

23 February 2023 at 6:15 am

2022 annual results: record performance for the Group

Driven by the strategy of operational excellence
and the successful start-up of ElecLink's commercial operations

➤ **Group**

- **Revenue of €1.606 billion (+107%¹)**
- **EBITDA of €886 million (+198%)**, after provision of €142 million related to the future sharing of ElecLink's profits
- **Free Cash Flow² of €714 million**
- **Cash at 31/12/2022 of €1.2 billion**
- **Consolidated net profit of €252 million**

➤ **Eurotunnel**

- Revenue of €1.049 billion (+63%)
- EBITDA of €593 million (+120%)

➤ **Europorte**

- Revenue of €137 million (+5%)
- EBITDA of €29 million (+4%)

➤ **ElecLink**

- Revenue of €420 million
- EBITDA of €264 million, after provision of €142 million related to future profit sharing

Yann Leriche, Getlink CEO, said: *"In 2022, Getlink achieved a high-quality performance across all its entities, driven by the commitment of its teams, its strategy of operational excellence for customers, promising good prospects for 2023. Our low-carbon model and our capacity for innovation place us favourably at the heart of the societal and economic challenges of the years to come."*

¹ All comparisons with the 2021 income statement are made at the 2022 average exchange rate of £1=€1.168.

² Defined as cash flow from operating activities of current activities less capital expenditure and debt service.

➤ 2023 outlook

In 2023, Getlink will continue to strengthen its performance and operational discipline and will keep on innovating to sustain its value creation trajectory, despite contrasting market developments. The Group will also continue to invest in its environmental leadership through the deployment of the Oleo100 biofuel, the launch of on-site green electricity projects and the virtuous renovation of the first Passenger Shuttle.

- **An EBITDA target of over €910 million³** (+€24 million compared to 2022), which takes into account in particular:
 - the forward pricing for electricity as observed on 2 February 2023 and the same methodology as applied in 2022 in respect of the ElecLink profit-sharing mechanism;
 - a cautious approach to the level of Eurotunnel's business rates, which the Valuation Office Agency has stated it wants to multiply by almost 2.5, i.e. an additional charge of about €25 million per annum⁴.

- **A capital expenditure budget of around €160 million for Eurotunnel** to improve its operational performance and with a view to constantly reinforcing safety, enhancing its environmental leadership and strengthening its growth levers through:
 - modernisation of the rolling stock,
 - a campaign to renew the tracks in the Tunnel,
 - further development of smart border services.

- **Payment of a dividend of €0.50 per share**, subject to approval at the AGM on 27 April 2023, significantly higher than the pre-pandemic level and in line with the Group's desire to share value creation with its shareholders.

³ Based on the current scope of consolidation and on an exchange rate of £1=€1.15, with a constant regulatory and tax environment.

⁴ If confirmed, this figure would be contested by the Group.

HIGHLIGHTS OF THE PAST YEAR

➤ **Environment**

- Alignment of 93% of the revenue of the Group's activities with European Taxonomy (86% in 2021).
- Rating of the Group as a green asset with a positive impact: through the improvement of the CDP rating to A-, the integration into the Vérité 40 indices of Axylia and CAC SBT 1.5° and the increase in the rating of MSCI France index (AA).
- Reduction of greenhouse gas emissions by 4.5% in 2022 compared to 2021, on a like-for-like basis.
- Say on Climate vote at the 2022 AGM.
- Launch of the "Initiative for Effective Corporate Climate Action" research chair with the Toulouse School of Economics⁵ to explore and anticipate the impacts of the climate transition on businesses with one of the leading academic centres in this field.
- Publication of the Energy Efficiency Action Plan.
- Getlink's commitment to the French EcoWatt system to reduce national consumption.

➤ **Group**

- Cash of €1.2 billion held at the end of December, reflecting the Group's ability to continue generating Free Cash Flow.
- Active cost management limiting the effects of inflation.
- Optimisation of the financial structure with the refinancing of the C2A tranche of Eurotunnel's debt.
- Appointment of Brune Poirson and Lord Ricketts to the Board of Directors.
- Strengthening of Eiffage's shareholding as they became the Group's largest shareholder with 18.79% of the shares through the purchase of TCI Fund Management's stake.

➤ **Eurotunnel**

- Le Shuttle Freight
 - Traffic up with nearly 1.45 million trucks transported (+6%) in a sluggish market, confirming its status as the cross-Channel market leader with 42.2% market share.
 - Development of the services offered at Le Truck Village.
 - Successful launch of the First offer, a new priority freight service.
 - Acceleration of the "unaccompanied transport" activity with more than 4,000 trailers transported in 2022 (compared to 162 in 2021).
- Le Shuttle
 - Confirmation of market leader status with 2.1 million passenger vehicles transported and a car market share of 62.8%.
 - Value-creation marketing approach through anticipation and taking into account changes in customer preferences and behaviour.
 - Success of the My Eurotunnel application downloaded more than 265,000 times.
- Eurostar
 - Return of volumes with 8.3 million passengers.
 - Launch of a fourth daily London - Amsterdam service.

⁵ *Toulouse School of Economics (TSE) has received numerous academic awards, including the Nobel Prize in Economics in 2014 for Jean Tirole, currently President of the TSE.*

- Rail freight trains
 - In a difficult market, launch, with the CAT group, of a cross-Channel rail freight service on behalf of Toyota.

➤ **Europorte**

- Increase in Europorte's annual revenue (+5%) to €137 million.
- Continuation of the profitable growth strategy with EBITDA of €29 million, up €1 million compared to 2021.
- First French rail freight company to invest in the ETCS signalling system and to equip its locomotives with this new technology.
- Obtaining ECM certification (European certification of entities in charge of maintenance) for locomotives and Wagon function 4.

