PRESS RELEASE | Brussels, 28 July 2021 8:00 am – Elia Group (Euronext: ELI)

Half-year results: Elia Group delivers on investments to further decarbonise society

Regulated information

Highlights

- Grid investments totalling €164.9 million in Belgium and €221.6 million in Germany to ensure a reliable and sustainable system
- Adjusted net profit down by 1.6% to €150.5 million following increased maintenance and personnel costs in Germany compensated by a strong performance of Nemo Link and solid operations in Belgium
- Eurogrid GmbH has successfully issued a €500 million Eurobond
- Financial outlook expected in the upper end of the targeted 5.5% - 6.5% adjusted Return on Equity range for 2021

> *In the first half of 2021, Elia Group was fully committed to meeting the targets that we have set to realise the net-zero society. This has two major dimensions: a massive expansion of our transmission infrastructure and a full digitalisation of the system to manage it. Therefore, I would explicitly like to thank our employees and our contractors. To realise projects on time and within budget in COVID times, you need strong teams that fully understand our social commitment.*
>
> ***Chris Peeters, CEO Elia Group***

1. Achievements in the first half of 2021

ACCELERATING TOWARDS CARBON NEUTRALITY

As an enabler of the energy transition, Elia Group welcomes the European Commission's plans to revise key legislation to work towards the goals of reducing greenhouse gas emissions by at least 55% by 2030 and reaching carbon neutrality by 2050. The right legislative framework, together with the necessary energy infrastructure and tools, will enable consumers to fully benefit from competitive energy services and sustainable and reliable electricity.

To this end and in line with the best interests of society, we are committed to accelerating the expansion of our onshore and offshore electricity transmission grids in Belgium and Germany, thus building the infrastructure of the future, sustainably enhancing our operational practices, upgrading the current market design and facilitating the digitalisation of the power sector. Each of these activities will facilitate the green and digital transition and a swift economic recovery.

BUILDING THE INFRASTRUCTURE OF THE FUTURE

Throughout the first half of 2021, we made solid progress on our onshore and offshore infrastructure projects in Belgium and Germany. These projects – which range from bolstering our grids to building interconnectors with our neighbours – contribute to the establishment of an integrated European grid.

BELGIUM

Further strengthening the Belgian backbone

Elia is currently working on various projects that aim to strengthen the backbone of Belgium's electricity grid and bolster the country's security of supply. Two parts of the grid are currently being upgraded: the north-south axis between Kruibeke and Dilbeek and the line running between Zandhoven and Kinrooi in Limburg. Both of these sections will be fitted with a new type of conductor allowing the transmission of greater electricity flows (5 GW) throughout the country in the future. The upgraded line in Limburg will also facilitate the exchange of electricity between Belgium and the Netherlands. The work is due to be finished by the end of 2024.

Elia has also begun dismantling the high-voltage line between Londerzeel and Mechelen: the 70 kV high-voltage line has reached the end of its life. Over the course of 2021, the conductors are due to be removed over a distance of 10 kilometres. In 2022, Elia will dismantle the line's high-voltage pylons. Furthermore, the replacement of 10 km of the existing 70 kV overhead line between Auvelais and Gembloux has begun, following the finalisation of the permit for the work. The line is due to be replaced with a 150 kV underground line.

Cross-border interconnection

A phase-shifting transformer (PST) has been successfully commissioned at the Monceau-sur-Sambre high-voltage substation. The PST is an important part of Belgium's interconnection with France. The project involves upgrading five substations and laying 60 km of cable, thus improving the supply of electricity in the region.

GERMANY

Offshore developments

The connection of offshore windfarms is progressing well. The first cable sections for the Ostwind 2 project, which will connect the Baltic Sea wind farms (Arcadis Ost 1 and Baltic Eagle) to 50Hertz's grid, have been installed along the seabed. Land cables have also been successfully laid between the landing point where the submarine cable – connecting the two wind farms – meets the mainland and the onshore Lubmin substation. The two Baltic Sea wind farms will provide total generation capacity of approximately 725 MW and are set to go online in 2023 and 2024.

Onshore grid resilience

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

Construction work being undertaken as part of multiple overhead line projects is also progressing well across the rest of the 50Hertz grid area. The eastern section of the 380-kV North Berlin line (which is 75 kilometres long) will replace a 220-kV connection dating back to the 1950s. In addition to the construction of this new line, the project also includes the conversion of several substations. Nearby, foundation work has begun along the southern section of the Uckermark line. Construction work aimed at replacing pylons and conductor cables has also begun on the Pulgar-Viesselbach line in Thuringia; these will be designed to transmit 3,600 amperes (roughly 40% more transmission capacity).

SYSTEM OPERATION

Inside Information Platform launched

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

PERMITS AND CONTRACTS

Hansa Power Bridge planning procedure launched

The planning approval procedure for the coastal waters section of the Hansa Power Bridge project was initiated in February by the Ministry of Energy, Infrastructure and Digitalisation for the state of Mecklenburg-Western Pomerania in Germany. The project involves laying a 300-kV DC cross-border submarine cable between Germany and Sweden.

Contract for converter stations awarded for SuedOstLink

The contract to build two converter stations for SuedOstLink – a joint project between 50Hertz and TenneT and a key link in the transmission of large volumes of renewable energy – has been awarded. This direct current (DC) connection runs from northern Germany, where there is a great deal of wind power, to major consumption centres in the south of the country. The two converter stations are needed to convert the electricity to alternating current (AC).

ESTABLISHING STRONG PARTNERSHIPS

Cooperation agreement with Energinet

Elia Transmission Belgium and Energinet have set up a working group to examine the feasibility of a hybrid interconnector between Belgium and Denmark that would link the high-voltage grids of both countries over a distance of more than 600 km. If the project goes ahead, on the Danish side, the interconnector will be connected to a new 'energy island', which will be built 80 km off the Danish coast and to which a large 10 gigawatt (GW) wind farm could eventually be connected. This will give Belgium direct access to the bulk renewable energy it needs in order to decarbonise its energy-intensive industry and to achieve the EU's climate objectives. A joint report on the economic and technical feasibility of the project is currently being prepared and is expected to be published by the end of this year.

50Hertz and Energinet have also signed a letter of intent to connect both Germany and Denmark to an offshore hub which will hold around 2,000 MW of wind power capacity and is due to be built on the island of Bornholm in the Baltic Sea. The project builds on the successful cooperation between both companies which resulted in the construction of the world’s first hybrid interconnector in 2020: the Kriegers Flak Combined Grid Solution. This new project will result in a second hybrid interconnector in the Baltic Sea, which will link the power grids of both countries while also being connected to offshore wind farms along the route. The economic and technical basis for the implementation of the project is currently being explored by both TSOs.

