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Financial situation

We're there, day after day, ensuring security of energy supply and accelerating the green transition. This is how we bring prosperity to society, the economy and to our shareholders. And how we make sure to extend our contribution to welfare sustainably into the long-term future.

Consolidated financial statements under IFRS

General information on the company

Corporate name and registered office

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

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.

Transmission, storage and terminalling services in Belgium are subject to the Gas Act[1].

Please refer to the specific chapters in the directors' report for further information on the activities of Fluxys Belgium group.

[1] Act of 12 April 1965 concerning the transmission of gaseous and other products by pipelines as later amended.

Consolidated financial statements of the Fluxys Belgium group under IFRS

A. Consolidated balance sheet

Consolidated Balance Sheet			In thousands of €
	Notes	31-12-2022	31-12-2021
I. Non-current assets		**2,061,085**	**2,074,508**
Property, plant and equipment	5.1	1,855,375	1,902,037
Intangible assets	5.2	22,864	23,891
Right of use assets	5.3	30,020	33,527
Investments accounted for using the equity method		50	50
Other financial assets	5.4/6	111,171	88,642
Finance lease receivables	6	0	2,094
Other receivables	6	15,144	9,144
Other non-current assets	5.5	26,461	15,123
II. Current assets		**1,345,485**	**560,006**
Inventories	5.6	62,656	39,042
Finance lease receivables	6	2,094	601
Current tax receivables		2,429	1,473
Trade and other receivables	5.7/6	164,299	90,446
Cash investments	5.8/6	26,113	45,740
Cash and cash equivalents	5.8/6	1,070,708	366,931
Other current assets	5.9	17,186	15,773
Total assets		**3,406,570**	**2,634,514**

Consolidated Balance Sheet			In thousands of €
	Notes	31-12-2022	31-12-2021
I. Equity	**5.10**	**643,617**	**639,674**
Equity attributable to the parent company's shareholders		643,617	639,674
Share capital and share premiums		60,310	*60,310*
Retained earnings and other reserves		583,307	*579,364*
Non-controlling interests		0	0
II. Non-current liabilities		**2,061,275**	**1,775,473**
Interest-bearing liabilities	5.11/6	1,115,772	1,162,091
Regulatory liabilities	5.12	746,809	397,877
Provisions	5.13	4,127	4,246
Provisions for employee benefits	5.14	47,444	60,517
Other non-current financial liabilities	6	3,575	3,254
Deferred tax liabilities	5.14	143,548	147,488
III. Current liabilities		**701,678**	**219,367**
Interest-bearing liabilities	5.11/6	56,269	57,432
Regulatory liabilities	5.12	188,485	75,963
Provisions	5.13	0	3,069
Provisions for employee benefits	5.13	3,543	4,201
Current tax payables		1,020	2,148
Trade and other payables	5.16/6	444,533	73,307
Other current liabilities		7,828	3,247
Total liabilities and equity		**3,406,570**	**2,634,514**

B. Consolidated income statement

Consolidated income statement	Notes	31-12-2022	31-12-2021
In thousands of €			
Operating revenue	4.1	912,559	573,191
Sales of gas related to balancing operations and operational needs		278,566	32,378
Other operating income		16,212	13,107
Consumables, merchandise and supplies used	4.2.1	-5,582	-3,422
Purchase of gas related to balancing of operations and operational needs		-275,178	-32,378
Miscellaneous goods and services	4.2.2	-465,521	-146,348
Employee expenses	4.2.3	-132,931	-112,549
Other operating expenses	4.2.4	-4,958	-5,074
Depreciations	4.2.5	-168,051	-173,993
Provisions	4.2.6	6,993	-7,070
Impairment losses	4.2.6	-14,804	-21
Operational profit/loss		**147,305**	**137,821**
Change in the fair value of financial instruments		-1,298	-114
Financial income	4.3	4,589	1,142
Finance costs	4.4	-40,805	-38,375
Profit/loss before taxes		**109,791**	**100,474**
Income tax expenses	4.5	-26,063	-24,953
Net profit/loss for the period	**4.6**	**83,728**	**75,521**
Fluxys Belgium share		83,728	75,521
Non-controlling interests		0	0
Basic earnings per share attributable to the parent company's shareholders in €	4.7	1.1916	1.0748
Diluted earnings per share attributable to the parent company's shareholders in €	4.7	1.1916	1.0748

C. Consolidated statement of comprehensive income

Consolidated statement of comprehensive income	Notes	31-12-2022	31-12-2021
In thousands of €			
Net profit/loss for the period	4.6	**83,728**	**75,521**
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of employee benefits	5.12	22,905	28,503
Income tax expense on these variances		-5,726	-7,126
Other comprehensive income		**17,179**	**21,377**
Comprehensive income for the period		**100,907**	**96,898**
Fluxys Belgium share		100,907	96,898
Non-controlling interests		0	0

D. Consolidated statement of changes in equity

Consolidated statement of changes in equity	Share capital	Share pre-mium	Reserves not available for distri-bution	Retained earnings	Reserves for employee benefits	Other compre-hensive income	Equity attributable to the parent company's share-holders	Non-control-ling interests	Total equity
In thousands of €									
I. BALANCE AS AT 31-12-2020	**60,272**	**38**	**54,072**	**542,537**	**-17,881**	**0**	**639,038**	**0**	**639,038**
1. Comprehensive income for the period				75,521	21,377		96,898		96,898
2. Dividends paid				-96,262			-96,262		-96,262
II. CLOSING BALANCE AS AT 31-12-2021	**60,272**	**38**	**54,072**	**521,796**	**3,496**	**0**	**639,674**	**0**	**639,674**
1. Comprehensive income for the Period				83,728	17,179		100,907		100,907
2. Dividends paid				-96,964			-96,964		-96,964
III. CLOSING BALANCE AS AT 31-12-2022	**60,272**	**38**	**54,072**	**508,560**	**20,675**	**0**	**643,617**	**0**	**643,617**

E. Consolidated statement of cash flows

Consolidated statement of cash flows (indirect method)	Notes	31-12-2022	31-12-2021
In thousands of €			
I. Cash and cash equivalents, opening balance	A.	**366,931**	**377,359**
II. Net cash flows from operating activities		**1,008,653**	**214,328**
1. Cash flows from operating activities		**1,041,092**	**248,206**
1.1. Profit/loss from continuing operations	B.	147,305	137,821
1.2. Non cash adjustments		631,460	144,620
1.2.1. Depreciations	B.	168,051	173,993
1.2.2. Provisions	B.	-6,993	7,070
1.2.3. Impairment losses	B.	14,804	21
1.2.4. Translation adjustments		0	0
1.2.5. Other non-cash adjustments		-626	-369
1.2.6. Increase (decrease) of the regulatory liabilities	5.12	456,224	-36,095
1.3. Changes in working capital		262,327	-34,235
1.3.1. Decrease (increase) of inventories		-38,433	-12,663
1.3.2. Decrease (increase) of tax receivables	A.	-956	3,635
1.3.3. Decrease (increase) of trade and other receivables	A.	-73,838	-19,468
1.3.4. Decrease (increase) of other current assets		-153	-564
1.3.5. Increase (decrease) of tax payables		-126	-4,355
1.3.6. Increase (decrease) of trade and other payables	A.	371,252	-1,273
1.3.7. Increase (decrease) of other current liabilities	A.	4,581	453
1.3.8. Other changes in working capital		0	0
2. Cash flows relating to other operating activities		**-32,439**	**-33,878**
2.1. Current tax paid		-36,732	-34,780
2.2. Interests from investments, cash and cash equivalents	4.3	4,053	957
2.3. Other inflows (outflows) relating to other operating activities	4.3/4.4	240	-55
III. Net cash flows relating to investment activities		**-124,784**	**-43,950**
1. Acquisitions		**-145,118**	**-61,546**
1.1. Payments to acquire property, plant and equipment, and intangible assets	5.1/5.2	-116,916	-56,546
1.2. Payments to acquire subsidiaries, joint arrangements or associates	A.	0	0
1.3. Payments to acquire other financial assets		-28,202	-5,000

Consolidated statement of cash flows (indirect method)			In thousands of €
	Notes	31-12-2022	31-12-2021
2. Disposals		**707**	**23,365**
2.1. Proceeds from disposal of property, plant and equipment, and intangible assets		707	1,307
2.2. Proceeds from disposal of subsidiaries, joint arrangements or associates		0	0
2.3. Proceeds from disposal of other financial assets	5.4	0	22,058
3. Dividends received classified as investment activities		**0**	**0**
4. Subsidies received	**5.1**	**0**	**513**
5. Increase (-)/ Decrease (+) of cash investments	**A.**	**19,627**	**-6,282**
IV. Net cash flows relating to financing activities		**-180,092**	**-180,806**
1. Proceeds from cash flows from financing		**601**	**603**
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.	601	603
1.4. Proceeds from other non-current assets		0	0
1.5. Proceeds from issuance of compound financial instruments		0	0
1.6. Proceeds from issuance of other financial liabilities	5.11	0	0
2. Repayments relating to cash flows from financing		**-48,455**	**-48,288**
2.1. Repurchase of equity instruments subsequently cancelled		0	0
2.2. Repayment of capital to non-controlling shareholders		0	0
2.3. Repayment of finance lease liabilities	5.11	-5,060	-4,955
2.4. Redemption of compound financial instruments		0	0
2.5. Repayment of other financial liabilities	5.11	-43,395	-43,333
3. Interests		**-35,274**	**-36,859**
3.1. Interest paid classified as financing		-35,330	-36,919
3.2. Interest received classified as financing		56	60
4. Dividends paid	**D.**	**-96,964**	**-96,262**
V. Net change in cash and cash equivalents		**703,777**	**-10,429**
VI. Cash and cash equivalents, closing balance	**A.**	**1,070,708**	**366,931**

Notes

Note 1a. Statement of compliance with IFRS

The consolidated financial statements of the Fluxys Belgium group for the financial year ended 31 December 2022 have been prepared in accordance with the International Financial Reporting Standards, as approved by the European Union and applicable on the balance sheet date.

All amounts are stated in thousands of euro.

Note 1b. Judgement and use of estimates

The preparation of financial statements requires the use of estimates and assumptions to determine the value of assets and liabilities, and to assess the positive and negative consequences of unforeseen situations and events at the balance sheet date, as well as revenues and expenses of the financial year.

Significant estimates made by the group in the preparation of the financial statements relate mainly to the valuation of the recoverable amount of property, plant and equipment, and intangible assets (see Notes 5.1 and 5.2), the valuation of rights of use and lease obligations under leases (see Notes 5.3 and 5.11), the valuation of any provisions and assets/liabilities (see Notes 5.13 and 7) and in particular the provisions for litigation and pension and related liabilities (see Note 5.14).

Due to the uncertainties inherent in all valuation processes, the group revises its estimates on the basis of regularly updated information. Future results may differ from these estimates.

Other than the use of estimates, group management also uses judgement in defining the accounting treatment for certain operations and transactions not addressed under the IFRS standards and interpretations currently in force.

Therefore, in the balance sheet, the group records the regulatory liabilities corresponding to the excess of regulated revenue received according to the real costs to be covered by the authorized regulated tariffs. This difference is transferred from the income statement to the balance sheet in the regulatory liabilities (non-current and current - See Note 5.12). Where required, the regulatory assets are accounted for in the balance sheet on the line for 'regulatory assets' when the regulated revenue received is lower than the real costs to be covered by the authorised regulated tariffs.

These latter are recognised in as much as the group considers their recovery highly likely. This accounting method (see Note 2.12) has been determined by the group, as no definitive guidance on 'rate-regulated activities' has been published to date.

Note 1c. Date of authorisation for issue

The Board of Directors of Fluxys Belgium SA authorised these IFRS financial statements for issue on 29 March 2023.

Note 1d. Standards, amendments and interpretations applicable on 1 January 2022

The following standards and interpretations are applicable for the annual period starting from 1 January 2022

- Amendments to IFRS 3 - Reference to the Conceptual Framework
- Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to IAS 37 - Onerous Contracts - Costs of Fulfilling a Contract
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
- IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities
- IAS 41 Agriculture - Taxation in fair value measurements

The application of these amendments has not had a significant impact on the financial statements of the group.

Note 1e. Standards, amendments and interpretations applicable from 1 January 2023 and later

At the date of authorization of these financial statements, the standards and interpretations listed below have been issued but are not yet mandatory:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2024, but not yet adopted at European level)
- Amendments to IAS 1 Presentation of Financial Statements and the IFRS 2 Practice Statement 2: Disclosure of Accounting policies (effective for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 12 Income taxes: Deferred tax related to assets and liabilities arising from a single transaction (effective for annual periods beginning on or after 1 January 2023)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024)
- Amendments to IFRS 17 Insurance Contracts: Initial application of IFRS 17 and IFRS 9 Financial Instruments
- IFRS 17 Insurance Contracts (effective for annual periods beginning on or after 1 January 2023)

These standards, amendments and interpretations have not been adopted early. The application of these standards, amendments and interpretations will have no significant impact on the financial statements of the group.

Note 2. Accounting principles and policies

The accounting principles and policies set out below were approved at the Fluxys Belgium Board of Directors meeting of 29 March 2023.

Changes or additions compared with the previous financial year are underlined.

Note 2.1. General principles

The financial statements fairly present Fluxys Belgium group's financial position, results of operations and cash flows.

The group's financial statements have been prepared on the accrual basis of accounting, except for the cash flow statement.

Assets and liabilities have not been offset against each other, except when required or allowed by an international accounting standard.

Current and non-current assets and liabilities have been presented separately in the balance sheet of the Fluxys Belgium group.

The accounting policies have been applied in a coherent manner.

Note 2.2. Balance sheet date

The consolidated financial statements are prepared as of 31 December, i.e. the parent entity's balance sheet date.

Note 2.3. Events after the balance sheet date

The book value of assets and liabilities at the balance sheet date is adjusted when events after the balance sheet date provide evidence of conditions that existed at the balance sheet date.

Adjustments can be made until the date of authorisation for issue of the financial statements by the Board of Directors.

Other events relating to circumstances arising after balance sheet date are disclosed in the notes to the consolidated financial statements, if significant.

Note 2.4. Basis of consolidation

The Fluxys Belgium group's consolidated financial statements have been prepared in accordance with IFRS and in particular with IFRS 3 (Business Combinations), IFRS 10 (Consolidated Financial Statements), IFRS 11 (Joint Arrangements) and IAS 28 (Investments in Associates and Joint Ventures).

Subsidiaries

The Fluxys group's consolidated financial statements include the financial statements of the parent entity and the financial statements of the entities it controls and its subsidiaries.

The investor controls an investee when he is exposed—or has rights—to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The investor has power over the investee when he holds existing rights that give the current ability to direct the relevant activities, i.e. the activities of the investee that significantly affect the investee's returns, even he does not hold the majority of the voting rights in the investee concerned.

The parent entity must consolidate the subsidiary as of the date it obtains the control over it and must cease to consolidate when it loses control over it. In this way revenues and charges of a subsidiary acquired or transferred in the course of the financial year are included in the consolidated income statement and in the consolidated statement of comprehensive income as from the date on which the parent entity acquired the control over the subsidiary and up to the date on which it ceased to control the latter.

Investments in joint ventures

A joint venture is a joint arrangement in which the parties exercising joint control over the undertaking have rights to the net assets of the undertaking. Joint control means contractually agreed sharing of the control exercised over an undertaking, which only exists in the cases where the decisions on the relevant activities require the unanimous consent of the parties sharing the control.

The results and assets and liabilities of associates or joint ventures are accounted for in the present consolidated financial statements in accordance with the equity method, unless the investment, or a part thereof, is classified as an asset held for sale in accordance with IFRS 5.

An investment in an associate or joint venture is initially accounted for at cost. It then integrates the share of the group in the net results and the other elements of the comprehensive result of the undertaking accounted for under the equity method. Finally, dividends distributed by this entity decrease the value of the investment.

Note 2.5. Intangible assets

An intangible asset is recognised as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and if the cost of the asset can be measured reliably.

Intangible assets are recognised at cost in the balance sheet (cost method), less any accumulated depreciation and any accumulated impairment losses.

Intangible assets with a limited useful life are depreciated over their useful life.

Computer software is depreciated at 20% per annum.

Subsequent expenditure is capitalised if it generates economic benefits exceeding the initial standard of performance.

Intangible assets are reviewed at each balance sheet date to identify indications of potential impairment that may have arisen during the financial year. In case such indications are noted, an estimate of the recoverable amount of the related intangible assets is made. The recoverable amount is defined as the higher of the fair value less costs to sell of an asset and its value in use.

The value in use is calculated by discounting future cash inflows and outflows generated by the continuous use of the asset and its final disposal at an appropriate discount rate.

Intangible assets are impaired when their book value exceeds the amount that can be recovered, as a result of obsolescence of these assets or due to economic or technological circumstances.

Intangible assets with an indefinite useful life are subject to an annual impairment test, and an impairment loss is recognised when their book value exceeds their recoverable amount.

The useful life, the depreciation method, as well as the potential residual value of intangible assets are reassessed at each balance sheet date and revised prospectively, if applicable.

Emission rights for greenhouse gases

Emission rights for greenhouse gases acquired at fair value are recognised as intangible assets at their acquisition cost. Rights granted free of charge are recognised as intangible assets at a nil book value.

The cost associated with emission of greenhouse gases in the atmosphere is recognised as an operating expense, the counterpart being a liability for the obligation to deliver allowances covering the effective emission over the period concerned (other debts). This expense is measured by reference to the weighted average cost of the acquired or granted allowances.

This liability is derecognised on the delivery of allowances to the government by withdrawing emission rights from intangible assets.

In case the allowances are insufficient to cover the emission of greenhouse gases during the financial year, the group accounts for a provision. This provision is measured by reference to the market value at the balance sheet date of the allowances yet to be purchased.