➤ **ElecLink**

- ElecLink entered service on 25 May.
- Successful operational launch with a very high cable availability rate of 90% (vs 84% average IFA availability between 2011 and 2020).

FINANCIAL RESULTS

The Group's consolidated revenue for the 2022 financial year totalled €1.606 billion.

Consolidated EBITDA totalled €886 million, multiplied by almost three compared to 2021 and driven by the excellent performance of all of the Group's activities.

Trading profit amounted to €659 million, up by €551 million compared to 2021.

The Group's consolidated net profit for the 2022 financial year amounted to €252 million after a loss of €229 million in 2021.

Cash at 31 December 2022 stood at a record level of €1.2 billion, an improvement of €478 million compared to 31 December 2021.

About Getlink

Getlink SE (Euronext Paris: GET) is, through its subsidiary Eurotunnel, the concessionaire of the Channel Tunnel infrastructure until 2086 and operates Truck and Passenger Shuttle services (cars and coaches) between Folkestone (UK) and Calais (France). Since 31 December 2020 Eurotunnel has been developing the smart border so that the Tunnel remains the fastest, most reliable, easiest and most environmentally friendly way to cross the Channel. Since its inauguration in 1994, more than 481 million people and 99 million vehicles have travelled through the Channel Tunnel. This unique land link, which sees 25% of trade between the Continent and the United Kingdom, has become a vital link reinforced by the ElecLink electrical interconnector installed in the Tunnel, which helps to balance energy needs between France and the United Kingdom. Getlink complements its sustainable mobility services with its rail freight subsidiary Europorte. Committed to "low-carbon" services that control their impact on its environment (through its activities the Group avoids the equivalent of 2 million tonnes of CO₂ per year), Getlink has placed at the heart of its concerns the place given to people, nature and places.

<https://www.getlinkgroup.com>

Next meetings in 2023:

20 April 2023: traffic and first quarter revenue for 2023

27 April 2023: Getlink SE Annual General Meeting

20 July 2023: 2023 half-year results

Additional information:

The Board of Directors, meeting on Wednesday 22 February 2023 under the chairmanship of Jacques Gounon, approved the accounts for the financial year ended 31 December 2022. A report with unqualified certification is being issued by the auditors.

The financial analysis of the consolidated financial statements is available on the Group's website: www.getlinkgroup.com.

REVIEW OF THE CONSOLIDATED RESULTS AND FINANCIAL SITUATION FOR THE YEAR ENDED 31 DECEMBER 2022

The following information relating to Getlink SE's financial situation and consolidated results must be read in conjunction with the consolidated financial statements set out in section 2.2.1 of the 2022 Universal Registration Document.

Accounting standards applied⁶ and presentation of the consolidated results

Pursuant to EC Regulation 297/2008 of 11 March 2008 on the application of international accounting standards, the consolidated financial statements of Getlink SE for the financial year ended 31 December 2022 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union at 31 December 2022.

Context of the preparation of the consolidated annual financial statements

The Group's results in 2022 are significantly better than in 2021, driven by the recovery of the Eurotunnel business following the full lifting of Covid-19 border crossing and quarantine restrictions in the first half of 2022 and by the commercial launch of the ElecLink interconnector at the end of May 2022.

Eurotunnel's operating margin (EBITDA) for 2022 is higher than in 2019 before the pandemic at equivalent exchange rates, despite traffic levels remaining lower, particularly for Passenger Shuttles and Eurostar, thanks to the Group's effective application of its yield management strategy and the measures taken to adapt its operational capacity to changes in traffic demand and to control its costs.

On 25 May 2022, the Group's subsidiary ElecLink started commercial operation of its 1 GW interconnector, transporting electricity between Great Britain and France. Against the backdrop of highly volatile electricity markets in 2022, ElecLink in its first seven months of operation has made a very significant contribution to the Group's revenue and profitability growth for the year.

The global geopolitical context, particularly the conflict in Ukraine since February 2022 and China's tough strategy to deal with the resurgence of Covid, has had a significant impact on the global economy, resulting in a sharp rise in inflation and energy costs, as well as delays and shortages in supply chains. To date, the most significant direct impact on the Group has been a significant increase in some of its costs, notably Eurotunnel's and Europorte's traction energy costs, and its financial charges on the inflation-linked tranches of Eurotunnel's Term Loan. The general deterioration in the economic climate in the United Kingdom and Europe during the second half of 2022 and the impact of the energy crisis and very high inflation levels on purchasing power, have contributed to a weakening of the cross-Channel passenger and truck markets. In addition, the cross-Channel truck market and Eurotunnel's Truck Shuttle traffic continue to be impacted by the consequences of Brexit on trade between Europe and the United Kingdom and on the fluidity of border crossings.

In 2022, the Group continued its strategy of prudent cash management and has maintained a high level of liquidity, with net cash available at 31 December 2022 of €1,196 million.

During the first half of 2022, the Group successfully refinanced the C2A tranche of the Eurotunnel Term Loan as part of the ongoing optimisation of its funding structure, thereby avoiding a significant increase in financial charges which would have taken effect in the second half of the year in accordance with the terms of the credit agreement.

⁶ The Group has applied IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" to its maritime segment since the cessation of MyFerryLink's operations in the second half of 2015. Accordingly, the net result of this segment for the current and previous financial years is presented as a single line in the income statement called "Net profit from discontinued operations". More information is given in note C.2 to the consolidated financial statements in section 2.2.1 of the 2022 Universal Registration Document.

