/SA, Ampacimon SA whose activities are directly linked to the role of Belgian transmission system operator and are subject to the regulatory framework applicable in Belgium.
- 50Hertz Transmission (Germany), which comprises the activities based on the German regulatory framework: Eurogrid GmbH, 50Hertz Transmission GmbH and 50Hertz Offshore GmbH, whose activities are directly linked to the role of transmission system operator in Germany.
- Non-regulated activities and Nemo Link, comprising:
    - Elia Group NV/SA, which mainly comprises the holding activities in the Elia Transmission (Belgium) and 50Hertz Transmission (Germany) segment;
    - Eurogrid International NV/SA;
    - The holding activities in Nemo Link Ltd. This company comprises and manages the Nemo project, which connects the UK and Belgium using high-voltage electricity cables, enabling power to be exchanged between the two countries and for which a specific regulatory framework has been set up.
    - The non-regulated activities of the Elia Transmission (Belgium) segment. 'Non-regulated activities' refers to activities which are not directly related to the role of TSO.
    - EGI (Elia Grid International NV/SA, Elia Grid International GmbH, Elia Grid International Pte. Ltd Singapore and Elia Grid International LLC Arabia), companies supplying specialists in consulting, services, engineering and procurement, creating value by delivering solutions based on international best practice while fully complying with regulated business environments.
    - re.alto-Energy BV/SRL and re.alto GmbH, a start-up company founded in August 2019, which is

building a platform to facilitate users to exchange energy data and services.

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

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

Consolidated statement of profit or loss

(in € million) – Year ended 31 December	**2021**	**2020**
Revenue	2,551.3	2,209.6
Raw materials, consumables and goods for resale	(83.1)	(86.2)
Other income	135.1	163.6
Net income (expense) from settlement mechanism	173.3	100.3
Services and other goods	(1,443.6)	(1,051.7)
Personnel expenses	(334.1)	(307.2)
Depreciation, amortisation and impairment	(467.5)	(432.5)
Changes in provisions	0.7	5.5
Other expenses	(41.4)	(32.1)
Results from operating activities	**490.7**	**569.3**
Share of profit of equity accounted investees (net of tax)	49.4	9.2
Earnings before interest and tax (EBIT)	**540.1**	**578.5**
Net finance costs	**(106.6)**	**(141.5)**
Finance income	3.9	6.6
Finance costs	(110.5)	(148.1)
Profit before income tax	**433.5**	**437.0**
Income tax expense	(105.2)	(129.1)
Profit for the period	**328.3**	**307.9**
Profit attributable to:		
Equity holders of the parent - equity holders of ordinary shares	276.0	250.1
Equity holders of the parent - hybrid securities	19.3	19.3
Non-controlling interest	33.1	38.5
Profit for the period	**328.3**	**307.9**
Earnings per share (in €)		
Basic earnings per share	4.02	3.64
Diluted earnings per share	4.02	3.64

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

Consolidated statement of profit or loss and comprehensive income

(in € million) — Year ended 31 December	2021	2020
Profit for the period	**328.3**	**307.9**
Other comprehensive income (OCI)		
Items that may be reclassified subsequently to profit or loss:		
Net changes in fair value of cash flow hedges	356.2	5.0
Related tax	(105.8)	(1.3)
Items that will not be reclassified to profit or loss:		
Remeasurements of post-employment benefit obligations	27.4	(8.1)
Net changes in fair value of investments	0.0	15.0
Related tax	(7.0)	2.2
Other comprehensive income for the period, net of tax	**270.8**	**12.8**
Total comprehensive income for the period	**599.1**	**320.7**
Total comprehensive income attributable to:		
Equity holders of the parent - ordinary shareholders	496.3	260.4
Equity holders of the parent - hybrid securities holders	19.3	19.3
Non-controlling interest	83.5	41.0
Total comprehensive income for the period	**599.1**	**320.7**