The excess emission rights not sold on the market are valued at the balance sheet date by reference to the weighted average cost of the acquired or granted allowances, or at market value if lower than the weighted average cost.

Note 2.6. Property, plant and equipment

Property, plant and equipment (PPE) is recognised as an asset if it is probable that future economic benefits attributable to the asset will flow to the entity and if the cost of the asset can be measured reliably.

PPE is recognised at cost in the balance sheet (cost method), less any accumulated depreciation and any accumulated impairment losses.

Subsequent expenditure is capitalised if it generates economic benefits exceeding the initial standard of performance.

PPE is reviewed at each balance sheet date to identify indications of potential impairment that may have arisen during the financial year. In case such indications are noted, an estimate of the recoverable amount of the PPE in question is established. The recoverable amount is defined as the higher of the fair value less costs to sell of an asset and its value in use. The value in use is calculated by discounting future cash inflows and outflows generated by the continuous use of the asset and its final disposal at an appropriate discount rate.

Subsidies

Subsidies related to property, plant and equipment as well as contributions by third parties in the funding of such assets are deducted from the acquisition cost of these assets.

Depreciation methods

PPE is depreciated over its useful life.

Each significant component of PPE is recognised separately and depreciated over its useful life.

The depreciation method reflects the rate at which the group expects to consume the future economic benefits related to the asset, taking into account the time during which the assets may generate regulated revenue.

The regulated investments intended to increase the security of supply in Europe are depreciated under a diminishing balance method, which more accurately reflects the rate at which the group expects to consume the future economic benefits of these assets. This is a specific list of regulated infrastructure investments, which are essential for gas transmission in Europe and form an integral part of the RAB.

The methods and durations of depreciation used are as follows:

Straight-line method:

- 50 years for transmission pipelines in Belgium, terminalling facilities and tanks;
  In line with the new tariff method applied since 01.01.2020, all investments (new and existing) in gas transmission pipelines are fully depreciated by December 2049 at the latest.
- 50 years for administrative buildings, staff housing and facilities;
- 40 years for storage facilities;

- 33 years for industrial buildings;
- 20 years for investments related to the extensions of the Zeebrugge LNG terminal;
- 10 years for equipment and furniture;
- 5 years for vehicles and site machinery;
- 4 years for computer hardware;
- 3 years for prototypes;

Declining-balance method:

- This method only applies for investments made to ensure security of supply: declining-balance.

The useful life, the depreciation method, as well as the potential residual value of property, plant and equipment are reassessed at each balance sheet date and revised prospectively, if applicable.

Note 2.7. Leases

Definition of 'lease'

A contract is or contains a lease if it conveys a right to control the use of an identified asset for a period of time in exchange for a consideration.

To determine whether a lease confers the right to control use of a determined asset for a determined period of time, the entity must appreciate whether, throughout the period of use, it has the right to:

- obtain substantially all of the economic benefits from the use of the asset; and
- direct the use of the asset.

To determine the duration of the lease, any options for renewal or termination are considered, as required under IFRS 16, taking into account the probability of exercising the option as well as whether it is under the control of the lessee.

The group as a lessee

At the start of the lease, the lessee recognises a right-of-use asset and a lease obligation.

Right-of-use assets

The group recognises right-of-use assets on the date of the start of the contract, i.e. the date on which the asset becomes available for use. These assets are valued at the initial cost of the lease obligation minus amortisation and any depreciation, adjusted to take into account any revaluations of the lease obligation. The initial cost of the right-of-use assets includes the present value of the lease obligation, the initial costs incurred by the lessee, rent payments made on the start date or before that date, minus any incentives obtained by the lessee. These assets are depreciated over the estimated lifetime of the underlying asset or over the duration of the contract if this period is shorter, unless the group is sufficiently certain of obtaining ownership of the asset at the end of the contract.

Right-of-use assets are presented separately from other assets as a different entry under non-current assets.

Lease obligations

The lease obligation is valued at the present value of the rent payments that have not yet been paid. The present value of the rent payments must be calculated using the interest rate implicit in the lease if it is possible to determine that rate. If not, the lessee must use its incremental borrowing rate.

The incremental borrowing rate is the interest rate that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

Over the duration of the contract, the lessee values the lease obligation as follows:

- by increasing the book value to reflect the interest on the lease obligation;
- by reducing the book value to reflect the rent payments made;
- by revaluing the book value to reflect the new appreciation of the lease obligation or amendments to the lease.

The services included in leases do not form part of the lease debt.

Lease obligations are presented in a separate entry under current and non-current interest-bearing liabilities (see note 5.11).

Short-term leases and low-value leases

For short-term leases (duration of 12 months or less), the Fluxys Belgium group registers a lease expense.

To determine the criteria for a low-value lease, a threshold has been determined, except for vehicles, which are included in the group of vehicles leased for more than one year without applying the value criteria.

For short-term leases, and low-value leases, the effect on profit/loss is not significant.

Presentation

In the consolidated income statement, the interest charge on the lease obligation is presented separately from the depreciation charge that applies to the right-of-use asset.

In the cash flow statement, the cash flows will be presented as follows:

- cash outflows relating to the principal of the lease obligation and the interest paid, in the financing activities;
- rent payments for short-term leases, low-value leases and variable rent payments that have not been taken into account in the valuation of the lease obligations, in the operating activities.

The group as a lessor

The group leases out some facilities under finance lease as a lessor.

Assets under finance lease are assets for which the group substantially transfers risks and rewards related to the economic ownership to the lessee. Assets leased under such contracts are recognised on the balance sheet as receivables in an amount equal to the net investment in the lease contract in question. Lease payments received are apportioned between financial income and repayments of the lease receivable so as to achieve a constant rate of return on the net investment by the group in the finance lease contract.

When the classification of contracts under finance lease is based on the present value of the minimum lease payments, the most pertinent criteria adopted is the following: a contract is considered a finance lease if the present value of the minimum lease payments amounts to at least 90% of the fair value of the leased asset at the inception of the lease contract.

No residual value is assumed for gas transmission assets in Belgium, due to the specific nature of the activities concerned.

Note 2.8. Financial instruments

Recognition and derecognition of financial assets and liabilities

Recognition

Financial assets and liabilities are recognised when the group becomes party to the instrument's contractual terms.

Derecognition of financial assets

The group has to derecognise a financial asset if and only if the contractual rights on the cash flows of the financial asset expire, or where it transfers almost all the risks and advantages inherent to the ownership of the financial asset to a third party.

If the group neither transfers nor retains substantially all the risks and rewards of ownership of a transferred asset, and retains control of the transferred asset, the group continues to recognise the financial asset to the extent of its continuing involvement and recognises a related liability for the amount received.

If the group keeps almost all the risks and advantages inherent to the ownership of the financial asset, it continues to recognise the whole financial asset and recognises a financial liability for the consideration received.

When a financial asset measured at amortised cost is derecognised, the difference between the amortised cost and the sum of the considerations received is transferred to the income statement.

When an investment in equity instruments until now measured at fair value with changes to other comprehensive income are derecognised, the accumulated profit/loss recognised previously in other comprehensive income is not reclassified to net income.

Derecognition of financial liabilities

The entity derecognises a financial liability only if this liability is extinguished, i.e. once the obligation is fulfilled, cancelled or it expires.

The difference between the book value of an extinguished financial liability and the consideration paid, including, where applicable, the assets (non-cash) transferred and the liabilities acquired must be recognised in the income statement.

Unconsolidated equity instruments (such as shares and equity rights)

The Fluxys Belgium group values the unconsolidated equity instruments at fair value with changes to other comprehensive income.

However, given the materiality of certain instruments and the unavailability of recent market values, certain equity instruments are accounted for at the initial cost.

The dividends received for these equity instruments are recognised in financial income under the item 'Dividends from unconsolidated entities'.

Short-term investments, cash and cash equivalents

Cash investments in the form of bonds or commercial paper, having a maturity date exceeding three months, are reported as financial assets measured at amortised cost. These are shown in the balance sheet under non-current ‘other financial assets’ and under current ‘investments’.

Cash and cash equivalents include short-term investments, short-term bank deposits and deposits readily convertible to a known cash amount and which are subject to an insignificant risk of changes in value (maximum of three months).

Cash and cash equivalents held are reported as financial assets measured at amortised cost.

The economic model used by the Fluxys Belgium group to manage financial assets aims to hold them in order to obtain contractual cash flows. The sales of financial assets are rare, and the group does not expect to proceed with such sales in the future, except in the case of an increased credit risk for the assets over and above the policy advocated by the group. A sale may also be motivated by an unexpected financing need.

Where the conditions required to be qualified as financial assets valued at amortised cost are not met, these financial assets concerned are valued at fair value with changes to net profit/loss.

Trade and other receivables

Trade and other receivables are stated at their face value reduced by any amounts deemed unrecoverable.

When the time value of money is significant, trade and other receivables are discounted.

Impairment losses are recognised when the book value of these items at balance sheet date exceeds their recoverable amount.

Expected credit losses and write-downs

Expected credit losses on financial assets accounted for at amortised cost are calculated using an individual approach, based on the credit quality of the counterparty and the maturity of the financial asset.

Expected credit losses are calculated using a probability of default over 12 months where the credit risk is low.

A financial asset is impaired where one or more events have occurred with a negative effect on the future estimated cash flows of this financial asset. The indications of the impairment of a financial asset encompass data that may be observed on the following events:

- defaults in payments for more than 90 days,
- significant financial difficulty of the issuer or debtor and
- increasing probability of bankruptcy or financial restructuring of the lender.

If the economic forecast (for example gross domestic product) deteriorates over the course of next year, which could lead to an increase in the number of defaults, the historical default rates are adjusted. At each balance sheet date, the historical default rates observed are updated and the changes in the forecast estimates are analysed.

Interest-bearing liabilities

Interest-bearing liabilities are recognised at the net amount received. Following initial recognition, interest-bearing liabilities are recorded at amortised cost. The difference between the amortised cost and the redemption value is recognised in the income statement under the effective interest rate method over the term of the liabilities.

Trade payables

Trade payables are stated at face value.

When the time value of money is significant, trade payables are discounted.

Note 2.9. Inventories

Valuation

Inventories are valued at the lower of cost and net realisable value.

Inventories are written down to account for:

- a reduction in net realisable value, or
- impairment losses due to unforeseen circumstances related to the nature or use of the assets.

This impairment on inventories is recognised in the income statement in the period in which they arise.

Gas inventory

Gas inventory changes are valued under the weighted average cost method.

Supplies and consumables

Supplies and consumables are valued under the weighted average cost method.

Work in progress

Work in progress for third parties is valued at cost, including indirectly attributable costs.

When the outcome of a contract can be reliably estimated, contract revenue and expenses are recognised as revenue and expenses respectively by reference to the stage of completion of the contract at balance sheet date. Any expected loss is recognised immediately as an expense in the income statement.

Note 2.10. Borrowing costs

Borrowing costs directly attributable to the acquisition, building or production of assets requiring a substantial period of time to get ready for their intended use (property, plant and equipment, investment property, etc.) are added to the costs of the assets concerned until they are ready for use or sale.

The amount of the borrowing costs to be capitalised is the actual cost incurred in borrowing the funds, as reduced by income from any temporary investment of these funds.

Note 2.11. Provisions

Provisions are recognised as a liability in the balance sheet when they meet the following criteria:

- the group has a present (legal or constructive) obligation arising from a past event;
- it is probable (i.e. more likely than not) that the settlement of this obligation will lead to an outflow of resources embodying economic benefits;
- the amount of the obligation can be reliably estimated.

No provision is recognised if the above conditions are not met.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, in other words the amount the entity reasonably expects to have to pay to discharge the obligation at balance sheet date, or to transfer it to a third party at the same date.

This estimation is based either on a request from a third party or on estimates or detailed calculations. For all provisions recognised, management considers that the probability of an outflow of resources exceeds 50%.

When the time value of money is significant, provisions are discounted. The discount rate used is a rate before tax reflecting current market estimates of the time value of money and taking into account any risks associated with the type of liability in question.

All risks incurred by the group that do not comply with the above-mentioned criteria are disclosed as contingent liabilities in the Notes.

Employee benefits

Some companies in the Fluxys group have established supplementary ‘defined benefit’ or ‘defined contribution’ pension plans. Benefits provided under these plans are based on the number of years of service and the employee’s salary.

‘Defined benefit’ pension plans enable employees to benefit from a capital sum calculated on the basis of a formula which takes account of their annual salary at the end of their career and their seniority when they retire.

‘Defined contribution’ pension plans provide employees with a capital sum accumulated from personal and employer contributions, based on the salary.

In Belgium, the law requires that the employer guarantee a minimum return for defined contribution, which varies based on the market rates.

The accounting method used by the group to value these ‘defined contribution pension plans, with a guaranteed minimum return’, is identical to the method used for ‘defined benefit’ plans.

In case of death before retirement, these plans provide a capital sum for the surviving spouse, as well as allowances for orphans.

Other employee benefits

Certain group companies offer their employees post-employment benefits such as the reimbursement of medical costs and price subsidies, and other long-term benefits (seniority bonuses).

Valuation

These liabilities are valued annually by a qualified actuary.

Regular payments made in relation to the supplementary pension plans are recognised as expenses at the time they are incurred.

‘Defined benefit’ pension plans

Provisions for pensions and other collective agreements are reported in the balance sheet in accordance with IAS 19 (Employee Benefits), using the projected unit credit method (PUCM).

The current value of post-employment benefits is determined at each balance sheet date based on the projected salary estimated at the end of the employee’s career, the rate of inflation, life expectancy, staff turnover and the expected age of retirement. The present value of defined benefit obligations is determined using a discount rate based on high-quality bonds with maturity dates close to the weighted average maturity of the plans concerned and which are denominated in the currency in which the benefits are to be paid.

The amount accounted for in respect of post-employment liabilities corresponds to the difference between the current value of future obligations and the fair value of assets in the plan destined to cover them. Any deficit resulting from this valuation is subject to the recognition of a provision to cover this risk. In the opposite case, an asset is recognised in line with the surplus of the defined benefit pension plan, capped at the current value of any future reimbursement from the plan or any reduction in future contributions to the plan.

The remeasurements of the liabilities or assets in the balance sheet comprise:

- the actuarial gains or losses on the defined benefit liabilities resulting from adjustments relating to experience and/or changes in actuarial assumptions (including the effect of the change in the discount rate);
- the return on plan assets (excluding amounts included in net interest) and changes in the effect of the asset ceiling (excluding amounts included in net interest).

These remeasurements are directly recognised in equity through the other items in comprehensive income.

'Defined contribution' pension plans

The liabilities of the group with regard to 'defined contribution' plans are limited to the employer contributions paid recorded in the results.

Actuarial gains and losses relating to other long-term employee benefits

The other long-term benefits are accounted for in the same way as the post-employment benefits, but revaluations are fully accounted for in the financial results in the financial year in which they occur.

Note 2.12. Revenue recognition

The group accounts for operating revenue as it meets a service obligation by supplying the customer with the promised good or service and as this latter obtains control thereof.

The Fluxys Belgium group uses a five-stage approach to determine whether a contract entered into with a customer may be accounted for and the way in which revenue should be recognised:

1. identification of the contract,
2. identification of the service obligations,
3. determination of the transaction price,
4. distribution of the transaction price between the service obligations and
5. recognition of operating revenue where the service obligations are met or where the control of the goods or services is transferred to the customer.

Group revenues mainly come from standard regulated contracts for which both the services to be provided and the price of the service are clearly identified.

Fluxys Belgium and its subsidiaries transfer the control of their regulated services progressively and in doing so meet their service obligation and account for operating revenue progressively. It should be noted that the revenue from regulated activity is recognised based on reserved capacities.

Furthermore, the Fluxys Belgium group makes sales of gas that are necessary for balancing operations and its operational needs. These services, fulfilled at a specific time, are recognised in operating revenue at the time of their fulfilment. From 1 June 2020, these balancing operations are conducted by the joint venture with Balansys.

Regulated income received by the group may generate a gain or a loss compared with the target rate of return on the capital invested. Gains are reported and recognised as regulatory liabilities, whereas losses are included in operating revenue to offset the accounting of regulatory assets. The Group has no regulatory assets in the published periods.

The regulatory framework is explained in further detail in the chapter on 'Regulatory and legal framework' of the annual report.

In note 4 - Segment income statement, the distinction is shown between the revenue invoiced and the revenue recognised. The latter includes the revenue invoiced, but also the movements in regulatory assets and liabilities.

The following table provides more detailed information on the Group's services (performance obligations), types of contract, pricing, and the way in which operating revenue is recognised. Most of this revenue is regulated.

