Elia Group
2022 half-year financial report

Brussels, 27 July 2022

Content

1. Business performance review

1.1 Consolidated results and financial position of Elia Group for the first 6 months of 2022

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%
Share of net income of equity method entities (net of tax)	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 6 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, implying 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).

1.1.1 Segment reporting 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 6 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 capitalisation of 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 are 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 20.0 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 380kV 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

1.1.2 Segment reporting 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 (%)	Difference
Revenue, other income and net income (expense) from settlement mechanism	1,249.1	784.9	59.1%	+€464.2
Revenues	*991.1*	*764.0*	*29.7%*	*+€227.1*
Other income	*51.2*	*45.1*	*13.5%*	*+€6.1*
Net income (expense) from settlement mechanism	*206.8*	*(24.1)*	*(958.1%)*	*+€230.9*
EBITDA	293.6	262.0	12.1%	+€31.6
EBIT	151.3	137.4	10.1%	+€13.9
Net finance costs	(7.8)	(22.1)	(64.7%)	+€14.3
Income tax expenses	(44.9)	(35.4)	26.8%	-€9.5
Net profit	**98.7**	**79.9**	**23.5%**	**+€18.8**
Of which attributable to the Elia group	***78.9***	***63.9***	**23.5%**	***+€15.0***
Adjusted items on net profit	*0.0*	*0.0*	*n.r.*	*+€0.0*
Adjusted net profit	**98.7**	**79.9**	**23.5%**	**+€18.8**
Key figures of the financial position (in € million)	2022	2021	Difference (%)	Difference
Total assets	11,590.7	9,941.3	16.6%	+€1,649.4
Total equity	2,130.5	1,928.7	10.5%	+€201.8
Net financial debt	326.5	1,014.9	(67.8%)	-€688.4
Free cash flow	800.2	2,889.4	(72.3%)	-€2,089.1

Income, expenses, assets and liabilities are reported in the table at 100%
See the glossary for the definitions
See section 6 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 costs and 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 the strong 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).

1.1.3 Segment reporting 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%
Net finance costs	(4.5)	(4.3)	4.7%
Income tax expenses	0.4	0.2	100%
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. Statement on the true and fair view of the condensed consolidated interim financial statements and the fair overview of the interim management report

The undersigned Chairman of the Management Committee and Chief Executive Officer Chris Peeters and Chief Financial Officer Catherine Vandenborre declare that to the best of their knowledge:

a) the condensed consolidated interim financial statements, which have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union, give a true and fair view of the equity, financial position and financial performance of the company, and the entities included in the consolidation as a whole,

b) the interim management report includes a fair overview of the information required under Article 13, paragraphs 5 and 6 of the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market.

Brussels, 26 July 2022

Catherine Vandenborre
Chief Financial Officer

Chris Peeters
Chairman of the Management Committee &
Chief Executive Officer

3. Condensed consolidated interim financial statements

Condensed 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 holders		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**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed 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	(4.13)	(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

For a segmentation of the revenue, we refer to chapter 1 Business Performance Review.

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated statement of profit or loss and other 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**	**158.9**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed 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**

The accompanying notes are an integral part of these condensed consolidated interim financial statements

Condensed 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	(4.7)	(120.3)	(117.5)
Dividends to non-controlling parties		(24.0)	(24.0)
Repayment of borrowings	(4.10)	(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**

The accompanying notes are an integral part of these condensed consolidated interim financial statements

4. Notes to the condensed consolidated interim financial statements

4.1 General information

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

The Company is a limited liability company, with its shares listed on Euronext Brussels, under the symbol ELI.

The Elia group comprises two electricity transmission system operators (TSOs): Elia Transmission Belgium SA/NV in Belgium and 50Hertz Transmission GmbH, in which the Elia group holds an 80% stake. 50Hertz Transmission GmbH is one of Germany’s four transmission system operators; it operates in the north and east of the country.

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

With around 2,750 employees and a transmission system that comprises some 18,990 km of high-voltage connections and serves 30 million end consumers, the Elia group is one of Europe’s top five TSOs. It efficiently, reliably and securely transports 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 transmission 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, which is a listed company whose reference shareholder is municipal holding company Publi-T SC.

