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Half-year results: Elia Group on track to realise the energy transition

Regulated information

Highlights

- Grid investments progressed ahead of plan, totalling €203.9 million in Belgium and €419.7 million in Germany
- Energy transition furthered through the extension of market coupling mechanism to the day-ahead timeframe
- CREG approved Belgian tariff methodology for 2024-27
- Elia Group successfully completed a €590.1 million capital increase
- Adjusted net profit up by 24.1% reaching €186.7 million, following solid results across all 3 segments
- Financial outlook for 2022 reiterated

> *"Looking back at the first half of the year, the geopolitical context dominated societal debate in Europe. Both in Belgium and Germany, our teams have worked hard on short-term measures to maintain security of supply during the coming winter and on structural measures to accelerate the energy transition. Overall, Elia Group has once again demonstrated its resilience. This resilience was rewarded by a successful capital increase amidst a turbulent financial market. This will enable us to continue to grow and consolidate our contribution to the energy transition."*
>
> ***Chris Peeters, CEO Elia Group***

1. Achievements in the first half of 2022

Rising energy prices and the war in Ukraine trigger renewed sense of urgency across the energy sector

The first half of 2022 involved record-breaking energy prices and the Russian invasion of Ukraine. Both have returned a sense of urgency to the European energy debate, highlighting the need for increased energy independence and reaffirming how key it is for Europe to achieve its climate goals. It is in this vein that policy changes at European and Member State levels have occurred and that Elia Group has carried out its activities over the past few months.

In April, the German government passed its so-called 'Easter package', which included a number of legislative changes and the introduction of new frameworks related to renewable energy and power grids and markets. Alongside eliminating the EEG levy for consumers (the costs for promoting RES will be financed through the Energy and Climate Fund and 50Hertz will keep acting as a trustee), the country is now aiming for 80% of its gross electricity consumption to be covered by renewables by 2030. Additional targets included in the package are reaching 160 GW of onshore wind energy by 2040 and reaching at least 30 GW, 40 GW and 70 GW of offshore wind energy by 2030, 2035 and 2045 respectively. The package also saw renewable energy being defined as an overriding matter of public interest and public security, which should speed up the permitting of new renewable projects and reduce delays associated with legal appeals.

In May, the European Commission published its REPowerEU plan, which aims to rapidly reduce the Union's dependence on Russian fossil fuels by encouraging joint action and accelerating the energy transition, so renewing its fight against climate change. The plan covers measures relating to energy savings, the diversification of energy supplies, and the accelerated rollout of renewable energy.

In response to the current societal request to accelerate the integration of renewable energy, Elia Group is making progress on key projects in Belgium and Germany that are aimed at strengthening the backbone of the Elia Transmission ("Elia") and 50Hertz grids and integrating increasing amounts of renewable energy into the system.

However, an important mismatch exists between European ambitions and the few structural actions that are actually being undertaken. That is why Elia Group published a white paper on hybrid interconnectors (April 2022). If offshore wind development is left to an uncoordinated country-by-country approach, a substantial part of Europe's 300 GW offshore wind potential will be left untapped and Europe is at risk of failing to reach the objectives of the Green Deal - both in terms of timing and in terms of volumes.

GRID MANAGEMENT

APPLYING EXPERTISE TO SERVE SOCIETY

White paper on hybrid offshore interconnectors

Elia Group's new white paper argues that there is a mismatch between Europe's ambitions and the actual progress that has been made in terms of the European Green Deal. Published in April, the white paper asserts that offshore wind development cannot be left to an uncoordinated country-by-country approach. Instead, in order to reach the goal of 300 GW of offshore wind potential by 2050, Europe must support the building of hybrid offshore interconnectors by: reducing the risks and complexity associated with them; securing a conducive investment climate for their delivery; ensuring a fair share of benefits for countries with different interest and baselines; and implementing offshore biding zones.

BELGIUM

Reinforcing the backbone to secure security of supply

Our projects across Belgium are preparing the country for a greener future. Two key activities in this area are the Boucle de L'Est and Mercator-Bruegel projects. Work on the former is well underway, with the schedule for 2022-23 involving the Bronromme-Trois-Ponts section of the line being replaced and upgraded. Once this work has been completed, the line will have been upgraded from 70 kV to 110 kV, so guaranteeing grid stability and securing the integration of renewable production in the country. Moreover, in April, the Flemish Government granted Elia the permit for the Mercator-Bruegel project, which involves the reinforcement of the high-voltage overhead line between the Mercator substation in Kruibeke and Bruegel substation in Dilbeek. The line forms an important part of the backbone of the Belgian high-voltage grid; its reinforcement will mean that it will be able to transport increased electricity flows, so helping to secure the country's electricity supply in future. Work on the line began at the end of April and is due to be finished at the end of 2026.

GERMANY

Important milestones for new on- and offshore substations

In June, a key moment was reached as part of the Arcadis Ost project: the completion of its offshore substation (OSS). The platform, which was developed by Bladt Industries (DK), Parkwind (BE) and 50Hertz (GE), will transform the wind power generated by the Arcadis Ost 1 wind farm's 27 turbines into 220 kV, after which it will be transported via subsea transmission cables to 50Hertz's Lubmin substation on the mainland. The wind farm, which is owned by the wind developer Parkwind, is due to be commissioned in 2023. It will generate enough green energy for up to 290,000 households.

In order to facilitate the integration of renewable energy into the local area of Lusatia, 50Hertz and distribution system operator MITNETZ STROM commissioned the new Altdöbern substation and associated 110 kV connector in June. The substation acts as the interface between 50Hertz's 380 kV extra-high-voltage grid and the 110 kV high-voltage distribution grid, and is helping to provide the region with a secure and reliable supply of electricity.

Frontrunner projects in solar and power-to-heat

Construction work on what will become Europe's largest solar power plant (amounting to a total capacity of 650 MW) was officially started in the second quarter of 2022. The 500-hectare site of the 'Energiepark Witznitz' is located near Leipzig and is due to be directly connected to the 50Hertz grid when completed.

Moreover, two large electric boilers for the power-to-heat plant being built by 50Hertz and Hamburger Energiewerke in Wedel were installed in May. By the end of the year, the plant - which is set to be one of the largest of its kind in Germany with a capacity of 80 MW- will be able to - supply 27,000 housing units with heating that will be generated from green electricity. The plant will go into operation when surplus wind in the north can no longer be transported on power lines.

MARKET FACILITATION

Energy transition furthered through the extension of market coupling mechanism

In June, the flow-based market coupling mechanism was extended to cover the day-ahead timeframe in all 13 countries of the Core capacity calculation region (which includes Belgium and Germany), so furthering the energy transition. Core is one of several European capacity calculation region's (CCRs), within each of which cross-border capacity calculation is coordinated in such a way that supply and demand are kept in balance and price differences between countries are levelled out. The flow-based mechanism enhances this process, since it takes into account congestions across the whole of the regional grid. The adoption of the mechanism across the whole of Core for the day-ahead timeframe marks an important step in the integration of the European energy market, which in turn is crucial for the success of the energy transition.

BELGIUM

Securing additional capacity after partial nuclear phase out

In mid-April, Elia published the results of the rerun that it held of the first capacity remuneration mechanism (CRM) auction. The original CRM auction was held in October 2021; however, the Federal Government issued a ministerial order on 25 March 2022 for the auction to be rerun, given that one of the original successful bidders failed to secure the necessary permit it required to operate. Following the rerun, a gas production unit owned by Luminus was selected as the winning bid; it will therefore join 39 other successful projects in ensuring that Belgium has sufficient capacity available to maintain its security of supply in 2025-26, given the partial nuclear phase-out that has been planned. Elia is currently organizing the next CRM auction for the year 2026-2027, the results of which will be announced in October.

TRUSTEESHIP

GERMANY

EEG levy no longer carried by consumers

As part of its Easter package, which was passed in April, the Government decided to take on the costs of supporting renewable energy projects and pay for them through its federal budget, effectively ending the EEG levy for consumers six months earlier than planned. From July 2022 onwards, therefore, the EEG levy will amount to €0 for consumers. The levy was introduced in 2000 as a means to subsidise the expansion of solar, wind, biomass and hydropower plants.