1 ANALYSIS OF CONSOLIDATED INCOME STATEMENT

In order to enable a better comparison between the two years, the 2021 consolidated income statement presented in this section has been recalculated at the exchange rate used for the 2022 income statement of £1=€1.168.

Summary

Thanks to the recovery of Eurotunnel's activity following the lifting of international traffic restrictions and the start-up of ElecLink during the first half of 2022, the Group's consolidated revenue for the 2022 financial year amounted to €1,606 million, an increase of €832 million (107%) compared to 2021, of which €420 million was generated by ElecLink between 25 May and 31 December 2022 in the context of an exceptionally volatile energy market. Excluding the contribution of ElecLink, revenue for 2022 exceeded that of 2019 by €90 million. Operating costs of €720 million were up by €239 million (50%) compared to 2021 reflecting the start of ElecLink's commercial operation as well as the upturn in Eurotunnel's activity, higher energy costs and inflation. At €886 million for 2022, EBITDA improved by €589 million compared to 2021, of which €323 million related to Eurotunnel and €265 million to ElecLink. Group EBITDA in 2022 was €317 million above 2019, or on a like-for-like basis for Eurotunnel and Europorte, €53 million above 2019. At €659 million, the trading profit in 2022 was up by €551 million compared to 2021. After taking into account net financial expenses (including other financial income and charges) which were €106 million higher mainly due to the impact of the significantly increased inflation rates on the index-linked portion of the debt, the Group's pre-tax result from continuing operations for 2022 was a profit of €267 million compared to a loss of €237 million in 2021, an improvement of €504 million.

After taking into account a net tax charge of €15 million, the Group's net consolidated result for the 2022 financial year was a profit of €252 million, compared to the loss of €229 million in 2021, an improvement of €481 million.

€ million	2022	2021	Change		2021
Improvement/(deterioration) of result		restated*	€M	%	published
<i>Exchange rate € / £</i>	1.168	1.168			1.167
Eurotunnel	1,049	644	405	+63 %	644
Europorte	137	130	7	+5 %	130
ElecLink	420	–	420	–	–
Revenue	1,606	774	832	+107 %	774
Other income	–	4	(4)	-100 %	4
Total turnover	1,606	778	828	+106 %	778
Eurotunnel	(456)	(378)	(78)	-21 %	(378)
Europorte	(108)	(102)	(6)	-6 %	(102)
ElecLink	(156)	(1)	(155)		(1)
Operating costs	(720)	(481)	(239)	-50 %	(481)
Operating margin (EBITDA)	886	297	589	+198 %	297
Depreciation	(227)	(189)	(38)	-20 %	(189)
Trading profit	659	108	551	+510 %	108
Other operating income/(charges) (net)	12	(47)	59		(47)
Operating profit (EBIT)	671	61	610		61
Net finance costs	(445)	(308)	(137)	-44 %	(308)
Other net financial income	41	10	31		10
Pre-tax profit/(loss) from continuing operations	267	(237)	504		(237)
Income tax (cost)/income	(15)	8	(23)		8
Net profit/(loss) from continuing operations	252	(229)	481		(229)
Net result from discontinued operations	–	–	–		–
Net consolidated profit/(loss) for the year	252	(229)	481		(229)
<i>EBITDA (excluding other income) / revenue</i>	<i>55.2 %</i>	<i>37.9 %</i>	<i>17pt</i>		<i>37.9 %</i>

* Restated at the rate of exchange used for the 2022 income statement (£1=€1.168).

a) Eurotunnel segment

This segment includes the activities of the Eurotunnel sub-group companies, as well as those of the Group's holding company, Getlink SE and its other direct subsidiaries excluding Europorte and ElecLink. Eurotunnel, which represents the Group's core business, operates and directly markets its Shuttle Services and also provides access, on payment of a toll, for the circulation of the Railway Companies' High-Speed Passenger Trains (Eurostar) and Rail Freight Services through its Railway Network.

€ million			Change	
Improvement/(deterioration) of result	2022	* 2021	M€	%
<i>Exchange rate €/\$</i>	1,168	1,168		
Shuttle Services	732	477	255	+53%
Railway Network	295	155	140	+90%
Other revenue	22	12	10	+83%
Revenue	1,049	644	405	+63%
External operating costs	(269)	(193)	(76)	-39%
Employee benefits expense	(187)	(185)	(2)	-1%
Operating costs	(456)	(378)	(78)	-21%
Operating margin (EBITDA) excluding other income	593	266	327	+123%
<i>EBITDA (excluding other income)/revenue</i>	57%	41%	15pt	
Other income **	–	4	(4)	
EBITDA Eurotunnel	593	270	323	+120%

* Restated at the rate of exchange used for the 2022 income statement (£1=€1.168).

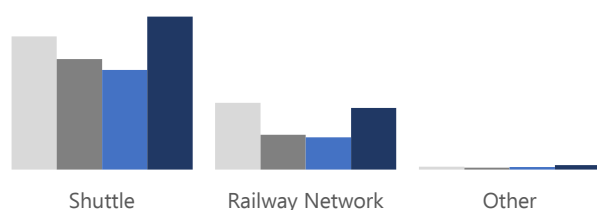
** Other income of €4 million received in 2021 relating to the 2019 financial year.

The results of the Eurotunnel segment have recovered significantly in 2022 following two years of significant disruptions due to the health crisis and related measures since mid-March 2020, thanks to an effective application of the yield management strategy and the decisions taken by the Group to adapt its operational capacity to changes in traffic demand and to control its costs. Passenger Shuttle and Eurostar traffic however remained affected by the effects of the pandemic during the first half of 2022, albeit to a lesser extent than in 2021, and traffic levels generally were below 2019 levels in the second half of 2022.

