

# Half-yearly financial report 2022



Fluxys Belgium



## shaping together a bright energy future

We are committed to continuing to build a greener energy future for the generations to come. People, industry and societies all need energy to thrive and progress. Fluxys Belgium accommodates this need: we put energy in motion through our infrastructure. We move natural gas while paving the way for the transmission of hydrogen, biomethane or any other carbon-neutral energy carrier as well as CO<sub>2</sub>, accommodating the capture, usage and storage of the latter.

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# 1 Interim report

## 1.1 Highlights from the first half of 2022

- Regulated turnover rose to € 287.4 million (first half of 2021: € 277.9 million) and net profit rose to € 41.1 million (first half of 2021: € 38.3 million)
- Infrastructure and employees operating at full speed
- Energy grid of the future in the making
- Storage over 90% filled
- Transported volumes on the rise
- Efforts to reduce our own climate impact on schedule
- Tariff reduction

## 1.2 Key financial data

Income statement (in thousands of €)	30.06.2022	30.06.2021
Operating revenue	287,430	277,900
EBITDA*	153,577	155,290
EBIT*	72,623	68,799
Net profit	41,111	38,319
Balance sheet (in thousands of €)	30.06.2022	31.12.2021
Investments in property, plant and equipment	35,232	50,647
Total property, plant and equipment	1,862,163	1,902,037
Equity	598,126	639,674
Net financial debt*	665,105	846,046
Total consolidated balance sheet	2,894,022	2,634,514

\* For the definitions and rationale for using these indicators: see p. 48.

### Turnover and net profit

The Fluxys Belgium Group generated turnover of € 287.4 million in the first half of 2022. This represents an increase of € 9.5 million compared with the same period in 2021 (€ 277.9 million). Net profit rose from € 38.3 million to € 41.1 million. The change in regulated turnover and net profit is mainly due to the evolution of the different components to be covered by the regulated tariffs. This evolution is in line with the tariff proposal and complies with the tariff methodology for 2020-2023.

### Investments totalling €35.2 million

In the first half of 2022, investments in property, plant and equipment amounted to € 35.2 million, compared with € 15.8 million in the first half of 2021. € 19.3 million of these investments went to LNG infrastructure projects and € 15.9 million to transmission projects.

## 1.3 Key events

### Infrastructure and employees operating at full speed

The geopolitical situation in Ukraine has dramatically changed the dynamics on the gas markets and the direction of flows. Demand to send natural gas from Belgium to Germany and the Netherlands is especially high and our commercial and operational staff are doing their very best to ensure our essential service to society even during these extraordinary times.

Our grid has once again confirmed its role as an energy hub for North-West Europe, with the Zeebrugge terminal as an important gateway for both natural gas via pipelines and LNG via ship. This vital role means our infrastructure was used more intensively in the first half of 2022 than ever before.

Fluxys Belgium's activities are regulated. In that context, profits are determined in advance and do not change if more capacity is sold. The increased volumes handled do not bring additional profit to shareholders.

As an essential infrastructure company, the safety and security of our facilities comes first and we monitor our infrastructure 24/7. Given the current context, we are currently operating in a regime of refined precautionary measures.

Given the new context of changed flows, we plan to bolster the Zeebrugge-inland route in the near term by building an additional pipeline between Desteldonk and Opwijk, parallel to the existing pipeline, in order to create additional throughput capacity for Belgium and our neighbouring countries. The investment in additional capacity has particular societal added value in supporting security of supply because the completion of the L-H conversion will mean that no more low-energy gas from the Netherlands will flow into the Belgian market by 2024. We are also anticipating the energy transition: we will immediately build a future-proof pipeline that, at a later stage, can transport hydrogen and other low carbon molecules from Zeebrugge, inland and to Germany.

### **Energy grid of the future in the making**

In the first half of the year, we took major steps forward in our strategy to transform and expand our infrastructure into complementary networks via which we will also carry hydrogen, CO<sub>2</sub> and other molecules.

Our specific proposals for open-access hydrogen and CO<sub>2</sub> infrastructure on various industrial sites (in Antwerp, Ghent, Liège, Mons and Charleroi) were enthusiastically received by Belgian industry. The market's positive response is giving us clear direction regarding our plans to lay new pipelines and repurpose existing infrastructure. Fluxys Belgium aims to have the first hydrogen and/or CO<sub>2</sub> infrastructure in Belgium in place by 2026.

To achieve that milestone, we are working in close cooperation with our customers, the authorities, distribution system operators, operators in neighbouring countries and other stakeholders. Accordingly, many international companies in the various industrial clusters are collaborating with Fluxys Belgium on the feasibility study for the development of the energy grid of the future.

We are collaborating with Gasunie in the Netherlands and GRTgaz in France to connect hydrogen networks on both sides of the border. We are also studying the transit of hydrogen and other low carbon molecules to Germany. These are important projects that maintain Belgium's role as an energy crossroads in North-West Europe with the molecules of the future and that dovetail seamlessly into a European vision of highly connected hydrogen routes.

At the same time, Fluxys Belgium is fully involved in projects to transport CO<sub>2</sub> from industry in Belgium and neighbouring countries to permanent storage sites or make it available for reuse: a.o. Antwerp@C with the port industry, Ghent Carbon Hub with North Sea Port and ArcelorMittal, and a 1,000-km subsea pipeline from Zeebrugge to Norway with Norwegian energy company Equinor. In so doing, Fluxys is developing essential infrastructure that can help industry to decarbonise its activities.

### **Storage over 90% filled**

The European Union requires Belgium and the other EU member states to have their gas storage facilities at least 80% full by 1 November this year. Europe wants to go into the winter with buffers filled as much as possible.

By 1 September, our underground storage facility in Loenhout – the only one in Belgium – was 92% full.

### **Transported volumes on the rise**

The volumes transmitted in the network were 38% above those in the first half of 2021. Border-to-border volumes almost doubled to 194 TWh, while volumes for consumption on the Belgian market dropped 18% to 88 TWh.

Consumption in Belgium in the first half evolved as follows compared to the same period last year:

- Transmission to distribution system operators fell by more than 18%. (49 TWh)

- Directly connected industrial companies purchased 11% less natural gas. (21 TWh)
- Transmission volumes for natural gas-fired power plants dropped by more than 25%. (18 TWh)

### **Efforts to reduce our own climate impact on schedule**

At our LNG terminal in Zeebrugge, the construction of three additional open rack vaporisers (ORVs) is in full swing. In addition to increasing the end-out capacity, this expansion aligns with the Go4Net0 project to reduce our greenhouse gas emissions. We are on track to reach the first milestone: halving emissions by 2025. And by 2035, we want our operations to be climate-neutral.

An ORV uses the heat from seawater to convert LNG back into gaseous form. This technology replaces traditional heating installations and results in much more efficient energy consumption and significantly lower CO<sub>2</sub> emissions at the terminal.

The project to install the additional open rack vaporisers is on schedule. They will enter service in early 2024.

### **Tariff reduction**

In line with the tariff methodology, Fluxys Belgium, in consultation with the market and CREG, lowered its tariffs for transmission services by 10% on 1 July. The tariff reduction has no impact on Fluxys Belgium's results.

The reduction corresponds to a total of €45 million over 2022 and 2023 and is in line with the aim pursued by both Fluxys Belgium and CREG of supporting consumers at a time when natural gas prices are high.

## **1.4 Transactions with related parties**

For more information on transactions with related parties, please refer to Note 11 in the condensed half-yearly financial statements.



## 1.5 Financial outlook

Under the 2020-2023 tariff methodology, net profits from Belgian regulated activities are determined based on various regulatory parameters, including equity invested and financial structure, as well as additional permitted return if we achieve certain targets for cost savings and/or emission reductions.

The recurring dividend will continue to evolve, primarily based on these three parameters.