The condensed consolidated interim financial statements were approved by the Board of Directors of Elia Group SA/NV on 26 July 2022.

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

4.2.1 Basis for preparation and new standards

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.

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.

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-curren*t (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).

4.3 Use of estimates and judgements

The condensed consolidated interim financial statements for the first half of 2022 were prepared using estimates and judgements as indicated in note 2.5 accompanying the Group's annual consolidated financial statements as of and for the year ended 31 December 2021.

The impact of the war in Ukraine on our activities

Given the nature and location of its operations and the fact that Elia Group does not currently have activities in Russia nor in Ukraine or with Russian companies, Elia Group does not foresee a direct impact of the Ukrainian conflict on its business. However, there is a strong push at the European level to become less dependent from Russian gas and fossil fuels. Accordingly, the Group observes a willingness among the authorities in Belgium and Germany to accelerate the energy transition. This could lead to an increase of the Group's investment program over the mid-term. In addition, with regard to the increasing inflation rates, no material negative profit impact is expected by Elia Group under its regulatory frameworks.

The impacts of the current market volatility and macroeconomic developments were taken into account by the group to assess potential effects on Elia's financial performance and the valuation of its assets and liabilities. In particular, key assumptions used in the calculation of the post employments obligations have been reviewed to ensure a proper valuation as per 30 June 2022.

4.4 Subsidiaries, joint ventures and associates

Group structure

For detailed accounting policies in respect to ‘Business combinations and Goodwill’, we refer to note 3.1 in the Group’s annual consolidated financial statements as at and for the year ended 31 December 2021.

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

Name	Country of establishment	Headquarters	Stake %	
			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 LLC	Saudi Arabia	Al Akaria Plaza Olaya Street, Al Olaya Riyadh 11622	90.00	90,00
Elia Grid International Pte. Ltd.	Singapore	20 Collyer Quay #09-01, Singapore 049319	-	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	Ratingstraße 9, 40213 Dusseldorf	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
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

In the next few years, large-scale investments in renewable energy production and the offshore grid are due to be undertaken. To make a fundamental contribution to the accelerated development of offshore energy, Elia Group created during the period a new subsidiary: WindGrid.

4.5 Segment reconciliation

We refer to chapter 1 for a detailed description of the performance per segment. In the table below, the segment reconciliation is provided.

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)
Profit attributable to the owners of the company	**74.2**	**78.9**	**13.9**	**(0.0)**	**167.0**
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

Consolidated results (in € million) – Year ended 30 June	**2021**	**2021**	**2021**	**2021**	**2021**
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Consolidation entries & intersegment transactions	Elia Group
	(a)	(b)	(c)	(d)	(a) + (b) + (c) + (d)
Revenue	475.2	764.0	2.8	(7.9)	1,234.0
Other income	32.7	45.1	11.4	(14.2)	75.1
Net income (expense) from settlement mechanism	26.9	(24.1)	0.0	0.0	2.8
Depreciation, amortisation, impairment and changes in provisions	(100.4)	(124.5)	(0.2)	0.0	(225.1)
Results from operating activities	**114.4**	**137.4**	**(3.2)**	**(0.2)**	**248.5**
Share of profit of equity accounted investees, net of tax	1.2	0.0	15.7	0.0	16.8
Earnings before interest and tax (EBIT)	115.6	137.4	12.5	(0.2)	265.3
Earnings before depreciation, amortisation, interest and tax (EBITDA)	216.0	262.0	12.6	(0.2)	490.4
Finance income	0.8	1.5	0.0	0.0	2.3
Finance costs	(32.5)	(23.6)	(4.3)	0.2	(60.2)
Income tax expenses	(21.8)	(35.4)	0.2	0.0	(56.9)
Profit attributable to the owners of the company	**62.1**	**63.9**	**8.4**	**0.0**	**134.5**
Consolidated statement of financial position (in € million)	**31.12.2021**	**31.12.2021**	**31.12.2021**	**31.12.2021**	**31.12.2021**
Total assets	7,153.5	9,941.3	1,654.0	(604.4)	18,144.4
Capital expenditures	417.2	880.4	1.6	0.0	1,299.2
Net financial debt	3,441.0	1,014.9	430.4	0.0	4,886.3

All revenues are earned from external customers.