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

Consolidated statement of financial position

(in € million) – Year ended 31 December	2021	2020
ASSETS		
NON-CURRENT ASSETS	**13,867.5**	**13,044.0**
Property, plant and equipment	10,859.5	10,094.4
Goodwill	2,411.1	2,411.1
Intangible assets	148.6	105.4
Equity-accounted investees	309.6	323.1
Other financial assets	136.3	104.5
Trade and other receivables non-current	0.5	0.0
Deferred tax assets	1.9	5.0
CURRENT ASSETS	**4,276.8**	**2,121.6**
Inventories	21.6	39.0
Trade and other receivables	861.3	1,475.4
Current tax assets	10.1	3.4
Other financial assets (current)	316.2	0.0
Cash and cash equivalents	3,049.5	590.1
Deferred charges and accrued revenues	18.1	13.7
Total assets	**18,144.3**	**15,165.6**
EQUITY AND LIABILITIES		
EQUITY	**4,938.4**	**4,500.0**
Equity attributable to owners of the Company	4,552.0	4,173.1
Equity attributable to ordinary shares:	3,850.6	3,471.7
Share capital	1,709.2	1,709.1
Share premium	262.9	262.4
Reserves	173.0	173.0
Hedging reserve	197.1	(3.3)
Treasury shares	(0.8)	0.0
Retained earnings	1,509.2	1,330.5
Equity attributable to hybrid securities holdei	701.4	701.4
Non-controlling interest	386.4	326.9
NON-CURRENT LIABILITIES	**8,471.3**	**7,823.6**
Loans and borrowings	7,741.7	7,249.6
Employee benefits	104.9	130.1
Provisions	125.6	133.3
Deferred tax liabilities	209.7	89.5
Other liabilities	289.5	221.1
CURRENT LIABILITIES	**4,734.6**	**2,842.0**
Loans and borrowings	194.0	805.5
Provisions	7.7	7.4
Trade and other payables	3,696.4	1,009.1
Current tax liabilities	26.8	13.6
Accruals and deferred income	809.8	1,006.4
Total equity and liabilities	**18,144.3**	**15,165.6**

Consolidated statement of changes in equity

(in € million)	Share capital	Share premium	Hedging reserve	Reserves	Treasury shares	Retained earnings	**Equity attributable to ordinary shares**	Equity attributable to hybrid securities	**Equity attributable to the owners of the company**	Non-controlling interests	**Total equity**
Balance at 1 January 2020	**1,705.8**	**259.2**	**(7.0)**	**173.0**		**1,189.8**	**3,320.8**	**701.4**	**4,022.2**	**309.9**	**4,332.1**
Profit for the period						269.4	269.4		269.4	38.5	307.9
Other comprehensive income			3.8			6.6	10.3		10.3	2.5	12.8
Total comprehensive income for the period			**3.8**			**276.0**	**279.7**		**279.7**	**41.0**	**320.7**
Transactions with owners, recorded directly in eq											
Contributions by and distributions to Owners											
Shares issued	1.8	3.2					5.0		5.0		5.0
Share-based payment expenses	1.4						1.4		1.4		1.4
Hybrid: coupon paid						(19.3)	(19.3)		(19.3)		(19.3)
Dividends to non-controlling interests										(24.0)	(24.0)
Dividends						(116.0)	(116.0)		(116.0)		(116.0)
Total contributions and distributions	**3.2**	**3.2**				**(135.3)**	**(128.8)**		**(128.8)**	**(24.0)**	**(152.8)**
Total transactions with owners	3.2	3.2				(135.3)	(128.8)		(128.8)	(24.0)	(152.8)
Balance at 31 December 2020	**1,709.1**	**262.4**	**(3.3)**	**173.0**		**1,330.5**	**3,471.7**	**701.4**	**4,173.1**	**326.9**	**4,500.0**
Balance at 1 January 2021	**1,709.1**	**262.4**	**(3.3)**	**173.0**		**1,330.5**	**3,471.7**	**701.4**	**4,173.1**	**326.9**	**4,500.0**
Profit for the period						295.2	295.2		295.2	33.1	328.3
Other comprehensive income			200.4			20.0	220.3		220.3	50.4	270.8
Total comprehensive income for the period			**200.4**			**315.2**	**515.6**		**515.6**	**83.5**	**599.1**
Transactions with owners, recorded directly in eq											
Contributions by and distributions to Owners											
Shares issued	0.2	0.4					0.6		0.6		0.6
Hybrid: coupon paid						(19.3)	(19.3)		(19.3)		(19.3)
Acquisition of treasury shares					(0.8)		(0.8)		(0.8)		(0.8)
Dividends to non-controlling interests										(24.0)	(24.0)
Dividends						(117.5)	(117.5)		(117.5)		(117.5)
Other						0.3	0.3		0.3		0.3
Total contributions and distributions	**0.2**	**0.4**			**(0.8)**	**(136.5)**	**(136.7)**	0.0	**(136.7)**	**(24.0)**	**(160.7)**
Total transactions with owners	0.2	0.4			(0.8)	(136.5)	(136.7)	0.0	(136.7)	(24.0)	(160.7)
Balance at 31 December 2021	**1,709.3**	**262.8**	**197.1**	**173.0**	**(0.8)**	**1,509.2**	**3,850.6**	**701.4**	**4,552.0**	**386.4**	**4,938.4**