Based on the information available at the time of this report, it is extremely difficult to anticipate the impact of the war in Ukraine on the economy.

In light of the current understanding of the situation, the essential nature of the company's activities and its regulatory framework, at present we do not anticipate any significant changes to the consolidated result of the Fluxys Belgium group in 2022. The group's activities are regulated and the increased volumes handled in our infrastructure do not bring additional profit to shareholders.

## 1.6 Risk management

Fluxys Belgium works with a risk management system based on ISO 31000 with a view to generating maximum sustainable value for the organisation's activities. To this end, we map out the possible consequences of uncertainty - both positive and negative - that will have an impact on the organisation. Risk management is integrated into the company's strategy, business decisions and activities.

Risk management at Fluxys Belgium is based on five domains that are material to the company's activities, taking into account the context and value chain within which the company operates and the interests of the company's stakeholders. Risk management also incorporates three domains that are not considered material but are mandatory for non-financial reporting, namely diversity, human rights and corruption.

We have monitored developments from various angles (industrial, financial, regulatory and market context, the energy transition, environment and corporate social responsibility) and have analysed the risk landscape accordingly. Despite the crisis in Ukraine and the high gas prices, the analysis shows that the risks and uncertainties expected for the second half of 2022 have not changed significantly compared to the risk reporting in the 2021 Annual Financial Report. Financial exposure resulting from contracts with Russian suppliers is closely monitored. There is also a risk in terms of security of supply. To this end, Fluxys Belgium oversees that the gas network is able to ensure gas supplies, both in Belgium and to other countries. The overview below details the risks and provides a summary of the measures taken for each domain.

## Safe and reliable infrastructure

Risk	Measures
Industrial incidents and certain IT incidents can damage Fluxys Belgium's infrastructure, endanger people's safety, cause unavailability impacting service continuity, and result in financial loss	<ul style="list-style-type: none"><li>• Safety management system</li><li>• Preventive measures in the design, construction and operation of infrastructure</li><li>• Detection measures contained in monitoring and inspection programmes for infrastructure and construction sites.</li><li>• Reactive measures for contingency planning</li><li>• The security of critical systems is verified in accordance with the Directive on security of network and information systems (the NIS Directive). Moreover, programmes are put in place to inform and train employees on cybersecurity. This is accompanied by the implementation of certain technical measures and tests to be able to respond to cyberattacks.</li></ul>

## Health, safety and well-being at work

Risk	Measures
Circumstances and events that may harm employees. These may include illness or other health problems, mental health issues or physical injury.	<ul style="list-style-type: none"><li>• Active Health, Safety and Environment Policy</li><li>• Advisory bodies</li><li>• Absenteeism policy</li><li>• Feeling Good@Fluxys</li><li>• Overall health &amp; safety plan</li><li>• External coaches available to you</li></ul>

## Transporting gases for a carbon-neutral future

Risk	Measures
Drop in demand for natural gas due to the energy transition: the risk that part of Fluxys Belgium's infrastructure can no longer be used and investment is needed to make it future-proof (transport of gases for a carbon-neutral future)	<ul style="list-style-type: none"><li>• Investment plan with projects to gradually reconfigure infrastructure as part of a carbon-neutral energy system (see also 'Opportunity' in this table)</li><li>• Each new connection to the grid is ready for hydrogen by 2023</li><li>• Facilitate the development of the biomethane market and the introduction of biomethane to the existing network.</li><li>• Contribute to developing the use of biomethane, LNG and bioLNG for transport and shipping</li></ul>

Opportunity	Actions
Develop new activities to advance the energy transition: compared to building new infrastructure, converting existing natural gas infrastructure is a cost-efficient solution to transport molecules for a carbon-neutral future	Investment planning with projects to gradually reconfigure the existing network as part of a carbon-neutral energy system

**Systematically reducing our own climate impact**

Risk	Measures
<ul style="list-style-type: none"> <li>Greenhouse gas emissions from Fluxys Belgium's activities do not decrease in line with climate targets</li> <li>Greenhouse gas emissions can have a financial impact</li> </ul>	<ul style="list-style-type: none"> <li>'Go for net 0' project to bring Fluxys Belgium's greenhouse gas emissions to net 0 by 2035. This includes methane emissions from our activity and interventions.</li> <li>Project to further cut CO2 emissions by building additional regasifiers with seawater at the Zeebrugge LNG terminal</li> </ul>

Opportunity	Actions
Improve the energy efficiency of our activities	Renewable energy technology improves both energy efficiency and greenhouse gas emissions

**Financial resilience**

Risk	Measures
The risk that market events or developments will impact Fluxys Belgium's revenues and/or assets	<ul style="list-style-type: none"> <li>Monitoring the market by continuously adapting existing services and/or developing new services the market needs at competitive prices</li> <li>Financial monitoring of counterparties and ensuring their receivables are verified, as well as analysing their credit score, liquidity, solvency and reputation. In particular transactions with Russian counterparties</li> <li>Insurance</li> <li>Warranties from suppliers and customers</li> </ul>

**Diversity**

Risk	Measures
A lack of diversity in the workforce can lead to a business organisation that lacks the necessary skills, talents and experience	Equal opportunities policies that encourage diversity by favouring equality, meritocracy, staff career advancement, work-life balance and shared responsibility.

## Efforts to combat corruption

Risk	Measures
Corruption having a negative impact on the company's business reputation and/or financial results	<ul style="list-style-type: none"><li>• Fluxys staff are bound by an ethics code, the work regulations, collective bargaining agreements and specific procedures.</li><li>• Suppliers are bound by purchasing terms &amp; conditions with specific provisions on corruption.</li><li>• Specific internal checks monitored by internal audit at least every two years.</li><li>• Processes in place to verify that clients, suppliers, agents, consultants etc. comply with anti-corruption rules.</li></ul>

## Human rights

Risk	Measures
Violation of human rights having a negative impact on the company's business reputation and/or financial results	<ul style="list-style-type: none"><li>• With regard to employees: provisions of the ethics code, work regulations, collective bargaining agreements and specific procedures</li><li>• With regard to suppliers: provisions on human rights in the purchasing terms &amp; conditions.</li></ul>

## Impact of the war in Ukraine

Since the war in Ukraine started in February 2022, various sanctions have been declared against Russia and Belarus, as well as against Russian and Belarusian companies. Fluxys Belgium group in this context is not active in the Russian market nor has investments in Russian companies. Fluxys Belgium group sees no indications for impairment.

In its activities Fluxys Belgium group does business with Russian companies in accordance with European and national gas regulations and fully complies with the sanction regime that has been adopted.

Fluxys LNG is the entity that has the largest exposure to Russian gas flows through long-term contracts. To date there are no changes to the regular flows, nor to payments. The cancellation of the long-term contracts could lead to a temporary reduction of economic contribution of the company to the Fluxys Belgium group. The regulatory framework however is such to maintain allowed revenues and the cancellation of long-term contracts would make capacity available in a high-demand market.

Given the regulated nature of its business, net income of the Fluxys Belgium group has very limited downward sensitivity to volumes. Depending on how the war develops and the duration and the extent of the sanctions, Fluxys Belgium group may face temporary adverse cash income effects if customers were to default on payments for capacity they booked.



## 2 Condensed half-yearly financial statements of Fluxys Belgium and its subsidiaries consolidated under IFRS - 30 June 2022

### 2.1 General information on the company

#### 2.1.1. Corporate name and registered office

The registered office of the parent entity Fluxys Belgium SA is Avenue des Arts 31, B – 1040 Brussels, Belgium.

#### 2.1.2. Group activities

The main activities of the Fluxys Belgium group are transmission and storage of natural gas as well as terminalling services for liquefied natural gas (LNG) in Belgium. The Fluxys Belgium group also provides complementary services related to these main activities.

Please refer to the specific chapters in the 2021 Annual Report for further information on these activities.