4.6 Share capital

On 24 June 2022, Elia Group SA/NV successfully completed a public offering of new shares to existing shareholders and any holders of an extra-legal preferential right. Through this offering, the capital of Elia Group SA/NV has increased by an amount of €118.2 million along with an increase in share premium of €471.9 million for which 4.739.865 new shares have been issued at a subscription price of €124.5 per share. €6.9 million of costs were incurred in relation to the capital increase.

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.

4.7 Dividends

On 17 May 2022, the shareholders approved payment of a gross dividend of €1.75 per share, corresponding to a total gross dividend of €120.3 million.

4.8 Acquisitions and disposals of (in)tangible fixed assets

A net sum of €608.4 million was invested in the entire Elia Group, of which €188.3 million in the Belgian segment and €419.7 million in the German segment in the first half of 2022. This amount includes €19.7 million intangible fixed assets (mainly licenses and software) and € 588.7 million tangible fixed assets (mainly machinery and equipment related to the grid) - see section 1.1 and 1.2 here above for more details.

As at 30 June 2022, the Group had a commitment of €2,850.7 million (€2,068.4 million end of 2021) relating to purchase contracts for the installation of property, plant and equipment for further grid extensions.

4.9 Current assets – Trade and other receivables

The increase of trade and other receivables from €861.3 Million at 31 December 2021 to € 1,100.4 Million at 30 June 2022 is mainly related to the German Segment, where the deposits to secure futures contracts increased from €0.3 million to €333.1 million.

4.10 Loans and borrowings

Loans and borrowings as at 30 June 2022 comprise the following:

(in € million) - 30 June 2022	Maturity	Redemption schedule	Amount non-current	Amount current	Interest rate
Eurobond issues 2013/15 years	2028	At maturity	547.8		3.25%
Eurobond issues 2013/20 years	2033	At maturity	199.3		3.50%
Eurobond issues 2014/15 years	2029	At maturity	347.4		3.00%
Eurobond issues 2015/8.5 years	2024	At maturity	499.4		1.38%
Eurobond issues 2017/10 years	2027	At maturity	248.4		1.38%
Senior bond 2018/10 years	2028	At maturity	298.1		1.50%
Eurobond issues 2019/7 years	2026	At maturity	498.8		1.38%
Eurobond issues 2020/10 years	2030	At maturity	790.3		0.88%
Amortising bond – 7.7 years	2028	Linear	42.0	8.3	1.56%
Amortising bond – 23.7 years	2044	Linear	132.4		1.56%
Bond as part of Debt Issuance Programme 2015	2025	At maturity	498.8		1.88%
Bond as part of Debt Issuance Programme 2015	2023	At maturity	749.5		1.63%
Bond as part of Debt Issuance Programme 2015	2030	At maturity	139.3		2.63%
Bond as part of Debt Issuance Programme 2016	2028	At maturity	747.9		1.50%
Bond as part of Debt Issuance Programme 2020	2040	At maturity	199.4		0.88%
Bond as part of Debt Issuance Programme 2020	2032	At maturity	747.6		1.11%
Bond as part of Debt Issuance Programme 2021	2028	At maturity	498.2		0.74%
Registered bond 2014	2044	At maturity	50.0		3.00%
Total bonds			**7,234.6**	**8.3**	
Amortising term loan	2033	Linear	153.7	14.0	1.80%
European Investment Bank	2025	At maturity	100.0		1.08%
Total bank loans			**253.7**	**14.0**	
Loan with KfW	2026	At maturity	150.0		0.90%
Total other loans			**150.0**	**-**	
Lease debts			78.5	13.4	
Accrued interests			-	34.8	
Total Loans and Borrowings (Current and Non-current)			**7,716.9**	**70.6**	

The total repayments of loans and borrowings in the first half of 2022 amounts to € 89.0 million, of which

(i) € 77 million in the segment Elia Transmission (Belgium) (€60.0 million of Commercial Paper, €14.0 million of capital repayment of the amortizing loan and €3.0 million of lease payments

(ii) € 3.5 million in the segment 50Hertz (Germany); and

(iii) € 8.4 million of capital repayment of the amortizing bond in the segment Non-regulated and Nemo Link.