Consolidated statement of cash flows

(in € million) – Year ended 31 December	2021	2020
Cash flows from operating activities		
Profit for the period	**328.3**	**307.9**
Adjustments for:		
Net finance costs	106.6	141.6
Other non-cash items	2.1	2.0
Current income tax expense	94.7	127.3
Profit or loss of equity accounted investees, net of tax	(49.4)	(9.2)
Depreciation of property, plant and equipment and amortisation of intangible assets	467.5	432.4
Loss on sale of property, plant and equipment and intangible assets	17.5	8.6
Impairment losses of current assets	0.8	1.4
Change in provisions	1.5	(4.8)
Change in deferred taxes	10.5	0.8
Changes in fair value of financial assets through profit or loss	0.0	0.0
Cash flow from operating activities	**980.1**	**1,008.0**
Change in inventories	17.0	(14.9)
Change in trade and other receivables	639.9	(1,060.8)
Change in other current assets	(0.7)	(0.5)
Change in trade and other payables	2,645.0	(258.6)
Change in other current liabilities	(119.8)	(106.3)
Changes in working capital	**3,181.4**	**(1,441.3)**
Interest paid	(124.9)	(143.2)
Interest received	3.7	4.5
Income tax paid	(87.0)	(164.4)
Net cash from operating activities	**3,953.3**	**(736.4)**
Cash flows from investing activities		
Acquisition of intangible assets	(59.8)	(32.4)
Acquisition of property, plant and equipment	(1,160.5)	(1,049.9)
Proceeds from sale of property, plant and equipment	3.5	2.8
Proceeds from sales of investments	1.6	1.6
Proceeds from capital decrease from equity accounted investees	30.5	15.3
Dividend received	31.8	13.8
Loans and long term receivables	(0.5)	0.0
Net cash used in investing activities	**(1,153.4)**	**(1,049.2)**
Cash flow from financing activities		
Proceeds from the issue of share capital	0.6	5.0
Purchase of own shares	(0.7)	0.0
Dividend paid	(117.5)	(116.0)
Hybrid coupon paid	(19.3)	(19.3)
Dividends to non-controlling parties	(24.0)	(24.0)
Repayment of borrowings	(737.7)	(1,319.5)
Proceeds from withdrawal of borrowings	558.0	2,874.5
Net cash flow from (used in) financing activities	**(340.6)**	**1,400.7**
Net increase (decrease) in cash and cash equivalents	**2,459.3**	**(384.9)**
Cash & Cash equivalents at 1 January	590.1	975.0
Cash & Cash equivalents at 31 December	3,049.4	590.1
Net variations in cash & cash equivalents	**2,459.3**	**(384.9)**

Notes to the condensed consolidated financial statements

General information

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

Elia Group is active in electricity transmission. We ensure that production and consumption are balanced around the clock, supplying 30 million end users with electricity. With subsidiaries in Belgium (Elia) and north-east Germany (50Hertz), we operate 19,276 km of high-voltage connections

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

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

The consolidated financial statements of the company as at and for the full year 2021 contain the financial position and performance of the company and its subsidiaries (collectively referred to as "the Group") and the Group's interests in joint ventures.

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

a. Basis for preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. The group has applied all new and revised standards and interpretations published by IASB and effective for financial years starting on 1 January 2021, which are applicable to the group’s activities.