## 2.2 Condensed IFRS financial statements of the Fluxys Belgium Group

### A. Condensed consolidated balance sheet

Condensed consolidated balance sheet		(in thousands of €)	
	Notes	30.06.2022	31.12.2021
<b>I. Non-current assets</b>		<b>2,057,116</b>	<b>2,074,508</b>
Property, plant and equipment	6	1,862,163	1,902,037
Intangible assets		22,933	23,891
Right-of-use assets		31,710	33,527
Investments in associates and joint ventures		50	50
Other financial assets		113,368	88,642
Financial lease receivables		2,094	2,094
Other receivables		8,144	9,144
Other non-current assets		16,654	15,123
<b>II. Current assets</b>		<b>836,906</b>	<b>560,006</b>
Inventories		65,785	39,042
Financial lease receivables		299	601
Current tax receivables		4,361	1,473
Trade and other receivables		158,128	90,446
Short-term investments		29,598	45,740
Cash and cash equivalents		567,157	366,931
Other current assets		11,578	15,773
<b>Total assets</b>		<b>2,894,022</b>	<b>2,634,514</b>

**Condensed consolidated balance sheet**
**(in thousands of €)**

	Notes	30.06.2022	31.12.2021
<b>I. Equity</b>		<b>598,126</b>	<b>639.674</b>
Equity attributable to the parent company's shareholders		598,126	639.674
<i>Share capital and share premiums</i>		60,310	60.310
<i>Retained earnings and other reserves</i>		537,816	579.364
Non-controlling interests		0	0
<b>II. Non-current liabilities</b>		<b>1,957,632</b>	<b>1.775.473</b>
Interest-bearing liabilities	7	1,133,418	1.162.091
Regulatory liabilities	8	624,163	397.877
Provisions		4,171	4.246
Provisions for employee benefits	9.1	45,698	60.517
Other non-current financial liabilities		2,988	3.254
Deferred tax liabilities		147,194	147.488
<b>III. Current liabilities</b>		<b>338,264</b>	<b>219.367</b>
Interest-bearing liabilities	7	61,972	57.432
Regulatory liabilities	8	130,383	75.963
Provisions		0	3.069
Provisions for employee benefits	9.1	3,241	4.201
Current tax payables		5,291	2.148
Trade and other payables		121,928	73.307
Other current liabilities		15,449	3.247
<b>Total liabilities and equity</b>		<b>2,894,022</b>	<b>2.634.514</b>

We have noted an increase in the balance sheet total. This is largely explained by the sales made over the first half of 2022. These sales have an impact on cash and cash equivalents on the asset side and on regulatory liabilities on the liabilities side. Moreover, on the asset side, we note a rise in trade and other receivables as a result of the sales and in stocks due to the gas price increase. On the liabilities side, we also note an increase in trade and other payables due to the increased cost for the purchase of gas.



## B. Condensed consolidated income statement

Condensed consolidated income statement		(in thousands of €)	
	Notes	30.06.2022	30.06.2021
<b>Operating revenue</b>	<b>4</b>	<b>287,430</b>	<b>277,900</b>
Sales of gas related to balancing operations and operational needs		103,759	10,497
Other operating income		6,643	6,645
Consumables, merchandise and supplies used		-2,104	-1,668
Purchase of gas related to balancing of operations and operational needs		-102,068	-10,497
Miscellaneous goods and services		-74,927	-67,819
Employee expenses		-61,281	-55,885
Other operating expenses		-3,875	-3,883
Depreciation		-82,472	-84,744
Provisions		1,517	-1,752
Impairment losses		1	5
<b>Operating profit/loss</b>		<b>72,623</b>	<b>68,799</b>
Change in the fair value of financial instruments		-351	-240
Financial income		735	618
Finance costs	4	-18,425	-19,179
<b>Profit/loss before tax</b>		<b>54,582</b>	<b>49,998</b>
Income tax expenses	4	-13,471	-11,679
<b>Net profit/loss for the period</b>	<b>4</b>	<b>41,111</b>	<b>38,319</b>
Fluxys Belgium share		41,111	38,319
Non-controlling interests		0	0
Basic earnings per share, attributable to the parent company's shareholders, in €		0.5851	0.5454
Diluted earnings per share, attributable to the parent company's shareholders, in €		0.5851	0.5454



## C. Condensed consolidated statement of comprehensive income

Condensed consolidated statement of comprehensive income		(in thousands of €)	
	Notes	30.06.2022	30.06.2021
<hr/>			
<b>Net profit/loss for the period</b>		<b>41,111</b>	<b>38,319</b>
<hr/>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
<hr/>			
Remeasurements of employee benefits	9.1	19,075	10,955
Income tax expenses on other comprehensive income		-4,769	-2,739
<hr/>			
<b>Other comprehensive income</b>		<b>14,306</b>	<b>8,216</b>
<hr/>			
<b>Comprehensive income for the period</b>		<b>55,417</b>	<b>46,535</b>
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Fluxys Belgium share		55,417	46,535
Non-controlling interests		0	0
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## D. Condensed consolidated statement of changes in equity

Condensed consolidated statement of changes in equity	(in thousands of €)		
	Share capital	Share premium	Reserves not available for distribution
<b>I. Closing balance as at 31.12.2020</b>	<b>60,272</b>	<b>38</b>	<b>44,167</b>
1. Comprehensive income for the period			
2. Paid dividends			
<b>II. Closing balance as at 30.06.2021</b>	<b>60,272</b>	<b>38</b>	<b>44,167</b>
<b>III. Closing balance as at 31.12.2021</b>	<b>60,272</b>	<b>38</b>	<b>54,072</b>
1. Comprehensive income for the period			
2. Paid dividends			
<b>IV. Closing balance as at 30.06.2022</b>	<b>60,272</b>	<b>38</b>	<b>54,072</b>



**Condensed consolidated statement of changes in equity** (in thousands of €)

Retained earnings	Reserves for employee benefits	Equity attributable to the parent company's shareholders	Non-controlling interests	Total equity
<b>552,442</b>	<b>-17,881</b>	<b>639,038</b>	<b>0</b>	<b>639,038</b>
38,319	8,216	46,535		46,535
-96,262		-96,262		-96,262
<b>494,499</b>	<b>-9,665</b>	<b>589,311</b>	<b>0</b>	<b>589,311</b>
<b>521,796</b>	<b>3,496</b>	<b>639,674</b>	<b>0</b>	<b>639,674</b>
41,111	14,306	55,417		55,417
-96,965		-96,965		-96,965
<b>465,942</b>	<b>17,802</b>	<b>598,126</b>	<b>0</b>	<b>598,126</b>

## E. Condensed consolidated statement of cash flows

Condensed consolidated statement of cash flows (indirect method)		(in thousands of €)	
	Notes	30.06.2022	30.06.2021
<b>I. Cash and cash equivalents, opening balance</b>	<b>A.</b>	<b>366,931</b>	<b>377,359</b>
<b>II. Cash flows from operating activities</b>		<b>385,082</b>	<b>130,481</b>
1. Cash flows from operating activities		406,377	152,943
1.1. Operating profit/loss	B.	72,623	68,799
1.2. Non-cash adjustments		360,738	65,761
1.2.1. Depreciation	B.	82,472	84,744
1.2.2. Provisions	B.	-1,517	1,752
1.2.3. Impairment losses	B.	-1	-5
1.2.4. Changes in regulatory liabilities	4+8	279,881	-19,989
1.2.5. Other non-cash adjustments		-97	-742
1.3. Changes in working capital		-26,984	18,383
1.3.1. Inventories		-26,743	-5,666
1.3.2. Tax receivables		-2,888	-3,053
1.3.3. Trade and other receivables		-67,681	14,559
1.3.4. Other current assets		4,365	6,550
1.3.5. Tax payables		6,474	6,045
1.3.6. Trade and other payables		47,288	-1,210
1.3.7. Other current liabilities		12,202	1,158
1.3.8. Other changes in working capital		0	0
2. Cash flows relating to other operating activities		-21,295	-22,462
2.1. Current tax paid		-21,864	-22,946
2.2. Interests from investments, cash and cash equivalents		470	511
2.3. Other inflows (outflows) relating to other operating activities		99	-27