(in € million) - 31 December 2021	Maturity	Redemption schedule	Amount non-current	Amount current	Interest rate
Eurobond issues 2013/15 years	2028	At maturity	547.7		3,25 %
Eurobond issues 2013/20 years	2033	At maturity	199.2		3,50 %
Eurobond issues 2014/15 years	2029	At maturity	347.2		3,00 %
Eurobond issues 2015/8.5 years	2024	At maturity	499.1		1,38 %
Eurobond issues 2017/10 years	2027	At maturity	248.2		1,38 %
Senior bond 2018/10 years	2028	At maturity	297.9		1,50 %
Eurobond issues 2019/7 years	2026	At maturity	498.6		1,38 %
Eurobond issues 2020/10 years	2030	At maturity	789.7		0,88 %
Amortising bond - 7,7 years	2028	Linear	50.4	8.3	1,56 %
Amortising bond - 23,7 years	2044	Linear	132.3		1,56 %
Bond as part of Debt Issuance Programme 2015	2025	At maturity	498.6		1,88 %
Bond as part of Debt Issuance Programme 2015	2023	At maturity	749.4		1,63 %
Bond as part of Debt Issuance Programme 2015	2030	At maturity	139.3		2,63 %
Bond as part of Debt Issuance Programme 2016	2028	At maturity	747.7		1,50 %
Bond as part of Debt Issuance Programme 2020	2032	At maturity	747.4		1,11 %
Bond as part of Debt Issuance Programme 2020	2040	At maturity	199.4		0,88 %
Bond as part of Debt Issuance Programme 2021	2033	At maturity	498.1		0,88 %
Registered bond 2014	2044	At maturity	50.0		3,00 %
Total bonds			**7,240.5**	**8.3**	
Amortising term loan	2033	Linear	167.3	14.4	1,80 %
European Investment Bank	2025	At maturity	100.0		1,08 %
Total bank loans			**267.3**	**14.4**	
Commercial Paper	2022	At maturity		60.0	-0,15 %
Loan with KfW	2026	At maturity	150.0		0,90 %
Total other loans			**150.0**	**60.0**	
Lease debts			83.7	35.1	
Accrued interests				76.4	
Total Loans and Borrowings (Current and Non-current)			**7,741.5**	**194.2**	

4.11 Financial instruments

The table below shows a comparison of the carrying amount and fair value of financial instruments as at 30 June 2022 and the fair value hierarchy:

(in € million)	Carrying amount					Fair value			
	Designated at fair value	Fair value through OCI	Amortised cost	Other financial liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
31 December 2021									
Other financial assets	7.0	399.4	46.2	0.0	452.6	362.6		43.8	406.4
Equity instruments at fair value through other comprehensive income		43.8			43.8			43.8	43.8
Equity instruments at fair value through income	7.0				7.0	7.0			7.0
Derivatives		355.6			355.6	355.6			355.6
Regulatory assets			46.2		46.2				
Trade and other receivables (Current and Non-current)			861.8		861.8				
Cash and cash equivalents			3,049.5		3,049.5				
Loans and borrowings (Current and Non-Current)				(7,935.7)	(7,935.7)	(7,968.8)		(247.8)	(8,216.6)
Unsecured bond issues				(7,248.5)	(7,248.5)	(7,476.8)		(247.8)	(7,724.6)
Unsecured financial bank loans and other loans				(492.0)	(492.0)	(492.0)			(492.0)
Lease liabilities				(118.8)	(118.8)				0.0
Accrued interests				(76.4)	(76.4)				0.0
Trade and other payables				(3,696.4)	(3,696.4)				
Total	7.0	399.4	3,957.5	(11,632.0)	(7,268.2)	n.r.	n.r.	n.r.	n.r.
Balance at 30 June 2022	14.0	1,444.0	80.7	0.0	1,538.7	1,305.6	0.0	152.4	1,458.0
Other financial assets	7.0	722.0	40.3	0.0	769.4	652.8	0.0	76.2	729.0
Equity instruments at fair value through other comprehensive income		76.2			76.2			76.2	76.2
Equity instruments at fair value through income	7.0				7.0	7.0			7.0
Derivatives		645.8			645.8	645.8			645.8
Regulatory assets			40.3		40.3				
Trade and other receivables (Current and Non-current)			1,100.9		1,100.9				
Cash and cash equivalents			4,238.7		4,238.7				
Loans and borrowings (Current and Non-Current)				(7,787.4)	(7,787.4)	(7,031.1)		(166.8)	(7,197.9)
Unsecured bond issues				(7,242.9)	(7,242.9)	(6,613.4)		(166.8)	(6,780.1)
Unsecured financial bank loans and other loans				(417.7)	(417.7)	(417.7)			(417.7)
Lease liabilities				(91.9)	(91.9)				0.0
Accrued interests				(34.8)	(34.8)				0.0
Trade and other payables				(5,192.0)	(5,192.0)				
Total	14.0	1,444.0	5,420.2	(12,979.5)	(6,101.2)	n.r.	n.r.	n.r.	n.r.