Legal entity	Revenue stream	Performance obligation: nature, customer and timing of satisfaction	Contract type and pricing
Fluxys Belgium	Transmission services	**Nature of performance obligation**: sale of capacity and related services in the pipeline infrastructure to its customers to transmit natural gas to distribution system operators, power stations and major industrial end-users in Belgium or to transport natural gas to a border point for transmission to other end-user markets in Europe. **Customers**: gas shippers reserve capacity slots (short + long term contracts) **Revenue recognition**: the performance obligation consists in making these capacities available for the customers for use at the customers' discretion (cf. IFRS 15.26 (e)). Basically, the contracts between Fluxys Belgium and their customers determine that the latter reserve a certain capacity that can be used over a certain period, at the choice of the customer. Thus, Fluxys Belgium will transfer to the customer a series of services that are substantially the same and that have the same pattern of transfer to the customer (IFRS 15.22 (b)). Each service in the series provided by Fluxys Belgium is a performance obligation satisfied **over time**, as described by IFRS 15.35a (the customer simultaneously receives and consumes the benefits provided by Fluxys' performance as Fluxys performs). Therefore, the reserved capacities are invoiced and recognised monthly over the period covered by the contract related to the capacities reserved (in accordance with IFRS 15.39 and IFRS 15.B15), i.e. **over time** recognition.	**Regulated Standard Transmission Agreement.** Regulated tariffs are expressed in €/kWh/h/year
Fluxys Belgium	Storage capacity service	**Nature of performance obligation**: storage services enabling customers to use buffer capacity flexibly according to their needs. The gas is stored in the underground facilities in Loenhout, Belgium. Most of the revenues are generated by the sale of standard bundled packages, composed of injection, storage and withdrawing capacity throughout the storage season in fixed proportion. Such contracts can be both long term and short term. **Customers**: As for transmission, the revenues are based on the reserved capacities. Revenue recognition: revenue is recognised over time as these services are performed continuously throughout the contractual term	**Regulated Standard Storage Agreement** (in combination with a regulated Standard Transmission Agreement to enable injecting into and withdrawing from the gas grid – see above). Regulated tariffs for storage capacity are expressed in €/standard bundled unit per year. Tariffs for separately purchased storage capacity are expressed in €/GWh/year. Injection or withdrawal capacity is expressed in €/m³(n)/h/year.
Fluxys LNG	Terminalling services	**Nature of performance obligations:** Unloading services (time slots are sold in advance, the so-called 'berthing rights'), possibly combined with related services such as storage, regasification or sending out (i.e. transform the liquid gas into gas that can be injected in the grid). Loading services Transhipment services, that occur in 2 forms: Ship-To-Ship: unloading of LNG from one LNG ship directly to another. Ship-Storage-Ship: LNG is unloaded from an LNG ship, then stored in a tank at the terminal. It can be loaded a few days later by another LNG ship. **Customers:** Customers reserve berthing rights in advance, these can be both long term and short term contracts. Revenue recognition: revenue of these berthing rights is recognised **over time** based on the reserved capacity, independently of whether the slots are used or not. For some additional services, such as storage, revenue is recognised over time as well, in accordance with IFRS 15.35(a). For other additional services, such as regasification, revenue is recognised at a point in time.	**Standard regulated LNG Terminalling Agreement,** mostly combined with a separate standard regulated LNG Service Agreement for ancillary services such as storage and sending out capacity, etc. Tariffs for (un)loading are expressed in €/berthing right for the capacity reservations. For storage and for regasification and sending out services, tariffs are expressed in €/MWh/day. **Regulated standard LNG Transhipment Service Agreement.** Tariffs are expressed in €/berthing right for the transhipment services. For additional storage services, the tariff is expressed in €/MWh/day.

Note 2.13. Income taxes

Current tax is determined in accordance with local tax regulations and calculated on the income of the parent entity, subsidiaries and joint operations.

Deferred tax liabilities and assets reflect the future taxable and deductible temporary differences, respectively, between the book base and the tax base of assets and liabilities.

Deferred tax liabilities and assets are measured at the enacted or substantially enacted new income tax rate applicable to the financial year in which the underlying asset is expected to be realised or the underlying liability is expected to be settled.

Any later change in rates requires a change to the deferred taxes. This is accounted for via the other items of the global profit/loss for the part concerning operations that are usually accounted for in these items. The balance of the change in deferred taxes is accounted for in the net profit/loss for the period.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the future deductible temporary differences can be offset.

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.

Information on investments

Fully consolidated entities						
Name of the subsidiary	Registered office	Entity number	% owner-ship	Core business	Currency	Balance sheet date
Fluxys LNG SA	Rue Guimard 4 B - 1040 Brussels	0426 047 853	100.00%	LNG terminalling	€	31 December
Flux Re SA	Rue de Merl 74 L - 2146 Luxembourg	-	100.00%	Reinsurance entity	€	31 December

Entities accounted for using the equity method						
Name of the subsidiary	Registered office	Entity number	% owner-ship	Core business	Currency	Balance sheet date
Balansys SA	Rue de Bouillon 59-61 L - 1248 Luxembourg	-	50.00%	Balancing operator	€	31 December

Nature and scope of the restrictions related to the assets and liabilities of the group

Special rights are attached to the special share of the Belgian State in Fluxys Belgium, other than the normal rights attached to all other shares. These special rights are exercised by the Federal Minister in charge of Energy and can be summarised as follows:

- the right to oppose to all transfers, any assignment as security or change of the destination of strategic assets of Fluxys Belgium of which the list is set out in an annex to the royal decree of 16 June 1994, if the Federal Minister in charge of Energy considers that this operation prejudices the national interests in the area of energy;
- the right to appoint two representatives of the federal government with a consultative vote in the Board of Directors and the Strategic Committee of Fluxys Belgium;
- the right of the representatives of the federal government, within four business days, to appeal to the Federal Minister in charge of Energy on the basis of objective, non-discriminatory and transparent criteria, as defined in the Royal Decree of 5 December 2000, against any decision of the Board of Directors or any advice of the strategic Committee of Fluxys Belgium (including the investment and business plan and related budget) which they regard as contrary to the guidelines of the country's energy policy, including the government's objectives concerning the country's energy supply. The appeal is suspensive. If the Federal Minister in charge of Energy has not cancelled the decision concerned within eight business days after this appeal, it becomes final;
- a special voting right in case of deadlock in the General meeting on a matter concerning the objectives of the federal energy policy.

There are no other significant restrictions that may limit the ability of the group to access or use its assets and discharge its liabilities. However, it must be noted that the assets of Flux Re are destined to cover the risk of the company in the scope of its reinsurance activities. The total assets in the balance sheet of Flux Re came to €164.1 million as at 31-12-2022 compared to €173.2 million as at 2021 year-end.

Balansys SA is a company governed by Luxembourg law in which 50% of shares are held by Fluxys Belgium SA and 50% by Creos Luxembourg SA. The objective of this company is to integrate the Belgian and Luxembourg natural gas markets. As part of this objective, an agreement has been signed between the shareholders that stipulates that Balansys SA shares may not be encumbered with any guarantees or transferred, unless for the benefit of another transmission network operator and with the agreement of the other shareholder.

The key figures of Balansys are shown in the table below:

Entity accounted for using the equity method	31-12-2022 In thousands of € (*)	31-12-2021 In thousands of € (*)
Non-current assets	0	0
Current assets	100,112	66,040
Equity	100	100
Non-current liabilities	30,060	18,061
Current liabilities	69,952	48,879
Operating revenue	461,307	168,837
Operating expenses	460,282	-168,546
Net financial result	-989	-280
Income tax expenses	-37	-11
Net profit/loss for the period	0	0
Entities accounted for by the equity method	50	50
Result of entities accounted for by the equity method	0	0

(*) Figures before intercompany eliminations, on a 100% basis and subject to approval of the accounts by the governing bodies and the general assembly of the entity.

Note 4. Income statement and operating segments

Operating segments

Fluxys Belgium group carries out activities in the following operating segments: transmission, storage, LNG terminalling activities in Belgium and other activities.

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

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

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

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

The three aforementioned activities are regulated and strictly separated. Offsetting balances between these activities is not authorised.

The segment 'other activities' comprises other services rendered by Fluxys Belgium group such as the operational support of the IZT and ZPT terminals[2] in Belgium and work for third parties.

The Fluxys Belgium group operates mainly in Belgium and does not therefore 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.

Information relating to the main customers

The group's main customers are users of transmission and storage services and of the Zeebrugge LNG Terminal.

[2] **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 at 31-12-2022						In thousands of €
	Trans-mission	Storage	Terminal-ling	Other	Elimination between segments	Total
Operating revenue	**710,702**	**34,817**	**157,292**	**20,666**	**-10,918**	**912,559**
Sales and services to external customers	866,993	15,882	297,722	21,033	0	1,201,630
Transactions with other segments	1,312	8,473	1,500	-367	-10,918	0
Changes in regulatory assets and liabilities	-157,603	10,462	-141,930	0	0	-289,071
Sales of gas related to balancing operations and operational needs	**138,655**	**10,327**	**129,584**	**0**	**0**	**278,566**
Sales of gas related to balancing of operations and operational needs	273,348	8,673	163,699	0	0	445,720
Changes in regulatory liabilities	-134,693	1,654	-34,115	0	0	-167,154
Other operating income	5,426	129	4,736	5,999	-78	16,212
Consumables, merchandise and supplies used	-1,144	1	-34	-4,405	0	-5,582
Purchase of gas related to balancing of operations and operational needs	-139,057	-9,924	-126,197	0	0	-275,178
Miscellaneous goods and services	-419,316	-9,600	-40,577	-6,946	10,918	-465,521
Employee expenses	-96,731	-7,216	-23,360	-5,702	78	-132,931
Other operating expenses	-3,944	-588	-374	-52	0	-4,958
Depreciations	-111,009	-8,361	-47,656	-1,025	0	-168,051
Provisions for risks and charges	3,970	-15	99	2,938	1	6,993
Impairment losses	-14,173	0	-647	16	0	-14,804
Profit/loss from continuing operations	**73,379**	**9,570**	**52,866**	**11,489**	**1**	**147,305**
Change in the fair value of financial instruments	0	0	0	-1,298	0	-1,298
Financial income	2,759	306	567	957	0	4,589
Finance costs	-26,131	-2,894	-9,788	-1,992	0	-40,805
Profit/loss before taxes	**50,007**	**6,982**	**43,645**	**9,156**	**1**	**109,791**
Income tax expenses						-26,063
Net profit/loss for the period						**83,728**

Segment income statement at 31-12-2021						In thousands of €
	Trans-mission	Storage	Terminal-ling	Others	Elimination between segments	Total
Operating revenue	**384,346**	**33,536**	**145,680**	**26,343**	**-16,714**	**573,191**
Sales and services to external customers	286,969	32,791	137,826	20,135	0	477,721
Transactions with other segments	892	8,137	1,477	6,208	-16,714	0
Changes in regulatory assets and liabilities	96,485	-7,392	6,377	0	0	95,470
Sales of gas related to balancing operations and operational needs	**20,038**	**2,948**	**9,392**	**0**	**0**	**32,378**
Sales of gas related to balancing of operations and operational needs	65,830	2,948	22,975	0	0	91,753
Changes in regulatory liabilities	-45,792	0	-13,583	0	0	-59,375
Other operating income	4,256	115	2,467	6,327	-58	13,107
Consumables, merchandise and supplies used	-991	-5	-27	-2,399	0	-3,422
Purchase of gas related to balancing of operations and operational needs	-20,038	-2,948	-9,392	0	0	-32,378
Miscellaneous goods and services	-117,044	-7,838	-26,379	-11,800	16,713	-146,348
Employee expenses	-80,839	-6,510	-20,409	-4,850	59	-112,549
Other operating expenses	-3,841	-523	-462	-248	0	-5,074
Depreciations	-116,067	-9,568	-47,520	-838	0	-173,993
Provisions for risks and charges	-2,117	28	-121	-4,861	1	-7,070
Impairment losses	1	0	0	-22	0	-21
Profit/loss from continuing operations	**67,704**	**9,235**	**53,229**	**7,652**	**1**	**137,821**
Change in the fair value of financial instruments	0	0	0	-114	0	-114
Financial income	125	14	32	971	0	1,142
Finance costs	-24,251	-2,711	-10,011	-1,402	0	-38,375
Profit/loss before taxes	**43,578**	**6,538**	**43,250**	**7,107**	**1**	**100,474**
Income tax expenses						-24,953
Net profit/loss for the period						**75,521**

Note 4.1. Operating revenue

Analysis of operating revenue by business segment:

Operating revenue				In thousands of €
	Notes	31-12-2022	31-12-2021	Change
Transmission in Belgium	4.1.1	709,390	383,454	325,936
Storage in Belgium	4.1.1	26,344	25,399	945
Terminalling in Belgium	4.1.1	155,792	144,203	11,589
Other operating income	4.1.2	21,033	20,135	898
Total		**912,559**	**573,191**	**339,368**

Operating revenue in the 2022 financial year amounted to €912,559 thousand, which represents an increase of €339,368 thousand as compared with the previous financial year.

4.1.1 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 operating expenses related to these services, while integrating the productivity efforts to be accomplished by the network operator, as well as permitted depreciation.

The bulk of the increase in sales and regulated services relates to transmission services (€325,936 thousand). This increase is mainly due to the accounting settlement of the exceptional solidarity contribution of €300 million. The regulatory nature of this contribution makes the impact on the result neutral. Sales increased significantly in 2022, as the infrastructure was largely used to support the security of supply of surrounding countries. These additional sales, including auction premiums, do not benefit shareholders but are offset by a higher allocation to regulatory liabilities.

Revenue from storage services is slightly up compared to 2021. Sales are down in 2022, but this decrease is offset by the use of regulatory liabilities in accordance with the tariff proposal.

With regard to terminalling revenue, this is up €11,589 thousand, largely following spot slot auction sales. Almost all of these sales are allocated to regulatory liabilities.

4.1.2 Other operating revenue relates mainly to work and services for third parties and the provision of facilities.

Note 4.2. Operating expenses

Operating expenses excluding depreciations, impairment losses and provisions				In thousands of €
	Notes	31-12-2022	31-12-2021	Change
Consumables, merchandise and supplies used	4.2.1	-5,582	-3,422	-2,160
Miscellaneous goods and services	4.2.2	-465,521	-146,348	-319,173
Employee expenses	4.2.3	-132,931	-112,549	-20,382
Other operating expenses	4.2.4	-4,958	-5,074	116
Total operating expenses		**-608,992**	**-267,393**	**-341,599**

4.2.1. Consumables, merchandise and supplies used

This item mainly includes costs for transport material taken out of inventory for maintenance and repair projects as well as costs for work carried out on behalf of third parties.

4.2.2. Miscellaneous goods and services

Miscellaneous goods and services are mainly composed of:

	31-12-2022	31-12-2021	Change
Purchase of equipment	-6,324	-8,674	2,350
Rent and rental charges (1)	-7,623	-5,496	-2,127
Maintenance and repair expenses	-24,601	-24,365	-236
Goods and services supplied to the group	-19,376	-6,540	-12,836
Third-party remuneration	-354,502	-52,496	-302,006
Royalties and contributions	-40,083	-37,681	-2,402
Non-personnel related insurance costs	-6,451	-6,096	-355
Other miscellaneous goods and services	-6,561	-5,000	-1,561
Total	**-465,521**	**-146,348**	**-319,173**

(1) Amounts that relate mainly to services that do not meet the definition of a lease under IFRS 16.

The main increase in this item ensues from the exceptional solidarity contribution of €300 million that the Belgian State established for the operator of the natural gas transmission network to support the Belgian population during the energy crisis. Goods and services supplied to the group, and royalties, are also up.

This evolution, apart from the solidarity contribution, is in line with the reference framework for the 2020-2023 regulatory period.

Third-party remuneration increased by €302,006 thousand. This evolution is largely due to the solidarity contribution of €300 million. Another important cost is related to the study with a view to installing a new electric compressor at our storage facility in Loenhout.

The increase in goods and services supplied to the group reflects the high price of electricity, but also the increase of activity in the terminal and the transmission network. The cost of electricity is up €9,272 thousand compared to 2021.

As for the €2,402 thousand increase in royalties and contribution compared to 2021, this is largely explained by compensation paid by Flux Re to Fluxys SA (which is offset by using the corresponding provision of 2021). The use of this provision in 2022 compensates the cost of the compensation paid.

The increase in rent and rent expense comes from the higher prices of software.

4.2.3. Auditor remuneration

Other miscellaneous goods and services (see note 4.2.2.) include the total remuneration paid to the auditor by Fluxys Belgium NV and its consolidated subsidiaries. These fees are presented below.

Auditor remuneration			In thousands of €
	31-12-2022	31-12-2021	Change
Audit fees	-179	-152	-27
Other non-audit services	-38	-18	-20
Total remuneration	**-217**	**-170**	**-47**

The amount of other (non-audit) services provided by the statutory auditor and persons professionally related to him are in line with article 3:64 and 65 of the Code of companies and associates and approved by the Audit Committee in advance. They mainly relate to ad-hoc and limited assurance attestations.

4.2.4. Employee expenses

Employee expenses have increased €20,382 thousand as compared with 2021, among other things as a result of indexation.

The average headcount of the Group is slightly up, from 912 in 2021 to 914 in 2022. Expressed in FTE (full-time equivalents), these figures convert to 883.4 in 2022 compared to 881.4 in 2021.

Workforce				
	Financial year		Preceding financial year	
	Total number of staff	Total in FTE	Total number of staff	Total in FTE
Average number of employees	914	883.4	912	881.4
Fluxys Belgium	865	836.1	864	835.3
Executives	308	300.2	295	286.7
Employees	557	535.9	569	548.6
Fluxys LNG	48	46.8	47	45.5
Executives	3	2.9	3	3.1
Employees	45	43.9	43	42.4
Flux Re	1	0.5	1	0.5
Headcount at balance sheet date	939	908.6	918	886.2
Fluxys Belgium	891	862.0	869	839.2
Executives	321	313.1	300	291.3
Employees	570	548.9	569	547.9
Fluxys LNG	47	46.2	48	46.5
Executives	3	2.9	3	2.9
Employees	44	43.3	45	43.6
Flux Re	1	0.5	1	0.5

4.2.5. Other operating expenses

Other operating expenses include property taxes, local taxes, and losses on disposals or retirements of property, plant and equipment.

4.2.6. Depreciations

Depreciation charges on property, plant and equipment over the period are down by €7,343 thousand as compared with the previous financial year because the depreciation for certain historic assets came to an end in the previous financial year.

However, depreciation charges on intangible assets over the period are up by €1,541 thousand as compared with the previous financial year following the higher level of investments in intangible assets over these past few years.

Depreciations, impairment losses and provisions				In thousands of €
	Notes	31-12-2022	31-12-2021	Change
Depreciations	**4.2.5**	**-168,051**	**-173,993**	**5,942**
Intangible assets		-12,385	-10,844	-1,541
Property, plant and equipment		-150,915	-158,258	7,343
Right of Use Assets		-4,751	-4,891	140
Provisions for risks and charges	**4.2.6**	**6,993**	**-7,070**	**14,063**
Impairment losses		-14,804	**-21**	-14,783
Inventories		-14,819	1	-14,820
Trade receivables		15	-22	37
Total depreciations, impairment losses and provisions		**-175,862**	**-181,084**	**5,222**

4.2.7. Provisions for risks and charges

The significant change in provisions, of €14,063 thousand as compared with the previous financial year can chiefly be explained by the increase in discount rates, which ended up resulting in a reduction of the provision for employee benefits and by the use of a provision relating to a claim established during the previous financial year, the compensation for which was paid in 2022 (see Note 4.2.2.).