CORPORATE FUNCTIONS

CORPORATE GOVERNANCE

Annual General Meetings approve 2021 financial results and two new directors

Elia Group held its Ordinary and Extraordinary Annual General Meetings on 17 May. During these, the shareholders approved the 2021 financial results and the appointment of two new directors: Laurence de L'Escaille, who replaced Jane Murphy as an independent director; and Pascale Van Damme, who replaced Saskia Van Uffelen as an independent director.

FINANCE

Existing shareholders and new investors fully subscribe to Elia Group's rights offering

On 15 June, Elia Group announced the launch of a public offering to existing shareholders and any holders of an extra-legal preferential right of up to €590,113,192.50, through the issuance of up to 4,739,865 new ordinary shares at an issue price of €124.50 per share. Following the closing of the rights subscription period and the private placement of scrips to institutional investors on 24 June, 100% of the new shares had been subscribed. The successful rights offering will allow Elia Group to finance important investment projects that will drive the energy transition forward in its home markets. The listing of the new Elia Group shares on Euronext Brussels took place on 28 June 2022.

REGULATION

CREG approves tariff methodology for 2024-27

The Belgian Federal Commission for Electricity and Gas Regulation (the CREG) officially approved the electricity tariff methodology for the period covering 2024-27. The approval follows a public consultation on the methodology, which was launched in April, and its approval by the Federal Government in early June.

The new tariff methodology is similar to the methodology which is currently in force. The regulatory framework will remain as a cost-plus model, with cost coverage of all reasonable costs and remuneration. Based on the parameters described in the methodology the average regulatory return on equity for the period should be around 5.7%, in accordance with the effective results on incentive regulation.

STAKEHOLDER ENGAGEMENT

Elia Group publishes first Integrated Activity Report

Elia Group took its first step towards integrated reporting with the publication of its first Integrated Activity Report in April. This move will eventually lead to the Group's non-financial information being reported on alongside its financial information, connecting people, planet and prosperity together and supporting long-term value creation. The move involves close working between several of the Group's departments, so triggering integrated thinking. It will allow the Group to allocate capital in an efficient manner and strengthen the definition and operationalisation of its business model and strategy.

Elia Group's first Offshore Innovation Day

Given that the European Commission is aiming to make offshore renewable energy "a core component of Europe's energy system" by increasing Europe's offshore wind capacity to 300 GW by 2050, Elia Group held its first ever Offshore Innovation Day in Ostend in June. The event brought together specialists, leaders and project managers in offshore development to discuss innovation in the sector and some of the latest available technology. During the event, TideWise, the winners of Elia Group's 2021 Open Innovation Challenge, shared footage of its unmanned inspection vehicle successfully inspecting the cables leading to the Modular Offshore Grid, Elia's offshore power plug in the North Sea.

North Sea Summit in Esbjerg (DK) highlights the importance of harnessing offshore wind

Attended by the heads of government and energy ministers from Denmark, Germany, the Netherlands and Belgium, the North Sea Summit in May involved the signing of two declarations that highlighted the importance of harnessing offshore wind in the North Sea to strengthen Europe's energy security. Ursula von der Leyen, the President of the European Commission, and Kadri Simson, the European Commissioner for Energy, were present at the signing ceremony. Elia Group CEO Chris Peeters had the honour of being invited to take part in one of the panel discussions. He highlighted the need for collaboration between the European Union, its Member States, industry and transmission system operators.

Elia Group´s compass for a sustainable future

Our ActNow programme translates our sustainability-related ambitions into concrete and measurable targets. It facilitates the integration of sustainability principles into our core business processes and anchors sustainability to our corporate culture.

DIMENSION 1:

Climate action

In early 2022, our ActNow programme was expanded, so that our Climate Action Dimension now includes a fifth objective: **climate resilience**. Our grid is part of the solution for mitigating climate change, but it also needs to be designed, operated and (where necessary) adapted to cope with the impacts of climate change. Making climate resilience an integral part of our ActNow programme ensures its full integration into our decision-making processes. Targets are currently being defined.

Innovation will be key for reducing the CO_2 emissions associated with our operations and improving the long-term sustainability of our assets. It is with this in mind that Elia Group held its first Offshore Innovation Day (see above); moreover, this year's Open Innovation Challenge focused on sustainability. The winner, Sentrisense, proposed a solution that aims to extend the lifetime of our assets. A concrete use case is currently being developed with our technical teams.

Both innovation and resilient infrastructure are key for the future success of Elia Group. To reflect this in our ActNow programme, we have decided to add Sustainable Development Goal (SDG) 9 - Industry, Innovation and Infrastructure - to our prioritised SDGs.

We have established a two-year plan for the in-house development of a Scope 3 Accounting platform. Greenhouse gas (GHG) emissions data will be exchanged with suppliers via this platform to increase data maturity in the categories of Capital Goods (2022) and Purchased Goods and Services (2023). Through this platform, we are confirming our commitment to working towards a carbon-neutral value chain.

We have finalised plans to reduce the electricity consumption of our substations through the adoption of energy efficiency measures and onsite solar PV production. These actions are part of our overall plan to reduce our CO_2 emissions by 28% by 2030.

DIMENSION 2: Environment and circular economy

Over the last few months, we have made progress towards obtaining an ISO14001 (Environmental Management System) certification for both our Belgian and German operations. In Germany, the successful pre-audit that was carried out in May 2022 confirmed that the 50Hertz environmental management system will be ready for certification in October 2022. Internal audit results show continuous progress is being made. In Belgium, the scope and rolling out of necessary measures to prepare for this certification have been validated. Elia is therefore on track to obtain certification in 2023.

To reflect our growing offshore ambitions and explicitly take our impacts and positive contributions in offshore development into account, we have decided to add SDG 14 - Life below water - to our ActNow programme.

DIMENSION 3: Health and safety

Safety is our top priority at Elia Group. Our goal is zero accidents and we strive to make sure that everyone - including our own staff and contractors - return home safely every day. During its Safety Week in May, Elia launched a new awareness campaign: "100% focus, every millisecond." The campaign was launched alongside a set of other prevention measures following last year's fatal accident in Belgium. It reaffirms our commitment to zero accidents and aims to serve as a reminder that safe working requires total concentration. All employees need to watch out for the risk of letting their attention slip when performing routine tasks whilst at work, as being distracted for even the shortest of moments can have serious consequences.

DIMENSION 4: Diversity, equity and inclusion (DEI)

In March 2022, we became a member of the **Equality platform for the energy sector**, which was created by the European Commission to strengthen the commitment to equality, notably by promoting workplaces that are more diverse and inclusive. It functions as a forum through which equality-related issues can be discussed and through which concrete actions that contribute to achieving equality in the energy sector can be shared.

Diversity and inclusion remained high on our agenda in the first half of 2022. Both executive committees attended a training session related to **bias and inclusive leadership**. Several awareness campaigns and initiatives aimed at the whole of the Group's workforce were also launched, notably around support for International Women's day in March and Diversity month in May.

DIMENSION 5:

Governance, ethics and compliance

In this first half of the year, we published our Group-wide Human Rights Policy. The document outlines our commitment to human rights and explains how we live up to it through the operation of our business. It also closes a formal gap that was identified as existing between our activities and the 'minimum safeguards criteria' included in the EU Taxonomy and addresses a forthcoming legal requirement in Germany relating to human rights due diligence.

As part of our Environmental, Social and Governance (ESG) Governance Index, which guides us in introducing the right measures to ensure that we are compliant with all relevant legal and regulatory requirements, 20% of the long-term incentives for executive committee and Elia Group management board are tied to meeting the objectives of our ActNow programme.