**Condensed consolidated statement of cash flows (indirect method)**

(in thousands of €)

	Notes	30.06.2022	30.06.2021
<b>III. Cash flows relating to investment activities</b>		<b>-46,028</b>	<b>-9,448</b>
1. Acquisitions		-63,516	-25,947
1.1. Payments to acquire property, plant and equipment, and intangible assets		-38,523	-19,062
1.2. Payments to acquire subsidiaries, joint arrangements or associates	A.	0	0
1.3. Payments to acquire other financial assets		-24,993	-6,885
2. Disposals		1,345	1,116
2.1. Proceeds from disposal of property, plant and equipment, and intangible assets		345	1,115
2.2. Proceeds from disposal of subsidiaries, joint arrangements or associates		0	0
2.3. Proceeds from disposal of other financial assets		1,000	1
3. Dividends received classified as investment activities		0	0
4. Subsidies received	6	0	513
5. Increase (-) / Decrease (+) of short-term investments	A.	16,142	14,870
<b>IV. Cash flows relating to financing activities</b>		<b>-138,828</b>	<b>-129,078</b>
1. Proceeds from cash flows from financing		302	10,528
1.1. Proceeds from issuance of equity instruments	D.	0	0
1.2. Proceeds from issuance of treasury shares	D.	0	0
1.3. Proceeds from finance leases	A.	0	302
1.4. Proceeds from other non-current assets		302	0
1.5. Proceeds from issuance of compound financial instruments		0	0
1.6. Proceeds from issuance of other financial liabilities	7.	0	10,226

**Condensed consolidated statement of cash flows  
(indirect method)** **(in thousands of €)**

	Notes	30.06.2022	30.06.2021
2. Repayments relating to cash flows from financing		-30,771	-30,930
2.1. Repurchase of equity instruments subsequently cancelled		0	0
2.2. Purchase of treasury shares		0	0
2.3. Repayment of lease liabilities	7.	-1,466	-1,566
2.4. Redemption of compound financial instruments		0	0
2.5. Repayment of other financial liabilities	7.	-29,305	-29,364
3. Interests		-11,394	-12,414
3.1. Interest paid classified as financing		-11,423	-12,445
3.2. Interest received classified as financing		29	31
4. Dividends paid	D.	-96,965	-96,262
<b>V. Net change in cash and cash equivalents</b>		<b>200,226</b>	<b>-8,046</b>
<b>VI. Cash and cash equivalents, closing balance</b>	<b>A.</b>	<b>567,157</b>	<b>369,314</b>

## 2.3 Notes

### Note 1. General information

#### Note 1a. Statement of compliance with IFRS

The condensed financial statements of Fluxys Belgium and its subsidiaries ("the group" or "the group Fluxys Belgium") for the first half of 2022 have been established in accordance with the International Financial Reporting Standards, and in particular with the IAS 34 'Interim financial reporting' as adopted by the European Union, and have been subjected to a limited review by the statutory auditor.

They include a selection of explanatory notes and should be read in parallel with the consolidated financial statements of 31 December 2021.

All amounts are stated in thousands of euros.

#### Note 1b. Judgement and use of estimates

There have been no significant changes in the accounting estimates and judgements compared with the 2021 annual report.

#### Note 1c. Date of authorisation for issue

The Board of Directors of Fluxys Belgium SA authorised these half-yearly IFRS financial statements of Fluxys Belgium and its subsidiaries for issue on 28 September 2022.

#### Note 1d. Changes or additions to the accounting principles and policies

The condensed interim financial statements ended 30 June 2022 were prepared using the same accounting methods as those adopted for the consolidated financial statements for the financial year ended 31 December 2021.

Modifications to following standards and interpretations are applicable for the annual period beginning on or after 1 January 2022 but do not have any impact on the group's condensed interim financial statements:

- Amendment to IFRS 16 Leases: COVID-19-related rent concessions beyond 30 June 2021 (applicable for annual periods beginning on or after 1 April 2021)
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before intended use (applicable for annual periods beginning on or after 1 January 2022)
- Amendments to IAS 37 Provisions, contingent liabilities and contingent assets: Onerous Contracts — Cost of Fulfilling a Contract (applicable for annual periods beginning on or after 1 January 2022)
- Amendments to IFRS 3 Business combinations: Reference to the conceptual framework (applicable for annual periods beginning on or after 1 January 2022)
- Annual improvements to IFRS Standards 2018–2020 (applicable for annual periods beginning on or after 1 January 2022)



## Note 2. Seasonal nature of activities in the interim period

Even though some gas transport services can be contracted on a seasonal basis, the operating income from activities subject to the Gas Act is barely influenced by the seasonal nature of activities.

The operating income from these activities corresponds for the period pro rata with the estimated annual fair profit margin on invested capital.

This margin is reduced or supplemented by manageable cost variances resulting from considering an efficiency factor determined ex ante.

## Note 3. Acquisitions, disposals and restructuring

### Consolidation scope

The consolidation scope and percentage of interests in consolidated entities remained identical to those of 31 December 2021.

## Note 4. Income statement and operating segments

### Operating segments

Fluxys Belgium and its subsidiaries carry out activities in the following operating segments: transmission, storage, LNG terminalling activities in Belgium and other activities.

The segment information is based on classification into these operating segments.

Transmission activities comprise all operations subject to the Gas Act related to transmission in Belgium.

Storage activities comprise all operations subject to the Gas Act related to storage at Loenhout in Belgium.

Terminalling activities comprise all activities subject to the Gas Act related to the LNG terminal at Zeebrugge in Belgium.

The segment 'other activities' comprises other services rendered by Fluxys Belgium and its subsidiaries such as participating in the IZT and ZPT<sup>1</sup> terminals in Belgium and work for third parties.

The Fluxys Belgium group operates mainly in Belgium and therefore does not publish information by geographical sector.

The Chief Operating Decision Maker (CODM) is the CEO.

### Basis of accounting relating to transactions between operating segments

Transactions between operating segments mainly relate to capacity reservations by one segment subject to the Gas Act with another. These transactions are charged at the same regulatory tariffs as for external clients.

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<sup>1</sup> **Interconnector Zeebrugge Terminal (IZT):** Fluxys Belgium rents part of its installations to IZT under a finance lease and also provides operational support and maintenance. The cooperation with IZT is based on contracts (no participation by Fluxys Belgium).

**Zeepipe Terminal (ZPT):** Fluxys Belgium contributes to the operations of ZPT on a contractual basis (no participation).