Partnership with BESIX for smart buildings

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

Elia and Red Eléctrica de España sign agreement to enhance asset management

Elia and Spanish transmission system operator Red Eléctrica de España (REE) have signed an agreement on enhancing asset management. The TSOs will set up a joint Asset Management Expertise Centre to develop innovative grid management approaches. Elia and REE will also further develop the SAGA platform, which relies on artificial intelligence to optimise asset management and is now co-owned by both companies. The innovation pact, the first of its kind in Europe, will enable both companies to successfully address the challenges presented by the energy transition.

ACCELERATING INNOVATION IN THE ENERGY SECTOR

Drones and AI used to optimise maintenance

Both Elia and 50Hertz have decided to collaborate with external partners to use artificial intelligence to analyse footage produced from drone and helicopter inspections of their assets. By using algorithms and image analysis, asset irregularities can be detected at an early stage, leading to a more targeted, safer and more efficient maintenance of assets.

Advisory and Project Board established to support 50Hertz

50Hertz established a Scientific Advisory and Project Board (SAPB) that aims to address the challenges brought about by the energy transition. The new advisory body comprises 21 renowned German scientists from different fields, including Prof Dr Veronika Grimm, member of the German Council of Economic Experts, and Prof Dr Andreas Löschel, Chairperson of the Expert Commission for the Energie der Zukunft (Energy of the Future) Monitoring Report.

Five projects enter second phase of testing as part of IO.Energy

Thirty companies from different sectors were selected to participate in the second phase of project testing as part of the Internet of Energy (IO.Energy) project in May. IO.Energy is an ecosystem of market players working together to develop new consumer-centric services; it is facilitated by five Belgian system operators, including Elia. Five projects involving electric mobility, local energy communities, green tracking and grid support services entered the pilot phase. These projects might develop into new products or services that prepare the energy landscape for the energy transition.

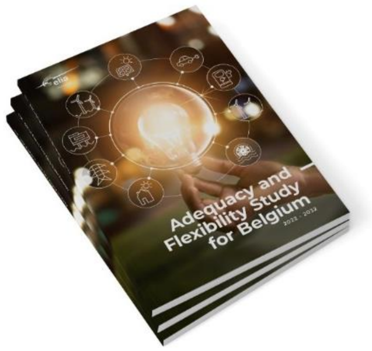
APPLYING EXPERTISE TO SERVE SOCIETY

Consumer-Centric Market Design

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

Adequacy and Flexibility Study for Belgium

Elia has published its *Adequacy and Flexibility Study for Belgium* for the period 2022-2032. The adequacy assessments were performed using new European methodologies and the study was prepared in close collaboration with different authorities from the energy sector.



As outlined in the study, to ensure Belgium's security of supply during the period 2022-2032 attention must be paid to the impact of the gradual phase-out of nuclear power (as required by law) and the changes brought about by the European Green Deal. Based on the numerous calculations we performed and the various scenarios we examined, three key messages were identified. Firstly, the study reconfirms that there is an urgent need for 3.6 GW of new capacity as of 2025, following Belgium's phase-out of nuclear power. Secondly, since the current markets will not provide sufficient stimulus for the needed investments, a supporting mechanism, such as the capacity remuneration mechanism (CRM) currently being introduced in Belgium, is needed. Thirdly, Belgium must prepare for its transformation into a carbon-neutral society by 2050.

The CRM aims to avoid security of supply issues from 2025 onwards. Once approved by all authorities, it will ensure that compensation is provided to electrical capacity providers in exchange for them making new capacity available after this date. All types of electrical capacity providers in Belgium – current and new – have been invited to participate in an auction which Elia is hosting four years ahead of the first delivery period of this capacity, which will begin on 1 November 2025. Elia will therefore be hosting the first auction in October later this year, during which capacity providers will bid for the opportunity to provide capacity. A pre-qualification round, which capacity providers had to complete in order to be able to take part in the auction, was launched in May and closed in June.

FINANCE

€500 million corporate bond issued by Eurogrid GmbH

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

CORPORATE GOVERNANCE

Elia Group and Elia Transmission Belgium board members appointed

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

Lieve Creten was appointed as Elia Transmission Belgium's new independent director. Mrs Creten replaced Frank Donck at Elia Transmission Belgium, whose voluntary resignation took immediate effect.

AWARDS

Elia Group receives BelMid Company of the Year 2020 award

Elia Group received the BelMid Company of the Year 2020 award, in recognition of the fact that it achieved the greatest relative growth in terms of market capitalisation in 2020 on Euronext Brussels. Elia Group has been listed on Euronext Brussels since 2005.

Elia Group rejoins the BEL 20 index

In March, Elia Group rejoined the BEL 20 index, the benchmark index of Euronext Brussels. This confirmed the market's confidence in Elia Group's delivery of its growth strategy, and further enhanced the Group's solid reputation, which is key for attracting new investors and talent.

Elia awarded Top Employer label in Belgium

For the fourth year in a row, Elia was named one of the best employers in Belgium. The Top Employer label is awarded to companies that provide an excellent working environment for their employees.

Elia Group's compass for a sustainable future

The activities outlined above – from grid development projects to the studies we publish – are all carried out in order to facilitate a green and digital transition. With a view to embedding sustainable practices in the Group's activities, we launched our Act Now programme, which encompasses a range of concrete and measurable targets that will ensure Elia Group continues to operate sustainably. Act Now includes the following five dimensions (which are outlined in more detail below): climate action; environment and circularity; health and safety; diversity, equity and inclusion; and governance, ethics and compliance.

Dimension 1

Climate action – the most important key area

One of the most important ways to accelerate the decarbonisation of society is further strengthening the power grid in order to facilitate the integration of more renewable energy sources (RES). In addition to the converters being ordered for SuedOstLink (as mentioned above), the Mecklenburg-Western Pomerania Ministry of Energy in Germany has granted planning approval for the first part of the connection which runs between Parchim South and Perleberg in June 2021. The project involves the construction of a 380-kV 40 km overhead line, which will replace a 70-year-old connection. Construction work on the line is set to begin in October.

In addition, Elia Group launched its Green Works project, which systematically assesses the CO2 footprint of future work that needs to be carried out. The first tender launched in line with this project explicitly includes scope 3 (emissions from value chain) data collection requests in its technical specification.

Lastly, as of June 2021 all of 50Hertz's administrative offices will be supplied with green electricity. Elia Group is advancing towards its goal of decreasing emissions from mobility by 90% by 2030: 37 electric vehicles (EVs) have been added to its fleet, while the rollout of charging infrastructure is ongoing with 71 charging stations installed in both headquarters as of July 2021.

Dimension 2

Environment and circular economy

Both Elia and 50Hertz have been reducing their use of herbicides. In particular, Elia increased the number of herbicide-free substations from 8 in 2020 to 31 as of 30 June 2021. Priority was given to high-voltage substations located in nature reserves or near care institutions, such as schools. 50Hertz has also further progressed towards the goal of banning herbicides by 2022. In the southern and central regional centres most of the weeding activities are now implemented without the use of herbicides.