2. Key Figures

2.1 Consolidated results and financial position of Elia Group

Key results

Key figures (in € million)	1H 2022	1H 2021	Difference (%)
Revenue, other income and net income (expense) from settlement mechanism	1,952.1	1,311.9	48.8%
Equity accounted investees	24.5	16.8	45.8%
EBITDA	544.2	490.5	10.9%
EBIT	296.3	265.3	11.7%
Net finance costs	(43.8)	(57.9)	(24.4%)
Adjusted net profit	**186.7**	**150.5**	**24.1%**
Net profit	**186.7**	**150.5**	**24.1%**
Non-controlling interests	*19.8*	*16.0*	23.8%
Net profit attributable to the group	**166.9**	**134.5**	**24.1%**
Hybrid securities	*9.6*	*9.6*	0.0%
Net profit attributable to owners of ordinary shares	***157.4***	***124.9***	***26.0%***
Key figures of the financial position (in € million)	2022	2021	Difference (%)
Total assets	20,305.6	18,144.3	11.9%
Equity attributable to owners of the company	5,367.8	4,552.0	17.9%
Net financial debt	3,503.8	4,886.3	(28.3%)
Key figures per share	1H 2022	1H 2021	Difference (%)
Reported earnings per share (in €) (Elia share)	2.29	1.82	25.8%
Equity attributable to owners of the company per share (in €)	63.4	61.1	3.8%

See the glossary for definitions
See Section 4 for information on adjusted items
Comparative figures for Total assets, Equity and Net financial debt as at 31/12/2021

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

— **Elia Transmission (Belgium)**, which comprises regulated activities in Belgium (i.e. the regulated activities of Elia Transmission Belgium);

— **50Hertz Transmission (Germany)**, which comprises regulated activities in Germany;

— **Non-regulated segment and Nemo Link**, which comprises non-regulated activities within Elia Group, Nemo Link, Elia Grid International, Eurogrid International, re.alto, WindGrid and the financing cost linked to the acquisition of an additional 20% stake in Eurogrid GmbH in 2018.

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

Financial

For the first six months of 2022, **revenue** totalled €1,952.1 million, up 48.8% compared to the previous period. This increase was driven by higher revenues in Belgium (+€198.6 million) and Germany (+€464.2 million), which were partially offset by lower revenues from Elia Grid International (-€1.2 million).

EBIT increased compared to the previous period, totalling €296.3 million (+11.7%), driven by a higher EBIT in both Belgium (+€11.3 million) and Germany (+€13.9 million). For Belgium, this increase was the result of a higher regulated net profit, higher depreciations linked to the growing asset base and higher financial costs all passed through into revenue. In Germany, the higher EBIT was mainly a result of higher investment remuneration and lower operational expenditures as prior year costs were marked by a peak in the maintenance cycle. Associates contributed strongly to the Group's EBIT up to €24.5 million, mainly driven by the high contribution of the Nemo Link interconnector, which amounted to €22.8 million (+€7.3 million).

Elia Group's adjusted net profit increased by 24.1%, reaching €186.7 million:

- **Elia Transmission (Belgium)** achieved strong results with an adjusted net profit of €74.2 million (+€12.1 million). The higher result is mainly due to a higher fair remuneration driven by the increase of equity, a higher performance on incentives, a positive regulatory settlement and the one-off tariff compensation for the financial cost linked to the capital increase.

- **50Hertz Transmission (Germany) (on a 100% basis)** recorded a higher adjusted net profit of €98.7 million (+€18.8 million). This result is mainly driven by higher investment remuneration from asset growth, a reduction in onshore operational costs following last year's peak in maintenance, higher financial result driven by lower long-term provisions and partially offset by higher depreciations.

- The **non-regulated segment and Nemo Link** posted strong results with an adjusted net profit of €13.9 million (+€5.5 million), which were driven by the strong performance of Nemo Link these due to the full availability of the interconnector and high market price spreads and partially offset by higher holding costs and the set-up of WindGrid.

The **net profit of Elia Group attributable to the owners of ordinary shares** (after deducting the €19.8 million in non-controlling interest and €9.6 million attributable to hybrid securities holders) was up by 26.0%, reaching €157.4 million. This increase was driven by the realisation of investments in Belgium and Germany, a higher remuneration in Belgium following the capital increase and a strong performance from Nemo Link.

In the first half of the year, Elia Group invested €623.6 million with a focus on projects that are aimed at strengthening the backbone in both the Belgian and German grids and integrating increasing amounts of renewable energy into the system. Elia Group carried a total **net financial debt** of €3,503.8 million (-€1,382.5 million) at the end of June 2022.

The decrease was driven by on one hand the capital increase that took place at the end of June (€590.1 million) and on the other hand a strong decrease in net debt at 50Hertz. This decrease in net debt in Germany (-€688.4 million) is entirely driven by high EEG cash in (+€1,024.8 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 dropped slightly (-€85.5 million) with organic growth financed entirely by cash flow from operating activities.

Elia Group's average costs of debt remained flat at 1.7%, as no new debt has been contracted. Standard & Poor's credit rating of Elia Group remained BBB+ with a stable outlook.

Equity attributable to owners of the company rose by €815.8 million to €5,367.8 million (+17.9%). This increase was mainly due to the net proceeds of the rights issue of €583.2 million, the profit attributable to the owners of the company (+€166.9 million), the revaluation of post-employment benefit obligations (-€2.9 million) and the revaluation of a financial participation in EEX (+€26.2 million) and was offset by the 2021 dividend payment (-€120.3 million). In addition, the hedge reserve increased by €165.5 million, mainly due the revaluation of future contracts for grid losses by 50Hertz (+€152.3 million) and an interest rate hedge by ETB (+€13.0 million).

2.1.A. Elia Transmission (Belgium)

Highlights

— Investment programme on track to deliver needed infrastructure for driving the energy transition
— Higher fair remuneration driven by growing asset base and a higher equity following the capital increase by Elia Group
— One-off tariff compensation for the financial costs linked to the capital increase

Key results

Elia Transmission key figures (in € million)	1H 2022	1H 2021	Difference (%)
Revenue, other income and net income (expense) from settlement mechanism	733.4	534.8	37.1%
Revenues	*648.7*	*475.2*	*36.5%*
Other income	*35.0*	*32.7*	*7.0%*
Net income (expense) from settlement mechanism	*49.7*	*26.9*	*84.6%*
Equity accounted investees	1.7	1.2	41.7%
EBITDA	232.1	216.0	7.5%
EBIT	126.9	115.6	9.8%
Net finance costs	(31.4)	(31.7)	(0.9%)
Income tax expenses	(21.3)	(21.8)	(2.3%)
Net profit	**74.2**	**62.1**	**19.5%**
Adjusted items on net profit	*0.0*	*0.0*	*n.r.*
Adjusted net profit	**74.2**	**62.1**	**19.5%**
Key figures of the financial position (in € million)	2022	2021	Difference (%)
Total assets	7,438.6	7,153.5	4.0%
Total equity	2,822.7	2,445.5	15.4%
Net financial debt	3,355.5	3,441.0	(2.5%)
Free cash flow	(259.5)	(117.6)	120.7%

See the glossary for definitions
See Section 4 for information on adjusted items
Comparative figures for Total assets, Equity and Net financial debt as at 31/12/2021

Financial

Elia Transmission's revenue was up 37.1% compared with 2021, increasing from €534.8 million to €733.4 million. Revenue was impacted by a higher regulated net profit, higher depreciations linked to the growing asset base, one-off tariff compensation for the financial cost linked to the capital increase (i.e. portion allocated to ETB) and higher costs for ancillary services. Higher ancillary services resulted from the high gas prices caused by the war in Ukraine and the increase of imbalance volume caused by the increase of the renewables share.

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

(in € million)	1H 2022	1H 2021	Difference (%)
Grid revenue:	**647.1**	**473.0**	**36.8%**
Grid connection	22.2	22.2	0.0%
Management and development of grid infrastructure	239.3	241.4	(0.9%)
Management of the electrical system	74.3	73.5	1.1%
Compensation for imbalances	168.1	101.6	65.4%
Market integration	11.4	11.4	0.2%
International revenue	131.8	22.9	476.3%
Last mile connection	1.6	1.4	17.9%
Other revenue	0.0	0.8	(100.0%)
Subtotal revenue	648.7	475.2	36.5%
Other income	35.0	32.7	6.9%
Net income (expense) from settlement mechanism	49.7	26.9	84.6%
Total revenue and other income	**733.4**	**534.8**	**37.1%**

Revenues from the **management and development of grid infrastructure**, the **management of the electrical system**, the **market integration** and the **grid connection** remained flat compared to prior year.

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 €101.6 million to €168.1 million (+65.4%), were largely due to the tariff for maintaining and restoring the residual balance of individual access responsible parties (+€67.7 million). The higher balance activation costs due to the increase of gas prices caused by the war in Ukraine and the increase of imbalance volume caused by the increase of renewables share (in particular offshore wind) which are more subject to forecast errors in the generation mix are the main drivers of the revenue increase.