**Segment income statement as at 30.06.2022**
**(in thousands of €)**

	<b>Trans- mission</b>	<b>Storage</b>	<b>Terminalling</b>	<b>Other</b>	<b>Inter- segment transfers</b>	<b>Total</b>
Operating revenue	191,127	16,877	75,485	12,836	-8,895	287,430
<i>Sales and services to external customers</i>	311,378	9,229	137,698	9,418	0	467,723
<i>Transactions with other segments</i>	703	4,002	772	3,418	-8,895	0
<i>Changes in regulatory assets and liabilities</i>	-120,954	3,646	-62,985	0	0	-180,293
Sales of gas related to balancing operations and operational needs	44,611	2,539	56,609	0	0	103,759
<b>Sales</b>	<b>133,134</b>	<b>2,539</b>	<b>67,675</b>	<b>0</b>	<b>0</b>	<b>203,348</b>
<i>Changes in regulatory assets and liabilities</i>	-88,523	0	-11,066	0	0	-99,589
Other operating income	1,617	41	2,094	2,945	-54	6,643
Consumables, merchandise and supplies used	-691	0	-16	-1,397	0	-2,104
Purchases of gas related to balancing of operations and operational needs	-44,614	-2,539	-54,915	0	0	-102,068
Miscellaneous goods and services	-55,579	-4,251	-17,182	-6,826	8,911	-74,927
Employee expenses	-44,535	-3,466	-10,883	-2,435	38	-61,281
Other operating expenses	-3,155	-320	-370	-30	0	-3,875
Depreciation	-53,925	-4,183	-23,880	-484	0	-82,472
Provisions	-23	-2	-78	1,620	0	1,517
Impairment losses	0	0	0	1	0	1
<b>Operating Profit/loss</b>	<b>34,833</b>	<b>4,696</b>	<b>26,864</b>	<b>6,230</b>	<b>0</b>	<b>72,623</b>
Change in the fair value of financial instruments				-351		-351
Financial income	225	25	8	477		735
Finance costs	-11,660	-1,303	-4,618	-844		-18,425
<b>Profit/loss before tax</b>	<b>23,398</b>	<b>3,418</b>	<b>22,254</b>	<b>5,512</b>	<b>0</b>	<b>54,582</b>
Income tax expenses						-13,471
<b>Net profit/loss for the period</b>						<b>41,111</b>

Operating revenue for the first half of 2022 amounted to € 287,430 thousand, compared with € 277,900 thousand for the first half of 2021, an increase of € 9,530 thousand.

Transmission, storage and terminalling services in Belgium are subject to the Gas Act. Revenue from these services aims to ensure an authorised return on capital invested and to cover the permitted depreciation and operating expenses related to these services, while integrating the productivity efforts to be accomplished by the network operator.

Revenue from regulated activities<sup>2</sup> was € 278,012 thousand (which is 96.7% of the total). This represents an increase of € 9,603 thousand as compared with the same period in 2021. The increase in revenue from transmission activity is essentially linked to high volumes of capacity sales and auction premiums. This increase is largely compensated by a higher regulatory liability charge. Revenue from storage remained stable thanks to more use being made of regulatory liabilities to compensate capacity sales for which auctions closed under the regulated tariff. For terminalling, there were more additional sales of spot slots than in the first half of 2021 (with auction premiums). The number of loading operations for LNG tanker trucks increased too.

The increase in operating expenses compared to the same period in 2021 is chiefly explained by a higher inflation rate and higher energy prices. Sales and purchases of gas related to balancing operations and operational needs are increasing, but are neutral for the profit/loss, in accordance with the regulatory framework.

Finance costs are down from € 19,179 thousand to € 18,425 thousand, which is explained by the reduction of debt.

Income tax expenses are up € 1,792 thousand following higher results before tax. Fluxys Belgium SA will reapply for the tax deductibility on innovation income for the period 2022 - 2024. This tax advantage is nevertheless fully incorporated into the regulated tariffs.

Net profit for the first half of 2022 is € 41,111 thousand, compared to € 38,319 thousand in the first half of 2021, an increase of € 2,792 thousand.

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<sup>2</sup> After eliminating transactions with other sectors and non-regulated activity

**Segment income statement as at 30.06.2021**
**(in thousands of €)**

	Transmission	Storage	Terminalling	Other	Inter-segment transfers	Total
Operating revenue	185,178	16,797	72,317	13,081	-9,473	277,900
Sales and services to external customers	142,976	18,512	68,998	9,491	0	239,977
Transactions with other segments	445	4,721	717	3,590	-9,473	0
Changes in regulatory assets and liabilities	41,757	-6,436	2,602	0	0	37,923
Sales of gas related to balancing operations and operational needs	6,673	463	3,361	0	0	10,497
Sales	20,719	463	7,250	0	0	28,432
Changes in regulatory assets and liabilities	-14,046	0	-3,889	0	0	-17,935
Other operating income	2,163	24	1,201	3,294	-37	6,645
Consumables, merchandise and supplies used	-81	-4	-12	-1,571	0	-1,668
Purchases of gas related to balancing of operations and operational needs	-6,673	-463	-3,361	0	0	-10,497
Miscellaneous goods and services	-53,921	-3,878	-13,166	-6,364	9,510	-67,819
Employee expenses	-40,435	-3,311	-9,731	-2,408	0	-55,885
Other operating expenses	-3,147	-257	-368	-111	0	-3,883
Depreciation	-55,696	-4,946	-23,708	-394	0	-84,744
Provisions	192	17	-82	-1,879	0	-1,752
Impairment losses	1	0	0	4	0	5
<b>Operating Profit/loss</b>	<b>34,254</b>	<b>4,442</b>	<b>26,451</b>	<b>3,652</b>	<b>0</b>	<b>68,799</b>
Change in the fair value of financial instruments				-240		-240
Financial income	50	6	30	532		618
Finance costs	-12,011	-1,357	-5,074	-737		-19,179
<b>Profit/loss before tax</b>	<b>22,293</b>	<b>3,091</b>	<b>21,407</b>	<b>3,207</b>	<b>0</b>	<b>49,998</b>
Income tax expenses						-11,679
<b>Net profit/loss for the period</b>						<b>38,319</b>

## Note 5. Segment balance sheet

Segment balance sheet as at 30.06.2022						(in thousands of €)
	Trans- mission	Storage	Termi- nalling	Other	Un- allocated	Total
Property, plant and equipment	1,186,493	128,725	546,862	83	0	1,862,163
Intangible assets	21,827	12	1,094	0	0	22,933
Right-of-use assets	8,319	323	20,222	2,846	0	31,710
Other non-current financial assets	90	0	0	113,278	0	113,368
Inventories	56,970	3,741	4,496	578	0	65,785
Financial lease receivables	0	0	0	2,393	0	2,393
Net trade receivables	133,949	1,088	2,657	15,103	0	152,797
Other assets					642,873	642,873
<b>Total assets</b>						<b>2,894,022</b>
Interest-bearing liabilities	356,917	42,192	320,122	476,159	0	1,195,390
Other financial liabilities	0	0	17	2,971	0	2,988
Other liabilities	477,959	49,527	227,061	0	342,971	1,097,518
						<b>2,295,896</b>
Equity						598,126
<b>Total equity and liabilities</b>						<b>2,894,022</b>
Investments in property, plant and equipment for the period	15,866	55	19,292	19	0	35,232
Investments in intangible assets for the period	4,553	0	71	0	0	4,624

**Segment balance sheet as at 31.12.2021**
**(in thousands of €)**

	Trans- mission	Storage	Termi- nalling	Other	Un- allocated	Total
Property, plant and equipment	1,219,055	132,855	550,044	83	0	1,902,037
Intangible assets	22,614	14	1,263	0	0	23,891
Right-of-use assets	8,999	327	21,505	2,696	0	33,527
Other non-current financial assets	91	0	0	88,551	0	88,642
Inventories	35,078	3,100	589	275	0	39,042
Financial lease receivables	0	0	0	2,695	0	2,695
Net trade receivables	57,161	2,158	7,017	19,051	0	85,387
Other assets					459,293	459,293
<b>Total assets</b>						<b>2,634,514</b>
Interest-bearing liabilities	632,486	47,153	259,041	280,843	0	1,219,523
Other financial liabilities	0	0	18	3,236	0	3,254
Other liabilities	268,432	53,167	152,241	0	298,223	772,063
						<b>1,994,840</b>
Equity						639,674
<b>Total equity and liabilities</b>						<b>2,634,514</b>
Investments in property, plant and equipment for the period	32,630	564	17,440	14	0	50,648
Investments in intangible assets for the period	6,186	12	329	0	0	6,528

## Note 6. Property, plant and equipment

Movements in property, plant and equipment				(in thousands of €)
	Land	Buildings	Natural gas transmission networks*	Gas storage*
<b>Gross book value</b>				
<b>As at 31-12-2020</b>	<b>48,416</b>	<b>161,231</b>	<b>3,462,837</b>	<b>386,670</b>
Investments	1,060	51	14,882	22
Subsidies received				
Disposals and retirements	-75	-189	-8,697	0
Internal transfers	0	0	2,300	0
Changes in the consolidation scope	0	0	0	0
Translation adjustments	0	0	0	0
<b>As at 31-12-2021</b>	<b>49,401</b>	<b>161,093</b>	<b>3,471,322</b>	<b>386,692</b>
Investments	2	1	12,428	8
Subsidies received				
Disposals and retirements	-2		-2,754	
Internal transfers			13,777	121
Changes in the consolidation scope				
Translation adjustments				
<b>As at 30-06-2022</b>	<b>49,401</b>	<b>161,094</b>	<b>3,494,773</b>	<b>386,821</b>

\* Subject to the Gas Act.