The following graphs illustrate the evolution of the Eurotunnel segment's revenue and EBITDA since 2019:

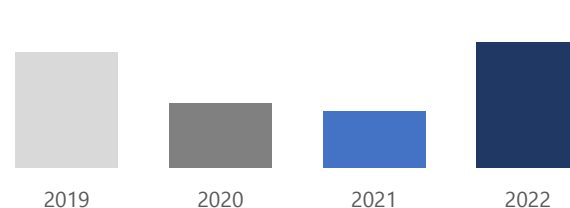
Eurotunnel revenue by activity (€m)

■ 2019 ■ 2020 ■ 2021 ■ 2022



Eurotunnel's EBITDA (€m)

■ 2019 ■ 2020 ■ 2021 ■ 2022



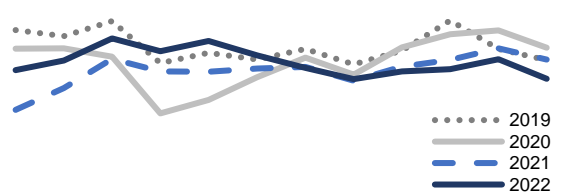
* Restated at the rate of exchange used for the 2022 income statement (£1=€1.168).

i. Eurotunnel revenue

Revenue generated by this segment, which in 2022 represented 65% of the Group's total revenue, was up by 63% compared to 2021, to €1,049 million.

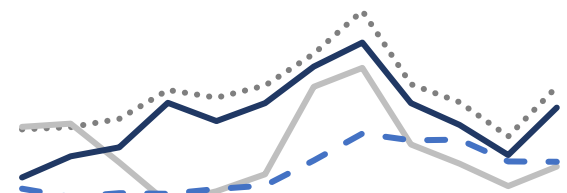
The following graphs illustrate the monthly evolution in traffic volumes over the period January 2019 to December 2022:

Truck Shuttle volumes



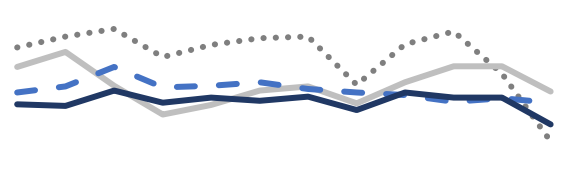
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

Passenger Shuttle car and coach volumes



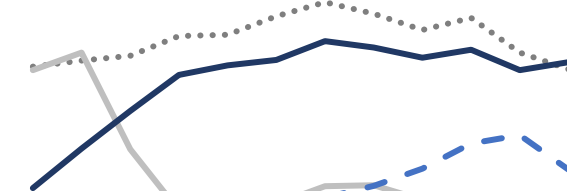
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

Railfreight trains



Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

Eurostar passengers



Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

Shuttle Services

Strong ticket yields, due mainly to the type of tickets booked (flexible, last-minute), have continued to mitigate the effect of the significant decline in cross-Channel passenger markets resulting from the pandemic. At €732 million for 2022, Shuttle Services' revenue was up by 53% compared to the previous year.

Traffic (number of vehicles)	2022	2021	Change
Truck Shuttle	1,446,765	1,361,529	+6%
Passenger Shuttle:			
Cars *	2,109,920	953,143	+121%
Coaches	17,518	7,062	+148%

* Includes motorcycles, vehicles with trailers, caravans and motor homes.

Truck Shuttle

Compared to the same period in 2021, Truck Shuttle traffic in the first half of 2022 benefited from a positive base effect due to the impact of the consequences of Brexit that occurred on 1 January 2021 as well as the interruption of P&O ferry traffic on 17 March until its gradual resumption from 26 April 2022 which disrupted the Short Straits market during this period. During the second half of 2022, the Short Straits truck market contracted as a result of the slowdown in economic activity related to the energy and inflation crisis. The number of trucks transported by Eurotunnel increased by 6% in 2022 compared to 2021, in a Short Straits truck market that contracted by 1.4%. The Truck Shuttle Service's share of the market was at 42.2% for the year, an improvement of 3 points compared to 2021.

Passenger Shuttle

In the first half of 2022, the Short Straits market rebounded by 288% compared to the first half of 2021 as a result of the progressive lifting of travel restrictions and Eurotunnel's car traffic, boosted by the transfer of P&O traffic during the period, increased by 248%. This growth slowed slightly in the second half of the year, to 160% for the full year 2022 compared to 2021 in a market weakened by the slowdown in economic activity, and the market remained 27% below 2019 pre-Covid levels. Having gained from safety benefits during the public health crisis, Eurotunnel's car traffic market share at 63% has reduced by 11 points year-on-year but remains nevertheless above 2019 pre-Covid levels.

In a Short Straits coach market that grew by 319% in 2022, Eurotunnel's Passenger Shuttle's coach traffic grew by 148% and its market share decreased by 26 points to 37.8% (2021: 63.8%).

Railway Network

Traffic	2022	2021	Change
High-Speed Passenger Trains (Eurostar)			
Passengers *	8,295,005	1,637,687	5.1x
Rail Freight Services **:			
Number of tonnes	846,058	1,041,140	-19%
Number of trains	1,488	1,654	-10%

* Only passengers travelling through the Channel Tunnel are included in this table, excluding those who travel between continental stations (such as Brussels-Calais, Brussels-Lille, Brussels-Amsterdam, etc).

** Rail freight services by train operators (DB Cargo for BRB, SNCF and its subsidiaries, GB Railfreight, RailAdventure and Europorte) using the Tunnel.