Both companies have also implemented further measures under the green areas programme. 50Hertz established 30,000m2 of flowering meadows around its substations, aiming to encourage biodiversity. Relatedly, Elia Group's ecological management of forest corridors and bird protection markers programmes are well underway.

Dimension 3

Health and safety

Following the successful implementation of the 'Safety Culture Ladder' across Elia's teams, **the ladder is now being introduced for work undertaken by its contractors**, in order to minimise accident rates. Recently, Engie and Elia have been in talks about establishing a common safety culture across both organisations. The certification process has been kicked-off with contractors engaged in painting works.

In an effort to increase awareness about the importance of well-being, Elia sets its employees regular challenges as part of its **Care4Energy Programme**. In June, for example, Elia employees teamed up to complete that month's step challenge - and succeeded in collectively completing enough steps to walk around the world twice.

Dimension 4

Diversity, equity and inclusion

Elia Group published a **Diversity, Equity & Inclusion Charter** outlining the management team's commitment to further embedding diversity, equity and inclusion across the organisation. In this connection, a Group-wide **diversity and inclusion awareness campaign** was launched that involves interactive discussion sessions that focus on how diversity can be fostered, encouraged and celebrated in our day-to-day activities.

Dimension 5

Governance, ethics and compliance

In June, Elia Group introduced its new joint Group **Code of Ethics**, which summarises our vision and core principles for act as a good corporate citizen. The Code covers topics such as integrity and compliance, diversity, equality and inclusion as well as information handling.

Given that the COVID-19 vaccination is being rolled out and lockdown measures are easing, Elia Group is slowly resuming its in-person dialogue activities. Two information fairs were safely organised in local communities in relation to two substation projects, and the **Dialogmobil** is again on the road to engage in discussions about grid projects.

2. Key Figures

2.1 Consolidated results and financial position of Elia Group for the first six months of 2021

Key results

Key figures (in € million)	1H 2021	1H 2020 (restated *)	Difference (%)
Revenue, other income and net income (expense) from settlement mechanism	1,311.9	1,176.3	11.5%
Equity accounted investees	16.8	7.1	136.6%
EBITDA	490.5	497.4	(1.4%)
EBIT	265.3	285.3	(7.0%)
Adjusted items	*0.0*	*(0.3)*	n.r.
Adjusted EBIT	*265.3*	*285.6*	*(7.1%)*
Net finance costs	(57.9)	(69.5)	(16.7%)
Adjusted net profit	**150.5**	**153.0**	**(1.6%)**
Net profit	**150.5**	**152.8**	**(1.5%)**
Non-controlling interests	*16.0*	*18.9*	n.r.
Net profit attributable to the group	**134.5**	**133.9**	**0.4%**
Hybrid securities	*9.6*	*9.6*	n.r.
Net profit attributable to owners of ordinary shares	***124.9***	***124.2***	***0.6%***
Total assets	16,021.2	15,165.6	5.6%
Equity attributable to owners of the company	4,196.8	4,173.2	0.6%
Net financial debt	5,826.0	7,465.0	(22.0%)
Key figures per share	1H 2021	1H 2020 (restated *)	Difference (%)
Reported earnings per share (in €) (Elia share)	1.82	1.81	0.6%
Equity attributable to owners of the company per share (in €)	61.1	60.8	0.5%

See the glossary for definitions
See Section 5 for information on adjusted items
Comparative figures for Total assets, Equity and Net financial debt as at 31/12/2020
*Compared to the first half of 2020, the preferential dividend paid to National Grid (€9.1 million, 100%) was requalified as a liability to be released over the lifetime of the asset

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

- **Elia Transmission (Belgium),** which comprises regulated activities in Belgium (i.e. the regulated activities of Elia Transmission Belgium);
- **50Hertz Transmission (Germany),** which comprises regulated activities in Germany;
- **Non-regulated segment and Nemo Link,** which comprises non-regulated activities within Elia Group, Nemo Link, Elia Grid International, Eurogrid International, re.alto and the financing cost linked to the 20% acquisition of 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 2021, **revenue** totalled €1,311.9 million, up 11.5% compared to the previous period. This increase was driven by higher revenues in Belgium (+€63.7 million) and Germany (+€87.7 million), partially offset by lower revenues from Elia Grid International (-€2.3 million).

EBIT was down compared to the previous period, totalling €265.3 million (-7.0%), driven by a lower EBIT in Belgium (-€3.1 million) and a lower EBIT (-€26.1 million) in Germany. For Belgium, the decrease is the result of lower regulated financial costs, which are passed through into revenues, as prior year costs included the refinancing of a shareholder loan and costs for unwinding the interest rate swap. All of this partially offset by an increase in the regulated net profit driven by a higher fair remuneration and incentives. In Germany, the lower EBIT is the result of increasing personnel costs and IT investments, a peak in the maintenance cycle and higher depreciations. Associates contributed strongly to the Group's EBIT up to €16.8 million (+€9.7 million), mainly driven by the contribution of the Nemo Link interconnector amounting to €15.6 million (+€9.6 million).

Elia Group's adjusted net profit was down 1.6% to €150.5 million:

— **Elia Transmission (Belgium)** achieved solid results with an adjusted net profit of €62.1 million (+€0.6 million). The higher result is mainly due to a higher fair remuneration, higher performance on incentives offset by lower capitalised borrowings.

— **50Hertz Transmission (Germany) (on a 100% basis)** recorded a lower adjusted net profit of €79.9 million (-€14.6 million) driven by pressure on operational efficiency due to peak in maintenance, higher IT costs following our effort to transform to a digital TSO and higher personnel costs while we further increased our talent pool and, partially offset by higher investments remuneration following the asset growth.

— The **non-regulated segment and Nemo Link** posted an adjusted net profit of €8.4 million (+€11.4 million), mainly due the very strong performance of Nemo Link and lower regulatory settlements, partially offset by higher holding and business development costs.

The **net profit of Elia Group attributable to the owners of ordinary shares** (after deducting the €16.0 million in non-controlling interest and €9.6 million attributable to hybrid securities holders) was up 0.6% to €124.9 million. This increase is driven by the realisation of investments in Belgium and Germany, a strong performance of Nemo Link offset by the lower result of 50Hertz Transmission due to higher operational costs.

In the first half of the year, Elia Group invested €386.5 million to create and deliver infrastructure enabling the energy transition by integrating low-carbon generation and flexibility resources into the system while operating a sustainable and reliable system. As of 30 June 2021, Elia Group carried a total **net financial debt** of €5,826.0 million (-€1,639.0 million). The decrease is entirely attributable to Germany (-€1,704.3 million), as 50Hertz benefitted from two federal compensation payments (€1,620.0 million) to pay back the revolving credit facilities (€700 million) that were temporarily contracted to finance the EEG deficit at the end of last year. In addition, the investment programme was financed from operating cash flow and Eurogrid GmbH took advantage of favourable market conditions to issue a €500 million senior bond, thus securing part of the liquidity for its upcoming investment programme. In Belgium, net debt rose slightly (+€61.4 million) with organic growth financed by cash flow from operating activities.