The above tables do not include fair value information for cash and cash equivalents, trade and other receivables, trade and other payables, as their carrying amount is a reasonable approximation of fair value. The fair value of finance lease liabilities and accrued interests are not included as there is no requirement for disclosure.

FAIR VALUE HIERARCHY

Fair value is the amount for which an asset could be exchanged or a liability settled in an arm's-length transaction. IFRS 7 requires, for financial instruments that are measured in the statement of financial position at fair value and for financial instruments measured at amortised cost for which the fair value has been disclosed, the disclosure of fair value measurements by level in the following fair value measurement hierarchy:

- **Level 1:** The fair value of a financial instrument that is traded in an active market is measured based on quoted (unadjusted) prices for identical assets or liabilities. A market is considered active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's-length basis.
- **Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These maximise the use of observable market data where these are available and rely as little as possible on entity-specific estimates. If all significant inputs required to assess the fair value of an instrument are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices), the instrument is included in level 2.
- **Level 3:** If one or more of the significant inputs used in applying the valuation technique is not based on observable market data, the financial instrument is included in level 3. The fair value amount included under 'Other financial assets' has been determined by referring to either (i) recent transaction prices, known by the group, for similar financial assets or (ii) valuation reports issued by third parties.

The fair value of financial assets and liabilities, other than those presented in the above table, approximates to their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of other financial assets increased by €322.6 million compared to previous year. The increase mainly results from the fair value of the future contracts entered into by 50Hertz for the purpose of reducing the risk of fluctuations in the expected amount of grid losses. The fair value of these contracts has increased by €272.8 million compared to 31 December 2021 (price effect). The remaining balance is explained by the revaluation of the group's stake in EEX (+€32.4 million) and other derivatives (cash flow hedge for +€17.8 million). The fair value of the Sicav remains stable.

The fair value of the bank loans and bond issues decreased by €1,018.7 million, due to a lower pricing on the market.

The fair value of Sicavs falls into level 1, i.e. valuation is based on the listed market price on an active market for identical instruments.

The derivative from the price hedge for grid loss procurement, which is measured at fair value in OCI without affecting profit or loss, falls under level 1 of the measurement hierarchy. Its value is determined on the basis of the reporting date valuation of the existing futures contracts, which are fully contracted via the EEX electricity exchange and quoted there. Credit and default risks are avoided with this form of price hedging via exchange transactions. The group recognizes derivatives for an amount of EUR 628.4 milllion.

The fair value of the bonds is €6,780.1 million (prior period: €7,724.6 million). Fair value was determined by reference to published price quotations in an active market (classified as level 1 in the fair value hierarchy). The fair value of the registered bond is €43.9 million (€64,0 million as of 31 December 2021) and was determined by reference to third party information, such as pricing services (classified as level 3 in the fair value hierarchy). The fair value of the private placement amounts to EUR 166.8 million (€183,8 million as of 31 December 2021) (classified as level 3 in the fair value hierarchy).

The fair value of other bank loans approximates to their carrying amounts largely due to the short-term maturities of these instruments.

4.12 Deferred tax liabilities

Net deferred tax liabilities increased from €207.8 million to €339.6 million, of which €43.7 million has been recognised in profit or loss and €88.1 million in OCI.