An impairment loss on gas stocks of €17,714 thousand was recorded in 2022 to reflect the price of gas on 31/12/2022 which was considerably lower than the average price of gas in stock. This was partly offset by a partial reversal of the impairment of the spare parts inventory.

Note 4.3. Financial income

Financial income				In thousands of €
	Notes	31-12-2022	31-12-2021	Change
Dividends from unconsolidated entities		0	0	0
Financial income from leasing contracts	4.3.1	56	60	-4
Interest income on investments and cash equivalents	4.3.2	3,970	927	3,043
Other interest income	4.3.2	83	30	53
Unwinding of discounts on provisions	4.4.2	0	126	-126
Other financial income		480	125	355
Total		**4,589**	**1,268**	**3,321**

4.3.1. Financial income from leasing contracts

Financial income from leasing contracts relates to the Interconnector Zeebrugge Terminal (IZT) facilities.

4.3.2. Interest on investments and cash equivalents

Interest on investments and cash equivalents mainly comes, in 2022, from investments recognised at amortised cost in accordance with IFRS 9. The amount of this interest is up as compared with 2021, following the increase in interest rates.

Note 4.4. Finance costs

Finance costs				In thousands of €
	Notes	31-12-2022	31-12-2021	Change
Borrowing interest costs	4.4.1	-39,292	-37,338	-1,954
Unwinding of discounts on provisions	4.4.2	-383	0	-383
Interest charges on leasing contracts		-890	-983	93
Other finance costs		-240	-180	-60
Total		**-40,805**	**-38,501**	**-2,304**

4.4.1. Borrowing interest costs

Borrowing interest costs primarily include interest on the loans from the European Investment Bank and Fluxys, on bonds and on regulatory liabilities.

4.4.2. Unwinding of discounts on provisions

This item almost exclusively concerns employee benefits that are recognised and valued in accordance with IAS 19 and includes, apart from the unwinding of discounts on provisions, returns from associated assets, and actuarial gains and losses recognised in profit/loss. The change is mainly associated with an increase in the discount rates at year-end.

Note 4.5. Income tax expenses

Income tax expense is analysed as follows:

Income tax expenses				In thousands of €
	Notes	31-12-2022	31-12-2021	Change
Current tax	4.5.1	-35,730	-37,137	1,407
Deferred tax	4.5.2	9,667	12,184	-2,517
Total	4.5.3	**-26,063**	**-24,953**	**-1,110**

Income tax expenses are up €1,110 thousand as compared with the preceding financial year. This change can essentially be explained by the following factors:

- an increase in earnings before tax;
- a reduction in the amount of the deduction for revenues from innovation (from €10,000 thousand estimated in 2021 to €5,400 thousand estimated in 2022);

This increase was partly compensated by the deduction for energy efficiency investments obtained by Fluxys LNG. The amount of this deduction for the year 2022 is estimated at €4,366 thousand.

Income tax expenses include both current and deferred taxes, which are detailed separately below.

4.5.1. Current tax			In thousands of €
	31-12-2022	31-12-2021	Change
Income taxes on the result of the current period	**-36,052**	**-36,465**	**413**
Taxes and withholding taxes due or paid	-35,066	-36,938	1,872
Excess of payment of taxes and withholding taxes (included in assets)	-1,213	47	-1,260
Estimated additional taxes (included in liabilities)	227	426	-199
Adjustments to previous years' current taxes	**322**	**-672**	**994**
Total	**-35,730**	**-37,137**	**1,407**

Current tax decreased by €1,407 thousand in 2022.

4.5.2 Deferred tax			In thousands of €
	31-12-2022	31-12-2021	Change
Relating to origination or reversal of temporary differences	**9,667**	**12,184**	**-2,517**
Differences arising from the valuation of property, plant and equipment	11,378	12,094	-716
Changes in provisions	263	-28	291
Other changes	-1,974	118	-2,092
Relating to tax rate changes or to new taxes	**0**	**0**	**0**
Relating to changes in accounting policies and errors	**0**	**0**	**0**
Relating to changes in fiscal status of entity or shareholders	**0**	**0**	**0**
Total	**9,667**	**12,184**	**-2,517**

Deferred tax is primarily influenced by the difference between the book value and the tax base of property, plant and equipment.

The deferred tax profit decreased by €2,517 thousand compared to 2021. This decrease can primarily be explained by adjustments of the tax base for financial assets.

4.5.3. Reconciliation of expected income tax rate and effective average income tax rate			In thousands of €
	31-12-2022	31-12-2021	Change
Income tax as per applicable tax rate – Financial year	**-27,448**	**-25,119**	**-2,329**
Profit/loss before taxes	109,791	100,474	9,317
Applicable tax rate	25.00%	25.00%	0%
Elements that justify transition to the effective average tax rate	**1,063**	**838**	**225**
Income tax rate differences between jurisdictions	-58,0	5	-63
Changes in tax rates	0	0	0
Tax-exempt income	0	0	0
Non-deductible expenses	-1,396,0	-1,375	-21
Taxable dividend income	0	0	0
Deductible notional interest cost	0	0	0
Other (1)	2,517	2,208	309
Income tax as per effective average tax rate – Financial year	**-26,385,0**	**-24,281**	**-2,104**
Profit/loss before taxes	109,791	100,474	9,317
Average effective tax rate	24.03%	24.17%	-0.14%
Taxation of tax-free reserves	**0**	**0**	**0**
Adjustments to previous years' current taxes (1)	**322**	**-672**	**994**
Total income tax expense	**-26,063**	**-24,953**	**-1,110**

(1) In 2022, Fluxys LNG obtained the deduction for energy efficiency investments for the year 2021. This tax advantage is incorporated into the regulated tariffs.

The average effective tax rate for 2022 amounted to 24.03% compared with 24.17% the previous year.

Note 4.6. Net profit/loss for the period

Net profit/loss for the period			In thousands of €
	31-12-2022	31-12-2021	Change
Non-controlling interests	0	0	0
Group share	83,728	75,521	8,207
Total profit/loss for the period	**83,728**	**75,521**	**8,207**

The consolidated net profit for the financial year amounted to €83,728 thousand, an increase of €8,207 thousand compared with 2021.

Note 4.7. Earnings per share

In thousands of €	31-12-2022	31-12-2021
Net profit/loss from continuing operations attributable to the parent company's shareholders	**83,728**	**75,521**
Net profit/loss	83,728	75,521
Impact of dilutive instruments	0	0
Diluted net profit/loss from continuing operations attributable to the parent company's shareholders	**83,728**	**75,521**
Net profit/loss from discontinued operations attributable to the parent company's shareholders	0	0
Net profit/loss	0	0
Impact of dilutive instruments	0	0
Diluted net profit/loss from discontinued operations attributable to the parent company's shareholders	0	0
Net profit/loss attributable to the parent company's shareholders	**83,728**	**75,521**
Net profit/loss	83,728	75,521
Impact of dilutive instruments	0	0
Diluted net profit/loss attributable to the parent company's shareholders	**83,728**	**75,521**

Denominator (in units)	31-12-2022	31-12-2021
Average number of outstanding shares	**70,263,501**	**70,263,501**
Impact of dilutive instruments	0	0
Diluted average number of outstanding shares	**70,263,501**	**70,263,501**

Earnings per share (in euros)	31-12-2022	31-12-2021
Basic earnings per share from continuing operations attributable to the parent company's shareholders	1.1916	1.0748
Diluted basic earnings per share from continuing operations attributable to the parent company's shareholders	1.1916	1.0748
Basic earnings per share from discontinued operations attributable to the parent company's shareholders	0.0000	0.0000
Diluted basic earnings per share from discontinued operations attributable to the parent company's shareholders	0.0000	0.0000
Basic earnings per share attributable to the parent company's shareholders	1.1916	1.0748
Diluted basic earnings per share attributable to the parent company's shareholders	1.1916	1.0748

Note 5. Segment balance sheet

Segment balance sheet at 31-12-2022						In thousands of €
	Trans-mission	Storage	Terminal-ling	Other	Unallo-cated	Total
Property, plant and equipment	1,156,981	125,365	572,946	83	0	1,855,375
Intangible assets	22,009	10	845	0	0	22,864
Right of use assets	7,724	318	18,932	3,046	0	30,020
Other financial assets	95	0	0	111,076	0	111,171
Inventories	54,453	3,100	1,211	3,892	0	62,656
Lease receivables	0	0	0	2,094	0	2,094
Net trade receivables	110,249	1,071	6,633	33,852	0	151,805
Other assets	0	0	0	0	1,170,585	1,170,585
						3,406,570
Interest-bearing liabilities	368,097	61,020	232,249	510,675	0	1,172,041
Other financial liabilities	0	0	20	3,555	0	3,575
Other liabilities	563,230	41,595	330,468	0	652,044	1,587,337
						2,762,953
Equity						643,617
						3,406,570
Investments over the period in PP&E	36,814	871	67,736	104	0	105,525
Investments over the period in intangible assets	11,294	0	71	0	0	11,365

Segment balance sheet at 31-12-2021						In thousands of €
	Trans-mission	Storage	Terminal-ling	Other	Unallo-cated	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 financial assets	91	0	0	88,551	0	88,642
Inventories	35,078	3,100	589	275	0	39,042
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	0	0	0	0	459,293	459,293
						2,634,514
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
						1,994,840
Equity						639,674
						2,634,514
Investments over the period in PP&E	32,630	564	17,440	14	0	50,648
Investments over the period in intangible assets	6,186	12	329	0	0	6,527

Note 5.1. Property, plant and equipment

Movements in property, plant and equipment — In thousands of €

Gross book value	Land	Buildings	Gas transmission*	Gas storage *	LNG Terminal*	Other facilities and machinery	Furniture, equipment & vehicles	Assets under construction & instalments paid	Total
At 31-12-2020	**48,416**	**161,231**	**3,462,837**	**386,670**	**1,457,308**	**43,511**	**62,777**	**6,719**	**5,629,469**
Investments	1,060	51	14,882	22	3,025	0	7,232	24,376	50,648
Grants received	0	0	0	0	-513	0	0	0	-513
Disposals and retirements	-75	-189	-8,697	0	-18	0	-11,857	0	-20,836
Internal transfers	0	0	2,300	0	0	0	0	-2,300	0
Changes in the consolidation scope and assets held for sale	0	0	0	0	0	0	0	0	0
Translation adjustments	0	0	0	0	0	0	0	0	0
At 31-12-2021	**49,401**	**161,093**	**3,471,322**	**386,692**	**1,459,802**	**43,511**	**58,152**	**28,795**	**5,658,768**
Investments	186	166	26,325	312	1,880	0	8,450	68,206	105,525
Grants received	0	0	0	0	0	0	0	0	0
Disposals and retirements	-2	0	-6,725	-5	-290	0	-8,240	0	-15,262
Internal transfers	0	0	15,204	121	0	0	0	-15,325	0
Changes in the consolidation scope and assets held for sale	0	0	0	0	0	0	-0	0	0
Translation adjustments	0	0	0	0	0	0	0	0	0
At 31-12-2022	**49,585**	**161,259**	**3,506,126**	**387,120**	**1,461,392**	**43,511**	**58,362**	**81,676**	**5,749,031**

subject to the Gas Act

Movements in property, plant and equipment

In thousands of €

Depreciation and impairment losses	Land	Buildings	Gas transmission*	Gas storage*	LNG Terminal*	Other facilities and machinery	Furniture, equipment & vehicles	Assets under construction & instalments paid	Total
As at 31-12-2020	**0**	**-98,618**	**-2,289,869**	**-251,390**	**-889,570**	**-43,259**	**-45,554**	**0**	**-3,618,260**
Depreciation	0	-4,014	-96,005	-9,357	-43,218	-7	-5,657	0	-158,258
Disposals and retirements	0	175	8,233	0	2	0	11,377	0	19,787
Internal transfers	0	0	0	0	0	0	0	0	0
Changes in the consolidation scope and assets held for sale	0	0	0	0	0	0	0	0	0
Translation adjustments	0	0	0	0	0	0	0	0	0
As at 31-12-2021	**0**	**-102,457**	**-2,377,641**	**-260,747**	**-932,786**	**-43,266**	**-39,834**	**0**	**-3,756,731**
Depreciation	0	-3,988	-89,701	-8,137	-43,208	0	-5,881	0	-150,915
Disposals and retirements	0	0	5,888	1	8	0	8,093	0	13,990
Internal transfers	0	0	0	0	0	0	0	0	0
Changes in the consolidation scope and assets held for sale	0	0	0	0	0	0	0	0	0
Translation adjustments	0	0	0	0	0	0	0	0	0
As at 31-12-2022	**0**	**-106,445**	**-2,461,454**	**-268,883**	**-975,986**	**-43,266**	**-37,622**	**0**	**-3,893,656**
Net book values as at 31-12-2022	**49,585**	**54,814**	**1,044,672**	**118,237**	**485,406**	**245**	**20,740**	**81,676**	**1,855,375**
Net book values as at 31-12-2021	**49,401**	**58,636**	**1,093,681**	**125,945**	**527,016**	**245**	**18,318**	**28,795**	**1,902,037**

**subject to the Gas Act*

Movements in property, plant and equipment	Land	Buildings	Gas transmission*	Gas storage*	LNG Terminal*	Other facilities and machinery	Furniture, equipment & vehicles	Assets under construction & instalments paid	Total
									In thousands of €
Net book values as at 31-12-2022, of which:	**49,585**	**54,814**	**1,044,672**	**118,237**	**485,406**	**245**	**20,740**	**81,676**	**1,855,375**
At cost	49,585	54,814	1,044,672	118,237	485,406	245	20,740	81,676	1,855,375
At revaluation	0	0	0	0	0	0	0	0	0
Supplementary information	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net book value of assets temporarily retired from active use	**110**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**110**

**subject to the Gas Act*

Property, plant and equipment mainly comprises the group's transmission, storage (Loenhout) and LNG terminalling (Zeebrugge) facilities.

In 2022, Fluxys Belgium group made property, plant and equipment investments in infrastructure of €102,527 thousand. Furthermore, Fluxys Belgium group made €2,996 thousand IT investments in the network infrastructure as well as in the computers and devices inventory.

€67,736 thousand was allocated to LNG infrastructure projects (mainly for the construction of 3 new Open Rack Vaporizers and 3 new truck loading bays in the Zeebrugge LNG Terminal) and €33,817 thousand to project linked to transmission activity.

In 2022 no costs for loans were activated on construction investments.

The depreciation charge for the period amounts to €150,915 thousand and reflects the rhythm at which the group expects to consume the economic benefits linked to those property, plant and equipment.

The assets that are used within the regulated market are depreciated over their useful life, as stated in point 6 of the accounting principles (Note 2), without taking into account a residual value, given the specificity of the sector's activities.

Other property, plant and equipment is depreciated over its useful life as estimated by the group, taking into account actual and potential contracts, and considering reasonable market assumptions, based on the principle of matching of revenues and costs. Given the specific nature of the activities concerned, the residual value, if any, of the facilities in question has been ignored.

At the balance sheet date, the group does not hold property, plant and equipment assets which have been pledged as security against liabilities.

At the end of the financial year, the group has identified no signal or event that would lead any item of property, plant and equipment to be impaired.

This assessment takes into account the regulatory framework in which the Group operates and of the present energy transition in which the Group plays an active role. This refers, for example, to the conversion of our low-calorific gas network to high-calorific gas, the transport of molecules other than natural gas, and the efforts required to combat climate change. All the investments and regulated assets of the Group ensue in a right to a regulated authorised rate of return for their lifespan (see also accounting principles in Note 2.6).

Note 5.2. Intangible assets

Movements in the book value of intangible assets			In thousands of €	
Gross book value	**Software**	**'Client portfolios' assets**	**CO_2 Emission rights**	**Total**
As at 31-12-2020	**22,457**	**52,800**	**0**	**75,257**
Investments	6,528	0	0	6,528
Disposals and retirements	-6,176	0	0	-6,176
Translation adjustments	0	0	0	0
Changes in the consolidation scope	0	0	0	0
Other	0	0	0	0
As at 31-12-2021	**22,809**	**52,800**	**0**	**75,609**
Investments	11,365	0	0	11,365
Disposals and retirements	-3,627	0	0	-3,627
Translation adjustments	0	0	0	0
Changes in the consolidation scope	0	0	0	0
Other	0	0	0	0
As at 31-12-2022	**30,547**	**52,800**	**0**	**83,347**

Movements in the book value of intangible assets			In thousands of €	
Depreciation and impairment losses	**Software**	**'Client portfolios' assets**	**CO_2 Emission rights**	**Total**
As at 31-12-2020	**-13,603**	**-33,447**	**0**	**-47,050**
Depreciation and impairment losses	-4,394	-6,450	0	-10,844
Disposals and retirements	6,176	0	0	6,176
Translation adjustments	0	0	0	0
Changes in the consolidation scope	0	0	0	0
Other	0	0	0	0
As at 31-12-2021	**-11,821**	**-39,897**	**0**	**-51,718**
Depreciation and impairment losses	-5,934	-6,451	0	-12,385
Disposals and retirements	3,619	0	0	3,619
Translation adjustments	0	0	0	0
Changes in the consolidation scope	0	0	0	0
Other	0	0	0	0
As at 31-12-2022	**-14,136**	**-46,348**	**0**	**-60,484**

Movements in the book value of intangible assets				In thousands of €
	Software	'Client portfolios' assets	CO_2 Emission rights	Total
Net book values as at 31-12-2022	**16,411**	**6,453**	**0**	**22,864**
Net book values as at 31-12-2021	**10,988**	**12,903**	**0**	**23,891**

Intangible assets include the net book value of software, the portfolio of 'Hub' clients and CO_2 emission rights.