Equity attributable to owners of the company rose slightly by €23.6 million to €4,196.8 million (+0.6%). This increase was mainly due to the profit from the first half attributable to the owners of the company (+€134.5 million), the revaluation of post-employment benefit obligations (+€8.3 million) and offset by the 2020 dividend payment (-€117.5 million).

2.1.A. Elia Transmission (Belgium)

Highlights

- Delivering on investments to maintain a reliable electricity system and sustainably electrify our society
- Higher fair remuneration driven by growing asset base leading to solid operational performance

Key results

Elia Transmission key figures (in € million)	1H 2021	1H 2020	Difference (%)
Revenue, other income and net income (expense) from settlement mechanism	534.8	471.1	13.5%
Revenues	*475.2*	*419.1*	*13.4%*
Other income	*32.7*	*27.4*	*19.3%*
Net income (expense) from settlement mechanism	*26.9*	*24.6*	*9.3%*
Equity accounted investees	1.2	1.1	9.1%
EBITDA	216.0	211.2	2.3%
EBIT	115.6	118.7	(2.6%)
Adjusted items	*0.0*	*0.0*	*n.r.*
Adjusted EBIT	115.6	118.7	(2.6%)
Net finance costs	(31.7)	(34.2)	(7.3%)
Income tax expenses	(21.8)	(23.0)	(5.2%)
Net profit	**62.1**	**61.5**	**1.0%**
Adjusted items on net profit	*0.0*	*0.0*	*n.r.*
Adjusted net profit	**62.1**	**61.5**	**1.0%**
Total assets	7,021.6	7,008.4	0.2%
Total equity	2,339.0	2,265.2	3.3%
Net financial debt	3,367.0	3,305.6	1.9%
Free cash flow	(42.5)	(95.0)	(55.2%)

See the glossary for definitions
See Section 5 for information on adjusted items
Comparative figures for Total assets, Equity and Net financial debt as at 31/12/2020

Financial

Elia Transmission's revenue was up 13.5% compared with 2020, from €471.1 million to €534.8 million. Revenue was impacted by a higher regulated net profit, higher depreciations linked to the growing asset base and higher costs for ancillary services driven by the energy mix characterised by a high nuclear base load and more wind capacity for the first half of 2021. This was partially offset by lower financial costs driven in 2020 by the refinancing of a shareholder loan, which were all passed through into revenue.

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

(in € million)	1H 2021	1H 2020	Difference (%)
Grid revenue:	**473.0**	**415.7**	**13.8%**
Grid connection	22.2	23.1	(3.8%)
Management and development of grid infrastructure	241.4	241.7	(0.1%)
Management of the electrical system	73.5	64.4	14.2%
Compensation for imbalances	101.6	59.1	71.9%
Market integration	11.4	10.8	5.5%
International revenue	22.9	16.6	37.8%
Last mile connection	1.4	1.4	(0.7%)
Other revenue	0.8	2.1	(63.7%)
Subtotal revenue	**475.2**	**419.1**	**13.4%**
Other income	32.7	27.4	19.3%
Net income (expense) from settlement mechanism	26.9	24.6	9.3%
Total revenue and other income	**534.8**	**471.1**	**13.5%**

Revenues from the **management and development of grid infrastructure**, **market integration** and **grid connection revenues** 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 €59.1 million to €101.6 million (+71.9%), are largely due to the tariff for maintaining and restoring the residual balance of individual access responsible parties (+€36.9 million). Higher balance activation costs due to the increase of prices mainly caused by maintenance on the COO plant between mid-April and Mid-June and the increase of imbalance volume caused by the increase of renewables share in particular offshore wind in the generation mix are the main drivers of the revenue increase. In addition, net grid offtake (+€1.4 million) was up, showing a recovery from the COVID-19 crisis and the higher level of nuclear availability in 2021. Lastly, net grid injection (+€4.2 million) was also up compared to the previous year.

Revenues from management of the electrical system increased from €64.4 million to €73.5 million (+14.2%), generated by the increase of the net grid offtake (+€4.5 million) and the introduction of a new tariff for additional reactive energy by zone for distribution system operator (+ €4.6 million).

International revenue increased to €22.9 million (+37.8%), mainly due to the additional congestion income on the border with Germany since the release of ALEGrO's full capacity and the increase in grid offtake as recovery from the COVID-19 crisis progressed.

Last mile connection (previously called transfer of asset from customers) was down slightly compared to the previous year while **other revenue** dropped by €1.3 million, mainly due to a decrease in works delivered to third parties.

The **settlement mechanism** increased from €24.6 million in 2020 to €26.9 million in 2021 and encompassed both deviations in the current year from the budget approved by the regulator (-€7.5 million) and the settlement of net surpluses from the previous tariff period (+€34.4 million). The operating surplus (-€7.5 million), with respect to budgeted costs and revenue authorised by the regulator, will be redistributed to consumers in a future tariff period. The surplus is primarily the result of an increase in tariff sales (+€38.5 million) driven by imbalance compensations and partially offset by higher costs for ancillary services (€17.9 million) and higher influenceable costs (€12.4 million).

EBITDA rose slightly to €216.0 million (+2.3%) due to a higher regulated net profit and higher depreciations linked to the growing asset base and offset by lower financial costs that are all passed through into revenue. The decrease in **EBIT** (-2.6%) was driven by depreciations of assets not covered by tariffs and mainly related to intangible assets acquired in the past and activated under IFRS (€3.9 million) and for leasing contracts (€4.5 million). The contribution of equity-accounted investments rose slightly to €1.2 million due to a higher contribution from HGRT.

Net finance cost decreased by €2.5 million (-7.3%) compared to the previous year, mainly driven by the one-off unwinding of an interest rate swap linked to the repayment of the shareholder loan (€4.5 million) in early 2020. This was partially offset by lower activation of borrowing costs (€2.2 million) since the commissioning of projects in the second half of 2020 and by higher interest costs following last year's Eurobond issue (€800 million) in April. Elia Transmission Belgium did not tap into the debt market over the first half of 2021 and has a well-balanced debt maturity profile with no upcoming near-term maturities. The average cost of debt was 1.91% at the end June 2021 compared to 1.93% at the end of 2020, benefitting consumers.

Adjusted net profit increased slightly by 1.0% to €62.1 million, mainly due to the following:

1. Higher **fair remuneration** (+€2.9 million) due to asset growth and higher equity.
2. Increase in **incentives** (+€0.2 million), primarily with respect to incentives linked to interconnection capacity and availability of the grid, partly offset by lower performance on data quality incentive and balancing.
3. Lower **capitalised borrowing cost** due to lower level of assets under constructions and lower average cost of debt (-€2.8 million).
4. No major damage to electrical installations compared to the previous year (+€2.3 million).
5. Higher IAS 19 and tax provisions (-€1.4 million).
6. Other (-€0.6 million): primarily due to the depreciation of borrowing costs linked to the previous year's Eurobond issue while fully covered by tariffs (-€2.2 million) and offset by lower depreciation for software and hardware (+€0.8 million) and deferred tax effects (+€0.9 million).