The Group earned revenues of €295 million in 2022 from the use of its Railway Network by Eurostar's High-Speed Passenger Trains and by Rail Freight Services, up by 90% compared to 2021 driven by the gradual recovery in passenger traffic between the various countries served by Eurostar.

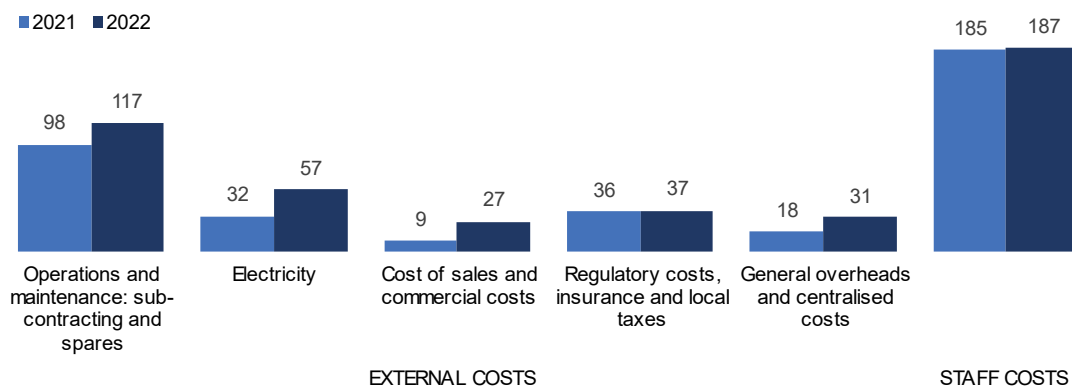
In 2022, 8,295,005 Eurostar passengers used the Tunnel, 5 times that of 2021 and reaching 75% of the levels seen in 2019 before the public health crisis. The launch of a third (April) and fourth (September) daily direct return service between London and Amsterdam and Rotterdam also contributed to this increase.

Despite the development of a new service by the CAT group on behalf of Toyota, cross-Channel rail freight remains affected by the disruption to international supply chains and the changes in the structure of the steel sector, with the number of trains down by 10% in 2022 compared to 2021.

ii. Eurotunnel operating costs

In 2022, the Eurotunnel segment's operating charges increased by 21% compared to 2021 to €456 million. This increase of €78 million is mainly due to the recovery in activity compared to 2021 as well as an increase of €25 million in energy costs, of which €20 million is due to increased energy prices.

Eurotunnel operating costs (€m)



b) Europorte segment

The Europorte segment, which covers the entire rail freight transport logistics chain in France as well as cross-border flows to Belgium and Germany, includes most notably Europorte France and Socorail.

€ million			Change	
Improvement/(deterioration) of result	2022	2021	€M	%
Revenue	137	130	7	+5 %
External operating costs	(52)	(51)	(1)	-2 %
Employee benefits expense	(56)	(51)	(5)	-10 %
Operating costs	(108)	(102)	(6)	-6 %
Operating margin (EBITDA)	29	28	1	+4 %

In 2022, Europorte recorded an increase in revenue of €7 million (+5 %) and EBITDA of €1 million. Revenue growth was driven mainly by good sector positioning and continued growth in its transport business on cross-border flows between France, Belgium and Germany (which now account for 21% of Europorte's total segment revenue), as well as by the re-invoicing of an energy surcharge to customers.

c) ElecLink segment

In 2022, the ElecLink project, which started in 2016, was completed, with the 1GW electricity interconnector between Great Britain and France becoming operational on 25 May 2022.

Between the start of commercial operations at the end of May 2022 and 31 December 2022, ElecLink generated revenues of €420 million and an EBITDA of €264 million.

€ million			Change	
Improvement/(deterioration) of result	2022	2021	€M	
Revenue	420	–	420	
External operating costs*	(153)	–	(153)	
Employee benefits expense	(3)	(1)	(2)	
Operating costs	(156)	(1)	(155)	
Operating margin (EBITDA)	264	(1)	265	
<i>EBITDA / revenue</i>	63 %			

* Including the estimated amount of the restitution of the sharing of the interconnector's profit achieved in 2022 (see below).

ElecLink's revenues come mainly from sales of interconnector capacity.

ElecLink's external operating costs include €142 million corresponding to an estimated amount of restitution of the sharing of the interconnector's profit achieved in 2022 with the French and British national electricity grid operators in accordance with the exemption granted to ElecLink in 2014 (see section 6 below).

d) Operating margin (EBITDA)

EBITDA by business segment evolved as follows:

€ million	Eurotunnel	Europorte	ElecLink	Total Group
EBITDA 2021 restated *	270	28	(1)	297
Improvement/(deterioration):				
Revenue	405	7	420	832
Other income	(4)	–	–	(4)
Operating costs	(78)	(6)	(155)	(239)
Total changes	323	1	265	589
EBITDA 2022	593	29	264	886

* Restated at the rate of exchange used for the 2022 income statement (£1=€1.168).

Thanks to the first contribution of ElecLink following its start-up on 25 May 2022 as well as to the impact on Eurotunnel's traffic of the gradual lifting of travel restrictions at the beginning of the year, the Group's consolidated operating margin (EBITDA) has almost tripled compared to 2021 (+198%) and amounts to €886 million in 2022. EBITDA for the year 2022 is €317 million higher than in 2019, the base reference year before the public health crisis.

e) Trading profit and operating profit (EBIT)

Depreciation charges increased by €38 million compared to 2021 to €227 million mainly as a result of the entry into service of ElecLink on 25 May 2022 (+€26 million) and the revision of the depreciation periods of certain Concession assets.