In the first half of 2022, Fluxys Belgium and its subsidiaries invested € 35,232 thousand in property, plant and equipment, compared to € 15,825 thousand over the same period of 2021. In 2022, € 19,292 thousand of these investments were allocated to LNG infrastructure and € 15,867 thousand to gas transmission projects.



Movements in property, plant and equipment				(in thousands of €)
LNG terminal*	Other installations and machinery	Furniture, equipment & vehicles	Assets under construction & instalments paid	Total
1,457,308	43,511	62,777	6,719	5,629,469
3,025		7,232	24,376	50,648
-513				-513
-18		-11,857		-20,836
			-2,300	
1,459,802	43,511	58,152	28,795	5,658,768
3,186		2,954	16,653	35,232
-149		-14		-2,919
			-13,898	0
1,462,839	43,511	61,092	31,550	5,691,081

\* Subject to the Gas Act.



**Movements in property, plant and equipment** (in thousands of €)

	Land	Buildings	Natural gas transmission networks*	Gas storage*
<b>Depreciation and impairment losses</b>				
<b>As at 31-12-2020</b>		<b>-98,618</b>	<b>-2,289,869</b>	<b>-251,390</b>
Depreciation		-4,014	-96,005	-9,357
Disposals and retirements		175	8,233	
Internal transfers				
Changes in the consolidation scope and assets held for sale				
Translation adjustments				
<b>As at 31-12-2021</b>		<b>-102,457</b>	<b>-2,377,641</b>	<b>-260,747</b>
Depreciation		-1,994	-44,170	-4,070
Disposals and retirements			2,319	
Internal transfers				
Changes in the consolidation scope and assets held for sale				
Translation adjustments				
<b>As at 30-06-2022</b>		<b>-104,451</b>	<b>-2,419,492</b>	<b>-264,817</b>
<b>Net book value as at 30.06.2022</b>	<b>49,401</b>	<b>56,643</b>	<b>1,075,281</b>	<b>122,004</b>
<b>Net book value as at 31.12.2021</b>	<b>49,401</b>	<b>58,636</b>	<b>1,093,681</b>	<b>125,945</b>

\* Subject to the Gas Act.

The depreciation charge for the period amounts to € 74,514 thousand and reflects the rate at which Fluxys Belgium and its subsidiaries expect to consume the economic benefits of the property, plant and equipment.

At the balance sheet date, Fluxys Belgium and its subsidiaries have identified no indications or events that would lead to consideration of an impairment of any item of property, plant and equipment.



Movements in property, plant and equipment				(in thousands of €)
LNG terminal*	Other installations and machinery	Furniture, equipment & vehicles	Assets under construction & instalments paid	Total
-889,570	-43,259	-45,554		-3,618,260
-43,218	-7	-5,657		-158,258
2		11,377		19,787
-932,786	-43,266	-39,834		-3,756,731
-21,671		-2,609		-74,514
8				2,327
-954,449	-43,266	-42,443		-3,828,918
508,390	245	18,649	31,550	1,862,163
527,016	245	18,318	28,795	1,902,037

\* Subject to the Gas Act.

## Note 7. Interest-bearing liabilities

Non-current interest-bearing liabilities		(in thousands of €)	
	30.06.2022	31.12.2021	change
Leases	29,739	29,260	479
Bonds	696,770	696,558	212
Other borrowings	406,909	436,273	-29,364
<b>Total</b>	<b>1,133,418</b>	<b>1,162,091</b>	<b>-28,673</b>

Current interest-bearing liabilities		(in thousands of €)	
	30.06.2022	31.12.2021	change
Leases	1,424	2,804	-1,380
Bonds	10,736	2,523	8,213
Other borrowings	49,812	52,105	-2,293
<b>Total</b>	<b>61,972</b>	<b>57,432</b>	<b>4,540</b>



Changes in liabilities related to financing activities							(in thousands of €)	
	31.12.2021	Cash flows	New lease contracts	Variation in accrued interests	Amortization of issuance costs	Internal transfers	30.06.2022	
<b>Non-current interest-bearing liabilities</b>	<b>1,162,091</b>	<b>0</b>	<b>565</b>		<b>212</b>	<b>-29,450</b>	<b>1,133,418</b>	
Leases	29,260		565			-86	29,739	
Bonds	696,558				212		696,770	
Other borrowings	436,273					-29,364	406,909	
<b>Current interest-bearing liabilities</b>	<b>57,432</b>	<b>-30,771</b>		<b>5,861</b>		<b>29,450</b>	<b>61,972</b>	
Leases	2,804	-1,466				86	1,424	
Bonds	2,523			8,213			10,736	
Other borrowings	52,105	-29,305		-2,352		29,364	49,812	
<b>Total</b>	<b>1,219,523</b>	<b>-30,771</b>	<b>565</b>	<b>5,861</b>	<b>212</b>	<b>0</b>	<b>1,195,390</b>	

Cash flows for interest-bearing liabilities are included in sections IV.1.6, IV.2.3 and IV.2.5 of the condensed statement of cash flows.

The evolution of the interests to be paid and the amortization of issue costs (in total € 6,073 thousand) equals the difference between:

- interests paid (see section IV.3.1 of the condensed statement of cash flows: € - 11,423 thousand) and
- the finance costs on debt and lease liabilities (excluding regulatory liabilities) (€ 17,496 thousand). These are included in the total finance cost of € 18,425 thousand as mentioned in the condensed income statement.

## Note 8. Regulatory liabilities

Regulatory liabilities		(in thousands of €)		
	Note	30.06.2022	31.12.2021	Change
Other financing – non-current		142,416	83,505	58,911
Other financing – current		13,265	15,425	-2,160
<b>Total other financing (A)</b>	<b>8.1</b>	<b>155,681</b>	<b>98,930</b>	<b>56,751</b>
Other liabilities – non-current		481,747	314,372	167,375
Other liabilities – current		117,118	60,538	56,580
<b>Total other liabilities (B)</b>	<b>8.2</b>	<b>598,865</b>	<b>374,910</b>	<b>223,955</b>
<b>Total regulatory liabilities (A+B = C)</b>		<b>754,546</b>	<b>473,840</b>	<b>280,706</b>
Presented on the balance sheet as:				
Non-current regulatory liabilities		624,163	397,877	226,286
Current regulatory liabilities		130,383	75,963	54,420
<b>Total regulatory liabilities (C)</b>		<b>754,546</b>	<b>473,840</b>	<b>280,706</b>

8.1. **Other financing** concerns the specific allocations of the regulatory liabilities that are available for the group to finance specific investments, in particular the second jetty and other investments in the LNG terminal of Zeebrugge, on the one hand, and costs that relate to the conversion of part of the gas transport network, on the other hand. A 10-year interest rate is applied to part of these amounts and the average 'Euribor 1 year' rate to the rest.

8.2. The other regulatory liabilities, presented in the line item '**Other liabilities**' reflect the positive difference between the invoiced and the vested regulatory tariffs that have not (yet) been specifically allocated, as well as the auction premiums in transmission. The average 'Euribor 1 year' rate is applied to these amounts.