Total assets rose by €13.2 million to €7,021.6 million, mainly due to execution of the investment programme. **Net financial debt** increased to €3,367.0 million (+1.9%), as Elia's CAPEX programme was mainly financed by cash flows from operating activities and available liquidity. The sustainability-linked RCF (€650 million) and commercial paper programme (€300 million) are both fully undrawn. Elia Transmission Belgium is rated BBB+ with a stable outlook by Standard & Poor's.

Equity increased to €2,339.0 million (+€73.8 million) mainly as a result of the half-year profit (+€62.1 million) and the revaluation of post-employment benefit obligations linked to an increase of the discount rate (+€7.9 million).

Operational

The total load estimation increased by 6.5% from 40.1 TWh in 2020 to 42.8 TWh in 2021. The COVID-19 crisis had a major impact on the load of the second quarter of 2020. In 2021, however, the gradual easing of COVID-19 lockdown measures generated a recovery in the load and offtake in general from the Elia grid. The net offtake from the Elia grid increased by 6.7% from 29.2 TWh in 2020 to 31.2 TWh in 2021. Net injection into the Elia grid increased by 23% from 29.4 TWh in 2020 to 36.1 TWh in 2021, mainly due to higher nuclear availability in 2021.

In 2021, Belgium was still a net exporter due to the high availability of nuclear injection capacity. Compared to 2020, net exports increased from 0.4 TWh in 2020 to 5.2 TWh in 2021.Total exports increased strongly from 6.7 TWh (2020) to 11.5 TWh (2021). Due to the increased use of the new interconnector with Great Britain (Nemo Link), a strong increase in exports to France and the capacity of the interconnector with Germany (ALEGrO). Total imports remained unchanged: 6.2 TWh in 2020 and 2021. Overall electricity flows between Belgium and its neighbouring countries increased from 12.9 TWh (2020) to 17.8 TWh (2021).

Investments

In 2021, Elia continued to deliver on its investment plan despite the public health crisis in Belgium and across the globe. In the first half of 2021, Elia invested €164.9[1] million in onshore and offshore grid infrastructure for the integration of large volumes of renewable generation in order to sustainably electrify our society.

Elia maintains the existing high voltage grid on a continual basis. In the first half of the year, there were 116 replacement projects across the Belgian grid, for a total investment of €42.3 million. As mentioned above, Elia started important reinforcement works on the existing Belgian 380-kV backbone leading to a total spend of around €32 million in order to increase the physical interconnection capacity between Belgium and The Netherlands, reinforcement works are taking place in the Zandvliet 380-kV substation (€8.3 million). As part of phase 2 of the Boucle de l'Est investment programme, the existing Bévercé-Bronrome 70-kV overhead line is being replaced and upgraded by a new double 110-kV line over a distance of 16.5 km (€7.1 million). Lastly, in the current context, where

[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 €208.2 million.

thermal capacity decreases and more renewable energy sources are being connected to the grid, investments are being made to support voltage control on the grid. This entails installing multiple shunt reactors and condensers throughout the Belgian transmission grid over the period 2020-2023. Works are progressing on schedule (€3.7 million).

2.1.B. 50Hertz (Germany)

Highlights

- Realisation of the 2021 investment programme on track
- Rising head count, digitalisation efforts and a peak in the maintenance cycle put pressure on results
- 50Hertz strengthened its liquidity position with a €500 million bond issue
- EEG cash deficit fully settled by federal compensation payments

Key results

50Hertz Transmission key figures (in € million)	1H 2021	1H 2020	Difference (%)
Revenue, other income and net income (expense) from settlement mechanism	784.9	697.2	12.6%
Revenues	*764.0*	*644.3*	*18.6%*
Other income	*45.1*	*38.2*	*18.1%*
Net income (expense) from settlement mechanism	*(24.1)*	*14.7*	*n.r.*
EBITDA	262.0	282.8	(7.4%)
EBIT	137.4	163.5	(16.0%)
Net finance costs	(22.1)	(27.3)	(19.0%)
Income tax expenses	(35.4)	(41.7)	(15.1%)
Net profit	**79.9**	**94.5**	**(15.4%)**
Of which attributable to the Elia group	***63.9***	***75.6***	***(15.5%)***
Adjusted items on net profit	*0.0*	*0.0*	*n.r.*
Adjusted net profit	**79.9**	**94.5**	**(15.4%)**
Total assets	7,936.8	7,028.4	12.9%
Total equity	1,591.4	1,631.4	(2.5%)
Net financial debt	2,052.3	3,756.6	(45.4%)
Free cash flow	1,819.7	(680.4)	(367.4%)

Income, expenses, assets and liabilities are reported in the table at 100%
See the glossary for definitions
See Section 5 for information on adjusted items
Comparative figures for Total assets, Equity and Net financial debt as at 31/12/2020

Financial

50Hertz Transmission's total revenue and other income increased compared to the first half of previous year (+12.6%).

Total revenues are detailed in the table below.

(in € million)	1H 2021	1H 2020	Difference (%)
Grid revenue :	**761.1**	**529.1**	**43.9%**
Revenue from incentive regulation	468.8	374.1	25.3%
Revenue from offshore regulation	157.0	155.0	1.3%
Energy revenue	135.3	112.4	20.4%
Other revenue (incl. last mile connection)	2.8	2.8	0.9%
Subtotal revenue	**764.0**	**644.3**	**18.6%**
Other income	45.1	38.2	18.1%
Net income (expense) from settlement mechanism	(24.1)	14.7	(264.1%)
Total revenue and other income	**784.9**	**697.2**	**12.6%**

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

Revenues from incentive regulation rose by €94.7 million, as remuneration of onshore investments grew (+€17.1 million) while also energy costs' compensation increased (+€30.2 million), especially as the cost allowance for redispatching costs was higher compared to the first half of 2020. Furthermore, electricity offtake from the grid became normalised (compared to lower offtake due to COVID-19 in 2020), leading to a higher volume effect (+€58.1 million). These effects were partly offset by a higher payback for old regulatory balances via the regulatory account (-€10.3 million). Other items, e.g. non-influenceable OPEX compensation, remained on similar levels as in 2020 (-€0.4 million).

Revenues from offshore surcharge include all revenues derived from the offshore grid surcharge. This includes remuneration for 50Hertz's own costs, imputed remuneration related to the connection of offshore wind farms and offshore costs charged to 50Hertz by third parties, e.g. other TSOs.

Revenues from offshore surcharge slightly increased by €2.0 million compared to the previous year. While the remuneration of 50Hertz's own offshore grid connection costs increased (+€13.0 million), driven by the ongoing offshore investments (e.g. Ostwind 2) and increasing operational costs that are passed through (cost-plus system) via the offshore surcharge, the pass-through costs of third-parties fell when compared to the same period last year (-€11.0 million).