The software included in intangible assets is investment software developed or purchased by the group. This software is depreciated over 5 years on a straight-line basis. Major investments during the financial year concern software developed in relation to gas flow and asset management and related administrative tools.

In 2015, Fluxys Belgium acquired all of Huberator's business activities for €52.8 million. This intangible asset will be fully depreciated in 2023 (on a straight-line basis).

Certain gas transmission facilities in Belgium are included in the scheme for greenhouse gas emission allowance trading. Accordingly, Fluxys Belgium group was given free emission rights for 2022 amounting to 20,752 tonnes of CO_2 for the compression, storage and terminalling activity sites. In accordance with the accounting policies stated in Note 2, the unused emission rights have been recognised at nil value in intangible assets.

The group emphasises that no indications existed at the balance sheet date that any item of property, plant and equipment may have been impaired.

Note 5.3. Right of use assets

The right of use assets are mainly linked to concession rights for land on which gas transmission and terminalling facilities (Zeebrugge) have been built.

These contracts don't have significant termination or extension options. The rent is not variable, except for some contracts that have a clause for yearly indexation. The impact thereof is not material.

Right of use assets				In thousands of €
	Land & Buildings	Facilities	Cars	Total
As at 31-12-2020	**29,426**	**3,487**	**3,554**	**36,467**
Additional rights	0	0	1,968	1,968
Depreciation and impairment losses	-2,405	-763	-1,723	-4,891
Disposals	0	0	-17	-17
Other changes	0	0	0	0
As at 31-12-2021	**27,021**	**2,724**	**3,782**	**33,527**
Additional rights	0	0	1,351	1,351
Depreciation and impairment losses	-2,405	-763	-1,583	-4,751
Disposals	0	0	-107	-107
Other changes	0	0	0	0
As at 31-12-2022	**24,616**	**1,961**	**3,443**	**30,020**

Note 5.4. Other financial assets

Other financial assets	Notes	31-12-2022	31-12-2021
In thousands of €			
Shares at cost		24	24
Investment securities at fair value through profit or loss	5.4.1	0	0
Investment securities at amortised cost	5.4.1	53,481	26,289
Other investments at cost	5.4.1	54,019	59,009
Financial instruments at fair value through profit or loss		3,576	3,254
Other financial assets at cost		71	66
Total		**111,171**	**88,642**

5.4.1. These items include cash investments with a maturity longer than one year. They are mainly from Flux Re of which the cash is destined to cover the risk of the entity in the scope of its reinsurance business. The maturity of these investments is between 2023 and 2032.

The increase observed in the table above represents the new investments made with maturities of more than one year by Flux Re using the investment funds that matured in 2022.

The assets held by Flux Re are significantly higher than the minimum capital requirements under Solvency II (€16.3 million).

Note 5.5. Other non-current assets

Other non-current assets	Notes	31-12-2022	31-12-2021	Change
In thousands of €				
Plan asset surpluses 'IAS 19 Employee benefits'	5.14	26,461	15,123	11,338
Total		**26,461**	**15,123**	**11,338**

The value of plan assets in the provision for employee benefits increased in 2022 because of a rise in interest rates.

Note 5.6. Inventories

Book value of inventories	31-12-2022	31-12-2021	Change
In thousands of €			
Supplies	**24,803**	**20,250**	**4,553**
Gross book value	28,678	27,019	1,659
Impairment losses	-3,875	-6,769	2,894
Goods held for resale (gas)	**36,981**	**18,517**	**18,464**
Gross book value	54,695	18,517	36,178
Impairment losses	-17,714	0	-17,714
Work in progress	**872**	**275**	**597**
Gross book value	872	275	597
Impairment losses	0	0	0
Total	**62,656**	**39,042**	**23,614**

Inventories of materials connected to the transmission network are at their normal levels.

The considerable increase in the gross book value of goods held for resale can primarily be explained by the strong increase in gas prices during the financial year, partially compensated by impairment losses at the end of the financial year following lower gas prices as at 31 December 2022.

Impact of movements on net profit/loss	31-12-2022	31-12-2021	Change
In thousands of €			
Inventories – purchased or used	38,433	12,663	25,770
Impairment losses	-14,819	1	-14,820
Total	**23,614**	**12,664**	**10,950**

The movements of work in progress are included in other operating income in the income statement. The other movements of inventories are included in purchase of gas related to balancing of operations and operational needs.

Note 5.7. Trade and other receivables

Trade and other receivables				In thousands of €
	Note	31-12-2022	31-12-2021	Change
Gross trade receivables		153,377	86,974	66,403
Impairment losses		-1,572	-1,587	15
Net trade receivables	5.7.1	151,805	85,387	66,418
Other receivables		12,494	5,059	7,435
Total		**164,299**	**90,446**	**73,853**

The increase in trade receivables is in line with the increase in sales and services to external customers.

5.7.1 Fluxys Belgium group reduces its exposure to credit risk, both in terms of default and concentration of risk, by requiring short payment terms from its customers (payment within one month), a strict policy for the follow-up of trade receivables, and a systematic evaluation of its counterparties' financial position. The credit losses expected and accounted for in trade and other receivables are not very material for the Fluxys Belgium group.

Trade receivables can be broken down as follows according to their ageing:

Net trade receivables according to ageing			In thousands of €
	31-12-2022	31-12-2021	Change
Receivables not past due	150,829	84,891	65,938
Receivables < 3 months	885	405	480
Receivables 3 - 6 months	0	0	0
Receivables > 6 months	0	0	0
Receivables in litigation or doubtful	91	91	0
Total	**151,805**	**85,387**	**66,418**

Disputed or doubtful receivables mainly concern grid users. Those deemed irrecoverable have been subject to impairment losses of 100%.

Note 5.8. Short-term investments, cash and cash equivalents

Investments relate to investments in the form of bonds, commercial paper and bank deposits over more than three months and maximum one year.

Cash and cash equivalents are mainly euro investments in commercial paper that mature within a maximum of three months after the date of acquisition, deposits made with Fluxys (cash pooling), term deposits at credit institutions, current account bank balances and cash in hand.

Short-term investments, cash and cash equivalents			In thousands of €
	31-12-2022	31-12-2021	Change
Short-term investments	**26,113**	**45,740**	**-19,627**
Cash and cash equivalents	**1,070,708**	**366,931**	**703,777**
Cash equivalents and cash pooling	1,025,335	320,254	705,081
Short-term deposits	8,108	2,849	5,259
Bank balances	37,246	43,815	-6,569
Cash in hand	19	13	6
Total	**1,096,821**	**412,671**	**684,150**

In 2022, the average rate of return on short-term investments, cash and cash equivalents was 0.45%. The credit losses expected and accounted for in investments, cash and cash equivalents are not material for the Fluxys Belgium group.

The increase in cash equivalents is primarily due to the increase in sales following major gas flows to Germany and the Netherlands.

Note 5.9. Other current assets

Other current assets				In thousands of €
	Notes	31-12-2022	31-12-2021	Change
Accrued income		1,213	733	480
Prepaid expenses		13,033	13,360	-327
Other current assets	5.9.1	2,940	1,680	1,260
Total		**17,186**	**15,773**	**1,413**

Other current assets mainly comprise prepaid expenses amounting to €13,033 thousand (insurance, fees, rent, etc.) as well as various items of accrued income.

5.9.1 Other current assets include the short-term share of the plan asset surpluses compared with the actuarial liability relating to the group's pension liabilities (see Notes 5.5 and 5.14).

Note 5.10. Equity

On 31-12-2022, equity amounted to €643,617 thousand. The €3,943 thousand increase since the previous year comes essentially from the comprehensive income for the period (€100,907 thousand),which is largely offset by the dividends paid in 2022 (€96,964 thousand).

Note on parent entity shareholding			
	Ordinary shares	Preference shares	Total
I. Movements in number of shares			
1. Number of shares, opening balance	70.263.501	0	70.263.501
2. Number of shares issued			
3. Number of ordinary shares cancelled or reduced (-)			
4. Number of preference shares cancelled or reduced (-)			
5. Other increase (decrease)			
6. Number of shares, closing balance	70.263.501	0	70.263.501
II. Other information			
1. Face value of shares	No face value mentioned		
2. Number of shares owned by the company	0	0	0
3. Interim dividends during the financial year			

The share capital of Fluxys Belgium SA is represented by 70,263,501 shares with no face value, divided into two categories, in addition to the specific share.

Shares in category B are and remain registered. They are held by long-term shareholders.

Category D shares are registered or dematerialised and are mainly held by the general public.

The Belgian State owns one specific registered share, namely share no. 1, which does not belong to any of the above categories and shall be referred to hereinafter as the 'specific share'. In accordance with the Fluxys Belgium articles of association, this 'specific share' carries specific rights. These specific rights remain attached to this share in addition to the common rights attached to the ordinary shares of Fluxys Belgium (former "Distrigas"), as long as this share is owned by the Belgian State, as established in Articles 3 to 5 of the Royal Decree of 16 June 1994. These specific rights are exercised by the Federal Minister responsible for energy. In addition to these specific rights this 'specific share' also entitles to receive 100 times the dividend or any other distribution by the entity to its shareholders, than the ones attached to the category B or D shares.

Note 5.11. Interest-bearing liabilities

Non-current interest-bearing liabilities				In thousands of €
	Notes	31-12-2022	31-12-2021	Change
Leases	5.11.3	25,878	29,260	-3,382
Bonds	5.11.1	696,985	696,558	427
Other borrowings	5.11.2	392,909	436,273	-43,364
Total		**1,115,772**	**1,162,091**	**-46,319**
Of which debts guaranteed by the public authorities or by sureties		0	0	0

Current interest-bearing liabilities				In thousands of €
	Notes	31-12-2022	31-12-2021	Change
Leases	5.11.3	2,477	2,804	-327
Bonds	5.11.1	2,523	2,523	0
Other borrowings	5.11.2	51,269	52,105	-836
Total		**56,269**	**57,432**	**-1,163**
Of which debts guaranteed by the public authorities or by sureties		0	0	0

5.11.1. In November 2014 and October 2017, Fluxys Belgium issued bonds for a total of €700,000 thousand. These bonds offer a gross annual coupon of 1.75% and 3.25% respectively. They will mature between 2027 and 2034.

5.11.2. Other borrowings include:

- A 25-year loan of €400,000 thousand at a fixed rate contracted with the EIB in December 2008 to finance investments in developing the gas transmission network, the balance of which was €226,000 thousand as at 31-12-2022.
- A loan of €257,000 thousand at a fixed rate of 3.20% with Fluxys to cover needs relating to investments necessary for the transshipment services at the Zeebrugge LNG Terminal. The balance still due as at 31-12-2022 is €210,273 thousand.
- Short-term loans and accrued interest amounting to €7,905 thousand.

5.11.3. Lease liabilities are accounted for in line with IFRS 16 and are limited to the contractual obligations, even if the Group expects certain contracts to be extended in the future, but this option isn't stated in the current contract.

Changes in liabilities based on financing activities							
	31.12.2021	Cash flow	Other movements				31.12.2022
			New lease contracts	Reclassification between non-current and current	Variation in accrued interests payable		
Non-current interest-bearing liabilities	**1,162,091**	**0**	**1,351**	**-48,097**	**0**	**427**	**1,115,772**
Leases	29,260	0	1,351	-4,733	0	0	25,878
Bonds	696,558	0	0	0	0	427	696,985
Other borrowings	436,273	0	0	-43,364	0	0	392,909
Current interest-bearing liabilities	**57,432**	**-48,455**	**0**	**48,097**	**-805**	**0**	**56,269**
Leases	2,804	-5,060	0	4,733	0	0	2,477
Bonds	2,523	0	0	0	0	0	2,523
Other borrowings	52,105	-43,395	0	43,364	-805	0	51,269
Total	**1,219,523**	**-48,455**	**1,351**	**0**	**-805**	**427**	**1,172,041**

Cash flows relating to interest-bearing liabilities are included in points IV.1.6, IV.2.3 and IV.2.5 of the consolidated statement of cash flows.

The change in accrued interests payable and the amortisation of issuance costs (in total -€321 thousand) relates to the difference between:

- the interests paid, including leases (see point IV.3.1 of the consolidated statement of cash flows: -€35,274 thousand) and
- the sum of borrowing interest costs and interests on lease liabilities (see Note 4.4: €40,183 thousand) minus the interest on regulatory liabilities of €5,230 thousand = €34,953 thousand.

Maturity of interest-bearing liabilities at 31-12-2022, non-discounted				In thousands of €
	Up to one year	Between one and five years	More than five years	Total
Leases	3,336	16,033	14,711	34,080
Bonds	19,316	364,769	439,990	824,075
Other borrowings	66,752	219,478	242,561	528,791
Total	**89,404**	**600,280**	**697,262**	**1,386,946**

Maturity of interest-bearing liabilities at 31-12-2021, non-discounted				In thousands of €
	Up to one year	Between one and five years	More than five years	Total
Leases	3,747	17,155	17,829	38,732
Bonds	19,316	67,216	753,909	840,441
Other borrowings	69,183	225,858	295,028	590,069
Total	**92,246**	**310,229**	**1,066,766**	**1,469,242**

Note 5.12. Regulatory liabilities

Regulatory liabilities				In thousands of €
	Note	31.12.2022	31.12.2021	Difference
Other financing – long term		612,582	83,505	529,077
Other financing – short term		149,863	15,425	134,438
Total of other financing (A)	**5.12.1**	**762,445**	**98,930**	**663,515**
Other liabilities – long term		134,227	314,372	-180,145
Other liabilities – short term		38,622	60,538	-21,916
Total of other liabilities (B)	**5.12.2**	**172,849**	**374,910**	**-202,061**
Total of regulatory liabilities (A+B = C)		**935,294**	**473,840**	**461,454**
Presentation in balance sheet:				0
Non-current regulatory liabilities		746,809	397,877	348,932
Current regulatory liabilities		188,485	75,963	112,522
Total of regulatory liabilities (C)		**935,294**	**473,840**	**461,454**

5.12.1 **Other financing** corresponds to the specific allocations of regulatory liabilities at the group's disposal firstly to finance specific investments, notably in the second jetty at Zeebrugge and secondly, the cost associated with the conversion of part of the gas transmission network. These amounts bear interest at a 10-year OLO rate for one part and the remainder at the average 1-year Euribor rate. Auction premiums of € 668.6 million were realised in 2022; this amount was recorded under 'Other financing – long-term' for € 523.7 million and under 'Other financing – short-term' for € 144.9 million. This presentation is justified by the different regulatory treatment applied to auction premiums in accordance with the European network code.

5.12.2 The other regulatory liabilities included in '**other liabilities**' include the positive differences between the regulated tariffs invoiced and the regulated tariffs acquired. These amounts bear interest at the average Euribor 1-year rate.

The regulatory liabilities are reconciled with the segment reporting and the statement of cash flows as follows:

Movements of the regulatory liabilities			In thousands of €
Long term + short term	**Other financing(A)**	**Other liabilities (B)**	**Total**
Balance as at 01.01.2022	**98,929**	**374,911**	**473,840**
Use	-5,002	-408,333	-413,335
Additions	668,519	201,041	869,560
Interest	1,512	3,718	5,230
Transfer	-1,512	1,512	0
Balance as at 31.12.2022	**762,445**	**172,849**	**935,294**

The sum of use and additions amounts to €456,225 thousand and is in line with the sum of the changes in regulatory liabilities in note 4 (segment information - net change in revenue).

This net increase in regulatory liabilities also corresponds with the change in regulatory liabilities included in item 1.2.6. of the cash flow table.

The €5,230 thousand interest charge on regulatory liabilities was accounted for in the finance costs.

Note 5.13. Provisions

5.13.1 Provisions for employee benefits

Provisions for employee benefits	In thousands of €
Provisions at 31-12-2021	**64,718**
Additions	10,822
Use	-14,764
Release	0
Unwinding of the discount	2,375
Actuarial gains/losses recognised in the profit/loss (seniority bonuses)	-121
Expected return on plan assets	-1,734
Actuarial gains/losses recognised in equity	-22,905
Reclassification to the assets	12,598
Provisions at 31-12-2022, of which:	**50,988**
Non-current provisions	47,444
Current provisions	3,543

The provisions for employee benefits (see Note 5.14) are down €13,730 thousand. This fall can primarily be explained by a combination of an increase in the discount rates partially compensated by a negative return on plan assets in 2022. In addition to the reduction in provisions, there is also an increase in the surplus from plan assets (see Note 5.14).

5.13.2. Other provisions

Provisions for:			In thousands of €
	Litigation and claims	Environment and site restoration	Total other provisions
Provisions at 31-12-2021	**5,630**	**1,685**	**7,315**
Additions	20	0	20
Use	-3,069	-2	-3,071
Release	0	0	0
Unwinding of the discount	0	-137	-137
Provisions at 31-12-2022, of which:	**2,581**	**1,546**	**4,127**
Non-current provisions	2,581	1,546	4,127
Current provisions	0	0	0

5.13.3 Movements in the income statement and maturity of provisions

Movements in the income statement are detailed as follows:

Impact 2022			In thousands of €
	Additions	Use and reversals	Total
Operating profit (loss)	10,842	-17,835	-6,993
Financial profit (loss)	2,238	-1,855	383
Total	**13,080**	**-19,690**	**-6,610**

Maturity of provisions at 31-12-2022				In thousands of €
	Up to one year	Between one and five years	More than five years	Total
Litigation and claims	0	0	2,581	2,581
Environment and site restoration	0	1,546	0	1,546
Subtotal	**0**	**1,685**	**2,442**	**4,127**
Employee benefits	3,543	14,172	33,273	50,988
Total	**3,543**	**15,857**	**35,715**	**55,115**

Maturity of provisions at 31-12-2021				In thousands of €
	Up to one year	Between one and five years	More than five years	Total
Litigation and claims	3,069	2,561	0	5,630
Environment and site restoration	0	1,685	0	1,685
Subtotal	**3,069**	**4,246**	**0**	**7,315**
Employee benefits	4,201	16,804	43,713	64,718
Total	**7,270**	**21,050**	**43,713**	**72,033**

Provisions for litigation and claims

In 2022, a provision was used to cover the amount of a litigation with third-parties (see also Notes 4.2.6. and 7.1).