International revenue increased to €131.8 million (+476.3%), mainly due to increasing congestion income on the border with France since the beginning of the year. Indeed, the prices in France are higher than in the rest of Europe due to nuclear unavailability and Belgium, as direct neighbour of France, has a big share of the congestion revenues linked to price spread with France.

The **last mile connection (previously called transfer of asset from customers)** was up compared to the previous year, while **other revenues** dropped by €0.8 million, mainly due to no works delivered to third parties.

The **settlement mechanism** increased from €26.9 million in 2021 to €49.7 million in 2022 and encompassed both deviations in the current year from the budget approved by the regulator (-€4.8 million) and the settlement of net surpluses from the previous tariff period (€54.5 million). The operating deficit (-€4.8 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 (€105.1 million), higher influenceable costs (€95.1 million), a higher net profit (€10.4 million) and higher taxes (€6.7 million) and was partially offset by an increase in tariff sales (€110.1 million), which was mainly driven by imbalance compensations, higher international and other sales (€108.4 million).

EBITDA rose to €232.1 million (+7.5%) due to a higher regulated net profit, higher depreciations linked to the growing asset base and higher financial costs all passed through into revenue. The **EBIT** increased more pronounced (+9.8%) mainly due the lower depreciations of assets not covered by tariffs being the intangible assets expensed during the previous regulatory period and activated under IFRS and for leasing contracts. The contribution of equity-accounted investments increased to €1.7 million due to a higher contribution from HGRT.

Net finance cost remained flat (-0.9%) compared to the previous year, mainly driven by the higher capitalised borrowing cost due to the growth of the asset base (€1.0 million) and partially offset by other financial costs. The financial costs linked to Elia Group's capital increase were allocated to the Belgian regulated activities on a pro-rata basis in accordance to the use of proceeds. Under IFRS, these costs (€3.4 million) are directly accounted through equity. ETB did not tap into the debt market over the first half of 2022 and has a well-balanced debt maturity profile with no upcoming near-term maturities. The average cost of debt remained at 1.9% at the end of June 2022 and all outstanding debt has a fixed coupon.

Adjusted net profit rose by 19.5% to €74.2 million, mainly due to the following:

1. A higher fair remuneration (+€6.0 million) due to asset growth and higher equity. The fair remuneration includes the equity increase allocated to the Belgian regulated activities (€290.1 million) following Elia Group's capital increase.
2. Increase in incentives (+€0.5 million), primarily linked to better performance of the timely commissioning and strong achievements on interconnection capacity.
3. One-off tariff compensation for the financial costs linked to the capital increase (+€3.4 million).
4. Regulatory settlements and the reversal of provision for the influenceable incentive following the Saldi 2021 review (+€2.2 million).
5. Higher capitalised borrowing costs due to a higher level of assets under construction (+€0.9 million).
6. Other (-€0.9 million): this was primarily due to the lower depreciation of software and hardware (+€0.9 million) as some of the assets acquired during the previous regulatory period and covered by its regulatory methodology were written off. This is partially offset by higher damages to electrical installations (-€1.2 million), higher provisions for employee benefits (-€0.3 million) and deferred tax effects (-€0.1 million).

Total assets increased by €285.1 million to €7,438.6 million driven by the proceeds of the capital increase allocated to Elia Transmission (€290.1 million). As per 30 June 2022, this increase was not yet reflected in the statutory accounts of ETB but recorded as a receivable against Elia Group SA leading to a negative free cash flow of -€259.5 million.

The **net financial debt** remained flat at €3,355.5 million (-2.5%), as Elia's CAPEX programme was fully financed by cash flows from operating activities. The sustainability-linked RCF (€650 million), which was extended with 2 years, and the commercial paper (€300 million), which was partially drawn at the end of 2021 (€60.0 million) are fully undrawn at the end of June 2022. Elia Transmission Belgium is rated BBB+ with a stable outlook by Standard & Poor's.

Equity increased to €2,822.7 million (+€377.2 million) mainly due to the reservation of the profit (+€74.2 million), the net proceed from the capital increase of €286.6 million (i.e. the portion allocated to the Belgian regulated activities net of issuing cost), the fair value of an interest rate hedge (+€13.0 million), a lower allocation of equity towards Nemo Link (+€6.3 million). This was partially offset by the revaluation of post-employment benefit obligations (-€2.9 million).

Operational

The total load estimation decreased by 1.65% from 42.8 TWh in 2021 to 42.1 TWh in 2022 mainly due to a decrease of the DSO gross consumption counterbalanced by a higher consumption of the Grid Users connected to Elia's grid. The DSO consumption has been impacted by higher temperatures than last year, an increase of the local production on the distribution grid (mainly solar) and high electricity prices probably impacting the household's consumption behaviour. The higher consumption of the Grid Users connected to Elia's grid is mainly explained by the consumption of Sotel. Indeed, as of January 2022, Sotel decided to consume in Belgium instead of France due to higher prices in France. Indeed, the prices in France increased a lot following nuclear unavailability.

The net offtake from the Elia network decreased by 1.2% from 31.2 TWh in 2021 to 30.8 TWh in 2022. Net injection on Elia network decreased by 9.0% from 36.1 TWh in 2021 to 32.8 TWh in 2022, mainly due to a lower nuclear availability in 2022 compared to 2021 but also a lower amount of production by gas units.

In 2022, Belgium was still a net exporter due to the highly available nuclear injection capacity. However, compared to 2021, the net exports decreased from 5.2 TWh in 2021 to 3.7 TWh in 2022 linked to the lower nuclear injection. Total exports slightly decreased from 11.5 TWh (2021) to 11.0 TWh (2022). Total imports increased from 6.3 TWh in 2021 to 7.3 TWh in 2022.Overall electricity flows between Belgium and its neighbouring countries increased from 20 TWh in 2021 to 21 TWh in 2022.

Investments

Elia continued to deliver on its investment plan. In the first half of 2022, Elia invested €203.9[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 the first half of 2022, there were 145 replacement projects across the Belgian grid, amounting to a total investment of €53.8 million. As mentioned above, Elia continued to carry out important reinforcement works along the existing Belgian 380 kV backbone.

For the upgrade of the Mercator-Bruegel HTLS (€12.2 million), the permit has been received and constructions works started. The last reinforcement works between Avelgem and Avelin part of the 380 kV backbone between Mercator and France, will start in August and will be finalized by the end of the year. Regarding the Massenhoven Van Eyck Corridor (€17.2 million), construction works continue.

As part of the second phase of the Boucle de l'Est investment programme (€4.6 million), the existing Bévercé-Bronromme-Trois-Ponts 70 kV overhead line is being replaced and upgraded by a new double 110 kV line across a distance of 25 km. The reconstruction of the line section Bevercé - Bronromme (16.5km), started in 2020 and was commissioned by the end of 2021. The reconstruction works on the line section Bronromme - Trois-Ponts (8.5km) and the installation of new transformers in Bevercé and Butgenbach are currently ongoing and a commissioning is foreseen in 2023.

[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 €188.3 million.

elia group
Elia | 50Hertz | EGI

2.1.B. 50Hertz (Germany)

Highlights

— Investment plan on track, with good progress made on Ostwind 2 and SuedOstlink project
— Higher result driven by asset growth and lower interest expenses for provisions, while onshore operating costs are maintained under control
— Net debt decreased further compared to end of 2021, which is mainly driven by higher EEG cash flow due to rising energy prices

Key results

50Hertz Transmission key figures (in € million)	1H 2022	1H 2021	Difference (%)
Revenue, other income and net income (expense) from settlement mechanism	1,249.1	784.9	59.1%
Revenues	*991.1*	*764.0*	*29.7%*
Other income	*51.2*	*45.1*	*13.5%*
Net income (expense) from settlement mechanism	*206.8*	*(24.1)*	*(958.1%)*
EBITDA	293.6	262.0	12.1%
EBIT	151.3	137.4	10.1%
Net finance costs	(7.8)	(22.1)	(64.7%)
Income tax expenses	(44.9)	(35.4)	26.8%
Net profit	**98.7**	**79.9**	**23.5%**
Of which attributable to the Elia group	***78.9***	***63.9***	***23.5%***
Adjusted items on net profit	*0.0*	*0.0*	*n.r.*
Adjusted net profit	***98.7***	***79.9***	***23.5%***
Key figures of the financial position (in € million)	2022	2021	Difference (%)
Total assets	11,590.7	9,941.3	16.6%
Total equity	2,130.5	1,928.7	10.5%
Net financial debt	326.5	1,014.9	(67.8%)
Free cash flow	800.2	2,889.4	(72.3%)

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
Comparative figures for Total assets, Equity and Net financial debt as at 31/12/2021

Financial

50Hertz Transmission's total revenue and other income increased compared to 2021 (+59.1%).