The regulatory liabilities can be reconciled as follows with the segment reporting and the statement of cash flows.

Regulatory liabilities		(in thousands of €)	
Non-current + current	Other financing (A)	Other liabilities (B)	Total
<b>As at 01-01-2022</b>	<b>98,930</b>	<b>374,910</b>	<b>473,840</b>
Use	-2,641	-54,077	-56,718
Additions	61,001	275,598	336,599
Interests		825	825
Transfers	-1,609	1,609	0
<b>As at 30-06-2022</b>	<b>155,681</b>	<b>598,865</b>	<b>754,546</b>



The sum of use and additions amounts to € 279,881 thousand and corresponds with the sum of the changes in regulatory liabilities in note 4 (segment reporting – net increase of revenue).

This net increase of the regulatory liabilities also corresponds with the evolution of the regulatory liabilities presented in item 1.2.4 of the statement of cash flows.

The interest charges on regulatory liabilities of € 825 thousand are accounted for as a finance cost.

Regulatory liabilities have substantially increased in the first half of 2022 following sales achieved mainly in transmission and terminalling, which for regulatory reasons may not be included in the profit/loss but do have to be deferred.

## Note 9. Provisions

### 9.1. Provisions for employee benefits

Provisions for employee benefits	(in thousands of €)
<b>Provisions as at 31-12-2021</b>	<b>64,718</b>
Additions	5,422
Use	-3,880
Release	0
Unwinding of the discount	1,190
Actuarial gains/losses recognised in the profit/loss (seniority bonuses)	-269
Expected return	-869
Actuarial gains/losses recognised in equity	-19,075
Reclassification to assets	1,702
<b>Provisions as at 30-06-2022 of which:</b>	<b>48,939</b>
Non-current provisions	45,698
Current provisions	3,241

The cost of services rendered during the period is accounted for as employee expenses and in additions to the provisions.

Expenses relating to the unwinding of discounts are presented in financial result, after compensation with the expected return on plan assets. The expected return on plan assets is in line with the discount rate used to determine actuarial debt.

The reduction in provisions for employee benefits is essentially linked to an increase in discount rates on 30 June 2022 compared to 31 December 2021, which compensates the effect of the increase in liabilities following a higher inflation rate and negative returns on plan assets. The difference has been recognized directly in equity through other comprehensive income, in line with IAS 19 Employee Benefits.

Per end of June 2022, the provisions for employee benefits for 'defined benefit obligations' show a surplus of € 18,505 thousand of the plan assets compared to the actuarial debt. Per end of December 2021, the surplus amounted to € 16,803 thousand. The surpluses are classified as assets in the balance sheet items 'other non-current assets' and 'other current assets'.



## **Note 10. Contingent assets and liabilities – rights and commitments of Fluxys Belgium and its subsidiaries**

There is no significant evolution to report in terms of contingent assets and liabilities & rights and commitments. Please refer to Note 7 'Contingent assets and liabilities – rights and commitments of the group' in the IFRS financial statements of the 2021 annual report.

## **Note 11. Significant transactions with related parties**

Fluxys Belgium and its subsidiaries are controlled by Fluxys SA, which is itself controlled by Publigas. The consolidated financial statements include transactions performed by Fluxys Belgium and its subsidiaries in the normal course of their activities with unconsolidated related companies or associates. These transactions take place under market conditions and mainly involve transactions realised with Fluxys SA (administrative services, IT and housing services and the management of cash funds and financing), Interconnector (inspection and repair services), IZT (IZT lease and facilities operation and maintenance services), Dunkerque LNG (IT development and other services), Gaz-Opale (terminalling services), Balansys (balancing operator) and FluxRe (reinsurance).

Other related parties in the following tables concern other entities of the Fluxys group, in which Fluxys Belgium does not hold a stake.



**Significant transactions with related parties**  
as at 30.06.2022 (in thousands of €)

	Parent company	Joint arrangements	Other related parties	Total
<b>I. Assets with related parties</b>	<b>531,402</b>	<b>8,000</b>	<b>4,406</b>	<b>543,808</b>
<b>1. Other financial assets</b>	<b>0</b>	<b>8,000</b>	<b>0</b>	<b>8,000</b>
Loans	0	8,000	0	8,000
<b>2. Financial lease receivables (current and non-current)</b>	<b>0</b>	<b>0</b>	<b>2,393</b>	<b>2,393</b>
<b>3. Trade and other receivables</b>	<b>21</b>	<b>0</b>	<b>2,013</b>	<b>2,034</b>
Clients	21	0	2,013	2,034
<b>4. Cash and cash equivalents</b>	<b>531,381</b>	<b>0</b>	<b>0</b>	<b>531,381</b>
<b>5. Other current assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>II. Liabilities with related parties</b>	<b>212,105</b>	<b>0</b>	<b>784</b>	<b>212,889</b>
<b>1. Interest-bearing liabilities (current and non-current)</b>	<b>212,012</b>	<b>0</b>	<b>0</b>	<b>212,012</b>
Other borrowings	212,012	0	0	212,012
<b>2. Trade and other payables</b>	<b>93</b>	<b>0</b>	<b>13</b>	<b>106</b>
Suppliers	0	0	5	5
Other payables	93	0	8	101
<b>3. Other current liabilities</b>	<b>0</b>	<b>0</b>	<b>771</b>	<b>771</b>
<b>III. Transactions with related parties</b>				
<b>1. Services rendered and goods delivered</b>	<b>1,279</b>	<b>611</b>	<b>9,477</b>	<b>11,367</b>
<b>2. Services received (-)</b>	<b>-1,215</b>	<b>0</b>	<b>-88</b>	<b>-1,304</b>
<b>3. Net financial income</b>	<b>-3,567</b>	<b>0</b>	<b>0</b>	<b>-3,567</b>



**Significant transactions with related parties** (in thousands of €)  
as at 31.12.2021

	Parent company	Joint arrangements	Other related parties	Total
<b>I. Assets with related parties</b>	<b>320,254</b>	<b>9,000</b>	<b>5,311</b>	<b>334,565</b>
<b>1. Other financial assets</b>	<b>0</b>	<b>9,000</b>	<b>0</b>	<b>9,000</b>
Loans	0	9,000	0	9,000
<b>2. Financial lease receivables (current and non-current)</b>	<b>0</b>	<b>0</b>	<b>2,695</b>	<b>2,695</b>
<b>3. Trade and other receivables</b>	<b>0</b>	<b>0</b>	<b>2,602</b>	<b>2,602</b>
Clients	0	0	2,602	2,602
<b>4. Cash and cash equivalents</b>	<b>320,254</b>	<b>0</b>	<b>0</b>	<b>320,254</b>
<b>5. Other current assets</b>	<b>0</b>	<b>0</b>	<b>14</b>	<b>14</b>
<b>II. Liabilities with related parties</b>	<b>239,644</b>	<b>0</b>	<b>693</b>	<b>240,337</b>
<b>1. Interest-bearing liabilities (current and non-current)</b>	<b>239,391</b>	<b>0</b>	<b>0</b>	<b>239,391</b>
Other borrowings	239,391	0	0	239,391
<b>2. Trade and other payables</b>	<b>246</b>	<b>0</b>	<b>96</b>	<b>338</b>
Suppliers	193	0	91	284
Other payables	53	0	4	53
<b>3. Other current liabilities</b>	<b>7</b>	<b>0</b>	<b>597</b>	<b>604</b>
<b>III. Transactions with related parties</b>				
<b>1. Services rendered and goods delivered</b>	<b>2,451</b>	<b>1,220</b>	<b>20,057</b>	<b>23,728</b>
<b>2. Services received (-)</b>	<b>-2,172</b>	<b>0</b>	<b>-94</b>	<b>-2,266</b>
<b>3. Net financial income</b>	<b>-7,765</b>	<b>0</b>	<b>0</b>	<b>-7,765</b>

## Note 12. Financial instruments

The group's main financial instruments consist of financial and trade receivables and payables, cash investments, cash and cash equivalents.