The other provisions have been established to cover likely litigation payments arising for instance from the construction of the Zeebrugge LNG terminal (1983).

The estimation for these provisions is based on the value of claims filed or on the estimated amount of risk incurred.

Provisions for the environment and site restoration

These provisions essentially cover the costs of safety, clean-up and restoration of sites subject to closure.

These provisions are accrued in accordance with the Belgian regional environmental legislation and the Belgian Gas Act. These works require action plans and numerous studies in cooperation with the various public authorities and the institutions established for this purpose.

Note 5.14. Provisions for employee benefits

Description of the principal retirement schemes and related benefits

In Belgium collective agreements regulate the rights of entity employees in the electricity and gas industries.

Defined benefit pension plans

These agreements cover 'salary scale' personnel recruited before 1 June 2002 and management personnel recruited before 1 May 1999 allowing affiliates to benefit from a capital calculated based on a formula that takes account of their final annual salary and the number of years of service when they retire. These are called 'defined benefit pension plans'.

Obligations under these defined benefit pension plans are funded through a number of pension funds for the electricity and gas industries and through insurance companies.

Employees and employers contribute to these pension plans. The employer's contribution is determined annually on the basis of an actuarial report. This is to ensure that the minimum legal funding requirements have been met and that the long-term funding of the benefits is assured.

Description of the main actuarial risks

The group is exposed, in connection with its defined benefit pension plans, to risks related to actuarial assumptions concerning investments, interest rates, life expectancy and salary development.

The present value of defined benefit obligations is determined using a discount rate based on high-quality bonds.

The assumptions concerning salary increases, inflation, personnel movements and expected average retirement age are defined based on historic entity statistics. The mortality tables used are those published by the IABE (Institute of Actuaries in Belgium).

At the end of 2022, the defined benefit pension plans have surplus plan assets of €29,401 thousand (2021: €16,803 thousand) compared with the actuarial liability on estimated liabilities of the group. The amount was therefore transferred to the assets in the balance sheet under 'Other non-current assets' (note 5.5) and 'Other current assets' (note 5.9.1).

The financing policy was amended in 2018 to ensure that surpluses are recovered over the duration of the pension plans. In addition, transfers between different pension plans are possible.

Defined contribution pension plans with guaranteed minimum return

In Belgium, 'Salary scale' personnel recruited after 1 June 2002 and management staff recruited after 1 May 1999 as well as the members of the management benefit from defined contribution pension plans.

The pension plans are financed by contributions from employees and employers, the latter corresponding to a multiple of the contributions from employees. Obligations under these defined contribution pension plans are funded through a number of pension funds for the electricity and gas industries and through insurance companies.

The assets of the pension funds are allocated among the various categories of the following risks:

- *Low risk:* bonds in the euro zone and/or high-quality bonds.
- *Medium risk:* risk diversification between bonds, convertible bonds, real-estate and equity instruments.
- *High risk:* equity instruments, real estate, etc.
- *Dynamic Asset Allocation:* rapid adjustment of the portfolio structure in case of specific events in order to limit losses in periods of stress.

Belgian law requires that the employer guarantees a minimum return for defined contribution plans. These minimum returns vary based on the market rates.

For the minimum returns guaranteed by the employer, the following elements apply:

- For contributions paid up until 31-12-2015, the minimum return of 3.25% for employer contributions and 3.75% for employee contributions applies up to that date.
- For contributions paid since 01-01-2016, the minimum return is variable based on OLO rates, with a minimum of 1.75% and a maximum of 3.75%. Given the current rates, this minimum guaranteed return has been set at 1.75%.
- The accounting method used by the group to value these 'defined contribution pension plans, with a guaranteed minimum return', is identical to the method used for 'defined benefit plans' (see Note 2.11).

For certain defined contribution plans, the contributions increase depending on the seniority in the Group (referred to as 'backloaded'). For these plans, the contributions are distributed uniformly over time.

Description of the main risks

Defined contribution plans expose the employer to the risk of a minimum return on pension fund assets that do not offer a sufficient guaranteed return.

Other long-term employee benefits

Fluxys Belgium group also has early pension schemes, other post-employment benefits such as reimbursement of medical expenses and price subsidies, as well as other long-term benefits (seniority bonuses). Not all of these benefits are funded.

Funding status of the employee benefits

In thousands of €	Pensions *		Other **	
	2022	2021	2022	2021
Present value of funded obligations	-194,397	-221,035	-32,840	-47,941
Fair value of plan assets	205,651	221,062	0	0
Funding status of plans	**11,254**	**27**	**-32,840**	**-47,941**
Effect of the asset ceiling	0	0	0	0
Other	0	0	0	0
Net employee benefit liability	**11,254**	**27**	**-32,840**	**-47,941**
Of which assets	29,401	16,803	0	0
Of which liabilities	-18,147	-16,777	-32,840	-47,941

* Pensions also include non-prefinanced early-retirement obligations. They also include, since 2018, contributions paid to cover pension schemes with a profile that takes into account seniority.

** The item ‘Other’ includes seniority bonuses paid over the course of the career as well as other post-employment benefits (reimbursement of medical expenses and price subsidies (discount on energy costs)).

Movements in the present value of obligations

In thousands of €	Pensions *		Other **	
	2022	2021	2022	2021
At the start of the period	**-221,035**	**-234,450**	**-47,941**	**-51,384**
Service costs	-9,239	-9,310	-1,289	-1,305
Early retirement costs	-1,030	-362	0	0
Financial loss (-) / profit (+)	-1,879	-529	-496	-223
Participant's contributions	-807	-796	0	0
Change in demographic assumptions	-777	-969	-605	-581
Change in financial assumptions	44,415	11,942	16,144	4,922
Change from experience adjustments	-12,505	35	-398	-1,233
Past service costs	0	-1,671	0	0
Benefits paid	8,460	15,075	1,745	1,863
Reclassifications	0	0	0	0
Other	0	0	0	0
At the end of the period	**-194,397**	**-221,035**	**-32,840**	**-47,941**

The past service cost is related to the change in plan.

Movements in the fair value of plan assets

In thousands of €	Pensions *		Other **	
	2022	2021	2022	2021
At the start of the period	**221,062**	**214,386**	**0**	**0**
Interest income	1,733	476	0	0
Return on plan assets (excluding net interest income)	-28,296	13,141	0	0
Employer's contributions	13,756	5,904	1,745	1,863
Participants' contributions	807	796	0	0
Benefits paid	-8,460	-15,075	-1,745	-1,863
Change in financial assumptions	5,049	1,434	0	0
Other	0	0	0	0
At the end of the period	**205,651**	**221,062**	**0**	**0**
Actual return on plan assets	**-26,563**	**13,617**	**0**	**0**

The return on pension plan assets in 2022 is considerably lower than in 2021 following difficult conditions on the financial markets in 2022.

Costs recognised in profit or loss

In thousands of €	Pensions *		Other **	
	2022	2021	2022	2021
Cost				
Service costs	-9,240	-9,310	-1,289	-1,305
Early retirement costs	-1,030	-362	0	0
Past service costs	0	-1,671	0	0
Actuarial gains/(losses) on other long-term benefits	121	188	0	0
Net interest on net liabilities/(assets)				
Interest expense on obligations	-1,879	-529	-496	-223
Interest income on plan assets	1,734	476	0	0
Costs recognised in profit or loss	**-10,294**	**-11,208**	**-1,785**	**-1,528**

Actuarial losses (gains) recognised in other comprehensive income

In thousands of €	Pensions *		Other**	
	2022	2021	2022	2021
Change in demographic assumptions	-777	-969	-605	-581
Change in financial assumptions	49,343	13,188	16,144	4,922
Change from experience adjustments	-12,505	35	-398	-1,233
Effect of the asset ceiling	0	0	0	0
Return on plan assets (excluding net interest income)	-28,296	13,141	0	0
Actuarial losses (gains) recognised in other comprehensive income	**7,765**	**25,395**	**15,141**	**3,108**

Allocation of obligation by type of participant to the plan

In thousands of €	2022	2021
Active plan participants	-186,116	-220,051
Non-active participants with deferred benefits	-21,413	-20,620
Retirees and beneficiaries	-19,708	-28,305
Total	**-227,237**	**-268,976**

Allocation of obligation by type of benefit

In thousands of €	2022	2021
Retirement and death benefits	-194,397	-221,035
Other post-employment benefits (medical expenses and price subsidies)	-24,065	-37,815
Seniority bonuses	-8,775	-10,126
Total	**-227,237**	**-268,976**

Main actuarial assumptions used

	2022	2021
Discount rate between 10 to 12 years	3.73%	0.61%
Discount rate between 13 to 19 years	3.75%	1.07%
Discount rate over 19 years	3.73%	1.07%
Expected average salary increase	2.04%	2.05%
Expected inflation	1.99%	1.75%
Expected increase in health expenses	2.99%	2.75%
Expected increase of price subsidies	1.99%	1.75%
Average assumed retirement age	63(BAR) / 65(CAD)	63(BAR) / 65(CAD)
Mortality tables	IABE prospective	IABE prospective
Life expectancy in years:		
For a person aged 65 at the balance sheet date:		
- Male	20	20
- Female	24	24
For a person aged 65 in 20 years:		
- Male	22	22
- Female	26	26

The discount rate of the plans depends on their estimated average duration.

The fair value of plan assets is distributed based on the following major categories

	2022	2021
Listed investments	**92.83%**	**79.76%**
Shares - eurozone	13.91%	15.56%
Shares - outside eurozone	14.86%	19.85%
Government bonds - eurozone	0.62%	2.38%
Other bonds - eurozone	28.68%	27.71%
Other bonds - outside eurozone	34.76%	14.25%
Non-listed investments	**7.17%**	**20.24%**
Insurance contracts	0.00%	0.00%
Real estate	1.46%	2.80%
Cash and cash equivalents	4.47%	3.18%
Other	1.25%	14.27%
Total (in %)	**100.00%**	**100.00%**
Total (in thousands of €)	**205.651**	**221,062**

Sensitivity analysis

Impact on obligations	In thousands of €
	Increase (-) / Decrease (+)
Increase in discount rate (0.25%)	6,159
Average salary increase - Excluding inflation (0.1%)	-2,056
Increase in inflation rate (0.25%)	-5,016
Increase in healthcare benefits (0.01%)	-44
Increase in price subsidies (0.5%)	-1,465
Increase in life expectancy of retirees (1 year)	-971

Average weighted duration of obligations

	2022	2021
Average weighted duration of defined benefit obligations	9	9
Average weighted duration of other post-employment obligations	19	20

Expected contribution to pay for employee benefits relating to extra-statutory pensions

	In thousands of €
Expected contribution for 2022 (for all pension and other obligations, listed above)	13,352

The contributions to be paid are function of the payroll of the population concerned.

Note 5.15. Deferred tax assets and liabilities

Recognised deferred tax liabilities			In thousands of €
	31-12-2022	31-12-2021	Difference
Valuation of assets	105,227	116,605	-11,378
Accrued income	237	388	-151
Fair value of financial instruments	2,252	126	2,126
Provisions for employee benefits or provisions not accepted under IFRS	35,832	30,369	5,463
Other normative differences	0	0	0
Total	**143,548**	**147,488**	**-3,940**

Deferred tax assets and liabilities are offset within each taxable entity. They are all fully recognised.

The main source of deferred tax is the difference between the book value and the tax base of property, plant and equipment. This difference arises firstly from the recognition in the opening balance sheet of property, plant and equipment at their fair value corresponding to their deemed cost and, secondly, from the recognition at fair value of the assets and liabilities arising from the SEGEO and Distrigas & C° business combinations in 2008.

Provisions accounted for in accordance with IAS 19 (Employee benefits) and provisions recognised under local GAAP but not recognised under IFRS are another major source of deferred tax.

Movement for the period	In thousands of €
	Deferred tax
As at 31-12-2021	**147,488**
Deferred tax expenses – Profit & loss account	-9,666
Deferred tax expenses – other comprehensive income	5,726
As at 31-12-2022	**143,548**

Note 5.16. Trade and other payables

Trade and other liabilities			In thousands of €
	31-12-2022	31-12-2021	Change
Trade payables	60,357	36,095	24,262
Payroll and related items	39,517	32,915	6,602
Other payables	344,659	4,297	340,362
Total	**444,533**	**73,307**	**371,226**

The significant increase in other payables is related to the recognition of the exceptional solidarity contribution of €300 million.

Note 6. Financial instruments

Principles for managing financial risks

In the course of conducting its activities, the Fluxys Belgium group is exposed to credit and counterparty risks, liquidity and interest rate risks and market risks, all of which affect its assets and liabilities.

The group's administrative organisation, controlling and financial reports ensure that these risks are constantly monitored and managed.

The group may only use financial instruments for hedging, and not for speculative or trading purposes. All transactions are intended to meet the group's identified financial risks: no transaction may be entered into for the sole purpose of earning a speculative gain.

Cash management policy

The Fluxys Belgium group's cash is managed as part of a general policy and cash surpluses are invested with Fluxys SA under cash pooling agreements. By way of reminder, Fluxys SA centralises the management of the Fluxys group's cash funds and financing.

The objective of this policy is to optimise the group's cash positions. These transactions are entered into at market terms and conditions.

The group's financial policy stipulates that cash surpluses be maintained at first class financial institutions or invested in financial instruments issued by entities with a high credit rating or in financial instruments of issuers which are covered by a guarantee from a European Member State or whose share capital is predominantly controlled by state-owned entities. Cash surpluses are invested following a competitive bidding award, and in instruments that are sufficiently diversified to limit counterparty risk concentration. These investments are subject to constant monitoring and risk analysis on a case-by-case basis.

At 31-12-2022, current and non-current investments, cash and cash equivalents amounted to €1,204,321 thousand compared to €497,969 thousand at the end of 2021.

Credit and counterparty risks

The group systematically assesses its counterparties' financial capacity and systematically monitors receivables. Group policy regarding counterparty risks requires that the group submits potential customers and suppliers to a detailed preliminary financial analysis (liquidity, solvency, profitability, reputation and risks). The group uses internal and external information, such as official analysis performed by rating agencies (Moody's, Standard & Poor's and Fitch). These rating agencies assess entities in relation to risk and award them a credit score (rating). The group also uses databases containing general, financial and market information to complement its own evaluation of potential customers and suppliers. In addition, for most of its activities the group is allowed to contractually require guarantees (either bank guarantees or cash deposits) from counterparties. The group thereby reduces its exposure to credit risk both in terms of default and concentration of customers.

In view of the concentration risk it must be noted that three clients contribute respectively 18%, 12% and 11% of the operating revenue. The breakdown per segment of these latter is €224 million in transmission, €7 million in storage and €83 million in terminalling.

Interest rate risk

The group's debt mainly consists of fixed interest rate loans maturing between 2023 and 2034, the balance of which (including lease obligations) as at 31-12-2022 represents €1,172,041 thousand compared to €1,219,523 thousand at the end of 2021.

In addition, the group's interest-bearing liabilities include other financing and liabilities to be used within the regulatory framework. As explained in Note 5.11, part of these bear interest at a 10-year OLO rate and the remainder at the average Euribor 1-year rate. The group does not incur any interest rate risks related to this.

Therefore, a sensitivity analysis is not representative for the risk inherent in these financial instruments. Consequently, the Fluxys Belgium group's exposure to interest rate risk is very limited.

Liquidity Risk

Liquidity risk management is one of Fluxys Belgium group's main objectives. The amounts invested and the investment period reflect the short- and long-term planning of cash needs as closely as possible, taking into account operational risks.

The Fluxys Belgium group can call upon Fluxys SA in case of liquidity needs, under the cash pooling arrangements. By way of reminder, Fluxys centralises the management of the Fluxys group's cash funds and financing and has credit lines.

The maturity of interest-bearing liabilities is reported in Note 5.12.

Summary of financial instruments at balance sheet date

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

The following table gives an overview of financial instruments at 31 December 2022:

Summary of financial instruments at balance sheet date				In thousands of €
31-12-2022	**Category**	**Book value**	**Fair value**	**Level**
I. Non-current assets				
Other financial assets at amortised cost	A	107,595	97,804	1 & 2
Other financial assets at fair value through profit or loss	B	3,576	3,576	2
Lease receivables	A	0	0	2
Other receivables	A	15,144	15,144	2
II. Current assets				
Lease receivables	A	2,094	2,094	2
Trade and other receivables	A	164,299	164,299	2
Cash investments	A	26,113	26,397	2
Cash and cash equivalents	A	1,070,708	1,070,600	2
Total financial instruments – assets		**1,389,529**	**1,379,914**	
I. Non-current liabilities				
Interest-bearing liabilities	A	1,115,772	1,036,002	2
Other financial liabilities	B	3,575	3,575	2
II. Current liabilities				
Interest-bearing liabilities	A	56,269	56,269	2
Trade and other payables	A	444,533	444,533	2
Total financial instruments - liabilities		**1,620,149**	**1,540,379**	

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.