Energy revenues include all operating revenues relating to system operation, which are usually linked to corresponding ancillary service costs charged on to third parties, such as redispatch measures, reserve power plants and balancing groups, but also include revenues generated from auctioning interconnector capacity.

Energy revenues increased compared to the first half of 2020 by €22.9 million, partly due to higher charges to other TSOs for redispatch measures (+€9.8 million). Moreover, revenues for reserve power plants (+€11.4 million) were up, mostly as the ramp-up costs for capacity reserve power plants that 50Hertz incurred over the past two years were reimbursed by other TSOs.

Other revenues (including last-mile connection) remained flat compared to last year.

Other income rose (+€6.9 million), as a result of higher own work capitalised (+€2.1 million) following the increase in personnel costs and a growing workforce to manage and execute the investments. Additionally, revenues from service level agreements increased (+€1.7 million) and the revenue benefitted from a contractual penalty paid by a supplier (+€3.1 million).

The **net regulatory income (expense) from settlement mechanism** comprises both the annual offsetting of deficits and surpluses accounted for prior to 2021 (+€27.8 million) and the net surplus generated in the first half of the current year between the costs allowed to be passed on in the tariffs and the actual costs (-€51.9 million).

EBITDA decreased to €262.0 million (-7.4%). Despite the ongoing investment programme and the growing asset base, which increased the investment remuneration (+€5.1 million), the result was put under pressure by lower operational efficiency. Onshore maintenance costs increased (-€4.9 million), driven by a peak in the maintenance cycle, while our ongoing digitalisation efforts to manage increasing complexity in system operations led to higher IT and telecommunication expenses (-€5.6 million). Moreover, in order to deliver on the energy transition, we further increased our talent pool, resulting in higher personnel costs (-€11.3 million) being partly offset by own work capitalised revenues (+€2.1 million). With the expansion of the business and following the recovery from the COVID-19 pandemic, other operating expenses (e.g. consulting, facility management, etc.) were also up compared to the previous year (-€7.8 million). Finally, EBITDA was impacted by a one-off positive regulatory settlement for 2018 (+€10.5 million) while in 2020, 50Hertz also benefitted from the release of a regulatory provision (-€8.9 million).

There was a more pronounced decrease in **EBIT** (-€26.1 million) due to increasing depreciations (-€3.0 million) following the commissioning of projects. In addition, no provisions were released (-€2.2 million) and no adjusted items occurred in 2021.

Adjusted net profit declined to €79.9 million (-15.4%) as a result of:

1. Higher onshore OPEX and other costs (-€19.3 million), driven by the expanding business, a peak in the maintenance cycle and digitalisation efforts to manage increasing complexity in system operations.
2. Increased depreciations (-€2.1 million) following onshore commissionings.
3. Release of provisions in the first half of 2020 (-€1.5 million).
   These effects were partially compensated by:
4. Higher investment remuneration (+€3.6 million) driven by the asset growth.

5. Higher regulatory settlements (+€1.1 million).
6. Higher financial result (+€3.6 million), mainly from lower interest expenses as a high interest rate bond was refinanced at more favourable conditions in the second half of 2020.

Total assets were up €908.4 million compared to 2020, mainly due to federal compensation payments for the EEG mechanism and the execution of the investment programme. The **free cash flow** in the first half of 2021, which totalled €1,819.7 million, was heavily affected by a high cash in for the EEG account (+€1,757.4 million) from two federal payments (€1,620.0 million) to cover the cash deficit build up in 2020. A third payment is planned for October. The cash was used to pay back the three revolving credit facilities (€700 million) that were contracted to finance the EEG cashout last year.

To finance the onshore investment programme, a €500 million senior bond with a 12-year tenor and a fixed interest rate of 0.741% was successfully issued in April. Taking into account the EEG compensation payment the **Net financial debt** dropped by -€1,704.3 million. The EEG cash position as of June was €948.5 million.

Operational

So far in 2021, a net volume of 23.1 TWh has been drawn off from the 50Hertz grid, 5.5% more than last year (21.9 TWh). In the first half of 2021, 50Hertz was again a net exporter of electricity, with net exports of 17.5 TWh (17.4 TWh in 2020). Some 11.6 TWh of electricity was imported and 29.1 TWh exported (11.5 TWh and 28.9 TWh in 2020). As of June 2021 the peak load was 8.6 GW (compared to 7.9 GW last year).

Investments

To ensure the effective integration of electricity from renewable energy sources as well as a stable and secure grid, 50Hertz Transmission invested €221.6 million in first half of 2021, up 15.8% compared to last year (€191.3 million). In total, €166.0 million was invested in onshore projects, while offshore investments amounted to €55.6 million. The most significant onshore investments involved the 380-kV cable in Berlin (€23.3 million), the Northring line close to Berlin (€21.8 million), the upgrading of high-voltage pylons to boost operational safety (€16.8 million) and the DC line for the SuedOstLink (€15.9 million). Offshore investments mainly revolved around the Ostwind 2 offshore grid connection (€40.9 million).

2.1.C. Non-regulated activities and Nemo Link

Highlights

- Very strong operational and financial performance for Nemo Link driven by high spread differential between UK and Belgium
- Higher operating cost at the holding driven by business development efforts

Key results

Non-regulated activities and Nemo Link Key figures (in € million)	1H 2021	1H 2020 (restated*)	Difference (%)
Total revenues and other income	14.2	15.4	(7.8%)
Equity accounted investees	15.7	6.0	161.7%
EBITDA	12.6	3.3	281.8%
EBIT	12.5	3.2	290.6%
Adjusted items	*0.0*	*(0.3)*	*(100.0%)*
Adjusted EBIT	12.5	3.5	256.0%
Net finance costs	(4.3)	(8.0)	(46.3%)
Income tax expenses	0.2	1.6	n.r.
Net profit	**8.4**	**(3.2)**	**(362.5%)**
Of which attributable to the Elia Group	***8.4***	***(3.2)***	***(362.5%)***
Adjusted items on net profit	*0.0*	*(0.2)*	*(100.0%)*
Adjusted net profit	***8.4***	***(3.0)***	***(383.1%)***
Total assets	1,699.8	1,766.7	(3.8%)
Total equity	1,163.9	1,187.7	(2.0%)
Net financial debt	406.7	402.9	1.0%

See the glossary for definitions
See Section 5 for information on adjusted items
Comparative figures for Total Assets, Equity and Net financial debt as at 31/12/2020
*Compared to the first half of 2020, the preferential dividend paid to National Grid (€9.1 million, 100%) was requalified as a liability to be released over the lifetime of the asset

Non-regulated revenue decreased by 7.8% to €14.2 million compared to the first half 2020. This is the result of lower revenues generated by EGI (-€2.3 million), driven by the delayed impact of the COVID-19 measures on international consulting business and partially 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 €15.7 million to the Group's result, which is almost entirely attributable to **Nemo Link**. With an availability rate of 99.89% Nemo Link remains one of the highest performing assets of its kind in the world. Continuous strong nuclear availability in continental Europe and increased gas and carbon price in the UK over the first half of 2021 positively affected market price-spread, at the benefit of congestion market, main revenue stream of the asset. Nemo Link performed strongly, leading to a total net profit of €31.1 million for the first half of 2021 and a contribution to Elia Group's net profit amounting to €15.6 million.

