

Rating object

Elia Transmission Belgium NV/SA
Long-term local currency senior unsecured issues of
Elia Transmission Belgium NV/SA

Rating incl. outlook / watch

A / stable
A / stable

The present monitoring is, in the regulatory sense, a public unsolicited rating.

Date of inception / disclosure to rated entity / maximum validity:

Rating object	Date of inception	Disclosure to rated entity	Maximum validity
Elia Transmission Belgium NV/SA	19.12.2022	19.12.2022	Until withdrawal of the rating
Long term local currency senior unsecured issues of Elia Transmission Belgium NV/SA	19.12.2022	19.12.2022	Until withdrawal of the rating

There occurred no changes after the communication of the rating to the rating object.

Rating summary:

Creditreform Rating (CRA) has confirmed the unsolicited corporate issuer rating of Elia Transmission Belgium NV/SA at **A** and set the outlook to **stable**. The addition of Watch UNW has been omitted.

The rating methodology "Corporate Rating", updated on July 1, 2022 with the revised industry analysis, has a positive effect on the rating of Elia NV/SA. The considerable uncertainty linked to the broadly rising energy and raw material prices and disrupted supply chains resulting from the tense geopolitical situation, has however a dampening effect on the rating result. Coupled with the expected further expansion of the investment volume in the course of accelerated growth, connected with possible increase in debt, the current situation does not allow for an increase in the rating for the time being as a result of the overall favorable industry assessment. Developments in 2022, according to published information, do not indicate any further deterioration in the Company's fundamentals. For this reason, and taking into consideration the rating of Elia Group NV/SA, the outlook is set to stable.

The controlling shareholder of Elia Transmission Belgium NV/SA is Elia Group NV/SA, with 100% of the Company's share capital. The Rating is currently constrained by the unsolicited corporate rating of Elia Group NV/SA (**A / stable**, CRA December 19, 2022), as we believe that it has a large influence on the Company's financial and strategic alignment.

Primary key rating drivers:

- Adjustment of the rating system leads to a positive assessment of the industry risks
- Expansion of debt and costs in the course of increased investment volume and accelerated growth
- General uncertainty related to inflationary conditions, disrupted supply chains and rising interest rates

ESG-criteria:

CRA generally takes ESG factors (environment, social and governance) into account within its rating decisions. In the case of Elia Transmission Belgium NV/SA we have not identified any ESG factors with significant influence.

A general valid description of Creditreform Rating AG, as well as a valid description of corporate ratings for understanding and assessing ESG factors in the context of the credit rating process, can be found [here](#).

Rating scenarios:

Please refer to our press release from March 11, 2022.

Analysts / Person approving (PAC):

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Elena Damijan	Lead analyst	E.Damijan@creditreform-rating.de
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Initial rating:

Rating object	Event	Rating created	Publication date	Monitoring until	Result
Corporate Issuer Rating of EliaTransmission Belgium NV/SA	Initial rating	02.07.2021	08.07.2021	10.03.2022	A / stable
LT LC Senior Unsecured Issues issued by Elia Transmission Belgium NV/SA	Initial rating	02.07.2021	08.07.2021	10.03.2022	A / stable

Status of solicitation and information basis:

The present rating is, in the regulatory sense, a public **unsolicited** rating. The rating object participated in the creation of the rating as follows:

Unsolicited Corporate Issuer / Issue Rating	
With rated entity or related third party participation	No
With access to internal documents	No
With access to management	No

Rating methodology / Version / Date of application:

Rating methodology	Version number	Date
Corporate Ratings	2.4	July 2022
Government-related Companies	1.0	April 2017
Non-financial Corporate Issue Ratings	1.0	October 2016
Rating Criteria and Definitions	1.3	January 2018

Regulatory requirements:

In 2011 Creditreform Rating AG was registered within the European Union according to EU Regulation 1060/2009 (CRA-Regulation). Based on the registration Creditreform Rating AG (CRA) is allowed to issue credit ratings within the EU and is bound to comply with the provisions of the CRA-Regulation. The rating¹ was not endorsed by Creditreform Rating AG (Article 4 (3) of the CRA-Regulation).

Conflict of interests

No conflicts of interest were identified during the rating process that might influence the analyses and judgements of the rating analysts involved or any other natural person whose services are placed at the disposal or under the control of Creditreform Rating AG and who are directly involved in credit rating activities or in approving credit ratings and rating outlooks.

In the event of providing ancillary services to the rated entity, Creditreform Rating AG will disclose all ancillary services in the credit rating report at this point:

No ancillary services in the regulatory sense were carried out for this rating object.

¹ In these regulatory requirements the term "rating" is used in relation to all ratings issued by Creditreform Rating AG in connection to this report. This may concern several companies and their various issues.

Rules on the presentation of credit ratings and rating outlooks

The approval of credit ratings and rating outlooks follows our internal policies and procedures. In line with our "Rating Committee Policy", all credit ratings and rating outlooks are approved by a rating committee based on the principle of unanimity.

To prepare this credit rating, Creditreform Rating AG has used following substantially material sources:

Corporate issuer rating:

1. Annual report
2. Website
3. Internet research

Corporate issue rating:

1. Corporate issuer rating incl. information used for the corporate issuer rating
2. Documents on issues / instruments

There are no other attributes and limitations of the credit rating or rating outlook other than those displayed on the Creditreform Rating AG website. Furthermore, Creditreform Rating AG considers as satisfactory the quality and extent of information available on the rated entity. With respect to the rated entity, Creditreform Rating AG regarded available historical data as sufficient.

Between the time of disclosure of the credit rating to the rated entity and the public disclosure, no amendments were made to the credit rating.

The Basic Data Information Card indicates the principal methodology or version of methodology that was used in determining the rating, with a reference to its comprehensive description.

In cases where the credit rating is based on more than one methodology or where reference only to the principal methodology might cause investors to overlook other important aspects of the credit rating, including any significant adjustments and deviations, Creditreform Rating AG explains this fact in the credit rating report and indicates how the different methodologies or other aspects are taken into account in the credit rating. This information is integrated in the credit rating report.

The meaning of each rating category, the definition of default or recovery and any appropriate risk warning, including a sensitivity analysis of the relevant key rating assumptions such as mathematical or correlation assumptions, accompanied by worst-case scenario credit ratings and best-case scenario credit ratings are explained.

The date at which the credit rating was initially released for distribution and the date when it was last updated, including any rating outlooks, is indicated clearly and prominently in the Basic Data Information Card as a "rating action"; initial release is indicated as "initial rating", other updates are indicated as an "update", "upgrade" or "downgrade", "not rated", "confirmed", "selective default" or "default".

In the case of a rating outlook, the time horizon is provided during which a change in the credit rating is expected. This information is available within the Basic Data Information Card.

In accordance with Article 11 (2) EU-Regulation (EC) No 1060/2009, a registered or certified credit rating agency shall make available, in a central repository established by ESMA, information on its historical performance data including the rating transition frequency and information about credit ratings issued in the past and on their changes. Requested data are available at the ESMA [website](#).

An explanatory statement of the meaning of Creditreform Rating AG's default rates are available in the credit rating methodologies disclosed on the website.

Disclaimer

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