Total revenues are detailed in the table below.

(in € million)	1H 2022	1H 2021	Difference (%)
Grid revenue:	**990.6**	**761.1**	**30.1%**
Revenue from incentive regulation	411.1	468.8	(12.3%)
Revenue from offshore regulation	147.8	157.0	(5.9%)
Energy revenue	431.7	135.3	219.1%
Other revenue (incl. last mile connection)	0.5	2.8	(83.5%)
Subtotal revenue	991.1	764.0	29.7%
Other income	51.2	45.1	13.6%
Net income (expense) from settlement mechanism	206.8	(24.1)	(958.2%)
Total revenue and other income	**1,249.1**	**784.9**	**59.1%**

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 decreased by €57.7 million, coming from lower volume effects than last year and lower revenues from the revenue cap. The infeed of renewable energy into the distribution grid was higher than expected, leading to lower volumes in the transmission grid. Consequently, the volume effect was lower than in previous years (-€50.5 million). The revenue cap decrease (-€7.2 million) is mainly driven by the increase of payback for old regulatory balances via the regulatory account (-€33.6 million). Additionally, the pass-through energy costs for reserve power plants decreased compared to last year (-€7.3 million). These effects were partially compensated by an increase of the allowance for onshore investments (+€10.9 million) as well as higher cost allowance for ancillary services (+€24.2 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 decreased compared to the previous year (-€9.2 million) as the remuneration of 50Hertz's own offshore grid connection costs decreased (-€10.4 million), driven by lower maintenance costs compared to previous year (cost-plus regulation) and partially compensated by the ongoing CAPEX programme (e.g. Ostwind 2). The pass-through costs charged to 50Hertz by third parties rise compared to the same period last year (+€1.2 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 (+€296.4 million), due to the continuing rise in energy prices. The charges to other TSOs for redispatch measures increased (+€173.1 million), as did revenues from the compensation of involuntary exchange at the grid's borders (+€19.3 million). Furthermore, higher control power costs were charged to the balancing groups (+€25.8 million) and revenues from the auctioning of interconnector capacities benefitted from the price developments (+€68.0 million).

Other revenues (including last-mile connection) decreased (-€2.4 million), mainly due to lower 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 (+€6.1 million), as a result of higher own work capitalised following the increase in staffing to execute and manage the investment programme (+€4.5 million). Furthermore, revenues from subsidies and grants increased (+€1.4 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 (+€150.0 million); secondly, the balancing of said differences from prior years (+€56.8 million).

EBITDA increased to €293.6 million (+12.1%). The growing asset base benefitted the investment remuneration (+€28.0 million). Onshore maintenance costs decreased (+€1.6 million) compared to last year, as we ramp down from a peak in the maintenance cycle while focussing on operational efficiency and safety. In order to deliver on the energy transition and manage the increasing complexity of system operations in the future, we kept expanding our talent pool leading to higher personnel costs (-€1.8 million). Additionally, the digitalisation of the business is progressing as we face a need to efficiently manage the growing complexity of our system operations. Nevertheless, IT expenses slightly decreased compared to previous year (+€3.4 million). With the expansion of the business and following the recovery from the COVID-19 measures, operational expenses for areas such as consulting, external services and travelling slightly increased (-€0.7 million), while also the net revenues from service level agreements increased (+€1.3 million).

There was a less pronounced increase in **EBIT** (+€13.9 million) driven by higher depreciations (-€17.9 million) following the commissioning of projects. Furthermore, provisions remained flat (+€0.1 million) and no adjusted items occurred in 2022.

Adjusted net profit increased to €98.7 million (+23.5%) as a result of:

1. Higher investment remuneration (+€19.6 million) following the growth of the asset base.
2. Higher financial results (+€10.0 million), driven by the revaluation of provision for congestion income from interconnectors to be returned to grid customers based on upward revision of the interest forward curve.
3. Decreased onshore OPEX and other costs (+€1.7 million), mainly following the ramp-down from last year's peak of the maintenance cycle and lower digitalisation costs, partly offset by the growing workforce driven by the expanding business.
   These effects were partially offset by:
4. Higher depreciations (-€12.5 million), driven by the commissioning of projects.

Total assets rose by €1,649.4 million compared to 2021 mainly due to a favorable development of the EEG business and further progress on the investment programme. The **free cash flow** totalled €800.2 million and was heavily affected by the high cash inflow for the EEG account (+€1,024.8 million). The EEG cash flow was uplifted by further increase in energy prices, leading to higher cash-in than expected. The parliament decided to reduce the EEG surcharge to zero as of 1 July 2022 in order to relieve households and companies in view of the increased electricity costs. In the future, the costs for promoting RES will be financed through the Energy and Climate Fund. 50Hertz will keep acting as a trustee.

The **net financial debt** dropped by -€688.4 million compared to end of 2021 due to the strong increase of the EEG cash balance, while the investment programme was financed from operating cash flow and existing liquidity.
The EEG cash position as of June 2022 amounted to €3,134.8 million. 50Hertz did not tap into the debt market over the first half of 2022 and given all outstanding debt has a fixed coupon, the average cost of debt remained at 1.4% at the end of June 2022.

The **total equity** increased by €201.8 million to €2,130.5 million. This increase is primarily driven by the higher hedge reserve for future contracts (+€190.4 million). Since 2021, 50Hertz applies hedge accounting on future contracts for grid losses. Due to the further increase in energy prices in the first half of the year, the fair value of these contracts increased to €628.4 million. Considering a deferred tax effect, a hedge reserve amounting to €440.3 million was recorded in other comprehensive income. As the costs for grid losses are almost fully passed through to the tariffs, the fair value of the future contracts has no relevance for the current and future profitability of the company.

Operational

In 2022, a net volume of 21.4 TWh was drawn off from the 50Hertz grid, 7.1% less than last year (23.1 TWh). As usual, we were a net exporter of electricity with a net export of 24.9 TWh (17.5 TWh in 2021); this followed from 34.9 TWh in exports and 10.0 TWh in imports (29.1 TWh and 11.6 TWh in 2021, respectively). As of June, the peak load was 8.0 GW (compared to 8.6 GW last year).

Investments

50Hertz invested €419.7 million in 2022, up 89.4% compared to last year. In total, €303.6 million was invested in onshore projects, while offshore investments amounted to €116.1 million.

The most significant onshore investments comprised the DC SuedOstLink line (€116.7 million); the upgrading of high-voltage pylons to boost operational safety (€24.1 million); the restructuring of the substation Lauchstädt (€22.1 million); the overhead line in the southern Uckermark region (€17.5 million); and the restructuring and reinforcement of the overhead line between Wolmirstedt and Güstrow (€17.1 million).

Offshore investments mainly focused on the Ostwind 2 project (€94.6 million), with the next offshore wind farm connection (Ostwind 3) already advancing along the project pipeline (€8.5 million). Furthermore, the realisation of the connection of the offshore wind park Gennaker has started (€2.9 million).