Adjusted EBIT rose to €12.5 million (+€9.0 million). The increase is mainly due to the higher contribution from Nemo Link (+€9.6 million), a lower operating loss for re.alto due to lower development costs and the generation of initial fee income (+€0.7 million), and partially offset by higher operating cost at the holding linked to the set-up of a business development team to pursue inorganic growth ambitions (-€1.5 million).

Net finance cost fell to €4.3 million, primarily comprising the interest cost linked to the senior bond (€2.4 million) and the cost linked to the Nemo Link private placement (€1.5 million). The previous year's financial costs were mainly impacted by regulatory settlements amounting to €3.3 million.

Adjusted net profit increased by €11.4 million to €8.4 million, mainly as a result of:

1. Higher contribution from Nemo Link (+€9.6 million).
2. Lower regulatory settlements for 2020 (+€2.2 million).
3. Higher holding costs driven by business development activities (-€1.5 million).
4. Lower loss of by re.alto (+€0.8 million) due to lower costs and initial fee income.
5. Other items (+€0.4 million) driven by lower other non-regulated costs while EGI remained flat year-over-year.

Total assets dropped slightly to €1,699.8 million (-3.8%) and the net financial debt remained flat at €406.7 million (+1.0%) linked to first reimbursement of the Nemo Link amortising loan.

2.2 Segment reconciliation

Consolidated results (in € million) – Period ended 30 June	2021 Elia Transmission (a)	2021 50Hertz Transmission (b)	2021 Non-regulated activities and Nemo Link (c)	2021 Consolidation entries & intersegment transactions (d)	2021 Elia Group (a)+(b)+(c)+(d)
Revenue	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 depreciations, amortisations, 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)	**30.06.2021**	**30.06.2021**	**30.06.2021**	**30.06.2021**	**30.06.2021**
Total assets	7,021.6	7,936.8	1,699.8	(637.0)	16,021.2
Capital expenditures	164.9	221.6	0.0	0.0	386.5
Net financial debt	3,367.0	2,052.3	406.7	0.0	5,826.0

3. Important events after 30 June 2021

In the week of 15th of July 2021, extreme rainfall resulting in severe flooding in the region of Liege damaged a number of high voltage stations of Elia. Elia is focusing in first instance on reinsuring the electricity supply, together with the DSO's (Distribution system operators) and assuring that Elia's employees and contractors can work in safe conditions. Our teams have already been clearing the debris, some reparations has already started and some repair works are still in preparation. We are currently not able to quantify the financial impact of this event, as the costs for reparation are not yet known. However, we estimate the impact as remote, as the damage incurred should be recoverable via the insurance contract/regulatory framework in place.

4. Outlook and other information[2]

Elia Group remains confident in our ability to deliver an **Adjusted Return on Equity (ROE adj.[3]) in the upper end of the targeted 5.5% - 6.5%** range for 2021.

— In **Belgium** we are confident of achieving a return on equity (ROE) of between 5% and 6%. The execution of the investment programme remains on track, with investments in Belgium expected to total around €390 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 €221.6 million in the first six months of the year and the good progress of the Ostwind 2 project, we remain on track to achieve the announced investment programme of €860 million for the full year of 2021.The realisation of the investment programme is always prone to external risks.

— The **non-regulated segment and Nemo Link**, which comprises the return of Nemo Link, the return of the non-regulated activities (mainly re.alto and EGI) and the operating costs inherent in the management of a holding company, is expected to contribute positively to the Group's result. The performance of this segment will depend to a large extent on the contribution of Nemo Link, which is subject to volatility in the market spread of the electricity commodity price.

Elia Group - Outlook	2021	2020
Return on Equity (adj.) (%) (Elia share)	Upper range 5.5% - 6.5%	7.20%

[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.

elia group
Elia | 50Hertz | EGI

5. Adjusted items – Reconciliation Table

(in € million) – Period ended 30 June	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
EBIT – Adjusted items	**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	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Consolidation entries	Elia Group
Adjusted items					
Corporate reorganisation	0.0	0.0	(0.3)	0.0	(0.3)
EBIT – Adjusted items	**0.0**	**0.0**	**(0.3)**	**0.0**	**(0.3)**
Tax impact	0.0	0.0	0.1	0.0	0.1
Net profit – Adjusted items	**0.0**	**0.0**	**(0.2)**	**0.0**	**(0.2)**

6. Financial Calendar

Analyst conference call	28 July 2021
Quarterly statement Q3 2021	26 November 2021
Publication of full-year results 2021	23 February 2022
Publication of 2021 Annual report	15 April 2022
General Meeting of Shareholders	17 May 2022
Quarterly Statement Q1 2022	18 May 2022
Ex-dividend date	30 May 2022
Record date	31 May 2022
Payment of dividend for 2021	1 June 2022

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 28 July at 14:00 p.m. CET.
- **2020 annual report**
- **2021 Capital Markets Day**

Disclaimer/Forward-looking statements

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

GLOSSARY

Adjusted items

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

Adjusted items relate to:

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

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

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, plus the share of equity-accounted investees (net of tax) plus or minus adjusted items.

(in € million) – Six month 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:				
Regulatory compensation for acquisition	0.0	0.0	0.0	0.0
Corporate reorganisation	0.0	0.0	0.0	0.0
Adjusted EBIT	**115.6**	**137.4**	**12.5**	**265.3**

(in € million) – Six month period ended 30 June	2020 (restated*)			
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Elia Group
Results from operating activities	117.6	163.5	(2.8)	278.2
Share of profit of equity accounted investees (net of tax)	1.1	0.0	6.0	7.1
EBIT	**118.7**	**163.5**	**3.2**	**285.3**
Deduct:				
Regulatory compensation for acquisition	0.0	0.0	0.0	0.0
Corporate reorganisation	0.0	0.0	(0.3)	(0.3)
Adjusted EBIT	**118.7**	**163.5**	**3.5**	**285.6**

*Compared to the first half of 2020, the preferential dividend paid to National Grid (€9.1 million, 100%) was requalified as a liability to be released over the lifetime of the asset

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) – Six month 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:				
Regulatory compensation for acquisition	0.0	0.0	0.0	0.0
Corporate reorganisation	0.0	0.0	0.0	0.0
Corporate reorganisation fin. cost	0.0	0.0	0.0	0.0
Tax impact	0.0	0.0	0.0	0.0
Adjusted net profit	**62.1**	**79.9**	**8.4**	**150.5**

(in € million) – Six month period ended 30 June	2020 (restated*)			
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Elia Group
Profit for the period	**61.5**	**94.5**	**(3.2)**	**152.8**
Deduct:				
Regulatory compensation for acquisition	0.0	0.0	0.0	0.0
Corporate reorganisation	0.0	0.0	(0.3)	(0.3)
Corporate reorganisation fin. cost	0.0	0.0	0.0	0.0
Tax impact	0.0	0.0	0.1	0.1
Adjusted net profit	**61.5**	**94.5**	**(3.0)**	**153.0**

*Compared to the first half of 2020, the preferential dividend paid to National Grid (€9.1 million, 100%) was requalified as a liability to be released over the lifetime of the asset

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 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 expense, plus the share of equity-accounted investees.