The following table gives an overview of financial instruments:

Summary of financial instruments as at 30.06.2022		(in thousands of €)		
	Category	Book value	Fair value	Level
<b>I. Non-current assets</b>				
Other financial assets at amortized cost	A	110,381	102,275	1 & 2
Other financial assets at fair value through profit and loss	B	2,988	2,988	2
Financial lease receivables	A	2,094	2,094	2
Other receivables	A	8,144	8,144	2
<b>II. Current assets</b>				
Financial lease receivables	A	299	299	2
Trade and other receivables	A	158,128	158,128	2
Cash investments	A	29,598	29,598	2
Cash and cash equivalents	A	567,157	567,157	2
<b>Total financial instruments – assets</b>		<b>878,789</b>	<b>870,683</b>	
<b>I. Non-current liabilities</b>				
Interest-bearing liabilities	A	1,133,418	1,088,070	2
Other financial liabilities	B	2,988	2,988	2
<b>II. Current liabilities</b>				
Interest-bearing liabilities	A	61,972	61,972	2
Trade and other payables	A	121,928	121,928	2
<b>Total financial instruments – liabilities</b>		<b>1,320,306</b>	<b>1,274,958</b>	<b>2</b>



Summary of financial instruments as at 31.12.2021		(in thousands of €)		
	Category	Book value	Fair value	Level
<b>I. Non-current assets</b>				
Other financial assets at amortized cost	A	85,388	85,242	1 & 2
Other financial assets at fair value through profit and loss	B	3,254	3,254	2
Financial lease receivables	A	2,094	2,094	2
Other receivables	A	9,144	9,144	2
<b>II. Current assets</b>				
Financial lease receivables	A	601	601	2
Trade and other receivables	A	90,446	90,446	2
Cash investments	A	45,740	45,740	2
Cash and cash equivalents	A	366,931	366,931	2
<b>Total financial instruments – assets</b>		<b>603,598</b>	<b>603,452</b>	
<b>I. Non-current liabilities</b>				
Interest-bearing liabilities	A	1,162,091	1,221,689	2
Other financial liabilities	B	3,254	3,254	2
<b>II. Current liabilities</b>				
Interest-bearing liabilities	A	57,438	57,438	2
Trade and other payables	A	73,307	73,307	2
<b>Total financial instruments – liabilities</b>		<b>1,296,084</b>	<b>1,355,682</b>	

The categories correspond to the following financial instruments:

- A. Financial assets or financial liabilities at amortised cost.
- B. Assets or liabilities at fair value through profit or loss

All the group's financial instruments are measured at fair value and fall within levels 1 and 2 of the fair value hierarchy. Their fair value is measured on a recurring basis.

Level 1 of the fair value hierarchy includes short-term investments and cash equivalents whose fair value is based on quoted prices. They consist mainly of bonds.

Level 2 of the fair value hierarchy includes other financial assets and liabilities whose fair value is based on other inputs that are observable for the asset or liability, either directly or indirectly.

The techniques for measuring the fair value of Level 2 financial instruments are as follows:

- The items 'Interest-bearing liabilities' include the fixed-rate bonds issued by Fluxys Belgium, whose fair value is determined based on active market rates, usually provided by financial institutions.
- The fair value of other Level 2 financial assets and liabilities is largely identical to their book value:
  - either because they have a short-term maturity (such as trade receivables and payables), or
  - because they bear interest at the market rate at the closing date of the financial statements.

### **Note 13. Events after the balance sheet date**

No events after the balance sheet date had a material impact on the present financial statements.



## 2.4 Statutory auditor's report

Statutory auditor's report on the review of the condensed half-yearly consolidated financial statements of Fluxys Belgium NV/SA as of 30 June 2022 and for the 6 month period then ended

### Introduction

We have reviewed the accompanying condensed consolidated balance sheet of Fluxys Belgium NV/SA (the "Company"), and its subsidiaries (collectively referred to as "the Group") as at 30 June 2022 and the related condensed consolidated income statements, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the 6 month period then ended, and explanatory notes, collectively, the "Condensed Half-Yearly Consolidated Financial Statements". The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on these Condensed Consolidated Half-Yearly Financial Statements based on our review.

### Scope of Review

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

### Conclusion

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

Diegem, 28 September 2022

EY Bedrijfsrevisoren BV/EY Réviseurs d'Entreprises SRL  
Statutory auditor  
represented by

Wim Van Gasse \*  
Partner

\*Acting on behalf of a BV/SRL



## 2.5 Declaration of responsible persons

Declaration regarding the first half-year ending 30 June 2022

I hereby attest that, to my knowledge:

- the condensed financial statements of Fluxys Belgium, drawn up in accordance with the applicable accounting standards, give a true and fair view of the assets, financial position and profit/loss of the issuer and the companies included in the consolidation scope;
- the interim report gives a true and fair view of the information that should be included therein, including the key events and the main transactions with related parties that have taken place in the first six months of the financial year and their impact on the condensed financial statements, as well as a description of the main risks and uncertainties for the remaining months of the financial year.

Brussels, 28 September 2022

Pascal De Buck  
Managing Director  
Chief Executive Officer



## 3 Definition of indicators

### EBIT

**Earnings Before Interests and Taxes** or operating profit/loss from continuing operations plus the result of investments accounted for by the equity method and the dividends received from unconsolidated entities. EBIT is used to monitor the operational performance of the group over time.

### EBITDA

**Earnings Before Interests, Taxes, Depreciation and Amortization** or operating profit/loss from continuing operations, before depreciation, amortization, impairment and provisions, plus the result of investments accounted for by the equity method and the dividends received from unconsolidated entities. EBITDA is used to monitor the operational performance of the group over time, without considering non-cash expenses.

### Net financial debt

Interest-bearing liabilities (including leases), less regulatory liabilities, non-current loans linked to debts, cash linked to early refinancing transactions and 75% of the balance of cash, cash equivalents and short- and long-term cash investments (the other 25% is considered as reserve for operational needs and therefore not available for investments). This indicator gives an idea about the amount of interest-bearing debt that would remain if all available cash would be used to reimburse loans.



<b>Consolidated income statement (in thousands of €)</b>	<b>30.06.2022</b>	<b>30.06.2021</b>
Operating profit/loss	72,623	68,799
Depreciation	82,472	84,744
Provisions	-1,517	1,752
Impairment losses	-1	-5
Earnings from associates and joint ventures	0	0
Dividends from unconsolidated companies	0	0
<b>EBITDA</b>	<b>153,577</b>	<b>155,290</b>

<b>Consolidated income statement (in thousands of €)</b>	<b>30.06.2022</b>	<b>30.06.2021</b>
Operating profit/loss	72,623	68,799
Earnings from associates and joint ventures	0	0
Dividends from unconsolidated companies	0	0
<b>EBIT</b>	<b>72,623</b>	<b>68,799</b>

<b>Consolidated balance sheet (in thousands of €)</b>	<b>30.06.2022</b>	<b>31.12.2021</b>
Non-current interest-bearing liabilities (+)	1,133,418	1,162,091
Current interest-bearing liabilities (+)	61,972	57,432
Other financing (non-current) (-)	0	0
Other financing (current) (-)	0	0
Other liabilities (non-current) (-)	0	0
Other liabilities (current) (-)	0	0
Term deposits (75%) (-)	-22,199	-34,305
Cash and cash equivalents (75%) (-)	-425,368	-275,198
Other financial assets (75%) (-)	-82,718	-63,974
<b>Net financial debt</b>	<b>665,105</b>	<b>846,046</b>

**Questions about finance and accounting data**

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