2.1.C. Non-regulated activities and Nemo Link

Highlights

- Realising a positive contribution of €13.9 million to the Group's result
- Nemo Link continuous to deliver a very strong operational and financial performance
- Set-up of WindGrid led to higher operating cost at the holding

Key results

Non-regulated activities and Nemo Link Key figures (in € million)	1H 2022	1H 2021	Difference (%)
Total revenues and other income	18.3	14.2	28.9%
Equity accounted investees	22.9	15.7	45.9%
EBITDA	18.4	12.6	46.0%
EBIT	18.0	12.5	44.0%
Adjusted items	*0.0*	*0.0*	n.r.
Adjusted EBIT	18.0	12.5	44.0%
Net finance costs	(4.5)	(4.3)	4.7%
Income tax expenses	0.4	0.2	100.0%
Net profit	**13.9**	**8.4**	**65.5%**
Of which attributable to the Elia Group	***13.9***	***8.4***	**65.5%**
Adjusted items on net profit	*0.0*	*0.0*	*n.r.*
Adjusted net profit	**13.9**	**8.4**	**65.5%**
Key figures of the financial position (in € million)	2022	2021	Difference (%)
Total assets	2,218.0	1,654.0	34.1%
Total equity	1,420.0	1,142.9	24.2%
Net financial debt	(178.2)	430.4	(141.4%)

See the glossary for definitions
See Section 4 for information on adjusted items
Comparative figures for Total assets, Equity and Net financial debt as at 31/12/2021

Non-regulated revenue increased by 28.9% to €18.3 million compared to 2021. This is the result of lower revenues generated by Elia Grid International ('EGI') (-€1.2 million), as last year's revenues benefited from the commissioning of a turnkey project, while the international consulting business is slowly recovering from the COVID-19 restrictions. This was 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 €22.9 million to the Group's result, which is almost entirely attributable to **Nemo Link**. With an availability rate of 100%, Nemo Link remains one of the highest performing assets of its kind in the world. The very high revenues are the result of the many flow reversals and the fact that the Belgium electricity price in May and June was structurally much higher than the UK electricity price, the opposite was true from the months January until April. This mainly due to a 50% discount of spot NBP gas, which drives UK prices versus TTF gas, which drives continental EU prices and very low nuclear availability in France (only 45%). Nemo Link performed strongly leading to a total net profit of €45.6 million for the first half of 2022 and a contribution to Elia Group's net profit amounting to €22.8 million.

Adjusted EBIT rose to €18.0 million (+€5.5 million). This increase was entirely due to the higher contribution from Nemo Link (+€7.3 million) and partially offset by higher operating costs at the holding linked to the pursuit of inorganic growth ambitions and the set-up of WindGrid (-€1.0 million), higher costs for the development of re.alto (-€0.3 million) and other non-regulated operating costs (-€0.8 million). Despite the drop in revenues, EGI's EBIT increased (+€0.4 million), reflecting the cost control measures.

Net finance cost remained flat at €4.5 million, primarily comprising the interest cost linked to the senior bond (€2.4 million), the cost linked to the Nemo Link private placement (€1.1 million) and other financial costs linked to Elia Group SA. The pro-rata costs linked to the capital increase of Elia Group and allocated to respectively Elia Group SA and Eurogrid International are directly recognised in equity under IFRS (€3.5 million).

Adjusted net profit increased by €5.5 million to €13.9 million, mainly as a result of:

1. Higher contribution from Nemo Link (+€7.3 million).
2. Higher result from EGI (+€0.6 million).
3. Higher holding costs driven by business development activities and set-up of WindGrid (-€1.3 million).
4. Lower contribution from re.alto (-€0.4 million)
5. Other items (-€0.7 million) driven by lower regulatory rejections (+€0.1 million) and offset by higher other non-regulated costs (-€0.8 million)

Total assets increased by 34.1% amounting to €2,218.0 million (+€564.0 million) and the net financial debt dropped significantly (-€608.7 million) due to the net proceeds of the capital increase (€583.2 million). The portion of the proceeds allocated to respectively ETB (€290.1 million) and Eurogrid GmbH (€200 million) will take place in the third quarter of 2022 when the statutory capital increase will be effective.

2.2 Segment reconciliation

Consolidated results (in € million) – period ended 30 June	2022 Elia Transmission (a)	2022 50Hertz Transmission (b)	2022 Non-regulated activities and Nemo Link (c)	2022 Consolidation entries & intersegment transactions (d)	2022 Elia Group (a) + (b) + (c) + (d)
Revenue	648.7	991.1	4.4	(25.6)	1,618.6
Other income	35.0	51.2	13.9	(23.0)	77.1
Net income (expense) from settlement mechanism	49.7	206.8	0.0	0.0	256.5
Depreciation, amortisation, impairment and changes in provisions	(105.2)	(142.3)	(0.3)	0.0	(247.8)
Results from operating activities	**125.2**	**151.3**	**(4.8)**	**0.0**	**271.7**
Share of profit of equity accounted investees, net of tax	1.7	0.0	22.9	0.0	24.6
Earnings before interest and tax (EBIT)	126.9	151.3	18.0	0.0	296.3
Earnings before depreciation, amortisation, interest and tax (EBITDA)	232.1	293.6	18.4	0.0	544.2
Finance income	0.5	0.2	3.5	(3.4)	0.8
Finance costs	(32.0)	(8.0)	(8.0)	3.4	(44.6)
Income tax expenses	(21.3)	(44.9)	0.4	0.0	(65.7)
Net profit attributable to the group	**74.2**	**78.9**	**13.9**	**(0.0)**	**166.9**
Consolidated statement of financial position (in € million)	**30.06.2022**	**30.06.2022**	**30.06.2022**	**30.06.2022**	**30.06.2022**
Total assets	7,438.6	11,590.7	2,218.0	(941.7)	20,305.6
Capital expenditures	188.3	419.7	0.4	0.0	608.4
Net financial debt	3,355.5	326.5	(178.2)	0.0	3,503.8

3. Outlook and other information[2]

Elia Group reiterates its outlook and remains confident in its ability to deliver an **Adjusted Return on Equity (ROE adj.[3]) towards the lower end of 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%. With capital expenditures of €419.7 in the first six months of the year and the good progress of the Ostwind 2 and SuedOstlink project, 50Hertz Transmission is expected to invest roughly €1,000 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, EGI and WindGrid) 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 and the costs linked to business development activities.

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

Elia Group - Outlook	2022
Return on Equity (adj.) (%)	Lower end 6.25%-7.25%

[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 30 June 2022	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 30 June 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**

5. Financial Calendar

Publication of half-year results 2022	27 July 2022
Quarterly statement: Q3 2022	25 November 2022
Sustainability conference	5 October 2022
Publication of full-year results 2022	3 March 2023
Publication of 2022 Annual report	14 April 2023
General Meeting of Shareholders	16 May 2023
Quarterly Statement Q1 2023	17 May 2023
Ex-dividend date	30 May 2023
Record date	31 May 2023
Payment of dividend for 2022	1 June 2023

6. Joint auditors' review report

The joint statutory auditors, Ernst & Young Bedrijfsrevisoren BV/Réviseurs d'Entreprises SRL represented by Mr Paul Eelen and BDO Bedrijfrevisoren BV/Réviseurs d'Enterprises SRL 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 (27 July) at 10:30 a.m. CET
- **2021 annual report**

Disclaimer/Forward-looking statements

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

Glossary

Adjusted items

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

Adjusted items relate to:

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

Adjusted EBIT

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

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

(in € million) – period ended 30 June	2022			
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Elia Group
Results from operating activities	125.2	151.3	(4.8)	271.8
Share of profit of equity accounted investees (net of tax)	1.7	0.0	22.9	24.5
EBIT	**126.9**	**151.3**	**18.0**	**296.3**
Deduct:				
Adjusted EBIT	126.9	151.3	18.0	296.3

(in € million) – period ended 30 June	2021			
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Elia Group
Results from operating activities	114.4	137.4	(3.2)	248.5
Share of profit of equity accounted investees (net of tax)	1.2	0.0	15.7	16.8
EBIT	**115.6**	**137.4**	**12.5**	**265.3**
Deduct:				
Adjusted EBIT	115.6	137.4	12.5	265.3

Adjusted net profit

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

(in € million) – period ended 30 June	2022			
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Elia Group
Profit for the period	**74.2**	**98.7**	**13.9**	**186.7**
Deduct:				
Adjusted net profit	**74.2**	**98.7**	**13.9**	**186.7**

(in € million) – period ended 30 June	2021			
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Elia Group
Profit for the period	**62.1**	**79.9**	**8.4**	**150.5**
Deduct:				
Adjusted net profit	**62.1**	**79.9**	**8.4**	**150.5**

CAPEX

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

EBIT

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

(in € million) – period ended 30 June	2022			
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Elia Group
Results from operating activities	125.2	151.3	(4.8)	271.8
Share of profit of equity accounted investees (net of tax)	1.7	0.0	22.9	24.5
EBIT	**126.9**	**151.3**	**18.0**	**296.3**