(in € million) – Six month 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**

(in € million) – Six month period ended 30 June	2020 (restated*)			
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Elia Group
Results from operating activities	117.6	163.5	(2.8)	278.2
Share of profit of equity accounted investees (net of tax)	1.1	0.0	6	7.1
EBIT	**118.7**	**163.5**	**3.2**	**285.3**

*Compared to the first half of 2020, the preferential dividend paid to National Grid (€9.1 million, 100%) was requalified as a liability to be released over the lifetime of the asset

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 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, plant, and equipment.

(in € million) – Six month 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:				
Depreciations, amortisations and impairments	101.1	124.6	0.3	225.8
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	**216.1**	**262.0**	**12.7**	**490.5**

(in € million) – Six month period ended 30 June	2020 (restated*)			
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Elia Group
Results from operating activities	117.6	163.5	(2.8)	278.2
Add:				
Depreciations, amortisations and impairments	92.5	121.5	0.1	214.2
Changes in provisions	0.0	(2.2)	0.0	(2.2)
Share of profit of equity accounted investees (net of ta	1.1	0.0	6.0	7.1
EBITDA	**211.2**	**282.8**	**3.3**	**497.4**

*Compared to the first half of 2020, the preferential dividend paid to National Grid (€9.1 million, 100%) was requalified as a liability to be released over the lifetime of the asset

Equity attributable to the owners of the company

Equity attributable to ordinary shareholders and hybrid security holders, but excluding non-controlling interests.

(in € million) - Period ended	30 June 2021	31 December 2020
Equity	4,515.5	4,500.0
Deduct:		
Non-controlling interests	318.7	326.9
Equity attributable to the owners of the company	**4,196.8**	**4,173.2**

Financial leverage

Financial leverage (D/E) = 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 = 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) – Six month period ended 30 June	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**

(in € million) – Six month period ended 30 June	30 June 2020 (restated*)			
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Elia Group
Net cash from operating activities	49.9	(489.8)	(9.5)	(449.4)
Deduct:				
Net cash used in investing activities	145.0	190.6	0.3	335.9
Free cash flow	**(95.0)**	**(680.4)**	**(9.8)**	**(785.3)**

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 (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) - Period ended	30 June 2021				31 December 2020			
	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Elia Group Total	Elia Transmission	50Hertz Transmission	Non-regulated activities and Nemo Link	Elia Group Total
Non-current liabilities:								
Loans and borrowings	3,420.9	3,835.7	480.5	7,737.0	3,433.6	3,327.2	488.8	7,249.6
Add:								
Current Liabilities:								
Loans and borrowings	67.1	23.9	13.6	104.6	67.7	725.9	11.9	805.5
Deduct:								
Current Assets:								
Cash and cash equivalents	120.9	1,807.3	87.4	2,015.6	195.7	296.6	97.8	590.1
Net financial debt	**3,367.0**	**2,052.3**	**406.7**	**5,826.0**	**3,305.6**	**3,756.6**	**402.9**	**7,465.0**

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 accounting principles applicable in the regulatory schemes. In Belgium when setting the initial RAB, a certain amount of revaluation value (i.e. goodwill) was taken into account which evolves from year to year based on divestments and/or depreciations

Return on Equity (adj.) (%)

Return on Equity (RoE adj.) = Net profit attributable to ordinary shareholders divided by equity attributable to ordinary shareholders. The return on equity is adjusted to exclude the accounting impact of hybrid securities in IFRS (i.e. exclude the hybrid security from equity and consider the interest costs as part of comprehensive income). The RoE adj. provides an indication of the ability of the Group to generate profits relative to its invested equity.

(in € million) – Six month period ended 30 June	2021	2020 (restated *)
Profit for the period	150.5	152.8
Deduct:		
Profit attributable to holders of hybrid securities	9.6	9.6
Profit attributable to non-controlling interests	16	18.9
Profit attributable to equity holders of ordinary shares (A)	**124.9**	**124.3**
Divided by:		
Equity attributable to ordinary shares (B)	3,485.7	3,326.1
Return on Equity (adj.) (%)= (A) annualised / (B)	**7.17%**	**7.47%**

*Compared to the first half of 2020, the preferential dividend paid to National Grid (€9.1 million, 100%) was requalified as a liability to be released over the lifetime of the asset

Net debt/EBITDA

Net debt/EBITDA = net financial debt divided by EBITDA (see definition above). 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 = EBITDA (see definition above) divided by the pre-tax interest charges. The EBITDA-to-interest coverage ratio expresses to what extent the operational performance enables to pay off annual interest expenses.

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

Equity attributable to owners of the company divided by the number of shares outstanding at year-end.

(in €) - Period ended	30 June 2021	31 December 2020
Equity attributable to owners of the company	4,196,758,389.8	4,173,155,840.5
Divide by:		
Number of shares outstanding (at period end)	68,728,055	68,652,938
Equity attributable to owners of the company (per share in €)	**61.1**	**60.8**

About Elia Group

Elia Group is active in electricity transmission. We ensure that generation and consumption are balanced around the clock, supplying 30 million end users with electricity. With subsidiaries in Belgium (Elia) and northeast Germany (50Hertz), we operate 19,271 km of high-voltage lines. As such, we are one of Europe's top five transmission system operators. With a reliability level of 99.999%, we provide society with the robust power grid that is so important to socioeconomic prosperity. We also aspire to be a catalyst for a successful energy transition towards a reliable, sustainable and affordable energy system.

By expanding international high-voltage connections and incorporating ever-increasing amounts of renewable energy production, Elia Group promotes both the integration of the European energy market and the decarbonisation of our society. Elia Group is also innovative in terms of its operational systems and is developing market products so that new technologies and market parties can access our grid, thus enabling the energy transition to move forward.

As a key player in the energy system, Elia Group is committed to working in the interest of society. We respond to the rapidly changing energy mix, i.e. the increasing role of renewable energy, and constantly adapt our transmission grid accordingly. We also ensure that investments are made on time and within budget, with a maximum focus on safety. When we carry out our projects, we manage stakeholders proactively by establishing two-way communication with all affected parties very early on in the development process. We also offer our expertise to our sector and relevant authorities in order to build the energy system of the future.

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

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

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