(in € million)	Net tax asset/(liability)	Recognised in profit and loss	Recognised in comprehensive income	Total
1H 2022				
Property, plant and equipment	(221.0)	34.9		(186.1)
Intangible assets	(15.4)	2.1		(13.3)
Financial assets	(105.7)		(86.6)	(192.3)
Non-current trade and other receivables	1.1	(5.7)		(4.6)
Interest-bearing loans and other non-current financial liabilities	46.3	(5.5)	(2.5)	38.4
Employee benefits	14.9	(0.4)	1.0	15.5
Provisions	44.6	(1.8)		42.8
Deferred revenue	14.6	0.2		14.8
Regulatory liabilities	22.2	(73.6)		(51.4)
Deferred tax on investment grants	(1.0)			(1.0)
Losses carried forward	1.0			1.0
Other items	(9.3)	6.0		(3.3)
Total	**(207.8)**	**(43.7)**	**(88.1)**	**(339.6)**

(in € million)	Net tax asset/(liability)	Recognised in profit and loss	Recognised in comprehensive income	Total
2021				
Property, plant and equipment	(210.6)	(10.4)		(221.0)
Intangible assets	(6.3)	(9.1)		(15.4)
Financial assets			(105.7)	(105.7)
Non-current trade and other receivables	0.8	0.3		1.1
Interest-bearing loans and other non-current financial liabilities	27.6	18.9	(0.2)	46.3
Employee benefits	19.0	2.9	(7.0)	14.9
Provisions	46.8	(2.2)		44.6
Deferred revenue	22.5	(7.8)		14.6
Regulatory liabilities	22.6	(0.4)		22.2
Deferred tax on investment grants	(1.1)		0.1	(1.0)
Losses carried forward	0.8	0.2		1.0
Other items	(6.5)	(2.8)		(9.3)
Total	**(84.5)**	**(10.5)**	**(112.8)**	**(207.8)**

4.13 Income tax expense

Excluding the share of profit of equity-accounted investees, the best estimate of the weighted average annual income tax rate expected for the full financial year was 28.9% for the six months to June 2022 compared to 29.9% for the six months to June 2021.

4.14 Settlement mechanism (regulatory framework)

In Belgium, the settlement arising from the tariff regulation mechanism for the year ended 31 December 2021 was accounted for in the period ended 30 June 2022 and decreased the net profit for the period by €4.0 million.

In Germany, there are no changes in the regulatory uncertainties due to the final settlements arising from the tariff regulation mechanisms to be approved by the relevant authorities.

We refer to notes 9.1, 9.2 and 9.3 accompanying the annual consolidated financial statements as of and for the year ended 31 December 2021 for more details.

4.15 Related parties

Controlling entities

The core shareholder of Elia Group is still Publi-T. Other than the yearly dividend payment, no transactions occurred with the core shareholder in the six months ended 30 June 2022.

Transactions with key management personnel

Key management personnel include Elia's Board of Directors and Elia's Management Committee. Both Elia's Board of Directors and Elia's Management Committee have a significant influence across the entire Elia Group.

At 50Hertz Transmission (Germany), key management personnel include Eurogrid International CVBA's Board of Directors, who are responsible for monitoring the activities of 50Hertz Transmission (Germany). Key management personnel also includes the Board of Management of 50Hertz Transmission and the Supervisory Board, which was established in the German segment.
Key management personnel did not receive stock options, special loans or other advances from the Group during the year.

There were no significant transactions with entities in which Elia's Management Committee members or Elia's Board of Directors' members exercise a significant influence (e.g. holding positions such as CEO, CFO or members of the Management Committee) in the first half of 2022.

Transactions with joint ventures and associated companies

Details of transactions with joint ventures and associated companies are shown below:

(in € million) – period ended 30 June	2022	2021
Transactions with joint ventures and associated companies	**(6.5)**	**1.1**
Sales of goods	1.2	1.9
Purchases of goods	(7.6)	(0.8)
(in € million)	**30 June 2022**	**31 December 2021**
Outstanding balances with joint ventures and associated companies	**(1.0)**	**(0.9)**
Trade debtors	(0.5)	(0.7)
Trade debts	(0.5)	(0.2)

Transactions with other related parties

In addition, Elia's Management Committee also assessed whether transactions occurred with entities in which they or members of the Board of Directors exercise a significant influence (e.g. positions as CEO, CFO, vice-presidents of the Management Committee, etc.).

There were some transactions with parties in which these key persons have a significant influence. All these transactions took place in the normal course of Elia's business activities. There were expenses for a total amount of €1.1 million and an outstanding payable of -€0.2 million (vendor with debit balance). There were no sales transactions in the first half of 2022, nor any outstanding receivable per 30 June 2022.