(in € million) – period ended 30 June	2021			
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Elia Group
Results from operating activities	114.4	137.4	(3.2)	248.5
Share of profit of equity accounted investees (net of tax)	1.2	0.0	15.7	16.8
EBIT	**115.6**	**137.4**	**12.5**	**265.3**

EBITDA

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

(in € million) – period ended 30 June	2022			
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Elia Group
Results from operating activities	125.2	151.3	(4.8)	271.8
Add:				
Depreciation, amortisation and impairment	104.5	142.4	0.3	247.3
Changes in provisions	0.7	(0.1)	0.0	0.5
Share of profit of equity accounted investees (net of tax)	1.7	0.0	22.9	24.5
EBITDA	**232.1**	**293.6**	**18.4**	**544.2**

(in € million) – period ended 30 June	2021			
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Elia Group
Results from operating activities	114.4	137.4	(3.2)	248.5
Add:				
Depreciation, amortisation and impairment	101.0	124.6	0.2	225.7
Changes in provisions	(0.6)	0.0	0.0	(0.6)
Share of profit of equity accounted investees (net of tax)	1.2	0.0	15.7	16.8
EBITDA	**216.0**	**262.0**	**12.6**	**490.5**

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)	30 June 2022	31 December 2021
Equity	5,794.5	4,938.4
Deduct:		
Non-controlling interests	426.7	386.4
Equity attributable to the owners of the company	**5,367.8**	**4,552.0**

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) – period ended 30 June	2022			
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Elia Group
Net cash from operating activities	(84.8)	1,211.4	290.7	1,417.1
Deduct:				
Net cash used in investing activities	174.8	411.1	(149.6)	436.3
Free cash flow	**(259.5)**	**800.2**	**440.3**	**980.8**

(in € million) – period ended 30 June	2021			
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Elia Group
Net cash from operating activities	124.7	2,057.4	(10.1)	2,171.9
Deduct:				
Net cash used in investing activities	167.2	237.8	(106.6)	298.4
Free cash flow	**(42.5)**	**1,819.7**	**96.5**	**1,873.5**

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)	30 June 2022				31 December 2021			
	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	3,408.0	3,835.9	473.0	7,716.9	3,421.9	3,838.6	481.3	7,741.7
Add:								
Current Liabilities:								
Loans and borrowings	32.4	24.5	13.6	70.6	147.6	33.5	12.9	194.0
Deduct:								
Current Assets:								
Cash and cash equivalents	84.9	3,533.9	664.8	4,283.7	128.5	2,857.2	63.8	3,049.4
Net financial debt	3,355.5	326.5	(178.2)	3,503.8	3,441.0	1,014.9	430.4	4,886.3
EEG surplus (levies)		3,134.8		3,134.8		2,110.0		2,110.0
EEG deficit (levies)								
Net financial debt, exl. EEG position	3,355.5	3,461.3	(178.2)	6,638.6	3,441.0	3,124.8	430.4	6,996.3

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

Net debt/EBITDA

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

EBITDA/Gross interest

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

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

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

(in € million) – period ended 30 June	2022	2021
Equity attributable to ordinary shares	4,656,805,788.1	4,196,758,389.8
Divide by:		
Number of shares outstanding	73,456,328	68,728,055
Equity attributable to owners of ordinary shares	**63.4**	**61.1**

Reported earnings per share (in €) (Elia share)

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

(in € million) – period ended 30 June	2022	2021
Net profit attributable to owners of ordinary shares	157.4	124.9
Divide by:		
Weighted average number of ordinary shares	68,773,950	68,722,792
Reported earnings per share (in €) (Elia share)	**2.29**	**1.82**

About Elia Group

One of Europe's top five TSOs

Elia Group is a key player in electricity transmission. We ensure that production and consumption are balanced around the clock, supplying 30 million end users with electricity. Through our subsidiaries in Belgium (Elia) and northeastern Germany (50Hertz), we operate 19,192 km of high-voltage connections, meaning that we are one of Europe’s top 5 transmission system operators. With a reliability level of 99.99%, we provide society with a robust power grid, which is important for socioeconomic prosperity. We also aspire to be a catalyst for a successful energy transition, helping to establish a reliable, sustainable and affordable energy system.

We are making the energy transition happen

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

In the interest of society

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

International focus

In addition to 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;

- WindGrid NV/SA.

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) – Six-month period ended 30 June	Notes	2022	2021
Revenue		1,618.6	1,234.0
Raw materials, consumables and goods for resale		(29.3)	(51.3)
Other income		77.0	75.1
Net income (expense) from settlement mechanism		256.5	2.8
Services and other goods		(1,205.5)	(603.6)
Personnel expenses		(177.0)	(163.6)
Depreciation, amortisation and impairment		(247.3)	(225.7)
Changes in provisions		(0.5)	0.6
Other expenses		(20.7)	(19.8)
Results from operating activities		**271.8**	**248.5**
Share of profit of equity accounted investees (net of tax)		24.5	16.8
Earnings before interest and tax (EBIT)		**296.3**	**265.3**
Net finance costs		**(43.8)**	**(57.9)**
Finance income		0.8	2.3
Finance costs		(44.6)	(60.2)
Profit before income tax		**252.5**	**207.4**
Income tax expense	(4.12)	(65.8)	(56.9)
Net profit		**186.7**	**150.5**
Profit attributable to:			
Equity holders of the parent - equity holders of ordinary shares		157.4	124.9
Equity holders of the parent - hybrid securities		9.6	9.6
Non-controlling interest		19.8	16.0
Profit for the period		**186.7**	**150.5**
Earnings per share (in €)			
Basic earnings per share		2.29	1.82
Diluted earnings per share		2.29	1.82

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) – Six-month period ended 30 June	Notes	2022	2021
Net profit		**186.7**	**150.5**
Other comprehensive income (OCI)			
Items that may be reclassified subsequently to profit or loss:			
Net changes in fair value of cash flow hedges		290.4	0.3
Foreign currency translation differences of foreign operations		0.0	0.0
Related tax		(86.8)	(0.1)
Items that will not be reclassified to profit or loss:			
Remeasurements of post-employment benefit obligations		(3.9)	10.9
Net changes in fair value of investments		32.7	0.1
Related tax		1.0	(2.7)
Other comprehensive income for the period, net of tax		**233.4**	**8.4**
Total comprehensive income for the period		**420.1**	**158.9**
Total comprehensive income attributable to:			
Equity holders of the parent - ordinary shareholders		346.1	133.3
Equity holders of the parent - hybrid securities holders		9.6	9.6
Non-controlling interest		64.4	16.0
Total comprehensive income for the period		**420.1**	**159.0**

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

Consolidated statement of financial position

(in € million) – As at	Notes	30 June 2022	31 December 2021
ASSETS			
NON-CURRENT ASSETS		**14,483.7**	**13,867.5**
Property, plant and equipment	(4.8)	11,192.0	10,859.5
Goodwill		2,411.1	2,411.1
Intangible assets	(4.8)	164.2	148.6
Equity-accounted investees	(4.4)	279.1	309.6
Other financial assets	(4.11)	435.4	136.3
Trade and other receivables non-current		0.5	0.5
Deferred tax assets	(4.12)	1.4	1.9
CURRENT ASSETS		**5,822.0**	**4,276.8**
Inventories		20.9	21.6
Trade and other receivables	(4.9)	1,100.4	861.3
Current tax assets		50.8	10.1
Other financial assets		334.0	316.2
Cash and cash equivalents		4,283.7	3,049.5
Deferred charges and accrued revenues		32.2	18.1
Total assets		**20,305.6**	**18,144.3**
EQUITY AND LIABILITIES			
EQUITY		**5,794.5**	**4,938.4**
Equity attributable to owners of the Company		5,367.8	4,552.0
Equity attributable to ordinary shares:		4,656.8	3,850.6
Share capital	(4.6)	1,820.5	1,709.2
Share premium	(4.6)	734.8	262.9
Reserves		176.2	173.0
Hedging reserve		362.6	197.1
Treasury shares		(1.7)	(0.8)
Retained earnings	(4.7)	1,564.3	1,509.2
Equity attributable to hybrid securities holde		711.0	701.4
Non-controlling interest		426.7	386.4
NON-CURRENT LIABILITIES		**8,565.7**	**8,471.3**
Loans and borrowings	(4.10)	7,716.9	7,741.7
Employee benefits		102.7	104.9
Provisions		119.3	125.6
Deferred tax liabilities	(4.12)	341.1	209.7
Other liabilities		285.8	289.5
CURRENT LIABILITIES		**5,945.3**	**4,734.6**
Loans and borrowings	(4.10)	70.6	194.0
Provisions		8.3	7.7
Trade and other payables		5,192.0	3,696.4
Current tax liabilities		24.5	26.8
Accruals and deferred income		650.0	809.8
Total equity and liabilities		**20,305.6**	**18,144.3**