The trading profit in 2022 improved by €551 million compared to 2021, to €659 million.

As a reminder, in 2021 net other operating charges of €47 million included a provision of €29 million in respect of the voluntary departure programmes for Eurotunnel staff in France and the United Kingdom.

The operating result for the 2022 financial year was a profit of €671 million, up by €610 million compared to 2021.

f) Net financial charges

At €445 million for 2022, net finance costs increased by €137 million compared to 2021 at a constant exchange rate. This increase was mainly due to the impact of higher inflation rates in the United Kingdom and France on the cost of the indexed tranche of the debt (+€114 million) as well as the discontinuation of the capitalisation interest charges relating to the ElecLink project when the interconnector became operational at the end of May (€17 million).

In 2022, other net financial income of €41 million consists mainly of interest earned on the G2 notes held by the Group amounting to €31 million (up by €15 million compared to 2021 due to higher inflation rates), the discount realised on the partial termination of the hedging contracts in the context of the refinancing of the C2A tranche of the Term Loan for an amount of €4 million (see note A.1.2 to the consolidated financial statements in section 2.2.1 of the 2022 Universal Registration Document), a positive change in the ineffective portion of hedging instruments of €5 million and net exchange gains of €7 million in 2022 (compared to net exchange losses of €4 million in 2021).

g) Net consolidated results

The Group's pre-tax result for continuing operations for the 2022 financial year was a profit of €267 million, an improvement of €504 million compared to 2021 at a constant exchange rate. The evolution of the pre-tax result from continuing operations by segment compared to 2021 is presented below:

€ million

	Eurotunnel	Europorte	ElecLink	Total Group
Pre-tax result from continuing activities: 2021 restated				
*	(213)	5	(29)	(237)
Improvement/(deterioration) of result:				
Revenue	+405	+7	+420	+832
Other income	-4	-	-	-4
Operating expenses	-78	-6	-155	-239
EBITDA	+323	+1	+265	+589
Depreciation	-12	-	-26	-38
Trading result	+311	+1	+239	+551
Other net operating income/charges	+49	-	+10	+59
Operating result (EBIT)	+360	+1	+249	+610
Net financial costs and other	-112	-	+6	-106
Total changes	+248	+1	+255	+504
Pre-tax result from continuing operations for 2022	35	6	226	267

* Restated at the rate of exchange used for the 2022 income statement (£1=€1.168).

After taking into account a net tax charge of €15 million, the net consolidated result for the Group's continuing activities in 2022 was a profit of €252 million compared to a loss of €229 million in 2021 at an equivalent exchange rate, an improvement of €481 million.

2 ANALYSIS OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>€ million</i>	31 December 2022	31 December 2021
<i>Exchange rate €/\$</i>	1,127	1,190
Fixed assets	6,716	6,718
Other non-current assets	616	592
Total non-current assets	7,332	7,310
Trade and other receivables	113	76
Other current assets	76	47
Cash and cash equivalents	1,196	718
Total current assets	1,385	841
Total assets	8,717	8,151
Total equity	2,432	1,319
Financial liabilities	5,338	5,334
Interest rate derivatives	331	1,101
Other liabilities	616	397
Total equity and liabilities	8,717	8,151

The table above summarises the Group's consolidated statement of financial position as at 31 December 2022 and 31 December 2021. The main elements and changes between the two dates, presented at the exchange rate for each period, are as follows:

- At 31 December 2022, fixed assets include property, plant and equipment and intangible assets amounting to €5,650 million for the Eurotunnel segment, €942 million for the ElecLink segment and €124 million for the Europorte segment. Between 31 December 2021 and 31 December 2022, the investment of €57 million in the ElecLink segment is mainly due to capitalised investments and interest relating to the project up until the start of commercial operations.
- Other non-current assets at 31 December 2022 include the G2 inflation-linked notes held by the Group amounting to €344 million and a deferred tax asset of €203 million.
- At 31 December 2022, cash and cash equivalents amounted to €1,196 million after net capital expenditure of €188 million and €273 million paid in debt service costs (net interest, repayments and fees).
- Equity increased by €1,113 million as a result of a change in the fair value of the partially terminated hedging contracts (€719 million), the net result for the period (profit of €252 million), the recognition of an actuarial gain on employee retirement benefits (€111 million) and the change in the exchange rate on the translation adjustment (€80 million). These increases were partially offset by the payment of the dividend in respect of 2021 (€54 million).
- Financial liabilities have increased by €4 million compared to 31 December 2021 mainly as a result of the €193 million impact arising from the evolution of inflation on the indexed tranches of debt and the €3 million increase in lease liabilities, partially offset by the impact of the change in the exchange rate on the sterling-denominated debt (€125 million) and €67 million of contractual debt repayments.
- The liability in respect of the fair value of the interest rate derivatives decreased by €770 million mainly due to the impact of a reduction in long-term rates on the market value of the instruments (€633 million) and of the partial termination of the hedging contracts as part of the refinancing of the C2A tranche of the Term Loan in May 2022 (€122 million).
- Other liabilities include €469 million of trade and other payables, provisions, deferred income and other liabilities.