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

The following standards, amendments and interpretations came into effect in 2021, having with only limited or no impact for on the group:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform phase 2.
- Amendment to IFRS 16 Leases: COVID-19-Related Rent Concessions beyond 30 June 2021 (applicable for annual periods beginning on or after 1 April 2021 but not yet endorsed in the EU).

c. Standards issued but not yet effective

The following standards, amendments and interpretations had not yet taken effect in by 2021. The changes in the below standards, amendments and interpretations listed below are not expected to have a material impact on the annual accounts and are therefore not set out in more detail:

- Amendments to IAS 16 Property, Plant and Equipment - Prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU).
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets; Onerous Contracts – Cost of Fulfilling a Contract (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU);
- Amendments to IFRS 3 Business Combinations - updating a reference to the Conceptual Framework (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU)
- Annual Improvements to IFRS Standards 2018–2020 (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU)
- IFRS 17: Insurance Contracts (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU);
- Amendments to IFRS 4 Insurance contracts – Expiry date of the deferral approach (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 1 Presentation of Financial Statements: Classification of liabilities as Current or Non-current (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU);
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU);
- Amendments to IAS 12 Income Taxes: implementation of a comprehensive balance sheet method of accounting for income taxes(applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU).

Use of estimates and judgements

The condensed consolidated financial statements for the full year 2021 were prepared using estimates and judgements as indicated in note 2.4 accompanying the Group's annual consolidated financial statements as of and for the year ended 31 December 2020.

Subsidiaries, joint ventures and associates

a. Group structure

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

Name	Country of	Headquarters	Stake % 2021	2020
Subsidiaries				
Elia Transmission Belgium NV/SA	Belgium	Bd de l'Empereur 20, 1000 Brussels	99.99	99.99
Elia Asset NV/SA	Belgium	Bd de l'Empereur 20, 1000 Brussels	99.99	99.99
Elia Engineering NV/SA	Belgium	Bd de l'Empereur 20, 1000 Brussels	100.00	100.00
Elia Re SA	Luxembourg	Rue de Merl 65, 2146 Luxembourg	100.00	100.00
Elia Grid International NV/SA	Belgium	Bd de l'Empereur 20, 1000 Bussels	90.00	90.00
Elia Grid International GmBH	Germany	Heidestraße 2, 10557 Berlin	90.00	90.00
Elia Grid International Pte. Ltd.	Singapore	20 Collyer Quay #09-01, Singapore 049319	90.00	90.00
Elia Grid International LLC	Saudi Arabia	Elia Grid International LLC, Level 6, Gate D Al Akaria Plaza Olaya Street, Al Olaya Riyadh 11622 Kingdom of Saudi Arabia	90.00	-
Eurogrid International NV/SA	Belgium	Bd de l'Empereur 20, 1000 Brussels	100.00	100.00
Eurogrid GmbH	Germany	Heidestraße 2, 10557 Berlin	80.00	80.00
50Hertz Transmission GmbH	Germany	Heidestraße 2, 10557 Berlin	80.00	80.00
50Hertz Offshore GmbH	Germany	Heidestraße 2, 10557 Berlin	80.00	80.00
Re.Alto-Energy BV/SRL	Belgium	Bd de l'Empereur 20, 1000 Brussels	100.00	100.00
Re.Alto-Energy GmbH	Germany	Ratinger Straße 9, 40213 Düsseldorf	100.00	100.00
Investments accounted for using the equity-method – Joint Ventures				
Nemo Link Ltd.	United Kingdom	Strand 1-3, London WC2N 5EH	50.00	50.00
Investments accounted for using the equity-method – Associates				
H.G.R.T S.A.S.	France	1 Terrasse Bellini, 92919 La Défense Cedex	17.00	17.00
Coreso NV/SA	Belgium	Avenue de Cortenbergh 71, 1000 Brussels	22.16	22.16
Enervalis NV	Belgium	Centrum-Zuid 1111, 3530 Houthalen-	-	16.52
Investments accounted for using IFRS9 - other shareholdings				
JAO SA	Luxembourg	2, Rue de Bitbourg, 1273 Luxembourg Hamm	7.20	7.20
European Energy Exchange (EEX)	Germany	Augustusplatz 9, 0409 Leipzig	4.32	4.32
TSCNET Services GmbH	Germany	Dingolfinger Strasse 3, 81673 Munich	5.36	5.36
Kurt-Sanderling-Akademie des Konzerthausorchester Berlin	Germany	Gendarmenmarkt, 10117 Berlin	8.32	8.32

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