elia group
Elia | 50Hertz | EGI

Consolidated statement of changes in equity

(in € million) - Six-month period ended 30 June	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 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						134.5	134.5		134.5	16.0	150.5
Other comprehensive income			0.2			8.1	8.3		8.3	0.0	8.4
Total comprehensive income for the period			**0.2**			**142.7**	**142.9**		**142.9**	**16.0**	**158.9**
Transactions with owners, recorded directly in equity											
Contributions by and distributions to Owners											
Shares issued	0.2	0.4					0.6		0.6		0.6
Issuance costs											
Hybrid: dividend accrual						(9.6)	(9.6)	9.6	0.00		0.0
Hybrid: tax effect on dividend accrual						(2.4)	(2.4)		(2.4)		(2.4)
Dividends to non-controlling interests										(24.0)	(24.0)
Dividends						(117.5)	(117.5)		(117.5)		(117.5)
Total contributions and distributions	**0.2**	**0.4**				**(129.5)**	**(128.9)**	**9.6**	**(119.3)**	**(24.0)**	**(143.3)**
Total transactions with owners	0.2	0.4				(129.5)	(128.9)	9.6	(119.3)	(24.0)	(143.3)
Balance at 30 June 2021	**1,709.3**	**262.8**	**(3.1)**	**173.0**		**1,343.6**	**3,485.6**	**711.0**	**4,196.7**	**318.9**	**4,515.6**
Balance at 1 January 2022	**1,709.2**	**262.8**	**197.1**	**173.0**	**-0.8**	**1,509.2**	**3,850.6**	**701.4**	**4,552.0**	**386.4**	**4,938.4**
Profit for the period						167.0	167.0		167.0	19.8	186.7
Other comprehensive income			165.5			23.3	188.8		188.8	44.6	233.4
Total comprehensive income for the period			**165.5**	**0.0**	**0.0**	**190.2**	**355.7**		**355.7**	**64.4**	**420.1**
Transactions with owners, recorded directly in equity											
Contributions by and distributions to Owners											
Shares issued	118.2	471.9					590.1		590.1		590.1
Issuance costs	(6.9)						(6.9)		(6.9)		(6.9)
Hybrid: dividend accrual						(9.6)	(9.6)	9.6	0.0		0.0
Hybrid: tax effect on dividend accrual						(2.4)	(2.4)		(2.4)		(2.4)
Acquisition of treasury shares					(0.9)		(0.9)		(0.9)		(0.9)
Dividends to non-controlling interests										(24.0)	(24.0)
Dividends						(120.3)	(120.3)		(120.3)		(120.3)
Other				3.2		(2.9)	0.3		0.3		0.3
Total contributions and distributions	**111.3**	**471.9**	**0.0**	**3.2**	**(0.9)**	**(135.1)**	**450.4**	**9.6**	**460.0**	**(24.0)**	**436.0**
Total transactions with owners	111.3	471.9	0.0	3.2	(0.9)	(135.1)	450.4	9.6	460.0	(24.0)	436.0
Balance at 30 June 2022	**1,820.5**	**734.7**	**362.6**	**176.2**	**(1.7)**	**1,564.3**	**4,656.8**	**711.0**	**5,367.8**	**426.8**	**5,794.5**

Consolidated statement of cash flows

(in € million) – Six-month period ended 30 June	Notes	2022	2021
Cash flows from operating activities			
Profit for the period		**186.7**	**150.5**
Adjustments for:			
Net finance costs		49.5	57.9
Other non-cash items		1.1	0.3
Current income tax expense		22.1	51.4
Profit or loss of equity accounted investees, net of tax		(24.5)	(16.8)
Depreciation of property, plant and equipment and amortisation of intangible assets		247.3	225.8
Loss proceeds on sale of property, plant and equipment and intangible assets		(4.8)	3.5
Impairment losses of current assets		0.5	0.8
Change in provisions		(0.8)	0.3
Change in loans and borrowings			1.6
Change in deferred taxes		43.7	5.5
Cash flow from operating activities		**520.8**	**480.6**
Change in inventories		0.3	(3.6)
Change in trade and other receivables	(4.9)	(174.0)	794.3
Change in other current assets		(12.5)	(6.3)
Change in trade and other payables		1,393.8	953.9
Change in other current liabilities		(180.7)	75.5
Changes in working capital		**1,026.9**	**1,813.7**
Interest paid		(67.1)	(68.9)
Interest received		0.7	2.3
Income tax paid		(64.1)	(55.6)
Net cash from operating activities		**1,417.3**	**2,172.1**
Cash flows from investing activities			
Acquisition of intangible assets	(4.8)	(19.4)	(16.7)
Acquisition of property, plant and equipment	(4.8)	(586.9)	(393.1)
Proceeds from sale of property, plant and equipment		18.8	2.8
Proceeds from sales of investments		0.0	1.6
Proceeds from capital decrease from equity accounted investees		33.0	2.0
Dividend received		22.1	9.0
Net cash used in investing activities		**(532.3)**	**(394.4)**
Cash flow from financing activities			
Proceeds from the issue of share capital		590.1	0.6
Expenses related to the issue of share capital		(6.9)	0.0
Purchase of own shares		(0.7)	0.0
Dividend paid	(4.6)	(120.3)	(117.5)
Dividends to non-controlling parties		(24.0)	(24.0)
Repayment of borrowings	(4.9)	(89.0)	(725.7)
Proceeds from withdrawal of borrowings		0.0	514.4
Net cash flow from (used in) financing activities		**349.2**	**(352.2)**
Net increase (decrease) in cash and cash equivalents		**1,234.3**	**1,425.5**
Cash & Cash equivalents at 1 January		3,049.4	590.1
Cash & Cash equivalents at 30 June		4,283.7	2,015.6
Net variations in cash & cash equivalents		**1,234.3**	**1,425.5**

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 19,192 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 condensed consolidated interim financial statements were prepared in accordance with IAS 34 Interim Financial Reporting, issued by the IASB as approved by the European Union.

The condensed consolidated interim financial statements do not include all the information and disclosures required for a complete set of IFRS financial statements and should be read in conjunction with the Group's last annual consolidated financial statements for the year ended 31 December 2021. However, selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the Group's position and performance since the last annual consolidated financial statements.

There were no changes in the accounting policies for the Group compared to the Annual Report 2021. We refer to this Annual Report for a detailed overview of the accounting policies used.

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

The accounting policies applied when preparing the condensed consolidated interim financial statements are consistent with those used to prepare the Group's annual consolidated financial statements for the year ended 31 December 2021.

Standards, interpretations and amendments, effective as from 1 January 2022, can be summarised as follows:

- Amendment to IFRS 16 Leases: COVID-19-Related Rent Concessions beyond 30 June 2021 (applicable for annual periods beginning on or after 1April 2021);
- 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);
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (applicable for annual periods beginning on or after 1 January 2022);
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework (applicable for annual periods beginning on or after 1 January 2022);
- Annual Improvements to IFRS Standards 2018–2020 (applicable for annual periods beginning on or after 1 January 2022).

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

c. Standards issued but not yet effective

The below standards and interpretations are published, but not yet applicable for the annual period beginning on 1 January 2022 and are not expected to have a material impact for the Group and are therefore not set out in detail:

- IFRS 17: Insurance Contracts (applicable for annual periods beginning on or after 1 January 2023);
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (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);
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (applicable for annual periods beginning on or after 1 January 2023);
- 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 % 2022	2021
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	90.00	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
Windgrid NV/SA	Belgium	Bd de l'Empereur 20, 1000 Brussels	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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