Statement of financial position at 31 December 2022

ASSETS	LIABILITIES
Cash and cash equivalents, €1,196m	Other liabilities, €616m
Other assets, €805m	Interest rate derivatives, €331m
Fixed assets, €6,716m	Financial liabilities, €5,338m
	Equity, €2,432m

3 ANALYSIS OF CONSOLIDATED CASH FLOWS

€ million	2022	2021
Exchange rate €/£	1.127	1.190
Continuing activities:		
Net cash inflow from trading	1,159	338
Other operating cash flows and taxation	(33)	15
Net cash inflow from operating activities	1,126	353
Net cash outflow from investing activities	(188)	(135)
Net cash outflow from financing activities	(325)	(290)
Net cash (out)/inflow from financing operations	(121)	146
Increase in cash from continuing activities	492	74
Decrease in cash from discontinued activities*	–	(2)
Total increase in cash in year	492	72

* Maritime segment, see note C.2 to the consolidated financial statements at 31 December 2022.

At €1,159 million in 2022, net cash generated from trading by continuing operations increased by €821 million compared to 2021. This change is mainly due to the start of commercial operations of the ElecLink electricity interconnector on 25 May 2022 and the significant impact on Eurotunnel's activities of the progressive lifting of international travel restrictions:

- an increase of €306 million in the cash flows generated by Eurotunnel's activities to €615 million (2021: €309 million);
- a decrease of €8 million in the cash flows generated by Europorte's activities to €23 million (2021: €31 million); and
- cash flows of €521 million generated by ElecLink's activities reflecting the start of commercial operations of the electricity interconnector on 25 May 2022.

Other operating cash and taxation payments of €33 million are mainly related to payments of €25 million of tax for ElecLink and the payments of €8 million related to the voluntary departure programme concerning Eurotunnel segment employees.

At €188 million in 2022, net cash payments for investing activities have increased by €53 million compared to 2021. In 2022, these comprised:

- €134 million relating to Eurotunnel (2021: €65 million including a receipt of €18 million in respect of the partial reimbursement by the French state for Brexit-related investments under an agreement reached in March 2021). The main expenditure comprised €76 million on rolling stock and €35 million on infrastructure;
- €6 million of capital expenditure for the Europorte segment (2021: €2 million); and
- net payments of €47 million in relation to the ElecLink project (2021: €67 million).

Net financing payments in 2022 amounted to €325 million compared to €290 million in 2021. During 2022, these included:

- capital transactions with a net outflow of €52 million consisting mainly of €54 million paid in dividends (2021: €27 million);
- net debt service costs of €273 million:
 - €200 million of interest paid on the Term Loan and on other borrowings (€193 million in 2021);
 - €67 million paid in respect of scheduled repayments of the Term Loan and other borrowings (€61 million in 2021);
 - €7 million received in respect of the contractual repayment on the G2 notes held by the Group and €7 million received in respect of the interest earned thereon (€6 million and €7 million respectively in 2021);
 - €19 million paid in relation to leasing contracts (€22 million in 2021) presented in financing activities in accordance with IFRS 16; and
 - €5 million paid in relation to financial operations completed in previous years (€4 million in 2021).

On 12 May 2022, the Group refinanced the €425 million C2A tranche of the Term Loan and partially terminated the corresponding hedging contracts (see section 6 below and G.1.2 to the consolidated financial statements at 31 December 2022). €118 million was paid for the partial termination of the hedging contracts and other transaction-related costs amounted to €6 million.

4 KEY FINANCIAL INDICATORS

Free Cash Flow

The Group's Free Cash Flow represents the cash generated by current activities in the normal course of business. It can be used to distribute dividends to shareholders and to make strategic investments in the Group's development. The Group defines its Free Cash flow as net cash flow from its current activities excluding extraordinary or exceptional cash movements in respect of the equity-related cash flows, financial transactions such as the raising of new debt to help finance new activities, debt refinancing, renegotiation or early repayment as well as investment in new activities or the divestment of activities and related assets.

€ million	2022	2021
<i>Exchange rate €/\$</i>	1.127	1.190
Net cash inflow from operating activities	1,126	353
Net cash outflow from investing activities	(140)	(67)
Net debt service costs (interest paid/received, fees and repayments)	(273)	(266)
Other receipts	1	1
Free Cash Flow from continuing activities	714	21
Free Cash Flow from discontinued activities	–	(2)
Free Cash Flow	714	19
Dividend paid	(54)	(27)
Purchase of treasury shares and net movement on liquidity contract	1	2
Refinancing operations	(121)	146
Eleclink: project expenditure	(47)	(67)
Régionéo project	(1)	(1)
Use of Free Cash Flow	(222)	53
Increase in cash in the year	492	72

At €714 million in 2022, Free Cash Flow from continuing activities increased by €693 million compared to 2021 for the reasons set out above.

EBITDA to finance cost ratio

The ratio of the Group's consolidated EBITDA to its finance costs (excluding interest received and indexation) was 3.4 at 31 December 2022 (2021 restated: 1.3).

€ million	2022	2021 * restated
<i>Exchange rate €/\$</i>	1.168	1.168
EBITDA	886	297
Finance cost	451	309
Indexation	(193)	(79)
Finance cost excluding indexation	258	230
EBITDA / finance cost excluding indexation	3.4	1.3

* Restated at the rate of exchange used for the 2022 income statement (£1=€1.168).

Net debt to EBITDA ratio

The Group defines its net debt to EBITDA ratio as the ratio between financial liabilities less the indexed nominal value of the G2 notes held by the Group and cash and cash equivalents, and consolidated EBITDA. At 31 December 2022, the ratio was 4.4 compared to 14.8 at 31 December 2021.

€ million	31 December 2022	31 December 2021
Non-current financial liabilities	5,168	5,176
Current financial liabilities	78	69
Other non-current liabilities	73	70
Other current liabilities	19	19
Total financial liabilities	5,338	5,334
Inflation-indexed notes (G2)*	(234)	(230)
Cash and cash equivalents	(1,196)	(718)
Net debt	3,908	4,386
EBITDA	886	297
Net debt / EBITDA	4.4	14.8
<i>Statement of financial position exchange rate € / £</i>	<i>1.127</i>	<i>1.190</i>
<i>Income statement exchange rate € / £</i>	<i>1.168</i>	<i>1.167</i>

* Indexed nominal value.