4.16 Seasonal fluctuations

Part of the Group's revenue (mainly German Segment) profile follows a seasonal pattern, primarily due to the higher volumes of electricity consumed during the winter that have to be transmitted by the grid operator from power generators to distributors and large industrial customers, and also due to the impact of renewable energies, which are highly sensitive to weather conditions and hence have a considerable effect on revenue inflows and the course of business.

4.17 Events after the reporting date

Management is not aware of any other material events to report since 30 June 2022, which could affect the condensed consolidated interim financial statements.

4.18 Regulatory framework

Regulatory framework in Belgium

In 2022, there were no significant changes to the regulatory framework applicable for the regulatory period 2020-2023 in Belgium (as described in note 9.1 to the annual consolidated financial statements as of and for the year ended 31 December 2021).

On 30 June, 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.

Regulatory framework in Germany

In 2022, there were no significant changes to the regulatory framework in Germany applicable until 31 December 2023 (as described in note 9.2 to the annual consolidated financial statements as of and for the year ended 31 December 2021).

Regulatory framework for the Nemo Link interconnector

In 2022, there were no significant changes to the regulatory framework for the Nemo Link interconnector. (as described in note 9.3 to the annual consolidated financial statements as of and for the year ended 31 December 2021).

5. Joint statutory auditor's report to the board of directors of Elia Group NV on the review of the condensed consolidated interim financial information as at 30 June 2022 and for the six-month period then ended

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Elia Group NV as at 30 June 2022, the condensed consolidated statement of profit or loss, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial information"). The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2022 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Brussels, 26 July 2022

Joint statutory auditors

BDO Réviseurs d'Entreprises SRL /
Bedrijfsrevisoren BV
represented by

Felix Fank*
Partner
*Acting on behalf of a BV/SPRL

EY Réviseurs d'Entreprises SRL /
Bedrijfsrevisoren BV
represented by

Paul Eelen*
Partner
*Acting on behalf of a BV/SRL

6. Alternative performance measures

The Half-year Financial Report contains certain financial performance measures that are not defined by IFRS and are used by management to assess the **financial and operational performance of the Group**. The main alternative performance measures used by the Group are explained and/or reconciled with our IFRS measures (Consolidated Financial Statements) in this document.

The following APM's appearing in the Half-year Financial Report are explained in this appendix:

- Adjusted items
- Adjusted EBIT
- Adjusted net profit
- CAPEX (Capital Expenditures)
- EBIT
- EBITDA
- Equity attributable to the owners of the company
- Equity attributable to the owners of the company (per share)
- Reported earnings per share (in €) (Elia share)
- Free cash flow
- Net finance costs
- Net financial debt
- Regulatory Asset Base (RAB)

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 EBIT

Adjusted EBIT is defined as EBIT excluding the adjusted items.
EBIT (Earnings Before Interest and Taxes) = adjusted result from operating activities, which is used to compare the operational performance of the Group over the years. The adjusted 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 provisions and other operating expense and plus the share of equity accounted investees – net and 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 the adjusted items. The adjusted net profit is used to compare the performance of the Group over the 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 (Capital Expenditures)

CAPEX (Capital Expenditures) = Acquisitions of fixed assets (a.o. property, plant and equipment and intangible assets) minus proceeds from sale of fixed assets. Capital expenditures, or 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 as 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 is used for the operational performance of the Group. The 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 expense and 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	22.853	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) = results 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 for the operational performance of the Group, thereby extracting the effect of depreciations, amortisation and changes in provisions of the Group. EBITDA excludes the cost of capital investments like property, plant, 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 ordinary shareholders and hybrid security holders, but 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**

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

(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)

(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**

Free cash flow

Free cash flow = 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

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

Net financial debt

Net Financial Debt = Non-current and current interest-bearing loans and borrowings (incl. lease liability under IFRS 16) minus cash and cash equivalents. Net financial debt is an indicator of the amount of interest-bearing debt of the Group 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)

Regulated asset base (RAB) is a regulatory concept and an important driver to determine the return on the invested capital in the TSO through regulatory schemes. The RAB is determined as follows: 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 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.