Summary of financial instruments at balance sheet date				In thousands of €
31-12-2021	**Category**	**Book value**	**Fair value**	**Level**
I. Non-current assets				
Other financial assets at amortised cost	A	85,388	85,242	1 & 2
Other financial assets at fair value through profit or loss	B	3,254	3,254	2
Other financial assets at fair value Lease receivables	A	2,094	2,094	2
Other receivables	A	9,144	9,144	2
II. Current assets				
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
Total financial instruments – assets		**603,598**	**603,452**	
I. Non-current liabilities				
Interest-bearing liabilities	A	1,162,091	1,221,689	2
Other financial liabilities	B	3,254	3,254	2
II. Current liabilities				
Interest-bearing liabilities	A	57,438	57,438	2
Trade and other payables	A	73,307	73,307	2
Total financial instruments - liabilities		**1,296,084**	**1,355,682**	

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

For the fair value measurement of Level 1, only quoted prices are used (without modification) for identical assets and liabilities in active markets. They mainly include bonds.

For the fair value measurement of Level 2, observable prices other than the quoted prices of Level 1 are used. The prices are observable for the asset or liability, either directly or indirectly.

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

- 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 financial assets and liabilities categorised under level 2 is largely identical to their book value:
  - because they have a short-term maturity (such as trade receivables and payables),
  - except for depreciated assets following the increase in interest rates

Note 7. Contingent assets and liabilities – rights and liabilities of the group

Note 7.1. Litigation

Ghislenghien

As announced in 2011, Fluxys Belgium has undertaken, in agreement with insurers and other responsible parties, to proceed with the final compensation of private victims of the accident at Ghislenghien in 2004. All the victims who have presented themselves to date and who were entitled to compensation have been compensated.

Compensation claim relating to the 'Open Rack Vaporiser' investment

A compensation claim for additional works was introduced by a supplier in the scope of the 'Open Rack Vaporiser' investment made by Fluxys LNG. The latter disputes this claim and an expert was appointed to assess the case. No reliable estimate is available at this stage. No provision has therefore been recognised as at 31-12-2022.

Other proceedings

Other legal proceedings related to the operation of our facilities are in progress, but their expected impact is immaterial and/or such proceedings are being put on hold

Note 7.2. Assets and items held for third parties, in their name, but at the risk and for the benefit of entities included in the consolidation scope

In the ordinary course of business, the Fluxys Belgium group holds gas belonging to its customers at its storage sites in Loenhout, in the pipelines and in the tanks at the LNG terminal in Zeebrugge.

Note 7.3. Guarantees received

Bank securities for the benefit of the group comprise guarantees received from contractors in respect of construction contracts as well as bank guarantees received from customers. At 31 December 2022, the guarantees received amounted to €191,434 thousand. The expected credit losses on guarantees received are not very material for the Fluxys Belgium group.

Note 7.4. Guarantees provided by third parties on behalf of the entity

Rental guarantees in favour of the owners of assets located in Belgium and leased by the group amounted to €10 thousand as at 31-12-2022.

Other guarantees amounted to €183 thousand as at 31-12-2022.

Note 7.5. Commitments with regard to the Interconnector Zeebrugge Terminal (IZT)

The IZT lease contract includes a purchase option for the lessee that can be exercised on 1 October 2023 for an amount of €1,643 thousand.

As part of this transaction, surface rights have been attributed.

Note 7.6. Commitments under terminalling service contracts

The Capacity Subscription Agreements (CSA) entered into with the users of the Zeebrugge LNG terminal provide for 110 mooring windows (slots) per contract until 2023 and 88 docking windows per contract until 2027.

During the binding window of an Open Season which was held at the end of 2020 for additional regasification capacity at the Zeebrugge LNG terminal, the full 6 million tonnes per year (or c. 10.5 GWh/h) capacity on offer had been subscribed. On this basis, Fluxys LNG has taken the final investment decision to build the additional infrastructure at the Zeebrugge LNG terminal. The additional regasification capacity will be provided in two steps:

- as from early 2024, a total additional capacity of 4.7 million tonnes per year will already be offered,
- as from early 2026, the full additional capacity of 6 million tonnes per year will be offered.

In 2019, in addition to the aforementioned contracts, a new long-term contract was entered into with Qatar Petroleum, subsidiary of Qatar Terminal Limited (QTL), for the remaining unloading slots until 2039 with extension option until 2044.

In addition, Yamal Trade (a 100% subsidiary of Yamal LNG) and Fluxys LNG signed a 20-year contract for the transshipment of a maximum of 8 million tonnes of LNG per year at the port of Zeebrugge in Belgium. This contract has entered into effect upon the commissioning of the 5th storage tank in the Zeebrugge LNG terminal at the end of 2019.

Note 7.7. Other commitments

Other commitments have been made and received by the Fluxys Belgium group, but their potential impact is immaterial.

Note 8. Related parties

Fluxys Belgium and its subsidiaries are controlled by Fluxys, 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 and Fluxys Europe (administrative services, IT and housing services and the management of cash funds and financing), Interconnector (UK) (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), Fluxys TENP, FluxSwiss and Flux Re (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 31.12.2022 (in thousands of €)

	Parent company	Joint arrange-ments	Other related parties	Total
I. Assets with related parties	**1,885,715**	**15,000**	**2,966**	**1,903,681**
1. Other financial assets	**0**	**15,000**	**0**	**15,000**
Loans	0	15,000	0	15,000
2. Financial lease receivables (current and non-current)	**0**	**0**	**2,094**	**2,094**
3. Trade and other receivables	**860,381**	**0**	**871**	**861,252**
Clients	860,381	0	871	861,252
4. Cash and cash equivalents	**1,025,334**	**0**	**0**	**1,025,334**
5. Other current assets	**0**	**0**	**0**	**0**
II. Liabilities with related parties	**186,900**	**0**	**636**	**187,529**
1. Interest-bearing liabilities (current and non-current)	**186,812**	**0**	**0**	**186,812**
Other borrowings	186,812	0	0	186,812
2. Trade and other payables	**79**	**0**	**8**	**79**
Suppliers	0	0	0	0
Other payables	79	0	8	79
3. Other current liabilities	**9**	**0**	**629**	**638**
III. Transactions with related parties	**-4,605**	**1,888**	**21,334**	**18,617**
1. Services rendered and goods delivered	**4,207**	**1,888**	**21,513**	**27,608**
2. Services received (-)	**-1,806**	**0**	**-179**	**-1,985**
3. Net financial income	**-7,007**	**0**	**0**	**-7,007**
4. Directors's and senior executives' remuneration			**2,536**	**2,536**
Of which short-term benefits			2,149	2,149
Of which post-employment benefits			387	387

Significant transactions with related parties as at 31.12.2021				(in thousands of €)
	Parent company	Joint arrange-ments	Other related parties	Total
I. Assets with related parties	**320.254**	**9.000**	**5.311**	**334.565**
1. Other financial assets	**0**	**9.000**	**0**	**9.000**
Loans	0	9.000	0	9.000
2. Financial lease receivables (current and non-current)	**0**	**0**	**2.695**	**2.695**
3. Trade and other receivables	**0**	**0**	**2.602**	**2.602**
Clients	0	0	2.602	2.602
4. Cash and cash equivalents	**320.254**	**0**	**0**	**320.254**
5. Other current assets	**0**	**0**	**14**	**14**
II. Liabilities with related parties	**239.644**	**0**	**693**	**240.332**
1. Interest-bearing liabilities (current and non-current)	**239.391**	**0**	**0**	**239.391**
Other borrowings	239.391	0	0	239.391
2. Trade and other payables	**246**	**0**	**96**	**338**
Suppliers	193	0	91	284
Other payables	53	0	4	53
3. Other current liabilities	**7**	**0**	**597**	**604**
III. Transactions with related parties				
1. Services rendered and goods delivered	**2.451**	**1.220**	**20.057**	**23.728**
2. Services received (-)	**-2.172**	**0**	**-94**	**-2.266**
3. Net financial income	**-7.765**	**0**	**0**	**-7.765**
4. Directors's and senior executives' remuneration			**2.443**	**2.443**
Of which short-term benefits			2.078	2.078
Of which post-employment benefits			365	365

Note 9. Directors' and senior executives' remuneration

Pursuant to Article 10 of the Articles of Association, the Board of Directors of Fluxys Belgium SA comprises at least three and no more than 24 non-executive directors. Furthermore, the 'special share' grants to the Minister the right to appoint two representatives of the federal government in the Board of Directors. Currently, two representatives of the federal government attend the meetings of the Board of Directors and the Strategic Committee.

The ordinary general meeting has decided to set the remuneration of the directors and government representatives to a maximum of €360,000 (value 01-01-2007), to be allocated by the Board of Directors amongst its members, and to grant an attendance fee of €250 per meeting of the Board of Directors and advisory committees.

Pursuant to Article 15 of the Articles of Association of Fluxys Belgium, the Board of Directors is authorised to pay a special remuneration to directors who carry out special duties for the entity. The Board also has the right to reimburse travel expenses and costs incurred by the members of the Board of Directors.

The Fluxys Belgium group has not granted any loans to directors. In addition, the directors have not entered into unusual or abnormal transactions with the group. No shares or share options have been granted to the directors.

For further information, the reader should refer to the Corporate Governance Declaration in the directors' report and to Note 8 'Related parties' for the breakdown of remuneration by category.

Note 10. Events after the balance sheet date

Based on the information available as of today, it is very difficult to estimate the economic impact of the war in Ukraine. Based on the current situation, the essential nature of the company's activities and its regulatory framework, we do not foresee any significant impact on the consolidated results of the Fluxys Belgium group in 2023.

Statutory accounts of Fluxys Belgium SA according to Belgian GAAP

Given the significance of the equity as well as the revenue of the parent entity in the consolidated financial statements, the publication of the detailed version of the annual accounts and the notes to the accounts in this brochure would, in the majority of cases, be redundant given the explanations found in the consolidated accounts.

Pursuant to Article 3:17 of the Companies Code, the decision was made to present only an abridged version of the Fluxys Belgium SA statutory annual accounts.

The statutory auditor issued an unqualified audit opinion on the annual accounts of Fluxys Belgium SA.

The statutory accounts of Fluxys Belgium SA and the audit opinion have been filed with the National Bank of Belgium. They are available on the Fluxys Belgium website (www.fluxys.com/belgium) and can also be obtained free of charge upon request at the following address:

Fluxys Belgium SA

Communication Department

Avenue des Arts 31, 1040 Brussels

Balance sheet

Assets	In thousands of €	
	31-12-2022	31-12-2021
Formation expenses	**1,265**	**1,423**
Fixed assets	**1,432,702**	**1,502,877**
Intangible assets	22,019	22,628
Property, plant and equipment	1,325,694	1,395,264
Financial fixed assets	84,989	84,985
Current assets	**1,114,083**	**443,107**
Amounts receivable after more than one year	15,144	9,144
Stock and contracts in progress	61,445	38,453
Amounts receivable within one year	156,913	82,058
Cash investments	0	0
Cash at bank and in hand	867,339	300,265
Deferred charges and accrued income	13,242	13,187
Total	**2,548,050**	**1,947,407**

Equity and liabilities	In thousands of €	
	31-12-2022	31-12-2021
Equity	**456,783**	**475,163**
Capital	60,272	60,272
Share premium account	38	38
Revaluation surpluses	258,498	287,049
Reserves	10,927	11,041
Accumulated profits (losses)	93,084	79,252
Capital subsidies	33,964	37,511
Provisions and deferred taxes	**15,361**	**16,872**
Provisions for liabilities and charges	3,177	3,468
Deferred tax	12,184	13,404
Amounts payable	**2,075,906**	**1,455,372**
Amounts payable after more than one year	921,383	942,106
Amounts payable within one year	560,408	203,391
Accrued charges and deferred income	594,115	309,875
Total	**2,548,050**	**1,947,407**

Income statement

Income statement	In thousands of €	
	31-12-2022	31-12-2021
Operating income	951,458	491,057
Operating charges	864,397	415,933
Operating profit	**87,061**	**75,124**
Financial income	50,418	46,661
Finance costs	30,233	28,062
Net financial income	**20,185**	**18,599**
Earnings before taxes	**107,246**	**93,723**
Transfer from deferred taxes	**1,220**	**1,259**
Income tax expenses	**-24,546**	**-23,417**
Net profit/loss for the period	**83,920**	**71,565**
Transfer to untaxed reserves	**114**	**114**
Profit for the period available for appropriation	**84,034**	**71,679**

Profit/loss appropriation

Appropriation account		In thousands of €
	31-12-2022	31-12-2021
Profit to be appropriated	**163,286**	**138,449**
Profit for the period available for appropriation	84,034	71,679
Profit carried forward from the previous period	79,252	66,770
Transfer from equity	**28,167**	**37,767**
From reserves	28,167	37,767
Transfer to equity	**0**	**0**
To the legal reserve	0	0
To the other reserves	0	0
Result to be carried forward	**93,084**	**79,252**
Profit to be carried forward	93,084	79,252
Profit to be distributed	**98,369**	**96,964**
Dividends	98,369	96,964
If the above proposal is accepted and taking tax requirements into account, the annual dividend, net of withholding tax, could be set at:	€ 0,980	€ 0.966

In 2022, no advance on the dividend was paid. The gross unit dividend to be paid out for fiscal year 2022 is €1.40 per share (€0.980 net). It will be payable from 17 May 2023.

Capital at the end of the period

Capital at the end of the period	
	31-12-2022
Subscribed capital	
At the end of the previous period	60,272
At the end of the period	60,272
Capital represented by	
Registered shares	62,351,736
Dematerialised shares	7,911,765

Structure of shareholders				
Declarant	Date of declaration	Type	Number of voting rights declared	%
Fluxys	13-12-2017	B/D	63,237,240	90,00

The Belgian State holds one specific share.

Income taxes

Income taxes	In thousands of €
	31-12-2022
Breakdown of heading 670/3	
Income taxes on the result of the current period	**24,318**
Taxes and withholding taxes due or paid	24,320
Excess of income tax prepayments	-2
Estimated additional taxes	0
Income taxes on previous periods	**228**
Additional taxes due or paid	228
Additional taxes (estimated or provided for)	0
Reconciliation between profit before taxes and estimated taxable profit	
Profit before taxes	**107,246**
Permanent differences:	**-9,975**
Definitively taxed income	-43,678
Non-deductible expenses and hidden reserves	5,300
Notional interest	0
Taxable reserves	32,675
Depreciation of financial fixed assets	0
Transfer from untaxed reserves	114
Transfer from deferred taxes	1,220
Deductible innovation revenue	-5,400
Provisions non déductibles	0
Hidden reserves	-206
Total	**97,271**

Workforce

ONSS N°: 030012851238
Joint Commission N°: 326

Headcount

A. Employees recorded in the personnel register

1a. During the current period	Total	Men	Women
Average number of employees			
Full time	743.9	642.5	101.4
Part-time	121.1	68.8	52.3
Total in full-time equivalents (FTE)	836.0	695.0	141.0
Number of hours actually worked			
Full time	1,115,586	964,683	150,903
Part-time	137,922	77,155	60,767
Total	1,253,508	1,041,838	211,670
Employee expenses			
Full time	105,634,555	93,574,622	12,059,933
Part-time	16,238,345	10,017,343	6,221,002
Total	121,872,900	103,591,965	18,280,935
Advantages in addition to wages	1,905,640	1,619,794	285,846

1b. During the previous period	Total	Men	Women
Average number of employees (FTE)	835.3	688.2	147.1
Number of hours actually worked	1,274,610	1,047,607	227,003
Employee expenses	109,313,981	92,578,011	16,735,970
Advantages in addition to wages	2,095,665	1,774,819	320,846

2. At the closing of the period	Full time	Part-time	Total FTE*
a. Employees recorded in the personnel register	**767**	**123**	**861.0**
b. By nature of the employment contract			
Contract for an indefinite period	752	123	846.0
Contract for a definite period	15	0	15.0
Contract for execution of specifically assigned work	0	0	0.0
Replacement contract	0	0	0.0
c. According to gender and study level			
Men	663	71	717.5
Primary education	0	0	0.0
Secondary education	267	39	298.0
Higher non-university education	169	11	177.2
University education	227	21	242.3
Women	104	52	143.5
Primary education	0	0	0.0
Secondary education	17	11	25.3
Higher non-university education	41	27	61.8
University education	46	14	56.4
d. By professional category			
Management	290	31	313.1
Employees	477	92	547.9
Workers	0	0	0.0
Other	0	0	0.0

*full-time equivalent

B. Hired temporary staff and personnel placed at the enterprise's disposal

During the current period	Hired temporary staff	Personnel placed at disposal of the entity
Average number of persons employed	6.7	0
Number of hours actually worked	13,222	0
Costs for the enterprise	488,028	0

Table of movements in personnel during the period

	Full time	Part time	Total FTE*
Entries			
a. Employees recorded in the personnel register	**85**	**1**	**85.8**
b. By nature of the employment contract			
Contract for an indefinite period	72	1	72.8
Contract for a definite period	13	0	13.0
Contract for execution of specifically assigned work	0	0	0.0
Replacement contract	0	0	0.0
Exits			
a. Employees whose contract end-date has been recorded in the personnel register in this financial year	**60**	**5**	**62.8**
b. By nature of the employment contract			
Contract for an indefinite period	46	4	48.2
Contract for a definite period	14	1	14.6
Contract for execution of specifically assigned work	0	0	0.0
Replacement contract	0	0	0.0
c. By reason of termination of contract			
Retirement	13	2	14.0
Early retirement	0	0	0.0
Dismissal	8	1	8.8
Other reason	39	2	40.0
Of which: the number of persons who continue to render services to the company at least part-time on a self-employed basis	0	0	0.0

*full-time equivalent

Information on training provided to employees during the period

	Men	Women
Initiatives in formal continued professional development at the expense of the employer		
Number of employees involved	715	162
Number of actual training hours	20,922	2,920
Net costs for the enterprise	3,461,285	483,320
Of which gross costs directly linked to training	3,461,285	483,320
Of which fees paid and payments to collective funds	0	0
Of which subsidies and other financial advantages received (to deduct)	0	0
Total of initiatives of less formal or informal professional training at the expense of the employer		
Number of employees involved	580	132
Number of actual training hours	7,304	1,623
Net costs for the enterprise	619,999	124,700
Total of initiatives of initial professional training at the expense of the employer		
Number of employees involved	0	0
Number of actual training hours	0	0
Net costs for the enterprise	0	0

Statutory auditor's report and declaration by responsible persons

Statutory auditor's report to the General Meeting of Fluxys Belgium NV for the financial year ended 31 December 2022

In the context of the statutory audit of the Consolidated Financial Statements) of Fluxys Belgium NV (the "Company") and its subsidiaries (together the "Group"), we report to you as statutory auditor. This report includes our opinion on the consolidated balance sheet as at 31 December 2022, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2022 and the disclosures (all elements together the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory auditor by the shareholders' meeting of 10 May 2022, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee and following recommendation of the workers' council. Our mandate expires at the shareholders' meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 December 2024. We performed the audit of the Consolidated Financial Statements of the Group during 4 consecutive years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of Fluxys Belgium NV, that comprise of the consolidated balance sheet on

31 December 2022, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the year and the disclosures, which show a consolidated balance sheet total of € 3.406,6 million and of which the consolidated income statement shows a profit for the year of € 83,7 million.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2022, and of its consolidated results for the year then ended, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") applicable in Belgium. In addition, we have applied the ISA's approved by the International Auditing and Assurance Standards Board ("IAASB") that apply at the current year-end date and have not yet been approved at national level. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the Consolidated Financial Statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect to independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

Calculation of the net profit under the regulatory framework

Description

As described in chapter 'Legal and regulatory framework' of the annual report and note 5.12 of the Consolidated Financial Statements, a regulated tariff mechanism is applied to the transportation of gas (gas flows within Belgium and border-to-border flows), the storage of gas and for LNG terminalling activities. For these activities, the net result is determined by applying calculation methods imposed by the Belgian regulator, the Commission for Electricity and Gas Regulation (the "CREG") (together the "Tariff Mechanism").