5 COVENANTS RELATING TO THE GROUP'S DEBT

Eurotunnel

The debt service cover ratio and the synthetic service cover ratio on the Term Loan apply to the Eurotunnel Holding SAS subgroup. These ratios are described in note G.1.2.b to the consolidated financial statements contained in section 2.2.1 of the 2022 Universal Registration Document.

At 31 December 2022, Eurotunnel has respected its financial covenants under the Term Loan with a debt service cover ratio and a synthetic service cover ratio of approximately 1.77.

In October 2021, in the context of the public health crisis and as a precautionary measure, the Group extended the waiver agreement that was put in place in 2020 under its main financial covenant, the senior debt coverage ratio. The Group did not make use of the waiver at either 30 June 2022 or 31 December 2022, the last date on which the Group could have made use of it.

Getlink

The conditions attached to the 2025 Green Bonds issued by Getlink SE include financial ratios, or incurrence covenants, the non-compliance with which may prevent the completion of certain transactions such as the payment of dividends or the raising of additional financing, without however giving rise to an event of default. The Group complied with these ratios as at 31 December 2022. For more information, see note G.1.1 to the consolidated financial statements in section 2.2.1 of the 2022 Universal Registration Document.

6 IMPORTANT EVENTS

Eurotunnel

Significant recovery in Eurotunnel's activity despite impact of the Ukrainian crisis and Brexit

Eurotunnel's activity in 2022 was marked by a strong recovery following the gradual lifting of the Covid-19 pandemic containment and movement restriction measures, but also by the adverse impact of the economic and geopolitical context on its traffic and operating costs.

While Passenger Shuttle and Eurostar traffic in 2022 was well above 2020 and 2021 levels, it was still below 2019's pre-pandemic levels and was also impacted by the adverse economic and geopolitical context. However, the effective application of Eurotunnel's yield management strategy enabled the Passenger Shuttle business to achieve higher revenues than in 2019.

During 2022, the cross-Channel market and Truck Shuttle traffic continued to be affected by the consequences of Brexit. Since 1 January 2022, the new arrangements for border controls on entry to the United Kingdom have been partially in place at the border, and on 28 April 2022, the UK Government announced that the introduction of the remaining controls on the import of goods from the EU, planned for mid-2022, would be delayed until the end of 2023.

To date, beyond the impact on its traffic, the most significant direct impact of the deteriorating economic and geopolitical situation has been to increase certain costs, notably traction energy costs, and to increase the financial charges on the tranches of the Term Loan that are indexed to inflation.

Despite the unfavourable environment of the last two years, the recovery in traffic during 2022 and the continued effect of the various measures taken since the beginning of the pandemic allow Eurotunnel to comply with the financial covenants relating to its Term Loan at 31 December 2022 and to strengthen its liquidity position.

Refinancing of tranche C2A of the Term Loan

On 12 May 2022, the Group completed the refinancing of the €425 million C2A tranche of Eurotunnel's Term Loan. The operation permitted the Group to avoid a 4% contractual margin step-up from June 2022, thereby saving an estimated €17 million in annual financing costs over the next nine years. In addition, the partial termination of the hedging contracts results in a cash saving of some €15 million per annum over the same period, partially offset by the cost of this partial termination of €118 million.

The operation comprised the refinancing of the C2A tranche of the Term Loan by the issue of one new tranche of debt, the C2E tranche, at a fixed rate of interest of 3.531% for the initial nine-year period and thereafter switching back to variable rate with a margin step-up, as well as the partial termination of the corresponding hedging contracts.

The operation and its treatment in the consolidated financial statements are presented in detail in note G.1.2. to the consolidated financial statements contained in section 2.2.1 of the 2022 Universal Registration Document.

ElecLink

Following validation of its safety dossier by the Intergovernmental Commission in February 2022, ElecLink completed all the remaining works and commissioning procedures on its electricity interconnector prior to the launch of commercial operation on 25 May 2022, slightly ahead of schedule.

The Group recorded total fixed assets in the consolidated balance sheet for the ElecLink segment as at 31 December 2022 of €942 million, including €770 million of tangible fixed assets, €151 million of intangible assets and €20 million of goodwill.

Commercially, the new interconnector has generated revenues of €420 million for the period 25 May to 31 December 2022 and its technical performance has been in line with expectations.

The exemption granted to ElecLink in 2014 by the European Commission and the national regulators includes a profit-sharing condition according to which, above a certain level of return on investment, the profits of the interconnector must be shared between ElecLink and the national grids, National Grid and RTE. The final rules for the application of this profit-sharing condition need to be clarified. Nevertheless, on the basis of this regulatory commitment, it is highly likely that the financial profit realised by ElecLink in 2022 as well as those estimated over the duration of the exemption will lead ElecLink to reach the contractual level of return on investment in absolute terms. In this context, the Group has recognised in its consolidated accounts at 31 December 2022 a provision of €142 million in its operating expenses in respect of the sharing of the profits of the interconnector for the year 2022 in accordance with IAS 37. The amount of this provision has been established with the help of external experts and based on in-depth analyses and by performing sensitivity tests of the main key assumptions. However, this amount is subject to many assumptions and factors, including a highly volatile macroeconomic environment and uncertainties related to the components and the calculation method. These elements will be the subject of discussions with national regulators during 2023.