The Tariff Mechanism is based on calculation methods that are complex and that require the use of parameters (the Beta of the regulated activity of the Group, return on equity, ...), and of accounting data of the regulated activities (the Regulated Asset Base, the regulated equity, capital expenditures ("CAPEX") and subsidies received). In addition, for extension investments on LNG installations performed since 2004, the Tariff Mechanism provides in a specific calculation method whereby the return is determined following an IRR formula (Internal Rate of Return) as determined by the CREG.

The Tariff Mechanism makes a distinction between manageable and non-manageable costs. Deviations from the estimated value of non-manageable costs are fully allocated to the regulatory assets or liabilities (future tariffs). The manageable costs are costs over which the Group has control, and whereby deviations are distributed between the shareholders of the Group and future tariffs.

Therefore, the calculation methods of the Group's net result are complex and require judgements from management, more particularly with respect to the use of correct accounting data and parameters as imposed by the regulator. The use of incorrect accounting data, and deviations in assumptions, can have a material impact on the Group's net result.

How the matter was addressed in our audit

Amongst others, we have performed the following procedures:

- Assessing the design and implementation of key internal controls relating to the calculation of the net result, including those related to (i) the completeness and accuracy of the underlying data used in the calculation and (ii) management review controls;
- Evaluating the adequate and consistent classification of operating costs by nature (manageable and non-manageable) as described in the Tariff Mechanism;
- Performing independent recalculations of the net results for the respective regulated activities based on underlying internal documentation and externally available information, and taking into account the formulas as described in the Tariff Mechanism;
- Evaluating communication with the CREG, including assessment of the accounting implications of communications and decisions taken by the CREG;
- Assessing the adequacy of the disclosures (chapter 'Legal and regulatory framework' of the annual report and note 5.12 in the Consolidated Financial Statements).

Capitalisation and useful life of property, plant and equipment

Description

Property, plant and equipment amounts to 54% of the consolidated balance sheet of the Group, with a total capital expenditure ('CAPEX') of € 105,5 million in 2022 and a net book value of € 1.855,4 million as at 31 December 2022. Property, plant and equipment form the most important basis for the Regulated Asset Base ("RAB"). Depreciations are classified as non-manageable operating cost and thus have an important impact on the tariffs. The economical useful life, as accepted by the regulator CREG, impacts the depreciations.

As a result of the importance of property, plant and equipment on the total balance sheet and on the regulated result, and given its relevance to the users of the Consolidated Financial Statements, this topic is considered a key audit matter.

How the matter was addressed in our audit

Amongst others, we have performed the following procedures:

- Assessing the design and the implementation of key internal controls, including management assessment over the appropriate authorization of the investment, the compliance of the investment with the capitalization criteria in the accounting policies, and the correct classification of expenditures either as CAPEX or as operating expenses ('OPEX').
- Performing substantive analytical procedures on CAPEX and OPEX by comparing current year figures with the budgeted figures as approved by the regulator at the level of asset classes and projects;
- Testing a selection of additions to property, plant and equipment, assessing whether the expenditure meets the criteria for capitalization under IFRS as adopted by the European Union and under the Group's accounting policies, recalculation of depreciation charges, analyzing whether the investments are allocated to the correct activity, and reconciling the net book value of property, plant and equipment to the RAB;
- Evaluation, based on communication with the regulator, whether there have been changes in the useful life of assets during the period which should be included in the accounts.
- Assessing the adequacy of the disclosures in notes 2.6 and 5.1 of the Consolidated Financial Statements.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern, The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

In performing our audit, we comply with the legal, regulatory and normative framework that applies to the audit of the Consolidated Financial Statements in Belgium. However, a statutory audit does not provide assurance about the future viability of the Company and the Group, nor about the efficiency or effectiveness with which the board of directors has taken or will undertake the Company's and the Group's business operations. Our responsibilities with regards to the going concern assumption used by the board of directors are described below.

As part of an audit in accordance with ISAs, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going-concern;
- evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Directors' report on the Consolidated Financial Statements, the non-financial information attached to the Board of Directors' report, and other information included in the annual report.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISAs applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, the non-financial information attached to the Board of Directors' report, and other information included in the annual report, as well as to report on these matters.

Aspects relating to Board of Directors' report and other information included in the annual report

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report and other information included in the annual report, being:

- Chapter 'Legal and regulatory framework' (page 38)
- Financial situation: consolidated key financial data (page 52)

contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported.

The non–financial information required by article 3:32, § 2, of the Code of companies and associations has been included in the annual report. The Company has prepared the Group's non-financial information based on the reporting guidelines of the Global Reporting Initiative standards ("GRI"). However, in accordance with article 3:80 § 1, 5° of the Code of companies and associations, we do not express any opinion on the question whether this non-financial information has been established in accordance with the GRI framework.

As requested by the Company, we have issued a separate limited assurance report on a selection of environmental and social Key Performance Indicators ("KPI's") in accordance with the International Standard on Assurance Engagements ISAE 3000. We do not express any assurance on the KPI's not covered by our separate limited assurance report.

Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Consolidated Financial Statements.

European single electronic format ("ESEF")

In accordance with the standard on the audit of the conformity of the financial statements with the European single electronic format (hereinafter "ESEF"), we have carried out the audit of the compliance of the ESEF format with the regulatory technical standards set by the European Delegated Regulation No 2019/815 of 17 December 2018 (hereinafter: "Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with the ESEF requirements, of the consolidated financial statements in the form of an electronic file in ESEF format (hereinafter 'the digital consolidated financial statements') included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/en/data-portal).

It is our responsibility to obtain sufficient and appropriate supporting evidence to conclude that the format and markup language of the digital consolidated financial statements comply in all material respects with the ESEF requirements under the Delegated Regulation.

Based on the work performed by us, we conclude that the format and tagging of information in the digital consolidated financial statements of Fluxys Belgium NV per 31 December 2022 included in the annual financial report available on the portal of the FSMA (https://www.fsma.be/en/data-portal) are, in all material respects, in accordance with the ESEF requirements under the Delegated Regulation.

Other communications

This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Diegem, 30 March 2023

EY Bedrijfsrevisoren BV

Statutory auditor

Represented by

Wim Van Gasse *

Partner

*Acting on behalf of a BV/SRL

23WVG0071

Declaration by responsible persons

Declaration regarding the financial year ended 31 December 2022

We hereby attest that to our knowledge:

- Fluxys Belgium' financial statements, drawn up in accordance with the applicable accounting standards, give a true and fair view of the company's assets, liabilities, financial position and profit or loss as well as those of the companies included in the consolidation scope;
- the annual report gives a true and fair view of the development and performance of the business and of the position of the company itself and of the companies included in the consolidation scope, together with a description of the principal risks and uncertainties that they face.

Brussels, 29 March 2023

Christian Leclercq	Pascal De Buck
Member of the Executive Board	Managing Director
Chief Financial Officer	Chief Executive Officer

Glossary

Pertinence of published financial ratios (see 'Financial situation: key statistics, p. 48)

The Fluxys Belgium group continually evaluates its financial solidity, in particular using the following financial ratios:

- **Solvency:** The ratio between net financial debt and the sum of equity and net financial debt indicates the solidity of the Fluxys group's financial structure.
- **Interest coverage:** The ratio between the FFO, before interest expenses, and interest expenses represents the group's capacity to cover its interest expenses thanks to its operating activities.
- **Net financial debt/extended RAB:** This ratio expresses the share of the extended RAB financed by external debt.
- **FFO/Net financial debt:** This ratio is used to determine the group's capacity to pay off its debts based on cash generated by its operating activities.
- **RCF/Net financial debt:** This ratio is used to determine the group's capacity to pay off its debts based on cash generated by its operating activities after payment of dividends.

Definition of indicators

Other property, plant and equipment investments outside the RAB
Average combined investments in property, plant and equipment linked to the extensions to the Zeebrugge LNG terminal and in unregulated activities.

Net finance costs
Interest charges less financial income from lease contracts, interest on investments and cash equivalents and other interest received, excluding interest on regulatory assets and liabilities.

Interest expenses
Interest expenses on debts (including interest charges on leasing debts), less interest on regulatory liabilities.

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 Amortisation or operating profit/loss from continuing operations, before depreciation, amortisation, 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, 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. In order to reflect reality more accurately, the exceptional solidarity contribution of €300 million has been removed from the cash position when calculating net financial debt. Indeed, this debt was recognised on 31 December whereas it was paid in January 2023, which has a significant influence on the calculation.

FFO
Funds from Operations or profit/loss from continuing operations, excluding changes in regulatory assets and liabilities, before depreciation, amortisation, impairment and provisions, to which dividends received from associates and joint ventures and unconsolidated entities are added, and from which net financial expenses and current tax are deducted. This ratio indicates the cash generated by operational activities and thus the capacity of the group to reimburse its debts and to invest but also to pay dividends.

RAB
Average Regulatory Asset Base, or average value of the regulated asset base for the year. The RAB is a regulatory concept which contains the assets on which a regulatory return is granted, as regulated by the CREG.

Extended RAB
Total of the RAB and other property, plant and equipment investments outside the RAB.

RCF
Retained Cash-Flow or FFO, less dividends paid. This ratio indicates the cash generated by operational activities, but after payment of the dividends. It thus shows the remaining net capacity of the group to reimburse its debts and to invest.

WACC
Weighted Average Cost of Capital, which reflects the authorised return on RAB under the regulation.

Fluxys Belgium consolidated income statement in thousands of €	31.12.2022	31.12.2021	Notes
Operating profit/loss	147,305	137,821	
Depreciations	168,051	173,993	
Provisions	-6,993	7,070	
Impairment losses	14,804	21	
Earnings from associates and joint ventures	0	0	
Dividends from unconsolidated entities	0	0	
EBITDA in thousands of €	**323,167**	**318,905**	

Fluxys Belgium consolidated income statement in thousands of €	31.12.2022	31.12.2021	Notes
Operating profit/loss	147,305	137,821	
Earnings from associates and joint ventures	0	0	
Dividends from unconsolidated entities	0	0	
EBIT in thousands of €	**147,305**	**137,821**	

Fluxys Belgium consolidated income statement in thousands of €	31.12.2022	31.12.2021	Notes
Financial income from lease contracts	56	60	
Interest income on investments, cash and cash equivalents	3,970	927	
Other interest income	83	30	
Borrowing interest costs	-39,292	-37,338	
Borrowing interest cost on leasing	-890	-983	
Interest on regulatory assets and liabilities	5,230	1,779	
Net financial expenses in thousands of €	**-30,843**	**-35,525**	

Fluxys Belgium consolidated income statement in thousands of €	31.12.2022	31.12.2021	Notes
Borrowing interest costs	-39,292	-37,338	
Borrowing interest costs on leasing	-890	-983	
Interest on regulatory liabilities	5,230	1,779	
Interest expenses in thousands of €	**-34,952**	**-36,542**	

Fluxys Belgium consolidated income statement in thousands of €	31.12.2022	31.12.2021	Notes
Operating profit/loss	147,305	137,821	
Operating revenue - Movements in regulatory assets and liabilities	456,225	-36,095	
Depreciations	168,051	173,993	
Provisions	-6,993	7,070	
Impairment losses	14,804	21	
Inflows related to associates and joint ventures	0	0	
Dividends from unconsolidated entities	0	0	
Net financial expenses	-30,843	-35,525	
Current tax	-35,730	-37,137	
FFO in thousands of €	**712,819**	**210,148**	

Fluxys Belgium consolidated income statement in thousands of €	31.12.2022	31.12.2021	Notes
FFO	712,819	210,148	
Dividends paid	-96,964	-96,262	E – consolidated statement of cash flows
RCF in thousands of	**615,855**	**113,886**	

Fluxys Belgium consolidated balance sheet in thousands of €	31.12.2022	31.12.2021
Non-current interest-bearing liabilities	1,115,772	1,162,091
Current interest-bearing liabilities	56,269	57,432
Other financing (current)	0	0*
Other financing (non-current)	0	0*
Other liabilities (current)	0	0*
Other liabilities (non-current)	0	0*
Cash investments (75%)	-19,585	-34,305
Cash and cash equivalents (75%)	-578,031	-275,198
Other financial assets (75%)	-80,625	-63,974
Net financial debt in thousands of €	**493,800**	**846,046**

*From 2021, the regulatory liabilities are presented as a separate line item on the balance sheet (including in the comparative figures). See note 1f of the annual report for further explanations.

Fluxys Belgium consolidated balance sheet in millions of €	31.12.2022	31.12.2021
Transmission	2,059,1	2,047.5
Storage	228,0	228.8
LNG terminalling	305,7	303.0
RAB in millions of €	**2,592,8**	**2,579.4**
Other tangible investments outside RAB	417,7	410.4
Extended RAB in millions of €	**3,010,6**	**2,989.7**

In Belgium, the Regulated Asset Base (RAB) is determined based on the average book value of the fixed assets for the period, plus essentially the accounting amortisations accumulated on the revaluation surpluses. The calculation is in line with the tariff methodology published by the CREG.

Welfare contribution in thousands of €	31.12.2022	31.12.2021	Notes
Dividends paid	96,264	96,262	D. Consolidated statement of changes in equity
Financial income	-4,589	-1,142	4.3
Financial expenses	40,805	38,375	4.4
Goods & consumables	5,582	3,422	4.2.1
Services & miscellaneous goods	465,521	146,348	4.2.2
Employee benefits	132,931	112,549	4.2.3
Taxes and duties paid	35,066	36,938	4.5.1
Lease agreements	5,641	5,874	4.2.5 & 4.4
Welfare contribution in thousands of €	**777,221**	**438,626**	

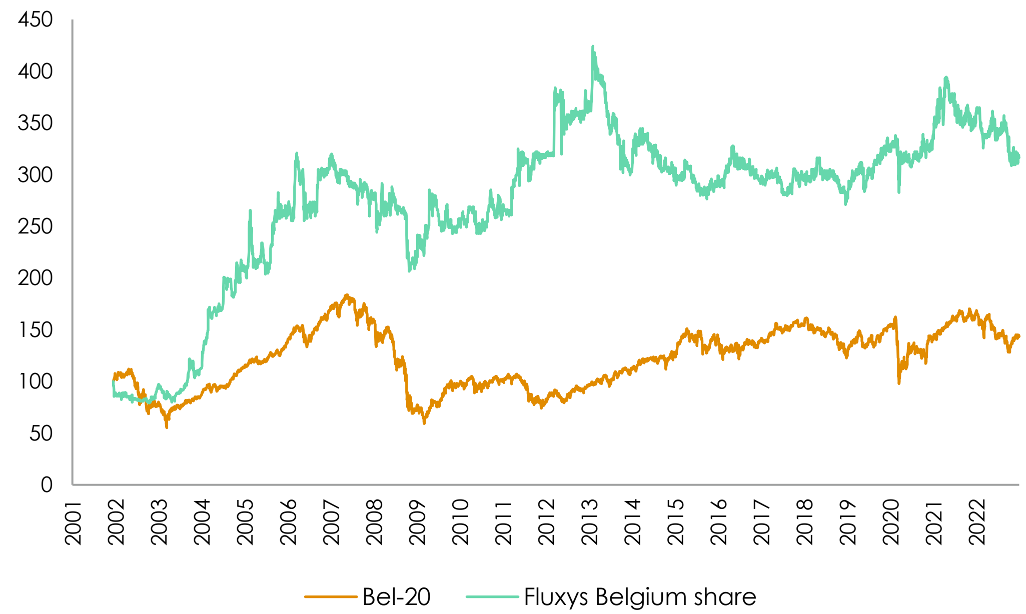
Shareholder's guide

Shareholder's calendar

09.05.2023	General Meeting
17.05.2023	Payment of dividend
28.09.2023	Press release from the Board of Directors on the half-yearly results in accordance with IFRS

Payment of dividend

The gross dividend per share amounts to €1.40 for the 2022 financial year (€0.980 net), compared to €1.38 (€0.966 net) for 2021. The recurring dividend is primarily determined on the basis of equity invested, the financial structure, the risk-free interest rates.



Evolution of Fluxys Belgium share price – BEL 20
(Share price 13-12-2001 = base 100%)